

## Drive Responsibility Through Our Value Chain 2022 Progress

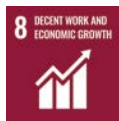
### Scope

- Responsible sourcing, distribution and retail
- Supplier diversity
- Grower support and agricultural sustainability
- Human rights
- Ethics and compliance

### 2025 Goals

- Support the financial viability of our supplier base and trade partners.
- Source goods and services responsibly and in a way that optimizes business value.
- Improve diversity, inclusion and equity in our value chains.
- Deliver continuous improvement on environmental and social issues in our tobacco supply chains.

### UN SDG Alignment:



“ At Altria, we believe sustainability is everyone’s job. That includes each person and business in our companies’ value chains from our tobacco growers to our retail and trade partners. We are focused on operating high performing companies while also delivering a positive impact on our value chains’ responsibility commitment and practices. Over the last few years, we have been on a journey to transform our companies through new technology and improved data and analytics capabilities, which provides insights into our value chain that are helping us further refine and build upon the work with our value chain partners. We have championed inclusion, diversity and equity within and outside of our companies. In 2022, we recognized a growing awareness and interest in supply chain responsibility and risk management from our key stakeholders. In response to this important trend, we conducted a risk management assessment of our business-critical suppliers to optimize our working relationships and impact. We also have been focused on operational readiness and preparing future value chains, inclusive of new and diverse suppliers, for the smoke-free products in our development pipeline. This challenges us to think differently, to continue to evolve our risk management work to encompass these new suppliers and to increase awareness of our expanding global footprint. I am consistently impressed by the hard-working individuals who drive value for our premium brands through continuous improvement and partnership; I am excited for 2023 as they raise the bar, once again, to drive responsibility through our value chain. ”

**Jodie Clarke**  
Vice President Procurement  
Altria Client Services (ALCS)



## Grower Support and Agricultural Sustainability

**Adjusting to Macro-Economic Trends:** We increased our tobacco leaf purchase price during the 2022 season recognizing that our tobacco growers were operating in an extraordinary inflationary environment.

### Maintained visibility of social and environmental responsibility within our supply chain through:

**100%** contracted tobacco grower participation in the GAP Connections (GAPC) Certification Program.

**100%** global leaf supplier participation in the Sustainable Tobacco Program (STP).

GAPC’s Tobacco Certification Program requires a grower to attend annual training on responsible crop, environmental and labor practices, complete an annual self-assessment and receive passing scores on their farm audit conducted by an approved third-party monitoring firm. 100% of our tobacco growers completed the training. Some growers may be unable to complete the audit due to reasons beyond their control, including environmental-induced crop failure.

STP stakeholders include 160+ leaf suppliers and over 2.6 million farmers and farmworkers in 50 countries worldwide. Membership involves a commitment to perform due diligence, including annual assessments, and support continuous improvement in human and labor rights, livelihoods, climate change, natural habitats, water, soil health, crop and governance.



### Tobacco Grower Participation in GAPC Certification Program



Year	% of Grower Base Participation	% of Program Participants Achieving Certification
2020	67%	99%
2021	100%	~98%
2022	100%	~98%*

\* In 2022, 26 contracted growers did not achieve certification. 23 of those were removed from supply chain before marketing leaf. 3 denied certification and Corrective Action Plans (CAP) were implemented to allow leaf marketing.

### Investing in the Future of Agriculture

In 2022, Altria Client Services partnered with **7** universities across U.S. tobacco regions to sponsor:

- **26** research projects aimed at improving crop quality, profitability and reducing environmental impact,

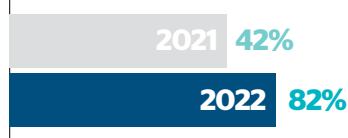
- **17** outreach programs that provide education and training to growers and communities, and
- **68** undergraduate and **14** graduate student scholarships to assist agriculture’s next generation of leaders and researchers.

# Responsible Sourcing, Distribution and Retail

## Improving our Data & Technology and Planning & Visibility

**Increased key direct and indirect supplier participation** in CDP's Climate Change, Forests and Water Security questionnaires by **82%** from 2020 baseline.

Increase from 2020 Baseline



**Recognized** as a member of **CDP's 2022 Supplier Engagement Leaderboard** for climate change among the top **8%** of companies who responded to CDP's full climate questionnaire, highlighting our work in sustainable supply chain management.



**Enhanced our supplier risk management infrastructure** by implementing supply chain mapping risk monitoring technology for **100%** of our top tier suppliers.

## Inclusion, Diversity and Equity

### With Diverse Suppliers

Our Supplier Diversity & Inclusion program is a critical aspect of our commitment to inclusion, diversity and equity – with consideration for women, LGBTQ+, veterans, people with disabilities and racially and ethnically-diverse businesses.

In 2022, we enhanced our Supplier Diversity & Inclusion program to increase visibility into the diverse supplier ecosystem. Through strengthened infrastructure and compliance requirements, we improved selection of diverse suppliers and mitigation of risks. **Our supplier diversity efforts build revenue and influence a positive economic impact on our communities.** The table below reflects diverse supplier utilization based on Altria's 2022 business requirements. While the number of diverse suppliers has decreased, we have increased the amount we spent on diverse suppliers by engaging them on more complex strategic projects.

	2020	2021	2022
<b>Number of Diverse Suppliers</b>	347	280	262
<b>Percentage of Spend on Diverse Suppliers</b> <i>2030 Diverse Spend Goal: 15%</i>	7.6%	8.9%	10.5%

Note: Suppliers of Ste. Michelle Wine Estates (SMWE) included in 2020 Supplier Diversity data. These suppliers are not reflected in subsequent years to reflect the sale of SMWE in 2021.

### At Retail

AGDC continued to sponsor the **\$250,000 Stronger Together challenge** to drive industry-led, sustainable efforts toward diversity, inclusion and equity. In 2022, we sponsored a range of projects submitted by trade partners and in addition, sponsored **8 customers to attend the Out & Equal Workplace Summit**, a national conference focused on LGBTQ+ workplace equality. Members of our Mosaic ERG – focused on the LGBTQ+ employee experience at Altria – accompanied our sponsored customers.

As the founding underwriter, Altria supported the **creation of Convenience Store News' D&I Advisory Board** to continue ongoing emphasis and education on diversity, inclusion and equity amongst the retail community.



**Recognized** as one of the top corporations “constantly striving to strengthen and celebrate diversity” by **National Business Inclusion Consortium as one of the “Best-of-the-Best” Corporations for Inclusion for the fourth year.**

## Human Rights, Ethics and Compliance

### Supplier Code of Conduct

Our code sets our expectations for all our suppliers. We expect our suppliers to comply with their legal obligations and to operate as good corporate citizens.

Affiliate member of the **Responsible Business Alliance**, a nonprofit industry coalition committed to supporting the rights and wellbeing of workers and communities worldwide affected by the global supply chain.



**Minimum Age Provision:** The standards we set for our suppliers exceed the standards of U.S. labor law.

	Our Contract Tobacco Growers	U.S. Labor Law
<b>Agricultural Employment</b>	16 years*	12 years
<b>Perform Hazardous Duties</b>	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.

The key international principles and declarations that guide our expectations of suppliers include:

- United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights
- International Labour Organization Declaration on Fundamental Principles and Rights at Work

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For more information on our progress to Drive Responsibility Through Our Value Chain, please visit [Altria.com/Responsibility](https://Altria.com/Responsibility)