



PHILIP MORRIS LIMITED

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PHILIP MORRIS LIMITED UK MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR 2024

1. INTRODUCTION

This is a modern slavery statement under section 54 of the Modern Slavery Act 2015 (“**Modern Slavery Act**” or “**Act**”) made in respect of Philip Morris Limited (respectively “**Statement**” and “**PML**”). The Statement sets out the steps taken by Philip Morris International Inc. (“**PMI**”) as a wider group to prevent modern slavery and human trafficking in its business and supply chains. PML submits the Statement on behalf of itself in respect of the period 1 January 2024 to 31 December 2024 (“**Reporting Period**”). This Statement is based on and should be read in conjunction with PMI 2024 Integrated Report¹.

In the Statement, the definitions of “**Modern Slavery**” and “**Human Trafficking**” are those contained in the Act, whereas the terms “**materiality**”, “**material**” and similar terms are defined in the referenced sustainability standards and certain regulatory requirements and are not meant to correspond to the concept of materiality under the U.S. securities laws and/or disclosures required by the U.S. Securities and Exchange Commission. Finally, the terms “**PMI**”, “**we**”, “**our**” and/or “**us**” refer to Philip Morris International Inc. and its subsidiaries, including PML.

As an affiliate of PMI, PML’s aim is to fulfill a broader purpose of making a positive impact on society while delivering value to shareholders and other stakeholders alike. Through this lens, sustainability becomes both a strategic imperative and a source of competitive advantage.

The PMI approach is guided by the outcomes of a full-fledged sustainability materiality assessment, which was performed in 2021 and refreshed in 2023, confirming PMI’s priority to sustainability-related topics. The result of this assessment is a structured framework (depicted below) that showcases those topics PMI focuses and prioritises its resources on.

This framework recognises two distinct forms of issues: those that relate to PMI’s products (what PMI produces), which are part of the “Product Impact” pillar mentioned below, and

¹ PMI Integrated Report 2024, accessible [here](#).



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those related to the business operations (how PMI produces), which are part of the “Operational Impact” pillar.

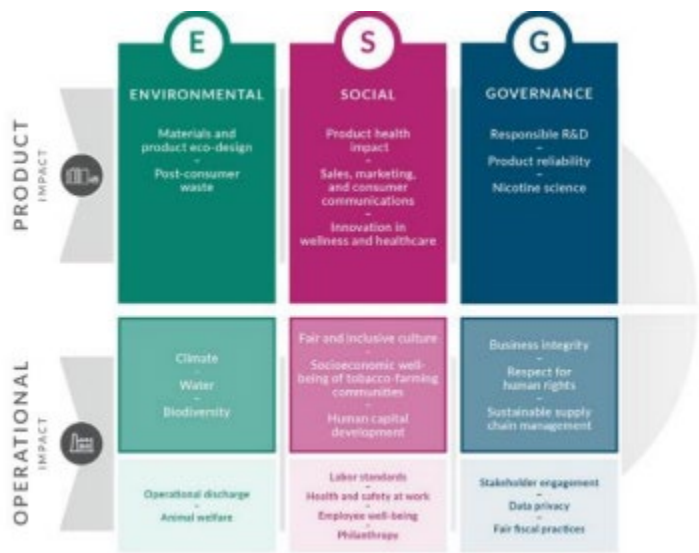


Figure 1 ²

While on the environmental front this means, for instance, tackling climate change and preserving natural ecosystems, from a social standpoint, this includes ensuring fair treatment and empowerment of PMI employees and improving the lives of people across the supply chain.

2. BUSINESS STRUCTURE, GOVERNANCE, SUPPLY CHAINS AND IDENTIFIED RISKS

Philip Morris Limited (Company Number: 03619145) 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 a range of smoke-free products including IQOS ILUMA (electronic heated tobacco product), TEREA (tobacco sticks used in IQOS), LEVIA (zero tobacco sticks used in IQOS), HEETS (tobacco sticks used in legacy IQOS DUO), ZYN (nicotine pouches) and VEEV ONE (electronic cigarettes). They also include our cigarettes brands of Marlboro and Chesterfield.

² Obtained from PMI’s Integrated Report 2024, page 26.



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PML has over 340 employees in the UK and Ireland.

PMI has 83,100 employees worldwide and operates in around 170 markets.³ PMI is part of PMI's value chain, which connects the company with millions of people around the world, from the farmers and farm workers who cultivate tobacco and other agricultural products to workers at the supplier companies that provide the products and services needed to run PMI's business. Establishing a strong foundation of respect and integrating into the organisation mechanisms that promote and protect human rights across the value chain are essential components of PMI's approach to running its business.

More precisely, sound governance, policies, and practices to manage supply chains responsibly and safeguard human rights are vital prerequisites to harnessing the connections in our supply chains to improve the quality of life of those who are part of it.

The PMI global supply chain is organised into two main streams: direct spend (focused on materials used to manufacture our finished products) and indirect spend (focused on goods and services necessary to operate our business) as demonstrated in the below graph.

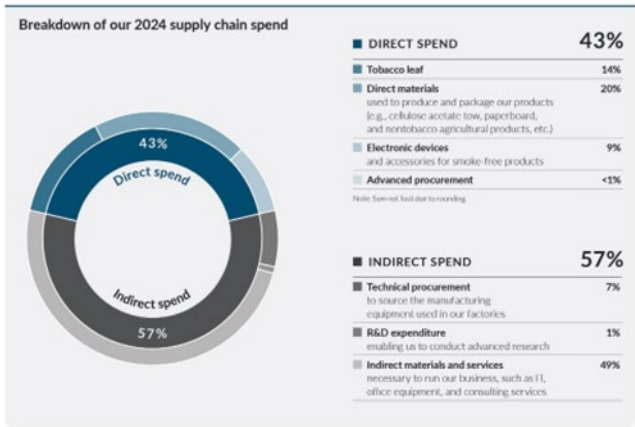


Figure 2 ⁴

2.1 Governance Structure

³ Obtained from PMI's Integrated Report 2024, page 8.
⁴ Obtained from PMI's Integrated Report 2024, page 169.



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Our governance structure ensures that we conduct our business with high ethical standards and integrity. Integrating sustainability and human rights into our company relies on a formal structure with clear accountabilities at different levels of the organisation.

Our company's policies, rules, and procedures define our ability to implement sound strategies that can help address human rights risks. In that regard, Our Ethics & Compliance program and broader Legal & Compliance department help us ensure we conduct business ethically and with integrity, setting clear standards, expectations and investigating potential concerns.

The Chief Sustainability Officer (CSO) heads PMI's Sustainability Team, which leads the sustainability materiality analysis, manages reporting on performance, and coordinates strategy implementation across our business. The CSO updates the Sustainability Committee (composed of members of Company Management, including Chief Executive Officer) on a quarterly basis and hosts a quarterly Sustainability Group— composed of functional leaders. The Nominating and Corporate Governance Committee (NCGC) and full Board of Directors are each updated at least once per year by the CSO on sustainability related matters, including human rights.

Our human rights (including modern slavery related topics) and environmental sustainability efforts are managed by a team that sits within the Operations department and works cross-functionally with leaders and subject matter experts throughout the Company. This team is responsible for developing strategies to advance human rights and environmental due diligence throughout PMI .

In 2021, we developed PMI's Sustainability Index⁵ (the Index) to measure objectively and communicate rigorously progress toward our aspirations, using a set of clearly defined and verifiable metrics. Since 2022, our Index also represents 30 percent of our performance-based long-term equity award.

One of the KPIs of the Index pertains to progress toward our aspiration to conduct human rights impact assessments in our 10 highest-risk markets by the end of 2025.

Indeed, identifying and mitigating sustainability-related risks tied to environmental and social issues (including modern slavery) is essential for business resilience. More specifically, at PMI, we carry out risk-based assessments to identify where we may have the greatest challenges and opportunities to prevent, mitigate, and end actual or potential adverse human rights and environmental risks. At the enterprise level, sustainability-

⁵ The PMI Sustainability Index refers to a framework developed by PMI to measure and communicate the company's progress toward its sustainability goals. It was introduced in 2021 and is structured around a set of Key Performance Indicators (KPIs). More information is available on <https://www.pmi.com/sustainability/sustainability-kpi-protocol>



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related risks and opportunities, including adverse human rights and environmental risks are included in our risk management practices. The objective of our risk management practices is to address significant and emerging risks that could undermine our ability to achieve our principal business objectives and create value over time.

2.2 Identified Risks

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 include⁶:

- i) In the tobacco supply chain: While we are confident that child labour in our tobacco supply chain is no longer a systemic issue following years of PMI's implementation of its Agricultural Labour Practices (ALP) program and dedicated interventions, we acknowledge that isolated cases might persist due to farmer turnover or unintentional misbehaviors, and we remain alert and are committed to tackling them promptly when identified. In Indonesia, Pakistan, and the Philippines, isolated cases of child labour incidents were reported in 2024. This outcome was a result of continuous farm-by-farm monitoring, training, and targeted initiatives, as well as of the implementation of stronger due diligence and consequence management. Despite the improvements reflected above, we stay alert to potential child labour issues in all countries sourcing to PMI. Further, data shows that farmers' children are more susceptible to being involved in child labour. Moreover, understanding that poor labour conditions and issues such as child labour typically stem from poverty, PMI deploys initiatives seeking to improve farmers' productivity and promote other income-generating activities for farmers supplying tobacco to PMI to achieve a living income.
- ii) In the electronic supply chain: As this is a novel area for the business, our primary focus lies with our electronics supply chain, where we aim to proactively address specific social risks. Continuing to leverage resources from the Responsible Business Alliance (RBA), data gathered through the RBA's Validated Assessment Program (VAP) and customer managed audits (CMAs), during the year highlighted that the most common social issues in the electronics supply chain relate to working time, wages and benefits, and emergency preparedness. Our suppliers have all developed relevant corrective action plans to address the issues identified.

⁶ These material risks have been identified as part of the results of a new global sustainability materiality assessment that PMI conducted in 2024, as per requirements set by the EU Corporate Sustainability Reporting Directive. An overview of the assessment process is available [here](#) (page 36 onwards).



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3. OUR POLICY FRAMEWORKS TO ADDRESS RISKS OF MODERN SLAVERY PRACTICES IN OUR OPERATIONS AND SUPPLY CHAINS

3.1. Our Policy Framework

Human rights are inherent to the dignity of human life and a prerequisite for society to prosper. As a global company, PMI works to uphold human rights within its organisation and across its value chain. At PMI, promoting, protecting, and continuously working to embed human rights considerations into its company's strategy, policies, and business practices is not just the right thing to do; it also helps anticipate current and emerging legal requirements and minimises its financial exposure and the risk of supply chain disruptions. It creates the basic environment and conditions within which PMI's business can thrive and create value, by recognizing, respecting, and protecting our rights-holders, including its employees and workers across its value chain.

PMI's efforts to respect, promote, and protect human rights underlie many of the activities and programs described throughout PMI's Integrated Report 2024. A dedicated cross-functional team at PMI's central operations coordinates the approach on human rights, which is grounded in the United Nations Guiding Principles on Business and Human Rights (UNGPs) and, as described in detail in the latest Human Rights Report of 2023,⁷ is centered on four pillars: (a) a sound policy framework, (b) rigorous and continuous due diligence, (c) remediation - including through grievance mechanism channels, as described further below - and (d) transparency.

In 2024, PMI continued to follow the above-mentioned approach to address the risk of Modern slavery practices in its operations and supply chains. Below we describe our key policies which are monitored and periodically updated.

3.2. Stakeholder Engagement

As a general practice, PMI engages with a diverse set of external stakeholders. Its stakeholder engagement incorporates both structured and ad hoc interactions. Above all, it is guided by transparency, integrity, and respect, and is governed by PMI's Code of Conduct and its accompanying policies (Principles and Practices)⁸.

We have identified several key stakeholder groups, including consumers, employees, supply chain and business partners, finance community, regulators, public health community, and civil society. Some of these stakeholders are not directly part of our primary value chain but have a direct influence on the regulatory environment in which we operate, while others are NGOs, academics, and opinion leaders who shape the

⁷ PMI 2023 Human Rights Report available [here](#).

⁸ The Code of conduct is available [here](#).



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societal debate on topics important to PMI. To maintain a continual flow of feedback and insights, our engagement with these stakeholders occurs at regular intervals.

Engagement with employees is facilitated through town halls, regular surveys and feedback sessions, which provide a platform for voicing concerns and suggestions while fostering a culture of openness and transparency. We organise and participate in supplier forums and events, perform visits, and hold regular meetings with key supply chain and business partners to foster collaboration and partnership. We host the annual shareholder meetings to maintain dialogue with our shareholders, investors and other finance community actors. We engage in conversations with regulators and expert community, while also participating in relevant forums and events or public consultations. We build partnerships with NGOs and contribute to community projects to engage with local communities and understand their perspectives.

These engagements serve to gather insights and feedback, proactively respond to concerns, stay abreast of global trends and market expectations, foster collaboration and partnerships, identify areas for improvement and innovation, and find common solutions to complex challenges. The outcomes of these engagements are actively integrated into our business strategies. This includes increased transparency to showcase the pace and scale of our business transformation, collaboration on community development projects, and the formulation of policies and strategies based on stakeholder insights.

3.3. Saliency Mapping

Our first company-wide saliency mapping was conducted in 2017. It was then refreshed in 2020 to reflect changes in the business in the context of rapid transformation and heightened understanding of human rights. We are now reviewing and updating our human rights saliency mapping once again, working with our human rights advisers, Article One, as part of our commitment and responsibility to respect human rights. This exercise prioritises key human rights issues most relevant to PMI's business from the perspective of rights holders and will inform our updated human rights strategy in 2025. In the 2020 saliency mapping refresh, Article One mapped all aspects of PMI's business against the Universal Declaration of Human Rights and ILO Core Conventions. Based on this mapping, Article One identified and prioritised salient human rights risks. The process was informed by a desk review, management and stakeholder interviews. Salient risks were prioritised in line with the UNGPs, by focusing on scale, scope, remediability and likelihood across four key groups of rightsholders: consumers, employees and contractors, suppliers and supply chain workers, and communities. The outcome of this process was a revised, prioritised list of salient human rights risks and opportunities for PMI as outlined in the below graph and further described in our 2023 Human Rights Report.



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Figure 3⁹

3.4. Human Rights Commitment

PMI’s Human Rights Report, published in 2023 details PMI’s strategy to respect, promote, and protect human rights and our progress to date in implementing our Human Rights Commitment, first published in 2017¹⁰.

This Statement incorporates a preliminary analysis of disclosures on the work on human rights and the considerations of the UN Guiding Principles Reporting Framework (UNGPRF), which enables companies to report meaningfully on their human rights performance. PMI upholds its “Human Rights Commitment”, which articulates the pledge to respect human rights in all operations and business relationships. To ensure understanding and implementation of the Human Rights Commitment, PMI has included

⁹ Obtained from PMI’s 2023 Human Rights Report page 15.

¹⁰ The Human Rights Commitment is available [here](#).



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it in PMI's company-wide Business and Human Rights e-learning which is available in multiple languages including Bahasa, English, German, Japanese, Polish, Portuguese, Russian, and Spanish. These represent the most widely spoken languages by PMI's workforce. All PMI Security & Market Safety personnel are trained on the human rights components applicable to security, specifically the prevention of misuse of force and appropriate working conditions for third-party security personnel deployed at PMI sites; and codifying these requirements as contractual obligations for key suppliers delivering security services.

3.5. Code of Conduct

Human rights considerations are included also within PMI's Code of Conduct¹¹, whose mandatory provisions apply to all PMI employees, officers, and directors. 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. Internal PMI policies provide more specific guidance on these and other topics. The PMI Code of Conduct is reviewed and updated annually.

In 2024, PMI continued implementing our global Code of Conduct annual certification process. To date, 98 percent of targeted employees, including 100 percent of senior leaders, have completed the 2024 PMI Code of Conduct certification.

3.6. Responsible Sourcing Principles (RSPs)

To mitigate the risk of Modern slavery, PMI's supply chain sustainability due diligence is grounded in the Responsible Sourcing Principles (RSPs)¹². The RSPs are aligned with the UNGPs, the UN Global Compact and the relevant International Labour Organisation Conventions. The RSPs set out ambitions and expectations for our suppliers, including human and labour rights considerations.

As part of PMI's procurement practices, PMI identifies and screens suppliers for business relevance and potential environmental, social, and governance-related risks before engaging with them. The screening methodology includes country-specific, sector-specific, and commodity specific risks to determine a list of significant suppliers through a sustainability lens. In 2024, PMI engaged with approximately 1,000 significant suppliers. Significant suppliers are those identified as having a substantial risk of negative

¹¹ The Code of conduct is available [here](#).

¹² The Responsible Sourcing Principles are available [here](#).



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sustainability-related impact, significant relevance to the business, or a combination of both.

However, not all significant suppliers are critical to PMI's business. Critical suppliers are linked to the nature of materials or services they provide to the business (e.g., pulp and paper and electronic components). In 2024, PMI had 209 critical suppliers. Significant and critical suppliers go through a rigorous assessment process.

With regards to forced labour and modern slavery, PMI considers any use of forced labour or any form of slavery as unacceptable. As outlined in its Human Rights Commitment, PMI is committed to identifying and addressing any form of forced labour or modern slavery in its operations and value chain. PMI will act to prevent, mitigate and cease such practices, including requiring workers to pay recruitment fees or deposits, the retention of worker identity documents, the withholding of wages, and deceptive recruitment practices. The current RSP more specifically requires PMI's suppliers to:

- not engage in or condone the use of forced or trafficked labour or modern slavery;
- act to identify, prevent and cease any form of modern slavery in their operations and supply chain, including prison, indentured, bonded, enslaved or any other form of forced and child labour. In light of this Suppliers must:
- clearly explain potential loans or salary advancements to their workers, which must be based on fair terms, mutually agreed and not require the worker to remain with the employer until repayment is completed;
- not retain or confiscate the personal papers of any worker including their passports or identity documents;
- not allow workers to pay recruitment, processing or placement fees either in the workers' home country or the country where the workers are employed; and
- If Supplier becomes aware of any instances where workers have already paid recruitment fees, Supplier must reimburse such fees;
- Ensure workers have freedom of movement and are never physically prevented from leaving the workplace or housing (where provided).

The RSP has been published in 27 languages to facilitate supplier understanding and its deployment.

In the Reporting Period, PMI employees who have regular interaction with suppliers have been requested to complete RSP training. Internal capability building on RSP has been split into sections specifically dedicated to RSPs: Fundamentals and Advanced, as well as other non-related sessions that explain RSPs. To ensure all PMI suppliers comply with the RSP, a strategic framework was developed, using a two-step approach, addressing significant suppliers through direct engagement, and seeking their commitment to implement mandatory requirements of the RSP.



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Further to this, adherence to PMI's RSP is built into contractual agreements with suppliers. Suppliers' performance and compliance with the RSPs is monitored through self-declarations, online assessments, audits, or inspections, and through the conduction of appropriate due diligence. PML retains the right to terminate the business relationship with the supplier, in cases where non-compliance is not remediated within a stated period.

3.7. Agricultural Labour Practices (ALP)

PMI is committed to eliminating child labour and other labour abuses where they are found, and to achieve safe and fair working conditions on all farms from which PMI sources tobacco. Since 2011, PMI has implemented a set of Agricultural Labour Practices referred to as ALP or the ALP Code¹³ and a related program 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 PMI expects 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. PMI's internal leaf team, tobacco suppliers, contracted farmers, and farm workers are regularly trained on the ALP Code.

In 2024, PMI revamped the ALP Code and revised the internal guidelines on prompt actions and non-conformities which aim to further support suppliers in their monitoring and reporting procedures of risk situations.

The aspirations are to have 100 percent of contracted farmers supplying tobacco to PMI make a living income by 2025 and to have zero child labour in PMI's tobacco supply chain by 2025 (in 2024 the prevalence of child labour among contracted farmers supplying tobacco to PMI was 0.01%, while in 2023 it was 0.1%).

4. ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Human rights risks are incorporated into PMI's overall integrated risk assessment, PMI's Sustainability Index, the compliance program, the supplier due diligence and evaluation processes, and our ALP monitoring and remediation system deployed on the tobacco farms contracted by PMI and our suppliers. PMI conducts human rights impact assessments in its highest-risk countries to proactively identify and mitigate potential adverse human rights impacts across our value chain. PML is not indicated as a high-risk market in terms of potential human rights violations.

¹³ The Agricultural Labour Practices are available [here](#).



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4.1. Human Rights Impact Assessments (HRIAs) ¹⁴

To strengthen PMI's due diligence framework, proactively identify risks and mitigate potential adverse impacts in direct operations and in the value chain, PMI had set the aspiration to conduct HRIAs in the 10 highest-risk countries in which it operates by 2025. High-risk countries are identified—and periodically reviewed—based on PMI's footprint (e.g. presence of manufacturing operations and type of supply chain) and the 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 HRIAs are carried out by independent expert organisations and follow a formal process aligned with the UNGPs. They result in tailored action plans, which are then implemented, monitored, and reported on.

In 2024, completing its 9th and 10th assessment in Kazakhstan and Indonesia, respectively, PMI achieved its aspiration one year ahead of schedule. During 2024, PMI also completed a follow-up assessment in the leaf supply chain in Mozambique, gauging the progress made since the original assessment conducted in 2020 and there are plans to initiate another follow up assessment in Turkey in early 2025.

4.2. Sustainability performance in our supply chain

PMI aims to leverage its experience in the tobacco supply chain to promote high labour standards and advance the socioeconomic well-being of workers across its broader supply chain. For this, in 2024, PMI continued to use its due diligence tools to assess performance and compliance of suppliers and support them in progressing towards sustainable practices.

4.2.1. Direct materials supply chain

To assess direct materials, suppliers, holistic sustainability performance across environment, and social, ethics, and responsible purchasing domains, PMI continued to use EcoVadis. It is largely aligned with PMI's RSPs and gives an opportunity to enhance PMI's accountability while also providing actionable insights on potential improvement areas linked to PMI's social and environmental sustainability performance. During 2024, 135 suppliers, representing 92 percent of PMI's total direct material spend, were assessed. Of these, 92 percent were determined to be sourced sustainably by PMI, based on the score provided by the assessment platform. Only 8 percent were below the

¹⁴ More details on each of the Human Rights Impact Assessments can be obtained from PMI's Integrated Report, 2024, page 165.



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minimum threshold required. Suppliers with a low score were mandated to develop and implement a Corrective Action Plan (CAP), and report progress.

CAPs are segmented by theme, indicator (policy, action or reporting), and priority level. Depending on priority, suppliers of direct materials are requested to close identified gaps in an agreed timeframe, and to conduct a reassessment. PMI's procurement team engages directly with suppliers to provide necessary support and capability building. PMI actively supports suppliers' CAP reviews to drive performance improvement. For direct materials alone, 6 suppliers (representing approximately 0.3 percent of our critical direct materials suppliers) were reassessed in 2024 (2023: 13 suppliers representing 10 percent). On average, the EcoVadis score of suppliers that underwent reassessment increased by 18 points, which signals a strong commitment and investment made by our suppliers

4.2.2. Electronics supply chain

For the electronics supply chain, PMI continued to leverage resources from the Responsible Business Alliance (RBA), the world's largest industry coalition for sustainable supply chains. In 2024, PMI further expanded its participation as a member in the alliance by using more of its tools and various capability building programs with suppliers.

In particular, during the Reporting Period PMI continued to leverage two key RBA programs: the Responsible Factory Initiative (RFI), which provided support to supplier factories to implement the RBA code, and the Responsible Labour Initiative (RLI), which equipped suppliers with tools to address potential forced labour issues associated with migrant workers. PMI successfully completed the pilot of the RFI in two factories in China, and the RLI with eight recruitment agencies in Nepal in 2024. PMI continued rolling out the RFI program to an additional 10 factories in 2024, with a plan to further expand the program in 2025.

PMI also continued to participate in RBA's VAP, the standard for on-site compliance verification and effective, shareable audits. Under this program, independent external auditors review our electronics suppliers' sustainability performance against the RBA Code of Conduct, which is aligned with PMI's RSPs requirements. To gather additional audit data, we leverage CMAs, a comparable audit standard recognised by RBA.

In 2024, 100 percent of PMI's spend with critical electronics suppliers was covered by VAP or CMA audits and the average RBA score of PMI's suppliers was 174 (out of a maximum of 200), compared with an RBA average for our suppliers of 170 in 2023. Audit reports revealed several common issues across suppliers on social issues, including working hours, emergency preparedness, wages and benefits.



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4.2.3. Tobacco supply chain

PMI defines sustainable tobacco production as the efficient and competitive production of quality tobacco in conditions that limit as much as possible the impact on the natural environment and improve the socioeconomic circumstances of the people and communities involved. PMI's Good Agricultural Practices¹⁵ (GAP) define the principles and measurable standards to be met by all those who grow and supply tobacco to PMI. These standards focus on four areas: governance, crop, environment, and people. The latter is governed by the already mentioned ALP Code. GAP principles are mandatory for all suppliers of tobacco to PMI and are reflected in supply contracts.

To ensure a consistent level of due diligence across our tobacco supply chain, we use EcoVadis to assess the sustainability performance of our leaf suppliers.

To a large extent, responsible sourcing stems from strong relationships on the ground. PMI's Integrated Production System (IPS) connects leaf suppliers and farmers beyond the customary boundaries of a commercial relationship and enables direct technical support, agronomic advice, financial loans, and various other services.

PMI's IPS covered 96 percent of tobacco purchases in 2024, while the excluded amount originated from India. The IPS is vital to providing traceability and visibility in the supply base; it enables the deployment of GAP and ALP monitoring and remediation system down to the farm level. At the center of this system are field technicians, employed by PMI or third-party suppliers. These technicians visit each farm on average five times during the crop season and monitor the implementation of our GAP and ALP codes. They also provide agronomic assistance, deliver training to farmers (e.g., on our GAP and ALP codes), identify and address labour issues, and monitor the implementation of improvement plans.

In 2024, field technicians enabled us to monitor compliance with GAP by all farmers supplying tobacco to PMI under the IPS. Due to varying local realities, partnering with third parties that can provide tailored support and respond to local needs is crucial. Where possible, we partner with local NGOs that can support and monitor GAP and ALP implementation. In countries where PMI has contracts with farmers, PMI is committed to continuously improve addressing social issues. In the event of non-compliance and continued failure to address gaps, PMI may end the business relationship with that farmer.

4.2.4 Conflict minerals

PMI is committed to operating with integrity and to responsibly source 3TGs (tin, tantalum, tungsten, and gold), which are potentially used in our products. PMI's 2024 conflict

¹⁵ The Good Agricultural Practices are available [here](#)



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minerals submission to the U.S. Securities and Exchange Commission (SEC) covering the year ended December 31, 2023 showed that approximately 92 percent of the smelters or refiners (SORs) in PMI's conflict mineral supply chain are engaged with Responsible Minerals Assurance Process (RMAP) or RMAP-Active. The remaining approximately 8 percent were contacted and requested to conduct due diligence to verify whether they sourced 3TGs from the Covered Countries (as defined by the U.S. SEC) during 2023.

In 2024, PMI updated its Responsible Sourcing of Minerals Policy¹⁶ for better alignment with RSPs and the OECD Due Diligence Guidance. The updated Policy effectively articulates PMI's existing due diligence efforts, including requirements for suppliers, and demonstrates a stronger commitment to minerals supply chain due diligence. It provides details on our approach to consequence management and also establishes a foundation for PMI to expand due diligence to other minerals and geographies beyond those in scope of the U.S. SEC Ruling.

Cobalt, which is used in the batteries that power our smoke-free devices, is also linked to unethical mining practices. While the quantities required for our products are minor relative to the global market size, we are leveraging the RMI approach for due diligence in our cobalt supply chain to identify and address potential human rights risks. In 2024, all our battery suppliers responded to a PMI request. Subsequent due diligence indicated that, as of December 31, 2024, each of the 40 smelters from which PMI battery suppliers source cobalt were on RMI's conformant list.

4.3. Grievance Mechanisms

Providing access to remedy to potentially impacted stakeholders relies on the provision of an effective grievance mechanism, both for our operations and across our supply chain. This is a core element of our human rights due diligence approach, aligned with the UNGPs. At PMI, we maintain clear policies, run regular training, and work to ensure that robust processes are in place to encourage individuals to speak up if they become aware of any suspected, potential, or actual violations of law, our Code of Conduct, or any of our policies.

As an example, in 2024, 91% of PMI employees were trained on RSPs, reinforcing the importance of speaking up in the organisation.

PMI offers the following mechanisms in place internally:

- The individual's supervisor, department head, or affiliate or function leadership;

¹⁶ The Responsible Sourcing Principles which include the Responsible sourcing of Minerals Policy are available [here](#).



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- PMI Compliance key contacts, for example Regional and Local Compliance Officers;
- PMI Global Compliance confidential email address; and
- 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.

There is a robust speaking-up culture at PMI, with most employees communicating directly with the Compliance department and voluntarily disclosing their identity when doing so. Specifically, in 2024, only 23 percent of the reports received by Compliance were submitted anonymously.

This implies that employees overall feel comfortable and safe about speaking up when things don't seem right or can be improved. When investigating suspected Ethics & Compliance violations, trained PMI personnel adhere to its Investigations Standards. Following investigations, we apply corrective measures and disciplinary sanctions when justified. We review our mechanisms for speaking up regularly. The Compliance Department trains employees to investigate concerns that are raised, and we run a quality assurance program following the investigation to ensure that our processes are fair, unbiased, and respectful. We also have a Retaliation Check program to detect, remedy, and prevent retaliation against people who speak up.

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. In addition, suppliers are asked to create ways for stakeholders outside the organization to raise concerns. Our ALP Code provides for the fair treatment of workers by farmers, including access to a fair, transparent, and anonymous grievance mechanism. Such mechanisms are also available in those countries where PMI sources tobacco, and concerns can be raised with field technicians at any time.

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



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4.4. Training

At PMI, we use training and communication to help employees understand the compliance-related standards and rules that are relevant to their roles and how to apply them in their daily work. The Compliance team launched a series of six e-learning courses (available in 31 languages) in 2024. Approximately 40,000 employees worldwide received training in the following key compliance risk areas: anti-corruption, Code of Conduct (which is an annual requirement), conflicts of interest, insider trading, non-discrimination and anti-harassment (including sexual harassment, which is an annual requirement), and privacy. Regional and local compliance officers supplemented these e-learning courses with in-person training sessions to address compliance risk topics specific to their respective region(s).

5. PLANS FOR FUTURE ACTION

Our Human Rights Commitment 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 aspirations across all functions to be delivered by 2025. Although the focus will be to achieve these aspirations, 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.

In the year 2025, PML intends to:

- Continue to build upon our RSP awareness and adherence programme, ensuring all our suppliers / service providers are aware of our commitments as part of sourcing activities.
- Ensure a continuation that 100% of newly selected high value suppliers / service providers have a legally binding commitment to the RSPs (e.g. Through contract clauses and amendments), with regular monitoring of compliance.

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 2024 Integrated Report.



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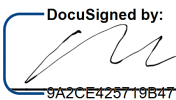
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APPROVAL

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes PML's slavery and human trafficking statement for the financial year ending 31 December 2024.

It was approved by the Board of Directors of Philip Morris Limited. Peter Nixon has been authorised to sign this statement on behalf of the Board of Directors on 16 September 2025.

DocuSigned by:

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Peter Nixon

Managing Director

Philip Morris Limited