

Reducing the Harm of Tobacco Products 2020 – Q2 2021 Performance Snapshot

Altria's Responsibility Focus Areas

ENVIRONMENTAL

Protect the Environment

Drive Responsibility Through Our Value Chain

Reduce Harm of Tobacco Products

SOCIAL

Prevent Underage Use

GOVERNANCE

Support Our People & Communities

Engage & Lead Responsibly

“In order to continue making progress, I believe we need to address four key areas: misperceptions about nicotine, equitable harm reduction for adult smokers, scientific engagement between industry and public health, and underage tobacco use prevention.”

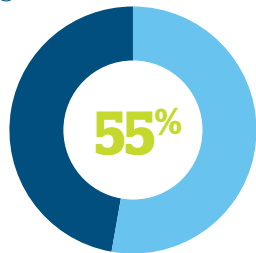
Billy Gifford
Chief Executive Officer



Accelerate investments

2025 Goal: Accelerate investments in innovation, science and regulatory support for new smoke-free product

As we pursue Our Vision, we want to make sure that all adult smokers, regardless of background, demographics or financial means, have equitable opportunities to reduce the harm of smoking.



Smokers interested in switching to a product based on an authorized reduced exposure claim

Source: Altria Client Services research study, February 2021

IQOS* heated tobacco system

- FDA issued a Modified Risk Granted Order authorizing a reduced exposure claim, including

“Scientific studies have shown that switching completely from conventional cigarettes to the IQOS system significantly reduces your body’s exposure to harmful or potentially harmful chemicals.”

- Q2 2021: *Marlboro HeatSticks* retail sales volume increased by nearly 40% compared to Q1



on! oral nicotine pouches

- Full global ownership of *on!*, acquired remaining 20% interest in Helix
- Submitted Pre-Market Tobacco Applications (PMTAs) to FDA for *on!* portfolio
- Distribution in ~78,000 retail stores as of December 2020; ~105,000 as of June 2021



Copenhagen

Harm Reduction Potential (to be determined by the FDA)

- 3/2018:** U.S. Smokeless Tobacco Company submitted an MRTTP application for *Copenhagen Snuff*. The application contained the results of scientific research we believe demonstrates the modified risk claim we’re seeking – **“IF YOU SMOKE, CONSIDER THIS: Switching completely to this product from cigarettes reduces risk of lung cancer.”**
- 2/2019:** An FDA scientific advisory committee reviewed our research and overwhelmingly supported the scientific accuracy of our proposed claim.

- 9/2021:** The ITC issued an order imposing an importation ban on the *IQOS* device and *Marlboro HeatSticks* into the U.S., and a cease and desist order on the marketing and sale of product already imported into the U.S.
- 11/2021:** To ensure compliance, Altria Group Distribution Company (AGDC) will begin removing *IQOS* and *Marlboro HeatSticks* products and marketing materials from retail beginning 11/1.
- PM USA is working with PMI on contingency plans that would support return-to-market.

* *IQOS* Devices and *HeatSticks*® are currently unavailable for sale in the United States.

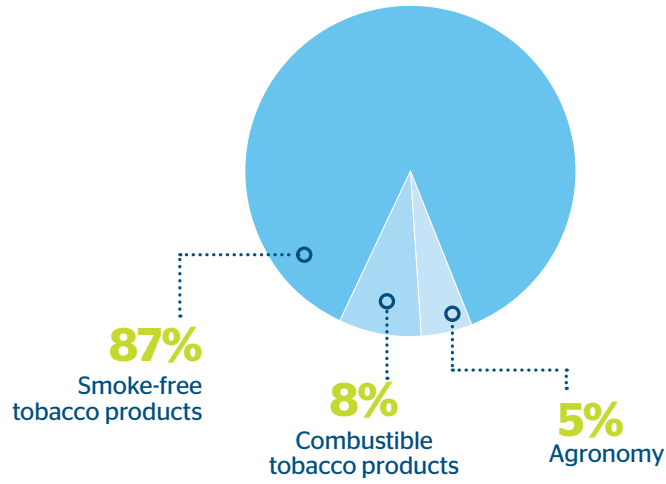
- on!* products have lower levels of harmful and potentially harmful constituents than combustible tobacco products and traditional oral tobacco products because they are tobacco leaf free.
- 5/2020:** Helix submitted PMTAs for the *on!* portfolio of products. Helix intends to file a Modified Risk Tobacco Product Application for *on!*.

Creating the Conditions

2025 Goal: Create the conditions for tobacco harm reduction to succeed through external communications and engagement, science and advocacy.

Regulatory & Scientific Engagements in 2020-2021

Engagement Topics



59 engagements on the topic of tobacco harm reduction and regulatory compliance with the FDA and public health stakeholders

28 external posters and presentations

23 scientific and policy conferences

7 panel discussions

16 publications

Through the first half of 2021, **181** engagements across **42** states in which Altria has engaged with elected officials and policy makers on harm reduction for adult tobacco consumers*

* Tracking began in 2021



Key Legislative & Regulatory Priorities

- [Supporting Science-Based FDA Regulation](#)
- [Advocating for Legislation Preventing Underage Use](#)
- [Endorsing Tax Policy That Gives Less Harmful Products a Better Chance](#)
- [Protecting the Legal, Regulated Market from Illegal Trade](#)
- [Encouraging FDA's Role as Regulator of Ingredients & Flavors](#)
- [Correcting Nicotine Misperceptions](#)
- [Urging Foundational Rules for SE, PMTA, and MRTPA](#)
- [Supporting FDA-Authorized, Smoke-Free Flavored Products as Critical to Harm Reduction](#)
- [Opposing Ban on Menthol Cigarettes or Flavored Cigars Not Supported by Science and Evidence](#)
- [Promoting Access to Better Choices for Adult Smokers 21+](#)

To learn more about our leadership in the external environment and how we communicate our Vision to stakeholders in the scientific, public health and regulatory communities, visit the [Communications & Engagement](#) page of the Altria Science website.

Supporting Cessation

2025 Goal: Provide access to expert quitting information for those who have decided to quit.



Increase 2020 visits by 50%, from a 2019 baseline. Achieved **248% increase**

Increase 2021 visits by 100%, from a 2020 baseline.

Progress through June 2021: **44%** toward goal of 100%