



Engage & Lead Responsibly

2023 Corporate Responsibility Progress Report



Altria



We have a leading portfolio of tobacco products for U.S. tobacco consumers age 21+. Our Vision is to responsibly lead the transition of adult smokers to a smoke-free future. We are *Moving Beyond Smoking™*, leading the way in moving adult smokers away from cigarettes by taking action to transition millions to potentially less harmful choices - believing it is a substantial opportunity for adult tobacco consumers, our employees, our shareholders and society.

We have been committed to responsibility for over 25 years - a commitment we have upheld through all our business practices. Responsibility is intentionally embedded in our Vision statement as it is a critical part of our future. To achieve our Vision, we are pursuing initiatives designed to promote long-term sustainability. We believe the actions we are taking are creating a different Altria and a different tobacco landscape. We believe these actions will benefit our businesses, supply chains, trade partners, operating and grower communities and the environment. Our responsibility focus areas address the issues we believe are most important to drive this progress.



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What's in this report?

In 2021, we announced six responsibility focus areas as an output of our in-depth 2020 responsibility **materiality assessment**, each with associated 2025 goals. We believe these are the most important areas we can address to help us achieve our **Vision** and drive long-term business value. Importantly, these areas are aligned with our stakeholders' expectations of companies broadly and tobacco companies specifically.

This report provides an overview of our commitment to Engage & Lead Responsibly across our businesses and within our industry. At Altria, we are committed to being good corporate citizens and making a positive impact where we can. This report highlights how we practice continuous learning, engage with stakeholders, and drive accountability across our businesses to create shared value. It also provides examples of progress in 2023. As we move toward our 2025 goals, it outlines our 2024 priorities.

Note: When used in this report, the terms "Altria", "we", "us", and "our" refer to Altria Group, Inc. and its consolidated subsidiaries, unless otherwise noted. All references to "adult tobacco consumers" in this report refer to consumers who are 21 years of age or older.

Beyond This Report

This report is not designed to provide a comprehensive review of progress across all our responsibility focus areas. We share progress toward our focus area goals, including important metrics and data, in a series of reports and snapshots designed to meet the needs of multiple stakeholders. All 2023 progress snapshots will be published between April and September 2024. Visit the [ESG Reporting & Data](#) section to view our reports and snapshots.

Focus Area Progress

Click links below to see the progress we're making toward our 2025 responsibility goals.



ENVIRONMENTAL



SOCIAL



GOVERNANCE

[Responsibility Progress Dashboard](#)

[Protect the Environment](#)

[Drive Responsibility Through Our Value Chain](#)

[Reduce Harm of Tobacco Products](#)

[Prevent Underage Use](#)

[Support Our People & Communities](#)

[Engage & Lead Responsibly](#)

Reporting Disclosures*

Read more about our disclosures through the [links](#) below.



[SASB](#)



[GRI](#)



[TCFD](#)



[CDP
Climate | Forests
Water](#)



[ESG
Data Tables](#)



[EEO-1
Report](#)

* These disclosures are created with reference to the Global Reporting Initiative (GRI) standards and the standards set forth by the Sustainability Accounting Standards Board (SASB).

From Our Chief Executive Officer

2023 was a pivotal year for Altria as we made significant progress in pursuit of our Vision by enhancing our smoke-free product portfolio while our businesses performed well in a challenging environment. We're moving from being a tobacco company to a tobacco harm reduction company, building a robust portfolio of smoke-free products with the potential to reduce risk. This is one of our most urgent responsibility priorities and an area of significant progress in 2023. Engaging and leading responsibly is critical to *Moving Beyond Smoking*[™] and to creating a more sustainable future. Being a responsible corporate citizen isn't just about sound governance and ethical behavior within a company's walls. It's about understanding and managing the most significant responsibility issues impacting a company, its stakeholders and society broadly. We believe leading responsibly also encapsulates how we engage with external stakeholders, how we manage our investments, and how transparent we are about our actions. I invite you to read on to learn more about how we're driving progress and holding ourselves accountable and how our stakeholders can hold us accountable as well.

Here are a few points of pride from 2023:


- We announced our [2028 Enterprise Goals](#) at our 2023 Investor Day. These goals include corporate financial metrics, specific U.S. smoke-free volume and revenue targets, and our aspirations to compete beyond the U.S. nicotine space.
- We took transformative steps we believe position us for sustained success in the U.S. nicotine space by expanding our portfolio of smoke-free products for the millions of U.S. adult smokers seeking potentially less harmful alternatives.
 - We completed our acquisition of NJOY, LLC, manufacturer of the only FDA-authorized pod-based e-vapor product in the United States. Since closing, our teams focused on strengthening NJOY's global supply chain, filling inventory gaps at retail, expanding distribution and generating awareness of *NJOY ACE*, through improved retail merchandising. We are already seeing volume and share growth as a result of these efforts and we look forward to continued growth in 2024.
 - We saw continued volume, share and profitability growth with *on!*, our oral nicotine pouch product. And we launched *on! PLUS* in Sweden, one of the largest modern oral tobacco markets in the world.
 - We continued to prepare to bring heated tobacco products to the U.S. market. This includes heated tobacco stick products through Horizon Innovations, our joint venture with Japan Tobacco (JT) and our heated tobacco capsule product *SWIC*.

Our journey to realizing our Vision continues. 2024 marks 15 years since Congress granted the Food and Drug Administration (FDA) authority to regulate tobacco products. We supported FDA regulation because we believed science- and evidence-based federal regulation would help address societal concerns about tobacco products, promote public health and benefit adult tobacco consumers. While we still believe federal regulation is critical for harm reduction to succeed, we have a long way to go to realize its promise. Adult smokers seeking potentially reduced harm products have a right to accurate, science-based information about those products and consumers are misinformed about the role of nicotine. The FDA has authorized only a handful of smoke-free products, woefully insufficient to meet the growing adult tobacco consumer demand. And the marketplace is being overrun by illicit disposable e-vapor products that are flouting FDA regulation and contributing to underage use.

To make harm reduction a reality, we are engaging extensively with the FDA and other key stakeholders to advocate for policies and actions that will turn the tide on illicit vapor activity and accelerate a positive impact on public health. Through our efforts and those of others, we hope to see faster progress from the FDA in authorizing smoke-free products, informing adult smokers about the benefits of switching to smoke-free alternatives and enforcing the law by ridding the marketplace of illicit e-vapor products. These changes won't happen overnight, but we're committed to doing our part by engaging and leading responsibly.

We believe our actions reflect our dedication to addressing the issues our stakeholders care about the most. Through our commitment to *Moving Beyond Smoking* and exercising our leadership responsibility as a corporation, I believe we can deliver for adult tobacco consumers, our investors and society over the long term. I couldn't be more proud of the progress we've made together across our six responsibility focus areas. Thank you for taking time to read this report.

“Through our **commitment** to *Moving Beyond Smoking*[™] and exercising our **leadership responsibility** as a corporation, **I believe we can deliver** for adult tobacco consumers, our investors and society over the long term.”



Billy Gifford
Chief Executive Officer
Altria Group, Inc.



From Our Chief Sustainability Officer

Corporate responsibility expectations continue to evolve, as do related legal and regulatory requirements. While some areas are seeing increased standards and faster changes, others are facing societal pushback and politicization. Despite these dynamics we know that a sustained commitment to engaging and leading responsibly is critical to our business success. We take a strategic, long-term approach to managing our most material responsibility issues, recognizing that this both mitigates risks and creates opportunities. In the face of rapid change, it's even more important to pause, reflect on our progress and recommit. We made significant progress in 2023 and gained valuable insights that will guide our future work and drive us forward.

Reducing the harm of tobacco products and preventing underage use remain our top responsibility priorities and are critical to achieving our Vision. Contributing to solutions in these areas, among others, will help to sustain our business for the long-term while benefiting adult tobacco consumers and society. We also know we must do our part to protect the environment, drive responsibility through our value chain, and support our people and communities. We remain committed to driving progress in each of these areas while thoughtfully evolving our approach over time in line with external expectations. I am extremely proud to lead this work and to partner with our dedicated employees and external partners to make responsibility an everyday focus. Here are a few additional 2023 progress highlights:

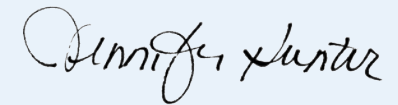
- We celebrated 25 years of commitment to preventing underage use of tobacco products – a critical public health priority. During those years, underage smoking declined precipitously. As we are *Moving Beyond Smoking*, we are focused on preventing underage use of smoke-free products. We are encouraged to see underage use of e-vapor products decline from a peak of 20% in 2019 to 7.7% in 2023.
- We believe we achieved all of our 2030 environmental targets by year-end 2023 - seven years ahead of schedule. In 2023 we established new long-term environmental targets to align with the latest climate science and stakeholder expectations. We have submitted our new climate-related targets, which include a commitment to net-zero by 2050, to the SBTi for validation. We expect a response in 2024. We will continue our analysis on the best approach to packaging and biodiversity.
- We strengthened ESG data governance and reporting infrastructure internally and externally. Internally, we implemented a new ESG data collection and auditing software system. Externally, we simplified our responsibility reporting, clarified several of our 2025 responsibility goals and added a [Responsibility Progress Dashboard](#) to our website with a high-level summary of key progress metrics.
- We gained momentum in building an inclusive and equitable culture while addressing potential barriers to equal opportunity. For the sixth consecutive year, we received a perfect score of 100 on the Human Rights Campaign Corporate Equality Index, and we were recognized as a Certified Age Friendly Employer and a Best Place to Work for Disability Inclusion.
- We introduced a [Purpose](#) statement to articulate the role we play in our consumers' everyday lives, today and tomorrow. We engaged employees through an interactive journey connecting the new Purpose to our history and Our Path Forward to remain steadfast in our Vision while being flexible in how we get there.

In 2024, we plan to focus our actions on the following key areas and supporting work streams:

- Leading the industry in advocating for harm reduction, not prohibition, as the proper framework for tobacco regulation in the U.S. including advocacy for effective solutions that rid the marketplace of illicit e-vapor products;
- Completing an Equity & Civil Rights Assessment led by us and overseen by an external independent Advisory Review Board in response to a shareholder proposal that received majority support in 2022;
- Continuing to drive Inclusion, Diversity & Equity (ID&E) momentum through better integrated, aligned and prioritized strategies; and
- Preparing to comply with the evolving regulatory landscape related to environmental disclosures.

As you can see, we have exciting and challenging work ahead. We look forward to engaging and partnering with our many stakeholders to realize progress toward our 2025 responsibility focus area goals. Thank you for joining us in our responsibility journey.

“...at Altria, we know that a sustained **commitment to engaging and leading responsibly** is critical to our business success.”



Jennifer Hunter

Senior Vice President
Corporate Citizenship &
Chief Sustainability Officer
Altria Client Services



Corporate Profile

Smokable Companies

Smoke-Free Companies

Complementary Assets

Altria's Companies

PhilipMorrisUSA
an Altria Company

Largest cigarette company in the U.S. that manufactures *Marlboro*, the largest-selling cigarette brand for over 45 years

John Middleton
an Altria Company

Leading producer of one of the best-selling tipped machine-made large cigars sold in the U.S., *Black & Mild*

HELI
INNOVATIONS
an Altria Company

Manufacturer of *on!* nicotine pouches

US Smokeless
TOBACCO CO.
an Altria Company

Leading producer and marketer of moist smokeless tobacco, including *Copenhagen* and *Skoal*

NJOY
an Altria Company

E-Vapor portfolio led by *NJOY ACE*, currently the only pod-based e-vapor product with market authorization from the FDA

Joint Venture & Investments

HORIZON
INNOVATIONS

Joint venture with Japan Tobacco for U.S. marketing and commercialization of heated tobacco stick products

CRONOS
GROUP

~41% equity investment in Cronos Group, a leading Canadian cannabinoid company

AB InBev

~8% equity investment in Anheuser-Busch InBev, the world's largest brewer

Where We Operate

We operate and sell our products principally in the United States. Substantially all of our net revenues are generated from sales in the U.S.

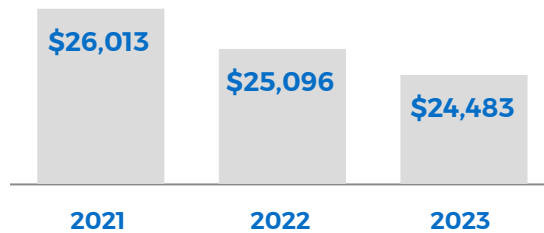
Map Key

- Key Tobacco Growing States
- Manufacturing Facilities
- Offices
- Offices Closed in 2023

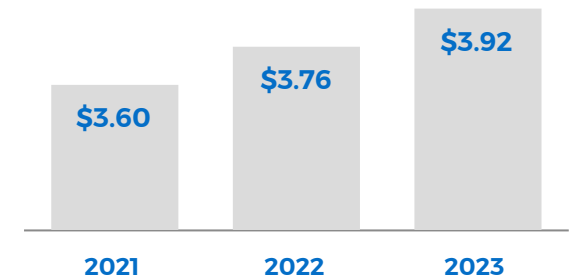


2023 Company Performance

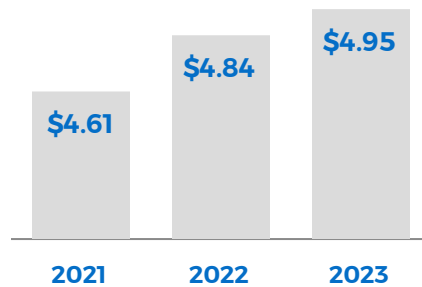
Net Revenues¹
(\$ in millions)



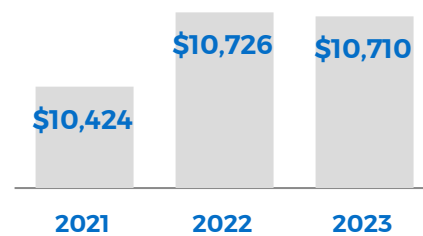
Annualized Dividends per Share²



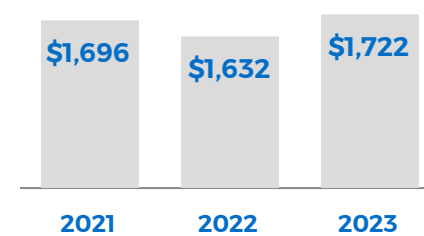
Adjusted Diluted Earnings Per Share³



Smokeable Products Adjusted Operating Company Income³
(\$ in millions)



Oral Tobacco Products Adjusted Operating Company Income³
(\$ in millions)



Other Direct Economic Value

\$3.98B

in excise taxes on products sold⁴

\$6.78B

in dividends paid on common stock⁴

\$556M

paid from pension and post-retirement plans

\$3.72B

in charges for state settlement agreements⁴

\$264M

in charges for FDA user fees⁴

Communities Where We Live and Work

~\$53M

donated

in cash and in-kind contributions⁵ nationally



69%

of executives

served on nonprofit boards

64%

of employees

engaged through volunteering with and/or donating to at least one 501(c)3

1. Altria's Financial Statements included in 2023 Form 10-K, filed with the SEC on February 27, 2024.

2. Annualized dividends per share calculated using annualized quarterly dividend per share as of December 31st of each year.

3. Included in Altria's 2023, 2022 and 2021 Form 10-K, filed with the SEC on February 27, 2024, February 27, 2023 and February 25, 2022, respectively.

4. Altria's Q4/FY 2023 Earnings Release furnished as Exhibit 99.1 to Altria's Form 8-K filed with the SEC on February 1, 2024.

5. Includes cash and equipment donations, facility uses and services.

2028 Enterprise Goals

We announced new 2028 Enterprise Goals at our 2023 Investor Day. These goals include **corporate financial metrics, specific U.S. smoke-free volume and revenue targets**, and our aspirations to **compete beyond the U.S. nicotine space**.

Our Enterprise Goals offer more clarity on our aspirations to continue to lead in the U.S. tobacco space, maintain strong operating margins, generate earnings growth, steadily grow our dividend and maintain a strong balance sheet. We are confident in our ability to achieve our financial aspirations while we advance our Vision and remain focused on creating long-term value for our stakeholders and society. These goals are an example of how we will hold ourselves accountable to achieving our Vision and measure our progress along the way.

They also reflect our intent to maintain our leadership position in the U.S. tobacco space through the strength of our amazing brands, including:

- *Marlboro*, the undisputed leader in the cigarette category for decades;
- *Copenhagen*, the leading oral tobacco MST brand with a rich 200-year heritage; and
- *Black & Mild*, the leading tipped cigar brand in the most profitable machine-made, large mass cigar segment

And we believe we are well positioned to achieve our U.S. smoke-free goals by enhancing our portfolio across the three major smoke-free categories.

We believe we can create incremental value through adjacent opportunities outside the U.S. nicotine space. This includes international innovative smoke-free and U.S. non-nicotine products. Over the last year, our teams evaluated these opportunities and defined strategies to guide disciplined participation. As we chart a path for international growth, we are evaluating the strongest go-to-market pathways – organically and with partners – that have the potential to accelerate our global presence and drive future enterprise growth. Our non-nicotine growth strategy is focused on testing and learning in the U.S. market. In 2023, we executed a small retail test with several products, formats and merchandising concepts. We are excited about the international opportunity and look forward to sharing updates on our progress in the future. Our path forward continues to be guided by the consumer. We are learning from the past and applying these learnings to how we approach the future. Our core strengths, enhanced portfolio of smoke-free products, and the grit and determination of our talented employees will drive our success.

Corporate			U.S. Smoke-Free Products		Long-Term Growth	
Financial Policy & Capital Allocation	Share of U.S. Tobacco Space	Total Adjusted OCI Margin	U.S. Smoke-Free Volume	U.S. Smoke-Free Revenue	International Innovative Smoke-Free Revenue	Non-Nicotine Revenue
<p>EPS Growth Deliver a mid-single digits adjusted diluted Earnings Per Share compounded annual growth rate in 2028 from a \$4.84 base in 2022.</p>	<p>Maintain our leadership position in the U.S. tobacco space.</p>	<p>Maintain a total adjusted Operating Company Income margin of at least 60% in each year through 2028 while investing behind innovative smoke-free products.</p>	<p>Grow U.S. smoke-free volumes by at least 35% from our 2022 base of 800 million units by 2028.</p>	<p>Approximately double our smoke-free net revenues to \$5 billion from our 2022 base, with \$2 billion sourced from innovative smoke-free products.</p>	<p>Compete in the top innovative oral tobacco markets and develop a pathway to participate in heated tobacco and e-vapor markets.</p>	<p>Enter non-nicotine categories with broad commercial distribution of at least five products by 2028.</p>
<p>Dividend A progressive dividend goal targeting mid-single digits dividend per share growth annually* through 2028.</p>						
<p>Leverage Target Target a debt-to-Consolidated EBITDA** ratio of approximately 2.0x.</p>						

* Future dividend payments remain subject to the discretion of our Board of Directors.

** For reconciliations of non-GAAP to GAAP measures visit altria.com. EBITDA as defined in our senior unsecured revolving credit agreement.

2023 Recognition



For the 4th year in a row, Altria earned a national recognition as a Great Place to Work-Certified™ company. Using validated employee feedback, certification confirms **88% of employees who participated in the survey say Altria is a great place to work** compared to 57% of employees at a typical U.S.-based company.



For the 11th year, Points of Light listed Altria among **America's most community-minded companies** in The Civic 50, an annual survey of the nation's 50 most community-minded companies. The Civic 50 sets the standard for corporate civic engagement and creates a roadmap for companies seeking to best use their time, talent and resources to improve the quality of life in the communities where they do business.



For the 3rd year in a row, Fortune magazine and Great Place to Work® have named Altria **one of the Best Workplaces in Manufacturing & Production™**, and for the 2nd year Altria has **ranked #6** on the list.



For the 6th year in a row, Altria received a **perfect score of 100 in Human Rights Campaign's 2023 Corporate Equality Index for LGBTQ+-inclusive workplace** policies and practices, and was recognized as a "Leader in LGBTQ+ Workplace Inclusion."



In 2023, the Center for Political Accountability **ranked Altria 5th** on the CPA-Zicklin Index and for the 8th consecutive year designated Altria as a **trendsetter** in this area. The CPA-Zicklin Index measures political transparency among Russell 1000 companies and their voluntary disclosures of political spending.



Altria is proud to be nationally certified as an Age-Friendly Employer by the Age Friendly Institute. The certification recognizes employers that **stand apart in the U.S. workplace and the communities** where they conduct business. Learn more at AgeFriendly.org.



Altria has been recognized as a member of the **CDP 2023 Supplier Engagement Leaderboard** for climate change, highlighting our work in sustainable supply chain management. Our Supplier Engagement Rating positions us amongst leading companies who disclosed to CDP's full climate change questionnaire.



Altria received a **top score of 100** on the Disability Equality Index (DEI) Best Place to Work for Disability Inclusion by Disability:IN American Association of People with Disabilities.

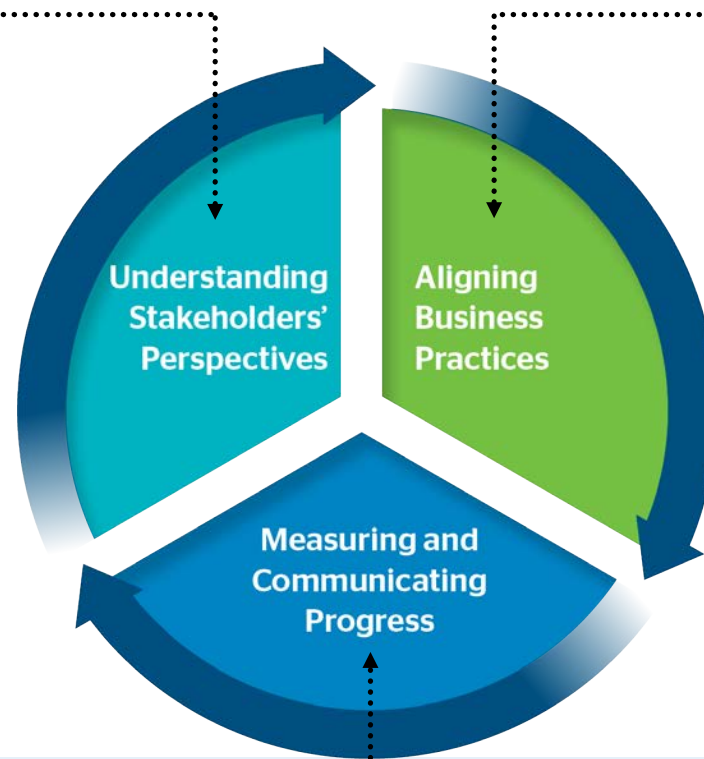
Our Approach

We approach responsibility by 1) seeking to understand stakeholders' perspectives and evolving expectations, 2) aligning our business practices – strategically and pragmatically, and 3) measuring and transparently communicating our progress. Through this approach we foster positive relationships with stakeholders through meaningful engagement; understand the changing external landscape through regulatory and societal lenses; and determine where we need to focus in order to drive long-term value by mitigating risks and capitalizing on opportunities for our businesses.

Understanding Stakeholders' Perspectives

Perspectives: Stakeholder engagement underlies our approach to effective responsibility progress. Two-way dialogue, based on open and honest communication, helps us understand the issues that present risks and opportunities for our businesses. Through their daily work, employees across the enterprise regularly engage with a wide variety of stakeholders to inform our strategies, initiatives and approaches. This includes talking with our employees, adult consumers 21+, investors, suppliers, policymakers, regulators, trade partners and community leaders.

Measuring and Communicating Progress: As responsible corporate citizens, we understand the importance of clearly communicating where we're focused, what we aim to achieve and how we're doing. Our 2025 responsibility goals and 2028 enterprise goals allow us to hold ourselves accountable to transparent outcomes. We communicate progress through one-to-one discussions, meetings, webcasts, conferences, our website and other communications, including this report. Additionally, we align our reporting with the GRI, SASB (Tobacco and Agricultural Products) and Task Force on Climate-related Financial Disclosure (TCFD) frameworks and respond to surveys like CDP.

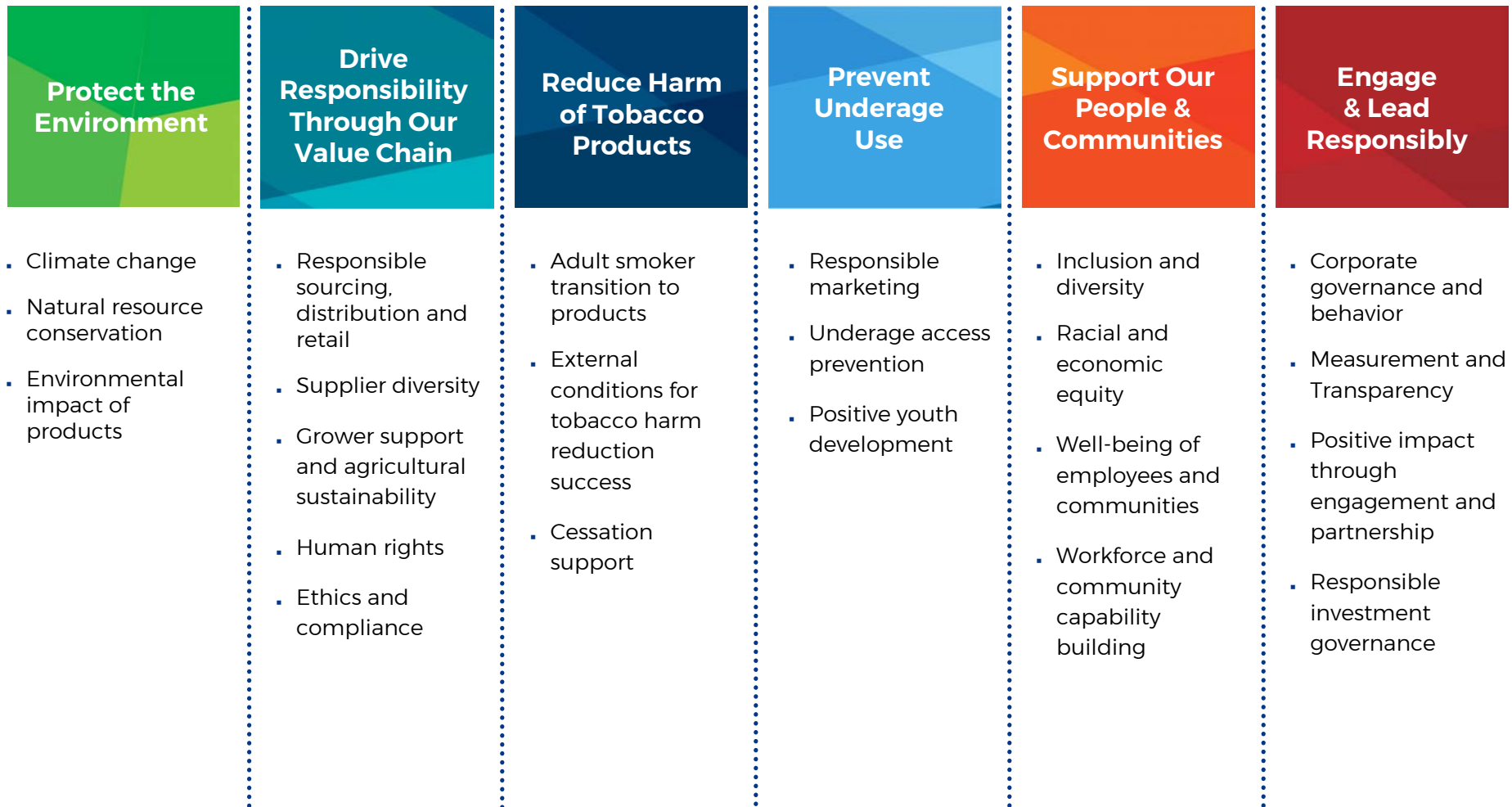


Aligning Business Practices: We implement long-term strategies and annual initiatives aligned to our Vision and guided by our responsibility focus areas. In response to a rapidly evolving external landscape, they leverage a multi-faceted approach to continuous improvement by regularly evaluating their strategies against factors such as consumer confidence, economic patterns, regulatory and legislative developments, industry trends and stakeholder expectations. Additionally, we regularly evaluate our strategies against enterprise direction in support of our Vision, as well as other factors like the regulatory and legislative landscape and evolving stakeholder expectations. The intersection between the above and what is important to our responsibility focus areas guides our alignment.

Where We're Focused

Our focus areas and initiatives are rooted in our responsibility **materiality assessment** process – a comprehensive, formal approach to identify the most impactful responsibility issues that we believe promote long-term sustainability and success. In 2020, we conducted a comprehensive review of stakeholder expectations and determined how those align with our business priorities. Through this exercise, we established our responsibility focus areas, as well as goals and metrics within each that have guided our actions.

Our 2025 Responsibility Focus Areas



Continuous Learning Shapes Our Approach

Since setting our responsibility focus area goals, our teams have learned a great deal and continue to evolve our approach to meet ever-changing standards and stakeholder expectations. We monitor the external environment to stay informed of these changing expectations and evaluate the implications for our businesses. Stakeholder expectations continue to influence our approach and initiatives on topics such as human rights, employee development, responsible sourcing in the supply chain and transparent reporting and disclosure.

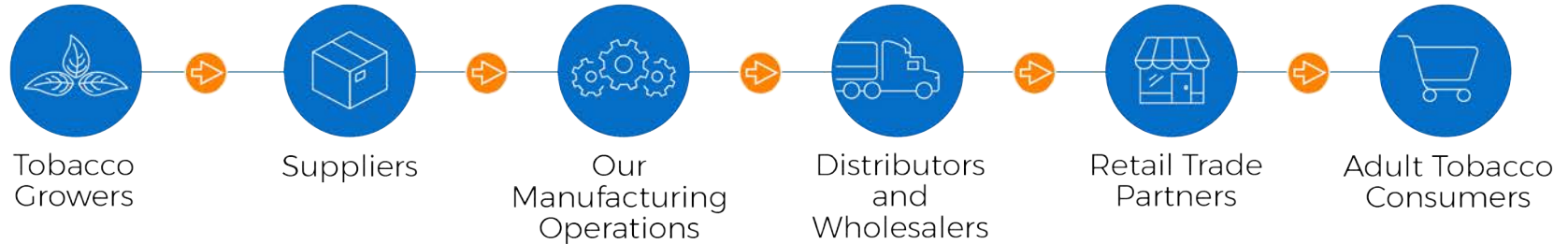
Several of the environmental and social issues that our focus areas seek to address are intersectional in nature. These intertwined focus areas require us to think differently about complex business and societal challenges and collaborate across departments to refine our approach. This section highlights some of the developments and expectations of the past year that we expect to influence how we approach responsibility in the near and long term.



	Protect the Environment	Drive Responsibility Through Our Value Chain	Reduce Harm of Tobacco Products	Prevent Underage Use	Support Our People & Communities	Engage & Lead Responsibly
Pending climate disclosure requirements from SEC, California	■	■				■
Rising bar for environmental targets. Net zero mainstream	■	■				
State-level EPR legislation (packaging and waste)	■	■	■			■
Growing focus on biodiversity, water and plastics	■	■				
Increasing expectations from value chain partners for environmental data and progress	■	■				
Rampant illicit e-vapor market and slow/ineffective FDA review process			■	■		■
Scrutiny of corporate diversity efforts					■	■
"Purpose" as a differentiator for employee engagement and retention					■	■
Stakeholders setting clear expectations for human capital management and Board diversity disclosures					■	■
Growth in shareholder proposals both for and against ESG issues	■	■	■	■	■	■
Growing expectations of management and Board oversight	■	■	■	■	■	■
Scrutiny around public policy and advocacy alignment			■	■	■	■
ESG factors seen as core to enterprise risk management						■
Expectations for rigorous ESG data management, reporting and third party assurance						■
Mandatory non-financial disclosures driving greater collaboration/integration with finance-accounting functions						■

Positive Impact Through Stakeholder Engagement

Across Our Value Chain



At Altria, stakeholder engagement is part of the foundation for our responsibility efforts, helping us identify and accelerate progress on the environmental and social issues most relevant to our businesses and where we can have the greatest impact. Our businesses regularly engage with employees, adult consumers, investors, suppliers, growers, trade partners, regulators and those in our communities. This continuous engagement helps us understand the issues that present risks and opportunities for our businesses and strengthens our approach in addressing expectations strategically and pragmatically - preserving our license to operate and advancing our Vision.

There is no final destination where our journey ends, and so we evolve and adapt to changing consumer interests, marketplace forces and societal expectations. One of the reasons we believe we are equipped to meet and exceed expectations is the strength of our stakeholder engagements.

The following pages outline the importance of engaging with each stakeholder group and examples of how we conduct those engagements.



With Our Stakeholders



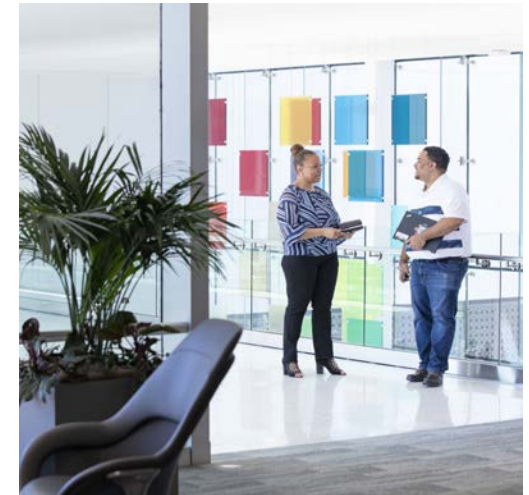
Adult Tobacco Consumers 21+

Why

We believe a deep understanding of adult tobacco consumers is critical to achieving our Vision. We engage extensively with adult tobacco consumers to deliver new and innovative products and brand experiences and facilitate their transition to smoke-free products.

How

- Consumer insights research
- Brand and corporate websites
- Direct-to-consumer communications
- Customer care channels



Employees

Why

Our companies employ approximately 6,400 talented individuals who are critical to our ongoing success. We seek input from and engage with our employees to improve their work experience, inspire them to innovate, be more inclusive and win in the marketplace.

How

- Community gatherings led by senior leaders
- Engagement and pulse surveys
- Internal communications channels and apps
- Functional, departmental and team meetings
- Labor negotiations
- Cultural ID&E discussions
- Employee Resource Groups

Investors

Why

We engage with investors to understand their interests and expectations and to communicate our business results and how we achieved them, including ESG performance and disclosures.

Through regular engagement, we gather valuable feedback from investors. Acting on investor input, we focus our responsibility reporting and disclosure on providing more stakeholder-centric, timely and relevant content.

How

- Annual Shareholder Meetings
- Investor roadshows
- Various meetings
- Conferences





Suppliers & Growers

Why

Our value chain includes approximately 1,050 direct contracted tobacco growers and third-party suppliers across the globe. While the majority of our tobacco suppliers are U.S.-based, our companies work with over 3,300 total suppliers worldwide.

To promote the responsible procurement of high-quality products, services and materials, it is important to convey our expectations and shared goals. We also collaborate on effective ways to address risks and societal issues in the supply chain.

How

- Supplier scorecards and meetings
- Supplier Code of Conduct
- Assessments, audits and surveys
- Workshops and training events
- Agricultural organizations' meetings between company grower representatives and growers

Trade Partners

Why

Our businesses rely on a distribution network of over 300,000 retail stores along with a network of wholesalers to deliver our quality products to adult tobacco consumers.

We aim to help retail and wholesale trade partners strengthen their businesses and ours. We do this by offering category management solutions to promote mutual success and responsible retailing, and to better understand marketplace dynamics and the preferences of adult tobacco consumers.

How

- "Top-to-Top" meetings
- Visits with retailers
- Online tools
- Annual trade meetings



Public Health, Scientific & Medical Communities

Why

Our priority is to understand and share research and perspectives on tobacco product issues to inform and advance our approach to tobacco harm reduction and effective regulation.

Our scientists engage across the public health, scientific and medical communities to share research and evidence and advance the science around smoke-free products and harm reduction.

How

- Conferences and workshops
- Meetings with key organizations
- Research publications



Government & Regulatory Agencies

Why

As our industries are subject to a range of laws and regulations, we engage constructively with government officials and regulatory agencies to share our public policy positions on issues important to us, maintain compliance and help achieve our business objectives. Our teams strive to identify the most important pathways to create the regulatory and policy conditions for harm reduction to succeed.

How

- Meetings with elected and appointed officials and staff
- Regulatory submissions and engagements
- Workshop participation
- Trade associations
- Public policy organizations



Community Partners & Grantees

Why

We collaborate on issues important to our communities so that we can invest resources and time to help strengthen our communities and businesses. We work to address relevant social and environmental concerns in partnership with others. We seek to build long-standing relationships with parties in our operating communities and nationally who lead valuable efforts to strengthen their communities.

How

- Service on boards and in other leadership roles
- Grantee forums
- Employee volunteer service
- Meetings with organization leaders and key staff

To Drive Progress

We engage with stakeholders in support of our business strategies. While these examples do not cover all possibilities, they illustrate the connections with relevant parties across our responsibility focus areas:



Keep America Beautiful (KAB) has been a valued partner for 22 years. KAB offer grants to help communities and local KAB chapters install cigarette butt collection receptacles in highly-trafficked areas to collect cigarette waste, while beautifying their neighborhoods.

GAP Connections (GAPC) oversees the GAPC Tobacco Certification Program which covers crop production practices, environmental practices and labor standards. They also provide resources for adoption of practices which produce a quality crop while protecting, sustaining or enhancing the environment.

The **FDA** is the only federal agency with the Congressional mandate, authority and resources to advance tobacco harm reduction. This agency's ability to coordinate federal strategy and drive efficient resource allocation towards these efforts is crucial for reducing harm associated with cigarettes.

Youth-serving organizations such as **4-H, Big Brothers Big Sisters, Boys & Girls Clubs, Communities In Schools** and **The First Tee** collectively reach more than 17 million kids. Their range of programs include mentoring, adolescent substance abuse prevention and tobacco cessation programs.

Our companies have longstanding recruiting relationships with 17 universities nationwide. In addition to these partnerships, we source leadership talent from several organizations such as **Reynolds Community College, the Thurgood Marshall College Fund, Hire Heroes** and **Association of Women in Science**.



Unlocking the Power of Technology to Advance Our Progress

We are transforming Altria through leading-edge analytics and innovative technologies that drive productivity and top-line growth. We believe our investments in technology will help us automate and improve various business processes and operations, leading to increased efficiency, improved customer satisfaction, and, ultimately, greater success in the marketplace.

Since announcing our 2025 responsibility focus areas and goals, we identified areas where investing in technology could strengthen our approach and accelerate progress.

In some cases, we strategically invested in new technology where we identified gaps. We introduced an internal Artificial Intelligence (AI) resource, AltriaGPT, as an important part of our digital strategy. We are leveraging AI to support engagements with adult tobacco consumers, customers and employees. This resource could enhance productivity and increase efficiency in performing certain tasks. It provides valuable insights into consumer behavior and preferences and is a key driver of our digital transformation, that we believe will help us remain competitive in the advancement of tobacco harm reduction.

Production of our premium products – both traditional and innovative - requires responsible sourcing of goods and services along with efficient manufacturing. Our Procurement teams work to deliver sustainable value through strategic category management, efficient processes, data analytics and proactive risk management.

Through a combination of technology and standardized systems and processes, we have been working to lower manufacturing operating cost and improve operational efficiencies, process control and labor productivity. With this transformation, our operators and front-line workers are adopting new ways of working, leveraging the Integrated Work Systems framework, and building a zero-loss mentality and culture of ownership and accountability for their area and equipment.

The Connect + Transform team is expanding our approach to innovation by launching [Open Innovation](#). Through this work, we are creating exclusive networks of top-tier partners, including startup founders, investors, academics, inventors and others who share our strategic goals. We are fully utilizing a global Open Innovation ecosystem, which includes building, buying, partnering and investing, to bring real value and impact to everyone involved in this collaborative process.

This is a new approach for our businesses, but our approach to engaging responsibly with our partners underpins our decades long history of evolution, lessons learned and business wins. We are excited to accelerate innovation in a meaningful way for our stakeholders and society.

We learn as we go, and we are working to go farther, faster.



Data, Analytics & Technology Investments

Our data, analytics and technology investments are also supporting our progress in each of our responsibility focus areas:



Protect the Environment

Under our first virtual power purchase agreement, we are **purchasing power from a Texas wind farm** that started operating in January 2023. This wind farm adds new clean electricity to the U.S. electric grid and generates renewable energy credits. It helps us offset our use of fossil fuels and accelerates our progress towards renewable electricity and greenhouse gas emissions targets. This investment is made possible by advancements in technology that make alternative energy sources more accessible.

We continued using a tool to **identify water stressed areas** in proximity of our facility and leaf sourcing locations. This ongoing assessment guides our progress to preserving the natural resources on which our businesses rely.

Drive Responsibility Through Our Value Chain

We invested in a new **platform** to enhance our supplier risk management infrastructure. This included implementing **supply chain mapping** and **risk monitoring technology** for strategic suppliers and critical transport hubs, resulting in mapping 100% of our top tier suppliers.

We are now partnering with **SupplyShift** to **screen suppliers' ESG initiatives in our non-tobacco value chain**. This partnership will allow us to understand our suppliers' ESG commitments, aid in data collection for reporting, and drive responsibility in our value chain. This solution is being implemented in 2024.





Reduce Harm of Tobacco Products

We continue to develop a deep understanding of adult tobacco consumers 21+, the role tobacco products play in their lives, and how they choose products and brands across a range of usage occasions. In 2023, we conducted research with approximately 50,000 tobacco consumers and engaged with consumers millions of times through our brands. **We use this data to support adult smokers' transition to smoke-free products.**

We revamped *QuitAssist*®, our website dedicated to providing resources for those who want to quit using tobacco products. In addition to an improved user experience, the updated website includes new expert quitting resources from public health agencies and other reputable resources focused on quitting multiple forms of tobacco. Additionally, we've expanded our view of how we leverage data to quantify utilization by **measuring outbound clicks to expert cessation resources.**

We modernized existing manufacturing infrastructure to support the production and expansion of smoke-free products. This change enables unconstrained manufacturing of *on!* and a shorter supply chain with **improved agility and efficiency.**

Prevent Underage Use

Our approach to responsible marketing has to keep up with trends in technology for us to continue to be effective.

Supporting retailers with solutions to be the most trusted place to responsibly sell and distribute tobacco products is an essential element to our Underage Access Prevention efforts. In 2023, we continued providing support for **innovative technology solutions at retail to prevent underage access to tobacco products** and expanded retailer adoption of point-of-sale age validation technology to approximately 143,000 retail stores representing close to 82% of Philip Morris USA volume.

Our sales force updated retail trade programs to include digital elements. Retailers can choose from various participation options, and earn **incentives for integrating age and identity verification solutions into their digital platforms.** Once an adult tobacco consumer aged 21+ is verified, retailers can offer promotional incentives through their digital loyalty platforms that meet our age and identity verification requirements.





Support Our People & Communities

In 2023, we enhanced our digital communication and collaboration tools to improve employees' access to relevant information and enhance employee engagement. This included revamping our intranet, introducing a new employee news app and maximizing the use of these tools as the primary channel for employee communication and engagement. We also **transformed our employee community engagement program** into a civic action platform, empowering employees to use their voices for civic engagement.

We enhanced the internal Open Talent Marketplace, enabling all employees to apply for relevant full-time job openings or learning experiences across our companies, including short-term, project-based roles. This initiative aims to **increase access to different functions and support career development**.

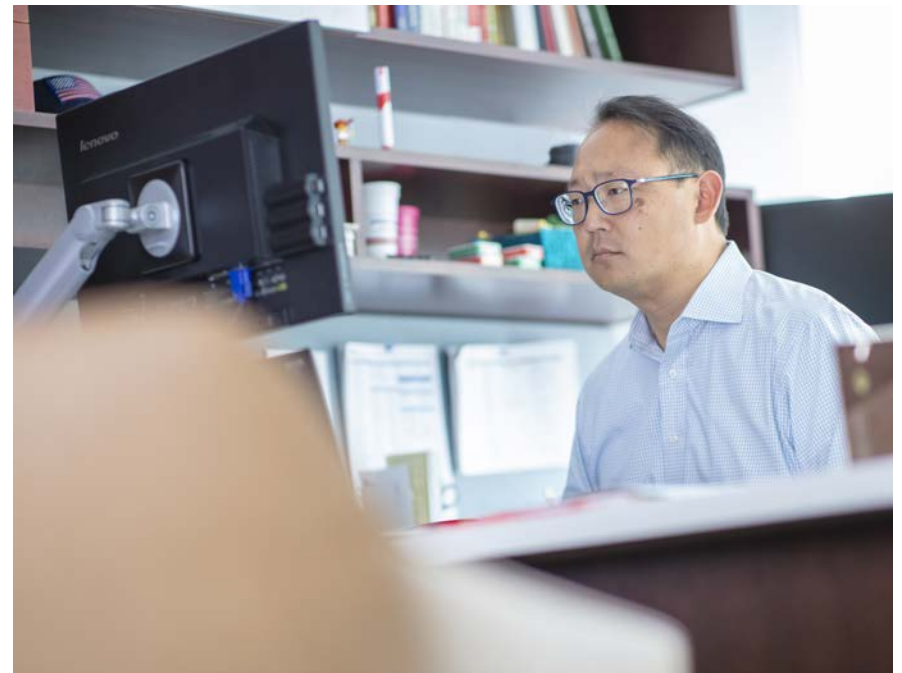
We introduced an **immersive learning program** that connects our history to the future. This engaging program is available for employees to participate in-person or virtually.

Engage & Lead Responsibly

We **enhanced our internal ESG data governance infrastructure** by implementing a new software system which simplifies and automates data collection and reporting using a centralized, auditable portal.

This system is now used to:

- gather data for responsibility progress reporting,
- track goal progress,
- create comprehensive reports, and
- facilitate creation of disclosures.



Responsibility Governance

Our CEO and senior management oversee our responsibility efforts. We engage with our Board on responsibility strategies and issues at the full Board level and through various committees. The **Nominating, Corporate Governance and Social Responsibility (NCGSR) Committee** oversees our public affairs, corporate reputation and corporate responsibility focus area strategies.



In addition to the NCGSR Committee, the Board has also delegated oversight for specific responsibility efforts to other committees. For example, the **Innovation Committee** oversees our innovation and marketing strategies, which are critical to harm reduction and preventing underage use, as well as our efforts to reduce the environmental impact of our companies' manufacturing operations and products.

The Compensation and Talent Development Committee oversees initiatives, programs and processes related to talent development and culture.

The Audit Committee oversees our risk assessment and risk management policies and practices and our compliance with legal and regulatory requirements. This includes oversight of our cybersecurity program and associated risks.

Board and Board Committee updates on responsibility include the review of topics such as:

1. trends in corporate responsibility, including emerging regulation and legislation,
2. our underage tobacco use prevention programs,
3. harm reduction initiatives,
4. environmental initiatives,
5. community and public policy engagement activities,
6. talent and culture initiatives, and
7. monitoring and reporting of responsibility progress.

Our responsibility focus areas are integrated into enterprise planning, strategies and initiatives. For each focus area, we formed **Steering Committees** led by senior executives with accountability for strategic alignment of initiatives and investments, outcomes and progress toward 2025 goals. These committees convene regularly and are comprised of senior leaders from accountable functions, functional director-level employees and subject matter experts.

We acknowledge stakeholder expectations for transparent, decision-useful disclosures of our progress, and we have taken steps to further enhance governance of our ESG reporting by implementing improved tools and processes for data collection and disclosure review, substantiation and reporting. An important element of this process is an **ESG Disclosure Working Group** with representation from Corporate Citizenship, Corporate Audit, Law, Finance and Corporate Communications. The ESG Disclosure Working Group is involved in the oversight and review of sustainability reporting and is focused on the accuracy and quality of our disclosures. We have also implemented a new ESG data collection and auditing software system to strengthen internal data governance infrastructure.

Management Oversight

At Altria, everyone has a part in working toward our Vision and engaging and leading responsibly. Each member of the Executive Leadership team contributes to our responsibility efforts. We recognize this important work requires cross-functional collaboration. Here are the specific duties of the members of our Executive Leadership team:



Billy Gifford
Chief Executive Officer
Altria Group, Inc.

As the CEO, Billy oversees progress toward our Vision and 2028 Enterprise Goals, including how management of our responsibility focus areas enables that progress.



Jody Begley
Executive Vice President
Chief Operating Officer
Altria Group, Inc.

In Jody's role as the COO, he leads our operating companies, Consumer Experience Organization, Altria Group Distribution Company and Altria Client Services' Operations teams. He also serves as co-Executive Sponsor of Altria's Environment & Value Chain Steering Committee. Among other responsibilities, Jody leads efforts to responsibly market our products, prevent underage access and use and promote environmental sustainability in manufacturing, product/packaging design, and distribution.



Sal Mancuso
Executive Vice President
Chief Financial Officer
Altria Group, Inc.

Sal leads Altria's finance, investor relations and procurement organizations. He also serves as co-Executive Sponsor of Altria's Protect the Environment Steering Committee. Among other duties, he plays a key role in driving responsibility in our supply chains through our Supplier Code of Conduct, supplier engagement on Scope 3 emissions, grower sustainability and human rights, and supplier diversity. He also leads our ESG engagement with debt and equity investors and other related initiatives.



Bob McCarter
Executive Vice President
General Counsel
Altria Group, Inc.

Bob leads Altria's Law department and Corporate Secretary office, which oversees Altria's Corporate Governance and Board of Directors engagement. He also leads Altria's Regulatory Affairs organization, which helps to advance harm reduction through science, advocacy and regulatory submissions.



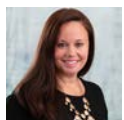
Olivier Houpert
Chief Innovation and Product Officer
Altria Client Services

As Chief Innovation and Product Officer, Olivier oversees Altria's long-term product pipeline and is building a comprehensive innovation system inclusive of partnerships and internal capabilities. He has centralized responsibility for all product development and innovation, consumer and marketplace insights, and systems that supports innovation needs for smoke-free and future growth opportunities. He also serves as co-Executive Sponsor of Altria's Environment & Value Chain Steering Committee.



Jennifer Hunter
Senior Vice President Corporate Citizenship
Chief Sustainability Officer
Altria Client Services

As the Chief Sustainability Officer, Jennifer drives the responsibility strategy for the enterprise. This includes strategy and programs that support inclusion, diversity and equity, community giving and volunteerism, underage use prevention, adult tobacco cessation, environmental initiatives, and internal and external communications and reporting. She serves as an Executive Sponsor of Altria's People & Communities, Prevent Underage Use, Create The Conditions Steering Committees and co-Executive Sponsor of Protect the Environment steering committee.



Heather Newman
Senior Vice President
Chief Strategy and Growth Officer
Altria Group, Inc.

Heather leads Altria's long-term enterprise strategy, planning & goals, data and technology, international and corporate development functions. She drives the inclusion of responsibility considerations and requirements through Altria's portfolio of investments.



Todd Walker
Senior Vice President
Government Affairs and Public Policy
Altria Client Services

Todd leads Altria's federal and state government affairs functions and engagement strategy on policy positions across a broad range of topics spanning our responsibility focus areas. He also serves as co-Executive Sponsor of Altria's Create The Conditions Steering Committee focused on external engagement and advocacy for tobacco harm reduction to succeed.



Charlie Whitaker
Senior Vice President
Chief Human Resources Officer
Chief Compliance Officer
Altria Group, Inc.

In Charlie's role leading Altria's human resources and compliance functions, he oversees recruiting, employee development and retention strategies to align a highly engaged workforce with the pursuit of our Vision. He is responsible for continually strengthening our culture of compliance and integrity and advancing progress toward many of Altria's 2025 goals related to supporting our people and communities. He serves as co-Executive Sponsor of Altria's People & Communities Steering Committee.

How We Create Shared Value

Integrated Reporting is a method of communication utilized by companies to share strategy, governance and performance in the context of value creation. Though we have not published this type of report, our approach to realizing our Vision considers and leverages relationships between our business strategies, strengths, resources and ability to create value.

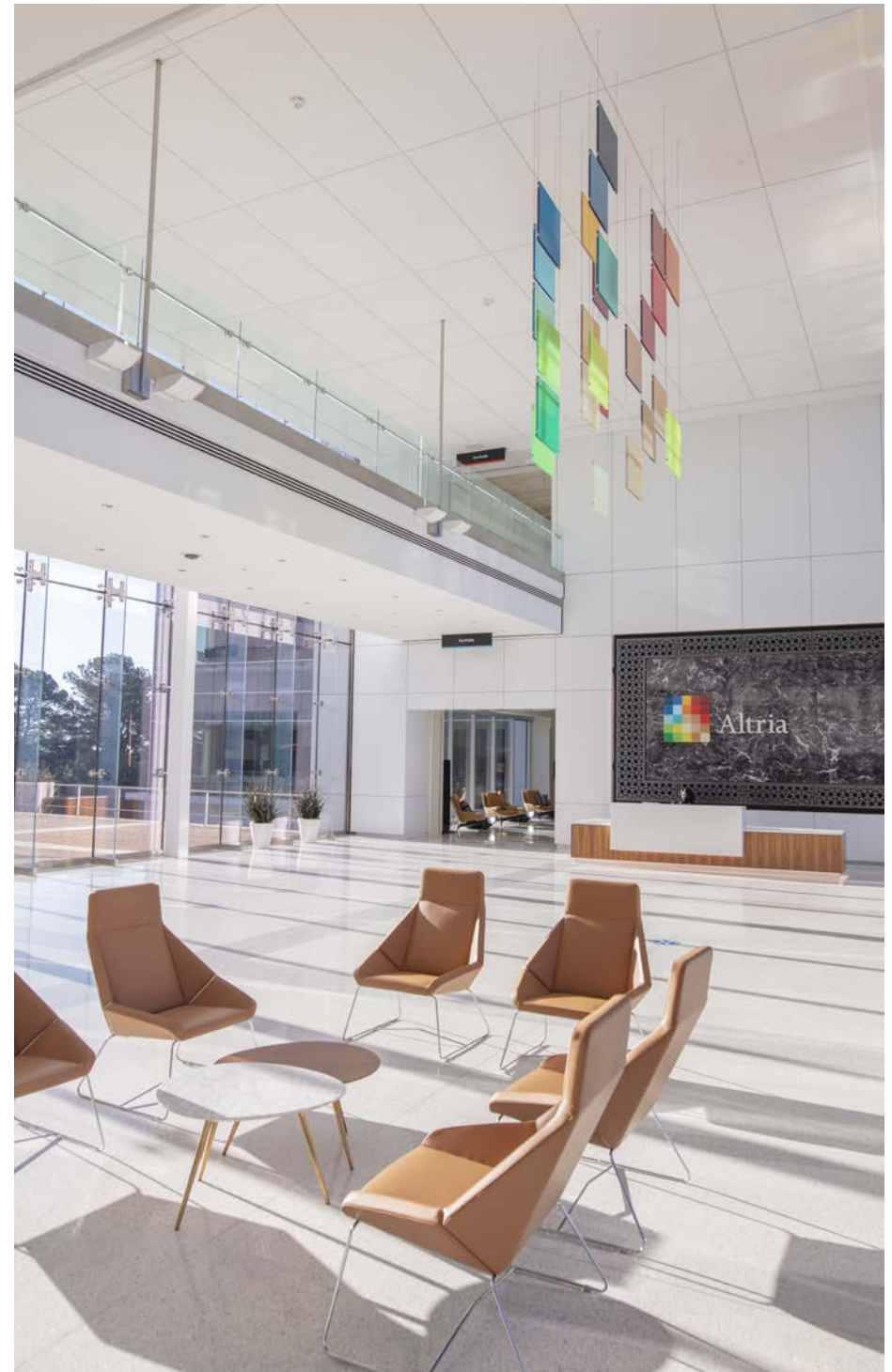
Our commitment to transparency influenced the desire to reflect our understanding and application of value creation. Our process is based on the pursuit of our Vision and supported by our **business strategies and responsibility focus areas**. We illustrate this process on the following page.

How we operate is as important as the results we deliver. We are guided by our **Cultural Aspiration** inside and outside our walls. This Cultural Aspiration is an articulation of what we value and who we aspire to be collectively. Our Cultural Aspiration respects and complements individual identity and is a way of working with each other internally and with our external partners and stakeholders.

Our financial, human, intellectual, manufacturing, social and natural resources enable our learning, ability to adapt and success. They are key inputs to developing products and offering services that contribute to the realization of our Vision.

We've made progress across our responsibility focus areas, and transparently communicated results that illustrate our follow-through on commitments to shareholders and society. Our progress benefits more than just our businesses.

We demonstrate through our actions that we are invested in addressing the responsibility issues people care about the most. The totality of our actions inside and outside our walls, individually and through stakeholder engagement will help us to deliver **shared value**, responsibly. We remain committed to scanning the external environment to gather learnings and applying them as appropriate.



Delivering Value Responsibly

Our Vision: Responsibly lead the transition of adult smokers to a smoke-free future.



- Financial Capital**
Balancing earnings growth and shareholder returns with strategic investments toward our Vision.
- Human Capital**
We're attracting, developing, retaining and deploying the talent needed to achieve our Vision and every employee has ownership in positively contributing to our business.
- Intellectual Capital**
Our R&D teams are building unique intellectual property and pipeline of differentiated, innovative smoke-free tobacco products.
- Manufacturing Capital**
Our operating companies' manufacturing organizations combined have hundreds of years of operational excellence in producing our heritage brands and innovative tobacco products.
- Social & Relationship Capital**
We rely on strong, sustainable partnerships with our network of growers, suppliers and trade partners.
- Natural Capital**
Our businesses are dependent on agricultural inputs so protecting the environment is important to our businesses and communities.



- Our Businesses**
Long-term sustainable profit growth.
- Society**
Contributions to solving environmental and social changes.
- Employees**
An inclusive and equitable culture where all employees can thrive.
- Our Customers**
Profitable premium brands and programs.
- ATCs 21+**
A robust portfolio of potentially reduced-harm options.
- Suppliers**
Mutually beneficial relationships and enhanced business practices.

Multi-year Business Strategies

- Maximizing the long-term profitability of our traditional tobacco businesses and maintaining category leadership while shifting resources to our innovative smoke-free products.
- Developing a consistent pipeline of superior FDA authorized innovative smoke-free nicotine products based in adult tobacco consumer preferences and foundational science insights.
- Leading the external environment in support of harm reduction, investing in our talent and culture and enhancing the digital capabilities that enable us to achieve our Vision.
- Developing a strategy to effectively compete in non-nicotine and international innovative smoke-free markets.

Our Cultural Aspiration We shape our future. We do what's right. We care for each other. We deliver for our consumers and our customers. We rise to the challenge, together.

About this Report

Unless otherwise noted, this report includes data and progress for Altria Group, Inc. and its consolidated subsidiaries for calendar year 2023. It includes Altria's operating companies, Philip Morris USA Inc., John Middleton Co., U.S. Smokeless Tobacco Company LLC, Helix Innovations LLC and NJOY, LLC which represent more than 99 percent of Altria's net revenues. The report also covers other Altria subsidiaries, including Altria Group Distribution Company, which provides sales and distribution services to our domestic operating companies, and Altria Client Services LLC, which provides various support services to our companies in areas such as legal, regulatory, research and product development, consumer engagement, finance, procurement, human resources and external affairs. Altria operates principally in the United States, and substantially all of Altria's net revenues are from sales generated in the United States.

This report is a summary of progress on our responsibility priorities and is not exhaustive of all information on these topics. Some statements may be forward-looking or aspirational, and these statements may involve many risks or uncertainties. Such statements are indicated by use of terms such as "expect" and "believe" and may relate to "goals," "objectives" or "targets." The term "materiality," "material," and similar terms, when used in this report are in the context of economic, environmental and social topics. These terms are defined in the referenced sustainability standards 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.

If you have questions about our report, please feel free to [contact us](#).



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