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SB Voyager Press Release – Frequently Asked Questions (FAQ)

What are the core beliefs and mission of Sustainable Brands?

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How can I learn more about Philip Morris International's smoke-free and sustainability strategies including goals, progress to date, and science-based insights?

- **Q.** What are the core beliefs and mission of Sustainable Brands?
- **A.** SB's mission is to be the community of choice that inspires, engages and equips brands to prosper by creating a sustainable and thriving global economy. In essence, we're the bridge to better brands.

At our core, we believe that:

- A sustainable and regenerative future is the most important goal for the 21st century,
- Brands are in a unique position to lead the way to this future,
- Future leaders will deliver value without stealing from the future, and
- Innovating our way will take new mindsets, partners, skills and toolsets.
- **Q.** Why welcome unconventional companies into the SB community?
- A. SB recognizes no company is perfect, and for most, business as usual is unsustainable. To flourish, businesses need to reinvent themselves to address today's global challenges. They need to redesign how they help society achieve a good life —one that reflects health and wellbeing for ourselves, our families, society as a whole, and the planet that supports us. We recognize that hundreds of thousands of people world-wide depend on companies such as PMI for their livelihood. When companies, particularly those with problematic business models, embrace their past, recalibrate and boldly pursue new, industry-changing paths to reduce impact and move toward a net positive future, we all benefit.

- **Q.** Are you concerned about what this will do to the community's reputation?
- **A.** SB is a home for courageous optimists. It's a community comprised of savvy changemakers who are positively reshaping the future of commerce across the globe. We understand that systemic change comes from embracing challenges across the spectrum, not just the easiest or most appealing to address. We believe in embracing and supporting any company that is authentically dedicated to bringing about this change and prepared to collaborate in a positive and accountable way to get there. If at any point we determine that a company's efforts are disingenuous or the collaboration no longer bears fruit, it is mutually understood that we can part ways.
- **Q.** Does that mean these companies are sustainable brands?
- **A.** SB is not in the business of certifying or endorsing any company as a sustainable brand. We provide an informed perspective on what the sustainable brand of the future will look like and offer a roadmap for becoming one. We also offer a dynamic and supportive community where companies that are striving to become more sustainable brands can connect, learn, communicate and collaborate in ways that can propel them on the journey.
- **Q.** What is the SB Corporate Member Network?
- **A.** The <u>Corporate Member Network</u> is a community of nearly 80 leading and emerging brands that are creating business value through social and environmental innovation. It's an oasis where brand and sustainability professionals convene with peers to discover new ideas, share best practices and collaborate with other like-minded businesses. Members regularly meet to explore how to accelerate efforts through design innovation, transformational leadership, new metrics and helping to shift the norms and behaviors of its stakeholders (e.g., customers, suppliers, employees, etc.) Through this engagement, they support one another on their journey to becoming sustainable brands and delivering a flourishing future for all.
- **Q.** What's the criteria to become a SB Corporate Member?
- **A.** SB welcomes most organizations that have an ambition to become a 'sustainable brand' and, among other things, commit to: 1) using the <u>SB Brand Transformation RoadmapSM</u> annually to track and share their progress with the network, 2) exchanging professional insights and best practices with other members in confidential and pre-competitive forums under Chatham House Rule and 3) being challenged respectfully by other members about any activities that seem out of sync with becoming a sustainable brand.

Since the network focus is peer-to-peer learning and growth for brands in a non-solicitation atmosphere, the following types of organizations are not eligible for Corporate Membership: consultants, agencies, activist or lobbying-oriented non-governmental organizations, and associations (e.g., industry, professional, etc.). SB limits network entry in one more way. Organizations with poor environmental, social and governance (ESG) performance and reputation scores may only become Corporate Members after successfully completing the new SB Voyager program. SB's proprietary scoring methodology utilizes data from its member research and evaluation partners, CSRHub and TrueValue Labs.

- **Q.** What is an SB Voyager?
- **A.** Organizations that fall below the ESG performance and reputation scoring threshold required to become a Corporate Member, but are publicly committed at the CEO-level to transforming their business, addressing their most problematic issues and seeking a peer community to help support and guide their transition. The term, 'Voyager,' is a reflection of the longer journey they have than most to become a 'sustainable brand' as defined by SB—a world leader setting the north star for the businesses of the future.

Being an SB Voyager enables a business to participate with Corporate Members in meetings and online to facilitate learning and growth. This benefits Voyagers and Corporate Members alike as both can learn a lot from each other about business transformation, and systemic change can only happen when everyone is at the table.

- **Q.** What's the criteria to become an SB Voyager?
- **A.** To join as a Voyager, organizations must make the same commitments as a Corporate Member and meet the following criteria:
 - The company is undertaking a transformational change that goes to the heart of the controversies identified in the membership screening process
 - An active and influential change agent/champion is driving the transformation within the business
 - The company's CEO has openly addressed the controversies, affirmed support for the transformation and stated how it will help resolve the issues and/or this is publicly stated on the company's web site

A company's designation as a Voyager can change under one of these circumstances:

- Becoming a Corporate Member: If after two years as a Voyager, the organization is actively participating in the Corporate Member Network and working to become a 'sustainable brand' by having progressed to the next level of maturity in one or more areas of the SB Brand Transformation RoadmapSM most closely aligned with the controversies, they may become an SB Corporate Member.
- Parting ways with SB: If after one year as a Voyager, the organization is not actively participating in the Corporate Member Network, or after two years has not progressed to the next level of maturity in one or more areas of the SB Brand Transformation RoadmapSM most closely aligned with the controversies or, at any time, one of the Voyager-specific entrance criteria is no longer met, SB may rescind their Voyager status.
- **Q.** How can I learn more about Philip Morris International's smoke-free and sustainability strategies including goals, progress to date, and science-based insights?
- **A.** For detailed information, you can visit the <u>PMI</u> and <u>PMIScience</u> websites or reach out via email at <u>media@pmi.com.</u> As a summary, Philip Morris International (PMI) has provided the following for this FAQ:
 - PMI is leading a <u>transformation in the tobacco industry</u> to create a smoke-free future and ultimately replace cigarettes with smoke-free products to the benefit of adults who would otherwise continue to smoke, society, the company and its shareholders.

PMI (a separate company from Philip Morris USA / Altria) is a leading international tobacco company engaged in the manufacture and sale of cigarettes, smoke-free products and associated electronic devices and accessories, and other nicotine-containing products in markets outside the U.S. PMI is building a future on a new category of smoke-free products that, while not risk-free, are a much better choice than continuing to smoke. Through multidisciplinary capabilities in product development, state-of-the-art facilities and scientific substantiation, PMI aims to ensure that its smoke-free products meet adult consumer preferences and rigorous regulatory requirements. PMI's smoke-free IQOS product portfolio includes heated tobacco and nicotine-containing vapor products.

As of Dec. 31, 2018, PMI estimates that approximately 6.6 million adult smokers around the world have already stopped smoking and switched to PMI's heated tobacco product, which is currently available for sale in 44 markets in key cities or nationwide under the IQOS brand.