

4/7/19 Deliverable Due

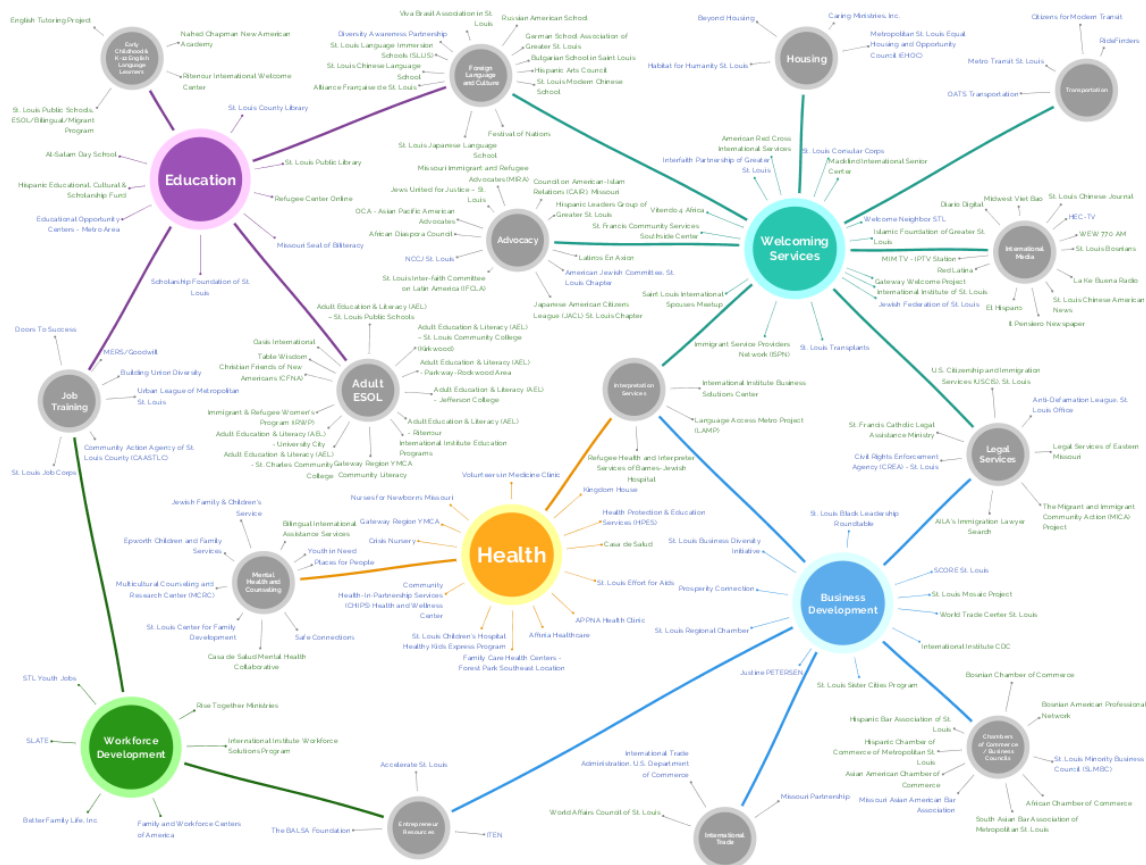
**LINK:**

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

- Customers
- Non-consumers (affected by second-hand)
- Company
- Investors
- Acquisitions
- Government
- Suppliers

Example:

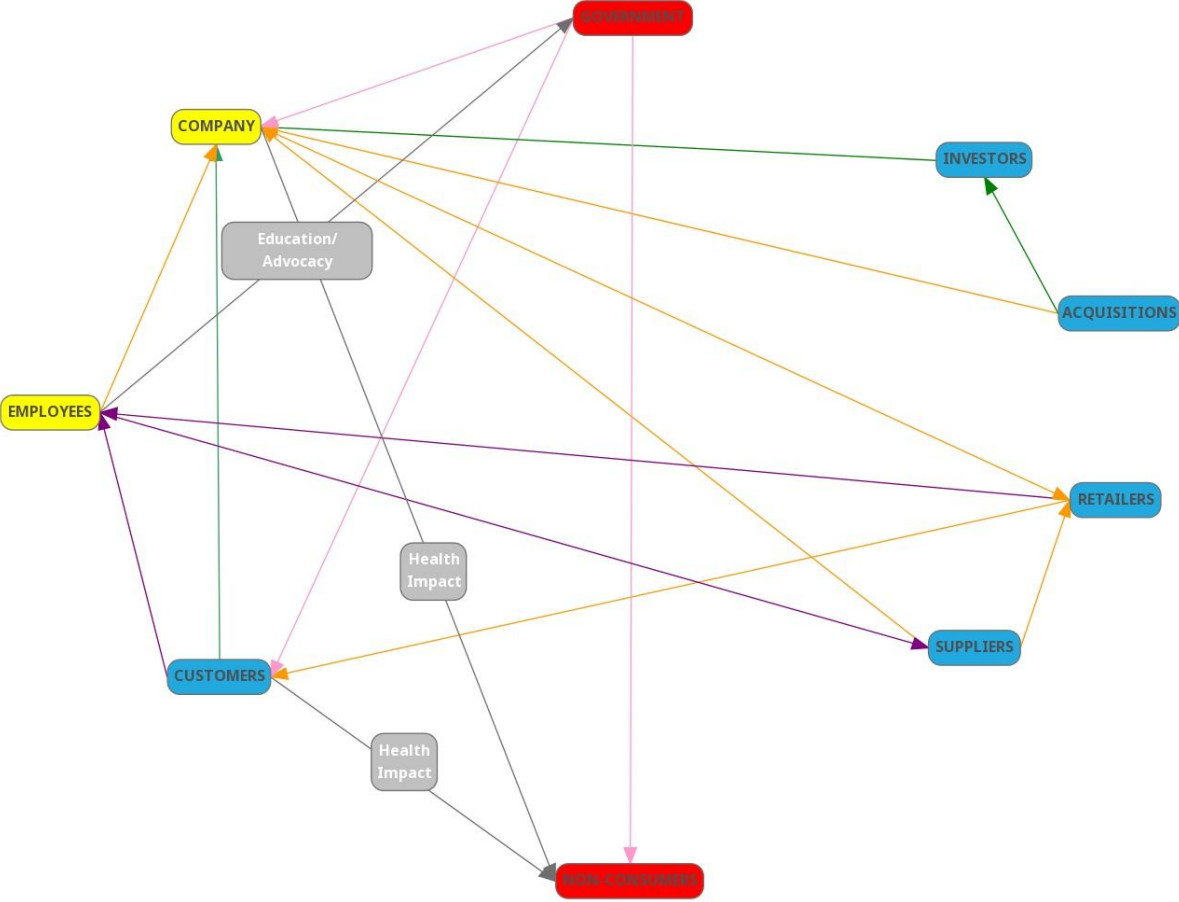
### St. Louis Regional Immigrant and Refugee Resource Ecosystem



© 2018 The Clark-Fox Family Foundation  
Disclaimer: Some services based on religious observance  
Disclaimer: Not an endorsement or recommendation of listed organizations

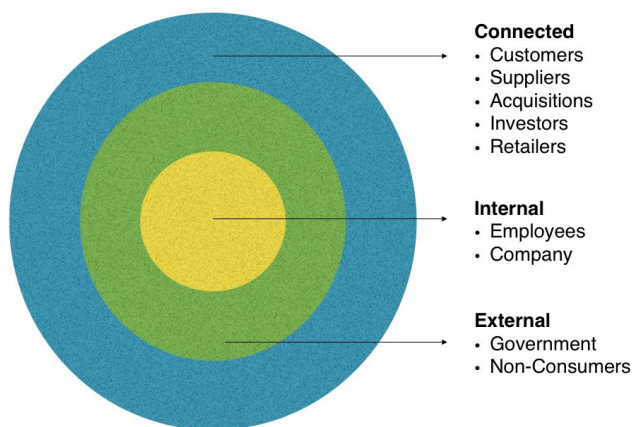
Blue represents organizations welcoming to new Americans  
Green represents organizations' focus on serving new Americans  
Updated June 2018

ROUGH DRAFT ECOSYSTEM MAP



ROUGH DRAFT STAKEHOLDER MAP

## STAKEHOLDER MAP



**\*\*Change Company to “Executives”**

<http://www.altria.com/About-Altria/Government-Affairs/engaging-with-others/Pages/default.asp>

X

- Enabled employees and shareholders to pool their political contributions to support candidates who understand the legislative and regulatory issues that are important to our companies.
- Altria’s companies responsibly and constructively engage with government officials about issues that affect our businesses
- Interactions are an appropriate way to inform and educate policymakers about the interests of Altria’s companies, its shareholders and its employees. Employees or third-party consultant lobbyists are involved in these interactions.

### Stakeholders

- retailers, wholesalers, growers, suppliers, adult consumers, and employees
- Support two websites—[Tobacco Issues](#) (for tobacco retailers and trade members) and [Citizens for Tobacco Rights](#) (for adult tobacco consumers)—to provide our stakeholders with information on proposed legislation and to facilitate their communications with their elected officials.
- Employees serve on the board of directors, key committees, or advisory councils for a number of national and state trade associations and policy-oriented membership organizations, including the U.S. Chamber of Commerce, Missouri Chamber of Commerce, Georgia Chamber of Commerce, National Association of Tobacco Outlets (NATO), Florida Association of Wholesale Distributors (FAWD), National Association of Convenience Stores (NACS), American Legislative Exchange Council’s Private Enterprise Advisory Council (ALEC), California Retailers Association and National Association of Manufacturers (NAM).

---

<http://www.altria.com/Responsibility/Supply-Chain-Responsibility/Pages/default.aspx>

## Our supply chain management approach includes:



### Develop a Diverse Supplier Base

Supplier diversity contributes to our companies' success by generating new ideas, promoting different perspectives and providing a competitive advantage. We work with diverse suppliers, including minority, women, veteran and lesbian, gay, bisexual and transgender-owned (LGBT) businesses. For many years, we've supported organizations including the [National Minority Supplier Development Council](#) and the [Women's Business Enterprise National Council](#) to increase business opportunities for their members. We expanded our support in 2017 as a corporate sponsor of the National LGBT Chamber of Commerce.



### Communicating Our Expectations

We communicate expectations for our suppliers through Altria's [Supplier Code of Conduct](#), [Tobacco Good Agricultural Practices \(GAP\) Supplemental Guidelines](#) and our contracts. Our Supplier Code of Conduct applies to all of our suppliers and addresses compliance with applicable laws, regulations and standards. The Code covers topics such as non-discrimination, [child and forced labor](#), environmental compliance and workplace safety. The Tobacco GAP Program Supplemental Guidelines, communicated to our over 2,000 tobacco growers in 2017 through direct mail, handouts and one-on-one conversations, highlight our expectations on topics like using registered farm labor contractors and respecting their worker's rights to join or not join a union.



### Assessing Supplier Performance and Requiring Suppliers to Remediate Findings

Our monitoring programs assess our suppliers' compliance with our expectations and contracts. These programs encourage continuous improvement, help identify areas for greater focus, and if needed, remediation. Altria's tobacco companies conduct third-party audits of direct packaging and product materials suppliers, international leaf suppliers and contract manufacturers where there's significant country risk, supplier criticality, brand risk and where we can improve supply chain compliance.



### Engaging with Stakeholders

We engage with our suppliers and other stakeholders to monitor and address opportunities and concerns within our supply chain. For our tobacco businesses, we work directly with growers, regulatory agencies, agricultural stakeholders and working groups like the Farm Labor Practices Group and GAP Connections to help growers, farm labor contractors and farmworkers better understand and comply with labor laws and regulations.

<http://www.altria.com/Responsibility/Supply-Chain-Responsibility/Human-Rights-Framework/Pages/default.aspx>

## Our Approach with Employees

---

- **Freedom of Association** – We respect the rights of our companies' employees who choose union representation. We work to maintain good relationships with their bargaining representatives. We also respect the rights of employees who choose not to do so.
- **Non-discrimination** – Our companies prohibit discrimination based on race, religion, color, sex, age, disability, national origin, sexual orientation, marital status, citizenship status, veteran status or other legally protected characteristics. We regularly train employees on harassment issues, and we rigorously enforce these expectations.
- **Child Labor** – Our companies require a minimum age of 18 or the minimum age required by law, whichever is higher, for employment.
- **Anti-Corruption and Anti-Bribery** – Our companies provide guidance to employees when they interact with government officials, suppliers and customers. Employees must disclose potential conflicts of interest, and we forbid bribery.
- **Reporting Violations** – Employees concerned about violations of laws, regulations or company policies are obligated to raise them. When that occurs, the appropriate teams investigate and resolve the issues. Altria's companies will not tolerate retaliation against employees who raise concerns in good faith. We communicate this frequently to employees.

## Our Approach with Suppliers

---

- **Setting Expectations** – We communicate expectations through, among other things, Altria's [Supplier Code of Conduct](#). The Code addresses non-discrimination, child labor, forced labor, freedom of association, workplace safety, bribery and environmental compliance. We also address these topics in supplier contracts.
- **Engagement and Risk Assessment** – Our companies want to address supply chain opportunities, so they consult different resources and stakeholders. When our companies identify risks, they communicate expectations, share information and support continuous improvement.
- **Validation and Remediation** – Our companies assess contractual compliance and support continuous improvement. This system uses one or more of the following: supplier self-assessment, employee assessment and unaffiliated third-party monitoring. If an assessment uncovers an issue, our companies work with the supplier to resolve the issue. In some situations, our companies may end the relationship.

## Our Approach to Advancing Issues

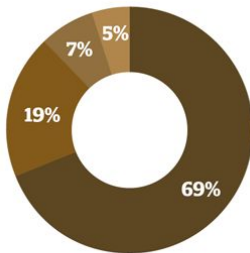
---

We aim to promote better conditions in communities where we work and do business. Actions include:

- respecting the rights of minority groups, women, and indigenous people;
- promoting supplier diversity and inclusion to create more minority, women, veteran and lesbian, gay, bisexual and transgender entrepreneurship in our business and through our direct suppliers;
- working with others in the tobacco industry, the agricultural sector and interested stakeholders to understand farm laborer issues and to support programs that help address them;
- supporting, through the Malawi-based non-governmental organization [Total Land Care](#), a program that addresses concerns about Malawi tobacco production; and
- working with many stakeholders to help farmers, farm labor contractors and farm workers better understand and comply with applicable labor laws and regulations, and foster improved farm labor practices.

<http://www.altria.com/Responsibility/Supply-Chain-Responsibility/Child-and-Forced-Labor/Pages/default.aspx>

Percent of Social Compliance Audit Findings by Category (of Audits with Findings)



- 69% Worker Health/Safety
- 19% Compensation & Working Hours
- 7% Other (e.g. Record Keeping)
- 5% Environment
- 0% Child Labor & Forced Labor

## Communicating With Growers

American tobacco is the backbone of our products. A secure supply of domestic tobacco is important to our business. We purchase tobacco from several thousand farmers, and we need enough amounts of the right types and grades of tobacco to make our products.

Our Tobacco Leaders Program encourages consistent, high-quality tobacco, innovation, efficiency and open communications between us and our growers.

We enhance the Tobacco Leaders Program terms and conditions annually to reflect new business needs while establishing standards that promote sustainable agriculture.

[Close](#)

## Progress

- **2000** – Philip Morris USA launched a direct-contracting program, now known as the Tobacco Leaders Program.
- **2004** – PM USA formally launched its Good Agricultural Practices (GAP) program.
- **2008** – PM USA created a grower scorecard to communicate grower performance on contractual requirements.
- **2008** – PM USA established a company grower representative team to build stronger relationships between the company and contracted growers.
- **2010** – Altria and its companies created and published a [Supplier Code of Conduct](#).
- **2012** – Altria's tobacco companies worked with others to develop the U.S. Tobacco GAP Handbook.
- **2013** – PM USA supported the development of GAP Connections, which provides governance and oversight of the U.S. Tobacco GAP Handbook and related grower education programs.
- **2015** – Altria required GAP training for growers including the prevention of [Green Tobacco Sickness](#) and heat stress. Also, Altria supported programs to provide this training to workers.
- **2017** – Altria distributed about 75,000 PPE gowns to all of our tobacco growers who use hired labor, to help prevent GTS. The selected garment had full-length sleeves for coverage and water-resistant material.
- **2018** – Altria gathered feedback from growers regarding the usability, effectiveness and durability of the 2017 PPE gowns. The manufacturer made modifications to the gowns based on this feedback and Altria distributed about 75,000 PPE gowns to all of our tobacco growers who use hired labor.
- **2018** – GAP Connections Board of Directors, of which Altria is a founding member, launched a voluntary Tobacco Grower Certification Program. Participating growers receive training and resources to implement labor management practices that protect the rights of their workers and promote a safe working environment, among other things.

## Business ecosystem analysis/mapping

<https://partneringresources.com/wp-content/uploads/Tool-Ecosystem-Mapping-Short-Format.pdf>

### 1. Identify roles.

List at least 15 roles played in your organization's ecosystem. Don't worry about specifics. Instead, focus on *types*. For example, roles in Boston's dining industry include suppliers, distributors, restaurants, government regulators, customers, and so on.

### 2. Get specific.

Write down some specific examples of each role to jog your thinking when you return to the map in the future. For example, you might list Clio and Upstairs on the Square as upscale restaurants, Russo's as a distributor, and Waltham Farms as a local farmer.

### 3. Begin your ecosystem map by drawing roles.

Start by drawing one circle for each role (NOT for each specific entity) on your map. Make sure there's enough room between them. You may wish to space those that you believe have more interactions closer together.

### 4. Tell the story.

Tell the story of how roles interact in the ecosystem. Start with the customer. Who does the customer go to for service? What do they request? Then what happens? How are the requests fulfilled? Who's involved? As you tell the story, draw arrows between entities to show the flow of transactions through the ecosystem. Since you're starting with the customer, the first line should travel from the customer to another entity. Remember to label lines with their deliverable.

### 5. Analyze your ecosystem.

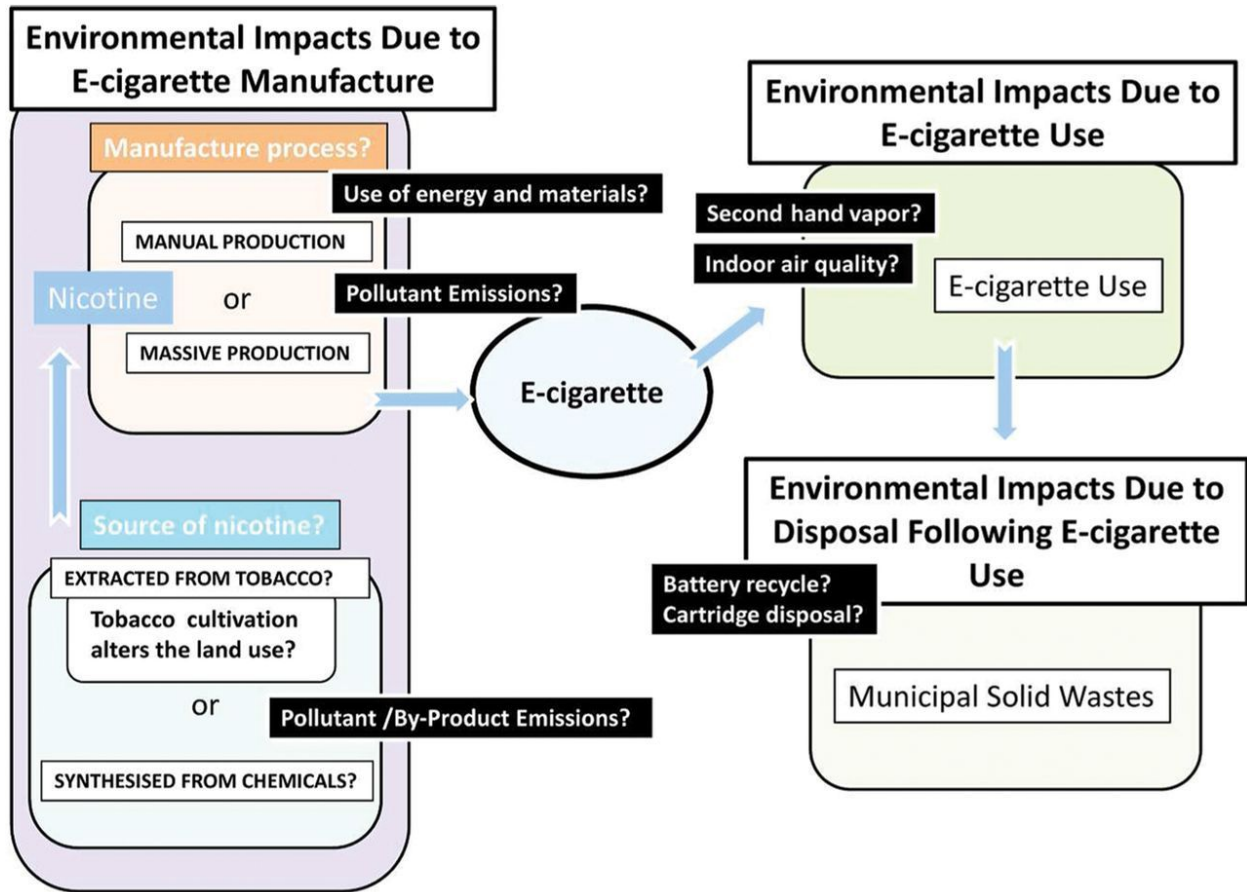
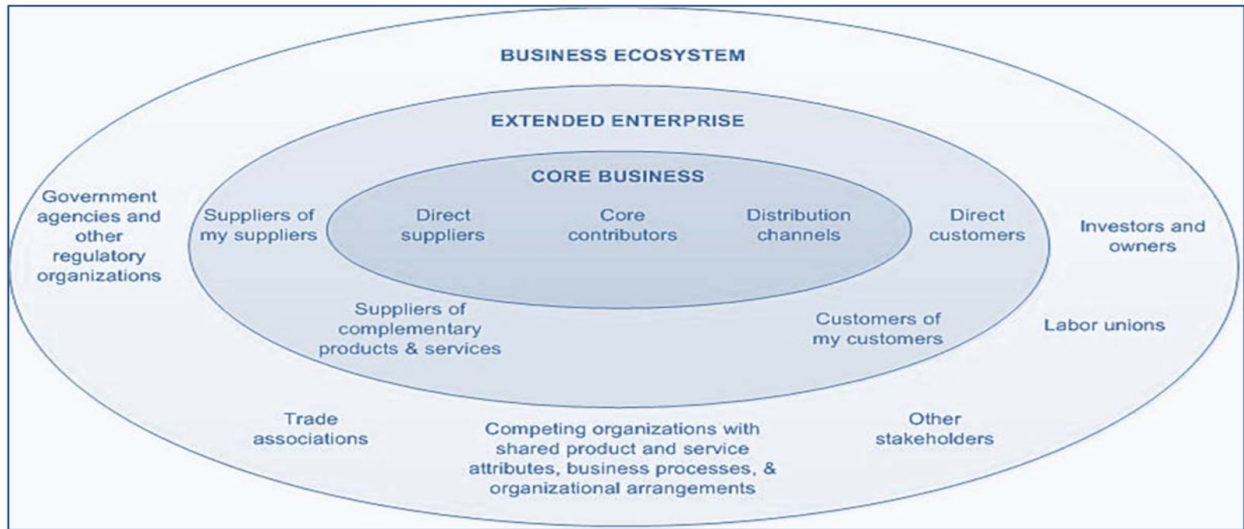
Look at your ecosystem map and analyze what you see. If you get stuck, try these questions:

- How much reciprocity is there between roles? Are some roles giving much more than receiving? Are others receiving more than they're giving?
- Do specific roles provide resources, work, and/or sustenance for others in the ecosystem? How dependent is your company on these roles? How stable are the companies that fill these roles?
- What part does your company play in the ecosystem? Does it provide a low-cost, commodity service that can easily be replaced by someone else? Does it fight for limited resources with many other companies? Does it set the pace for other entities?

### 6. Use your ecosystem map.

Here are a few ways your ecosystem map can be helpful:

- Orienting new employees to your company / department.
- Demonstrating the value of a potential partnership to others in your company or ecosystem.
- Giving you a quick view of the environment you need to monitor for disruptive changes and opportunities.



Environmental impact of Tobacco (World Health Organization)

<https://apps.who.int/iris/bitstream/handle/10665/255574/9789241512497-eng.pdf;jsessionid=21FC9C2550B59E7889A32A244DECB694?sequence=1>



Juul Company Profile

<https://craft.co/juul>

<https://www.bloomberg.com/profiles/companies/1631911D:US-juul-labs-inc>

CRONOS Company Profile

<https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=253038643>

Cigarettes & the environment:

<https://truthinitiative.org/news/how-tobacco-products-harm-environment-their-manufacture-consumption>

Management Team:



## Our Leadership

### Our Executive Leadership



**Howard Willard** ▶  
Chairman  
Chief Executive Officer  
Altria Group, Inc.



**Jody Begley** ▶  
Senior Vice President  
Tobacco Products  
Altria Group, Inc.



**K.C. Crosthwaite** ▶  
Senior Vice President  
Chief Strategy & Growth Officer  
Altria Group, Inc.



**Murray Garnick** ▶  
Executive Vice President  
General Counsel  
Altria Group, Inc.



**Billy Gifford** ▶  
Vice Chairman  
Chief Financial Officer  
Altria Group, Inc.



**Sal Mancuso** ▶  
Senior Vice President  
Finance and Procurement  
Altria Group, Inc.



**Todd Walker** ▶  
Senior Vice President  
Government Affairs  
Altria Client Services LLC



**Charlie Whitaker** ▶  
Senior Vice President  
Chief Human Resources Officer  
Chief Compliance Officer  
Altria Group, Inc.

## Our Companies' Leadership

---



**Ryan Bauersachs** ▶  
Managing Director  
General Manager  
John Middleton Co.



**Shannon Leistra** ▶  
President  
Chief Executive Officer  
U.S. Smokeless Tobacco  
Company



**Jim Mortensen** ▶  
President  
Chief Executive Officer  
Ste. Michelle Wine Estates Ltd.



**Heather Newman** ▶  
President  
Chief Executive Officer  
Philip Morris USA Inc.



**Jessica Pierucki** ▶  
Managing Director  
General Manager  
Nat Sherman LLC



**Scott Myers** ▶  
President  
Chief Executive Officer  
Altria Group Distribution  
Company

## External Affairs Leadership

---



**Jennifer Hunter** ▶  
Senior Vice President  
Corporate Citizenship  
Altria Client Services LLC



**Paige Magness** ▶  
Vice President  
Investor Relations &  
Communications  
Altria Client Services LLC



**Jose Luis Murillo** ▶  
Senior Vice President  
Regulatory Affairs  
Altria Client Services LLC

<https://s3.eu-central-1.amazonaws.com/smaply-assets/cheatsheets/Cheat+Sheet+-+Stakeholder+Maps.pdf>

## Components of 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, and cigars.
  - 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:

1. Financial
  - a. Sales of goods
  - b. Bank loans
  - c. Investors
2. Human
  - a. Employees (8,300+)

- b. Customers
  - c. Community partners
  - d. Trade partners
  - e. Suppliers
3. Knowledge
- a. Market research
  - b. Sales/revenues
  - c. Environmental research
  - d. Transparency of information
4. Networking and Communication
- a. Employee events
  - b. Workshops & training events
  - c. Annual trade meetings
  - d. Functional, departmental & team meetings
  - e. Volunteer events with charity organizations
  - f. Reputation
  - g. External articles & media coverage
  - h. Annual Progress Report
  - i. Information transparency & accessibility online
  - j. Word of mouth
5. Technological
- a. Altria Website
  - b. Social media
  - c. Greenhouse gas data & reports
  - d. Tech equipment
  - e. Technological knowledge from suppliers
  - f. Data center
  - g. Waste & Disposal system

Competitors/Alternatives:

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

#### Altria:

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

#### Complementary orgs/allies:

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

#### 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)
- 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/Function/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