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Company Background Information

TOBACCO COMPANIES

- Phillip Morris USA (Marlboro Cigarettes)
- U.S. Smokeless Tobacco Company
- John Middleton (Black & Mild Cigars)
- Nat Sherman (super premium cigarettes & cigars)
- 35% ownership in JUUL Labs, Inc.
 (leading e-vapor company in the US)

ALCOHOL COMPANIES

- Ste. Michelle Wine Estates (a collection of wine estates)
- Significant equity investment in Anheuser-Busch InBev (world's largest brewer)

CANNABIS COMPANY

 Cronos Group (one of the leading global cannabinoid companies)

AN AMERICAN CORPORATION WHO IS ONE OF THE WORLD'S LARGEST PRODUCERS AND MARKETERS OF TOBACCO, CIGARETTES, AND RELATED PRODUCTS.

Fortune 500, ranked 154th \$19,494M 2018 Revenue



Altria's Mission is to own and develop financially disciplined businesses that are leaders in responsibly providing adult tobacco and wine consumers with superior branded products

Company Steps

Reduce Scope 1 & 2 Emissions by 20% Cutting absolute energy use by 18% Reducing waste to landfill by 25%

50% water neutrality across operations

Implementation

Reduce Greenhouse Gases in our Facilities Reduce Energy Use in our Facilities

Reducing Landfill Waste

Protecting Watersheds and Reducing Water Use

Switched from coal-fired boilers to natural gas boilers = reduced Scope 1 emissions Switched to energy-efficient lighting = reducing 3.5M kwhr annually + saved \$ millions Waste management programs to manage business, production, chemical, and solid waste Work with National Fish and Wildlife Foundation.

Currently piloting new and sustainable farming methods

CDP (Carbon Disclosure Project) Partnership

CDP's goal is to help companies take urgent action to build a truly sustainable economy by measuring and understanding their environmental impact.





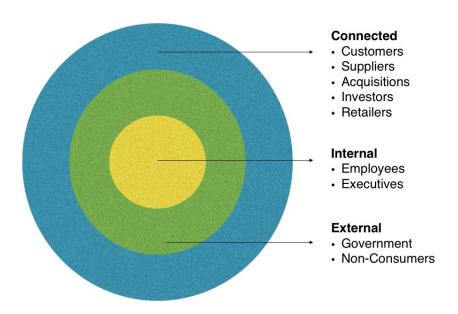
In 2018, we added a Scope 3 goal for 2030 and formally committed to the Science Based Targets initiative to help keep a rise in global temperature well below 2 Celcius

Our Plan

- 1. Keep on track with current goals and actions
- 2. Research & Development of Sustainable Products
- 3. Employee Involvement in Environmental Issues and Standpoint

Stakeholder Map

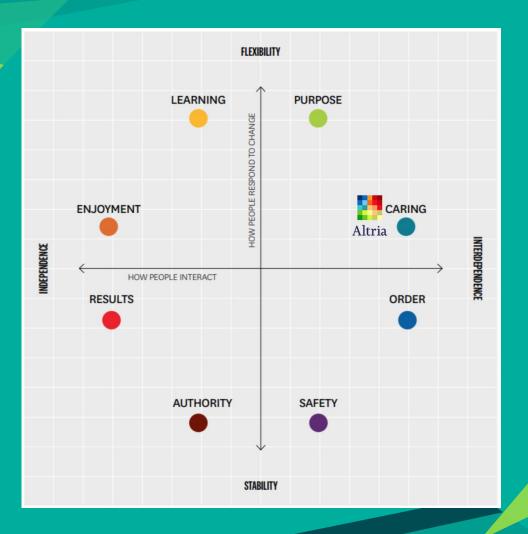
STAKEHOLDER MAP



Cultural Analysis

Caring:

- Improved teamwork
- Engagement
- Communication
- ◆ Trust
- Sense of belonging



Cultural Analysis

- ◆ EDUCATIONAL REFUND PROGRAM
- QUALITY MANAGEMENT SYSTEM TRAINING

COMPANY FACILITIES

- COMPENSATION
- CHIEF DIVERSITY AND INCLUSION OFFICER

Ecosystem Map

ENVIRONMENTAL CONDITIONS

Culture/social fabric:

- Give adult consumers a variety of the most enjoyable, innovative and high-quality products including
- e-cigarettes, cannabis, tobacco, and alcohol.
- Addressing tough industry issues, health effects, and prevent underage tobacco use.

Geography/infrastructure:

- Over 2,000 suppliers with chain responsibility.
- USA manufacturing and global distribution.
- Over 200K retailers in the United States.

Political/Administrative:

- Monitors legislative activities, analyze policy and regulatory trends, engage with government officials, and comment on policy and regulatory proposals.
- Make corporate political contributions in the U.S. to support particular political candidates.
- Commitment to political transparency and high corporate governance.

• Government policies; rising government initiatives to control tobacco consumption. Economics/Markets:

- Market segmented into cigarettes, smoking tobacco, smokeless tobacco, cigars, cigarrillos.
- Increasing popularity/demand for cannabis and e-cigarette products.
- China forms the largest tobacco market, followed by U.S., U.K., and Canada. Convenience stores form the most prominent channel of sales of tobacco products.

CONTRIBUTING RESOURCES

Financial:

- Sales of goods
- Bank loans
- Investors

Human:

- Employees (8,300+)
- Customers
- Community partners
- Trade partners
- Suppliers/growers

Knowledge:

- Market research
- Sales/revenues
- Environmental research
- Transparency of information

COMPETITORS/ALTERNATIVES

- British American Tobacco, includes e-cigarette Vuse, and cigarette brands; Benson & Hedges, Lucky Strike, etc.
- Reynolds American, includes cigarette brands Pall Mall, Camel, Natural American Spirit, etc.
- Imperial Brands, includes cigarette brands Davidoff, Gauloises Blondes
- Vuse (e-cigarette)
- Canopy Growth Corporation, biggest Canadian cannabis company

WIDER SYSTEMIC INFLUENCES

- Media
- Nicotine addiction
- Acceptability/perception of tobacco use
- Anti-tobacco campaigns

BENEFICIARIES (target users)

- Adult tobacco product users
- Adult cannabis product users
 Adult alcohol consumers

BARRIERS/OPPONENTS

 Non-smokers, bystanders (secondhand smoke)

Networking:

- Employee events
- Workshops & training events
- Annual trade meetings
- Functional, departmental & team meetings
- Volunteer events with charity
- organizationsReputation
- External articles & media coverage
- Annual Progress Report
- Information transparency & accessibility online
- · Word of mouth

Technological:

- Altria Website
- Social media
- Greenhouse gas data & reports
- Tech equipment
- Technological knowledge from suppliers
- Data center
- Waste & Disposal system

ALTRIA

American corporation and one of the world's largest producers and marketers of tobacco, cigarettes and related products.

COMPLIMENTARY ORGS & ALLIES

- Political allies
- Investors
- Coalitions
- Non-profit organizations
- Acquisitions

- Anti-tobacco & anti-cannabis lobbyists
- Regulations on tobacco and cannabis products and consumption
- Lower price level competitors
- Overexploitation of tobacco plants
- Climate change in tobacco farm areas
- Farming and labor regulations
- Taxation and tariffs
- Rising public consciousness on health and wellness
- Increased awareness of environmental consequences Higher expenses for environmental and health conscious strategies

IDEAL OUTCOMES/FUNCTIONS/PURPOSE

Give adult consumers a variety of the most enjoyable, innovative and high-quality products including e-cigarettes, cannabis, tobacco, and alcohol.

"Expect our suppliers and partners to comply with applicable environmental laws and regulations, consider environmental impacts in business decision-making and promote conservation of natural resources"

Promotion and maintenance of corporate transparency.

Promotion and maintenance of corporate responsibility.

Innovative products that protect customer's health and the environment. Generate sustainable growth and long-term value for our shareholders

Value Chain

FIRM INFRASTRUCTURE IT Systems connect the Supply Chain E-Commerce Strong and Expansive Financial Position Emphasis on CSR and product sustainability Annual shareholder meetings **HUMAN RESOURCES MANAGEMENT** Support Activities Strong Management Team Intranet infrastructure for employee communications Learning relationship environment Functional, departmental and team meetings Labor negotiations Employee engagement surveys TECHNOLOGY DEVELOPMENT Constraint product development Customer orientated product development Heavy focus product technology and innovation **PROCUREMENT** Progressive relationship with supplier Meetings between company grower and grower representatives Localized and bulk procurement Top-to-Top Meetings with trade partners Workshop and training events with suppliers Annual trade meetings INBOUND LOGISTICS **OPERATIONS OUTBOUND LOGISTICS** MARKETING SALES SERVICE Primary Activities Locally purchase most · Processing/manufacturing · Strong control over global High brand identity Pre-and-Post sale raw materials in bulk are both direct operations distribution channels Strong brand reputation customer service Specialized materials R&D + Technological Just-in-time delivery Price leadership and Consumer post-purchase importation innovation · Expensive network of value based pricing hotlines Consumer insights Inventory control couriers Innovative role in the

introduction of e-

marketing

commerce in the industry

Strong and expensive

research

Direct-to-consumer

communications





Thank You!

Questions?