

Altria Group, Inc.

Civil Rights Equity Audit

WHEREAS: we believe in full transparency of the effectiveness of Altria’s commitment to prevent underage use of nicotine products¹ and its commitment to racial equity² so we can determine if they adequately address potential legal, financial, and reputational business risks.

RESOLVED: Shareholders of Altria, Inc. (“Altria”) request that the Board of Directors commission a third-party civil rights equity audit to review its corporate policies, practices, products and services, above legal and regulatory matters; to assess the impact of the Company’s policies, practices, products and services on BIPOC (Black, Indigenous and people of color) and Latinx/a/o/e communities, including youth. Input from civil rights organizations, employees, customers, and communities in which Altria operates and other stakeholders should be considered. A report on the audit, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on Altria’s website.

SUPPORTING STATEMENT: Altria notes “increases in youth usage of e-vapor have threatened to undermine the hard-fought gains made in preventing underage use.”³ As age is a protected class in the US constitution, a civil rights audit should include impacts on children and youth.

In December 2018, Altria invested \$12.8 billion in JUUL, taking a 35% stake in the company, and providing advertising and sales support. 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.⁴ A multi-state coalition of Attorneys General is investigating JUUL’s marketing and sales practices to underage users. Altria shares fell as much as 2.7% after Dow Jones reported the FTC is investigating the marketing practices of JUULLabs.

Tobacco/nicotine companies have historically placed larger amounts of advertising⁵ in African American publications, disproportionately exposing African Americans to more cigarette ads than Whites. Additionally, tobacco companies use price promotions such as discounts and multi-pack

¹ <https://www.altria.com/en/responsibility/prevent-underage-use>

² <https://www.altria.com/en/people-and-careers/our-people-and-communities/racial-and-economic-equity>

³ <https://www.altria.com/en/about-altria/government-affairs/public-policy-positions/legislation-preventing-underage-use>

⁴ [Tobacco Product Use and Associated Factors Among Middle and High School Students — United States, 2019 | MMWR \(cdc.gov\)](https://www.cdc.gov/mmwr/preview/mmwrhtml/tt48a01a.htm)

⁵ [African Americans and Tobacco Use | CDC](https://www.cdc.gov/tobacco/our-work/afrc/afrc-report-2014.pdf)

coupons—which are most often used by African Americans and other minority groups, women, and young people—to increase sales.⁶

A racial equity audit is an important step in establishing a transparent system of accountability. Altria should take this opportunity to review its policies, practices, products and services, and how they impact the civil rights of youth and BIPOC communities.

⁶ [African Americans and Tobacco Use | CDC](#)