



PHILIP MORRIS INTERNATIONAL

Human Rights Roadmap

About PMI

Philip Morris International Inc. (PMI) is a leading international tobacco company with a diverse workforce of approximately 80,600 people across the globe. Our products are sold in over 180 markets and we operate 46 production facilities globally.

We are building our future on smoke-free products that are a much better consumer choice than continuing to smoke cigarettes. Through our multidisciplinary capabilities in product development, state-of-the-art facilities and scientific substantiation, we aim to ensure that our smoke-free products meet adult consumer preferences and rigorous regulatory requirements. Our vision is that these products replace cigarettes as soon as possible, to the benefit of adult smokers, society, our company and our shareholders.

For more information, see www.pmi.com and www.pmiscience.com

About This Roadmap

PMI's Human Rights Roadmap is the result of the work we've conducted to gain a better understanding on how can we continually respect human rights across our global business practices and supply chains. We invite everyone who has an interest in this area to provide us with feedback on our Human Rights Roadmap to sustainability@pmi.com

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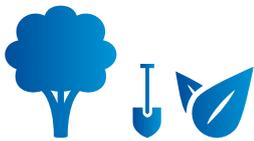
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About PMI

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In 2017, our products were sold in over 180 markets, and we operated 46 production facilities globally. We are building our future on smoke-free products that are a much better consumer choice than continuing to smoke cigarettes. Through our multidisciplinary, state-of-the-art capabilities in product development and scientific

substantiation of the reduced harm potential of our new products, we aim to ensure that our smoke-free products meet adult consumer preferences and rigorous regulatory requirements. Our vision is that these products replace cigarettes as soon as possible, to the benefit of adult smokers, society, our company and our shareholders.



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Raw materials and other supplies

Leaf	Other
<p>+350,000 Farmers contracted by PMI and our suppliers in 28 countries</p> <p>90% Of the tobacco we purchase is through direct contracts (by our leaf operations or our tobacco suppliers)</p> <p>2,800 Field technicians providing support to contracted tobacco farmers for GAP implementation</p>	<p>50,000 Suppliers worldwide</p> <p>13 Number of languages in which PMI's Responsible Sourcing Principles are available</p>



Manufacturing and business facilities

<p>80,600 Employees worldwide</p> <p>34.4% Of our employees at managerial level are women</p> <p>67% Employees covered by collective labor agreements</p> <p>4.9% Employee voluntary turnover</p>	<p>46 Manufacturing facilities globally</p> <p>31% CO₂e scope 1+2 reduction since 2010</p>
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R&D

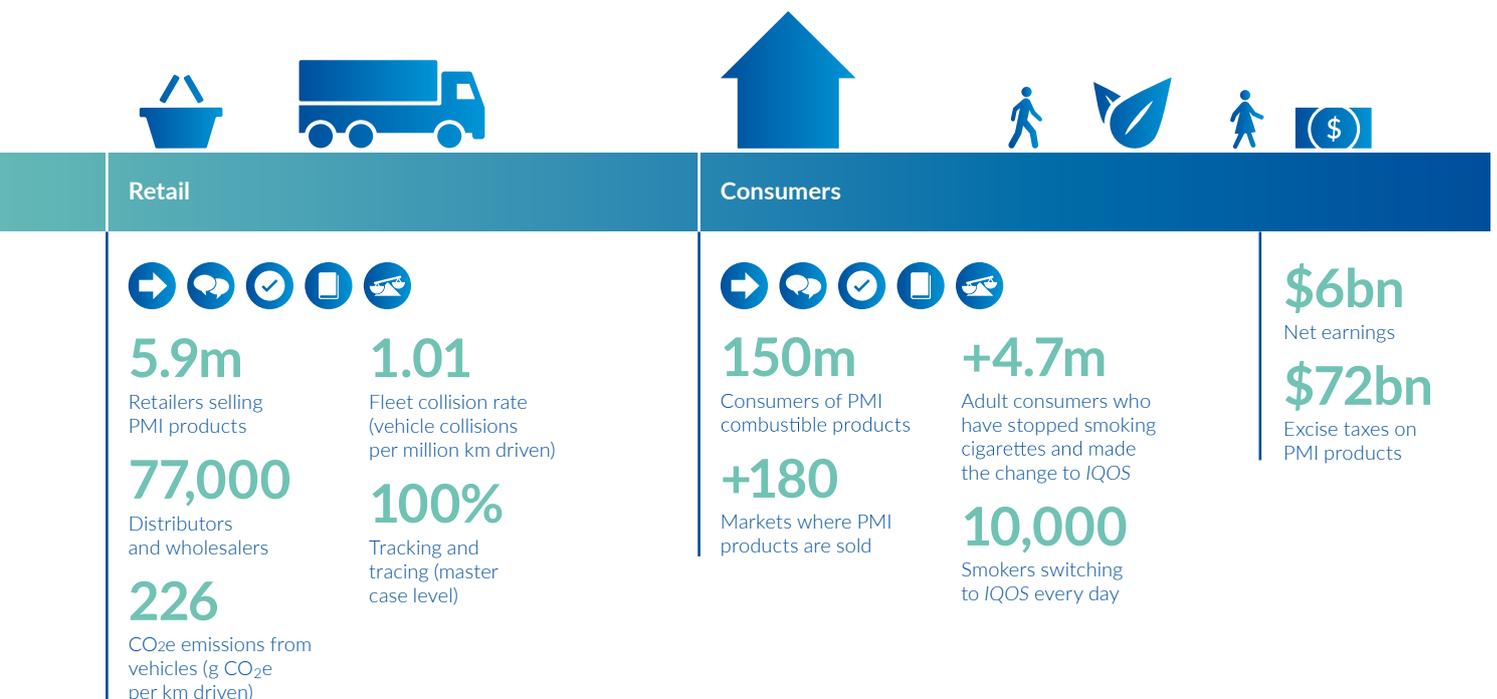
<p>2 Research facilities</p> <p>+400 World-class scientists, engineers and technicians hired to support our best-in-class R&D capability since 2008</p>	<p>74% Of our total R&D expenditure is dedicated to our smoke-free vision</p> <p>+2,900 Patents granted worldwide related to our smoke-free products</p>
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Creating value at PMI

For PMI, sustainability means creating long-term value while minimizing the negative externalities associated with our products, operations and value chain.

From the more than 350,000 farmers from which we source tobacco right up to the approximately 150 million consumers of PMI products, we have an important impact on the communities and the environment around us, which we are committed to address. We cannot achieve this alone.

The engagement beyond our own operations is key, as this is where the most significant impacts take place. While operating in a highly regulated environment, we strive to go beyond mere compliance to achieve a sustainable smoke-free future.



The policies and practices driving operational excellence across our value chain

- Good Agricultural Practices (GAP) & Agricultural Labor Practices (ALP)
- Animal welfare
- Marketing Principles Good Conversion Practices
- Responsible Sourcing Principles
- Conflict minerals
- Anti-diversion practices and tools
- Guidebook for Success (PMI Code of Conduct)
- Human Rights Commitment
- Engagement Principles

PMI and Respect for Human Rights

At PMI, respect for human rights throughout our operations and value chain is critical to our commitment to doing business responsibly. The United Nations Guiding Principles on Business and Human Rights (Guiding Principles)—which apply to all businesses, across all industries—are the touchstone of our Human Rights program.

Smoking cigarettes causes serious disease, and the best way to avoid the harms of smoking is never to start or to quit. Our responsibility starts with our products and how they're marketed to consumers. Our Code of Conduct (our "Guidebook for Success") and internal Principles & Practices, including PMI's Marketing Code, reflect our commitment to market our products responsibly to adult smokers, in compliance with applicable laws and to provide accurate information.

But much more can be done to reduce the health risks for men and women around the world who continue to smoke cigarettes.

Through groundbreaking research we have developed a range of smoke-free products that are a better choice for smokers and have the potential to significantly reduce health risks when compared to smoking. We have made it our core business strategy¹ to replace cigarettes as quickly as possible with smoke-free alternatives.

Honesty, respect, and fairness are the core values that embody our commitment to society. Every day we interact with millions of men and women: consumers, employees, workers in our supply chain, shareholders, and stakeholders in local communities.

We care about their dignity and human rights. From the farming of the tobacco leaves to the packs sold to consumers, we continuously strive to improve our practices with respect for rights-holders.

Our 2016 Sustainability Report² highlighted the importance of respect for human rights within our business strategy. Our first Human Rights Roadmap builds on that Report and presents the concrete steps we're taking to put our commitment to respect human rights across our operations and value chain into action.

¹<https://www.pmi.com/who-we-are/our-goal-and-strategies>

²https://www.pmi.com/resources/docs/default-source/pmi-sustainability/pmi_sustainability_report_2016.pdf?sfvrsn=143382b5_2

Respect for Human Rights

Our understanding of and actions to respect human rights throughout our global operations and value chain.

Public Health Policy and Research

Our role and proactive approach in supporting public health and harm reduction policies and research.

Product Innovation for Harm Reduction

Our continued recognition of the health impacts of our products, and the prioritization and investment in reducing or eliminating those impacts through innovation and development of products that can substantially reduce individual risk and population harm when compared to cigarettes.

Our Human Rights Commitment

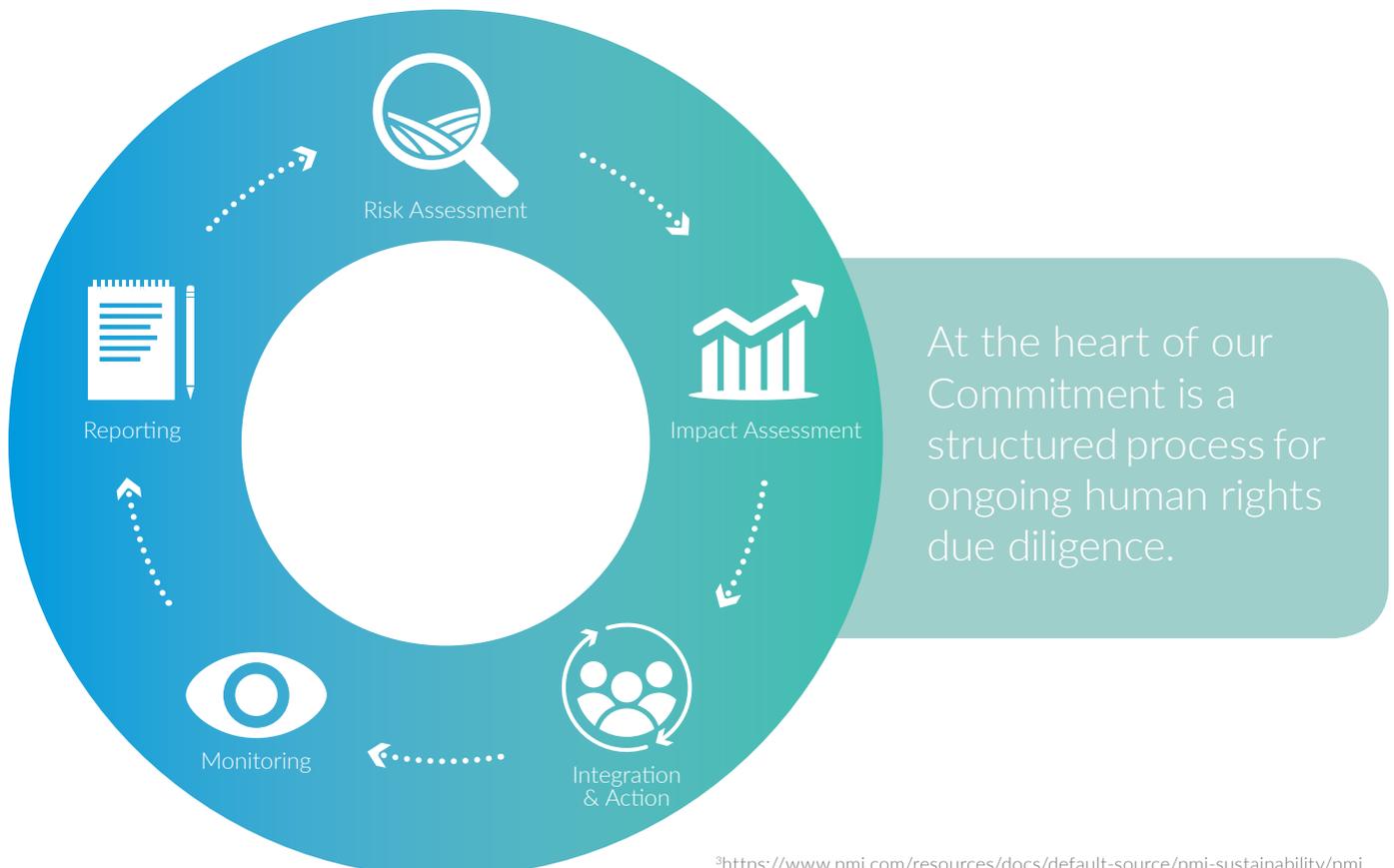
Our Commitment to Human Rights³ is the result of internal cross-functional discussions and consultations with several experts and institutions.

The responsibility to respect human rights applies in the various contexts where we and our business partners operate. We commit to conduct due diligence aimed at avoiding, mitigating, and remediating human rights impacts with which we are or may be involved. We are mindful that we may not always be able to address all adverse human rights impacts immediately as our operations and value chain run through diverse contexts and many tiers across the globe. But inaction is not an option. Implementing our Human Rights Commitment will be an iterative process that will require us to engage with all stakeholders, and to listen and learn to ensure continuous improvement.

We are committed to business practices that respect internationally recognized human rights in line with the United Nations Guiding Principles on Business and Human Rights. We base our commitment on the International Bill of Human Rights and the International Labor Organization's 1998 Declaration on Fundamental Principles and Rights at Work.

We will talk with and listen to people whose human rights we might affect. We will look closely at our practices, continuously strive to improve them, and operate systems to implement this commitment from supplier to consumer.

Figure 1: PMI's human rights due diligence process



³https://www.pmi.com/resources/docs/default-source/pmi-sustainability/pmi_sustainability_report_2016.pdf?sfvrsn=143382b5_2

Human Rights Roadmap

This Human Rights Roadmap is built on extensive internal engagement and consultation with experts in human rights, business partners and other stakeholders.

This process included a high-level, company-wide human rights risk mapping and gap analysis to look into PMI's group-level policies, procedures and practices. The research process and data-gathering incorporated document review, interviews with managers and senior-level employees from across the central organization, cross-functional workshops, and consultation with external stakeholders with expertise in labor and human rights. This initial analysis gave us a basic understanding of human rights risks in our operating context.

Drawing on this analysis, each function developed a human rights action plan focused on the most salient risks to rights-holders. This Roadmap consolidates the action plans from each of the functions at PMI to provide an overview of the activities we are undertaking to respect human rights in our business practices and across our supply chain, and to identify PMI's key areas of focus until the end of 2020.

We will update this Roadmap as we learn more about our gaps and areas for improvement. We will continue dedicating time and resources to meet these objectives and collaborating with external stakeholders who can help us improve the way we do business. We will continue to foster an open and constructive dialogue with all interested parties in this area and act in the best interest of rights-holders.

The Roadmap is geared towards four broad ends:

- i. Embedding a culture of respect for human rights throughout PMI, our affiliates, and our business partners;
- ii. Building a durable process for ongoing human rights due diligence across our operations and value chain;
- iii. Improving our grievance mechanisms; and
- iv. Disclosing and reporting on our progress in line with the Guiding Principles.

The following graphic (Figure 2) illustrates our approach to addressing gaps, improving our programs, and implementing new measures to respect human rights.

Figure 2: Our approach to respecting human rights



Embedding a Culture of Respect

The foundation of our Human Rights program is the commitment of PMI senior management to instilling a culture of respect for human rights across our operations, including through the establishment of a cross-functional Human Rights Core Team with responsibility for overall leadership and oversight of the Human Rights program.

This Team is focused on embedding the practical structure of our Commitment throughout our operations and value chain. As a first step to embedding sustainability into how we operate, we identified Sustainability Leaders for each function responsible for accelerating the implementation of the priorities set out by the Human Rights Core Team and building internal capability and capacity in their area of expertise, including on human rights.

1. Capacity Building

Our employees and business partners need to have a practical understanding of human rights risks and of our expectation to have PMI's Commitment embedded throughout our operations and value chain. We aim to achieve this through ongoing training on business and human rights, including:

- Training and practical case studies for the Human Rights Core Team to build their understanding and capacity to lead the implementation of our Human Rights program;
- Incorporating human rights into existing functional training programs, including concrete steps and actions expected from different functions;
- An awareness-raising campaign on sustainability for employees with practical content on expectations about our Human Rights Commitment; and
- Ongoing communication and engagement with suppliers to build their understanding of PMI's Responsible Sourcing Principles (RSP) and comprehensive Implementation Guidance.

2. Principles and Practices

Establishing a culture of respect for human rights requires further integration of our Commitment into our Code of Conduct (our "Guidebook for Success") and the accompanying Principles and Practices (P&P), which apply to all PMI employees and reflect our core values and culture of honesty, respect and fairness. Our P&P cover risk areas such as conflicts of interest, environment, health, safety and security (EHS&S), fiscal issues and trade (including anti-illicit trade), marketing and sales, workplace and labor practices, privacy protection, and anti-bribery.

a. PMI Principles and Practices: Gap Analysis and Revision

We are working on our internal P&P to address process gaps, and ensure human rights risks can be properly identified and addressed. This will include the following steps:

- Incorporating the Commitment into the Guidebook for Success;
- Reviewing the relevant P&P to identify (i) substantive gaps vis-à-vis specific rights, and (ii) process gaps vis-à-vis the Commitment;
- Revising the relevant P&P and supporting guidelines to fill substantive and procedural gaps practically and efficiently;
- Integrating human rights considerations into the Corporate Audit Protocol; and
- Conducting a pilot corporate audit to test the effectiveness of the new Protocol.

b. Responsible Marketing Principles and Good Conversion Practices for Smoke-Free Products

Smoking causes serious disease and is addictive, which is why we must always market our products responsibly, to adult smokers, in compliance with applicable laws, and with health warnings.

Our Marketing Code sets out minimum global standards that apply to all sales and marketing activities relating to combustible tobacco products. We apply these standards voluntarily when there is no applicable law or when the applicable law is less strict than our internal standards. Our Marketing Code is based on the following Responsible Marketing Principles:

- i. We market and sell our combustible tobacco products to adult smokers only;
- ii. We warn consumers about the health effects of our combustible tobacco products; and
- iii. All of our marketing must be honest, accurate, and transparent.

An Overview of PMI's Responsible Marketing Principles for Combustible Products, including our implementation approach and internal training requirements for employees, is publicly available (see our 2016 Sustainability Report,⁴ Annex 2, page 70). Our employees and sales agents on our behalf must engage in responsible sales and marketing practices.

As we have reported in various disclosures over the last two years, PMI is committed to a smoke-free future and our top priority is to develop and market smoke-free products that are a better choice for adult smokers than continued smoking, and which have the potential to reduce the health risks compared to smoking. However, smoke-free products are not risk-free: they contain nicotine and are addictive. Any communication with adult smokers about these products must be carried out responsibly, be truthful and not misleading, and be attuned to the local environment and applicable regulations. Our employees and third parties acting on our behalf must follow strict principles on the commercialization of smoke-free products, set out in our Good Conversion Practices⁵ and implemented wherever our smoke-free products are sold.

Our principles are the foundation for continuous improvement. With this in mind, moving forward we will continue working to:

- Review our marketing practices based on external stakeholder feedback;
- Review the relevant P&P to ensure they reflect specific and practical expectations based on our Responsible Marketing Principles for Combustible Products and Good Conversion Practices;
- Provide continuous training to Marketing and Sales teams and other relevant functions; and
- Review and strengthen our youth access prevention initiatives and programs, including those carried out in collaboration with wholesalers and retailers.

c. Responsible Engagement

Our Guidebook for Success and several P&P set out detailed standards for engaging with governments and public organizations or third parties, including communicating externally, making contributions or providing financial support to certain projects, giving and receiving gifts or providing or receiving entertainment to third parties, and recording and reporting such expenses.

In our 2016 Sustainability Report we provided an overview of our engagement principles (Annex 3, page 73).

Our focus is now to:

- Review relevant P&P to ensure they reflect specific and practical expectations after feedback from external stakeholders;
- Review our decision-making processes regarding our positions on proposed and adopted regulation of tobacco and nicotine products;
- Review our due diligence and monitoring processes to ensure that the engagement principles are followed; and
- Reinforce training on the Engagement Principles for our External Affairs departments.

⁴https://www.pmi.com/resources/docs/default-source/pmi-sustainability/pmi_sustainability_report_2016.pdf?sfvrsn=143382b5_2

⁵https://www.pmi.com/resources/docs/default-source/pmi-sustainability/pmi_sustainability_report_2016.pdf?sfvrsn=143382b5_2, page 24

Human Rights Due Diligence

In line with the Guiding Principles, due diligence is the cornerstone of our Human Rights program. Over the last several years, we have developed industry-leading due diligence processes for labor rights in our tobacco supply chain, EHS&S risks throughout our operations, and integrity risks across our value chain.

Our ambition is to scale up these processes in the years to come and develop new ones as needed to integrate due diligence processes covering all human rights risks across our value chain. This is a vast undertaking and will build on the existing, strong foundations already put in place across our organization.

1. Integrated Risk Assessment and Compliance Risk Briefs

To ensure practical implementation of our Commitment we intend to build on our existing processes where appropriate. Ongoing assessment of human rights risks is a particular focus. Here, we will incorporate human rights risks into our overall Integrated Risk Assessment and Compliance Risk Briefs with a new section dedicated to this topic, for use by management teams worldwide to anticipate compliance risks in PMI's core risk areas. Specific steps will include:

- Reviewing our Integrated Risk Assessment to identify human rights risks; and
- Updating the Compliance Risk Briefs to include a section on human rights risks.

2. Human Rights Impact Assessment

In addition to incorporating human rights risks into our Integrated Risk Assessment and Compliance Risk Briefs, we intend to conduct a pilot human rights impact assessment (HRIA) in collaboration with experts and in consultation with stakeholders. Through our HRIA we expect to gain higher awareness and a better understanding of the actual and potential human rights impacts at site level. The results will inform our approach moving forward as well as our program design and implementation. Steps will include:

- Selecting a respected third party or parties to assist us;
- Determining criteria and methodology for conducting an HRIA based on (i) representative operations, and (ii) the severity of risks to rights-holders;
- Conducting background research and engagement with internal and external stakeholders;
- Developing an assessment structure and key performance indicators (KPI);

- A ground visit or visits to engage with local stakeholders;
- Analyzing the results and recommendations based on existing PMI protocols, severity of risk/impact, involvement, and stakeholder concern;
- Developing an action plan to address risks and impacts identified through the HRIA; and
- Developing a protocol for future HRIsAs.

3. Human Rights in Our Workplace

a. People and Culture

We employ a multigenerational, diverse community of approximately 80,600 people worldwide.

In our 2016 Sustainability Report, we provided a detailed account of how we look at employment at PMI, our company culture, our approach to inclusion and diversity, and labor relations, as the foundations of sustainable business, and our ongoing efforts in the area of employee safety, health, and well-being.

With this in mind, our People and Culture team will also apply a human rights lens to the work being done to nurture an inclusive, safe and professional workplace by:

- Reviewing our People & Culture related P&P for alignment with our Human Rights Commitment and due diligence process;
- Publicly disclosing relevant People & Culture related P&P;
- Raising awareness and communicating to employees to enhance their understanding of human rights in the workplace;
- Building capacity centrally and in local People & Culture teams to identify, prevent and address adverse human rights impacts;
- Reviewing the existing Labor Relations Toolkit to incorporate human rights indicators; and
- Continuing to engage with local and global unions to ensure open and constructive dialogue about labor-related matters.

b. Health and Safety

PMI operates 46 manufacturing facilities across the globe. We have developed and implemented an industry-leading environmental and occupational health, safety, and security management system, which involves policies and procedures at all of our manufacturing centers. The centerpiece of this program is our front-line safety initiative, Mission Zero “Because We Care”, which reinforces the importance of safety beyond compliance. Safety remains one of the key pillars of our new ways of working across our operations, embedded as part of our manufacturing excellence program, known as OPEN+. Our focus in this area is to further improve our safety performance and continue to evolve our safety culture at PMI. Operational discipline, continuous gap assessments and scorecards will help to accelerate this progress.

Further actions will include:

- Expanding our Mission Zero “Because We Care” program beyond manufacturing to other PMI facilities;
- Launching new safety leadership workshops and tools, upgrading minimum requirements, and rolling out employee engagement activities across our affiliates;
- Facilitating safe driving and accident prevention through ongoing safe route planning systems, safe driving style and driving simulators, and innovative technology solutions (such as gamification and telematics); and
- Setting standards for central and local Health and Safety Committees as well as monitoring progress.

4. Human Rights in the Supply Chain

a. Responsible Sourcing

With a complex global supply chain come potential human rights risks that we need to understand, manage and continuously address. We are working with our business partners to proactively identify, manage and reduce risks, create mutual value, and have a positive impact on the wider communities where we source our tobacco and other raw materials for our products.

In 2017 we set the foundations for a more comprehensive and systematic approach to addressing supply chain sustainability through the development of a set of Responsible Sourcing Principles⁶ (RSP) and Implementation Guidance.

Developed in consultation with external experts on human rights and key suppliers, the RSP apply to all suppliers doing business with PMI and establish our expectations in the areas of human rights and labor rights, the environment, and business integrity.

Our next steps are:

- Developing and rolling out a comprehensive training program for our procurement and supply chain organizations using a two-fold approach: (i) compulsory e-learning tools for procurement staff and managers responsible for supplier management, and (ii) workshops on responsible sourcing to reinforce understanding of PMI’s RSP by key procurement personnel;
- Communicating the RSP and Implementation Guidance to individual suppliers with the goal to reach at least 90% of suppliers by spend;
- Integrating sustainability criteria into the selection process of new suppliers, together with training on how to apply these criteria;
- Implementing a system to support global supplier engagement, assessment and communication;
- Developing a tiered due diligence process to assess supplier compliance based on KPI. These will include desk review, self-assessment, stakeholder feedback and onsite assessment; and
- Identifying third parties to conduct and pilot the assessment process with a select group of suppliers.

⁶https://www.pmi.com/resources/docs/default-source/pmi-sustainability/responsible-sourcing-principles.pdf?sfvrsn=15c19ab5_14

b. Tobacco Supply Chain

Our efforts to date have concentrated largely on addressing labor and other risks in the places where we source tobacco. Our Agricultural Labor Practices (ALP) program⁷ is mandatory for all farmers contracting with PMI or our suppliers. In 2016 PMI and our suppliers contracted with approximately 350,000 tobacco farmers worldwide.

The ALP program was developed with the help of Verité, a leading non-profit organization specializing in labor and human rights issues, in the wake of stakeholder concerns about risks to rights-holders in our tobacco supply chain. Our commitment is to progressively eliminate child labor and other labor abuses, and to achieve safe and fair working conditions on all farms where we and our suppliers source tobacco.

The ALP program is one of the pillars of our broader Good Agricultural Practices (GAP) program, which helps farmers maximize production, grow better quality tobacco, and generate higher income while minimizing the impact of tobacco farming on the environment.

Our affiliates and suppliers contracting tobacco farmers for PMI are committed to implementing the ALP program and ALP Code⁸ in a diligent and transparent manner, and to working with us and farmers to continuously improve living and working conditions on farms.

We also collaborate with other actors in our tobacco supply chain, including government and other stakeholders, to improve underlying systemic causes present in the agricultural sector.

Our approach consists of clear principles, measurable standards, and due diligence at the farm level. Control Union Certifications (CU) conducts country-specific assessments which we disclose on pmi.com with action plans to address findings.⁹

Building on the progress made since 2011, we will:

- Continue the implementation of the ALP program on all farms where tobacco is sourced for PMI products, with particular focus on strengthening data management, farm-level monitoring, performance indicators and targets, on addressing risks to vulnerable groups such as migrant workers, and on reporting on progress;
- Complement initial third-party assessments with additional follow-up assessments designed to evaluate the implementation of supplier action plans to address findings and areas for improvement identified by CU, and to assess changes on farms over time;
- Manage the changes in our tobacco supply chain that are the result of the decrease in demand for combustible cigarettes and the specific tobacco leaf requirements for our emerging smoke-free products. As our overall demand for tobacco leaf volume gradually decreases, we will strengthen our focus on crop diversification to enhance the long-term sustainability of farms and farming communities. This will include:
 - Crop diversification as an alternative means of income generation;
 - Promotion of food security through cultivation of food crops;
 - Improving access to water to support farmers transitioning to other crops;
 - Improving the resilience of local communities; and
- Continue using GAP performance as part of our business decisions to continue or discontinue contractual relationships.

⁷https://www.pmi.com/resources/docs/default-source/pmi-sustainability/gap-principles-and-ms.pdf?sfvrsn=1501b0b5_2

⁸https://www.pmi.com/resources/docs/default-source/pmi-sustainability/alp-code9a7cd8bc6c7468f696e2ff0400458fff.pdf?sfvrsn=908b0b5_0

⁹<https://www.pmi.com/sustainability/good-agricultural-practices/upholding-labor-rights-on-the-farms>

c. Electronics Supply Chain

The commercialization of our smoke-free products means a whole new supply chain – electronics – which presents its own challenges and risks. Electronics suppliers are new business partners to PMI, often in geographies (mainly China and Southeast Asia) where PMI has not previously done significant procurement of direct materials and where human rights issues have been flagged in the recent past. The fast-growing nature of this part of our business means that new suppliers are being continuously added to our electronics supply chain, particularly at tier two level and below.

We are working with Verité, an organization with expertise in the social issues associated with electronics manufacturing in Southeast Asia and China. Together, we've been working to identify strengths and gaps in our suppliers' systems and to understand the living and working conditions of workers, particularly foreign migrant workers who make up a significant percentage of our suppliers' labor force.

Our focus is now to:

- Conduct risk-based due diligence in our electronics supply chain with Verité's support;
- Continue working with a key supplier on an action plan following a comprehensive assessment of their labor and environmental management systems;
- Follow-up on the audit conducted with a second supplier based on our Responsible Sourcing Principles and industry standards;
- Develop a heat-map of the supply chain for IQOS, our signature smoke-free product, to identify human rights risk down to fourth-tier suppliers;
- Establish a monitoring and audit system for specific groups of suppliers, including manufacturers and suppliers of IQOS accessories; and
- Continue to conduct conflict minerals due diligence.

5. Security

PMI's security footprint is relatively small in the context of our global operations. But the rights at stake are significant. In 2017, we reviewed and communicated our Security program, which included specific provisions on respect for human rights developed in consultation with external experts. The new requirements of our Security program in relation to human rights were included in PMI's EHS&S related Compliance Risk Brief 2017-2018, which was communicated to Managing Directors and EHS&S staff from all affiliates worldwide. These include the following requirements:

- i. PMI security employees are not allowed, under any circumstances, to use coercive means or to carry or use any weapons, including firearms;
- ii. Third parties must commit to relevant, respected protocols such as the International Code of Conduct Association (ICoCA) or ISO 18788 (the standard on management systems for private security operations). If this is not possible, service providers are required to commit to the Voluntary Principles on Security and Human Rights; and
- iii. Local security managers must develop a plan to assess compliance with Security program requirements.

We will review our Security program on a yearly basis to monitor implementation, including the provisions related to human rights. We are now undertaking further steps to strengthen our visibility into and capability to identify and address security-related human rights risks, including:

- Reviewing P&P related to security against the Commitment;
- Mapping different security operations (e.g. factories, offices, distribution centers, transportation routes);
- Developing a heat-map of risks to rights-holders by type of operation;
- Prioritizing high-risk locations and operations for immediate protocol assessment and training;
- Developing and testing protocols for selection and prioritized assessment of security providers; and
- Adding training and capacity building requirements to the job descriptions of local and regional security managers and developing and rolling out training on human rights for all PMI security employees.

Grievance Mechanisms

We believe that a strong culture of doing business with integrity is achieved in part through a diligent and fair investigation process for suspected misconduct and the provision of rights-compatible remedies. We have a Compliance Helpline available to anyone working at PMI, 24 hours a day, seven days a week, in all languages spoken across our company.

Providing access to effective grievance mechanisms in line with the Guiding Principles is a core element of our approach. We believe that everyone in our supply chain should also have the appropriate means to voice concerns and seek help if they need it. That's why we strongly support a culture of speaking up and ask our suppliers in our RSP to provide workers with easily accessible means to raise their concerns and to protect them from retaliation. Properly implemented, such mechanisms are one of the most efficient methods for ongoing due diligence and effective remediation. As we move forward, we will continue looking at ways to provide access to grievance mechanisms for rights-holders throughout our operations and supply chain.

Key steps will include:

- Mapping all stakeholders potentially affected by PMI operations, products and services;
- Conducting a gap analysis of available grievance mechanisms, including technical infrastructure, against the Guiding Principles' effectiveness criteria for operational-level grievance mechanisms and the interests of affected stakeholders;
- Mapping the range of grievances different stakeholder groups might raise via a grievance mechanism; and
- Exploring grievance mechanism options for affected stakeholders based on context and risk.

Disclosure and Reporting

Transparency is a cornerstone of the work we do in the field of labor and human rights.

We will disclose progress about our work on our Human Rights Commitment, and the KPI we are using to assess our performance in our Sustainability Reports, published annually. We will continue to communicate regularly on our efforts and to inform key stakeholders. We hope our approach to transparency boosts collaboration both within and outside our industry in the best interests of rights-holders.



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