

Altria Group, Inc.

Discouraging Nicotine Use Among Youth

Whereas, we believe in full transparency around Altria’s adherence to their stated goals of preventing underage nicotine use and working towards racial equality so we can determine if they are consistent and in the best interests of shareholders.

Resolved, that shareholders request the Board of Directors commission a third-party report, at reasonable cost and omitting proprietary information, on:

1. corporate adherence to Altria’s principles and policies aimed at discouraging the use of their nicotine delivery products by young people, and marketing practices to communities of color and low-income populations,
2. the effectiveness of those policies, and
3. any damage inflicted on those communities as a result

and present the results of that report to shareholders by November 2021.

Supporting Statement

The company notes on its website that “The significant rise in youth use of e-vapor threatens to undermine the hard-fought gains made in preventing underage use of conventional tobacco products¹”

In December 2018 Altria announced it invested \$12.8 billion in JUUL, taking a 35% stake in the company. Altria said that it would allow JUUL products to be sold alongside Marlboro and that it “will apply its logistics and distribution experience to help JUUL expand its reach and efficiency and JUUL will have the option to be supported by Altria’s sales organization, which covers approximately 230,000 retail locations.” JUUL currently commands three-quarters of the e-cigarette market.

Data from the Centers for Disease Control shows that 86.3% of middle and high school students had been exposed to tobacco product advertisements or promotions, and 27.5% of high schoolers reported current e-cigarette use in 2019. Additionally, an estimated 53.3% of high school students and 24.3% of middle school students reported having ever tried a tobacco product.² A multi-state coalition of Attorneys General is investigating JUUL’s marketing and sales practices.

The current COVID-19 pandemic has highlighted the disproportionate health impacts³ Black and African American communities face. As a known risk factor⁴ for serious complications from COVID, smoking and vaping are putting those populations at even higher risk for death.

¹ [Helping Reduce Underage Tobacco Use \(altria.com\)](https://www.altria.com/press-releases/2019/08/2019-08-20-altria-announces-new-strategy-to-reduce-underage-nicotine-use)

² <https://www.cdc.gov/mmwr/volumes/68/ss/ss6812a1.htm>

³ <https://www.kff.org/coronavirus-covid-19/issue-brief/covid-19-racial-disparities-testing-infection-hospitalization-death-analysis-epic-patient-data/>

⁴ <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/people-with-medical-conditions.html>

Tobacco companies have historically placed larger amounts of advertising⁵ in African American publications, exposing African Americans to more cigarette ads than Whites. Additionally, tobacco companies use price promotions such as discounts and multi-pack coupons—which are most often used by African Americans and other minority groups, women, and young people—to increase sales.⁶

We believe the above practices are not consistent with Altria's recent commitment⁶ to racial justice and its goal of prevention of use among youth and we are concerned that Altria's lack of transparency presents reputational risk when it contradicts company public positions. For example, Altria shares fell as much as 2.7% after Dow Jones reported the FTC is investigating the marketing practices of JUUL Labs⁷.

We urge Altria to allow an independent review of its policies and practices to ensure no contradictions exist.

⁵ <https://www.cdc.gov/tobacco/disparities/african-americans/index.htm>

⁶ <http://investor.altria.com/file/Index?KeyFile=404240838>

⁷ [Altria falls after Dow Jones reports Juul being probed by FTC - BNN Bloomberg](#)