<u>PMI comment submitted on Wednesday, June 20th 2018 regarding living and working conditions in</u> tobacco fields in Nayarit, Mexico:

"Last season, PMI together with our supplier, farmers, NGOs, local authorities and indigenous leaders made important changes to improve working and living conditions for 5,000 workers and their families on farms supplying PMI in Nayarit. 99% of farms got onboard with our efforts to ensure workers do not sleep in the fields or work after dark, and housing and field conditions were monitored by our supplier and a local NGO. As regards safety and conditions in the fields, there were significant improvements in terms of resting and lunch areas, toilet facilities, and access to drinking and washing water on the vast majority of farms. To further mitigate the risk of children being present in the field, we extended the schedule and capacity of five operating daycare and educational centers." -Miguel Coleta, Director Sustainability, Philip Morris International

NOTE TO THE EDITOR:

The efforts undertaken by PMI and our supplier, *Tobacos del Pacifico Norte*, together with third parties and key stakeholders, were particularly focused on ensuring workers have safe conditions, do not stay in the field, and can maintain their income without working excessive hours. These are described in our <u>latest Sustainability Report (pp. 50-51)</u>.

With the harvest season drawing to a close, our affiliate organized a public event on May 9th at one of the childcare and educational centers (CAEIs) to present the efforts undertaken this season and their results. The event gathered all parties involved in the season's efforts, local authorities, and over 150 workers and their families. Local and national media also attended and we extended an invitation to The Guardian's local representative as we learned about your specific interest.

Results include:

- 99% of the 645 farms contracted by our supplier implemented our initiatives and the six farmers who failed to implement the required changes will not have their contracts renewed next season.
- On living conditions, 98% of farmers provided accommodation to villagers surrounding the tobacco fields, and the conditions were monitored by our supplier and a third party NGO, *Fundacion Mexicana de Apoyo Infantil*, who also monitored conditions in the field.
- Monitoring showed that over 85% of farms significantly improved conditions in the fields providing a separate shaded area for rest and lunch, toilet facilities, and drinking water. Availability of water in the fields for washing is still a key area for improvement in around half of the farms though water for domestic use was available in the housing provided this season.
- Indigenous workers arrive for the season with their families. To minimize the presence of children
 in the fields we supported the five operating childcare and education centers (CAEIs) to extend
 their opening hours and increase their capacity to accommodate the maximum number of
 children. These CAEIs are run by a local NGO, *Desarrollo Rural de Nayarit*, and provide education,
 nutrition and medical services for the children of the migrant families aged 1 ½ to 14 years. During
 peak season, these CAEIs attended 450 children per day, picking them up in the morning when
 their parents arrive at the field and returning them to their families at the end of the day
- PMI will continue this effort with our suppliers and other stakeholders to prepare for improvements next season ensuring farmers plan in advance who will come to work on their

farms so that housing conditions can be further improved and childcare support for families can be organized to further minimize the presence of children in the field.

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