



HUMAN RIGHTS COMMITMENT

OUR COMMITMENT TO HUMAN RIGHTS

Protecting and promoting the rights of our stakeholders is paramount to Philip Morris International Inc. (“PMI” or the “Company”). As a global company, we work on respecting human rights within our organization and across our value chain, taking a systematic approach following the United Nations Guiding Principles on Business and Human Rights.

While PMI is widely known as a cigarette company, in 2016 it announced its new purpose: to deliver a smoke-free future by focusing its resources on developing, scientifically substantiating, and responsibly commercializing smoke-free products that are less harmful than smoking, with the aim of completely replacing cigarettes as soon as possible.

As expressed in PMI’s [Statement of Purpose](#), in the process of transforming its business, the Company has expanded its social, human, intellectual, and manufactured capital in ways that allow it to go a step further, moving from a value proposition centered on doing less harm toward one where it can seek to have a net positive impact on society. PMI is now actively working to expand its purpose and evolve into a broader lifestyle, consumer wellness and healthcare company, extending its value proposition and innovative capability to commercialize products that go beyond tobacco and nicotine.

Sustainability stands at the core of PMI’s transformation and helps address some of the challenges resulting from the transition, while spurring innovation and better positioning the company for success over the long haul.

Jacek Olczak
Chief Executive Officer



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OUR COMMITMENT TO RESPECT HUMAN RIGHTS

We are committed to business practices that respect internationally recognized human rights and we uphold the principles as enshrined in the United Nations Guiding Principles on Business and Human Rights. We commit to respect the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights) and the International Labor Organization's 1998 Declaration on Fundamental Rights and Principles at Work, and to endorse the OECD Guidelines for Multinational Enterprises as well as the OECD Due Diligence Guidance for Responsible Business Practices.

We seek to engage with relevant rightsholders, by including them in the development and/or monitoring of our approach to human rights. We will look closely at our practices, continuously striving to improve them, and operate systems to implement this commitment throughout our entire value chain, from supplier to consumer, to maximize positive impact.

We have a large and diverse supply chain, and we recognize the critical role our suppliers play in helping us to source responsibly and sustainably. Our Responsible Sourcing Principles and our Agricultural Labor Practices Code set out our expectations with regards to the respect for the human rights, including labor rights, of the workers in our supply chain. We expect our suppliers to commit to respecting human rights and uphold the below principles.

OUR BASIC PRINCIPLES

Honesty, respect, and fairness are the core values that embody our commitment to society. Every day, we interact with a broad range of stakeholders, including, but not limited to, our consumers, employees, regulators, supply chain partners, civil society, and shareholders. We care about their dignity and human rights. We also recognize that some groups may be at greater risk of adverse human rights impacts due to their vulnerability or marginalization, such as women, children, and migrant workers, and also risks for those who speak up about

human rights concerns. We will prioritize efforts to engage with these groups and address relevant risks.

We operationalize our commitment to respect human rights through the following foundational principles. These principles are the result of our latest saliency mapping, sustainability materiality assessment, our on-going due diligence activities, and the evolution of our company's sustainability strategy.

Anti-Bribery

Bribery is unacceptable at PMI. We have policies in place that prohibit bribery or the facilitation of bribery or other corrupt practices in any form.

Child Labor

The use of child labor, including the worst forms of child labor, is unacceptable at PMI. We follow ILO Conventions No. 138 on Minimum Age and No. 182 on the Worst Forms of Child Labour. We are committed to identifying any form of child labor in our operations and value chain and will act to prevent, mitigate and cease such practices.

Conflict Minerals

We commit to the responsible sourcing of minerals used to make our technology products and, in particular, the responsible sourcing of tin, tantalum, tungsten and gold. We acknowledge that addressing the most entrenched human rights impacts related to conflict minerals is a shared responsibility, often requiring industry-wide and multi-stakeholder programs available in the industry.

Data Privacy

We are responsible for protecting the personal data we collect and use. Managing personal data in a transparent and secure way is key to helping us meet our objectives in an increasingly interconnected and technologically complex world. We operationalize this commitment through our [Global Privacy Program](#), internal policies and privacy notices.

Diversity, Equity, Equality and Inclusion

We are committed to building an inclusive



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culture and workplace reflective of the world's diversity. We operate policies that do not tolerate discrimination, harassment, or behavior that is offensive, demeaning, or abusive. Equal pay for equal work is a basic human right and represents the very minimum standard of equality at PMI and we've confirmed that our actual pay practices match our good intentions with PMI's Global EQUAL-SALARY Certification.

Environmental Stewardship

We recognize the right to a healthy environment, well managed and maintained as close as possible to its natural state for people to benefit from ecosystem services that are key to human life. Through our environmental programs we will prioritize further integration of human rights in an effort to address climate change both for risk mitigation and adaptation measures. Our sustainability programs aim at minimizing negative impacts on nature focusing on environmental emissions and the use of resources to support ecosystem integrity, in line with science-based targets that are the fundamentals of our approach. In our value chain, local communities and stakeholders such as our contracted farmers are key to our targets.

Forced Labor and Modern Slavery

The use of forced labor or any form of slavery, is unacceptable at PMI. We are committed to identifying any form of forced labor or modern slavery in our operations and value chain. We will act to prevent, mitigate and cease such practices, including requiring workers to pay recruitment fees or deposits, the retention of worker identity documents, the withholding of wages, and deceptive recruitment practices.

Freedom of Association and Collective Bargaining

We respect the right of employees to form or to join a trade union or other form of representative organization. We recognize their right to collective bargaining through representatives who can communicate openly about working conditions without fear of retribution.

Land Rights

Indigenous communities are the custodians of the ecosystems that provide for their livelihoods and are at the basis of the economic system that we are all part of. We recognize the importance of the respect of land rights to local communities. We commit to respecting the United Nations Declaration on the Rights of Indigenous Peoples, and the Free Prior Informed Consent (FPIC) principle in all PMI's project activities that encompass significant land transformation especially when it is linked to communities' land rights. We strive to include in our policies and implementation procedures meaningful engagement and protection mechanisms covering land rights for all potentially affected persons and communities.

Marketing Practices

We have strict quality control and marketing standards in place for both our smoke-free as well as combustible products. Our products, and marketing and sales activities, are not meant for minors, people who do not already smoke or who do not already make use of smoke-free products.

Working Conditions

We pay our employees fairly, at a level sufficient to meet their basic needs and enable the generation of discretionary income. Wages meet the minimum legal standards or, where there are no such standards, appropriate industry benchmarks. We do not tolerate wage deductions as a disciplinary measure.

Working hours comply with each country's legal standards. They should be reasonable and allow for sufficient rest.

We provide a safe and healthy work environment for employees and contractors, to prevent accident and injury and support mental well-being. We identify, evaluate and control occupational health and safety hazards. We recognize that there are higher risks of health and safety hazards in some workplace contexts, such as manufacturing facilities, transportation, and security, and we prioritize efforts to address these risks.



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IMPLEMENTATION AND GOVERNANCE

We are committed to a systematic and rights-based approach to our human rights due diligence and governance, continuously building on the policies and processes that we have successfully operated for many years.

Our Human Rights team sits within the Operations department and works cross-functionally to lead the implementation of our human rights commitment. This team follows the United Nations Guiding Principles on Business and Human Rights, in the coordination of activities and setting of priorities, so as to prevent, mitigate and cease potential or actual adverse human rights impacts. As the global context changes and our business transforms, we will review our salient impacts and update our commitment when necessary. We commit to focus on the following:

- *Capacity building* for our employees and business partners to understand, respect, and implement our human rights commitment.
- *Assessments to identify human rights risks and adverse impacts*, which we may request third parties to conduct, either on a stand-alone basis or as part of the company's overall integrated risk assessment.
- *Effective action in response to assessment findings in our operations* and, to the extent possible, throughout our value chain. Actions might include practical guidance, process improvements, revised commercial terms and other measures. We also seek to join forces and partner with stakeholders to address shared challenges.
- *Monitoring effectiveness of measures*, including through third parties as appropriate, to incorporate learnings and prevent, mitigate and cease human rights risks and adverse impacts.
- *Reviewing and adapting*, including with regard to changes in our activities such as new markets or mergers or acquisitions, or changes to the external environment impacting the risk landscape.
- *Transparent, external communication* about our work on our commitment to human rights and the key indicators we are using to track and assess our performance in addressing human rights impacts. We will formally report on progress at least once per year.

PREVENTION AND REMEDIATION

We acknowledge our responsibility to conduct due diligence and remedy under the United Nations Guiding Principles on Business and Human Rights. We are committed to implementing due diligence processes in our own activities and value chain in order to prevent, mitigate or cease, potential or actual adverse impacts on human rights. Wherever adverse human rights impacts occur, we will strive to ensure affected individuals have access to effective remedy.

GRIEVANCE MECHANISMS

Listening to the concerns and suggestions of rightsholders is essential to understand and address our human rights impacts. We encourage everyone to speak up and raise concerns relating to any potential violations of this policy. We do not tolerate retaliation against those that raise concerns, nor do we tolerate threats, intimidation, physical or legal attacks against human rights defenders. We provide grievance mechanisms that are in line with the United Nations Guiding Principles on Business and Human Rights and encourage our business partners to do the same. We will promote awareness of our grievance channels, including within our value chain.

RELATED DOCUMENTS

This human rights commitment is put into operation by PMI's Code of Conduct, our Responsible Sourcing Principles as well as by our Agricultural Labor Practices Code.

For further information on our important work in this area and on our transformation journey, see www.pmi.com.