

**Whereas**, we believe in full disclosure of Altria’s direct and indirect lobbying activities and expenditures to assess whether Altria’s lobbying is consistent with its expressed goals and in the best interests of shareholders.

**Resolved**, the shareholders of Altria request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Altria used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Altria’s membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of the decision making process and oversight by management and the Board for making payments described in section 2 and 3 above.

For purposes of this proposal, a “grassroots lobbying communication” is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. “Indirect lobbying” is lobbying engaged in by a trade association or other organization of which Altria is a member.

Both “direct and indirect lobbying” and “grassroots lobbying communications” include efforts at the local, state and federal levels.

The report shall be presented to the Nominating, Corporate Governance and Social Responsibility Committee and posted on Altria’s website.

### **Supporting Statement**

We encourage transparency in the use of corporate funds to influence legislation and regulation. Altria does not provide easily accessible aggregated lobbying expenditure information on its website. According to the Center for Responsive Politics, Altriaspent over \$10 million in 2018 on federal lobbying. This does not include lobbying at the state level, where Altria reportedly lobbies in all 50 states. As of September 2019, Altria and Juul, in which Altria has a 35% stake and

which controls over 70% of the e-cigarette market, “together spent more on lobbying this year than the rest of the tobacco industry combined.”

<https://www.investopedia.com/e-cigarette-lobbying-fires-up-as-juul-spends-millions-4771268>

Altria does not comprehensively disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying. Altria only discloses trade association payments used for political contributions. This leaves a serious disclosure gap, as trade associations generally spend far more on lobbying than on political contributions. Nor does Altria disclose payments to tax-exempt organizations, such as the American Legislative Exchange Council (ALEC), that write and endorse model legislation. ALEC Action was a signatory to a February 2019 letter to the President of the United States criticizing the Food and Drug Administration’s “aggressive regulatory assault” on e-cigarettes. [https://www.washingtonpost.com/national/health-science/conservatives-bash-fda-for-regulatory-panic-on-e-cigarettes/2019/02/03/b1e8d326-27c7-11e9-8eef-0d74f4bf0295\\_story.html](https://www.washingtonpost.com/national/health-science/conservatives-bash-fda-for-regulatory-panic-on-e-cigarettes/2019/02/03/b1e8d326-27c7-11e9-8eef-0d74f4bf0295_story.html)

Altria uses the Global Reporting Initiative (GRI) for sustainability reporting, but fails to report “any differences between its lobbying positions and any stated policies, goals, or other public positions” under GRI Standard 415, giving further indication that the company’s disclosures are currently inadequate.