



2021 SUSTAINABILITY REPORT

Towards a Sustainable Future



Rothmans, Benson & Hedges Inc.
a subsidiary of Philip Morris International Inc.

Rothmans, Benson & Hedges Inc., (RBH) is on a transformational journey. We are doing all we can to create a smoke-free Canada and carving out a future beyond tobacco. A cornerstone of this transformation is continued excellence across our impact on the environment, social commitments, and governance. This report summarizes our progress in 2021, focusing on what we believe matters most to our stakeholders, and shares our vision and goals for the future.

This report is published for the purpose of providing general information about Rothmans, Benson & Hedges Inc. The purpose of this report is not for advertising or marketing. It is for use by scientists, regulators, and other stakeholders with an interest in public health policy and corporate citizenship. The material in this report should not be regarded as an offer to sell, or a solicitation of an offer to buy, any product of RBH. Such products are sold only in compliance with the laws of the jurisdictions in which they are sold.

RBH, a subsidiary of Philip Morris International Inc. (PMI), is one of Canada’s leading tobacco and nicotine companies. We are also spearheading the unsmoke Canada conversation to help Canadians go smoke-free.



Table of Contents

Company Overview	3
Letter from Our Managing Director	4
What Sustainability Means at RBH	5
Creating a Smoke-Free Future	6
Operating with Excellence	8
Caring for People	12
Protecting the Environment	17
RBH 2021 Goals Scorecard	20
RBH 2022–2030 Goals and Objectives Summary	22

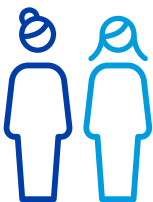


Company Overview



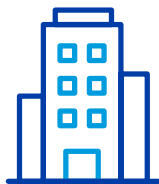
720

employees across Canada



40 per cent

of our senior leadership team are women,
an increase of three per cent since 2020



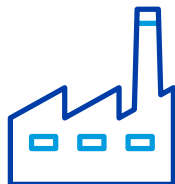
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offices across Canada



42 per cent

Replacing conventional vehicles with
hybrids will reduce the CO₂ emissions
of our sales fleet by 42 per cent



Manufacturing plant
in Quebec City



6.7 billion

cigarettes produced in 2021



137

We work with 137 farmers in Canada

2021 Economic Impact

\$900,000

to provincial blue box programs nationwide

More than

\$2 billion

paid in federal and provincial taxes

About

\$200,000

given in support of community groups and
environmental initiatives

\$71 million

in wages and benefits

About

\$197 million

in local goods and services

About

\$1 million

in employee training



“

As you read this report, you will see how sustainability is a core part of RBH’s transformation. By continuously improving, we can have an impact on the communities where we live and work, and operating transparently with our stakeholders, we discover opportunities that have benefits that cascade across the organization and into the wider community.

Letter from Our Managing Director

We are pleased to share RBH’s second annual sustainability report. We made considerable progress in 2021 achieving, and, in many cases, exceeding, the goals across each of our sustainability pillars towards creating a smoke-free future, operating with excellence, caring for people, and protecting the environment. While the ongoing COVID-19 pandemic did and continues to present challenges both domestically and globally we are optimistic about what we can achieve in the coming year and years.

Our vision is to Unsmoke Canada by 2035. We believe that a smoke-free future is achievable in the next decade. With advances in technology, there are now innovative, smoke-free products that offer existing nicotine users an alternative to cigarettes. And our parent company, PMI, is investing billions of dollars in research and development to create these innovative products that help adults who won’t quit nicotine. It is important to remember that these alternatives are not without risk. They still contain nicotine and are addictive. But, for adult smokers who would otherwise continue to smoke, smoke-free alternatives provide an option that does not involve combustion – or “burning” – such as smoking a cigarette does. This eliminates the inhalation of smoke and, as a result, has the potential to reduce significantly the levels of harmful or potentially harmful chemicals caused by combustion.

As you read this report, you will see how sustainability is a core part of RBH’s transformation. By continuously improving, we can have an impact on the communities where we live and work, and operating transparently with our stakeholders, we discover opportunities that have benefits that cascade across the organization and into the wider community. Reflecting on last year, our team was able to realize three significant achievements towards our sustainability commitments:

- **Packaging regulations:** We were able to identify redundant insert packaging in our combustible packaging. This allowed us to use less paper in our packaging and reduce the weight of our packages, ultimately reducing both the amount of waste produced and energy required for shipping.

- **Corporate Sustainability Council:** Brought together leaders in the sustainability sector to serve on a committee and inspire RBH to lead and be an example when it comes to sustainability in their industry.
- **Smoke-Free Recycling Program:** Launched an industry-first recycling program where RBH will recycle vaping devices, pods – including those from competitors – and accessories as well as heated tobacco devices to push towards a smoke-free and more sustainable future for the industry by capturing and recovering consumer waste.

We know that we cannot achieve the future we’re working towards alone. We need governments, consumers, and Canadians to join us. We are also working with the medical community and internationally renowned harm reduction advocates across the country to support them in their efforts to reduce the harm caused by smoking.

I want to take a moment to thank our entire team for their continued effort in helping us move forward towards our ambition to Unsmoke Canada and transforming RBH as a company. Even when faced with hurdles and with a difficult economic backdrop brought on by the continued COVID-19 pandemic, they showed resilience and dedication. I remain optimistic about what we can achieve together.

Thank you for taking the time to read this report. We continue to be eager to have productive conversations with Canadians about creating a smoke-free future. We’re ready and invite governments and consumers to the table to help us realize a Canada without cigarettes.

Thank you,

Mindaugas Trumpaitis
Managing Director
Rothmans, Benson & Hedges Inc.







What Sustainability Means at RBH

Sustainability and reducing our environmental footprint are core tenets of our ambition to Unsmoke Canada by 2035. We are committed to setting ambitious goals, working hard to reach them, and communicating our progress. Our sustainability efforts are built on four pillars and focus on where we can have the greatest impact: Creating a Smoke-Free Future; Operating with Excellence; Caring for People; and Protecting the Environment. Within each of these pillars we have identified Tier 1 and Tier 2 topics.

Tier 1 topics are those deemed to be most important to RBH’s sustainability efforts. For these topics we will consider the commitments, goals and management approaches needed to mobilize our people and partners, and achieve meaningful impact.

Tier 2 topics are important to us and managed in the regular course of our business. Of these topics, inclusion and diversity, policy influence, and sustainable packaging are discussed in this report.

Transforming for a sustainable smoke-free future

Strategic Pillars	Tier 1 Topics	Tier 2 Topics
 Creating a Smoke-Free Future	<ul style="list-style-type: none">• Deliver quality smoke-free products• Conduct Canadian scientific research on smoke-free alternatives• Provide engagement and learning opportunities to health professionals on the science behind our smoke-free products with the goal of having accredited medical education	
 Operating with Excellence	<ul style="list-style-type: none">• Seek improvements in the sustainability of our supply chain• Responsible marketing and sales• Responsible research and development	<ul style="list-style-type: none">• Policy influence
 Caring for People	<ul style="list-style-type: none">• Fair working conditions• Fair and equitable pay• Health, safety and well-being	<ul style="list-style-type: none">• Inclusion and diversity• Talent attraction and retention• Community engagement
 Protecting the Environment	<ul style="list-style-type: none">• Smoke-Free Recycling Program• Reduce energy and water consumption in manufacturing• Responsibly manage, reduce and divert waste	<ul style="list-style-type: none">• Sustainable packaging



Andrea Curley leads RBH's Sustainability and Community program within External Affairs. RBH is the first tobacco company in Canada to have a dedicated person in this role.

In 2021, we established a Corporate Sustainability Committee for the Canadian market composed of nine people, five from within PMI or RBH and four external sustainability experts from the mining, fashion and furnishing industries, plus an Indigenous lawyer.

Stakeholder engagement

At RBH we believe our future success is founded on transparent and open dialogue with our external and internal stakeholders. Those stakeholders include the federal and provincial governments, health-care professionals, the scientific community and adult consumers who use our products.

In 2020, we conducted a consumer survey to gain insights to create a consumer-centric recycling program. We launched a multi-province Smoke-Free Recycling Program in the fall of 2021 to divert our vaping devices, pods, accessories as well as heated tobacco devices from landfill and promote a circular economy with these devices. Our program is unique in that we accept vape pods from any manufacturer.

Our intention is to grow this into a nationwide program that makes it convenient for consumers to recycle or dispose safely of all their nicotine or tobacco products, thereby capturing all consumer waste from our sector. For more information on this program, please see the Protecting the Environment section on [page 17](#).

We work with federal and provincial governments to highlight opportunities to decrease carbon emissions and our overall environmental footprint. These efforts include participation from Chambers of Commerce from coast to coast as well as the Canadian Council for Aboriginal Business.

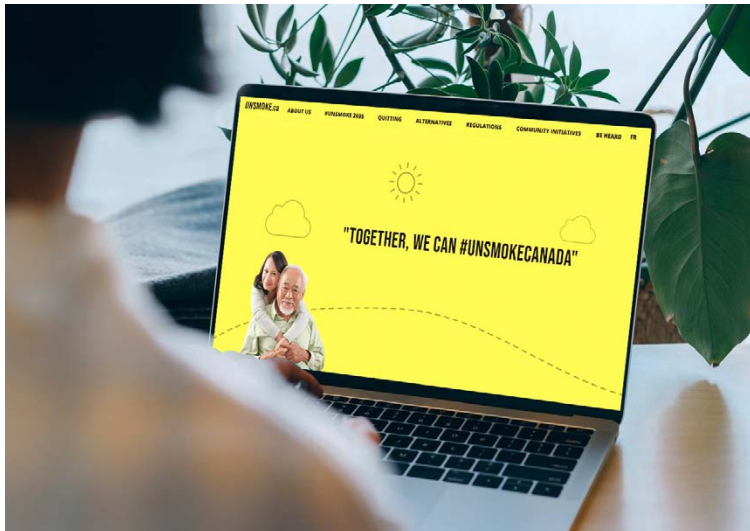
Our employee-driven resource groups facilitate interaction, awareness and dialogue on topics such as, female empowerment, diversity and inclusion for the Black, Indigenous and People of Colour (BIPOC) community and the Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, and Two Spirit (LGBTQ2S+) communities. Our goal is to foster a working environment where everyone feels safe and comfortable. For more information on these initiatives please see the Caring for People section starting on [page 12](#).

Our engagement with health-care professionals and the scientific community is described in the following section, Creating a Smoke-Free Future.



Creating a Smoke-Free Future

Our vision is to unsmoke Canada by 2035, by which we mean bring an end to smoking in Canada. Toward this vision, we encourage Canadians to quit fully if they do smoke; and to change if they won't quit. As an organization, we understand the importance of providing existing smokers with a different choice. RBH is working to provide innovative, smoke-free alternatives for those who won't quit or choose not to.



#Unsmoke Canada

Our [Unsmoke.ca](https://unsmoke.ca) website engages with segments of the Canadian population most open to conversations about the role that tobacco and nicotine products can play in achieving a smoke-free Canada. Launched in 2019, Unsmoke Canada has reached more than 19 million Canadians through its Facebook presence alone. More than 130,000 Canadians have signed up to Unsmoke Canada, and we have had more than 27 million video views across our platforms.

Helping smokers make the transition to smoke-free

With scientific and technological innovation, we now can provide existing smokers alternatives to cigarettes. In 2021, we introduced a new vaping product, which is the latest expansion of RBH's growing portfolio of smoke-free products.

What's the difference?

The best option is always to quit nicotine and tobacco use altogether but, for smokers that will not quit, there are better alternatives. Heated tobacco products have the potential to reduce many of the risks associated with combustion and smoke. Using innovative technology, the vaping product introduced by RBH, similarly, has the potential to significantly reduce the levels of harmful chemicals compared to cigarettes. While neither alternative is risk-free, they deliver nicotine in a better format compared to a cigarette.

New Canadian research

Our parent company PMI has spent more than \$10 billion CAD (\$9 billion USD) on research and product development since 2008. In 2021, for the first time, RBH supported Canadian-based research initiatives into smoking alternatives and a literature review, which is currently undergoing peer review and will be published in 2022.

Working with the medical community for better outcomes

Work began in 2021 on building a national network, comprised of external experts in managing the impacts of smoking and exploring means of harm reduction. These thought leaders will both provide us with new insights and help us engage with the wider medical community.

In 2021, RBH engaged with more than 1,000 health-care professionals, including doctors, nurses and pharmacists about the role that smoke-free products play in a wider harm reduction framework. This effort included having representation at:

- two virtual medical conferences;
- the Third Annual Indigenous Harm Reduction Conference; and
- sessions attended by more than 300 pharmacists.

Working with legislators

RBH has an ongoing collaborative relationship with all levels of government. Our aim is to discuss the relevant science and provide them the information and tools they need to craft appropriate policy, legislation and regulations as well as communicate with their constituencies.

MEET THE PEOPLE OF RBH:



My background is in community medicine. I've dealt with patients who don't want to quit and are looking for better alternatives. That experience and my medical background have helped me connect with physicians. Physicians like to be educated by physicians.

At RBH, we keep people engaged by presenting and sharing information that isn't one-sided. We want to have and to share the big picture. I think people appreciate that.



Dr. Ravi Iyer
Manager, Scientific Engagement (East)



Operating with Excellence

We strive to be recognized as the responsible leader in our industry. This means not only running a strong and efficient business, but also upholding high ethical standards, complying with all laws and regulations that apply to us, making sure our products are commercialized responsibly, and maintaining a respectful, inclusive, and safe workplace. We know that honouring these fundamental commitments to society, consumers and one another is indispensable in securing a prosperous future for our company.



Ethics and integrity

PMI's Guidebook for Success is also RBH's code of conduct. Its supporting Principles & Practices provide guidance on how to conduct our day-to-day business activities. Where Principles & Practices differ from Canadian requirements, we always follow the higher standard.

Martha Membreno, RBH's Head of Ethics and Compliance, promotes and ensures consistency between what we say and what we do, in keeping with our commitments and values of honesty, respect and fairness. The primary focus areas are:

- responsible marketing and sales, including preventing products from getting into the hands of underage users;
- anti-bribery, corruption and illicit trade;
- lobbying; and
- maintaining workplace integrity.

In 2021, 579 RBH employees and third parties participated in at least one ethics and compliance training session. Twenty-three reports of suspected misconduct were received, 30 per cent of which related to workplace integrity concerns. None of the substantiated concerns resulted in material consequences for RBH.

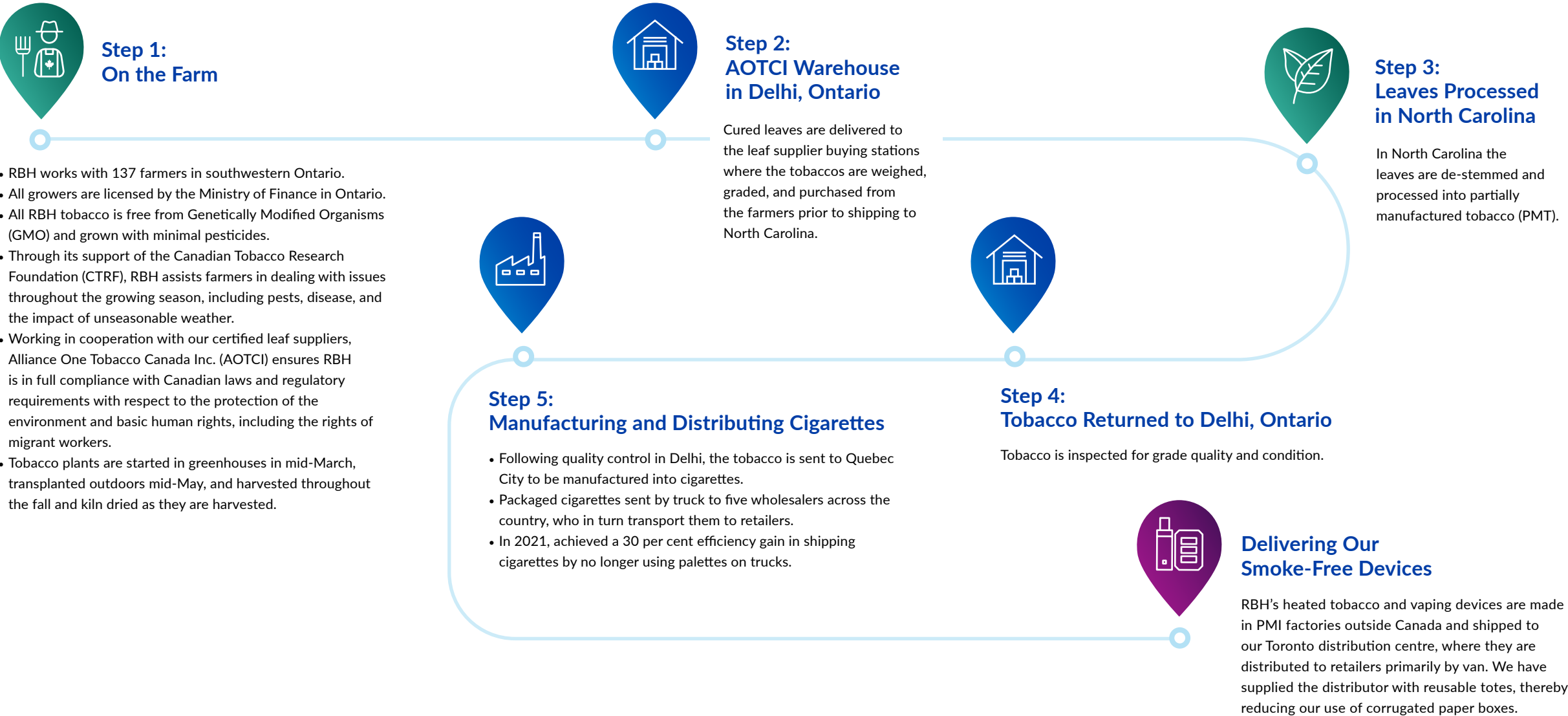




Building sustainability into our operations

The tobacco used in our products is entirely processed in North America, providing employment, supporting Canadian farmers, and avoiding the environmental impact of longer supply chains.

Map of the RBH Cigarette Supply Chain



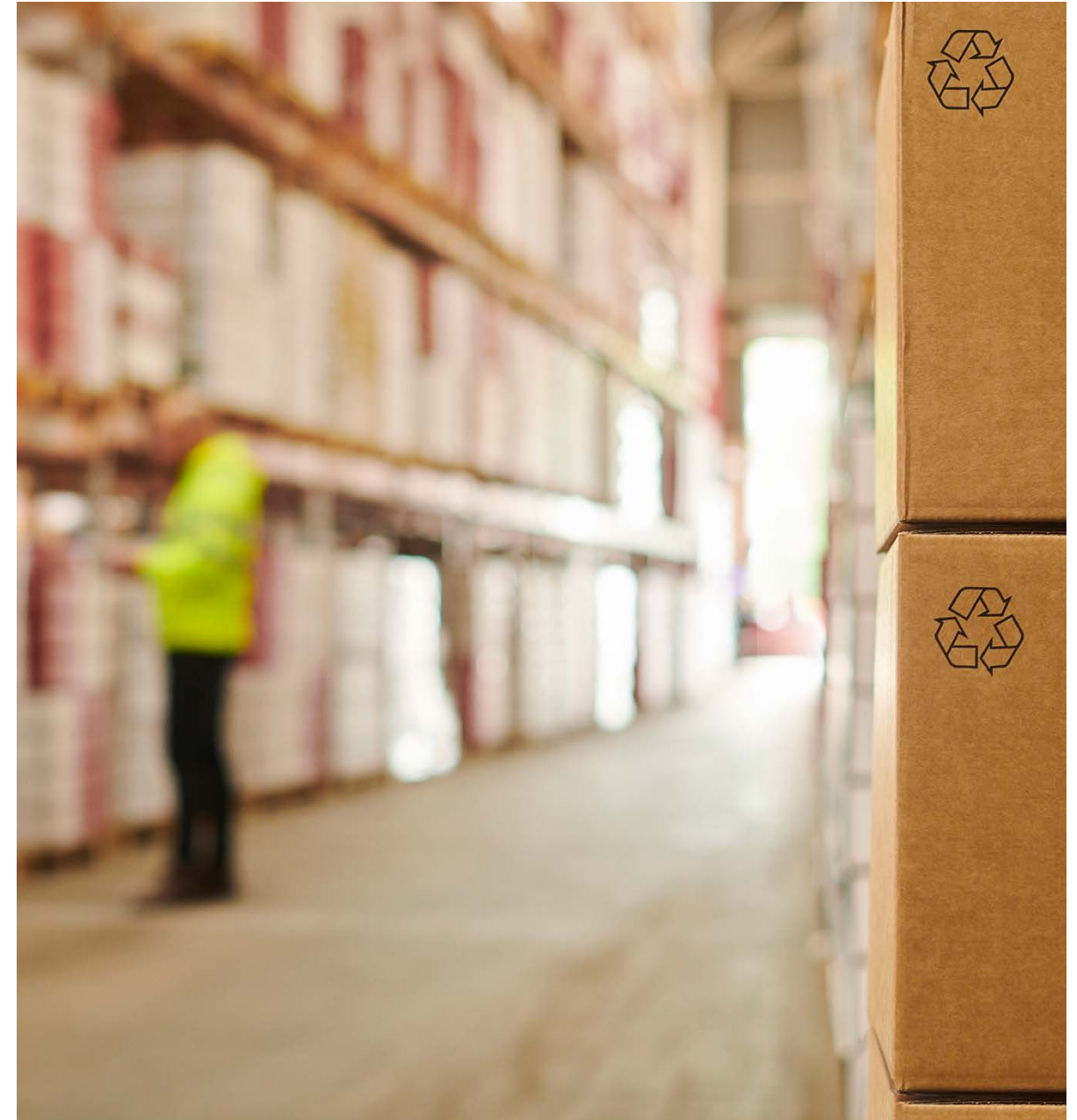
MEET THE PEOPLE OF RBH:



We all have a responsibility to be drivers of sustainability. We are continually looking for ways to optimize our distribution and supply chain systems and achieve better economies of scale. That means helping our partners to find better ways to do things, from using less and lighter packaging materials, to building environmental responsibility into our Master Service Agreements and finding the most fuel-efficient routes. It's a responsibility for all of us to keep it mind in everything we do.



Valentin Baxan
Head of Operations and Customer Service





Caring for People

RBH's success is inextricably linked to the futures of those around us. When our employees can fulfill their potential and our communities are thriving, we're better able to create economic, social, and environmental value.





People and culture

For our commitment to employees, we have been recognized as one of Canada’s Top Employers in 2018, 2019, 2020 and 2021.

We were also recognized as one of the Greater Toronto Areas Top Employers for the fourth time. As part of our ambition to eliminate cigarettes in Canada by 2035, we are transforming our workplace to empower team members and create a more inclusive organization. RBH earned EQUAL-SALARY certification in 2019, 2020 and 2021 to verify that men and women are paid equally for equal work – RBH is one of a handful of companies in Canada that are equal salary certified.

As well, RBH continues to champion inclusion and diversity in its workplace. The organization offers unconscious bias training as part of its learning and development platform, employee resource groups to foster inclusivity and promote learning from difference, mental health resources and support, and benchmarks to promote gender balance and increase representation from underrepresented groups. RBH has also adopted the spirit of the three recommendations for corporate Canada from the Truth and Reconciliation Commission. They are supported with education, celebration, and acknowledgment of Indigenous history and culture.

MEET THE PEOPLE OF RBH:

“
At RBH, we have focused on providing people more flexibility throughout the challenges of the last two years of the pandemic. We’re making sure that they can maintain their base for their family, you know, all the professional and domestic arrangements they have made in order to continue to work effectively. I would say it’s the career development opportunities and these kinds of benefits that have created an atmosphere of extreme loyalty to the organization. People love the life and the network that they’ve built here.



Ksenia Kamenskaya
Director of People and Culture (P&C)



CERTIFIED
SMOKE-FREE CULTURE

RBH was again certified a Smoke-Free Culture by TUV in Austria. This is granted in recognition of our ongoing efforts to support, implement, monitor and encourage a smoke-free workplace. This accreditation is granted in recognition of RBH’s efforts to inform employees about the harm associated with cigarette smoke, and to encourage any employees who do smoke to quit. In addition, RBH endeavours to responsibly inform employees who smoke about the alternatives available to them. RBH promotes the value and importance of a Smoke-Free environment throughout the organization to foster harmonious relationships between smokers and non-smokers, contributing to an environment of cooperation and mutual respect. RBH is the first company in Canada to receive this certification.



Taking the organizational pulse

RBH surveys employees quarterly on a wide variety of topics including fairness, diversity, and overall well-being. The feedback is measured and shared to help address key issues and strengthen the corporate culture.

We aim to create an inclusive and empowering culture that provides everyone the opportunity to achieve their full potential, that fosters mutual respect, and is a space that allows for learning and growth.

Coping with COVID-19

In 2021, for a second year, the ongoing COVID-19 pandemic meant adapting to how and where we worked. RBH continued to support its formerly office-based employees in working remotely. RBH also supported employees by:

- Enabling employees to use their company-paid personal spending account to cover costs incurred making their home office space more comfortable and ergonomically sound.
- Employees were given additional flexibility in their work schedule to accommodate the challenges of working from home.
- Summer Fridays (during which the workday ends at 1:00 p.m.) started one month earlier and ended one month later than normal.
- Additional personal days were granted to our Quebec plant employees and to temporary staff and contractors.
- RBH's Employee and Family Assistance Program was extended to temporary employees.



MEET THE PEOPLE OF RBH:

“We have made our employees partners in how they want to see us work in the future. We actively involve them in our policy development process. Our Smartwork policy is a good example. It is the result of listening sessions with managers and employees, and further follow up in group discussions.



Naresh Chandra
Manager, Learning-Leadership-Culture, P&C

The key elements of our culture



HEALTH AND SAFETY

We have a strong health and safety program at our Quebec plant and our *Open Plus* program encourages employees to share feedback and experiences that will help improve the plant’s overall health and safety. As one of RBH’s front-line teams, we have fully supported plant employees with personal protective equipment, cleaning protocols and procedures, and social distancing where possible.

Over the course of the pandemic, RBH has responded to the added personal and professional stresses of the pandemic by increasing employee support and engagement moments. We made a concerted effort to increase our Mental Health Marathons, which include sessions with speakers on topics such as coping with stress, depression and parenting challenges.

In our Fitness Challenge employees formed teams of up to 10 people to exercise together virtually on a regular basis to promote wellness.



PAY AND BENEFITS

RBH has earned EQUAL-SALARY certification from 2019 to 2021 for its compensation practices. This globally recognized certification verifies that RBH pays our male and female employees equally for equal work.

Our benefits program includes flexible work hours and benefits, a defined contribution pension plan, and retirement health coverage. We support and encourage professional growth and provide tuition subsidies for job-related courses. RBH supports its employees’ mental health and resilience with programs to promote a healthy work-life balance.

We also support our employees’ work in the community. For every hour of personal time an employee spends on volunteer work they are entitled to take an hour of time from work to complete additional volunteer work, to a maximum of four business days.



TRAINING AND DEVELOPMENT

RBH is committed to investing in employee development and provides team members with access to a leading education management system to support ongoing education as well as unconscious bias training.



iEVOLVE, PILOT MENTORSHIP PROGRAM

In 2021, Cindia Sousa, Manager, P&C, General Administration and Michelle Asante, Lead Commercial, P&C headed the launch of a pilot mentorship program, iEvolve. The initial participants came from RBH’s Employee Resource Groups, RISE and the Women’s Group.

Interested employees create a profile on a matching platform. Potential mentees describe the areas in which they hope to grow and develop, while mentors list their areas of expertise. All 21 participants in the pilot gave it a 100 per cent Net Satisfaction Score.

Michelle says the program provides mentees with unique opportunities to broaden their network within RBH, and have the support of someone who is not their manager to listen, motivate and provide coaching in any number of areas, from presentation skills to professional etiquette, and much more.

iEvolve is a six-month program, but many mentors and mentees continue to work together after completing the program. iEvolve will be rolled out company-wide in 2022.



OUR FUTURE EMPLOYEES

In 2021, we reached out to potential future employees through virtual careers fairs and Campus Connect. We also contacted previous interns for anonymous feedback and ran two internship cycles fully online.

What our interns say about us:

- 90 per cent said they were “Highly likely to recommend RBH to other students.”
- 100 per cent said they had an “amazing internship experience at RBH.”



INCLUSION AND DIVERSITY

Our Inclusion and Diversity (I&D) activities focus on awareness and education across five priorities:

- race and ethnicity;
- women;
- lesbian, gay, bisexual, transgender, queer or questioning and two-spirit;
- mental health and well-being; and
- Parents@PMI.

We are also committed to being inclusive to those with disabilities and we adhere to the *Accessibility for Ontarians with Disabilities Act* guidelines and other provincial guidelines across the country.



EMPLOYEE-DRIVEN RESOURCE GROUPS

These five priorities are supported in large part by two employee driven resource groups, **RISE**, which focuses on issues affecting the Black, Latino and Indigenous communities; and, **RBH Women's Group** which provides a safe space for conversation on female empowerment and leadership, and a venue for female colleagues to share their successes and challenges, our colleagues of other genders are also regularly seen in attendance during such discussions.

We also have partnered with the Canadian Centre for Diversity and Inclusion (CCDI), and provide further support via our virtual space "Let's Talk@R-I" on a wide variety of topics.



RACE AND ETHNICITY

In 2021, RISE sessions covered topics such as the impact of Martin Luther King's "I have a dream" speech as part of Black History Month, celebrated National Hispanic Heritage Month, and held African and Latin dance classes. We marked the inaugural National Day of Truth and Reconciliation by partnering with a national charity that supports Indigenous post-secondary education, to help raise awareness of the impact of residential schools and support advances in post-secondary education for First Nations, Métis and Inuit students. RBH now marks every major employee gathering with a standardized land acknowledgment.

Our commitment is to adopt the recommendations to corporate Canada from the Truth & Reconciliation Commission, namely:

- our ongoing efforts to educate RBH executives and employees about the history and legacy of residential schools;
- our active membership in the Canadian Council for Aboriginal Business to identify and grow opportunities for Indigenous employment and entrepreneurship;
- our support for advanced education support for Indigenous post-secondary students, particularly in STEM careers (science, technology, engineering & mathematics); and
- our annual Indigenous harm reduction conference to bring together scientific, medical and community leaders from around the world.



WOMEN

RBH is working hard to hire and advance women. At year-end, women represented 40 per cent of our executive leadership team. We have a resource group focused on women's issues and topics, which hosts weekly discussion sessions and often features nationally recognized women from Olympians to leading female executives.



LESBIAN, GAY, BISEXUAL, TRANSGENDER, QUEER OR QUESTIONING AND 2 SPIRIT (LGBTQ2+)

We partner closely with the global PMI employee resource group Stripes, which works toward inclusivity of LGBTQ2+ communities, express our support for Pride month across platforms, and held virtual events with speakers drawn from the community.



MENTAL HEALTH AND WELL-BEING

Mental health and well-being are a top priority, and we recognize the strain caused by the ongoing pandemic. We offer numerous resources to employees including access to the LifeSpeak well-being platform as well as an Employee and Family Assistance Program.



PARENTS@PMI

In another difficult year for parents balancing work, young families and in many cases home schooling, we held a number of webinars on coping strategies and provided online educational resources for parents.



COMMUNITY GIVING

Through donations and employee volunteers, we join community partners in tackling social and environmental challenges.

In 2019, RBH introduced its Giving Back program, which provides individual donations of up to \$25,000 to not-for-profits. In 2021, we received 244 applications, and were able to assist a variety of groups. Their efforts and areas of focus are on a wide variety of community concerns including adult education, affordable housing, support for people with medical needs, food banks, women's shelters, and a variety of environmental initiatives.



The Giving Back program is key in allowing our group to continue to increase tree canopy across Canada – a goal that our not-for-profit and RBH share. Through the Giving Back Program we have been able to plant trees in Ontario, Quebec, and British Columbia, making Canada a cleaner and greener country.

Environmental Non-Profit Grant Recipient of the Giving Back Program

Protecting the Environment

As we transform our organization, we want to have a positive impact on society and one of the ways we're able to do that is by taking action to minimize the environmental impact of our products and our operations. Additionally, we support and are taking action to help PMI's efforts to be carbon neutral by 2030.





Two core priorities for our organization in 2021 were continuing to tackle cigarette butt littering and developing a recycling program to collect our smoke-free devices.

Waste management

UNSMOKE CIGARETTE BUTT
RECYCLING PROGRAM

Partnering with a global leader in recycling, the Unsmoke Butt Recycling program was launched in January 2021. Consumers can recycle nearly every waste product associated with cigarettes – the paper packaging can be recycled locally and is not collected.

Participation in the program is easy and it is free. Consumers simply register on the age-gated Unsmoke website in order to be emailed a shipping label for the container in which they have accumulated their cigarette waste.

The program also collects butts deposited in clearly marked receptacles at more than 700 locations across Canada.

Since its inception, Unsmoke’s Cleanup programs have collected 2,231,522 kilograms of cigarette waste and litter. That is about the same weight as a herd of 410 elephants.

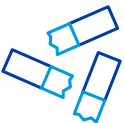
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The Unsmoke Canada Cleanups grant allowed our not-for-profit to further expand the cleanup efforts that we did across the country, having a great impact on the amount of litter removed from the ground. I apply yearly to the Unsmoke Canada Cleanups grant so we can continue to work together to clean up communities.

Unsmoke Canada Cleanups Grant Recipient, Environmental Non-Profit Based in Ontario, Canada

UNSMOKE CANADA CLEANUPS

In 2021, we gave grants totalling \$75,000 to 20 groups involved in community cleanups, and are aiming to add 200 receptacles nationwide to prevent cigarette butt litter.

2021 Cleanups by the Numbers



753,896
cigarette butts collected

128.82 kg
of cigarette butts collected



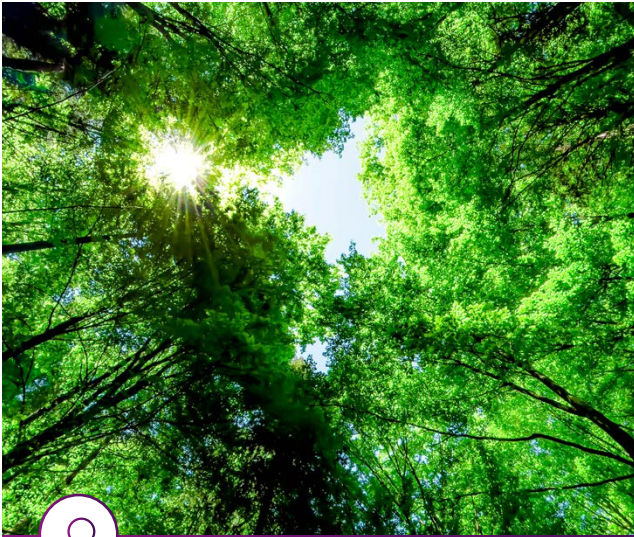
1,763,448 kg
of litter collected



609,401
volunteers



10,004,411
volunteer hours



SMOKE-FREE
RECYCLING PROGRAM



In a push towards a waste-free future, we launched our smoke-free recycling program in 2021. The program allows consumers using smoke-free products to responsibly dispose of them and, under this new recycling program, RBH will take and recycle vape pods from any organization – a first for the industry.

Consumers can recycle their products via the Unsmoke mail-in program or in-store returns. The RBH smoke-free recycling program is unique in that we recycle, or safely dispose of vaping devices, pods – including those from competitors – and accessories as well as heated tobacco devices as we advance a more smoke-free and sustainable future for the industry.

In addition to the launch of this new recycling program, a full-scale research and development trial will begin to develop a recycling solution that does not rely on incineration for vaporizer cartridges.



Energy, water and waste

RBH's Quebec City manufacturing plant has been in operation for more than 120 years. The plant produces conventional cigarettes and fine cut product (loose-leaf tobacco used in homemade products) for the Canadian market.



ENERGY

The plant achieved 75 per cent of its 2022 energy reduction goal in 2021. We are confident we can achieve the remaining 25 per cent of this goal by the end of 2022. To help achieve PMI's carbon neutral goals, we continue to replace older equipment and in the last year, installed a new electric boiler (powered by a hydro-electric grid) and implemented a resource management program to more efficiently utilize high energy consuming resources.



WATER

The plant's goal of reducing water consumption by 40 per cent by the end of 2022 was achieved early, in fact, water consumption is down by 42 per cent from the baseline year of 2019.



WASTE

We overachieved on our waste reduction targets and reduced waste by 30 per cent. The plant's goal was to reduce waste from the baseline year of 2019 by 20 per cent in 2021; by the end of the year, it was reduced by 30 per cent. Of that waste, the goal was to send zero waste to landfill. Earlier efforts to reduce plant waste have included sending tobacco dust to a third party to be composted.

Greenhouse gas emissions

The Quebec plant significantly reduced its CO₂ emissions in 2021 by installing an electric efficient boiler and, where possible, turning off equipment in off hours. As a result, in 2021 we reduced our intensity-based greenhouse gas emissions by almost half from 177 kilograms in 2020 to 69 kilograms, per million cigarettes manufactured.



MEET THE PEOPLE OF RBH:



At the Quebec plant, we have a program called Open Plus, which encourages us to look for opportunities for continuous improvement and to see the links between all systems. Sometimes you think you are doing well, then you are challenged and you find ways to do even better.












Robert Grondin
Health, Safety and Environment Manager













RBH 2021 Goals Scorecard

In 2021, we achieved or exceeded many of our goals, and we have revised previous goals and set the bar higher for ourselves in others. Below is a summary of our progress to goals in 2021.

Strategic Pillars	Goals	Status	Progress in 2021
 Creating a Smoke-Free Future	Generate societal support for change in the way smoke-free products are treated and communicated in the Canadian market so that by 2022 we can create a favourable, differentiated regulatory and fiscal system across Canada to enable rapid transition from cigarettes to smoke-free products for existing adult smokers		
	Support Canadian scientific research on smoke-free alternatives in 2021 to support evidence-based public policy		A literature review completed and undergoing peer review
	Provide engagement and learning opportunities to health professionals to discuss the science behind our smoke-free products with the goal of having medical education accredited by 2025		Supporting the development of a program for pharmacists
	With the help of government regulators and society, strive to end cigarette consumption by 2035		
 Operating with Excellence	Assist and support governments in the fight against illicit tobacco trade		In 2021, we continued to work with our partners and government in the fight against contraband tobacco with the goal of decreasing damages to legitimate businesses, stopping the undermining of public health objectives, preventing further developments of organized crime, raising awareness around the issue, and assisting the government in disrupting the illicit supply chain
	Youth Access Prevention (YAP) is an ongoing program within RBH that continues to ensure that products are being properly targeted towards legal nicotine users and not youth		Continued to follow government mandates and work with our retailers to ensure that they are properly educated to continue to sell products responsibly
	RBH made a commitment in our 2020 Sustainability Report: the creation of a Corporate Sustainability Committee (CSC) for the Canadian market. The goal of this Committee is to bring together a group of experts within the sustainability sector to leverage their different voices and perspectives regarding RBH's sustainability strategy and goals		We achieved this in 2021 and now have a Corporate Sustainability Committee composed of nine members: five internal Phillip Morris International representatives (two at the RBH management level, one at the global level, one in RBH finance, and the RBH sustainability lead), and four external representatives from various fields and backgrounds



Strategic Pillars	Goals	Status	Progress in 2021
 Caring for People	Organize at least 10 community impact events per year by 2025		No events were held in 2021 because of COVID-19 restrictions
	Mentorship pilot program launch for employees to gain mentorship opportunities		Mentorship pilot was a success with more than 20 people partaking in the program with positive feedback, and a NSS (Net Satisfaction Score) of 100. This allowed us to move the pilot into a permanent mentorship program for 2022
 Protecting the Environment	Collect more than 2,500,000 kilograms of litter by 2025		RBH's Unsmoke Cleanups have collected nearly 2,267,962 kilograms of litter roughly three years ahead of our original set goal
	Plant 10,000 trees by 2030		Increased our financial commitment to tree planting in order to achieve this goal five years earlier than originally planned: plant 10,000 trees by 2025
	Reduce total energy and water use at the Quebec manufacturing plant by 40 per cent from 2019 to year-end 2022		Energy use – 30 per cent of the way to achieving this goal
			Water use – reduced water consumption nearly 10 months ahead of target
	Reduce waste produced by our Quebec manufacturing plant by 20 per cent in 2022		Reduced waste by 30 per cent, exceeding the target goal
	Achieve zero waste to landfill from the Quebec manufacturing plant by 2022		





 In Progress  Achieved  Unmet



RBH 2022–2030 Goals and Objectives Summary

Sustainability is a journey. At RBH the goal of improving our performance in each of our sustainability categories informs everything we do. This is a journey on which we will continue to take important steps and continue to look for new opportunities to have a positive impact on Canadians, our communities, our economy, and the environment.

Here are some of the additional goals we will be aiming to accomplish in 2022 and beyond.

Strategic Pillars	Goals/Objectives
<div> Creating a Smoke-Free Future</div>	<ul style="list-style-type: none">• With the help of government regulators and society, strive to stop selling cigarettes by 2035• Support the development of formal accredited continuing education programs for pharmacists, nurses and medical doctors by 2025
<div> Operating with Excellence</div>	<ul style="list-style-type: none">• Optimize distribution centres to ensure fuel-efficient delivery by 2025• Find solutions to use less dense corrugated paper in shipping by 2025; heavier corrugated paper contains more glue, which is difficult to recycle• Build sustainability aspirations into third-party Master Service Agreements by 2025; for example, requiring delivery companies to use the most fuel-efficient routes possible• Continue to convert more of our sales fleet of cars to hybrid
<div> Caring for People</div>	<ul style="list-style-type: none">• Develop a policy around Bill 27, the right to disconnect in Ontario, and apply this nationally to all employees by 2023• Formalize policy on flexible working by 2023• Identify opportunities for advancing Indigenous talent within RBH• Take iEvolve mentorship program company-wide by 2023
<div> Protecting the Environment</div>	<ul style="list-style-type: none">• RBH's Unsmoke Cleanups have collected nearly 2,267,962 kilograms of litter, well ahead of our original goal of 2,500,000 kilograms by 2025. Our new goal is to collect 3,175,147 kilograms of litter by 2023• Plant 10,000 trees by 2025 – five years sooner than originally planned• Organize 10 community impact events annually by 2025• Build sustainability goals into our agreements with third-party logistics providers by 2025• Offer a nationwide Smoke-Free Recycling Program for our Smoke-Free products by 2025• Be carbon neutral by 2030• Improve the environmental performance of our office spaces

Get in Touch

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