

Under An Hour: My Time at the 2015 Altria Group, Inc. Annual Shareholders Meeting

June 1st, 2015, *By Edward L. Sweda, Jr.* Edited.

There are 8,760 hours in any given year (excluding leap years). The management of Altria Group, Inc. used just under one of those 8,760 hours to conduct its 2015 Annual Shareholders' Meeting at the Greater Richmond Convention Center in Richmond, Virginia on the morning of May 20th. The meeting began precisely at 9:00 A.M. and was adjourned at 9:57 A.M.

In his business presentation, Altria Group, Inc. Chairman, CEO and President Martin J. Barrington reported that “2014 was a very strong year for Altria and its shareholders,” that “Marlboro achieved record retail share of 43.8%, larger than the next ten brands combined” and Altria “delivered shareholder return of over 34%, far outpacing the S&P 500 and the S&P Food, Beverage and Tobacco Index.” Addressing an important concern in Washington, Mr. Barrington stated that Altria believes that the U.S. Food and Drug Administration “has an unprecedented opportunity to advance public health goals by recognizing that some types of tobacco products may have significantly lower risk compared to cigarettes” . . .

Cathy Rowan, on behalf of Trinity Health as well as Catholic Health Initiatives , the Sisters of St. Dominic of Caldwell, New Jersey, the Sisters of Charity of St. Elizabeth and the Sisters of St. Francis, supported a resolution asking the Altria Board of Directors to “initiate efforts to develop materials informing tobacco users who live below the poverty line or have little formal education about the health consequences of smoking our products along with market-appropriate smoking cessation materials.” The proposal “speaks to the high prevalence of smoking among people living in poverty, people with disabilities and minority populations. Many of these are fellow citizens who are people who have the fewest resources, the least amount of social support and the least access to cessation services.” The company’s opposition to this resolution claims that the company “believes the wide variety of current communication programs sponsored by multiple parties addresses the objectives of this proposal.” This resolution was defeated.

Two other shareholder resolutions were presented. One, sponsored by the AFL-CIO, called on Altria Group, Inc. to prepare a report on the steps it has taken to reduce the risk of acute nicotine poisoning (or “Green Tobacco Sickness”) for farmworkers in the company’s supply chain for tobacco. Officials from the AFL-CIO’s Farm Labor Organizing Committee

addressed concerns about child labor in tobacco fields as well as the effort to get substantive change in the conditions, wages and housing for tobacco farm workers.

The other resolution, sponsored by the Province of St. Joseph of the Capuchin Order in Milwaukee, requested the company's Board of Directors to "create a policy that all its suppliers throughout its tobacco procurement supply chain verify (with independent monitoring) their commitment and compliance regarding non-employment, directly or indirectly, of laborers who have had to pay to cross the U.S. border to work or, once here, to work on U.S. farms."

Father Michael Crosby of the Province of St. Joseph of the Capuchin Order in Milwaukee addressed the issue of forced labor in tobacco fields. After Mr. Barrington had stated that Altria opposes illegal cigarette smuggling, Fr. Crosby commented that Altria "does not seem to be that much against illegal trafficking in human beings who are coming into our fields to produce and harvest the tobacco. You called the trafficking of tobacco products criminal behavior, for me it's criminal behavior when this company is aware of the illegality of having so many undocumented workers, some people say up to 70% of all farm workers in the United States are undocumented, that means this company is involved in illegal behavior maybe not directly but indirectly it knows it's going on and doesn't do anything, so there's culpability. This is the elephant in the board room. This is the elephant in the shareholders meeting that our dividends are coming on the back of illegal activities."

In response, Mr. Barrington stressed that "we oppose exploiting labor on the farm or elsewhere." He added that, as opposed to doing nothing, the company "have put it in our supplier code of conduct. We tell the growers that they should not be using forced labor or exploitive labor in our work."

Just as at the Reynolds American Shareholders Meeting two weeks earlier , both of these resolutions were defeated.

<http://www.phaionline.org/2015/06/01/under-an-hour-my-time-at-the-2015-altria-group-inc-annual-shareholders-meeting/>