



**Altria**

**Maya Kapur, Valentina Picco, Caroline Jelert**

# 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

Switched from coal-fired boilers to natural gas boilers = reduced Scope 1 emissions

## Reduce Energy Use in our Facilities

Switched to energy-efficient lighting = reducing 3.5M kwhr annually + saved \$ millions

## Reducing Landfill Waste

Waste management programs to manage business, production, chemical, and solid waste

## Protecting Watersheds and Reducing Water Use

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*

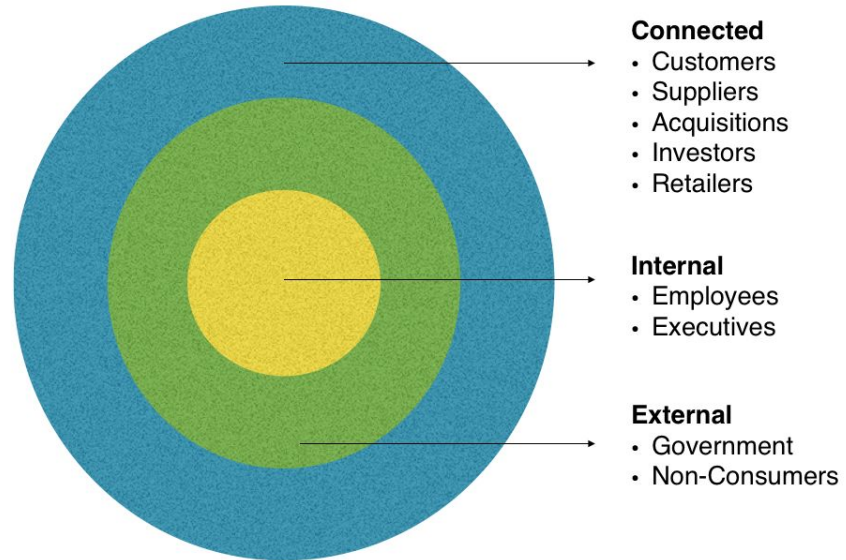


# Our Plan

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

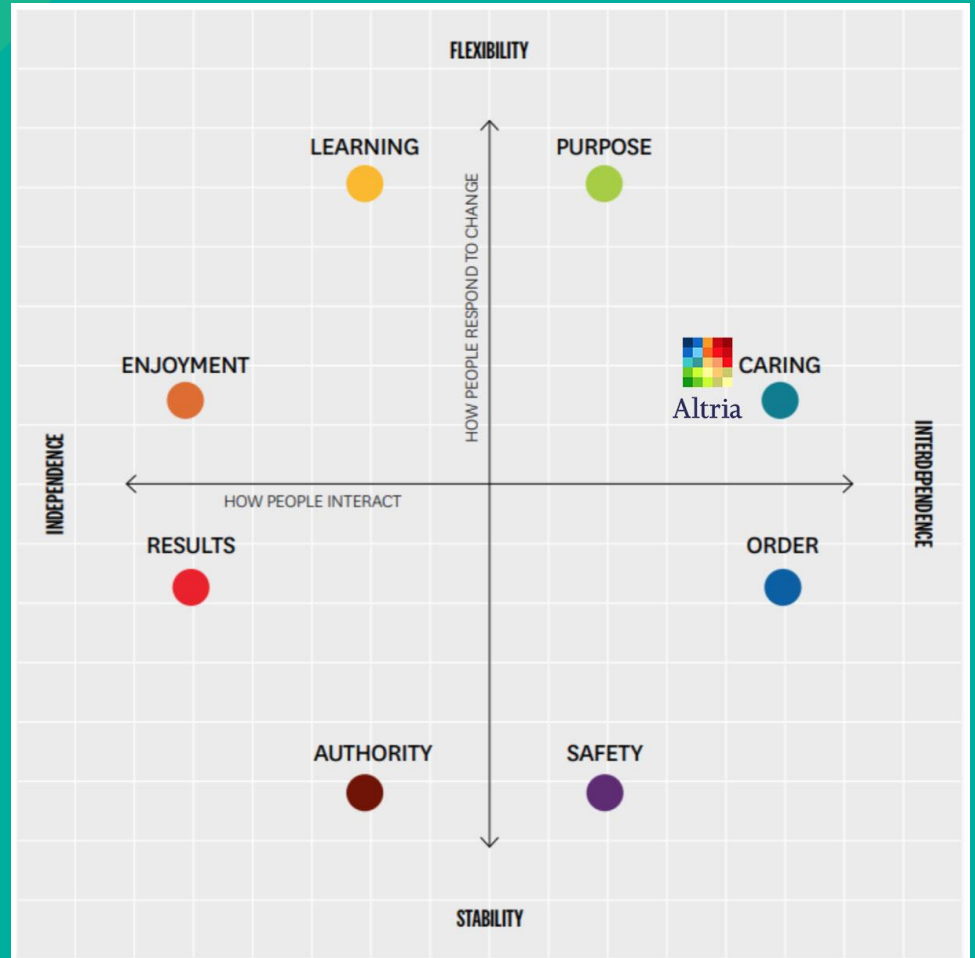
## STAKEHOLDER MAP



# 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/OPONENTS

- Non-smokers, bystanders (secondhand smoke)

## Networking:

- Employee events
- Workshops & training events
- Annual trade meetings
- Functional, departmental & team meetings
- Volunteer events with charity organizations
- Reputation
- 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"

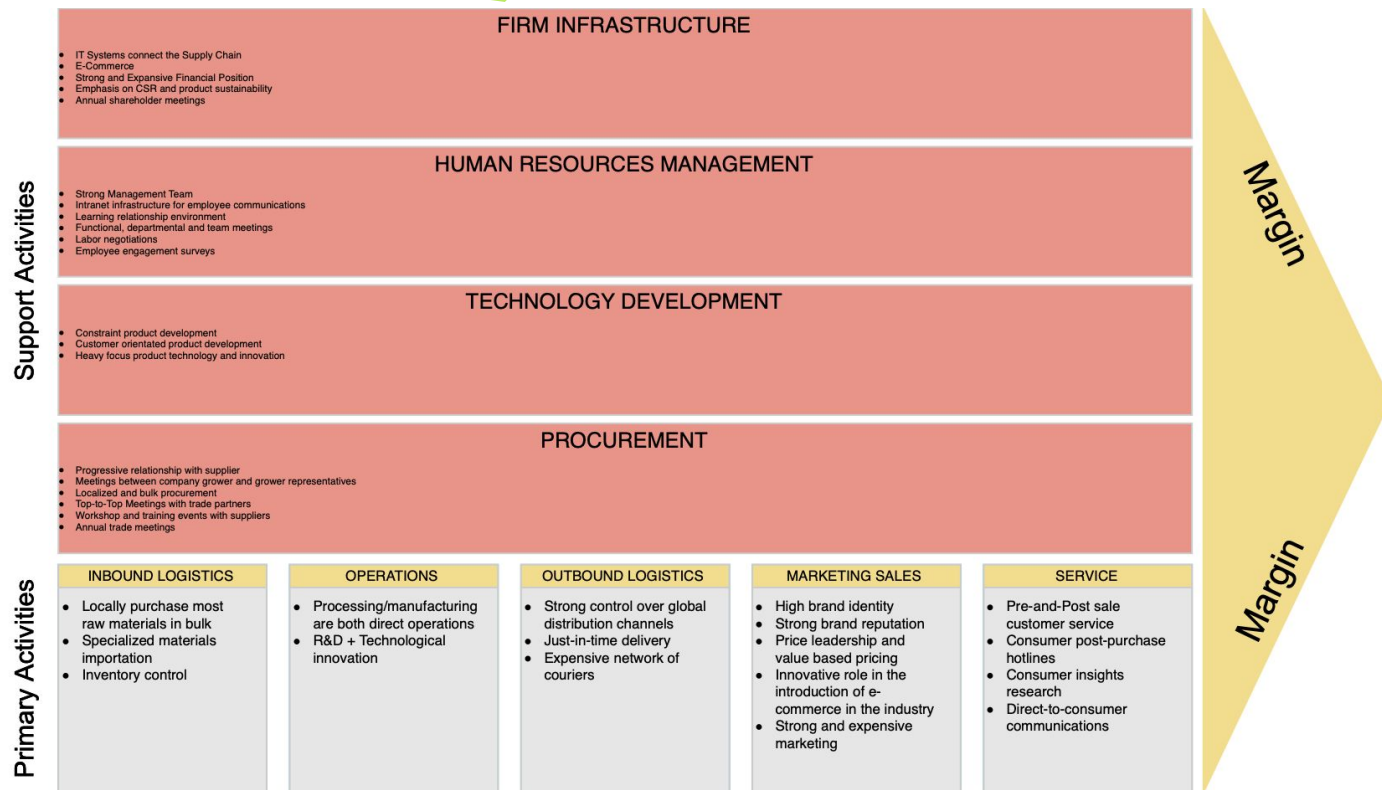
Promotion and maintenance of corporate transparency.

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





**Thank You!**

Questions?