

3/29/19 Team Meeting
3/31/19 Deliverable Due
4/1/19 Midway Presentation

CULTURE ANALYSIS:

Management
Corporate Culture
Partners
Communities

Does Altria’s vision for their culture match up to what their employees talk about?

<http://www.altria.com/people-and-careers/People-and-Culture/Pages/default.aspx>

- Goal
 - Develop high performing and engaged employees who will help us continue to deliver superior results in the future
- Support Employee Goal



- Promoting a Diverse and Inclusive Workplace

Diversity & Inclusion Goals

Our leadership is diverse at all levels

Everyone feels included, heard and challenged to contribute

We promote diversity and inclusion in our communities and in our supplier base to contribute to our success

- Innovation
 - Innovation also includes bringing new ideas, efficiencies and improvements to the jobs we’re already doing.
- Simplification

- Our employees are taking the initiative to streamline work and save time and money
- Attracting, Developing & Retaining Talent
 - We provide these opportunities, including paid internships and diverse assignments designed to stretch capability
- Rewarding & Recognizing Employees
 - Our compensation program helps us attract, retain and motivate world-class talent. Depending on level, total compensation includes different elements – base pay, annual cash incentives, long-term stock and cash incentives and benefits
- Creating a Safe Workplace
 - We're committed to occupational injury and illness prevention and to full compliance with laws and regulations relating to employee safety and health
- Employee Resource Groups
 - Adult tobacco and wine consumers come from all different backgrounds with changing tastes and a wide range of personal preferences. It's important to invite our diverse co-workers to share their experiences to help our businesses connect with these diverse adult consumers
- Compliance & Integrity
 - We pursue our business objectives with integrity and in full compliance with all applicable laws

http://www.altria.com/people-and-careers/People-and-Culture/Documents/Altria_Code_of_Conduct.pdf

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<https://www.glassdoor.com/Reviews/Altria-Reviews-E528.htm>

- 3.6 overall rating out of 5
- Pros
 - Opportunity/Career development
 - Co-workers/Teamwork
 - Compensation
 - Well-rounded experience/exposure to a variety of roles
 - Flexible
 - Productive
- Cons
 - Fast paced
 - Challenging
 - Hours can be long
 - Hierarchical
 - Diversity

<https://www.indeed.com/cmp/Altria/reviews?ftopic=culture>

- 4.1 overall rating out of 5

Altria Offers Competitive Compensation and Benefits Packages to Attract the Right Employees

https://www.richmond.com/business/local/top-workplaces/altria-offers-competitive-compensation-and-benefits-packages-to-attract-the/article_db74df8c-c603-5f0d-9ada-7fb3b2b1f0a1.html

- “Some of the company’s facilities have amenities such as on-site hair salons and doctor’s offices. “These are amenities that we know folks are interested in, and we provide it to give folks the flexibility they want,” Callahan said.”
- Beyond the compensation and amenities, the company emphasizes career training and advancement. From an employee’s first day at the company, there is access to “a wide range of training and development opportunities,” he said.
- To get employee input on innovation, the company established STAR (Science & Technology Applications Roundtable) talks, a monthly half-day event serving as a forum for employees to openly communicate, share information and generate new solutions to technical challenges.
- Employee recognition comes in a variety of ways, such as the company’s Appreciate and Applaud awards, in which employees can nominate colleagues for great work. “You can also nominate someone to receive points, and after a certain number of points, you can get gifts,” Callahan said.
- Employees also can nominate co-workers for the company’s Chairman’s Award, which is given by the chairman to an employee who has made an extraordinary impact on business or culture.

Altria Changes Its Organizational Structure and Names New Leaders As It Aims to Develop New Products (May 2018)

https://www.richmond.com/business/local/altria-changes-its-organizational-structure-and-names-new-leaders-as/article_857e1b1f-b382-5dfb-9de8-601e13cd8dc4.html

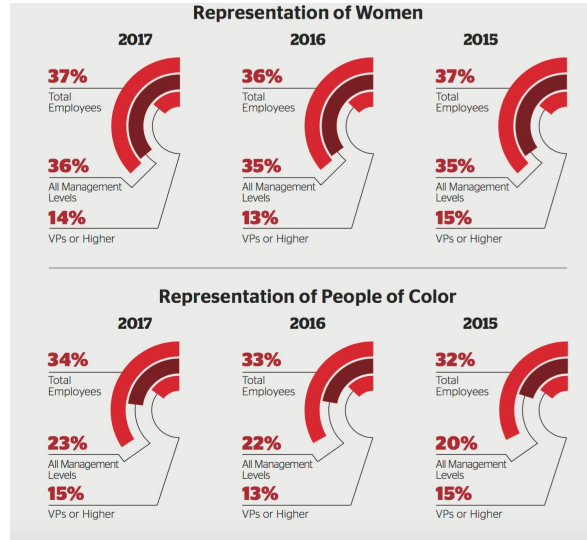
- Creating two new divisions — one for its “core” tobacco products such as cigarettes, cigars and smokeless tobacco, and one for “innovative tobacco products” such as e-vapor products (electronic cigarettes or e-cigarettes)
- The organizational shift comes as Altria and other cigarette companies compete for customers in a slowly declining U.S. cigarette market, while also adapting to the introduction of new products such as e-cigarettes and regulation by the U.S. Food and Drug Administration
- “This is a dynamic time in the tobacco industry, and just as we lead in traditional tobacco products, we intend to lead in offering adult smokers more choices in innovative, non-combustible, reduced-risk products,” Howard Willard, Altria’s new chairman and chief executive officer
- Several leadership changes were announced, effective June 1, including the creation of a new executive role — chief growth officer — which will be filled by K.C. Crosthwaite, who most recently served as president and chief executive officer of its cigarette business, Philip Morris USA.
- Taking over as president and CEO of Philip Morris USA is Heather Newman, currently vice president and general manager for the company’s top cigarette brand, Marlboro.
- Leading the core tobacco businesses as Altria’s senior vice president-tobacco products is Jody Begley, who has been president and general manager of Nu Mark since 2015.
- The restructuring is not surprising given the emphasis Altria has placed on smoking alternatives as a potential way to counter falling cigarette consumption, said Steve Marascia, who follows the company as director of research for Capitol Securities Management Inc. in Henrico County.
- In 2013, Altria’s product innovation subsidiary, Nu Mark, introduced its own e-vapor product, MarkTen, and, in 2014, it acquired the e-vapor business of Green Smoke Inc.
- As part of the leadership changes, Brian Quigley, the president and CEO since 2012 of the company’s U.S. Smokeless Tobacco Co. business, will become president and CEO of Nu Mark.
- Other leadership roles announced on Tuesday were:
 - Shannon Leistra becomes president and CEO of U.S. Smokeless Tobacco Co.;
 - Ryan Bauersachs will be managing director and general manager of Middleton; and
 - Dominik Meier becomes managing director and general manager of Nat Sherman.

Altria’s latest corporate responsibility progress report:

<http://www.altria.com/Interactive/2017CRRReport/files/assets/common/downloads/publication.pdf>

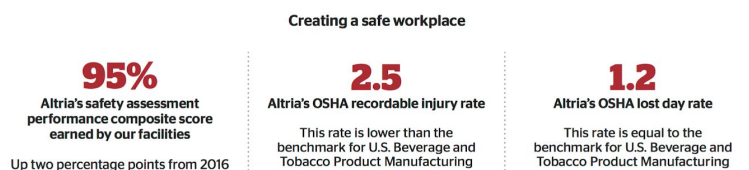
- Company approach:
 - Promoting a vibrant and inclusive workplace
 - Emphasizing diversity and inclusion
 - Altria appointed a Chief Diversity and Inclusion Officer
 - Through speakers, workshops and activities, we celebrated our success, built new skills and inspired employees to further contribute to our culture initiatives.

- In 2017, we launched a simplification challenge asking employees to identify opportunities to simplify processes, policies, and systems and tools. We used an employee crowdsourcing tool to build on ideas and vote for the simplification ideas that should be implemented.



- Attracting, developing and retaining talented and diverse people
 - In 2017, invested \$12.6M in training and development programs.
 - AGDC University – A system that connects learning to development for all AGDC employees. The system uses formal, instructor-led programming, online learning and connects learners via social learning.
 - Educational Refund Program – A program that reinforces the importance of continuing education for employees and represents our commitment to develop individual potential and increase job skills.
 - Quality Management System Training – A system that defines training requirements for employees based on their role to reinforce product quality, legal and regulatory requirements.
- Rewarding and recognizing our employees
 - Employee recognition programs
- Creating a safe workplace

In 2017, we enhanced the "Our Voice" employee survey by introducing a new platform that invites more frequent feedback and provides people managers with personalized dashboards and action plans. The platform averages all responses received to a question to create one score and benchmarks the score nationally across a range of industries. Our survey of salaried employees in September showed:



Altria CEO:

Our Performance			
Delivering superior results			
	2017	2016	2015
	\$1,151,325	\$1,055,663	\$950,114
	Operating income per employee		
Promoting a vibrant, inclusive workplace			
Diversity	2017	2016	2015
VPs or higher who are women	14%	13%	15%
VPs or higher who are people of color	15%	13%	15%

<https://moneyinc.com/altria-ceo-howard-a-willard-iii/>

- Howard A. Willard III
- Worked at Altria most of his life
- He is both the Chairman and CEO - which has greater or equal power than the CEO
- Sponsored the Employee Resource Group: Altria has a program that offers young and new employees the resources and support they need to be successful and Willard sponsored the group. He believes that to be successful in the 21st centuries companies will have to do a better job of providing an optimal environment for their employees.

PARTNERS:

Cronos Group Acquisition:

<https://www.newcannabisventures.com/altria-takes-control-of-cronos-group-with-c2-4-billion-in-vestment/>

- \$ 1.8B , 45% of the company
- Canadian cannabis company
- The news came the same day that Altria announced it was discontinuing the production and distribution of all MarkTen and Green Smoke vapor products, and VERVE oral nicotine containing products, as *Convenience Store News* previously reported.
- Cronos Group is a globally diversified and vertically integrated cannabis company with a presence across five continents. Cronos Group operates two wholly-owned Canadian licensed producers: Peace Naturals Project Inc., which received the first non-incumbent medical cannabis license granted by Health Canada, and Original BC Ltd., which is based in the Okanagan Valley, British Columbia. Cronos Group operates a portfolio of brands, which includes Peace Naturals, a global medicinal brand and two Canadian adult-use recreational brands, COVE and Spinach. Cronos Group has multiple international production and distribution platforms across five continents.

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<https://www.juul.com/mission-values>

<https://support.juul.com/learn/read/how-juul-is-combating-underage-usage>