

Reduce Harm of Tobacco Products 2022 Progress

Scope

- Adult smoker transition to smoke-free products
- External conditions for tobacco harm reduction success
- Cessation support

2025 Goals

- Accelerate investments in innovation, science and regulatory support for new smoke-free product platforms.
- Establish harm reduction, not prohibition, as the proper framework for tobacco regulation in the United States.
- Provide access to expert quitting information for those who have decided to quit.

UN SDG Alignment:



“At Altria, our focus is on *Moving Beyond Smoking*™. We’re developing a portfolio of smoke-free alternatives, guided by science, to meet adult tobacco consumers’ evolving expectations. We’re also generating the evidence necessary to seek FDA authorization to market these products. After that authorization, we look forward to actively encouraging adult smokers to transition to our smoke-free alternatives from cigarettes. We have focused our advocacy to be abundantly clear: we believe harm reduction – not prohibition – is the appropriate framework for tobacco regulation in the United States. In support of tobacco harm reduction, we’ve engaged with FDA and policymakers on important regulatory approaches, including how best to address the damaging effects of nicotine misperceptions, the ineffectiveness and unintended consequences of prohibition-based proposals like a menthol ban, and the importance of enforcement so that all products available for sale have been properly authorized and regulated. We also successfully advocated for FDA to close the loophole for synthetic nicotine products, which threatened progress on both underage tobacco prevention and harm reduction for adult tobacco consumers. We believe FDA, the public health community and tobacco manufacturers all have a role to play in advancing tobacco harm reduction, and we look forward to continuing to do our part.”

Paige Magness
Senior Vice President Regulatory Affairs
Altria Client Services (ALCS)



Adult Smoker Transition to Smoke-Free Products

To achieve our Vision, we plan to deliver a portfolio of innovative, FDA-authorized, smoke-free products and equitably transition adult smokers to them.

To do this, we have developed a deep understanding of our 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 2022, we:

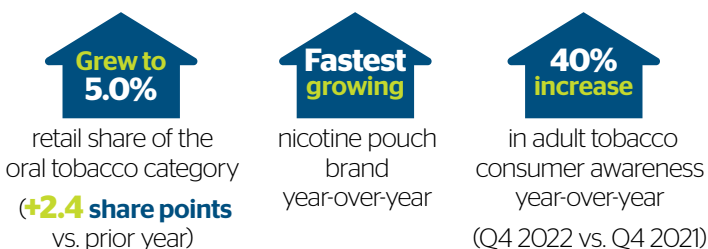
conducted **research** with approximately **50,000** tobacco consumers

analyzed more than **4.5 billion** consumer transactions at retail

engaged with consumers approximately **730 million** times through our brands

Smoke-Free Products Performance

In 2022, during its first full year of unconstrained manufacturing capacity, Helix made significant progress with **on!**



Launched the new “*Carry on!*” equity campaign encouraging adult smokers to make progress in switching to smoke-free products

Internal Development

Filed **219 patents** related to tobacco harm reduction

Joint Ventures & Investments

In **October 2022**, we formed a new majority-owned joint venture, Horizon Innovations LLC (Horizon), with Japan Tobacco International (JTI) to **accelerate global harm reduction** through the collaborative development and commercialization of smoke-free products.

Horizon will be responsible for the U.S. **marketing and commercialization** of heated tobacco stick products, including JTI’s heated tobacco platform *Ploom* once it receives market authorization from FDA.

Machine testing demonstrates that *Ploom* has significantly lower levels of many of the harmful and potentially harmful constituents (HPHCs) that the FDA has identified in cigarettes.

Our smoke-free product portfolio underlies our **2028 Enterprise Goals**, which include:

1. Grow total U.S. smoke-free volumes by at least **35%** from our **2022** base of **800 million** units.
2. Approximately double our total U.S. smoke-free net revenues to **\$5 billion** from 2022 to 2028, with **\$2 billion** coming from innovative smoke-free products.
 - Our 2022 smoke-free net revenues were approximately **\$2.6 billion**, substantially all of which came from MST products.

Visit our **website** to learn more about all of our 2028 Enterprise Goals.

External Conditions for Tobacco Harm Reduction Success

We engage responsibly with regulators, legislators, and the public health community to advocate for policies and actions that we believe will advance tobacco harm reduction success and support our Vision, including:

Establish a Market of Authorized, Reduced-harm Products made possible by efficient, transparent FDA authorization pathways.

Invested in **consumer-focused product development** and the science necessary to receive FDA authorization and bring more smoke-free alternatives to market.

Provided input during a public meeting and in written comments to the Reagan-Udall Foundation's operational review of FDA's tobacco program **expressing a need for more timely, transparent, and efficient product pathways.**

Engaged on the need for FDA to **clear the market of illicit products** and exercise appropriate enforcement actions against manufacturers failing to comply with regulations.

Address Nicotine Misperceptions and educate adult smokers about smoke-free alternatives.

Encouraged FDA leadership to **develop and deliver targeted communications to adult smokers** to address misperceptions around smoke-free products and the role of nicotine.

Engaged with public health and medical professional societies to discuss tobacco harm reduction, educate them on smoke-free alternatives for adult smokers who can't or won't quit, and explain the rigorous process by which FDA reviews and authorizes these products.

Continued **investing in science to support Modified Risk Tobacco Product Applications** that, if authorized, will allow us to communicate relative risk or exposure information to adult tobacco consumers.

Lead the Way on Responsibility by supporting programs that prevent risky youth behaviors and investing in technology solutions at retail.

Advocated for FDA oversight of synthetic nicotine products, which came into effect in April 2022.

Continued advocating for state enactment of **Legal Age of All Tobacco Purchase 21+ laws** that as of 2022 cover **87%** of the U.S. population.

Increased adoption of **age validation technology** to over **137,000** stores covering **80%** of PM USA's volume.

Advocate for Harm Reduction, not Prohibition by engaging with external stakeholders.

Advocated to FDA against prohibition-based policies that would create large illicit markets and other unintended consequences that could undermine public health.

Engaged and advocated at the state and local levels to **avoid broad-based flavor bans** and other policies that could hamper harm reduction's progress.

In 2022, our executives and subject matter experts:

conducted over **600 tobacco harm reduction engagements** with federal and state elected officials and policymakers

delivered **30 keynotes, posters and presentations**

served on **14 panels** at scientific and tobacco-related conferences

published **12 articles** in support of advancing tobacco harm reduction

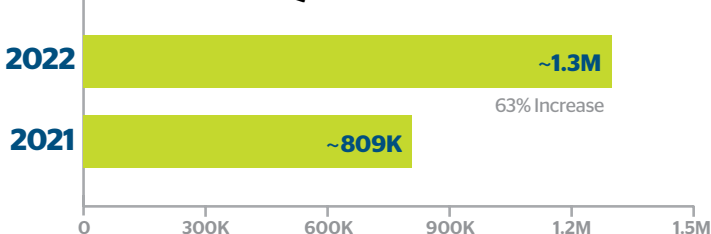
participated in **22 engagements** with public health stakeholders, including FDA, on harm reduction

Cessation Support

In 2022, we refreshed *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, including cigarettes, smokeless and vapor.

Visits to *QuitAssist*[®] Website



In 2022, there were more than **126,000 outbound clicks** on links to expert cessation resources.

Outbound link clicks increased year over year by **232%**.



For more information on our progress to Reduce Harm of Tobacco Products, please visit Altria.com/Responsibility