

PMI's commitment to the Responsible Business Alliance

As an Affiliate Member of the Responsible Business Alliance (RBA), Philip Morris International (PMI) fully supports the vision and goals of the RBA. PMI commits to progressively implement in its global operations with the provisions of the RBA Code of Conduct and to support and encourage our first-tier suppliers to do the same. PMI has a significant global supply chain, and our approach to sustainable supply chain management includes a set of Responsible Sourcing Principles (RSP), which define expectations for our suppliers, as well as their suppliers. We have embedded sustainability into every aspect of our business and that includes in our supply chain management, working closely with our suppliers to create sustainable value. In all this, our guiding principle is the safeguarding of human rights of those impacted by our operations.

RBA's Code of Conduct "establishes standards to ensure that working conditions in the electronics industry, or industries in which electronics are a key component, and its supply chains are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically."

Wherever possible, PMI will seek to align our operations with the RBA approach and tools in practical ways in the spirit of the industry's common goals.

Our business model relies on securing high-quality materials and services from suppliers who are known to us and who adhere to our environmental, social, and governance (ESG) requirements. We recognize that most of our sustainability impacts lie within our supply chain and that we must manage them responsibly and to be able to secure resources responsibly over the longer term. Our risk-based approach means we focus on the most important issues while also supporting efficiency gains, strengthening regulatory compliance, and helping prevent reputational risks.

We aim to continuously improve our practices with respect to identifying and addressing risks and impacts to "rights holders" across our operations and supply chain, including by securing our supply of raw materials in a responsible way. We aim to address our adverse impacts and maximize our opportunities to drive positive change for people across our value chain. Our goals and progress can be found in our PMI Integrated Report 2019 and on our website.

We fully support a coordinated and consistent industry approach to improve working and environmental conditions through leading standards and practices. At PMI we are committed to play our part to achieve measurable, tangible improvements in our supply chain, counting on the commitment and support of our suppliers to continuously improve sustainability performance. Through RBA's shared approach, we hope to focus our efforts more efficiently to build positive social and environmental change, build our supply chain capabilities in social responsibility and learn from a process that solicits feedback from stakeholders.

For more information on RBA please see here: Responsible Business Alliance formerly the Electronic Industry Citizenship Coalition