



Proxy Alert

Philip Morris (NYSE: PM)

Meeting Date: May 4, 2016

Shareholder Proposal 2: Mediation of Alleged Human Rights Violations

Reynolds American (NYSE: RAI)

Meeting Date: May 5, 2016

Item 7: Shareholder Proposal on Mediation of Alleged Human Rights Violations

Mondelez (NASDAQ:MDLZ)

Meeting Date: May 18, 2016

Item 6: Policy on Mediation

March 31, 2016

Remedies for Human Rights Violations

The CWC is recommending that shareholders vote in favour of shareholder proposals urging mediation of alleged human rights violations at Philip Morris, Reynolds American, and Mondelez as well as additional proposals that will come to a vote later this year at Altria, Universal, and Alliance One.

Filer:
AFL-CIO

The Proposal:

RESOLVED, shareholders urge the Company to participate in mediation of any specific instances of alleged human rights violations involving the Company's operations if mediation is offered by a governmental National Contact Point for the Organisation for Economic Cooperation and Development (the "OECD") Guidelines for Multinational Enterprises. For the purposes of this policy, the human rights subject to mediation shall include, at a minimum, those expressed in the

International Labor Organization's Declaration on Fundamental Principles and Rights at Work:

- (a) Freedom of association and the effective recognition of the right to collective bargaining;
- (b) the elimination of all forms of forced or compulsory labor;
- (c) the effective abolition of child labor; and
- (d) the elimination of discrimination in respect of employment and occupation.

Why it matters to investors:

The United Nation's Guiding Principles on Business and Human Rights call on business enterprises to have in place the following policies and processes:

- a. A policy commitment to meet their responsibility to respect human rights;
- b. A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights;

- c. Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.

(Guiding Principles on Business and Human Rights, United Nations, 2011, available at http://www.ohchr.org/Documents/Publication/s/GuidingPrinciplesBusinessHR_EN.pdf). While our Company has taken steps to commit to respect human rights and to conduct due diligence, we believe the Company needs to provide adequate remedies for human rights violations involving the Company's operations including its tobacco supply chain.

Non-judicial grievance mechanisms to remedy human rights violations are needed the most when formal legal mechanisms are inadequate. For example, in the United States, agricultural workers are excluded from the National Labor Relations Act that protects the rights of workers to organize and collectively bargain. Agricultural child labor is also permitted in the United States under the Fair Labor Standards Act.

This proposal urges our Company to participate in mediation of alleged human rights violations if mediation is offered by a governmental National Contact Point pursuant to the OECD Guidelines for Multinational Enterprises. (OECD, 2011, available at <http://www.oecd.org/daf/inv/mne/48004323.pdf>). In the United States, the State Department's Office of the U.S. National Contact Point provides mediation of specific instances of human rights violations through the U.S. Federal Mediation and Conciliation Service. ("Specific Instance Process," Office of the U.S. National Contact Point, U.S. Department of State, available at <http://www.state.gov/e/eb/oecd/usncp/specificinstance/index.htm>).

Participation in the National Contact Point mediation process is voluntary and does not mean that the Company will be bound by the outcome of mediation. By agreeing to

participate in National Contact Point mediation, our Company can affirmatively signal its commitment to remedy human rights violations should they arise in the future.

Company responses available at:

Philip Morris

https://www.sec.gov/Archives/edgar/data/1413329/000119312516515785/d144321ddef14a.htm#tx25881_40

Reynolds American

https://www.sec.gov/Archives/edgar/data/1275283/000119312516514595/d62669ddef14a.htm#om62669_92

Mondelez

https://www.sec.gov/Archives/edgar/data/1103982/000119312516518809/d119433ddef14a.htm#toc119433_57

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