



PHILIP MORRIS
INTERNATIONAL

ALP PROGRESS UPDATE
**ENSURING SAFE
WORKING CONDITIONS
ON CONTRACTED FARMS**

4/2019



A STRONG COMMITMENT

Philip Morris International (PMI) commits to achieving safe and fair working conditions on all farms from which PMI sources tobacco. This commitment to ensuring a safe work environment to prevent accidents and injury and to minimize health risks is PMI's responsibility and that of its suppliers.

Since the establishment of the Agricultural Labor Practices (ALP) Code in 2011, ensuring safe working conditions for both farmers and workers on contracted farms has been a priority of the program in all sourcing countries.

Safe Work Environment is one of the seven principles of the ALP Code and a key component of PMI's ALP program.

Although six measurable standards are dedicated to this principle, in this ALP Progress Update we will focus on the availability and usage of personal protective equipment (PPE) for the application of crop protection agents (CPA) and the prevention of green tobacco sickness (GTS).

Our commitment is that by the end of 2020, we want to ensure that everybody working on the farms supplying PMI has access to the appropriate PPE for CPA application and GTS prevention.

SAFE WORK ENVIRONMENT

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.

Measurable Standards

- The farmer provides a safe and sanitary working environment, and takes all reasonable measures to prevent accidents, injury and exposure to health risks.
- No person is permitted to top or harvest tobacco, or to load barns unless they have been trained on and taken adequate protection to avoid green tobacco sickness.
- No person is permitted to use, handle or apply crop protection agents (CPA) or other hazardous substances such as fertilizers, without having first received adequate training and without using the required personal protection equipment. Persons under the age of 18, pregnant women, and nursing mothers must not handle or apply CPA.
- No person enters a field where CPAs have been applied unless and until it is safe to do so.
- Every person has access to clean drinking and washing water close to where they work and live.
- Accommodation, where provided, is clean, safe, meets the basic needs of workers, and conforms to the country's laws.



UNDERSTANDING THE BASIC CONCEPTS

Health and safety risks can arise in farming if safety measures are not in place when handling hazardous substances such as CPA. Some risks are linked to tobacco farming, specifically GTS. All these identified risks are preventable through the appropriate use of PPE.

CROP PROTECTION AGENTS (CPA)

In tobacco, like any other agricultural crop, farmers may use CPA to protect their crop to help them to increase yields and improve quality. CPA can be synthetic or organic substances, and they can be intended to serve as control mainly against weeds, insects, fungi and bacteria. These organisms can compete for resources such as water and nutrients with the tobacco crop, or may feed from it, and diminish the full potential yield and quality of the crop.

GREEN TOBACCO SICKNESS (GTS)

GTS is a potential risk to those working with the tobacco plant. It may occur when a person handles wet, fresh, green tobacco leaves. The nicotine from the plant mixes with the moisture on the leaves, and then upon contact, is absorbed through the skin, causing irritation and associated symptoms.

It is a sickness that is not always well understood because many of those who experience GTS do not connect their symptoms with the handling of green tobacco. The characteristic symptoms of GTS can include nausea, vomiting, weakness, dizziness, stomach cramps, difficulty breathing, excessive sweating, headache, fluctuations in blood pressure and heart rate, and can last from 12 to 48 hours. These symptoms are similar to those caused by heat stress and pesticide exposure, and as a result, GTS is often misdiagnosed. This sickness is non-life threatening, and only severe cases require medical attention due to dehydration.

Since 2011, PMI has been implementing the Agricultural Labor Practices (ALP) program to eliminate child labor and other labor abuses and to achieve safe and fair working conditions and a decent livelihood for all farmers contracted to supply tobacco.

THE ALP PROGRAM COMPRISES FIVE ELEMENTS

1

The ALP Code to be followed by over 350,000 farmers whom we source tobacco from.

2

Training for PMI's Leaf Sustainable Agriculture teams, suppliers, farmers, and workers about the Code and how to address any gaps when applying it.

3

Internal monitoring by over 2,600 field technicians, solving problems and communicating PMI's expectations during their regular visits to farms.

4

External assessments by Control Union, a specialist supply chain auditor, to independently evaluate the implementation of the ALP program.

5

Collaboration with civil society organizations, governments, and the private sector on initiatives to address systemic issues.

PROTECTING FARMERS AND WORKERS FROM CPA EXPOSURE AND GTS WITH PERSONAL PROTECTIVE EQUIPMENT

PPE in tobacco farming refers to any clothes, materials or devices that provide protection from CPA exposure and GTS during specific activities throughout the crop cycle.¹

The PPE required for CPA handling and application is different from the PPE required for handling green tobacco. These PPE may also vary from country-to-country based on local specifications and relevant legislation. PMI together with its technical partner, the Centre for Agriculture and Bioscience International (CABI), have developed guidelines for markets, depending on the CPA used, to ensure adequate PPE are provided in all cases.

FULL PPE PACK FOR CPA AND GTS



Source: PPE pack delivered in Thailand

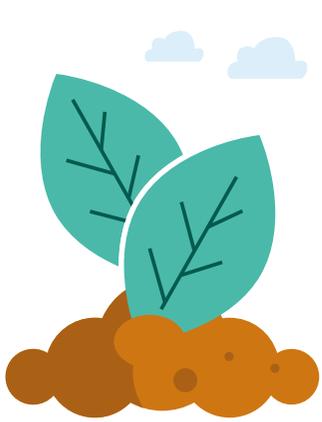
In addition, we are working to reduce the risks of tobacco farming to both people and the environment. This is why PMI is committed to removing Highly Hazardous Pesticides (HHP) from its tobacco supply chain and promoting the use of safer alternatives such as the biopesticides within its Integrated Pest Management program.

PPE FOR CPA



¹ Adapted from the FAO/WHO (2014), International Code of Conduct on Pesticide Management.

OUR TOBACCO GROWING FOOTPRINT IN 2018



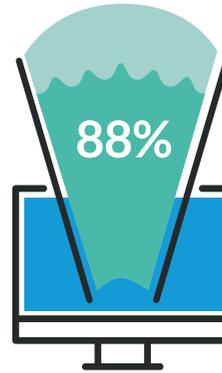
350,000+

Farms contracted by PMI and suppliers



27

Countries sourcing tobacco



88%

Geographic coverage of PMI's monitoring system (from 77% in 2017)



2,600

Field technicians



644,000+

Workers

OUR STATUS IN 2019

Target:

100%

Farmers and workers have access to personal protective equipment (PPE) for application of crop protection agents (CPA) and prevention of green tobacco sickness (GTS) by 2020

PPE for CPA provided:

**OVER
375,000**

PPE for GTS provided:

**OVER
900,000**

Total number of prompt actions reported:

339²

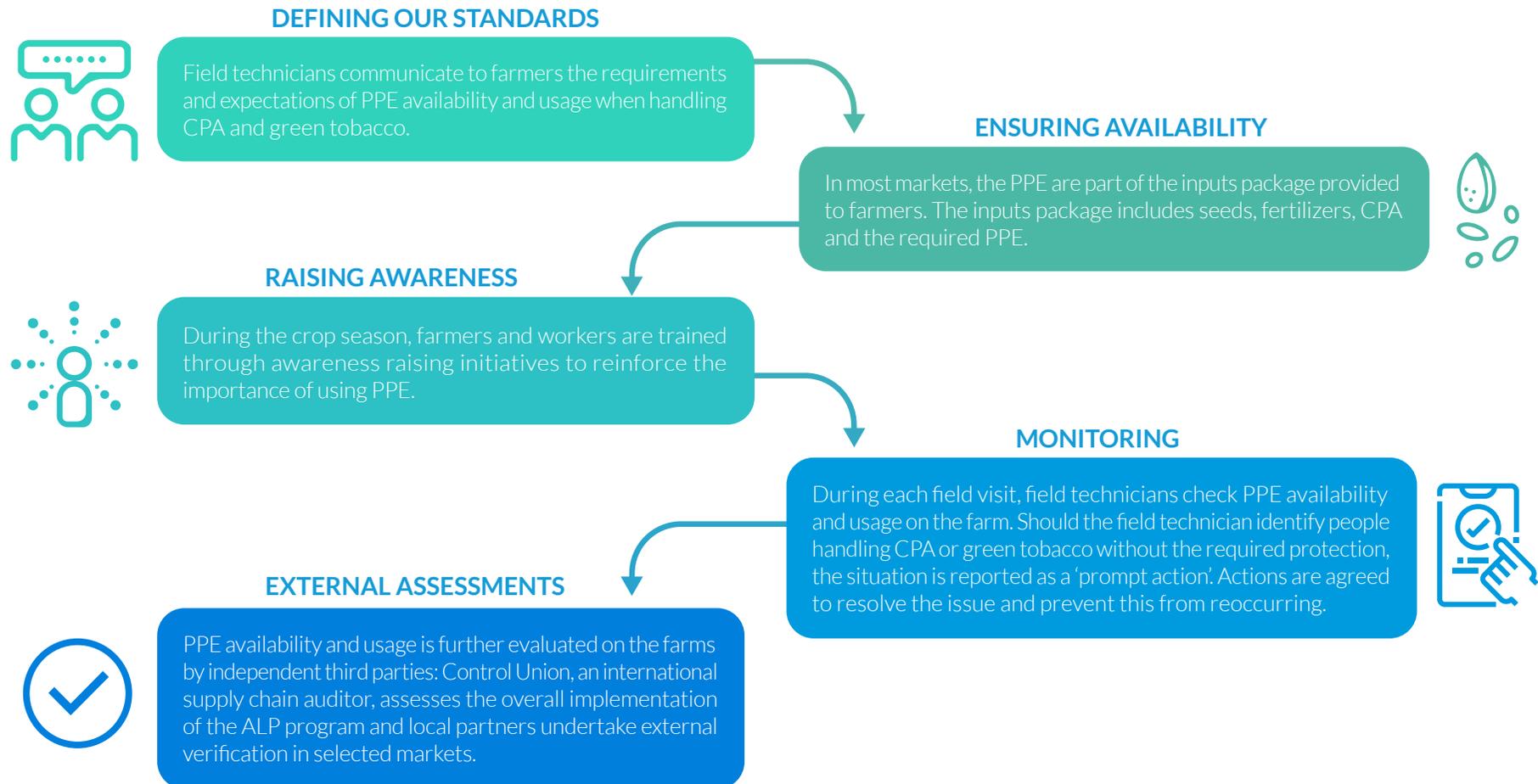
- 54 related to PPE for CPA
- 285 related to PPE for GTS

² These prompt actions were reported by field technicians during farm by farm monitoring when they observed farmers and workers had no access to required PPE.

PROCESS IN PLACE

At PMI we see PPE availability as a key first step to ensuring a safe working environment, while in parallel we are working on raising awareness on safety and ultimately achieving appropriate usage of PPE.

WHAT DOES THIS LOOK LIKE IN PRACTICE?



ENCOURAGING SAFE WORKING PRACTICES

Awareness raising has been a key component of the program since its inception in 2011. The approach has evolved over the years to improve effectiveness and to ensure that the underlying messages are understood and that behaviors relating to safety change as a result. With the maturity of the program, we now have a multitude of approaches across the countries from which PMI sources tobacco, such as: role playing through theater and drama, animated videos, radio messages, classroom training, printed materials and mobile vans.

See below some examples of materials used across the world:

ARGENTINA

TAREAS PELIGROSAS
Ambiente seguro de trabajo

| | |
|-----|-----------------------|
| I | EXTREMADAMENTE TÓXICO |
| II | ALTAMENTE TÓXICO |
| III | MODERADAMENTE TÓXICO |
| IV | LIGERAMENTE TÓXICO |

TODOS LOS APC REPRESENTAN UN RIESGO PARA LA SALUD

Preparar y aplicar APC son tareas que requieren protección

CUIDADO
ÁREA TRATADA CON AGROFITICIDAS
Prohibido la entrada de personas sin EPP a esta zona

Trabajando hacia arriba: el guante
Trabajando hacia abajo: la manga

MALAWI

KUWOPSWA KWA FODYA WA MUWISI (GTS)

GTS ndi vuto limene limayambika chifukwa cha kutchola fodya wa **Muwisi** posadziteteza ndi zovala zoyenera

Chikonga chimalowa m kudzela pa khungu

Masamba a fodya wa Muwisi

ZIZINDIKILO!!

- *M'selu
- *Kusanza
- *Kupweteka kwa mutu
- *Kupweteka kwa M'mimba
- *Kuphwanya kwa thupi
- *kubanika kapena kuti kuvutika kupuma.

YEMBEKEZANI MASAMBA ACHOKE MAME KUTI MUYAMBE KUTHYOLA FODYA

KUPEWA GTS

Gwirani ntchito pamene nyengo ilibwino osati kuli dzuwa lambiri

Khalani ndi nthawi yopumula

Imwani madzi Pafupi-pafupi

Gwiritsani ntchito zovala zozitetezera

Sambani m ndi sopo

In 2019, together with CABI, we developed a universal set of multimedia material (based on two personalities: Mik and Mok) to train farmers and workers. These will be rolled out in 2020.



OUR APPROACH IN PRACTICE... IN BRAZIL

Committed to a sustainable tobacco production, Philip Morris Brazil (PMB) Leaf has implemented a farming community training program called '+Campo' on CPA exposure and GTS, amongst other topics. The program was officially launched in 2015, using a mobile training unit run by specialized PMB trainers. The mobile training is delivered using a specially

equipped vehicle with media and also includes practical demonstrations reaching farmers at their fields. Trainings are delivered at different farms, grouping up to 20 farmers and family members per session and in 2019 reached all 5,357 contracted farmers. This best practice training method was replicated to other markets including Indonesia and Argentina.



The training content is defined year by year in response to the most significant issues identified by field technicians through farm-by-farm monitoring. The following two modules were designed concurrently to mitigate risks related to the Safe Work Environment principle:

Module I

- PPE use for CPA application and GTS prevention
- Appropriate storage of CPA
- Safety and new technologies for CPA application

Module II

- PPE use for CPA application and GTS prevention reinforced
- Solar exposure
- Handling sharp tools
- Electrical safety
- Basic sanitation

In 2020, a third module will be developed based on the 2019 results and relevant needs.

In order to assess the knowledge acquired by +Campo participants, an evaluation with specific questions is taken before and after each training session. Attendees are also asked to evaluate the quality of the training (content, timing, length, etc). This feedback was key to adapt and improve the effectiveness of the training sessions.

This innovative training approach has been an effective tool to improve overall farm safety, as reflected in the monitoring results. In particular:

- Increasing farmers' knowledge on spraying technology and appropriate use of CPA;
- Improving adoption of health and safety measures in the farm; and
- Increasing PPE usage and therefore reducing the number of incidents related to CPA application and GTS.

We acknowledge that in order to increase PPE usage for farmers and workers, training and awareness raising are not enough. We need to ensure that the PPE are available at farm level for every person handling CPA or harvesting tobacco. PMB committed to deliver 100% of PPE needed at cost price based on the following criteria:

- 1 PPE for CPA for every person applying CPA
- 1 harvesting vest for every person harvesting tobacco

The farmers can order more PPE throughout the crop season according to their needs.

The PPE BREEZE Aeration System is an innovative solution that brings more comfort by increasing the heat exchange of the body with the environment during the CPA application. This new technology helps to increase the usage of PPE by farmers and workers.

For harvesting green tobacco, PMB offers special equipment certified by the University of Sao Paulo. The equipment consists of a pair of gloves and nylon pants and a shirt that are resistant to nicotine.

During crop season 2019, over 9,000 PPE were delivered (2,992 PPE for CPA and 6,053 PPE for GTS).

During the contracting period, the requirement to use PPE is clearly communicated to farmers and workers. This is also included as a contractual provision in accordance with the ALP Code and Brazilian law. Throughout the season, field technicians are consistently monitoring PPE availability and usage and addressing potential issues as they arise.



The evolution of +Campo to empower women — +Campo Rosa

Women play an important role in tobacco farming in Brazil. Empowering women as agents of change to improve farm safety, the first '+Campo Rosa' was introduced in 2017 in Parana, Brazil. +Campo Rosa are training sessions attended only by women with the objective to provide them with knowledge on safety on farms as well as improve their awareness on breast cancer. 355 women were trained in Module I and 281 in Module II. Due to its success, +Campo Rosa will be expanded in 2020.



PHILIP MORRIS INTERNATIONAL

We welcome your feedback. If you have comments or suggestions, please contact sustainability@pmi.com

Headquarters

Philip Morris International Inc.
120 Park Avenue
New York, NY 10017-5579
USA

www.pmi.com

Operations Center

Philip Morris Products S.A.
Avenue de Rhodanie 50
1007 Lausanne
Switzerland

www.pmi.com