



PHILIP MORRIS
INTERNATIONAL

Philip Morris UK Modern Slavery And Human Trafficking Statement For 2022

This is a modern slavery statement under section 54 of the *Modern Slavery Act 2015* (**Modern Slavery Act** or the **Act**) made in respect of Philip Morris Limited (hereinafter, **PML**). This statement sets out the steps taken by Philip Morris International (hereinafter, **PMI**) as a wider group to prevent modern slavery and human trafficking in its business and supply chains.

PML submits this statement on behalf of itself in respect of the period 1 January 2022 to 31 December 2022 (**Reporting Period**). This statement is based on and should be read in conjunction with PMI 2022 Integrated Report¹.

INTRODUCTION

PMI is a global company engaged in the manufacture and sale of smoke-free products and accessories, as well as cigarettes, in around 180 markets. PMI is building a future based on smoke-free products that, while not risk-free, are a much better choice than continuing to smoke. PMI's ambition is to replace cigarettes with smoke-free products, to the benefit of consumers, society, the company, and its shareholders. PMI's smoke-free product portfolio consists of heated tobacco and nicotine-containing patches and vapour products. PMI operates 53 production facilities of which 24 are either partially or fully dedicated to the production of its smoke-free products and has a diverse workforce of approximately 69,600 people globally.

We are committed to continually reviewing and improving our practices to ensure that we are taking all appropriate steps both to reduce the risk of modern slavery and forced labour in all aspects of our business and in support of the global efforts to eradicate all forms of modern slavery.

We are therefore proud to publish our modern slavery statement in compliance with the Act. In this statement, we adopt the meaning of modern slavery as defined in the Modern Slavery Act.

OUR BUSINESS STRUCTURE, OPERATIONS & SUPPLY CHAIN

A. Our Strategy

PMI is striving to become a company that has a net positive impact on shareholders, consumers, the environment and society as a whole. Our ambition starts with researching, developing, and commercialising less harmful alternatives to cigarettes for those adults who otherwise would continue to smoke, ultimately allowing us to phase out cigarettes and become a fully smoke-free business. As a next step, PMI is expanding its offerings to include products that fill critical unmet needs within the wellness and healthcare space. To achieve our purpose, a radical transformation of our business, of our entire value chain, as well as of the way we engage with society is required: sustainability stands at the core of this transformation.

Our comprehensive strategy thus recognizes the need to address Environmental, Social, and Governance (ESG) issues related to our products and business operations. In this regard, we must responsibly manage the impacts of our company's operations throughout the value chain. While on the environmental front, this means tackling climate change and preserving natural ecosystems, from a social standpoint, this includes ensuring fair treatment and empowerment of our employees and improving the lives of people across our supply chain.

¹ PMI Integrated Report 2022 - [accessible here](#)

B. Our Business Structure

Philip Morris Limited (Company Number: 03619145) (PML) is a private limited company registered in England. PML has a registered office at 10 Hammersmith Grove, London, W6 7AP.

PML is responsible for the sale and merchandising of PMI brands in the UK and Ireland. These brands include our range of smoke-free products including IQOS (electronic heated tobacco product) and HEETS (tobacco sticks used in IQOS), They also include our combustible products brands of Marlboro and Chesterfield. PML has over 370 employees in the UK and Ireland.

C. Our Supply Chains

Our supply chain connects us with millions of people, from the farmers cultivating tobacco and other agricultural products to workers at the supplier companies that provide the products and services used in our products or necessary to run our business, impacting people’s assets, capabilities, opportunities, and standards of living.

Our supply chain accounts for a significant part of our social and environmental footprint. With an increasingly integrated and globalised value chain, balancing the security of our supplies with cost efficiency and high quality, environmental, and social standards is a major priority and challenge. Moreover, as our business transforms, our supply chain evolves as well. Promoting fair working and living conditions in our broader supply chain is therefore increasingly important.

PMI’s global supply chain is organized into two main streams —direct spend (materials used in the manufacture of our finished products) and indirect spend (goods and services necessary to operate our business) — and seven categories. See Figure 1 below.

PML imports combustible and reduced risk products. As a distributor, PML procures goods and services for the purpose of distributing these products to wholesale, retail customers and exclusively reduced risk products to direct e-commerce consumers.

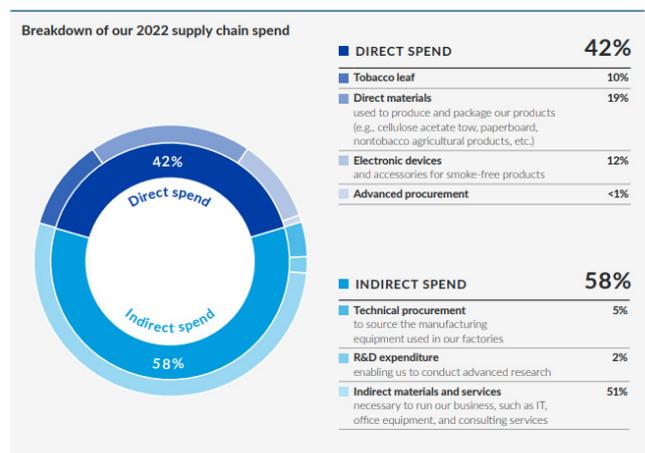
RISKS OF MODERN SLAVERY PRACTICES IN OUR OPERATIONS AND SUPPLY CHAINS

PMI aims to purchase goods and services from suppliers at best value, commensurate with business requirements, while appropriately managing supply, financial, legal, quality, and sustainability requirements. As a company, we seek continuously to identify and address current and potential human rights risks while also seizing opportunities to create a positive impact in the communities in which we and our suppliers operate, thereby increasing the sustainability performance of our supply chain.

From a sustainability standpoint, and with specific reference to the issue of modern slavery, the supply chain areas potentially exposed to the highest risks pertain to our direct spend and include:

- Tobacco production (particularly across Africa, Asia, and South America), with the main risks in the areas of working conditions, child labour, climate change, access to water, and the socioeconomic well-being of farming communities;
- Electronics manufacturing, with the main risks relating to working conditions.

Fig 1. 2022 Supply Chain Spend



Source: [PMI's 2022 Integrated Report](#)

PMI's Sustainability Index
 Source: PMI's 2022 Integrated Report

		Key performance indicators	2022 performance	2022 progress	2025 aspirations	KPI weight	Contribution to total index score	
PRODUCT	Purposefully phase out cigarettes	1 Smoke-free product shipment ratio (smoke-free/total) ^{1*}	15.1%		> 30%	85%		
		2 Adjusted net revenues ratio (smoke-free/total) ^{2*}	32.1%		> 50%			
	Maximize the benefits of smoke-free products	3 Number of markets where PMI smoke-free products are available for sale ^{3*}	73		100			
		4 Proportion of markets where smoke-free products are available for sale that are low- and middle-income markets ^{4**}	42%		> 50%			
		5 Total number of users of PMI smoke-free products (in millions) ^{5*}	24.9					
	Seek net positive impact in wellness and healthcare	6 Proportion of shipment volume covered by markets with youth access prevention programs in place in indirect retail channels ⁶	91%		> 90%			
		7 Annual net revenue from wellness and healthcare products (in billions USD) ^{7*}	0.3		≥ 1			
	Reduce post-consumer waste	8 Proportion of shipment volumes covered by markets with anti-littering programs in place for combustible cigarettes	68%		≥ 80%			15%
		9 Proportion of shipment volume covered by markets with end-of-life take-back programs in place for smoke-free consumables ⁸	8.5%		≥ 80%			
		10 Proportion of PMI smoke-free devices with eco-design certification ⁹	n/a		1			
		11 Cumulative number of smoke-free electronic devices refreshed or repaired since 2021 (in thousands)	157		1,000			
Product Sustainability performance						100%	67%	
OPERATIONAL	Foster an empowered and inclusive workplace	12 Proportion of women in senior roles ¹⁰	30.5%		35%	50%		
		13 Proportion of PMI employees who have access to structured lifelong learning offers	80%		70%			
	Improve the quality of life of people in our supply chain	14 Cumulative number of human rights impact assessments conducted since 2018, with findings addressed ¹¹	7		10			
		15 Prevalence of child labor among contracted farmers supplying tobacco to PMI	0.1%		0%			
		16 Proportion of contracted farmers supplying tobacco to PMI who make a living income	73%		100%			
	Tackle climate change	17 Net carbon emissions in scope 1+2 (in thousands of metric tons) ¹²	297,236		0			50%
		18 CO ₂ e scope 3 absolute reduction versus 2019 baseline (in-line with science-based target)	7.9%		25%			
	Preserve nature	19 Proportion of tobacco purchased at no risk of deforestation of managed natural forest and no conversion of natural ecosystems ¹³	55%		100%			
	Operational Sustainability performance							
PMI Sustainability Index							100%	

PMI takes a risk-based approach to identify, prevent, and mitigate incidents related to human rights and labour rights throughout our supply chain. For this undertaking, we collaborate with key stakeholders — such as suppliers, farmers and farmer associations, civil society organisations, academics, governments, and the private sector — to more effectively tackle persistent and systemic issues in the agricultural sector.

As set out above, PML is a distributor of the products manufactured abroad by its affiliate entities. For a more comprehensive overview of the strategy developed by PMI to assess and address modern slavery risks throughout its value chain worldwide, please see the PMI Integrated Report 2022.²

ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

A. Our Policy Framework

As part of the global PMI Group, PML recognises that respecting human rights is fundamental to operating a sustainable global business. As such, PMI has developed a strong policy framework and robust due diligence processes across its operations comprising a refreshed Human Rights Commitment³, PMI's revised Code of Conduct⁴, Agricultural Labour Practices (ALP) Code⁵ as well as the Responsible Sourcing Principles⁶ (RSPs).

In the Reporting Period, PML continued to follow these existing policies and processes to reduce the risk of modern slavery practices in its operations and supply chains.

Our key policies include:

1. Human Rights Commitment

At the end of 2022, PMI published a strengthened Human Rights Commitment which articulates PMI Group's pledge to respect human rights in all its operations and business relationships. It states that the PMI Group, which includes PML, considers forced labour or modern slavery to be unacceptable. PMI is committed to business practices that respects internationally recognized human rights upholding the principles as enshrined in the United Nations Guiding Principles on Business and Human Rights. PMI commits to respect the International Bill of Human Rights and the International Labor Organization's 1998 Declaration of 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.

2. Responsible Sourcing Principles

The way we work is grounded in our RSPs. The RSPs are aligned with the UN Guiding Principles on Business and Human Rights (UNGPs), the UN Global Compact and the relevant International Labour Organisation Conventions. The RSPs, together with the accompanying implementation guidance,⁷ set out ambitions and expectations for our suppliers, including human and labour rights considerations. In 2022, PMI began a review and update process of its RSPs and related Implementation Guidance documents, enhancing the content and accounting for external trends and anticipated regulatory developments. The updated version of the RSPs, expected to be released during the course of 2023, embeds the results of PMI's most recent sustainability materiality assessment and priorities and considers the company's progress in evolving and transforming its business model.

² Phillip Morris International Inc. Integrated Report 2022 - [accessible here](#)

³ Human Rights Commitment - [accessible here](#)

⁴ PMI's Code of Conduct - [accessible here](#)

⁵ Agricultural Labour Practices Code - [accessible here](#)

⁶ Responsible Sourcing Principles - [accessible here](#)

⁷ RSP Implementation Guidance - [accessible here](#)

With regards to modern slavery, the current RSPs more specifically require our suppliers to:

- (a) not engage in or condone the use of forced or trafficked labour;
- (b) to be diligent in order to identify and address any form of modern slavery in their operations and supply chain, including prison, bonded, enslaved or any other form of forced labour;
- (c) arrange loans or salary advancements based on fair terms, clearly explained to the worker and mutually agreed;
- (d) not retain or confiscate the personal papers of any worker including their passports;
- (e) not allow workers to pay recruitment, processing or placement fees; and
- (f) agree with all workers on the terms of their employment in writing at the point of recruitment.

In the Reporting Period, and continuing with pre-existing practice, PMI required suppliers, especially critical suppliers, to demonstrate high sustainability performance and compliance with PMI's RSPs. Further to this, adherence to PMI's RSPs is built into our contractual agreements with suppliers. RSPs specifically state that *"we expect all of our suppliers to implement the Responsible Sourcing Principles in a diligent and transparent manner."* We monitor the activities of suppliers through a range of tools such as third-party assessments as detailed above, tailored due diligence instruments, on-site audits and field visits.

3. Agricultural Labour Practices (ALP)

Since 2011, PMI has implemented the ALP programme aimed at eliminating child labour and other labour abuses, achieving safe and fair working conditions, and offering a decent livelihood for all farmers in our tobacco leaf supply chain.

The ALP Code defines the labour practices, principles and standards we expect to be met by all tobacco farmers which PMI or PMI's suppliers have contracts with to grow tobacco. It has seven principles (including no forced or child labour or human trafficking) and 33 measurable standards.

We do not condone and do condemn child, forced and other labour abuses and we are working tirelessly to remove any incidents from our supply chain. We do not employ children or forced labour in our company.

We aim to deliver a set of targets to improve the socioeconomic well-being of tobacco-farming communities, including⁸:

1. 100 percent of contracted farmers supplying tobacco to PMI make a living income by 2025;
2. Zero child labour in our tobacco supply chain by 2025;
3. 100 percent of tobacco farmworkers paid at least the minimum legal wage by 2022.

With specific reference to such last target, in 2022, PMI monitored the wages of 100 percent of the contracted tobacco farmers who hire workers and found that 99.9 percent of farmers paid their workers at least the minimum wage.

⁸. Note that, in 2020 we delivered and reported on the achievement of two ALP targets: 1) 100 percent of tobacco farmworkers provided with safe and decent accommodation and 2) 100 percent of farmers and workers having access to personal protective equipment (PPE) for the application of crop protection agents (CPA), and prevention of green tobacco sickness (GTS) for all those working on tobacco.

4. Code of Conduct

Human rights considerations are included also within PMI's Code of Conduct, which applies to all PMI employees, officers and directors. Further key risk areas addressed in this document include, but are not limited to, anti-bribery and anti-corruption, anti-competitive practices, conflicts of interest, information protection security and data privacy, responsible marketing and sales, scientific integrity, supply chain responsibility, and workplace integrity, among others.

In 2022, PMI began the process of updating and enhancing our Code of Conduct to align it more closely with PMI's business transformation strategy and industry best practices. The updated PMI Code of Conduct was reviewed and approved by the PMI Board of Directors at the end of 2022.

B. Training and awareness raising focused on Modern Slavery

Beside our policy framework, embedding an ethos of respect for human rights in our corporate culture starts with awareness-raising and training.

For this, we globally developed a Business and Human Rights e-learning programme with the aim to bring our 'Human Rights Commitment' to life by giving all employees a clear understanding of what human rights are, how they relate to the business, to each employee and the wider value chain, and their role in helping to safeguard them. Among other things, the training covered the relevant internal policies and procedures regarding modern slavery and our supply chain. In 2022, PMI made this e-learning available in seven additional languages (Bahasa, German, Japanese, Polish, Portuguese, Russian and Spanish). Such key step aims, as of 2023, to facilitate its accessibility and increase the number of colleagues across global operations who can learn about human rights and PMI's updated Commitment.

Additionally, under the PMI Code of Conduct, employees are required to undergo training to build understanding and commitment around key

areas of ethics and compliance within PMI. In 2022, 81% of PMI employees received training related to topics in the Code of Conduct. These areas include human rights considerations and the PMI business policy.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Human rights risks are incorporated into our overall integrated risk assessment, our Sustainability Index⁹, our compliance program, our supplier due diligence and evaluation processes, and our ALP monitoring and remediation system deployed on the tobacco farms contracted by PMI and our suppliers. We periodically conduct human rights risk assessments to proactively identify and mitigate potential adverse human rights impacts across our value chain. While PMI is not indicated as a high-risk market in terms of potential human rights violations, on a global level, PMI has identified ten high risk countries, both from which we source tobacco and where we conduct operations.

1. Human rights impact assessments

PMI worked with Article One to conduct a human rights risks saliency mapping. Article One are leading advisors in the business and human rights arena. This saliency mapping confirmed our existing assumptions about our supply chain but also identified some less apparent risks. PMI used this mapping and assessed it against our current risk-mitigation instruments, and subsequently developed recommendations to strengthen our risks identification and response instruments.

To strengthen our due diligence framework, proactively identify risks and mitigate potential adverse impacts in our operations and value chain, PMI aims to conduct HRIAs in the 10 highest-risk countries in which it operates by 2025. Our HRIAs are carried out by independent expert organisations. The list of high-risk countries is determined — and periodically reviewed — based on PMI's footprint (e.g. presence of manufacturing operations and type of supply chain) and the

⁹ Please refer to pg. 33 of [PMI 2022 Integrated Report](#)

country's human rights risk profile, as determined by internationally recognised indicators such as the Heidelberg Conflict Barometer, the Freedom House Freedom of the World Index, the U.S. Trafficking in Persons Report, and Transparency International. These assessments follow a formal process, are conducted in accordance with the UNGPs and comprise five steps:

1. Preparation: reviewing PMI policies, procedures, and controls;
2. Methodology and research: defining the method and scope of the assessment — identifying the "rights-holders" to interview, PMI facilities to visit, and external stakeholders to engage with;
3. Assessment in country: completing interviews and visits with "rights-holders," such as factory workers, contracted employees, trade union representatives, suppliers, third-party staff, as well as external stakeholders, such as nongovernmental organisations (NGOs), local authorities, trade associations, and international human rights organisations;
4. Integration: developing recommendations and an action plan, timeline and accountability programme to implement these recommendations; and
5. Reporting: updating on progress and learnings.

After Mexico, the Philippines, Mozambique (a multi-stakeholder initiative targeting leaf supply chain), Russia and Turkey (industry-wide and multi-stakeholder Supply Chain Impact Assessment), in 2022, PMI completed its sixth and seventh HRIA since 2018 in Malaysia and Brazil.

The HRIA conducted in Malaysia in the first half of 2022 aimed to identify relevant risks and opportunities across PMI's local affiliate's value chain, including the upstream supply of electronic devices, the local plant and office and IQOS retail stores downstream. The HRIA in Brazil conducted

in the second half of 2022 covered the Sao Paulo head office, factory and operations in Santa Cruz do Sul, the upstream leaf supply chain, as well as downstream direct and third-party sales and distribution, including both remote and in-country engagement (with internal management, employees, workers, and communities), as well as engagement with external experts.

In 2021, PMI developed and introduced a self-assessment tool, aimed at enabling PMI's low to medium risk country affiliates to self-identify salient human rights risks in their markets and within their organizations, before they had a serious impact. The affiliates would then develop action plans to address them. This HRIA was first trialled in Belgium, the Netherlands, and Luxembourg. An affiliate in Mexico also participated in the trial.

In 2022, PMI used the learnings from these pilots to begin fine-tuning our methodology and toolkit. The aim is to simplify and streamline the process without sacrificing the essential aspects and nuances that contribute to effective assessments. Our refined approach will include targeted training and new pilots, and will be rolled out in 2023.

[2. Sustainable supply chain](#)

As part of the PMI 2021 Modern Slavery Statement, we noted as a future action that we would continue to use our due diligence tools to assess performance and compliance of suppliers and support them in progressing towards sustainable practice. As such, in 2022, PMI made continuous progress towards the set aspiration for 100 percent of our critical spend to be sourced sustainably by 2025, achieving 93 percent (compared to 83 percent, in 2021). Also, PMI continued leveraging on the partnership with EcoVadis (the leading global service provider of online ESG supplier assessments), to monitor and assess the sustainability performance of PMI's suppliers of direct materials. During 2022, 116 suppliers representing 97 percent of PMI's total direct material spend were assessed. Of these, 93 percent demonstrated a good sustainability

performance, based on the score provided by the assessment platform, and only 7 percent were below the minimum threshold required and had to complete a corrective action plan before reassessment in 2023. PMI also followed up on findings from the 2021 assessments by launching, as necessary, corrective action plans, reassessments, and audits.

Furthermore, alongside the activities on prioritized spend categories, during 2022 PMI further explored its indirect spend supply chain, engaging through a multistakeholder, sector-specific working group and starting the process of identifying risks and complexities of the category. For 2023, PMI intends to deepen and refine its strategy, taking the lessons learned into consideration.

To further fulfil and aid in this evaluation of potential modern slavery risks, specifically in relation to the electronics supply chain, having joined the Responsible Business Alliance (RBA) in January 2021, PMI centred its work in 2022 on expanding the coverage of its suppliers with RBA available audit mechanisms. In this framework, PMI continued to participate in RBA's Validated Assessment Program (VAP)— the standard for on-site compliance verification and effective, shareable audits. Data gathered through the VAP in 2022 highlighted a stronger performance by our suppliers compared to the previous year (our suppliers' average VAP audit score was 173 out of 200, compared with an RBA average of 160 in 2021), as well as scope for continuous improvement. In parallel, in 2022, PMI also performed an extensive analysis of its due diligence framework for the electronics supply chain as well as industry benchmarks and review of upcoming human rights legislation.

3. ALP Programme

We have a robust due diligence framework in place to evaluate the implementation of our ALP Code, enabled by the traceability at farm-level provided by our integrated production system and systematic monitoring of farms by field technicians. If issues are identified that require immediate intervention, called "Prompt Actions",

the field technicians address them with the farmer and together they develop an improvement plan against which progress is monitored.

In the Reporting Period, PMI reviewed its methodology, introducing the Sustainable Tobacco Supply Chain (STSC) framework to strengthen its approach to monitoring and reporting on the quality of life of people throughout the company's supply chain.

In the Reporting Period, 3,128 field technicians systematically monitored the implementation of the ALP on 95% of all tobacco volume purchased by PMI. Field technicians reported a total of 9,918 prompt actions across all sourcing markets, of which 76 percent related to safe working environment issues, 11 percent to child labour incidents, and 13 percent to income and working hours. In total, 86 percent of the prompt actions raised were resolved during the year, with the remaining 14 percent of prompt actions followed-up yet not resolved, predominantly due to the timing of the crop stage. PMI has developed and is implementing action plans to address recurrent issues in collaboration with key stakeholders, including local NGOs, and governments. The vast majority of our relationships with contracted farmers feature a shared commitment to continuously improve addressing social issues. In the event of noncompliance and continued failure to address gaps, we may end our business relationship with that farmer.

Furthermore, to support compliance with the ALP Code, targeted monitoring guidelines were launched to support field technicians to better identify and address potential issues on the ground. During the Reporting Period, around 125 leaf suppliers' ALP coordinators were trained using the new ALP program materials in a "train the trainer" initiative in partnership with Verité.

In addition to farm-by-farm monitoring, during 2022, external assessments in Indonesia were conducted by Control Union, an independent third-party organization, to evaluate the management system in place for ALP implementation, reviewing prompt action protocols and procedures to identify, record, and address issues, while also examining the internal capacity to implement the ALP program. Control Union also evaluates labour practices at farm level, assessing compliance with the ALP measurable standards. Reports from Control Union are available on PMI.com¹⁰ (findings about the 2021 assessment in China were also published). This brought the total number of external assessments conducted on PMI's total farm base of contracted farmers to 38 since 2013. In addition, specialised local expert partners provide external verification of our understanding of progress being made on the ground, challenge our monitoring data, evaluate the effectiveness of our initiatives, and, ultimately, better assess our impact. In 2022, external verifications were undertaken in Argentina, Mexico and Turkey, all with positive outcomes.

These programs allowed us to evaluate our current systems for combating potential human rights violations.

4. Grievance Mechanisms

Providing access to effective grievance mechanisms in our operations and across our supply chain is a key requirement of the UNGPs and a core element of our due diligence approach. Internally, we maintain clear policies, run regular training and work to ensure that robust processes are in place to encourage employees to speak up if they become aware of any suspected potential or actual violations of law, the Code of Conduct, or any of PMI's policies. and to suggest improvements. PMI offers the following mechanisms in place internally:

1. The individual's PMI Ethics & Compliance key contact, for example Regional Directors, and Cluster Heads;
2. PMI Ethics & Compliance confidential email address; and
3. PMI Compliance Helpline (online or by telephone) which is operated by a third-party and available 24/7 in all languages spoken at PMI. Individuals may use the PMI Compliance Help Line anonymously, subject to local laws and regulations.

The same applies to PML's supply chain, where we believe everyone should have a voice and be able to seek help. In our RSPs, we specifically ask suppliers to provide their workers with easily accessible ways to raise concerns, free from risk of retaliation. Moreover, our ALPC states that 'workers should have access to a fair, transparent, and anonymous grievance mechanism'. Such mechanisms are available in some countries where PMI sources tobacco.

As we move forward, PML will continue efforts to provide better access to grievance mechanisms throughout our operations and supply chain.

PLANS FOR FUTURE ACTION

Our Human Rights Roadmap helped us establish strong foundations and a more structured approach in our work related to human rights. The maturity acquired so far helped us establish ambitious targets across all functions to be delivered by 2025. Although the focus will be to achieve these targets, we will continue listening to our stakeholders, learning from our current control mechanisms, reinforcing our due diligence and remediation processes, and staying up to speed with external and internal developments.

¹⁰ Please refer to [Sustainability resources](#) - Third Party Reports section

In the year 2023, we intend to:

- publish the upgraded Responsible Sourcing Principles to integrate new trends, external requirements, our latest sustainability materiality assessment, and refreshed corporate priorities;
- concurrently, execute a robust roll-out plan for the upgraded RSPs, incorporating internal capability building across functions and awareness sessions with PMI's suppliers;
- roll out a comprehensive employee communication and training program on the new Code of Conduct;
- proactively and effectively disseminate our first Human Rights Report, detailing our strategy to respect and protect human rights, which was published in June 2023. This inaugural report lays out our recently updated Human Rights Commitment (issued at the end of 2022), lessons learned, good practices in our ongoing work across our value chain, challenges faced, and future actions;
- continue to use our due diligence tools to assess performance and compliance of suppliers and support them in progressing towards sustainable practice in some instances conducting on-site audits.

More information on PMI's approach and performance on environmental, social and corporate governance issues, including modern slavery and human trafficking, can be found in PMI's Integrated Report.

APPROVAL

This statement was approved by the Board of Directors of Philip Morris Limited. Christian Woolfenden has been authorised to sign this statement on behalf of the Board of Directors on 11 July 2023.



Christian Woolfenden

Managing Director
Philip Morris Limited