Remarks by Billy Gifford, Altria Group, Inc.'s (Altria) Chief Executive Officer (CEO), at Altria's 2022 Annual Meeting of Shareholders

NOTE: The text of Mr. Gifford's remarks delivered to shareholders at Altria's 2022 Annual Meeting of Shareholders is set forth below. Reconciliations of non-GAAP to GAAP measures may be found on altria.com.

Billy Gifford

Before I begin, please review the Safe Harbor Statement in today's presentation and the Forward-Looking and Cautionary Statements section in our prepared remarks posted on altria.com. Reconciliations and further explanations of the non-GAAP financial measures we discuss today are also available on altria.com.

I will now briefly recap our 2021 and first-quarter 2022 results before moving to a discussion of our Environmental, Social and Governance (ESG) efforts.

Thanks to the work of our talented employees, we delivered outstanding results in 2021 across our businesses, including strong financial performance, progress toward our Vision and advancements in our ESG focus areas. We grew our 2021 adjusted diluted earnings per share (EPS) by 5.7% driven in part by the resiliency of our cigarette, cigar and moist smokeless tobacco businesses. Additionally, we returned more than $8.1 billion in cash to shareholders through dividends and share repurchases. This total represents the largest annual return since 2002 and third-largest in Altria's history.

We have continued to make progress toward our Vision of responsibly leading the transition of adult smokers to a smoke-free future. Our teams took several steps forward in 2021, including:

- accelerating the retail share growth of *on!* and further enhancing our internal capabilities to expand smoke-free tobacco products;
- advancing the science, research and development behind our smoke-free products, including filing 151 new patents related to harm reduction efforts;
- advocating for tobacco harm reduction by encouraging the U.S. Food and Drug Administration (FDA) and other stakeholders to address the widely held misperceptions in society about nicotine; and
- strengthening our internal structure to better support our ESG leadership aspirations.

Moving to our first quarter 2022 results, we are off to a strong start to the year and believe our businesses are on-track to deliver against their plans. We grew our first quarter adjusted diluted EPS by 4.7% and returned $2.2 billion in cash to shareholders through dividends and share repurchases.

In smoke-free products, Helix continued to steadily grow volume and share for *on!* oral nicotine pouches. The brand nearly doubled its shipment volume from the prior year, and it achieved a first-quarter 2022 retail share of 4.1% of the total oral tobacco category.

Finally, we reaffirm our expectation for 2022 full year adjusted diluted EPS to be in a range of $4.79 to $4.93, representing a growth rate of 4% to 7% from an adjusted diluted EPS base of $4.61 in 2021.

Turning to corporate responsibility, the pursuit of our Vision is about creating a more sustainable enterprise that's aligned with stakeholder expectations of a responsible company, including management of ESG issues. In 2021, we shared the results of our latest responsibility materiality assessment and six responsibility focus areas which we believe are most critical to our business. Much of the scope of these responsibility focus areas is already integrated into our long-term plans, the day-to-day work of our talented employees and our annual or long-term compensation structures. In less developed areas, we are working to do so.

This morning, I will discuss the progress we've made in these areas, beginning with preventing underage use and reducing the harm of tobacco products. These concepts are directly linked and continue to represent the most important social issues facing our company.

To be clear, kids should not use any tobacco products. And adults who don't use tobacco today should not start. For adult tobacco consumers concerned about the health risks of tobacco use, the best thing to do is quit. And we offer expert quitting information through our *QuitAssist* online resources.

For adult smokers who can't or won't quit, our goal is to transition them to FDA-authorized, smoke-free products. For harm reduction to succeed, it must create an off-ramp from cigarettes for adult smokers. It cannot create an on-ramp for underage use of any tobacco product. For over 20 years, we have taken a comprehensive approach to preventing underage tobacco use. More recently, we announced a $100 million initiative in 2019 to address underage vaping and have taken several new actions to limit youth access and use of tobacco products.

In the public policy arena, we successfully advocated for Congress to i) raise the federal legal age of purchase to 21 and ii) bring synthetic nicotine products under FDA regulation. We are pleased that the legal age to purchase tobacco products is now 21 at the federal level, and in 39 states plus the District of Columbia. As of April 2022, 84% of the U.S. population is covered by these laws and we continue to work with the remaining states to enact corresponding legislation. We also applaud the legislation passed earlier this year to bring non-tobacco nicotine products, including those with synthetic nicotine, under FDA regulation. The deadline for manufacturers to have filed premarket tobacco product applications for currently marketed synthetic nicotine products was May 14th.

At retail, we continue to support efforts limiting the reach, access and appeal of tobacco products to kids. We offer monetary incentives to retailers for installing age validation technology. As of last month, this technology has been installed in 132,000 stores, with another 8,000 stores in-progress. We also offer incentives for retailers to include age and identity verification solutions into their digital platforms. We expect to broaden the adoption of these technologies to more stores.

We are encouraged that the 2021 data show decreased usage of all tobacco products by youth. Today, youth smoking rates in the U.S. are at the lowest levels ever recorded. In fact, the 2021 Monitoring the Future study estimated that the combined past 30-day smoking rates among 8^{th}, 10^{th} and 12^{th} graders was 2.3%, a nearly 92% reduction from its 1997 peak. In e-vapor, we see early signs that the alarming trend of youth e-vapor usage from 2018 and 2019 may be reversing. According to the 2021 National Youth Tobacco Survey, 7.6% of middle and high school students reported past 30-day e-vapor use, a decline from the 2019 peak of 20%. While caution is warranted when comparing findings due to the impact of the pandemic on the survey's methodology, we are encouraged by the progress and remain committed to the work ahead of us.

Turning to harm reduction, we believe we are making steady progress advancing our Vision. As I mentioned earlier in my remarks, we are very pleased with the progress *on!* is making in the marketplace. Our talented team of scientists, researchers and regulatory professionals continue to advance the science behind our smoke-free products.

We believe that for harm reduction to succeed, it's critical that adult smokers understand that combustion is a primary driver of tobacco harm and that nicotine is addictive. However, adult smokers have significant misperceptions about the health effects associated with nicotine-containing products. For example, two-thirds of adult smokers incorrectly believe that the nicotine in cigarettes is equally or more harmful than the smoke that's inhaled from burning tobacco.

It's also important that all adult smokers understand the relative risks of smoke-free products compared to cigarettes. In fact, 87% of adult smokers agree that adult tobacco consumers have a right to be informed about the relative risks associated with different types of tobacco products. Additionally, adult smokers must have equitable access to smoke-free alternatives authorized by the FDA. This means manufacturers must develop, and the FDA authorize, an array of potentially reduced harm alternatives that can appeal to and transition smokers across all backgrounds and demographic groups.

As a manufacturer, we are attempting to correct these misperceptions through the FDA's modified risk tobacco product (MRTP) application pathway. We submitted an MRTP application for *Copenhagen* Snuff in 2018 that remains pending with the FDA. We are also preparing an MRTP for *on!,* which we expect to submit in the next year. And of course, we marketed the *IQOS* heated tobacco system with an MRTP claim last year until the product was removed from the market by order of the U.S. International Trade Commission.

However, the industry alone cannot correct nicotine misperceptions. We believe the FDA and other public health authorities can help guide millions of adult smokers to potentially less harmful choices by correcting misperceptions about nicotine and product risk. It is also FDA's role to assess the science and evidence that supports messages to adult tobacco consumers about the relative risks of tobacco products. The FDA has the resources and expertise to make a significant impact in this area, and we are hopeful that they will act.

Now that we have covered our top social issues, let's move to the "E" in ESG and talk about our focus area to Protect the Environment. It is our priority to work to address the most relevant environmental issues for our business and then work to mitigate risk and capitalize on the opportunities. Last year, we examined those risks and opportunities through the climate-related scenario analysis included in our Task Force on Climate-related Financial Disclosures (TCFD) report. We were the first U.S. tobacco company to join the more than 2,000 TCFD supporters.

We continue to make progress toward our previously announced 2030 science-based targets. These ambitious targets include:

- reducing absolute Scope 1 and 2 emissions by 55%;
- reducing absolute Scope 3 emissions by 18%; and
- achieving 100% renewable electricity, all by 2030.

We recently announced a long-term renewable electricity purchase agreement that we expect to be operational by the end of this year. We believe this timing would allow us to hit our 2030 renewable electricity and Scope 1 and 2 emissions reduction targets ahead of schedule.

We are pleased that our environmental efforts have received multiple recognitions from CDP Worldwide (CDP), a not-for-profit charity that runs a global disclosure system for organizations to manage their environmental impacts. Last year, we were awarded a 'double A' rating from CDP for the second consecutive year for climate and water stewardship. And we were recognized as a member of CDP's 2021 Supplier Engagement Leaderboard for climate change, highlighting our work in sustainable supply chain management. These efforts included:

- achieving 100% participation from our leaf suppliers in the Sustainable Tobacco Program self-assessment; and
- having two-thirds of our key suppliers submit responses to CDP's Climate Change, Forest and Water Security questionnaires at our request.

Protecting the environment is an area of importance and urgency for all companies, and we are closely monitoring developments in this space. The U.S. Securities and Exchange Commission recently published a proposed rule on climate disclosures that may have far-reaching impacts for companies and their suppliers. We support consistency and comparability in climate disclosures, and we are analyzing the potential impact of the proposed rules on Altria and our value chain.

Let's now turn to how we Drive Responsibility Through Our Value Chain. Our supply chain partners deliver high-quality goods and services, and we value these relationships greatly. Our growers provide us with premium tobacco that we proudly use in our iconic brands. We remain steadfast in our commitment to working with suppliers who respect workers' rights, help protect the environment, and comply with our contracts and laws.

One of our goals within this focus area is to improve inclusion, diversity and equity (ID&E) within our supply chain. Our 2021 diverse supplier spend was 8.9%, and we remain committed to our 2030 goal of 15%. Additionally, we launched a Stronger Together challenge last year where we funded a range of projects submitted by our trade partners that support sustainable ID&E efforts.

ID&E is an important element to our internal talent strategy as well, which brings me to the Supporting our People and Communities focus area. Within this space, we have prioritized our efforts toward:

- ID&E;
- employee well-being;
- development and capability-building; and
- community impact and partnership.

We continue to make progress toward our inclusion and diversity aiming points, including our goal that employees of color represent 30% of our leadership positions. At the end of 2021, employees of color represented 24% of vice-presidents and 26% of director-level employees.

The well-being of our employees is very important to us and we have made several changes to how we work, including fully embracing a hybrid work environment to help our employees perform at their best.

We have also expanded our internal talent development system to improve fairness, transparency and inclusiveness in our internal hiring and promotion process. Last year, 33% of selected candidates through our Open Talent Marketplace were employees of color, compared to 29% of our total salaried population. And 54% of selected candidates were women, compared to 42% of our total salaried population.

And in our communities, we created a new five-year community impact plan to drive business and social impact in several areas, including economic and workforce equity.

ID&E and ESG integration is also demonstrated in our Board of Directors (Board) and executive management team. As you saw in our proxy statement, our Board is quite diverse, reflecting gender, racial, ethnic and LGBTQ+ representation, and diverse members chair most of our Board committees. And of course, Kathryn McQuade's election as Board Chair last year represented a milestone for Altria, as she became the first woman to serve in that position.

Within our executive management team, Jennifer Hunter, who directly reports to me, was recently named Altria's first Chief Sustainability Officer. Jennifer has spent most of her 28-year career at Altria leading critical work that supports our ESG strategies and progress, including underage prevention and cessation support, community impact, corporate responsibility and – more recently – ID&E.

We are committed to making even more progress within our responsibility focus areas. For example, we are working to further embed equity into our responsibility focus areas, as this was a key theme that emerged from our materiality assessment and in the shareholder proposal.

We also know that transparent communication is an important element in demonstrating our commitment. You can find more detailed information on each of the focus areas I discussed this morning in the 'Responsibility' section of altria.com. We recently published several updates to the site, including snapshots on our recent progress in several areas and revised ESG data tables. We have also published our first Lobbying and Political Activities Transparency and Integrity Report which you can find in the 'Government Affairs' section of altria.com. This report examines our public policy activities and the extensive compliance program that governs these activities.

In summary, we believe the long-term sustainability of our businesses depends on our ability to deliver comprehensive solutions to critical ESG challenges impacting a broad range of stakeholders. As a tobacco company, we know that addressing the harm associated with tobacco use and underage prevention should be our top priorities. We also know that long-term sustainability must be comprehensive and address concerns across our focus areas. While I'm proud of our progress to date, we certainly have opportunities to improve. And as we work to transform our company and industry, we will face uncertainties and challenges that will require patience, grit and determination to overcome. But I am confident that we can rise to these challenges together. I am very proud of how our employees demonstrated strength and resiliency over the past two years. Credit for all the achievements I've described this morning belongs to this deeply talented group.

Altria Profile

We have a leading portfolio of tobacco products for U.S. tobacco consumers age 21+. Our Vision by 2030 is to responsibly lead the transition of adult smokers to a smoke-free future (Vision). We are *Moving Beyond Smoking*™, leading the way in moving adult smokers away from cigarettes by taking action to transition millions to potentially less harmful choices - believing it is a substantial opportunity for adult tobacco consumers, our businesses and society.

Our wholly owned subsidiaries include leading manufacturers of both combustible and smoke-free products. In combustibles, we own Philip Morris USA Inc. (PM USA), the most profitable U.S. cigarette manufacturer, and John Middleton Co. (Middleton), a leading U.S cigar manufacturer. Our smoke-free portfolio includes ownership of U.S. Smokeless Tobacco Company LLC (USSTC), the leading global moist smokeless tobacco (MST) manufacturer, and Helix Innovations LLC (Helix), a rapidly growing manufacturer of oral nicotine pouches. We also enhance our smoke-free product portfolio with exclusive U.S. commercialization rights to the *IQOS Tobacco Heating System*® and *Marlboro HeatSticks*®, and an equity investment in JUUL Labs, Inc. (JUUL).

We also own equity investments in Anheuser-Busch InBev SA/NV (ABI), the world's largest brewer, and Cronos Group Inc. (Cronos), a leading Canadian cannabinoid company.

The brand portfolios of our tobacco operating companies include *Marlboro*®, *Black & Mild*®, *Copenhagen*®, *Skoal*® and *on!*®. Trademarks and service marks related to Altria referenced in this release are the property of Altria or its subsidiaries or are used with permission.

Learn more about Altria at www.altria.com and follow us on Twitter, Facebook and LinkedIn.

Forward-Looking and Cautionary Statements

These remarks contain projections of future results and other forward-looking statements that are subject to a number of risks and uncertainties and are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995.

Important factors that may cause actual results to differ from those contained in the forward-looking statements included in this release are described in our publicly filed reports, including our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 and our most recent Annual Report on Form 10-K for the year ended December 31, 2021. These factors include the following:

- unfavorable litigation outcomes, including risks associated with adverse jury and judicial determinations, courts and arbitrators reaching conclusions at variance with our or any of our investees' understanding of applicable law, bonding requirements in the jurisdictions that do not limit the dollar amount of appeal bonds, and certain challenges to bond cap statutes;
- government (including the FDA) and private sector actions that impact adult tobacco consumer acceptability of, or access to, tobacco products;
- tobacco product taxation, including lower tobacco product consumption levels and potential shifts in adult tobacco consumer purchases as a result of federal, state and local excise tax increases, and excise taxes on e-vapor and oral nicotine products and the impact on adult tobacco consumers' transition to lower priced tobacco products;
- unfavorable outcomes of any government investigations of us or our investees;
- a successful challenge to our tax positions, an increase to the corporate income tax rate or other changes to federal or state tax laws;
- the risks related to our and our investees' international business operations, including failure to prevent violations of various United States and foreign laws and regulations such as foreign privacy laws and laws prohibiting bribery and corruption;
- the risks associated with health epidemics and pandemics, including the COVID-19 pandemic and similar outbreaks, such as their impact on our and our investees' ability to continue manufacturing and distributing products (directly or indirectly due to their impact on suppliers, distributors and distribution chain service providers) and their impact on macroeconomic conditions and, in turn, adult tobacco consumer purchasing behavior;
- the failure of our and our investees' efforts to compete effectively in their respective markets;
- the growth of the e-vapor category and other innovative tobacco products, including oral nicotine pouches, contributing to reductions in cigarette and MST consumption levels and sales volume;
- our ability to promote brand equity successfully; anticipate and respond to evolving adult tobacco consumer preferences; develop, manufacture, market and distribute products that appeal to adult tobacco consumers; promote productivity; and protect or enhance margins through cost savings and price increases;

- our unsuccessful commercialization of innovative products or processes, including innovative tobacco products that may reduce the health risks associated with cigarettes and other traditional tobacco products, and that appeal to adult tobacco consumers;
- changes, including in macroeconomic and geopolitical conditions (including inflation), that result in shifts in adult tobacco consumer disposable income and purchasing behavior, including choosing lower-priced and discount brands;
- significant changes in price, availability or quality of tobacco, other raw materials or component parts, including as a result of changes in macroeconomic, climate and geopolitical conditions, including the Russian invasion of Ukraine;
- the risks, including FDA regulatory risks, related to our and our investees' reliance on a few significant facilities and a small number of key suppliers, distributors and distribution chain service providers, and the risk of an extended disruption at a facility of, or of service by, a supplier, distributor or distribution chain service provider of our tobacco subsidiaries or our investees;
- required or voluntary product recalls as a result of various circumstances such as product contamination or FDA or other regulatory action;
- the failure of our information systems or the information systems of key suppliers or service providers to function as intended, or cyber attacks or security breaches;
- our inability to attract and retain the best talent due to the impact of decreasing social acceptance of tobacco usage, tobacco control actions and other factors, including current labor market dynamics;
- impairment losses as a result of the write down of intangible assets, including goodwill;
- the adverse effect of acquisitions, investments, dispositions or other events on our credit rating;
- our inability to acquire attractive businesses or make attractive investments on favorable terms, or at all, or to realize the anticipated benefits from an acquisition or investment and our inability to dispose of businesses or investments on favorable terms or at all;
- the risks related to disruption and uncertainty in the credit and capital markets, including risk of access to these markets both generally and at current prevailing rates, which may adversely affect our earnings or dividend rate or both;our inability to attract and retain investors due to the impact of decreasing social acceptance of tobacco usage or unfavorable ESG ratings;
- the risk that any challenge to our investment in JUUL, if successful, could result in a broad range of resolutions, including divestiture of the investment or rescission of the transaction;
- the risks generally related to our investments in JUUL and Cronos, including our inability to realize the expected benefits of our investments in the expected time frames, or at all, due to the risks encountered by our investees in their businesses, such as operational, competitive, compliance, litigation and reputational risks, and legislative and regulatory risks at the international, federal, state and local levels; and impairment of our investment in Cronos and changes in the fair value of our investment in JUUL;

- the risks related to our inability to acquire a controlling interest in JUUL as a result of standstill restrictions or to control the material decisions of JUUL, restrictions on our ability to sell or otherwise transfer our shares of JUUL until December 20, 2024, and non-competition restrictions for the same time period subject to certain exceptions;
- the risks associated with our investment in ABI, including effects of the COVID-19 pandemic, foreign currency exchange rates and macroeconomic and geopolitical conditions, including the Russian invasion of Ukraine, on ABI's business and the impact on our earnings from, and carrying value of, our investment in ABI;
- the risks related to our ownership percentage in ABI decreasing below certain levels, including additional tax liabilities, a reduction in the number of directors that we have the right to have appointed to the ABI board of directors and our potential inability to use the equity method of accounting for our investment in ABI;
- the risk of challenges to the tax treatment of the consideration we received in the ABI/SABMiller plc business combination and the tax treatment of our equity investment; and
- the risks, including criminal, civil or tax liability, related to our or Cronos's failure to comply with applicable laws, including cannabis laws.

We caution that the foregoing list of factors is not complete and we do not undertake to update any forward-looking statements that we may make except as required by applicable law. All subsequent written and oral forward-looking statements attributable to Altria or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements referenced above.