

Drive Responsibility Through Our Value Chain: 2020 Snapshot

Altria's Responsibility Focus Areas

ENVIRONMENTAL

Protect the Environment

Drive Responsibility Through Our Value Chain

SOCIAL

Reduce Harm of Tobacco Products

Prevent Underage Use

GOVERNANCE

Support Our People & Communities

Engage & Lead Responsibly

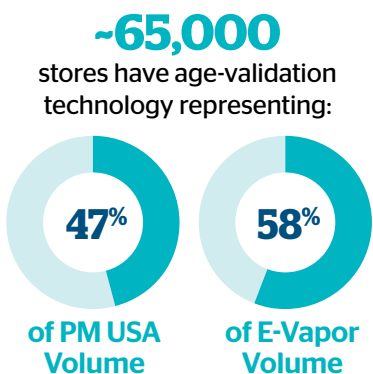
“We have high performing value chain partners that enable us to deliver premium brands to the market. It is the strong partnership between Altria employees and our external stakeholders that enables our success and progress towards the Vision.”

Jodie Clarke
Vice President,
Procurement



Engaging Trade Partners in Responsibility

- 2025 Goals:**
- Enhance trade participation in youth access prevention programs to establish retail and future sales channels as the most trusted place to responsibly sell and distribute tobacco products.
 - Enhance analytic and surveillance infrastructure that supports the financial viability of our supplier base and trade partners.



*Based on a sample of approximately 35,000 stores from September 27, 2020 to December 28, 2020.



91% of contractually obligated stores were verified to have the required signage posted



85% also had posted Altria-provided social access prevention signage*

628,608 pieces of We Card & Underage Social Access Prevention POS shipped

“No Tobacco Sale Order” Penalties**			
NTSO	1st	2nd	3rd
Penalty	Suspend Merchandising Payment for 1 Quarter	Suspend Merchandising Payment for 2 Quarters	Retail Contract Termination
No. Issued in 2020	14	1	0

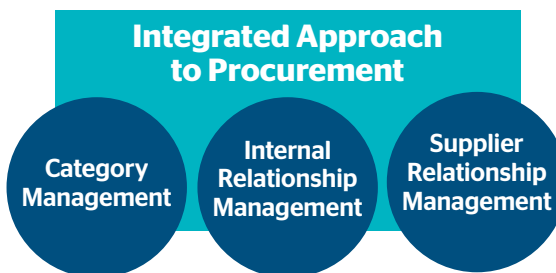
**“No Tobacco Sale Order”: FDA issues increasing levels of monetary penalties for minimum age tobacco purchase violations up to and including termination of a retailer’s ability to sell tobacco products. If a PM USA or USSTC contracted store receives an NTSO, we suspend select retail program incentives.

Responsible Sourcing in Our Operations

- 2025 Goal:** Enhance infrastructure that supports our ability to responsibly source goods and services and optimize the value of those goods and services for our businesses.

~5,800 suppliers work with our companies worldwide with a total spend of **~\$3.56 billion**

Sales coverage spans **~210,000** retailers across the country



- In 2020, Altria invited key members of our supply chains to disclose data through CDP’s Climate Change questionnaire on the environmental impacts, risks, opportunities, and strategies related to their businesses.
- 68% of invited suppliers responded, and this initiative provided a more detailed understanding of our Scope 3 greenhouse gas footprint.

Supporting Supplier Diversity & Inclusion

2025 Goal: Improve diversity, inclusion & equity in our supply chains

Supplier Diversity

Our Supplier Diversity aspirations include minority, women, LGBTQ+, veteran, and people with disability-owned businesses.


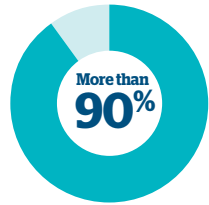
2020 Diverse Suppliers	2020 Diverse Spend	2020 Diverse Utilization Rate	2030 Diverse Spend Goal
347	~\$271M	7.6%	15%

- Altria strongly encourages the use of suppliers that obtain diversity certifications through global, national or local diversity councils and Chambers of Commerce.
- We established a longer-term aspiration goal with fewer exclusions on the type of spending that would factor into our utilization calculation.

Grower Support & Agricultural Sustainability

- 2025 Goals:**
- Deliver continuous improvement in our tobacco supply chains to protect the rights of farm workers, build sustainable futures for farmers and their communities and protect the environment.
 - Enhance infrastructure that supports our ability to responsibly source goods and services and optimize the value of those goods and services for our businesses.

1,073
monitoring activities
with direct contracted growers (GAP Connections (GAPC) Audits and third-party assessments)

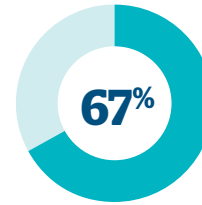
of leaf suppliers completed the 2020 Sustainable Tobacco Program (STP) Self-Assessment



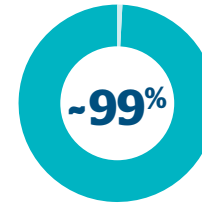
planned Good Agricultural Practices (GAP) assessments of domestic tobacco growers



contracted growers completed GAP training



contracted growers participated in GAPC certification toward 2021 goal of 100 percent
+17 points from 2019



of contracted growers who attempted GAPC certification successfully achieved it

- We continued our work on the Sustainable Tobacco Program (STP) steering committee, a coalition of global tobacco companies working to develop international tobacco standards to drive leadership in sustainable agriculture.
- The committee completed all standard assessment workbooks, which link to and reference relevant global standards, guidelines and reporting frameworks.



University Partnerships

7 Universities Across Tobacco Grower Region	
>30 research programs	9 extension/outreach programs
Scholarship support for 65 undergraduates & 10 graduates	

Human Rights, Ethics & Compliance

Minimum Age Provision	Our Contract Tobacco Growers	U.S. Dept. of Labor Law
Agricultural Employment	16 years*	12 years
Perform Hazardous Duties	18 years	16 years

*Our Tobacco Leaders Program (TLP) Grower Contracts address age of labor and all related exceptions in accordance with the U.S. Department of Labor.