

Philip Morris GmbH

Rules of Procedure for the Complaints Procedure under the Supply Chain Due Diligence Act (LkSG)

1. Introduction

Philip Morris GmbH implements the requirements of the Supply Chain Due Diligence Act (LkSG) for the fulfilment of human rights and environmental due diligence obligations. A core element of these due diligence obligations is the establishment of an effective complaints procedure through which indications of risks or violations concerning human rights or environmental obligations can be made.

These rules of procedure provide information on the main features of the complaints procedure, access to and reachability of the procedure as well as responsibilities. In addition, it provides information on how incoming information and complaints are handled, i.e. how the complaints procedure is executed.

2. Subject of the complaint

The complaints procedure enables individuals to report potential risks or violations concerning human rights or environmental obligations resulting from the economic activities of Philip Morris GmbH and its affiliates in its own operating division or in the supply chain. This includes all violations of the prohibitions listed in § 2 Abs. 2 und 3 LkSG, in particular:

- the prohibition of employment of a child and ban on the worst forms of child labour (e.g. slavery, carrying out illicit activities or activities with harmful effects on health);
- the prohibition of forced labour, slavery, practices akin to slavery, serfdom or other forms of domination or oppression in the workplace environment;
- the prohibition of neglect of duties relating to occupational health and safety and to freedom of coalition;
- the prohibition of discrimination and on the withholding of a fair wage;
- the prohibition of environmental damage (e.g. from soil change, water pollution, air pollution, noise emission, or excessive water consumption);
- the prohibition of illegal eviction and the prohibition of illegal dispossession of land, forests and bodies of water;
- the prohibition of hiring or using private or public security forces if these:
 - o violate the ban on torture and cruel and inhumane or degrading treatment,
 - o do harm life or limb, or
 - o impede freedom of association and coalition;
- violate the Minamata Convention, i.e.:
 - o manufacturing of products containing mercury,
 - o use of mercury and mercury compounds in manufacturing processes, or
 - o illegal disposal of mercury waste;
- the prohibition of the production and use of persistent organic pollutants;
- the prohibition of environmentally unsound handling, collection, storage and disposal of waste;
- the prohibition of the export and import of hazardous waste.

3. Right to submit a complaint

Any person that noticed risks or violations of human rights and environmental-related concerns within the meaning of the LkSG can submit a complaint or an information. This person does not have to be affected personally. That means, that even people that only observed or heard about risks or violations can raise them. The anonymous submission of complaints or information is possible. Complaints and information can be submitted by employees of Philip Morris GmbH and its affiliates as well as by third parties, such as employees of its direct and indirect suppliers and business partners.

4. Submission of a complaint

Complaints and information should be based on facts and can be submitted via the following channels:

- By **phone** via the Compliance Help Line of Philip Morris International Inc. („PMI“) 0800-183-0717 (from Germany), or 0800-281-469 (from Austria). The phone number for complaints to be submitted in other countries can be found online at www.compliance-speakup.pmi.com. In addition, the international hotline +1 303-623-0588 is available. The PMI Compliance Help Line is a third-party operated reporting channel available 24 hours a day, seven days a week, in all languages spoken at PMI.
- By **e-mail** to PMI.EthicsandCompliance@pmi.com.
- **Employees** of Philip Morris GmbH and its affiliates in its own operating division can contact PMI's managers, department heads, affiliate or function leadership as well as the Ethics & Compliance, Law, Risk & Controls, and People & Culture (Human Resources) departments with their concerns.

Complaints and information should contain all case relevant information, insofar this information is available to the person submitting the complaint or indication. In addition complaints and indications should include which result is to be achieved.

5. Process of complaints procedure

5.1. Receipt of a complaint or an information

After a complaint or an information is received, its receipt is documented internally, and the whistleblower receives a confirmation of receipt within one week.

5.2. Review of a complaint or an information

The complaints office first checks whether sufficient information is available for the examination and investigation of the notified facts. If this is not the case, the complaints office will, if possible, contact the whistleblower to ask for further information. If neither sufficient information is available nor contact is possible, the case will be closed.

5.3. Investigation of the complaint or information

The complaints office itself investigates the matter comprehensively or forwards it to the competent department, e.g., within the company, for investigation, while respecting the principle of confidentiality and data protection. If necessary and as far as possible in the case of anonymous complaints and information, the complaints office or the competent department will discuss the merits of the case with the whistleblower and, if necessary, ask for further information.

If, after clarification of the facts, discussion and investigation, the complaints office or the competent department is convinced that human rights and environmental-related risks and violations do not exist in its own business area and with suppliers, the case is closed.

5.4. Development of a corrective solution

If, in the opinion of the complaints office or the competent department, the investigation confirms human rights and environmental-related risks or violations in Philip Morris GmbH's own business area or at suppliers, a proposal for further corrective action (in particular preventive and remedial measures) is drawn up. As far as possible and reasonable, the whistleblower will be involved in the process.

5.5. Implementation and follow-up

The implementation of the proposed solution is finally followed up by the complaints office or the competent department. In particular, the agreed remedial measures are implemented and followed up.

5.6. Conclusion of the procedure

The whistleblower will be informed of the conclusion of the complaints procedure, provided that contact is possible.. The processing time differs on a case-by-case basis and can therefore take from a few days to several months. However, Philip Morris GmbH strives to complete the investigation in a timely manner.

6. Protection of whistleblowers

Protecting whistleblowers from being discriminated against or punished because of complaints or information is an important part of Philip Morris GmbH's complaints procedure. Intimidation and reprisals against persons who report actual or suspected misconduct in good faith will not be tolerated. If you feel that you are suffering intimidation or reprisals as a result of your complaint or information, please use one of the contact channels listed in Section 4; such intimidation or reprisals will also be investigated in accordance with the procedures outlined above and further investigated if necessary.

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