



PMI 14-C

GLOBAL ANTI-CORRUPTION POLICY

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Policy Owner: Vice President, Associate General Counsel, & Chief Compliance Officer, PMI

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1. PURPOSE

This Policy sets forth the commitment of Philip Morris International and all of its subsidiaries and affiliates (together “PMI”) to prevent and detect bribery and corruption and to comply with all applicable anti-bribery and anti-corruption laws, including the U.S. Foreign Corrupt Practices Act (“FCPA”), and establishes the basic principles and requirements for our interactions with third parties, Government Officials and Government Instrumentalities.

2. APPLICABILITY

This Policy must be followed by all employees and officers of PMI, as well as PMI agents and third parties when acting on behalf of PMI.

3. POLICY STATEMENT

Bribery and corruption of any kind are prohibited. We never give or promise to give anything of value to induce anyone to give us an improper benefit or to improperly influence anyone's decision.

4. PRINCIPLES

- **Integrity.** We are committed to doing business with integrity and complying with applicable legal and ethical standards.
- **Legitimate Purpose.** Everything we do must be done with a clear and legitimate intent and business purpose, without hidden agenda or ulterior motive.
- **Reasonable and appropriate.** Everything we give or provide should be customary, reasonable and appropriate in value and appearance, and never offensive.
- **Transparency.** All transactions and interactions must be transparent, and the Company's books and records must be accurate.



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5. REQUIREMENTS

5.1. Gifts, Travel, and Hospitality

Gifts, Travel and Hospitality are well-established business practices. When used appropriately, Gifts, Travel and Hospitality can help strengthen existing relationships, foster new opportunities, and convey respect and appreciation for stakeholders, including Government Officials, Private Individuals, and other third parties. However, Gifts, Travel and Hospitality, especially when given to Government Officials, can pose corruption risks and therefore require careful review to ensure consistency with the law and our standards of conduct.

Gifts, Travel and Hospitality must always be provided with clear intent, and must be reasonable, appropriate, infrequent and transparent.

- **Clear Intent.** Gifts, Travel and Hospitality must be intended for legitimate business purposes, and never to bribe or unduly influence.
- **Reasonable.** Only customary and generally accepted Gifts, Travel and Hospitality are permitted. Gifts should only ever be modest tokens of appreciation or recognition.
- **Appropriate.** Any Gifts, Travel or Hospitality must be appropriate under the circumstances, and not cause offense or be perceived as improper. Cash, cash-equivalents, cash-equivalent gift cards, luxury items, as well as anything that could be perceived as offensive, sexual in nature or otherwise inappropriate, are prohibited.
- **Infrequent.** Gifts, Travel and Hospitality should only be provided infrequently, up to 2 to 4 times per calendar year, Gifts for special occasions or holidays, an occasional meal with a business partner, or Travel & Hospitality in the context of necessary business meetings and activities, are considered infrequent.
- **Transparent.** Anything that we provide should be

done directly, openly and not hidden and must be accurately recorded and documented in the Company's books and records.

See the *Gift, Travel and Hospitality Standard* for additional rules and processes, including documentation and pre-approval requirements, that must be followed before engaging in these activities.

5.2 Offers of Employment, Fee-for-Service Agreements, & Contracts

Employing, retaining or contracting with consultants, Key Opinion Leaders, Healthcare Professionals, Healthcare Organizations, Government Instrumentalities or Government Officials can provide PMI with unique insights and opportunities. However, contracting and paying Government Instrumentalities, Government Officials, Former Government Officials, HCPs, HCOs, and KOLs (or any of their close relatives) can pose corruption risks and requires careful review to ensure consistency with the law and our standards of conduct.

A person or entity may only be hired for a legitimate need, at fair market value, transparently and based on documented qualifications.

- **Legitimate need.** There must be a real and documented need to hire an individual (or contract with an entity) with the expectation that they perform a service or deliver an outcome that is legitimate and expected to add value to PMI.
- **Fair market value.** Payments must not be excessive and must be in line with prevailing market rates for similar services, deliverables and employment arrangements.
- **Transparent.** All engagements must be documented in an agreement that sets forth the commercial terms, role, expected outcomes and/or deliverables, and all required disclosures must be made to employers, the public and/or other oversight bodies,



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as applicable.

- **Qualifications.** Any person or entity hired or retained must have the necessary qualifications and experience to perform the task.

See the *Employment and Fee-for-Service Standard* for additional rules and processes, including documentation and pre-approval requirements, that must be followed before hiring or retaining a Government Instrumentality or a current or former Government Official (including their close relatives).

5.3 Grants, Donations, Sponsorships, Memberships and Political Contributions

Grants, donations, sponsorships, memberships and political contributions (together “**Contributions**”) can be legitimate ways for PMI to support specific principles and policies and to demonstrate our commitment to being an active and supportive member of our industry and the communities we serve. On the other hand, Contributions can pose corruption risks and must never be made in order to improperly achieve any business objective.

Contributions (including monetary or in-kind items or services) may only be made with clear intent to legitimate organizations, and they must be appropriate and transparent.

- **Clear Intent.** Contributions must be intended for their stated purpose without ulterior motive and never to bribe or unduly influence the recipient or any associated person.
- **Legitimate Organizations** are properly established organizations with a clear purpose and good governance that are legally able to receive contributions from PMI, such as industry associations or non-profits that fulfill a social, charitable, economic or political purpose.
- **Appropriate.** Contributions must be of a size

and nature that are comparable to other similar Contributions that are typically given in the market and proportionate to the intent; they must not cause offense or controversy and must align with the interests of PMI.

- **Transparent.** Contributions must be made openly and be monitorable and traceable to the final recipients, and all required disclosures must be made to the public and/or oversight bodies, as applicable.

See the *Contributions Standard* for additional rules and processes, including documentation and pre-approval requirements, that must be followed before making any type of Contribution.

5.4 Third Parties who Interact with Government Officials on PMI's Behalf

Occasionally, PMI may have a business need to directly or indirectly engage agents, distributors, local partners or other third parties to interact with Government Officials and Government Instrumentalities on our behalf or for our benefit (“**Business Intermediaries**”). Since the actions of Business Intermediaries can be attributed to PMI, their engagements require careful review and oversight to ensure consistency with the law and our standards.

Business Intermediaries must act in accordance with our policies and standards and in compliance with all legal and regulatory requirements, including anti-bribery laws.

- **Due diligence.** Relevant information about the ownership, management, reputation, experience, reliability and potential legal and compliance risks of the Business Intermediary must be collected and evaluated.
- **Legitimate need.** There must be a real and documented need to hire a Business Intermediary who is expected to add value to PMI.
- **Fair market value.** Payments must not be excessive and must be in line with prevailing market rates for



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similar services and engagements.

- **Mitigating and Monitoring Measures.** PMI must ensure that appropriate measures are put in place before the engagement starts, to manage and mitigate any risk, and monitor the relationship.

PMI will conduct compliance due diligence on Business Intermediaries and will only engage them when there is a legitimate need, payments are fair market value and mitigating and monitoring measures are in place to address risks.

See the *Business Intermediary and Due Diligence Standard* for additional rules and processes, including documentation and pre-approval requirements, that must be followed before engaging with PMI's Business Intermediaries.

5.5 Mergers & Acquisitions (M&A)

PMI may from time-to-time acquire full or partial equity ownership in entities, which may make PMI liable for the non-compliance or legal exposures of target entities.

To protect PMI, legal & compliance due diligence must be conducted on all M&A target entities.

- **Due diligence.** Relevant information about the ownership, management, reputation, experience, reliability and potential legal and compliance risks of the target entity, as well as their compliance program, must be collected and evaluated.

See the *M&A Legal & Compliance Due Diligence Standard* for additional rules and processes that must be followed for conducting compliance due diligence on target entities.

5.6 Facilitating Payments

Facilitating payments are small payments, in cash or in kind, to a Government Official to expedite an action the Government Official should routinely take, which does not require discretion and to which we are entitled.

PMI does not offer or make facilitating payments.

If a Government Official requests a facilitating payment, you must not make it and must clearly refuse it, even if there will be negative business consequences. Compliance must be informed as soon as possible about requests for facilitating payments.

The rule against facilitating payments does not apply if a payment is made to protect against threatened imminent physical harm that can reasonably only be avoided through a payment. Compliance must be informed as soon as possible about personal safety payments.

5.7 Books & Records

All payments and expenses must be accurately documented and recorded, including expenses incurred in connection with Gifts, Hospitality, Travel, Contributions, Fee-for-Service engagements and payments to third parties hired to interact on our behalf with Government Officials.

PMI's books and records must accurately and fairly reflect all transactions.

6. EXCEPTIONS

Generally, exceptions to this Policy will not be granted.

Only the PMI Chief Compliance Officer may grant exceptions to this Policy.

Exceptions will only be granted in cases where the wording of this Policy may lead to an unintended



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outcome for a case or scenario that has not been anticipated, such that future versions of this Policy will be amended to accommodate the exception.

7. COMPLIANCE & SPEAKING UP

Violations of this Policy may lead to legal or disciplinary action against those involved, including termination of employment.

PMI employees may also ask questions, raise concerns, or, report instances of observed or suspected misconduct, including non-compliance with this Policy or related Standards, by contacting any of the following:

- Your supervisor, department head, or affiliate or function leadership;
- Your PMI Compliance team key contact;
- The PMI Compliance team confidential email address at PMI.EthicsandCompliance@pmi.com; or
- The PMI Compliance Help Line, which is a third-party operated reporting channel available 24 hours a day, seven days a week, in all languages spoken at PMI. You can contact the Help Line online at www.compliance-speakup.pmi.com or by telephone at +1 303-623-0588. You may use the PMI Compliance Help Line anonymously, subject to local laws and regulations.

The Company does not tolerate retaliation against employees who speak up in good faith about a suspected compliance violation or cooperate with an investigation.

See PMI's *Global Speaking Up Policy* (PMI 16-C) for more information.

8. RELATED INFORMATION

Policy Documents:

- *PMI Code of Conduct*
- *Gifts, Travel and Hospitality Standard*
- *Employment and Fee-for-Service Standard*

- *Contributions Standard*
- *Business Intermediary and Due Diligence Standard*
- *M&A Legal & Compliance Due Diligence Standard*

Forms, Hyperlinks, and Other Attachments:

- *PMI Global Anti-Corruption Intranet Site*
- *Compliance Disclosures & Approvals in MyPMI*

9. DEFINITIONS

Gift – anything of value (other than Hospitality, Travel and Contributions) that you provide to, or receive from, a third party not as a result of a legal or contractual obligation.

Government Instrumentality – Includes: (1) any government agency, department or subdivision, including a legislature, administrative body, court, and ministry, at the supranational, national, state and local level; (2) any organization that serves a public purpose and is closely tied to any level of government, but may not itself be considered a government agency, including government-owned or controlled universities, hospitals and commercial enterprises; and (3) public international organizations whose members are governments or Government Instrumentalities, such as the World Health Organization and the United Nations. For purposes of this Policy, an entity shall be considered government-owned or controlled if a government (i) owns or controls 50% or more of the entity's shares, (ii) funds more than 50% of the entity's budget, or (iii) can otherwise direct the management, policies or affairs of that entity.

Government Official – any officer, employee, or person employed by or acting on behalf of any Government Instrumentality, or any officials of a political party or candidates for political office. Note that in some contexts, as indicated in this Policy, interactions with close relatives of a Government Official may be treated as an interaction with that Government Official.

Former Government Official – a Private Individual who in the preceding 12 months was a Government Official.



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Healthcare Organization (HCO) – means any healthcare or medical association or organization such as a hospital, clinic, foundation, university or other teaching institution or learned society, or any other entity through which HCPs provide services. HCOs may be owned, operated, majority-funded or controlled by a government or Government Instrumentality, in which case the HCO should be treated as a Government Instrumentality for purposes of this Policy.

Healthcare Professional (HCP) – means any member of the medical, dental, pharmacy or nursing professions or any other person who in the course of his or her professional activities may prescribe, recommend, purchase, supply, sell or administer a pharmaceutical product. An HCP may be fully or partially employed by a Government Instrumentality, such as a public university or public hospital, in which case the HCP should be treated as a Government Official for purposes of this Policy.

Hospitality – drinks, meals and events such as concerts and sporting events that are attended with a third party and that are provided to, or received from, that third party not as a result of a legal or contractual obligation.

Key Opinion Leader (KOL) – means a trusted, well-respected thought leader from the scientific community with proven experience and expertise in a particular field whose recommendations and opinions are credible in the scientific community. A KOL can be physicians, hospital executives, health system directors, researchers, and more.

Private Individuals – individuals who are not Government Officials.

Travel – air travel, ground transportation, hotel, lodging, visa costs, food & drink, meals and hospitality, etc. related to a trip.
