

## Strategic Cooperation with Verité

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### **PMI announces strategic cooperation with Verité to improve working conditions in tobacco growing worldwide**

May 9, 2011

Philip Morris International (PMI) today announced a strategic cooperation with [Verité](#), an International NGO specialized in fair labor issues, to collaborate on programs to improve the conditions for workers on tobacco farms where tobacco is purchased for PMI products around the world. Verité will act as a strategic global partner providing assistance on a range of areas, including the worldwide implementation of an agricultural labor practices code, development of tailored training materials, external monitoring and support to key country-specific projects.

### **Verité reports on working conditions on tobacco farms in Kazakhstan**

Verité today released its first report within this new strategic cooperation. The report, commissioned by PMI, assesses labor conditions on tobacco farms in Kazakhstan and presents Verité's independent findings and recommendations regarding the adherence to PMI's policies and practices related to child labor, forced labor, migrant labor abuse and other labor issues in tobacco growing.

"We are pleased with the progress that has been made in Kazakhstan" said Martin King, Senior Vice President Operations, "but as Verité's report shows, many challenges remain. In Kazakhstan and elsewhere, PMI is committed to work with governments, NGOs, farmers, workers and other stakeholders to progressively eliminate child labor and other labor abuses in tobacco farming. That's what our cooperation with Verité is about, and we are very grateful to be working with such a skilled and experienced partner."

[View Verité's report on "Farm Level Assessment of Adherence to PMI GAP Standards in Kazakhstan – May 2011"](#)

### **Agricultural Labor Practices Program**

PMI is committed to achieving safe and fair working conditions on all farms from which it sources tobacco and to progressively eliminate child labor and other labor abuses where they are found. To support this objective, we announced in 2010 that we would commence a review of our agricultural labor policies and practices. We have started, together with Verité, to implement a comprehensive program to improve labor practices in our tobacco growing supply chain. The main components of this program are:

### **Agricultural Labor Practices Code**

We have developed an Agricultural Labor Practices Code which establishes principles and standards that PMI expects to be met on all farms where tobacco is purchased for our products by us or our suppliers. It has seven key elements:

- There shall be no child labor.
- Workers shall not work excessive or illegal work hours, and income earned during a pay period or growing season should always be enough to meet workers' basic needs and should be of a sufficient level to enable the generation of discretionary income.
- Farmers shall ensure fair treatment of workers. There shall be no harassment, discrimination, physical or mental punishment, or any other forms of abuse.
- All farm labor must be voluntary. There shall be no forced labor.
- Farmers shall provide a safe work environment to prevent accidents and injury and to minimize health risks. Accommodation, where provided, shall be clean, safe and meet the basic needs of the workers.
- Farmers shall respect workers' rights to freedom of association and to bargain collectively.
- Farmers shall comply with all laws of their country relating to employment.

[View PMI's Agricultural Labor Practices Code.](#)

The Code is based on international conventions such as the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

We are currently testing the code in several countries and will subsequently roll this out to all countries where we source tobacco. The code will form part of our broader Good Agricultural Practices (GAP) program. [More about our GAP program.](#)

### **Training Programs**

We have developed and will be conducting tailored training programs with our tobacco crop professionals, our suppliers, farmers and workers on the many issues related to agricultural labor practices and to equip them with the knowledge and skills to achieve compliance with the code.

### **Third-Party Assessments**

An important component of our Agricultural Labor Practices program is external third-party assessments to monitor the progress we, our suppliers and farmers make in improving labor conditions and compliance with our code. We will continue to publish reports of that third-party monitoring on [our internet site](#). In addition, we will regularly publish updates on the overall progress we are making.

### **Stakeholder Outreach**

Throughout the process, we have sought the advice of non-profit organizations with expertise in the area of fair labor practices, both at a local and international level. These consultations enable us to consider the views and inputs of a diverse range of stakeholders and provide us with assurances that we are adopting the most effective approaches to address child labor and other serious issues concerning the working conditions of tobacco farm labor.

In recognition that many labor issues are complex requiring integrated support of all of the stakeholders we are continuing to fund charitable programs in partnership with governmental and non-governmental organizations. Our contributions are focused on the core societal issues that are recognized to be drivers of labor problems such as child labor.

Eliminating child labor and other labor abuses requires the serious and lasting commitment from everyone in the supply chain as well as governments and other stakeholders. Concerted efforts are needed, particularly in regards to implementing long-term sustainable solutions addressing underlying systemic issues, such as poverty and lack of access to education. We will work hard to do our part, and are committed to engage with all relevant stakeholders for developing and implementing long-term solutions.

### **About Philip Morris International Inc.**

Philip Morris International Inc. (PMI) is the leading international tobacco company, with seven of the world's top 15 brands, including *Marlboro*, the number one cigarette brand worldwide. PMI's products are sold in approximately 180 countries. In 2010, the company held an estimated 16.0% share of the total international cigarette market outside of the U.S., or 27.6% excluding the People's Republic of China and the U.S. For more information, see [www.pmi.com](http://www.pmi.com).

### **About Verité**

[Verité](#) is a global, independent, non-profit strategic consulting, training, social auditing, and capacity building organization with a mission to **ensure that people worldwide work under safe, fair and legal working conditions**. Since its inception in 1995, Verité has partnered with hundreds of multinational brands and other non-governmental organizations to improve working conditions and the overall social impact of global supply chains. Verité is recognized as a leader in the field of supply chain social responsibility for its in-depth assessments and for its innovative approach to achieve improved working conditions through alignment of management systems with empowerment of workers.