

# Philip Morris International: Our Commitment to Human Rights



## Background

We've been in the cigarette business for most of our history since Mr. Philip Morris opened a shop in London in 1847.

Ever since, we've been adapting to changes that affect our business. But the most fundamental change is yet to come: for many years we have invested in research and development of less harmful alternatives to cigarettes. Today, we can offer to those who continue to smoke a range of smoke-free products that extensive investigation shows to be a better choice than continued smoking. And we've made it our core business strategy to develop, market, and sell smoke-free alternatives, and switch adult smokers to these alternatives, as quickly as possible around the world.

Clearly, our vision of a smoke-free future does not replace or fulfil our responsibility to respect human rights. We became a signatory to the United Nations Global Compact in 2015 and we are taking a more systematic approach to human rights following the United Nations Guiding Principles on Business and Human Rights.

## Our Basic Principles

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 the communities in which we live and operate. We care about their dignity and human rights.

In all these interactions, we have been focusing for many years on principles that complement our human rights commitment and to which we remain committed:

### Our Products

Smoking causes serious disease and is addictive. We have strict quality control and marketing standards for our conventional and smoke-free products. We only market and sell them to adults. Our products, and marketing and sales activities, are not meant for minors, people who don't smoke or who don't use smoke-free products.

### Forced Labor

Forced or trafficked labor is unacceptable. We are committed to identifying any form of modern slavery in our operations and value chain and will act against such practices as are identified, such as forcing workers to pay recruitment fees, confiscating their personal papers, and deceiving workers during recruitment.

### Child Labor

The use of child labor is unacceptable. We are committed to identifying any form of child labor in our operations and value chain and will act against such practices as are identified.

### Treatment of Workers

We pay our employees fairly. We provide a safe and sanitary work environment to prevent accident and injury. We identify, evaluate and control occupational health and safety hazards.

## Our Commitment to Respect Human Rights

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.

### Freedom of Association

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

### Diversity and Inclusion

We promote a diverse and inclusive organization. We operate policies that do not tolerate discrimination or behavior that is offensive, demeaning, or abusive. We apply policies and standards in order to make personnel decisions on the merits – without regard to ethnicity, religion, national origin, socio-economic status, family status, age, disability, gender, sexual orientation, gender expression, political opinion, or similar status.

### Environmental Stewardship

We will continue to seek to anticipate and adapt to changing environmental conditions and sustainable practices. We have programs in place to minimize the impact on natural resources and environmental emissions, to prevent pollution, and to reduce our carbon footprint in line with science-based targets.

### 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.

### Anti-Illicit Trade

We monitor our sales activity to ensure that our products go to their market of intended destination in compliance with fiscal laws. We take measures to guard against counterfeit, contraband and money laundering and work with enforcement agencies to stop illegal sales of our products and illegal use of our trade marks.

## Implementation and Governance

We are committed to a more systematic and rights-based approach to human rights, building on the policies and processes that we have successfully operated for many years. We recognize that it will be an iterative process that will require us to engage with all stakeholders to whom we need to listen and from whom we need to learn.

Overall leadership and oversight rest with a cross-functional Human Rights Core Team. In line with the UN Guiding Principles, this team coordinates activities, sets priorities, and leads our efforts to respect human rights so as to avoid and address human rights risks and any adverse impacts. We commit to focus on the following:

**Capacity building** for our employees and business partners to understand 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.

**Monitoring effectiveness of measures**, including through third-parties as appropriate, to mitigate or address human rights risks and adverse impacts.

**External communication** about our work on our commitment to human rights and the key indicators we're using to assess performance. Further to our United Nations Global Compact commitments, we will formally report on progress at least once per year, or by other appropriate means.

## Grievance Mechanisms and Remediation

We acknowledge our responsibility to remedy under the United Nations Guiding Principles on Business and Human Rights. Listening to others' concerns and suggestions will be essential to understand and address our human rights impacts. We will develop grievance mechanisms in line with the United Nations Guiding Principles on Business and Human Rights and encourage our business partners to do the same.

## Related Documents

This human rights commitment is put into operation by our Guidebook for Success, our Agricultural Labor Practices Code and our Responsible Sourcing Principles.

For further information on our important work in this area and our journey, see [www.pmi.com](http://www.pmi.com).