

Drive Responsibility Through Our Value Chain 2021 Progress

Scope

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

UN SDG Alignment:



2025 Goals

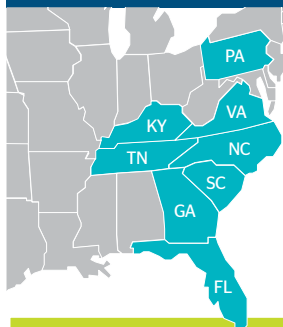
- Enhance analytic and surveillance infrastructure that supports the financial viability of our supplier base and trade partners.
- Enhance trade participation in youth access prevention programs to establish retail and future sales channels as the most trusted place to responsibly sell and distribute tobacco products.
- 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.
- Improve diversity, inclusion and equity in our supply chains.
- Enhance infrastructure that supports our ability to responsibly source goods and services and optimize the value of those goods and services for our businesses.

“The way a company engages with its value chain is a reflection of its culture. Our cultural aspiration is that we shape our future, do what’s right, care for each other, deliver for our consumers and customers, and rise to the challenge together. This approach guides our value chain commitments, and I’m incredibly proud of the teams who drive this work and how they get it done. In 2021, we prioritized stakeholder engagement through a number of initiatives. We’ve gained valuable insight and a deeper understanding of our extended environmental footprint through our value chain operations. This year, we plan to lean into technology solutions to improve visibility across our companies’ supply chains and enable valued retail and wholesale trade partners to do the same. I’m excited about strengthening our operations through automation and new technology and the opportunity to continue harnessing the power of our value chain.”



Jodie Clarke
Vice President Procurement
Altria Client Services (ALCS)

Grower Support and Agricultural Sustainability



In 2021, **100%** of Tobacco Leaders Program (TLP) growers completed Good Agricultural Practices (GAP) training amid the COVID-19 pandemic from their home through mail-in and online trainings offered by GAP Connections.

Grew participation to **100%** of contracted tobacco growers while maintaining historically high certification. **~98%** achieved certification against our 2021 goal of 100%.

Tobacco Grower Participation in GAPC Certification Program



Year	% of Grower Base Participation	% of Program Participants Achieving Certification
2019	50%	99%
2020	67%	99%
2021	100%	~98%*

* 27 contracted growers did not achieve certification in 2021. 20 of those were removed from supply chain before marketing leaf. 7 denied certification and Corrective Action Plans (CAP) were implemented to allow leaf marketing.

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

34 research projects aimed at improving crop quality, profitability and reducing environmental impact.

9 extension/outreach programs that provide education and training to growers and communities.

Scholarships to assist agriculture’s next generation of leaders and researchers.
50+ undergraduate students
9 graduate students



A Global Approach to deliver continuous improvement in the tobacco supply chain.

100% of leaf suppliers in our global supply chain participate in the industry’s Sustainable Tobacco Program (STP). The first STP self-assessment cycle was completed in 2021. Third-party in-depth assessment framework was developed and piloted.

The STP is aligned with relevant UN Sustainable Development Goals (SDGs) in eight common industry themes: human and labor rights, livelihoods, climate change, natural habitats, water, soil health, crop and governance.

Responsible Sourcing, Distribution and Retail



CDP Supplier Engagement Leader for climate change, among the **top 8% of companies** for sustainable supply chain management



In 2021, **67%+** of our key suppliers submitted responses to CDP's Climate Change, Forest and Water Security questionnaires at our request.

Altria Group Distribution Company (AGDC) sponsored a **\$250,000** Stronger Together challenge to drive industry-led, sustainable efforts toward diversity, inclusion and equity. The funding was awarded to a range of projects submitted by trade partners. With Altria as the exclusive underwriter, Convenience Store News (CSN) then established a D&I Advisory Board to continue ongoing emphasis and education on diversity, inclusion and equity amongst the retail community.

AGDC's Responsible Retailing Incentive Program encourages retailer adoption of age-validation technology designed to help **prevent underage access** to tobacco products at retail.

Responsible Retailing Incentive Program:	2021	60% increase from 2020
# of Retail Stores Participating with Validated Adoption	-104,000	
Product Volume Represented	62% of Philip Morris USA Volume 76% of E-Vapor Volume	

97% of contracted stores had underage access prevention signage placed in point of entry or another prominent location.

Note: A contracted store is a retailer that participates in one or more of our operating companies' retail trade programs. Results based on a 2021 quarterly survey methodology of a sample of retail stores.



No Tobacco Sale Orders: AGDC suspended quarterly retail program incentives for three retailers who failed tobacco regulations and minimum age requirements compliance check through the FDA's compliance audits.

Supplier Diversity

Altria's operating companies celebrated **40 years** of Supplier Diversity efforts in 2021!

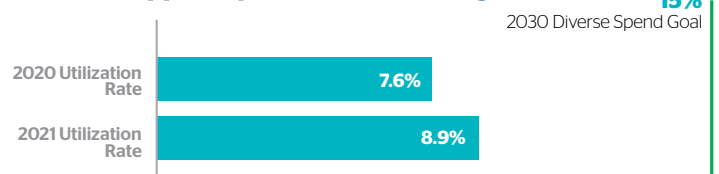
The National Veteran Business Development Council awarded ALCS Supplier Diversity manager, Lisa Blake, as their **Corporate Veteran Advocate of the Year**.

The Women's Business Enterprise Council (WBEC) Greater DMV awarded Altria the **2021 Outstanding Corporation of the Year Award**.



	2020	2021
Diverse Suppliers	347	280

Diverse Supplier Spend Utilization Progress



Note: Percentages rounded to the nearest tenth. Suppliers of Ste. Michelle Wine Estates (SMWE) included in 2020 Supplier Diversity data. These suppliers are not reflected in 2021 to account for the 2021 sale of SMWE.

Human Rights, Ethics & Compliance

Supplier Code of Conduct

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

Affiliate member of the **Responsible Business Alliance (RBA)**, 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
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.

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