

2010 Corporate Responsibility Report



168 EMPLOYEES

> 1% OF PRE-TAX PROFITS DONATED

800 VOLUNTEER HOURS

74 NEW PATENTS

5 OFFICES

7 AWARDS

8.4% ENERGY REDUCTION*

46.2% WATER REDUCTION*

7.6% EMISSIONS REDUCTION*

26.1% TOTAL WASTE REDUCTION*

About Our 2010 Report

To provide greater transparency in our business operations and supply chain, we have expanded the scope of our 2010 Corporate Responsibility Report to include both our owned and leased property and two of our contracted partner factories.

In 2010, we opened two offices to better work with and serve our customers. Our Bentonville office opened April 1, 2010. In order for the data from that office to reflect the entire reporting period, we extrapolated the data allowing for comparisons with our other offices. At the end of 2010, we closed our office in the UK and on December 15, 2010, we opened a new office in Amsterdam. Because the office was opened so late in the year, we did not have tracking systems in place to measure and report relevant data.

Along with providing 2010 data for our offices and our joint venture factory, PMI Joinease (PMI JO), this report includes data from two of our partner factories. To maintain confidentiality, we have chosen to not disclose the names of our partner factories but instead will refer to them as Factory A and Factory B throughout this report. In future reports, as we train our other partner factories on gathering metrics associated to our **Key Performance Indicators (KPIs)**, the scope of our reports will continue to expand. In order to support this expanding scope, in this report we will report on each factory and office individually rather than aggregating the data into category totals. This will allow for easy comparison down the line. In 2010, we reset our 2009 baselines to reflect this change in our reporting strategy.

We see our major impacts coming from our offices, factories, and our products. Throughout the report, we share how we have worked to reduce our impact in each of these areas and have added icons for easy reference.



PRODUCTS



OFFICES



FACTORIES

Materiality

Based on our goals, values, and stakeholder feedback, we have re-assessed and identified the following KPIs as most material to our business operations.

Key Performance Indicators

Innovation
Percent of fully recyclable products
Percent of products made from recycled material
Percent of products designed for disassembly
Culture / People
Diversity - North American Offices
Corporate Philanthropy
Volunteer Hours
Social Responsibility
Code of Conduct (COC) Compliance
Worker Retention - Factories
Injuries - Factories
Environmental Stewardship
Energy Use
Greenhouse Gas (GHG) Emissions
Water Use
Water Recycling
Waste
Waste Recycling

This report follows the Global Reporting Initiative's 3.1 reporting tool, adhering to the operational control GHG and resource accounting method. Our reporting period is January 1, 2010 to December 31, 2010

We would like to thank the following people for all their hard work in making this report possible:

- | | | |
|--------------------|-----------------|-----------------|
| Amanda Song | Erin Forest | Maggie Lu |
| Andrew Kramer | James Grundy | Nancy Shelton |
| Andrew Smith-Jones | Jenn Ottele | Shirley Chen |
| Chris Steuer | Jen Pennington | Stephanie Ausen |
| Darcy Gay | JoAnne Anderson | Tim Smith |
| Erik Jensen | Judy Burke | Thomas Wang |
| Erika Canfield | Ken Mitchell | Valerie Bone |

* Percentages based on PMI JO factory

Embedded Sustainability



At PMI, we have always focused on sustainable business practices while bringing innovative product solutions to market. We make reusable, sustainable products in facilities where workers are treated with dignity and respect while working to reduce our impact on the environment. In 2005, we sharpened our focus on environmental stewardship, defining new strategies and opportunities. Through the years, we have expanded on this effort and established meaningful ways to operate our business in a more sustainable and socially responsible manner.

Our approach to sustainability has evolved to embedding environmental stewardship into the heart of our business strategy. To continue to minimize environmental impact and address our contribution to climate change, we need to take additional steps in the ways we collaborate with our employees, suppliers, and customers. The challenge is to manage our strong commitment to environmental issues with the same rigor as our social programs. We will continue to work from our spirit of innovation to bring scalable product solutions to market while insuring we do right by the environment.

Understanding the impact of our business operations at the factory, office, and product level is a complex and difficult task. Through a series of highly collaborative, critical business meetings with customers, suppliers, and key stakeholders, we believe we are on the right track. In the last year we have made progress in understanding and developing new strategies to reduce our energy consumption, carbon emissions, water consumption, and waste in our factories, offices, and product lines.

We will continue to invest in environmental stewardship and are dedicated to sharing our progress as we are able to better identify and measure our results. I am very proud of the work being done by PMI and am pleased to share with you the next step in our journey.

Robert M. Harris

Founder & CEO

Taking on the Challenge

In 2010 we grew our relationships with customers, deepened partnerships with suppliers, and worked across departments and offices to move forward in our commitment to Corporate Responsibility.

Looking at the current global challenges facing all businesses today (continued economic fluctuation, labor migration, changing regulations, resource stress and changing consumer behavior), we have a great opportunity as a company to meet these challenges, head on. In this report, we showcase the initiatives we have undertaken in 2010 which enabled us to address these global challenges in our offices, our factories, and the products we produce.

To build a stronger case for both environmental and social initiatives, we have been working on calculating the return on our investment (ROI) in Corporate Responsibility. In line with large-scale studies and with academic support, we have created tools that help us measure the economic impact associated with programs and projects we launched or continued to work on in 2010. This in-depth exercise has shown that Corporate Responsibility positively impacts our business performance and continually drives down costs. The ROI study has allowed us to substantiate our belief that investing in Corporate Responsibility is the right way to do business and is good for the bottom line.

In 2010, we had many goals in mind for our offices and partner factories that encompassed both social and environmental initiatives. We placed heavy focus on environmental health and safety at our partner factories.

Our passion for this work stems from our commitment to continually provide safe and humane working environments in our offices and partner factories.

This year, working with two of our partner factories, we completed major projects. At PMI JO we collaborated with one of our retail customers and an external consultant to drive down energy use. At Factory A, we worked alongside another external consultant to eliminate issues around record keeping and work hours. We have continued with our third party audit program to provide independent assessments of the status of our factories.

Our 2009 Corporate Responsibility Report allowed us to gather all the work we do as a company, document it in one place, and have a greater understanding of our overall impact. It provided an education and opportunity for increased engagement with our employees, fueling innovation in each area of our business. This helped drive reductions in energy, carbon emissions, water, and waste in 2010. The tracking systems we have set in place to monitor and collect data for each area continually enable us to study trends and set long-term goals as we move forward in our Corporate Responsibility work.

“The ROI study has allowed us to substantiate our belief that investing in Corporate Responsibility is not only the right way to do business but good for the bottom line.”

By Valerie Bone, Director, Corporate Responsibility



STANLEY
A BRAND OF PMI

Remember the green bottle your dad carried on camping trips? It had likely been dropped a couple of times, yet despite the abuse, it always kept coffee hot.

Today, the Stanley® brand offers a wide range of durable food and beverage gear that fuels your outdoor adventure. Dedicated to our promise, when you buy a Stanley® product you get quality gear that is built for life and has been since 1913.

Aladdin and Stanley: The Face of PMI.

aladdin®

Remember that lunch box you loved as a kid? Aladdin® probably made it. For more than 100 years Aladdin® has been creating delightful products that go wherever you go. Today, that means stylish, sustainable food and beverage containers for women and their kiddos that make a difference and make your day—just like that metal lunch box did.



2010

A Look Back

2010 was a big year for PMI. We opened two new offices, reached record sales, expanded our product lines for both brands, received seven awards, and partnered with our customers and factories to lessen our environmental impact.



Our Foundation of Corporate Responsibility

Corporate Responsibility grows out of the foundation of our business: our Strategic Pillars. These pillars set our Corporate Values in motion. For us, Corporate Responsibility is not a side project within our business operations. It is deeply rooted in who we are as a company; it's business as usual.



Commitment to Excellence

We are committed to world class supply chain standards and operating excellence in sales, product development, marketing and all that we do.

Innovation

We are a brand-focused company driven by product innovation that excites our customers and consumers.

Culture/ People

Our core values and unique culture make PMI a place where talented people become part of a collaborative team that accelerates personal and business growth and success.

Environmental Stewardship

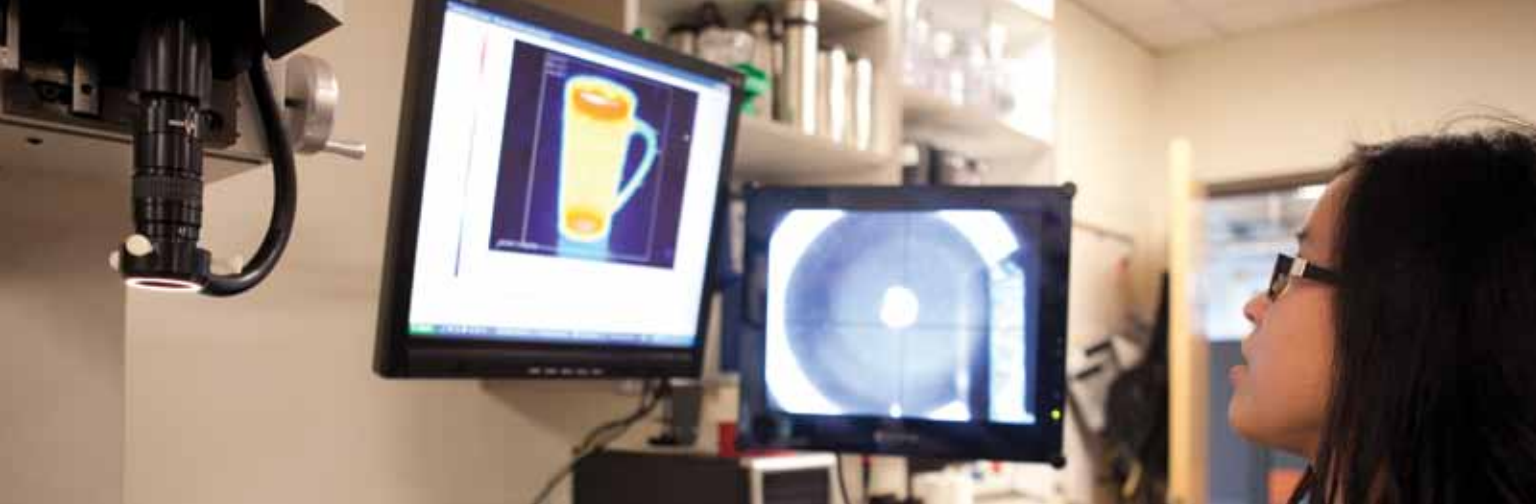
We are committed to being good stewards of our environment by leading our industry in manufacturing methods, use of materials, and human interactions that reduce waste and our carbon footprint.

Social Responsibility

We conduct ourselves ethically and responsibly. We ensure that people who produce our products are treated with dignity and respect in a safe and healthy work environment. We give back to the communities in which we do business.

Corporate Values:

- Honesty and ethical behavior
- Teamwork and supporting each others' professional efforts and achievements
- Performance and a 'Get it done right' attitude
- Each person engaging, contributing, and succeeding
- Trustworthiness
- Partnership and team
- Diversity and respect for the rights and thinking of others
- Creativity and innovation
- Sound financial thinking
- Work life balance
- Our community and the environment



Innovation

We are a brand-focused company, building our brands by delivering unique products. From product design and functionality, to the manufacturing processes, to end-of-life disposal, we continually innovate to overcome global challenges and to meet the needs of consumers. It is our commitment to innovation that allows us to overcome challenges in our supply chain and product offerings. Through our new Product Stewardship KPIs, we are able to track our impact. We are working collaboratively with our design and engineering teams to innovate and improve the environmental impact of our products.

Stanley® Bottle



Stanley® vacuum bottles have always been a responsible choice for consumers. Bottles are built for life, allowing customers to enjoy hot beverages from one bottle for decades instead of using thousands of disposable containers. In 2010, we made them even better. By changing our manufacturing process, we were able to make the vacuum bottles fully recyclable without changing performance. As of July 2010, all Stanley® vacuum bottles produced after this date can be recycled anywhere that steel is accepted.

PVC



In anticipation of changing regulations and a ground swell of research, in 2005, we began working towards removing PVC from our products with the ultimate goal of complete removal by 2010. While studies on its health effects are not conclusive, we believe in proactively eliminating risk in order to provide products that are healthy and safe for customers. Finding alternatives to PVC that were also BPA free proved quite difficult. Many insert material alternatives couldn't withstand the thermal conditions our products require. We stopped using inserts until we could find a responsible material and turned down new projects for which we couldn't find alternatives. It was also difficult to find PVC free stickers that could pass our transit testing requirements. Extensive research and testing went into finding materials which met our product quality standards. With the hard work of many, in 2010 we met our goal and are proud to say that today, our product lines are PVC free.

Sustainable Product Focus



As we continue to dig deeper into our environmental impact, we put a greater focus on the sustainability of our products and their end of life disposal. We have developed a new set of KPIs which help us measure how many products are made with eCycle®, our proprietary blend of recycled polypropylene which contains up to 25% post consumer waste; how many products that are fully recyclable at end of life; and the number of products which have been designed to disassemble so they can be recycled.

In 2007, we launched Aladdin Sustain® made from eCycle®. Since 2007, our Sustain® products represent 17% of total Aladdin® products sold in the marketplace. Over the past two years, sales of Sustain® products have grown at an annual rate of nearly 50% per year. We will continue to monitor these numbers and are working on implementing tools that Product Developers can use to spur movement in the choice of raw materials and end of life disposal options that are more sustainable.

	Stanley®	Aladdin®
Percent of our in-line product collection that is fully recyclable	12%	18%
Percent of our in-line product collection that is made from recycled material	14%	18%
Percent of our in-line product collection that is designed for disassembly	7%	—



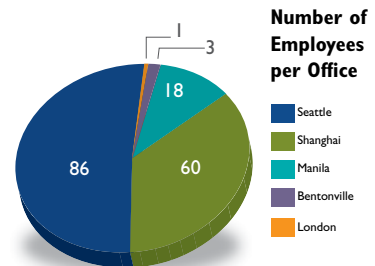
Culture/People

At PMI, we believe our core values create a special work environment for talented people. Our values fuel our strong corporate culture and shape how we interact with each other, our partner factories, our customers, and our community. We track our impact through our KPIs measuring, diversity, volunteer hours, and product and monetary donations to charitable causes.

Diversity



The diversity that comprises PMI is integral to keeping our business fueled with innovative ideas and fresh perspectives. We are always working to hire the best and brightest to help move the company forward. With offices around the world and working with China-based suppliers, we know diversity adds to our success in global expansion. This year diversity is a key performance indicator for our North American offices.



Philanthropy



Bettering the communities in which we live, work, and play has been part of our philosophy since PMI was founded in 1983. We enjoy working in our sphere of influence to help local organizations solve problems that face the communities in which we operate. Our philanthropic donations are driven by both the company and by our employees. Each quarter, through our Grassroots Giving program, employees nominate organizations they have a personal passion for to receive a donation supported by PMI. Employees are also given one paid day per year to volunteer at local organizations. In 2010, we donated over one percent of pre-tax profits in monetary donation, over \$8,000 in product donations, and nearly 800 volunteer hours.

North America		
Employee Metrics	2009	2010
Number of Employees	88	89
Percent of Minority Representation	17%	15%
Percent Female	52%	54%
Percent Male	48%	46%
Percent of Female Managers	Not tracked	58%
Percent of Male Managers	Not tracked	42%

Senior Leadership Team Metrics	2009	2010
Percent Female	29%	29%
Percent Male	71%	71%
Percent of Minority Representation	14%	14%

Board Metrics	2009	2010
Percent Female	-	-
Percent Male	100%	100%
Percent of Minority Representation	-	-

Social Responsibility

As our business continues to grow, we are equally committed to growing the work of Corporate Responsibility. Concentrating on Environmental Health and Safety (EHS) positively affects our entire supply chain. When employees have safe and healthy work environments, they are able to make high quality products that are safe and enjoyable for consumers to use. This in turn, helps consumers maintain a healthy lifestyle.

We measure our social responsibility success via three KPIs: Code of Conduct (COC) Compliance, Worker Retention, and Injuries. In 2010, we updated our COC, a comprehensive guide outlining all the standards we require partner factories to follow. We are committed to ensuring that workers who produce products for PMI live and work in a healthy environment and earn a fair wage for work performed. Each of our partner factories has a dedicated Corporate Social Responsibility (CSR) Manager who works closely with our China-based PMI CSR Manager to ensure this commitment is met along with an equally strong commitment for continuous improvement.

We work closely with our partner factories, using third party firms to perform audits that assess COC compliance. We work with our factories on issues that may be out of compliance and work to bring the factory into compliance. Our COC can be found on our website: pmi-worldwide.com

In 2010, it came to our attention that one of our factories was in violation of working hours documentation, which led us to a large project in partnership with third party experts and the factory. (You can read more about this in the case study on page 13.) Our commitment to working with factories has resulted in two of our major customers certifying PMI as a leader in self-monitoring programs. This helps avoid audit fatigue and builds collaboration between factories, PMI, and our customers.

“Concentrating on environmental health and safety positively affects our entire supply chain.”





Social Responsibility (continued)

Worker Retention



With growing labor migration and shortages in China, one way to easily gauge the health of a factory is through worker retention.

We started to measure worker retention on an annual basis as well as directly after the Chinese New Year, a time when workers frequently decide not to return to the factory. Our analysis shows that as worker retention improves, production quality and yield increases. In addition, worker replacement and training costs decrease. This combination provides financial benefits to both factories and offices. We consider factory worker retention to be a critical KPI as it is a quantitative barometer of factory conditions.

Injuries



Injuries are another great indicator of the safety and health of factories. While we strive for complete safety, we realize accidents do happen. We take as many precautions as possible, including providing personal protective equipment and mandatory trainings, which educate line-workers and managers on the dangers of working in a factory environment. Required trainings include fire safety, chemical safety, health safety, and machinery safety.

Retention Rate	PMI JO 2009	PMI JO 2010	Factory A 2010	Factory B 2010
Annual Retention Rate	89%	91%	Not tracked	83%
Retention Rate post Chinese New Year	93%	94%	96%	95%



Chinese New Year celebration at PMI JO

Injury Rate	PMI JO	Factory A	Factory B
2009	1.4%	—	—
2010	1.1%	2.05%	.9%

Injury rate calculated by dividing the total number of injuries in the reporting period by the total number of employees.



Case Study: Collaboration and COC Compliance



PMI first evaluated Factory A as a possible manufacturing partner in 2008. After completing a full assessment, we decided to move forward with manufacturing. In late 2009, we received information that the factory had just been given a red status from one of our top retail customers. This was primarily due to inconsistent record keeping that had not been previously discovered. A red status from this retailer meant the factory would not be allowed to ship product until improvements were completed.

First, PMI reviewed the situation with the factory and attained a firm commitment to partner for complete system improvement. PMI engaged INFACT Global Solutions, a third party consulting firm, to enable successful compliance. Based on trust and full transparency, our customer allowed us to continue shipping product from this factory. This gave the leverage needed to drive real change. Our customer did this with the understanding that we would drive the project and provide progress updates until resolution.

The baseline assessment showcased the deep and detailed work that Factory A would need to do in order to attain compliance. This included a fundamental change in the time-keeping and payroll system, with training at all levels of factory management. INFACT and PMI teams worked with factory managers through 2009 and early 2010. The new time-keeping and payroll system were implemented and went live after Chinese New Year in 2010.

In order to confirm successful implementation and further improve upon environmental health and safety in the factory, the team continued to work together after the new time-keeping and payroll systems launched. In 2010, a third party independent audit by Bureau Veritas, a global testing and compliance audit firm, confirmed compliance. The success of this project was dependent on the strong partnership between PMI, Factory A, INFACT, and the customer.

“We would like to thank our customers who have provided PMI with the opportunity to engage in industry leading improvement projects.”



Environmental Stewardship

We work to be on the forefront of new technologies, new materials, and manufacturing processes that will help protect the environment for future generations. The KPIs we are tracking include energy use, Greenhouse Gas (GHG) emissions, waste and water use. We are working towards improving each KPI with the intention of positively influencing global environmental sustainability.

Energy Efficiency Partnership (BSR EEP) Project



Along with collaborative social-based improvement projects, we work with customers and third-party firms to make environmental improvements. In December 2010, we completed an Energy Efficiency Partnership (BSR EEP) project at PMI JO factory. In October 2010, an energy audit was performed to understand where greater efficiency could be realized. Findings showed that PMI JO should focus on upgrades of the injection mold machines including, insulation upgrades, servo technology, and reducing hydraulic oil and cooling water use. Through the remainder of 2010, PMI JO began implementing these upgrades and found that the electro hydraulic servo upgrades saved nearly 40,000 kWh per machine, per year with a return on investment of around two years. Energy saved by each upgraded machine every year could power three US homes for a year.* PMI JO also found that adding a barrel insulation tube to the injection mold machines has a six-month payback due to saved energy costs. Through 2011, PMI JO will continue to perform upgrades to realize further energy and cost savings.

* Calculation based off of US EPA's Greenhouse Gas Equivalencies Calculator. <http://www.epa.gov/cleanenergy/energy-resources/calculator.html>

Do the Reuse



PMI's Aladdin brand hosted the Aladdin Do the Reuse Challenge in the fall of 2010.

A consumer-directed marketing campaign, the Do the Reuse Challenge encouraged consumers to give up disposable paper cups, water bottles, and/or food containers for the thirty days of September. People across the nation accepted the challenge online and dynamic tickers tracked the pounds lost and bottles, cups, and dollars saved. You can view the results of the challenge on our website, dothereusechallenge.com/impact.

After the thirty days were over, PMI realized there was no reason to end the Do the Reuse Challenge. Today, people around the globe are still invited to take on the challenge and track the impact it makes for themselves and their families. The more people who take up the challenge the bigger the impact will be for us all. Learn more at: dothereusechallenge.com/about.

Impact of the Do the Reuse Challenge



Impact of the 1,050 original Do the Reuse participants.

Factory Key Performance Indicators

As a company, PMI is working to make reductions in energy, water, and waste. In order to make the information more relevant and easily comparable from year-to-year, we have modified how we report on the impact of our factories and offices. Factories are compared against themselves on a per million unit of production basis. This allows us to compare factories against each other and identify areas where we can make improvements.

At PMI JO, reductions were achieved in each area of consumption through upgrades and improvements. When comparing the factories, Factory A has much higher energy, GHG, and water intensity than the other two factories. This is due, in part, to their high yield. We recognize the potential for improvement in these areas and are taking into consideration the lessons learned at other factories to launch environmental improvement programs.



Energy Intensity: MMBTU / 1 million units	PMI JO	Factory A	Factory B
2009	1,881.2	–	–
2010	1,723.8	3,407.1	1,881.8

In 2010, there was an 8.6% reduction in energy which could power 41 homes for 1 year.*

GHG Intensity: Tonnes / 1 million units	PMI JO	Factory A	Factory B
2009	356.33	–	–
2010	328.94	808.43	446.47

The amount of CO₂e reduced, 7.6% overall, is equal to planting 10,430 trees*



Water Intensity: Liters / 1 million units	PMI JO	Factory A	Factory B
2009	3,289,846	–	–
2010	1,888,232	16,062,350	6,678,122

Water consumption dropped by 42.6% in 2010. The water saved could fill 35,445,826 20 oz. bottles of water*

Water Recycling Intensity: Liters / 1 million units	PMI JO	Factory A	Factory B
2009	548,131	–	–
2010	346,473	5,727,674	–

The amount of water recycled fell in 2010 due to the due to the great reductions made in overall water consumption. Since the amount of water used in production fell by 42%, the amount of water recycled on a per unit basis naturally fell.



Hazardous Waste Intensity: KG / 1 million units	PMI JO	Factory A	Factory B
2009	193	–	–
2010	120	424	282

The combined reduction of waste going to landfill in 2010 fell by 26%, which is equal to 213,410 disposable plastic cups being kept out the landfill.

Non-Hazardous Waste Intensity: KG / 1 million units	PMI JO	Factory A	Factory B
2009	450	–	–
2010	355	6,324	8,790

The amount of waste recycled on a per unit basis fell in 2010 due, in part, to general waste reductions. Since there was less waste produced per unit, there was less waste to recycle. The percent of total waste that was recycled fell by 10% in 2010. We will work on raising this percentage in 2011.

Waste recycling: KG / 1 million units	PMI JO	Factory A	Factory B
2009	270	–	–
2010	178	–	2,299

* In order to provide relevant year over year comparisons of the impact of our total production, 2009 per unit data was extrapolated to 2010 production levels. Calculations are based off of the US EPA's Greenhouse Gas Equivalencies Calculator. <http://www.epa.gov/cleanenergy/energy-resources/calculator.html>


Office Key Performance Indicators

As part of our new reporting structure, we have reported on each office individually on a per employee basis. This allows for greater transparency, as many of our offices are not yet at a point where they can effectively measure data associated with each of our KPIs. We will continue to work with each office and their building management to measure and track additional data. In our next report, we will include data for our newly opened Amsterdam office.

In 2010, our Shanghai office experienced 22% personnel growth, which attributed to the increase in energy, GHG, and water intensity. The amount of waste recycled on a per employee basis fell in 2010 partially due to significant waste reductions. Since there was less waste produced per unit, there was less to recycle.


Our Seattle office experienced an increase in water intensity which could be attributed to increased personnel growth and/or varied heating and air conditioning usage in the building from which we lease office space. Currently data is provided on a pro-rata share as individual meters are not installed.

We will work to better understand what contributes to the increases in our Shanghai and Seattle offices and work on making reductions in the future.



Energy Intensity: MMBTU / Employee	Seattle	Shanghai	Manila	London	Bentonville
2009	20.95	3.39	8.53	4.83	–
2010	19.26	3.52	8.47	33.27	20.44

GHG Intensity: Tonnes of CO2e / Employee	Seattle	Shanghai	Manila	London	Bentonville
2009	2.53	0.82	1.08	0.72	–
2010	2.32	0.85	1.08	4.92	4.07



Water Intensity: Liters / Employee	Seattle	Shanghai	Manila	London	Bentonville
2009	16,317	48,000	–	–	–
2010	19,332	50,836	–	–	4,953

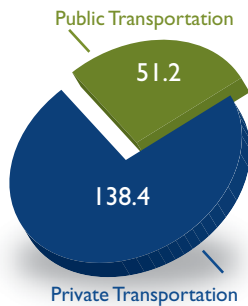
Hazardous Waste Intensity: KG / Employee	Seattle	Shanghai	Manila	London	Bentonville
2009	-	0.20	–	–	–
2010	-	0.16	–	–	–



Non-Hazardous Waste Intensity: KG / Employee	Seattle	Shanghai	Manila	London	Bentonville
2009	56	31	–	–	–
2010	50	12	–	–	–

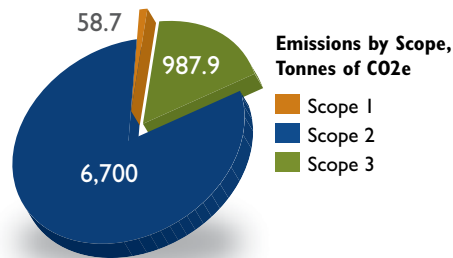
Recycled / Composted Waste Intensity: KG / Employee	Seattle	Shanghai	Manila	London	Bentonville
2009	79	16	–	–	–
2010	83	11	–	–	–

Environmental Stewardship



PMI Commuter Emissions

- Tonnes of CO2e from employees using public transportation to commute to work
- Tonnes of CO2e from employees using private transportation to commute to work



In 2009, we calculated our freight shipments in terms of weight. In 2010, to streamline our reporting process and more accurately measure how many units fit in a container, we started calculating our shipments in terms of volume. PMI JO saw an increase in 2010, which was due to higher quantities of units shipped that have a high volume resulting in fewer units being shipped per container.

Freight GHG Intensity/ 1 million units	PMI JO	Factory A	Factory B
2009	42.36	-	-
2010	46.03	137.21	61.55

Data and Calculations

In 2010, we set up new systems and methods to track, gather, and calculate data. In some instances, while gathering 2010 data, we were able to get more relevant and accurate data for 2009 or utilize newer tools for more accurate calculations. In these instances we recalculated our baseline.

Areas where we were able to get more accurate data for 2009 include: energy, GHG emissions, water, and waste data at PMI JO; energy, water, and waste data at the Seattle office; energy at the Shanghai office; and GHG emissions associated with freight shipments from PMI JO.

For our calculations we used the following tools:

- Scope 1 - World Resources Institute (2011). GHG Protocol tool for stationary combustion. Version 4.2
- Scope 1 - World Resources Institute (2008). GHG Protocol tool for mobile combustion. Version 2.0
- Scope 2 - World Resources Institute (2011). GHG Protocol tool for purchased electricity. Version 4.2
- Scope 3, Commuting - World Resources Institute (2008). GHG Protocol tool for mobile combustion. Version 2.2
- Scope 3, Freight - OOCL Carbon Calculator
- Environmental Facts - US EPA Greenhouse Gas Equivalencies Calculator, updated May 2011





Commitment to Excellence

PMI is committed to operating a world-class supply chain, product development, and sales/marketing organization. We are as committed to excellence in our Corporate Responsibility as we are in our other areas of operations. In 2010, we implemented robust data gathering systems that allowed us to gain more accurate data for this report as well as for our baseline year, 2009. In our commitment to transparency, we have disclosed where we have updated data. Looking forward, we will continue to build upon our current systems to provide further transparency and accuracy.



Accurate Data

We learned many lessons from our first Corporate Responsibility Report in 2009. One of the most important is the level of collaboration and training needed to acquire accurate data. We took what we learned and worked out new systems to collect data from our offices and worked with a third party firm to train our factories how to collect relevant data. While awareness is growing around Corporate Responsibility and environmental impact, it is still a fairly new arena and there is a high level of learning required to teach people why gathering data and analyzing it is important. We are committed to collecting the most accurate data we can and providing accurate information regardless of how it affects our impact reduction results.

Training

We believe in empowering people into richer, safer, fulfilling work and support this at an office and factory level. We believe this helps with worker satisfaction and retention. At an office level, employees undergo training certification programs that will enhance and grow skill sets and career paths. At our partner factories, employees are required to attend health and safety training. When employees are properly trained, there are positive outcomes on increased quality and lowered injury rates. In our 2009 report, we shared the journey of several PMI JO employees who improved their skill set and job function via training and increased commitment.

Our Commitment Moving Forward

PMI is committed to excellence and continuous improvement in our Corporate Responsibility work. As we move forward, we will work towards further reductions in water use, energy consumption, waste, and GHG emissions both at our offices and our partner factories. We will continue working with our stakeholders towards further transparency, learning, and collaboration. We would like to thank our customers who have provided PMI the opportunity to engage in industry-leading improvement projects.

GRI Index

This report follows the Global Reporting Initiative's 3.1 Sustainability Reporting Guidelines. When evaluating this report against the GRI guidelines, we self-declare an Application Level B. For a more detailed GRI Index, our Code of Conduct and our 2009 Corporate Responsibility Report please visit:

pmi-worldwide.com

For more Information on the Global Reporting Initiative Framework and the GRI 3.1 Guidelines, please visit:

globalreporting.org

For questions about this report, please contact Valerie Bone, Director of Corporate Responsibility, at:

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I. STRATEGY AND ANALYSIS		
1.1	CEO Statement	4
1.2	Key impacts, risks, and opportunities.	5
2. ORGANIZATIONAL PROFILE		
2.1	Name of the organization.	Front Cover
2.2	Primary brands, products, and/or services.	6
2.3 - 2.5 & 2.7	Operational structure and markets served	Back Cover
2.6	Nature of ownership	Online*
2.8	Scale of the reporting organization.	3
2.9	Significant changes during the reporting period	3
2.10	Awards received in the reporting period.	7
3. REPORT PARAMETERS		
3.1	Reporting period	3
3.2 & 3.3	Date of most recent previous report and reporting cycle	Online*
3.4	Contact point for questions	19
3.5 - 3.9 & 3.11	Process for defining report content, report boundary, limitations, basis for reporting on other entities within our boundary, data measurement techniques, and significant changes from previous year	3
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	3, 15, 16, & 17
3.12	Standard Disclosures Table	19
3.13	Policy for seeking external assurance for the report.	Online*
4.1 - 4.7	Governance arrangements	Online*
4.8	Internally developed statements of mission or values, codes of conduct, and principles	8, Online*
4.9 - 4.12	Governance procedures	Online*
4.14 - 4.16	List of stakeholder groups and basis for identification and selection, and engagement process	Online*
4.17	Key topics and concerns that have been raised through stakeholder engagement	3
ECONOMIC		
Disclosure on Management Approach		Online*
EC4	Significant financial assistance received from government.	Online*
EC6	Policy and practices on locally-based suppliers	Online*
ENVIRONMENTAL		
Disclosure on Management Approach		Online*
EN3 - EN7	Energy consumption and reduction initiatives	15 & 16
EN8 & EN10	Water consumption and recycling	15 & 16
EN16 - EN18	Greenhouse gas emissions and reduction initiatives	15-17
EN22	Total weight of waste by type and disposal method.	15 & 16
EN23	Total number and volume of significant spills.	Online*
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII	Online*
EN26	Initiatives to mitigate environmental impacts of products and services	9
EN29	Significant environmental impacts of transporting products	17
SOCIAL: LABOR PRACTICES AND DECENT WORK		
Disclosure on Management Approach		Online*
LA1-LA2	Employee profile and diversity	10
LA4	Employees covered by collective bargaining agreements.	COC-Online*
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Online*
LA10	Average hours of training per year per employee	18
LA12	Employees reviews	Online*
LA13	Board profile and diversity	10
LA14	Ratio of basic salary of women to men	Online*
SOCIAL: HUMAN RIGHTS		
Disclosure on Management Approach		Online*
HR2	Human rights screening	Online*
HR4	Total number of incidents of discrimination	Online*
HR5 - HR10	Operations at significant risk for human rights issues and actions taken to support these rights.	COC-Online*
SOCIAL: SOCIETY		
Disclosure on Management Approach		Online*
SO1	Operations and local community engagement	Online*
SO2	Business units analyzed for risks related to corruption	COC-Online*
SO3	Employees trained in anti-corruption policies and procedures.	COC-Online*
SOCIAL: PRODUCT RESPONSIBILITY		
Disclosure on Management Approach		Online*
PR1	Life cycle stages in which health and safety impacts of products are assessed	Online*
PR3	Type of product and service information required by procedures	Online*
PR5	Practices related to customer satisfaction	Online*
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications	Online*

* For full responses, please download the full GRI Index at www.pmi-worldwide.com



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