

Welcome to your CDP Climate Change Questionnaire 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Altria Group, Inc. (“Altria”) is headquartered in Richmond, Virginia. Our tobacco companies include some of the most enduring names in American business: Philip Morris USA (“PM USA”), the maker of *Marlboro* cigarettes, and U.S. Smokeless Tobacco Company (“USSTC”), the maker of *Copenhagen* and *Skoal*. We also own John Middleton (“JMC”), manufacturer of *Black & Mild* cigars. Altria's non-combustible portfolio includes ownership of Helix Innovations LLC (Helix), the maker of *on!* oral nicotine pouches, exclusive U.S. commercialization rights to the *IQOS Tobacco Heating System*® and *Marlboro HeatSticks*®, and an equity investment in JUUL Labs, Inc. (JUUL). We complement our total tobacco platform with our ownership of Ste. Michelle Wine Estates (“SMWE”), a collection of distinctive wine estates, and our significant equity investment in Anheuser-Busch InBev (“AB InBev”), the world's largest brewer. In July 2021, we announced the sale of SMWE and expect the transaction to close in the second half of 2021; this response reflects ownership of SMWE in 2020. Our significant stake in Cronos Group (“Cronos”), a leading global cannabinoid company, represents an exciting new global growth opportunity. Altria also owns Philip Morris Capital Corporation (“PMCC”) and service companies Altria Client Services (“ALCS”), which provides services to Altria and its companies, and Altria Group Distribution Company (“AGDC”) that provides sales, distribution and consumer engagement services to Altria's tobacco companies.

Our Vision through 2030 is to responsibly lead the transition of adult smokers to a non-combustible future.

This response is a summary of progress on Altria's CDP Climate Change questionnaire and is not exhaustive of all information on this topic. Certain statements in this questionnaire are “forward-looking statements” within the meaning of Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current plans, estimates and expectations and projections, and are not guarantees of future performance. They are based on management's beliefs, projections or expectations that involve a number of risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. Altria undertakes no obligation to publicly update or revise any

forward-looking statement in this questionnaire. The risks and uncertainties relating to the forward-looking statements in this questionnaire include those described in Altria's publicly filed reports, including its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2020	December 31, 2020	No

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-AC0.6/C-FB0.6/C-PF0.6

(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

	Relevance
Agriculture/Forestry	Both own land and elsewhere in the value chain [Agriculture/Forestry only]
Processing/Manufacturing	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Distribution	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Consumption	Yes [Consumption only]

C-AC0.7/C-FB0.7/C-PF0.7

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodity

Tobacco

% of revenue dependent on this agricultural commodity

More than 80%

Produced or sourced

Sourced

Please explain

Altria's tobacco operating companies, which represent over 97% of Altria's revenues, source tobacco grown in the United States as well as from farmers across the globe.

Agricultural commodity

Other, please specify

Wine Grapes

% of revenue dependent on this agricultural commodity

Less than 10%

Produced or sourced

Both

Please explain

Ste. Michelle Wine Estates, which represents less than 3% of Altria's revenues, owns and operates over 2,900 acres of prime vineyards, and additionally contracts for grapes from long-term grape growers on approximately another 26,000 acres.

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Altria's Board of Directors' Nominating, Corporate Governance and Social Responsibility Committee provides oversight of our public affairs, corporate reputation and environmental and social responsibility strategies. The Committee is responsible for: reviewing key environmental trends, including climate-related issues, in order to determine whether we should consider additional actions; considering the impact of business operations and business practices on the communities where we do business; and reviewing environmental

	initiatives and goals and progress towards achieving those goals, including those that are climate-related. In 2020, an example of a board-level decision related to climate is the Committee reviews and approves annually our charitable contributions budget, which in 2020 included funding for environmental non-profits implementing tree planting and sustainable agriculture projects. These projects directly support our long-term water neutrality target and our Scope 3 emissions science-based target.
--	--

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding risk management policies Reviewing and guiding business plans Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	The Nominating, Corporate Governance and Social Responsibility Committee is regularly briefed on our corporate responsibility strategies, including environmental and climate change-related issues, by the Senior Vice President of Corporate Citizenship. This includes Committee review of the implementation and performance against our long-term environmental targets, including our Scope 1 and 2 greenhouse gas emissions reduction target, as well as briefing on any significant near or longer-term business plans, major plans of action and strategy at the corporate and operating company level as related to climate risks and opportunities, such as Altria's commitment to the Science Based Targets initiative. If a climate-related risk is identified as an enterprise risk under Altria's Enterprise Risk Management process, the Board would be briefed and would review proposed business plans to mitigate the risk.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify SVP, Corporate Citizenship	Both assessing and managing climate-related risks and opportunities	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Our Senior Vice President of Corporate Citizenship reports directly to the CEO and briefs the Board of Directors on climate-related issues and is considered the equivalent of a CSO position. This person has responsibility for climate-related issues because they lead our corporate environmental strategy at the highest-level and has the influence/resources to act on climate-related issues in alignment with our Vision. The SVP of Corporate Citizenship works with the Executive Leadership team and teams across Altria's companies to establish annual plans, track progress within our corporate responsibility focus areas, including our long-term environmental targets and science-based emissions reduction targets, and to identify and assess existing and emerging climate-related risks and opportunities for Altria and its companies. Altria also formed an "Protect the Environment" steering committee co-sponsored by our CFO and COO and comprised of other functional leaders to inform annual plans and assess progress toward our 2025 focus area goals. The SVP of Corporate Citizenship, as well as the Executive Leadership team and the Board of Directors' Nominating, Corporate Governance and Social Responsibility Committee, are briefed periodically on workstreams overseen by the steering committee.

Risks and opportunities identified, including regulatory risks and opportunities identified by ALCS' Safety, Health and Environment team, are evaluated and discussed throughout the year with functional groups from across Altria's operating and service companies. Through collaboration with these teams, climate-related risks and opportunities are addressed and managed through the implementation of projects and initiatives at a company-level, such as emissions reduction activities in a manufacturing facility.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Provide incentives for the management of climate-related issues	Comment
---	---------

Row 1	Yes	
-------	-----	--

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Other C-Suite Officer	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction target Behavior change related indicator	Our SVP of Corporate Citizenship, considered a CSO-equivalent position, reports directly to the CEO and has responsibility for climate-related issues because they lead our corporate environmental strategy at the highest-level. This includes our long-term environmental targets, including reducing Altria's Scope 1 and 2 emissions by 55% and reducing Scope 3 emissions by 18%. Driving progress against the Scope 3 target will include ongoing engagement with our companies' suppliers going forward. The Corporate Responsibility team that reports to the SVP also engages with company employees to share progress against these targets and encourages behavior change to help make continued progress. Our environmental strategy work is part of individual performance objectives for the SVP of Corporate Citizenship, formally set within Altria's Performance Partnership Process. Achievement of performance objectives is evaluated with each employee's supervisor as part of the annual performance review process; with achievement of objectives influencing merit-based raises and incentive compensation.
All employees	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project	Various employees across Altria's operating and service companies help execute programs and projects which reduce enterprise-wide emissions, energy use and our overall environmental footprint, including in our supply chain. This work is part of individual performance objectives for employees involved in these programs and projects and is formally set within Altria's Performance Partnership Process. Achievement of performance objectives is evaluated with each employee's supervisor as part of the annual performance review process, with achievement of objectives influencing merit-based raises and incentive compensation as well as advancement planning. In addition to performance objectives, when employees help drive progress toward our environmental goals, they can be recognized with monetary rewards through Altria's peer to peer recognition program.

		Efficiency target Behavior change related indicator Supply chain engagement	
Procurement manager	Monetary reward	Emissions reduction project Emissions reduction target Supply chain engagement	Our procurement team is structured to align to our ESG focus areas, including the environment and our supply chain. This work supports our 2030 target to reduce Scope 3 emissions and we have several programs in place in our tobacco agricultural supply chain. This work is part of individual performance objectives for employees involved in these programs and projects and is formally set within Altria's Performance Partnership Process. Achievement of performance objectives is evaluated with each employee's supervisor as part of the annual performance review process, with achievement of objectives influencing merit-based raises and incentive compensation as well as advancement planning. In addition to performance objectives, when employees help drive progress toward our environmental goals, they can be recognized with monetary rewards through Altria's peer to peer recognition program.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment

Short-term	0	2	Altria's companies have participated in an annual planning and risk assessment process to assess risks and opportunities for both near and long-term horizons. Part of this process includes an Enterprise Risk Management (ERM) process which includes an evaluation of immediate risks related to strategy, operations, finance, & compliance, as well as potential emerging risks within 1 year, 1-2 year and greater than 2 year timeframes. In addition, ALCS' Safety, Health and Environment team assesses risks and opportunities in 3 to 5 and 7 to 10 year timeframes, and evaluates work plans at least quarterly. Altria's Environmental Management Framework (EMF) helps guide this risk and opportunity assessment process with regard to climate change. With these processes in mind, we consider short-term climate related risks and opportunities in an immediate to 2 year time horizon.
Medium-term	3	6	Altria's companies have participated in an annual planning and risk assessment process to assess risks and opportunities for both near and long-term horizons. Part of this process includes an Enterprise Risk Management (ERM) process which includes an evaluation of immediate risks related to strategy, operations, finance, & compliance, as well as potential emerging risks within 1 year, 1-2 year and greater than 2 year timeframes. In addition, ALCS' Safety, Health and Environment team assesses risks and opportunities in 3 to 5 and 7 to 10 year timeframes, and evaluates work plans at least quarterly. Altria's Environmental Management Framework (EMF) helps guide this risk and opportunity assessment process with regard to climate change. With these processes in mind, we consider medium-term climate related risks and opportunities in a 3 to 6 year time horizon.
Long-term	7	10	Altria's companies have participated in an annual planning and risk assessment process to assess risks and opportunities for both near and long-term horizons. Part of this process includes an Enterprise Risk Management (ERM) process which includes an evaluation of immediate risks related to strategy, operations, finance, & compliance, as well as potential emerging risks within 1 year, 1-2 year and greater than 2 year timeframes. In addition, ALCS' Safety, Health and Environment team assesses risks and opportunities in 3 to 5 and 7 to 10 year timeframes, and evaluates work plans at least quarterly. Altria's Environmental Management Framework (EMF) helps guide this risk and opportunity assessment process with regard to climate change. With these processes in mind, we consider long-term climate related risks and opportunities in a 7 to 10 year time horizon.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Altria discloses Risk Factors posed to its operations and supply chain as federally required in financial reporting instruments such as our Form 10-K.

Risks to Altria and its operating companies and supply chains regarding climate change and/or the environment include:

- Natural or man-made disasters impacting one or more facilities or significant suppliers,
- Significant changes in tobacco leaf quality or availability driven by adverse weather patterns,
- Significant changes in Ste. Michelle's grape quality and availability influenced by variations in weather patterns, such as fires and smoke damage from fires, and
- Inability to attract investors due to unfavorable ESG ratings.

These risks have the potential to influence operating costs for Altria Group's operating companies, and in the case of natural or man-made disasters; prolonged disruption in operations experienced by one or more of Altria Group, Inc.'s subsidiaries or significant suppliers could have a material adverse effect on the business, the consolidated results of operations, cash flows or financial position of Altria Group, Inc. and its tobacco subsidiaries. A change of this magnitude would be considered substantive – the metric is increased operating costs and the threshold for discussion in financial reporting instruments such as our Form 10-K is based on both quantitative and qualitative factors. For our enterprise risk management process, risks are categorized by financial impact as follows: low (<\$100 million in Operating Company Income (OCI) or <\$1 billion in market value); medium (\$100-\$500 million in OCI or \$1-\$5 billion in market value); or high (>\$500 million in OCI or \$5 billion in market value).

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

Altria's companies participate in a quarterly planning and risk assessment process to assess risks and opportunities for both near and long-term horizons. Part of this process includes Enterprise Risk Management (ERM), an evaluation of immediate risks as well as potential emerging risks within 1 year, 1-2 year and greater than 2 year timeframes. ERM is a coordinated process to identify, prioritize and manage strategic, operational, financial, and compliance risks that could impede Altria's companies from meeting business objectives. The risk assessment process includes discussions of a number of risk areas, including environmental impacts which could pose threats to business continuity. It formalizes coordination of key risk reporting processes and improves information sharing between multiple business risk assessment processes. The process also includes reporting to the Risk Oversight Committee, which includes the CFO, COO, and CHRO and annual reporting to Altria's Board of Directors. In addition to the ERM process, our Safety, Health and Environment team assesses risks and opportunities in 3 to 5 and 7 to 10 year timeframes, and evaluates work plans at least quarterly. Our Environmental Management Framework helps guide this risk and opportunity assessment process with regard to climate change.

Altria and its companies also use several tools and processes to identify and manage financial and business risks including conducting external scans, scenario planning, and business continuity/crisis management activities. When considering enterprise risks and opportunities, business areas consider the following:

- Strategy-Are there any events or occurrences that could significantly influence Altria's 3-year plan?
- Operations-Are there any events or occurrences that could inhibit/enhance a company's ability to produce, distribute, or market its products?
- Compliance-Are there any events or occurrences that could significantly inhibit/enhance a company's ability to comply with existing or proposed regulation?
- Other Enterprise Risks-Are there any other events or occurrences that could materially impact (positively/negatively) shareholder value?

Enterprise risks are evaluated based on:

Likelihood -The probability of an event occurring given the current business and processes, including mitigating factors. Risks are categorized

as high, medium or low based on probability of occurrence.

Impact -The significance of an event occurring. Risks are classified into one of three levels of impact based on select dollar ranges of financial impact or severity of effect on strategy or reputation.

Velocity-The speed with which the adverse impact(s) of a risk is felt by a company after the risk event occurs. Risks are classified based on timeframe within which the event will impact the company.

Altria and its companies conduct annual external scans to identify emerging risks to the business, risk trends and risk management best practices. We conduct scenario planning to identify the various uncertainties, including those around environmental regulations that will face our business in the next 5-10 years. We determine the potential scope and boundaries for each uncertainty to identify a range of potential outcomes including identifying potential implications & monitoring scenario development. Crisis preparedness activities include an annual review, update, and testing of each of Altria's principal operating and service companies' business continuity, emergency response, and/or disaster recovery plans.

A case study of how this risk assessment process has helped mitigate physical risks includes operating company U.S. Smokeless Tobacco's (USSTC) decision to construct an additional manufacturing facility in 2015. Through our business continuity processes we identified that USSTC's Hopkinsville, KY, and Nashville, TN facilities reside in regions of the U.S. prone to outbreaks of severe weather, an acute physical risk potentially impacting business continuity. To mitigate this risk, USSTC made the decision to construct an additional manufacturing facility deemed outside of the same severe weather risk zones as these locations. This new facility provides the processing and manufacturing capabilities of USSTC's existing facilities, allowing for shifts in production to occur in the event of severe weather impacting another location.

A case study of how this risk assessment process has helped mitigate transition risks is through encouraging transition to lower-emissions technologies in our facilities. Our Safety, Health and Environment team assesses risks around emerging climate-related regulations as part of the group's risk assessment processes, guided by our Environmental Management Framework. They raised the transition risk related to potential increases in greenhouse gas emissions pricing. To mitigate this risk, the assessment process encouraged transition to lower-emissions technologies in our facilities, such as the replacement of coal-fired boilers with natural gas boilers at three manufacturing facilities in 2014, along with current, ongoing energy efficiency projects across various facilities. These initiatives lower our greenhouse gas emissions, therefore lowering our exposure to the transition risks associated with greenhouse gas emissions pricing.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Altria is subject to laws and current regulations relating to the protection of the environment, including climate-related regulations around air emissions under the Clean Air Act in the regions where we operate. The risk to the business is failure to comply with such regulations could result in fines and reputational damage. Compliance with environmental laws and regulations, including the payment of any remediation and compliance costs or damages and the making of related expenditures, has not had, and is not expected to have, a material adverse effect on Altria's consolidated results of operations, capital expenditures, financial position or cash flows. ALCS' Safety, Health and Environment team assesses risks around current climate-related regulations as part of the group's risk assessment processes, guided by Altria's Environmental Management Framework.</p>
Emerging regulation	Relevant, always included	<p>Altria is subject to laws and regulations relating to the protection of the environment in the regions where we operate, including emerging climate-related regulations around air emissions and emerging carbon pricing systems, such as Virginia joining the Regional Greenhouse Gas Initiative. Carbon pricing systems can be a risk to our business because they can directly or indirectly increase operating costs. Compliance with environmental laws and regulations, including the payment of any remediation and compliance costs or damages and the making of related expenditures, has not had, and is not expected to have, a material adverse effect on Altria's consolidated results of operations, capital expenditures, financial position or cash flows.</p> <p>Altria conducts scenario planning to identify the various uncertainties, including those around emerging environmental regulations that will face our business in the next 5-10 years. We determine the potential scope and boundaries for each uncertainty to identify a range of potential outcomes including identifying potential implications & monitoring scenario development. ALCS' Safety, Health and Environment team assesses risks around emerging climate-related regulations as part of the group's risk assessment processes, guided by Altria's Environmental Management Framework. This assessment process has helped mitigate emerging transition risks related to potential increases in greenhouse gas emissions pricing,</p>

		through encouraging transition to lower-emissions technologies in our facilities, such as the replacement of coal-fired boilers with natural gas boilers at three manufacturing facilities in 2014, along with current, ongoing energy efficiency projects across various facilities.
Technology	Relevant, always included	Altria has several goals to transition to a lower-carbon system, including our 2030 targets to achieve 100% renewable electricity and reduce Scope 1 and Scope 2 greenhouse gas emissions by 55%. The risk to our business is if the technology needed to achieve these targets does not materialize (such as low-cost renewable energy and/or low-cost alternative fuel vehicles), impacting our ability to achieve our targets and leading to reputational damage. ALCS' Safety, Health and Environment and Corporate Responsibility teams assess risks around climate-related technology as part of the group's risk assessment processes, guided by Altria's Environmental Management Framework.
Legal	Relevant, always included	Altria is subject to laws and regulations relating to the protection of the environment in the regions where we operate such as regulations under the Clean Air Act and Clean Water Act. The risk to the business is failure to comply with regulations such as the Clean Air Act could result in fines and reputational damage. Compliance with environmental laws and regulations, including the payment of any remediation and compliance costs or damages and the making of related expenditures, has not had, and is not expected to have, a material adverse effect on Altria's consolidated results of operations, capital expenditures, financial position or cash flows. The Safety, Health and Environment team assesses legal risks as part of the group's regulatory risk assessment processes, guided by Altria's Environmental Management Framework.
Market	Relevant, always included	There are three types of market risks for Altria: upstream, investor, and downstream. For upstream, our tobacco and wine products rely on agricultural commodities, where the quality or availability can be driven by adverse weather patterns, impacting our direct and indirect costs. Our procurement teams and business continuity plans monitor these risks as part of our Enterprise Risk Management process. For investors, we may be unable to attract or retain investors in the event of unfavorable ESG ratings, including our climate change performance, increasing our cost of capital. Our Investor Relations and Corporate Responsibility teams monitor these risks, including proactively engaging on various ESG ratings. For downstream, customer and consumer expectations around a company's environmental performance continue to evolve and grow, and if we cannot meet these expectations, they may decide to no longer purchase our products. Our Strategy, Consumer & Marketplace Insights group monitors these risks.

Reputation	Relevant, always included	<p>Altria's Vision includes strategies to “Lead the industry in operating responsibly...” and “Seize leadership in the external environment through communications, engagement and science-based policy and regulatory solutions.” With these strategies in mind, we remain aware of societal expectations of our businesses regarding environmental-stewardship and transparency on climate-related issues. To help meet these expectations and manage reputational risks associated with inaction against them – such as negative media coverage or investment community assessments that could cause stakeholders (e.g. suppliers, employees, consumers, investors, community partners, etc.) to decide not to engage with us, Altria continues to focus on making progress toward enterprise-wide, long-term environmental targets. These targets include: By 2030 to reduce Altria’s Scope 1 and 2 emissions by 55% and Scope 3 emissions by 18%, achieve 100% renewable electricity; reduce waste to landfill by 25% and achieve 100% water neutrality annually across operations. Our emission targets were validated by the Science Based Targets initiative. Driving progress toward our Scope 3 target will include ongoing engagement with our companies’ suppliers going forward. Altria also supports leading non-profit organizations, like National Fish and Wildlife Foundation, focused on water quality and conservation in our operating communities; sustainable agriculture in tobacco-growing regions; and nationwide cigarette litter prevention and clean-up. This strategic philanthropic focus, along with ongoing progress toward our environmental targets, allows us to continue to address societal expectations to reduce the environmental impacts of our businesses.</p>
Acute physical	Relevant, always included	<p>Altria conducts external scans, scenario planning, and business continuity/crisis management planning activities to help mitigate the potential impacts posed by acute physical risks including a natural or man-made disaster or other disruption that affects the manufacturing operations of any of Altria's tobacco subsidiaries, which is a risk to the business because it can increase operating costs and/or decrease net revenues.</p> <p>An example of how acute physical risks, such as tornadoes or flooding, have been considered as part of this risk assessment process includes USSTC’s decision to construct an additional manufacturing facility in 2015. USSTC’s Hopkinsville, KY, and Nashville, TN facilities reside in regions of the United States prone to outbreaks of severe weather. Due to this acute physical risk potentially impacting business continuity, the decision was made to construct an additional manufacturing facility deemed outside of the same severe weather risk zones as these locations. This new facility provides the processing and manufacturing capabilities of USSTC's existing facilities, allowing for shifts in production to occur in the event of severe weather impacting another location. In addition, PM USA made a similar decision to construct a new warehouse complex in Virginia with the same goal of maintaining business continuity if severe weather were to impact its</p>

		existing warehouse facilities.
Chronic physical	Relevant, always included	<p>Altria's operating companies evaluate and manage the impact of chronic physical risks including changes in precipitation patterns and extreme variability in weather patterns in tobacco and wine grape growing regions such as eastern Washington. Similar to how Altria manages risk in other procured products and services, a diversified sourcing model allows the purchase of these commodities from various sources. This risk mitigation is important as weather patterns create a risk to the business that can affect the supply of raw materials, increasing operating costs and/or decreasing net revenues. This approach accounts for changes in quality or quantity of raw materials due to variations in weather, among other factors. These chronic physical risks are also evaluated and mitigated through: weekly monitoring of crop and weather reports; direct contracted grower participation in the GAP Connections' (GAPC) Certification Program; our Grower Representatives' ongoing relationships with our tobacco growers; supplier managers' ongoing relationships with our international leaf suppliers; and international supplier participation in the Sustainable Tobacco Program (STP). In 2020, >90% of our leaf suppliers participated in the self-assessment through STP. This will be an annual risk assessment utilizing risk indices from a third-party coupled with a request for suppliers to report on their own identified risk as part of the Sustainable Tobacco Program – an evolution of STP 1.2. Risk assessments will be monitored annually as well as suppliers' response to risk.</p>

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact

Increased direct costs

Company-specific description

The adequacy of Ste. Michelle's grape supply is influenced by weather and crop conditions, particularly in eastern Washington. The quality and quantity of Ste. Michelle's grape supply is influenced by precipitation extremes, drought, freezing temperatures, fires and smoke damage from fires. If prolonged periods of precipitation extremes and drought were to occur, the ability to control levels of stress on grape vines could be impacted, potentially decreasing both quality and quantity of the wine grapes harvested in these areas. In 2019, freezing temperatures reduced grape production and resulted in fewer grapes being available to Ste. Michelle, including grape loss at Vineyard 10 which supplies our Columbia Crest winery. Additionally, Ste. Michelle experienced some impact from the fires in the western United States during 2020, including vineyards in Washington, Oregon, and California.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

38,200,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Decreased quality and quantities of grapes could lead to increasing operating costs and decreased revenues as wine production and wine quality could be impacted. In the long-term, these impacts can be substantive and/or material from a financial and/or sustainability standpoint, but we have not quantified that yet. Therefore, we are reporting already-realized costs, which are not substantive from a financial impact but do have a strategic sustainability impact. Any realized or future financial impacts could be material to Ste. Michelle at the operating company level but would not be material to Altria given the minimal financial contribution from Ste. Michelle. Ste. Michelle had grapes that were damaged and/or not picked due to frost in 2019 and fires/smoke damage in 2020. The financial impact figure reported is the total excess overhead costs associated with the grapes lost due to frost and fires in 2019 and 2020.

Cost of response to risk

6,570

Description of response and explanation of cost calculation

Vineyard management strategy includes mitigating the impacts of extreme heat such as increasing watering during warm temperature anomalies to reduce heat damage which can adversely affect grape quality. When temperatures hover around freezing, some vineyards will utilize wind machines to keep ambient temperature above freezing around grapes susceptible to topographic pockets of cold air. The cost of response to risk reported represents the total cost of propane to run wind machines in 2020 at vineyards in Washington state. Vineyard management teams check grape, vine and soil samples and utilize infrared mapping technologies to identify sections of vineyard under stress. Vineyard management teams also consult seasonal forecasts and long- term weather models to plan resource allocation for the coming growing season.

While water is necessary for production, vineyards and wineries work to reduce water usage, treat or reuse water consumed, and partner with others to conserve water in its communities, while protecting biodiversity. These innovative efficiency efforts on Ste. Michelle's more than 2,900

company-owned acres in Washington, California and Oregon include: conservation of hot water and increased efficiency of tank heating systems, re-use of winery grey water, use of water-conserving nozzles on hoses, implementation of enhanced heat exchangers which reduce water needs in fermentation cellars, employee education on water conservation, and maintenance of water-efficient landscaping. Additionally, Ste. Michelle maintains contracts for grapes from long-term grape-growers on over 26,000 acres. If grape quality and/or quantity on company-owned acreage were to be impacted by precipitation extremes, Ste. Michelle could leverage its relationship with these contract growers to mitigate potential losses from damaged grape crop.

As part of our risk management processes, risks driven by changes in precipitation patterns and variability in weather patterns are considered as an ongoing aspect of organization-wide operations. Additionally, in 2020, Altria conducted a comprehensive water risk assessment to examine physical, regulatory, and reputational water risks to Altria's companies' direct operations and their value chains. This risk assessment utilized climate-related scenario analysis to determine changes in water stress by 2030 and included chronic physical risks from changes in precipitations patterns and variability in weather patterns.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Chronic physical

Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Altria's tobacco operating companies use tobacco in their products. American-grown tobacco is purchased for PM USA's and USSTC's products. PM USA and JMC buy international tobacco leaf through third-party suppliers who purchase from farmers across the globe. The availability of tobacco at the price and quantity needed for these operating companies is at risk from changing weather conditions, including extreme precipitation events such as; droughts in Malawi and Brazil, flooding in Turkey or hurricanes in the southeast United States. Likewise, more long-term risks are being monitored as weather patterns in domestic growing regions have become more erratic and extreme over the last few years diminishing crop yields and quality. For example, in 2018 some of our burley region (where burley tobacco is grown such as Kentucky, Tennessee, and Pennsylvania in the U.S.) experienced such wet harvest season that they had complete crop loss. In 2019, most of the U.S. burley region experienced extreme unfavourable conditions during the harvest and curing season creating extremely poor leaf quality. Most recently in 2020, parts of those same regions experienced such wet conditions early that some crops could not be planted at all. Continued extremes like these create grower sustainability issues that can potentially impact our end products that include domestic leaf.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

250,000

Explanation of financial impact figure

Altria's operating companies maintain a flexible, diversified sourcing model that allows the purchase of tobacco from various sources. In the event of variability in weather patterns impacting the quality or quantity of tobacco leaf purchased from a specific region, operating costs could increase due to potentially higher pricing of tobacco sourced from the impacted region or loss of tobacco crop if there were no mitigating actions in place. However, if this situation were to occur, Altria's operating companies would adjust their sourcing model as part of business continuity plans, with no material financial impact experienced, as tobacco would be purchased from another region not impacted by quality, quantity or pricing fluctuations. If significant regions and volumes of tobacco globally were impacted by weather patterns, this could impact our ability to achieve tobacco blends for quality products, impacting revenues. While we did not actually experience increased costs with the variable weather in the last few years due to our diversified sourcing models, the financial impact figure reported is the amount we incur as we work with internal and external stakeholders to provide growers with programs and practices to lessen the impact of extreme weather.

Cost of response to risk

121,521

Description of response and explanation of cost calculation

Altria's operating companies manage risks driven by variability in weather patterns the same way Altria manages risk in other procured products and services, by having a flexible, diversified sourcing model that allows the purchase of tobacco from various sources. This approach accounts for changes in quality or quantity of raw materials due to variations in weather, among other factors.

Risk mitigation practices supporting our approach to maintaining a flexible, diversified sourcing model include; weekly monitoring of crop and weather reports; GAPC Certification Program; international supplier participation in the Sustainable Tobacco Program, our Grower Representatives' ongoing relationships with our direct contracted growers in the United States, and our supplier manager's ongoing relationship with suppliers internationally. In 2020, 67% of domestic, direct contracted growers participated in the GAPC Certification Program, a voluntary compliance program managed by GAP Connections Inc. The GAPC Certification program audits growers utilizing document review, farm visits, and grower and worker interviews to validate their performance against crop, environment, and labor management standards via a third-party auditing firm. Growers are audited on critical standards on an annual basis, such as following water extraction and irrigation laws and maintaining conservation plans where required by law. Growers are assessed every three years on their adoption of additional standards within the crop, environment and labor focus areas. Growers must achieve a minimum score of 75 percent for these additional standards to achieve certification. The environmental focus area assesses grower practices in Soil and Water Management and Agrochemical Management. As part of our risk management processes, risks driven by changes in the severity of extreme weather events are considered as an ongoing aspect of

organization-wide operations and business continuity planning. The cost of response to risk is the sum of the costs for the environment portion of third-party assessments, such as GAP Connections and the Sustainable Tobacco Program.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Altria is subject to laws and regulations relating to the protection of the environment in the regions where we operate. Altria and its companies operate and sell their products principally in the United States. Substantially all of Altria's net revenues are from sales generated in the United States. The locations of Altria and its operating companies' facilities include, but are not limited to Richmond, Virginia; Nashville, Tennessee; Hopkinsville, Kentucky; King of Prussia, Pennsylvania; Washington state; Oregon; and California. If greenhouse gas emissions pricing, including but not limited to a carbon tax or cap and trade system were to be implemented in these locations where Altria's companies maintain operations, operating costs could potentially increase.

Time horizon

Medium-term

Likelihood

Unlikely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

2,082,000

Explanation of financial impact figure

Increases in greenhouse gas emissions pricing resulting in potential increases in operating costs are not expected to have a material adverse effect on Altria's consolidated results of operations, capital expenditures, financial position or cash flows due to ongoing activities across our operating companies to reduce Scope 1 and Scope 2 greenhouse gas emissions. Emissions reduction activities are part of an enterprise-wide, long-term environmental target to reduce absolute Scope 1 and Scope 2 emissions 55% by 2030 against a 2017 baseline. The potential finance impact figure was estimated using a hypothetical situation where the Regional Greenhouse Gas Initiative (RGGI) was expanded beyond fossil fuel power plants and no allowances were given. This hypothetical situation also assumes all our Scope 1 emissions would be subject, regardless of location, and that all Scope 2 emissions would be included due to electricity providers passing costs along to our facilities. The figure was then estimated by multiplying our total 2020 emissions (280,968 tons CO₂e) by a December 2020 RGGI allowance auction price (\$7.41) and rounding.

Cost of response to risk

29,500,000

Description of response and explanation of cost calculation

Altria's operating companies are working to manage transition risks related to Scope 1 and Scope 2 GHG emissions - including risks related to the prices of energy, greenhouse gases and regulations – by setting an ambitious enterprise-wide target of reducing absolute Scope 1 and Scope 2 emissions 55% by 2030, based on a 2017 baseline.

Progress toward our Scope 1 and Scope 2 greenhouse gas emissions target has been driven by emissions reduction activities across Altria's operating companies, including PM USA's and USSTC's conversion of boilers at three total manufacturing facilities from coal to natural gas, along with ongoing energy-efficiency projects across various facilities, as well as pursuing renewable electricity purchases. To date, emissions reduction activities have helped contribute to around \$1.6 million in annual energy and maintenance cost savings to our operating companies. The proactive approach to implementing these projects additionally manages transition risks related to costs to transition to lower emissions technologies in the future.

For example, as a case study, Altria's operating companies replaced coal-fired boilers with natural gas boilers at three of our manufacturing facilities. This conversion was completed in 2014 with a project cost of \$29,500,000 and an estimated annual savings of \$3,200,000. The project cost includes labor and materials for demolition or retrofitting of coal boilers and construction of natural gas boilers at two PM USA facilities and at a USSTC facility. While the conversion from coal to natural gas helped the company meet some compliance requirements, the decision to convert fuels rather than mitigate emission through other means was voluntarily made to further reduce the company's environmental impacts and reduce long-term operational costs, including those related to potential increases in future greenhouse gas emissions pricing. Therefore, the cost of response to risk is not reflective of just mitigating the financial impact of this risk.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

Altria's tobacco subsidiaries face risks inherent in reliance on a few significant facilities. For example, USSTC has a primary manufacturing facility in Nashville, Tennessee, which is considered a "high risk" area for natural disasters by FEMA. A natural disaster or other disruption that affects the manufacturing operations of any of Altria's tobacco subsidiaries could adversely impact the operations of the affected subsidiaries. An extended disruption in operations experienced by one or more of Altria's subsidiaries could have a material adverse effect on the business, the consolidated results of operations, cash flows or financial positions of Altria and its subsidiaries.

Time horizon

Medium-term

Likelihood

Very unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

750,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Altria conducts business continuity/crisis management planning activities to help mitigate the potential impacts posed by acute physical risks including a natural or man-made disaster or other disruption that affects the manufacturing operations of any of Altria's tobacco subsidiaries. Our property insurer considered natural disaster risks, including floods, tornados and earthquakes, that would result in a total loss to USSTC Nashville operations. Considering rebuilding time and current business continuity coverage with other facilities, it is estimated USSTC would experience \$750 MM in annual operating company income loss.

Cost of response to risk

122,000,000

Description of response and explanation of cost calculation

Altria conducts business continuity/crisis management planning activities to help mitigate the potential impacts posed by acute physical risks including a natural or man-made disaster or other disruption that affects the manufacturing operations of any of Altria's tobacco subsidiaries. An example includes USSTC's decision to construct an additional manufacturing facility in 2015. USSTC's Hopkinsville, KY, and Nashville, TN facilities reside in regions of the United States prone to outbreaks of severe weather. Due to this acute physical risk potentially impacting business continuity, the decision was made to construct an additional manufacturing facility deemed outside of the same severe weather risk zones as these locations. This new facility provides the processing and manufacturing capabilities of USSTC's existing facilities, allowing for shifts in production to occur in the event of severe weather impacting another location. In addition, PM USA made a similar decision to construct a new warehouse complex in Virginia with the same goal of maintaining business continuity if severe weather were to impact its existing warehouse facilities, as well as reinforcing the Richmond, Virginia manufacturing facility. The cost of response includes the cost to construct USSTC's additional facility (\$118 million) as well as the annual lease (\$4 million) for the additional PM USA warehouse.

Comment

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Increased direct costs

Company-specific description

Altria's subsidiaries face risks inherent in reliance on a small number of key suppliers, distributors and distribution chain service providers. A natural disaster or other disruption that affects the operations of any key supplier of any of Altria's tobacco or wine subsidiaries could adversely impact the operations of the affected subsidiaries. For example, our resin suppliers for USSTC's plastic cans and JMC's plastic tips were impacted by the February ice storms in Texas and in the past, hurricanes have impacted our suppliers. An extended disruption in operations experienced by one or more key suppliers could have a material adverse effect on the business, the consolidated results of operations, cash flows or financial positions of Altria and its tobacco subsidiaries.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

5,210,000

Explanation of financial impact figure

Altria conducts business continuity/crisis management planning activities to help mitigate the potential impacts posed by acute physical risks including a natural or man-made disaster or other disruption that affects the operations of any key supplier of any of Altria's tobacco or wine subsidiaries. Depending on the supplier and/or severity of the disruption, these impacts can be substantive and/or material from a financial and/or sustainability standpoint, but we have not quantified that yet. Therefore, we are reporting already-realized and some projected future costs, which are not substantive from a financial impact but do have a strategic sustainability impact. The financial impact range reported represents the sum of increased market prices for resin and expedited shipping from an alternative supplier after the resin supply chain disruption.

Cost of response to risk

1,500,000

Description of response and explanation of cost calculation

Altria conducts business continuity/crisis management planning activities to help mitigate the potential impacts posed by acute physical risks including a natural or man-made disaster or other disruption that affects the operations of any key supplier of any of Altria's tobacco or wine subsidiaries. For example, we carry inventory of key materials to mitigate supply disruptions and maintain a diversified sourcing model. The cost of response includes the total cost of expedited shipping of resin from a supplier in a new geographic region to maintain and increase raw material inventory. As a result of the Texas storm, Procurement changed its strategy as related to resin and now aims to maintain five months of resin sourced from two geographically diverse suppliers.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Guided by annual planning and with a focus on making progress toward enterprise-wide long-term environmental targets, Altria's operating companies and service companies evaluate and implement projects that have the potential to make our direct operations more resource efficient on an ongoing basis. These targets include: by 2030, reduce Altria's Scope 1 and 2 emissions by 55%; reduce waste to landfill by 25%;

and achieve 100% water neutrality annually across operations. Projects that drive progress toward these targets include retrofitting lighting fixtures at operating company facilities such as Philip Morris USA's Manufacturing Center in Richmond, VA to more efficient technologies such as LED; optimizing set-points for refrigeration systems; replacing outdated HVAC units; and reducing manufacturing waste and water consumption.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,600,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Several projects focused on resource efficiency are currently underway, including more efficient energy usage in company facilities. One of these projects, a lighting retrofit at a PM USA manufacturing facility, is estimated to provide annual monetary savings of approximately \$1,400,000 in energy costs and \$200,000 in maintenance costs. Based on a multi-year project schedule, PM USA has estimated around a 6 to 8 year payback period for this project.

Cost to realize opportunity

8,900,000

Strategy to realize opportunity and explanation of cost calculation

Guided by annual planning and a focus on making progress toward enterprise-wide long-term environmental targets, Altria's operating and service companies continue to evaluate and implement projects that have the potential to make our direct operations more resource efficient on an ongoing basis. Beginning in 2015, PM USA began this lighting retrofit project at one of its manufacturing facilities with the goal of reducing energy-related operating costs and making progress against enterprise-wide long-term environmental targets. This project is expected to take several years to complete (Phase 1 was completed in 2021, Phase 2 is planned for 2022) and is estimated to offer around \$1,600,000 in combined energy and maintenance cost savings annually. The cost to realize this opportunity of \$8,900,000 represents the labor and materials needed to implement the lighting retrofit project.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Guided by annual planning and with a focus on making progress toward enterprise-wide long-term environmental targets, Altria's operating and service companies evaluate and implement projects that have the potential to make our operations and supply chain more resource efficient on an ongoing basis. These targets include: by 2030, reduce Altria's Scope 1 and 2 emissions by 55% and reduce absolute Scope 3 emission by 18%. Projects that drive progress toward these targets can include the implementation of efficient logistics practices, such as shifting production between USSTC's facilities in Richmond, VA and Nashville, TN to decrease total miles of transport as well as the evaluation of more fuel-efficient vehicles for use within Altria's companies' production and distribution processes.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

283,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Altria's operating and service companies are evaluating current and emerging technologies in vehicle efficiency for potential use within our direct operations and value chain. These technologies, including alternative fuel vehicles, have the potential to provide cost savings and emissions reductions over time. The potential financial impact of implementing these emerging technologies is currently being evaluated and

has the potential to be cost neutral with presently utilized vehicles, with savings in fuel costs offsetting the cost to invest in alternative fuel vehicles. Additionally, one of Altria's operating companies is in the process of implementing more efficient logistics processes with the potential to provide both emissions and cost reduction over the next several years. For example, in 2018, USSTC consolidated operations from Franklin Park, Illinois to Nashville, Tennessee and Richmond, Virginia, resulting in shorter trucking routes. The potential financial impact figure reported is the reduction in diesel consumption on this shorter trucking route (110,538 gal) multiplied by 2020 national average diesel fuel costs from the U.S. Energy Information Administration (\$2.56/gal) and rounding.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Guided by annual planning and a focus on making progress toward enterprise-wide long-term environmental targets, Altria's operating companies and service companies continue to evaluate and implement projects that have the potential to make our operations and supply chain more resource efficient on an ongoing basis. For example, as a case study, one of Altria's tobacco operating companies identified an opportunity for more efficient logistic processes to reduce the number of shipments between facilities and to ship between facilities closer together during a facility consolidation that moved operations from Franklin Park, Illinois to Nashville, Tennessee and Richmond, Virginia. The analysis of miles and fuel costs determined there was an annual cost savings, as well as emissions reductions, when the change was implemented. There was no cost to realize this opportunity as the change in logistics routes was implemented as part of the facility consolidation.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Returns on investment in low-emission technology

Company-specific description

Altria and its companies are pursuing options to offset organization-wide electricity consumption through virtual power purchase agreements. We have set a target to achieve 100% renewable electricity by 2030 and are working with a leading third-party energy advisor to evaluate and execute virtual power purchase agreements to cover the electricity load of all our facilities, including those in Richmond, VA and Woodinville, WA, and could reduce our emissions by 141,000 tonnes CO₂e based on 2020 metrics.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

24,000,000

Explanation of financial impact figure

Because the financial impacts of virtual power purchase agreements depend on varying wholesale energy costs, financial modelling is used to estimate potential revenue or loss of such agreements. Depending on the model assumptions, the NPV of a potential project could result in an average gain of \$24 million over the entire contracted project term of 12 years. The modelling assumptions include forward-looking third-party energy market forecasts, inflation and tax rates, discount rates, and costs of renewable energy credits and the potential financial impact figure is only indicative of potential outcomes for various projects.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Altria's operating and service companies continue to monitor renewable energy opportunities on an ongoing basis, with the goal of reducing enterprise-wide Scope 2 emissions, achieving our 100% renewable electricity target, and mitigating transition risks related to potential future increases in greenhouse gas emissions pricing. Therefore, we are working with a leading third-party energy advisor to evaluate and execute virtual power purchase agreements to cover the electricity load of all our facilities and also plan to evaluate opportunities for on-site installations through capital projects at certain locations, such as our manufacturing facility in Chester, VA. The cost to realize opportunity of \$0 represents that a virtual power purchase agreement contract requires no upfront investment cost for Altria.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	While we have reported on our low-carbon transition plan, including our Science Based Targets, at AGM, it is not a scheduled resolution item.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
2DS RCP 4.5 RCP 8.5	Our 2020 water risk assessment, which covered our operations and tobacco and wine grape supply chain, included climate-related scenario analysis to determine changes in water stress by 2030 (2030 is relevant because it is the timeframe of our environmental targets and covers mid-to-long term risks). The assessment used the WRI Aqueduct tool to provide site level assessments and mapping capabilities, including water stress predictions under different climate scenarios (RCP 4.5 and RCP 8.5), with assumptions for economic and population growth as well as emissions growth and peak levels, and the WWF Water Risk Filter to provide additional site level assessments of water risks, including forecasted impact of climate change based on the 2DS scenario. This assessment identified some of our international tobacco growing regions, such as Macedonia or Turkey, as having high change in overall water stress by 2030. This assessment will help inform future facility-level water planning as well as guide the focus of Altria's charitable environmental contributions over the next 10 years. In 2020, all international suppliers were subject to an annual

	risk assessment utilizing a third-party's risk indices related to water as part of the Sustainable Tobacco Program. This risk assessment will also include suppliers' reports on their own identified risks. Risk assessments will be monitored annually as well as suppliers' response to risk.
--	--

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	For our wine business, Ste. Michelle's sales could be impacted by increased production costs and wine prices due to impacts to grape supply from weather and crop conditions, as well as evolving adult consumer preferences for purchasing environmentally-friendly products. To mitigate this risk and to capitalize on this opportunity, Ste. Michelle made the strategic decision to implement several sustainable agriculture practices that are visible to the adult consumer, including wine products with labels certified by Salmon-Safe, an organization that protects watersheds through sustainable viticulture practices. Beginning with its 2009 vintage, Chateau Ste. Michelle added the Salmon Safe certification to its Cold Creek and Canoe Ridge Estate single-vineyard wine labels. Additionally, 57 acres of Ste. Michelle's Snoqualmie vineyards are certified organically grown by the Washington State Department of Agriculture and used in Snoqualmie's Naked line of wines. Over the next 5 years, Ste. Michelle plans to achieve certifications at additional vineyards, as well as be involved in a new sustainability certification program with the Washington Wine Grower's Association.
Supply chain and/or value chain	Yes	Altria's tobacco operating companies use tobacco in their products. American-grown tobacco is purchased for PM USA's and USSTC's products. PM USA and JMC buy international tobacco leaf through third-party suppliers who purchase from farmers across the globe. The availability of tobacco at the price and quantity needed for these operating companies is at risk from changing weather conditions, including extreme precipitation situations such as droughts in Malawi and Brazil, flooding in Turkey or hurricanes in the southeast United States. Altria's operating companies maintain a flexible,

		<p>diversified sourcing model that allows the purchase of tobacco leaf and wine grapes necessary for operations from various sources. Additionally, we are working to understand our environmental impacts and opportunities beyond our facilities. This work includes annual data gathering and analysis of Altria's Scope 3 greenhouse gas inventory, working with our supply chain to improve Good Agricultural Practices which in part focus on reducing environmental impacts, and continuing to monitor the evolution of alternative and renewable forms of energy generation. In establishing our 2030 long-term environmental targets, we set a target to reduce absolute Scope 3 emissions by 18%, which was validated by the Science Based Targets initiative. By aligning our emissions targets with science-based targets methodology, we hope to do our part in reducing the global impacts of climate change brought on by a 1.5-degrees Celsius warming scenario.</p>
Investment in R&D	Yes	<p>Our Agronomy and Genetics groups support projects and initiatives to improve growers' access to technology in tobacco production. Because of physical climate risks such as severe weather or drought, this includes tobacco breeding that may improve tobacco variety response to weather and chronic physical climate risks. Some of the breeding projects are projected over the next 15 years, from proof of concept to commercially available. Additionally, we sponsor projects for land-grant universities in tobacco producing regions to enhance production practices and technology to include curing fuel efficiency, plant breeding, and agriculture engineering, which can help us make progress toward our 2030 Scope 3 greenhouse gas emissions target.</p>
Operations	Yes	<p>In order to mitigate transition risks from potential increases in pricing of GHG emissions, Altria's companies have implemented numerous emissions reduction projects as part of enterprise-wide, long-term environmental targets to reduce Scope 1 and Scope 2 emissions. One of the more substantial decisions impacting company operations to mitigate this risk includes the replacement of coal-fired boilers with natural gas boilers at three manufacturing facilities located in Richmond, VA and Nashville, TN, in 2014, along with current, ongoing energy-efficiency projects across various facilities. These projects can include but are not limited to retrofitting lighting fixtures at operating company facilities to more efficient technologies such as LED; optimizing set-points for refrigeration systems; replacing outdated HVAC units; and reducing manufacturing waste and water consumption. The proactive approach to implementing these projects additionally manages transition risks related to costs to transition to lower emissions technologies in the future and provides Altria's companies the opportunity</p>

		to move towards more resource efficient facilities over the coming years. In 2020, a strategic decision was made to set longer-term, more ambitious science-based greenhouse gas emissions targets and pursue a renewable electricity target to achieve them by 2030.
--	--	---

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Capital expenditures	In order to mitigate transition risks from potential increases in pricing of GHG emissions, Altria's companies have implemented numerous emissions reduction projects as part of enterprise-wide, long-term environmental targets to reduce Scope 1 and Scope 2 emissions by 2030. One of the more substantial decisions to mitigate climate-related risk which impacts capital expenditures includes the replacement of coal-fired boilers with natural gas boilers at three manufacturing facilities located in Richmond, VA and Nashville, TN, in 2014, along with current, ongoing energy-efficiency projects across various facilities. These projects can include but are not limited to retrofitting lighting fixtures at operating company facilities to more efficient technologies such as LED; optimizing set-points for refrigeration systems; replacing outdated HVAC units; and reducing manufacturing waste and water consumption. The proactive approach to implementing these projects additionally manages transition risks related to costs to transition to lower emissions technologies in the future and provides Altria's companies the opportunity to move towards more resource efficient facilities aligned with the 2030 timeframe of our long-term environmental targets. Our capital expenditure strategy continues to be influenced by climate risks to achieve our 2030 targets as we have outlined a strategy to evaluate onsite renewable electricity opportunities, as well as the decision to construct an additional USSTC manufacturing facility in 2015 after business continuity planning identified risks from natural disasters. Additionally, our financial planning process has been influenced by how we evaluate the financial transactions related to wind and/or solar virtual power purchase agreements as we pursue our 2030 100% renewable electricity target.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 3

Year target was set

2020

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2017

Covered emissions in base year (metric tons CO2e)

337,007

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

55

Covered emissions in target year (metric tons CO2e) [auto-calculated]

151,653.15

Covered emissions in reporting year (metric tons CO2e)

280,968

% of target achieved [auto-calculated]

30.233523609

Target status in reporting year

New

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

This target is company-wide; set at the Altria-level and includes all subsidiaries. This target was officially validated by the Science Based Targets initiative as consistent with reductions required to keep warming to 1.5°C.

Target reference number

Abs 4

Year target was set

2020

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 3 (upstream & downstream)

Base year

2017

Covered emissions in base year (metric tons CO₂e)

5,264,365

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

18

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

4,316,779.3

Covered emissions in reporting year (metric tons CO₂e)

5,189,893

% of target achieved [auto-calculated]

7.8591308417

Target status in reporting year

New

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

2°C aligned

Please explain (including target coverage)

This target is company-wide and includes all relevant Scope 3 categories and was officially validated by the Science Based Targets initiative.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2020

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

Base year

2017

Figure or percentage in base year

2.1

Target year

2030

Figure or percentage in target year

100

Figure or percentage in reporting year

2.2

% of target achieved [auto-calculated]

0.102145046

Target status in reporting year

New

Is this target part of an emissions target?

Abs3

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

This target is company-wide; set at the Altria-level and includes all subsidiaries.

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 2

Year target was set

2020

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Waste management

Other, please specify

pounds of waste sent to landfill

Target denominator (intensity targets only)

Base year

2017

Figure or percentage in base year

27,900,000

Target year

2030

Figure or percentage in target year

20,900,000

Figure or percentage in reporting year

79,540,000

% of target achieved [auto-calculated]

-737.7142857143

Target status in reporting year

New

Is this target part of an emissions target?

Abs4

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

Altria's companies are working towards a long-term target to reduce waste sent to landfill from operations by 25% by 2030, against a 2017 baseline. We had a large increase in waste in 2019 and 2020 due to a renovation and construction project at our Headquarters location. Approximately 80% of waste generated from this project was recycled or beneficially reused.

Target reference number

Oth 4

Year target was set

2019

Target coverage

Business activity

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with suppliers

Other, please specify

Percentage of direct contract tobacco growers certified by GAPC

Target denominator (intensity targets only)

Base year

2018

Figure or percentage in base year

25

Target year

2021

Figure or percentage in target year

100

Figure or percentage in reporting year

67

% of target achieved [auto-calculated]

56

Target status in reporting year

Underway

Is this target part of an emissions target?

Abs4

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

Altria's companies are working towards a long-term target to reduce Scope 3 greenhouse gas emissions by 18% by 2030, against a 2017 baseline. As we work to evaluate opportunities to reduce Scope 3 emissions associated with our tobacco operating companies' supply chains, we may leverage engagements through the GAPC Certification process to potentially drive best management practices and track progress in reducing Scope 3 emissions from Purchased Goods and Services emissions.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	3	
To be implemented*	0	0
Implementation commenced*	18	2,413
Implemented*	2	2,255
Not to be implemented	0	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy consumption

Wind

Estimated annual CO2e savings (metric tonnes CO2e)

2,254

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

8,482

Payback period

No payback

Estimated lifetime of the initiative

1-2 years

Comment

Initiative category & Initiative type

Transportation

Employee commuting

Estimated annual CO2e savings (metric tonnes CO2e)

1

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

21,407

Payback period

No payback

Estimated lifetime of the initiative

6-10 years

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	
Employee engagement	.
Compliance with regulatory requirements/standards	

Lower return on investment (ROI) specification	
--	--

C-AC4.4/C-FB4.4/C-PF4.4

(C-AC4.4/C-FB4.4/C-PF4.4) Do you implement agriculture or forest management practices on your own land with a climate change mitigation and/or adaption benefit?

Yes

C-AC4.4a/C-FB4.4a/C-PF4.4a

(C-AC4.4a/C-FB4.4a/C-PF4.4a) Specify the agricultural or forest management practice(s) implemented on your own land with climate change mitigation and/or adaptation benefits and provide a corresponding emissions figure, if known.

Management practice reference number

MP1

Management practice

Biodiversity considerations

Description of management practice

Ste. Michelle harvests grapes from more than 2,900 company-owned acres in Washington, California and Oregon. Vineyard management strategy includes utilizing best management practices with biodiversity considerations in mind. These management practices include but are not limited to utilizing cover crops to reduce soil erosion and promote beneficial insect habitats; planting trees besides streams to control runoff and erosion; and using natural methods to control weeds and pests.

At this time, we do not measure emissions reductions associated with biodiversity considerations on Ste. Michelle's company-owned vineyards.

Primary climate change-related benefit

Emission reductions (mitigation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

Currently, we are not able to estimate CO2e savings from biodiversity considerations on our land.

Management practice reference number

MP2

Management practice

Fertilizer management

Description of management practice

Ste. Michelle harvests grapes from more than 2,900 company-owned acres in Washington, California and Oregon. Vineyard management strategy includes utilizing best management practices with fertilizer management in mind. These management practices include but are not limited to utilizing cover crops to reduce soil erosion and promote beneficial insect habitats, and planting trees besides streams to control runoff and erosion.

While fertilizer management does reduce vineyard fertilizer usage, emissions reductions associated with these individual management practices are not measured at a vineyard level.

Primary climate change-related benefit

Reduced demand for fertilizers (adaptation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

Currently, we are not able to estimate CO2e savings from fertilizer management practices on our land.

Management practice reference number

MP3

Management practice

Integrated pest management

Description of management practice

Ste. Michelle harvests grapes from more than 2,900 company-owned acres in Washington, California and Oregon. Vineyard management strategy includes utilizing best management practices with integrated pest management in mind. These integrated pest management techniques include using cover crops specifically designed to attract certain insects which feed on harmful bugs and fungi; maintaining and expanding the registered virus-free mother block of disease-resistant wine grape vines; and increasing the use of environmentally friendly pest control agents as well as company reliance on materials such as biodegradable soaps, oils and plant extracts.

While integrated pest management does reduce demand for pesticide usage, emissions reductions associated with these individual management practices are not measured at a vineyard level.

Primary climate change-related benefit

Reduced demand for pesticides (adaptation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

Currently, we are not able to estimate CO2e savings from integrated pest management on our land.

Management practice reference number

MP4

Management practice

Knowledge sharing

Description of management practice

Ste. Michelle has had a long history of taking a leading role in engaging with other wine grape growers. In 2007, Ste. Michelle spearheaded the creation of Vinewise in conjunction with the Washington Winegrowers Association to provide wineries with information and tools to help evaluate business practices and implement sustainable management strategies. Vinewise includes knowledge sharing including but not limited to pest management; soil management; vineyard site selection; and water management.

Ste. Michelle has integrated the Vinewise self-assessment tool into its contract grower relationships to help improve grower practices. At this time, emissions reductions directly attributable to these activities are not captured at a grower level.

Primary climate change-related benefit

Emission reductions (mitigation)

Estimated CO₂e savings (metric tons CO₂e)

0

Please explain

Currently, we are not able to estimate CO₂e savings from knowledge on our land.

Management practice reference number

MP5

Management practice

Pest, disease and weed management practices

Description of management practice

Ste. Michelle harvests grapes from more than 2,900 company-owned acres in Washington, California and Oregon. Vineyard management strategy includes utilizing best management practices with pest, disease and weed management mind. Through using integrated pest

management techniques include using cover crops specifically designed to attract certain insects which feed on harmful bugs and fungi; maintaining and expanding the registered virus-free mother block of disease-resistant wine grape vines; and increasing the use of environmentally friendly pest control agents as well as company reliance on materials such as biodegradable soaps, oils and plant extracts.

While integrated pest management does reduce demand for pesticide usage, emissions reductions associated with these individual management practices are not measured at a vineyard level.

Primary climate change-related benefit

Reduced demand for pesticides (adaptation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

Currently, we are not able to estimate CO2e savings from pest, disease and weed management practices on our land.

Management practice reference number

MP6

Management practice

Timing of farm operations

Description of management practice

Ste. Michelle harvests grapes from more than 2,900 company-owned acres in Washington, California and Oregon. As part of vineyard management strategy, timing of operations, such as irrigation systems to account for daily precipitation and hourly temperature conditions, maximizes efficient water consumption and energy use on the vineyard.

While timing of operations does reduce vineyard water consumption and energy use, emissions reductions associated with the timing of operations are not measured at the vineyard-level, but are included in Ste. Michelle's overall Scope 2 emissions.

Primary climate change-related benefit

Emission reductions (mitigation)

Estimated CO2e savings (metric tons CO2e)

0

Please explain

Currently, we are not able to estimate CO2e savings from the timing of farm operations on our land.

Management practice reference number

MP7

Management practice

Biodiversity considerations

Description of management practice

Philip Morris USA's Park 500 facility has a 48 acre natural treatment system of engineered wetlands along the banks of the James River in Chester, VA. Although this approach wasn't a zero-discharge design, the plants in the wetlands would absorb nutrients in the wastewater, create a new habitat for wildlife and help strengthen the health of the James for future generations.

Primary climate change-related benefit

Increase carbon sink (mitigation)

Estimated CO2e savings (metric tons CO2e)

1,061

Please explain

Based on a carbon sequestration quantification studied performed in 2019, using soil samples from the wetlands, it was estimated that the Park 500 natural treatment system has sequestered 1,061 tons of CO2e since completion.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO₂e)

167,720

Comment

Scope 2 (location-based)

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

172,709

Comment

Scope 2 (market-based)

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

169,287

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

139,868

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

144,140

Scope 2, market-based (if applicable)

141,100

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

1,680,841

Emissions calculation methodology

Emissions were calculated using a hybrid life cycle assessment approach for non-tobacco spend data over the reporting period. All values represent cradle-to-gate emissions across all GHG emissions identified in the GHG Protocol Value Chain Standard and GWP values from the IPCC Fifth Assessment Report. Being a high-impact category of spend, the estimate for tobacco-related emissions was further refined by moving from top-down spend-based analysis to a bottom-up, geospatially explicit approach based on US Department of Agriculture production data.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

26,999

Emissions calculation methodology

Emissions were calculated using an economic input-output life cycle assessment approach for 100% of capital expenditures data over the reporting period. All values represent cradle-to-gate emissions across all GHG emissions identified in the GHG Protocol Value Chain Standard and GWP values from the IPCC Fifth Assessment Report.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

96,877

Emissions calculation methodology

Emissions were calculated using data from Altria's energy consumption across operating companies. Location-based emissions factors at the regional level were derived using regional fuel mix and T&D losses reported by the US EPA's eGRID2019 data and the fuel-based supply chain inventory derived from grid-specific models supported by the Ecoinvent database. Values were calculated using GWP values from the IPCC Fifth Assessment Report and represent upstream emissions from the production and transportation of fuels consumed by Altria companies in the reporting year as well as T&D losses associated with electricity use.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

230,858

Emissions calculation methodology

Emissions were calculated using an economic input-output life cycle assessment approach for 100% of logistics expenditures data over the reporting period. All values represent cradle-to-gate emissions across all GHG emissions identified in the GHG Protocol Value Chain Standard and GWP values from the IPCC Fifth Assessment Report.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

21,661

Emissions calculation methodology

Emissions associated with waste disposal activities were calculated using a unit process-based approach representing disposal methods by material type at facilities owned by Altria operating companies. Emissions associated with waste processes were derived from the U.S. EPA's Waste Action and Reduction Model (WARM) and DEFRA. Emissions associated with materials sent to offsite recycling/WTE incineration/composting were calculated using DEFRA factors, which only account for the collection and transportation of the materials to the processing facility. All values represent cradle-to-gate emissions across all GHG emissions identified in the GHG Protocol Value Chain Standard and GWP values from the IPCC Fifth Assessment Report.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

2,546

Emissions calculation methodology

Values represent all emissions associated with purchased air travel and rental cars, as well as estimated emissions from business travel accommodations. All emission values for air travel and rental cars were provided by travel vendors. Emissions from business travel accommodations were estimated using an economic input-output life cycle assessment approach. All values were calculated using GWP values from the IPCC Fifth Assessment Report.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

96.5

Please explain

Emissions from accommodations (<3.5% of category total) were not provided by travel vendors and were estimated for this analysis.

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

6,188

Emissions calculation methodology

Emissions were estimated using the total number of Altria employees, an assumed breakdown of commuting patterns (mode and distance) based on American Community Survey Reports published by the U.S. Census Bureau and average emissions factors for U.S. automobiles and mass transit from WRI's GHG Protocol Calculation Tools.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Emissions from leased assets are minimal and included in Scope 1 and 2.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

200,860

Emissions calculation methodology

Values represents an estimate of downstream emissions associated with wholesale warehouses and retail stores for tobacco products; all inbound and outbound transportation is tracked in Category 4 as per the GHG Protocol Value Chain Standard. Emissions were estimated using GWP values from the IPCC Fifth Assessment Report and average energy consumption intensities of U.S. warehouses and retail stores from the Department of Energy's most recent Commercial Buildings Energy Consumption Survey (CBECS). Emission estimates were attributed to Altria products in accordance with their estimated share of the floor space Altria products consume in warehouses and retail stores. Retail stores were modeled as a weighted average of U.S. convenience and grocery stores.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

This category is not relevant to Altria, as its products are exclusively consumer products that are not further processed before consumption.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Other than biogenic CO₂ emissions associated with consumption of smoked tobacco products (treated in "Other" categories below as per the GHG Protocol Value Chain Standard), this category is not relevant to Altria, as its products do not generally emit GHG or consume energy directly.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

64,723

Emissions calculation methodology

Emissions represent the landfilling of Altria products and packaging post-consumer use. Besides corrugated cardboard packaging (assumed to be recycled at 85% rate), all post-consumer products (unconsumed portion of cigarettes and smokeless tobacco) and packaging (boxes, tins, plastic wrap, etc.) were assumed to be landfilled to produce a conservative estimate of the likely importance of this category. Emissions were

estimated using a combination of estimated and measured masses of packaging and products with emissions factors from U.S. EPA's Waste Action and Reduction Model (WARM) and DEFRA.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

This category is not relevant to Altria as it does not lease assets to any other organization.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

This category is not relevant to Altria as it does not operate franchises.

Investments

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2,858,340

Emissions calculation methodology

Emissions for investments were calculated using publicly available data from companies where Altria holds a minority equity or economic interest, based on the percentage of ownership. Where data was not publicly available, it was estimated based on industry emission factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

99.3

Please explain

Other (upstream)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

195,327

Emissions calculation methodology

Emissions in this category represent the sequestration of biogenic carbon associated with tobacco farming and subsequent purchases by Altria within the reporting year. These emissions are accounted in the category "Other" as per the GHG Protocol Value Chain Standard. For the purposes of CDP reporting, biogenic sequestration is recorded as a positive value. The CDP system does not accept negative values and the "biogenic sequestration" categorization of these emissions indicates that this is a credit.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Other (downstream)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

146,793

Emissions calculation methodology

Value represents the biogenic CO2 emissions from the use of sold products and are accounted in "Other" categories as per the GHG Protocol Value Chain Standard. Emissions represent an estimate of the CO2 emissions released during consumption of combustible tobacco products sold by Altria during the reporting year.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

C-AC6.6/C-FB6.6/C-PF6.6

(C-AC6.6/C-FB6.6/C-PF6.6) Can you break down your Scope 3 emissions by relevant business activity area?

Partially

C-AC6.6a/C-FB6.6a/C-PF6.6a

(C-AC6.6a/C-FB6.6a/C-PF6.6a) Disclose your Scope 3 emissions for each of your relevant business activity areas.

Activity

Agriculture/Forestry

Scope 3 category

Purchased goods and services

Emissions (metric tons CO₂e)

1,054,389

Please explain

Emissions were calculated using a hybrid life cycle assessment approach for non-tobacco spend data over the reporting period. All values represent cradle-to-gate emissions across all GHG emissions identified in the GHG Protocol Value Chain Standard and GWP values from the IPCC Fifth Assessment Report. Being a high-impact category of spend, the estimate for tobacco-related emissions was further refined by moving from top-down spend-based analysis to a bottom-up, geospatially explicit approach based on US Department of Agriculture production data. For tobacco: An input-output LCA was conducted to quantify (1) on-farm emissions from tobacco growing; (2) farm's embedded supply chain emissions; and (3) the upstream manufacturing emissions of pre-processed tobacco. Further adjustments were made to account for upstream manufacturing of purchased pre-processed tobacco. For wine grapes: An input-output LCA was conducted to quantify (1) on-vineyard emissions of grape growing and (2) vineyard's embedded supply chain emissions.

C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

No

C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities

Tobacco

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

Altria's tobacco companies purchase tobacco leaf for the manufacturing of their products. Scope 3 emissions calculations and methodology associated with the purchase of tobacco are disclosed in C6.5.

Agricultural commodities

Other

Grapes

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

Ste. Michelle Wine Estates owns more than 2,900 acres of vineyards and contracts for grapes from long-term grape growers on approximately 26,000 acres. Scope 3 emissions calculations and methodology associated with the purchase of wine grapes are disclosed in C6.5. Emissions from wine grapes grown on Ste. Michelle's company-owned acres are captured as part of Altria's overall Scope 1 emissions.

C-AC6.9a/C-FB6.9a/C-PF6.9a

(C-AC6.9a/C-FB6.9a/C-PF6.9a) Report your greenhouse gas emissions figure(s) for your disclosing commodity(ies), explain your methodology, and include any exclusions.

Tobacco

Reporting emissions by

Total

Emissions (metric tons CO₂e)

1,269,879

Change from last reporting year

Higher

Please explain

The total figure reported includes Scope 1 and Scope 2 greenhouse gas emissions from Altria's operating companies and service companies related to the manufacturing and distribution of tobacco products, as well as Scope 3 emissions from; (1) on-farm emissions from tobacco growing; (2) farm's embedded supply chain emissions; and (3) the upstream manufacturing emissions of pre-processed tobacco. Emissions were calculated using a hybrid life cycle assessment approach for non-tobacco spend data over the reporting period. All values represent cradle-to-gate emissions across all GHG emissions identified in the GHG Protocol Value Chain Standard and GWP values from the IPCC Fifth Assessment Report. Being a high-impact category of spend, the estimate for tobacco-related emissions was further refined by moving from top-down spend-based analysis to a bottom-up, geospatially explicit approach based on US Department of Agriculture production data.

Other

Reporting emissions by

Total

Emissions (metric tons CO2e)

65,478

Change from last reporting year

About the same

Please explain

The total figure reported includes Scope 1 and Scope 2 greenhouse gas emissions from Ste. Michelle, as well as Scope 3 emissions from (1) on-vineyard emissions of grape growing; and (2) vineyard's embedded supply chain emissions. Emissions were calculated using a hybrid life cycle assessment approach for 100% of non-capital spend data over the reporting period. All values represent cradle-to-gate emissions across all GHG emissions identified in the GHG Protocol Value Chain Standard and GWP values from the IPCC Fifth Assessment Report.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000107

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

280,968

Metric denominator

unit total revenue

Metric denominator: Unit total

26,153,000,000

Scope 2 figure used

Market-based

% change from previous year

10.8

Direction of change

Decreased

Reason for change

Scope 1 and Scope 2 emissions on an intensity basis per unit of net revenue decreased 10.8 percent from 2019 to 2020. This decrease in emissions has resulted from GHG reduction activities across Altria's operating companies' facilities. These projects have included but are not limited to retrofitting lighting fixtures at operating company facilities to more efficient technologies such as LED; optimizing set-points for refrigeration systems; replacing outdated HVAC units; and reducing manufacturing waste and water consumption. Scope 1 emissions also declined slightly in 2020 due to COVID-19 impacting our field sales force and leading to a reduction in gasoline usage.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO ₂ e)	GWP Reference
CO ₂	137,414	IPCC Fifth Assessment Report (AR5 – 100 year)
CH ₄	147	IPCC Fifth Assessment Report (AR5 – 100 year)
N ₂ O	130	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	2,177	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO ₂ e)
United States of America	139,868

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Altria Group Distribution Company	10,333
Altria Client Services LLC	10,862
John Middleton Company	3,042
Nat Sherman	13.9
Nu Mark	0
Philip Morris USA	85,258
Ste. Michelle Wine Estates	14,114
U.S. Smokeless Tobacco Company	16,238
Other	6.94

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Yes

C-AC7.4a/C-FB7.4a/C-PF7.4a

(C-AC7.4a/C-FB7.4a/C-PF7.4a) Select the form(s) in which you are reporting your agricultural/forestry emissions.

Total emissions

C-AC7.4b/C-FB7.4b/C-PF7.4b

(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Activity

Agriculture/Forestry

Emissions (metric tons CO2e)

8,324

Methodology

Default emissions factor

Please explain

The total emissions figure reported includes Scope 1 emissions associated with agricultural activities across Ste. Michelle's vineyards.

Activity

Processing/Manufacturing

Emissions (metric tons CO2e)

131,544

Methodology

Default emissions factor

Please explain

The total emissions figure reported includes Scope 1 emissions associated with business activities related to the Processing and Manufacturing of tobacco and wine products.

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO ₂ e)	Scope 2, market-based (metric tons CO ₂ e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United States of America	144,140	141,100	440,923	9,722

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO ₂ e)	Scope 2, market-based (metric tons CO ₂ e)
Altria Group Distribution Company	161.9	161.9
Altria Client Services LLC	11,866	9,278
John Middleton Company	1,938	1,938
Nat Sherman	182.1	182.1
Nu Mark	0	0
Philip Morris USA	84,602	84,602

Ste. Michelle Wine Estates	22,319	21,867
U.S. Smokeless Tobacco Co.	23,071	23,071
Other	0	0

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	310	Decreased	0.1	Altria's operating companies purchase a Renewable Energy Certificate (REC) for a portion of one of our facility's energy use, participate in Dominion Energy's Green Power Program, and participate in MCE's Light Green (50%) Power Program at Ste. Michelle's Conn Creek and Stag's Leap Wineries. In 2020, emissions were reduced 310 tons by additional renewable energy consumption and our total Scope 1 and Scope 2 emissions in the previous year was 302,416 tons therefore we arrived at -0.1% through $(-310/302,416) * 100 = -0.1\%$ (i.e. a 0.1% decrease in emissions).
Other emissions reduction activities	4,668	Decreased	1.54	Through emissions reduction activities noted in C4.3a across Altria's operating company facilities, emissions in 2020 were reduced by 4,668 tons and our total Scope 1 and Scope 2 emissions in the previous year was 302,416 tons therefore we

				arrived at 1.54% through $(4,668/302,416) * 100 = 1.54$ (i.e. a 1.54% decrease in emissions).
Divestment	6.8	Decreased	0.002	In December 2018, Altria announced the decision to refocus its innovative product efforts, which included Nu Mark's discontinuation of production and distribution of all e-vapor products. Prior to that time, Nu Mark was engaged in the manufacture and sale of innovative tobacco products.
Acquisitions				
Mergers				
Change in output	16,463	Decreased	5.44	Changes in output, including the impact of COVID-19 on field sale force on gasoline usage, resulted in emissions in 2020 being reduced by 16,463 tons and our total Scope 1 and Scope 2 emissions in the previous year was 302,416 tons therefore we arrived at 5.44% through $(16,463/302,416) * 100 = 5.44$ (i.e. a 5.44% decrease in emissions).
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh

Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	694,125	694,125
Consumption of purchased or acquired electricity		9,722	431,201	440,923
Consumption of self-generated non-fuel renewable energy		0		0
Total energy consumption		9,722	1,125,326	1,135,048

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	Yes
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

563,144

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

53.06

Unit

kg CO₂e per million Btu

Emissions factor source

From: EPA Climate Leaders - EPA (2018) Emission Factors for Greenhouse Gas Inventories. (https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf)

Comment

Fuels (excluding feedstocks)

Propane Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

65,298

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

5.68

Unit

kg CO2e per gallon

Emissions factor source

From: EPA Climate Leaders - EPA (2018) Emission Factors for Greenhouse Gas Inventories. (https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf)

Comment

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

4,986

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

10.21

Unit

kg CO2e per gallon

Emissions factor source

From: EPA Climate Leaders - EPA (2018) Emission Factors for Greenhouse Gas Inventories. (https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf)

Comment

Fuels (excluding feedstocks)

Jet Kerosene

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

11,500

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

9.75

Unit

kg CO2e per gallon

Emissions factor source

From: EPA Climate Leaders - EPA (2018) Emission Factors for Greenhouse Gas Inventories. (https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf)

Comment

Fuels (excluding feedstocks)

Fuel Oil Number 2

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

135

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

10.21

Unit

kg CO₂e per gallon

Emissions factor source

From: EPA Climate Leaders - EPA (2018) Emission Factors for Greenhouse Gas Inventories. (https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf)

Comment

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

49,062

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

8.78

Unit

kg CO2e per gallon

Emissions factor source

From: EPA Climate Leaders - EPA (2018) Emission Factors for Greenhouse Gas Inventories. (https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf)

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	17,539	17,539	0	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

9,722

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

79,540,000

Metric numerator

Pounds (lbs) of waste sent to landfill

Metric denominator (intensity metric only)

% change from previous year

8.4

Direction of change

Decreased

Please explain

Altria's companies are working towards a long-term target to reduce waste sent to landfill from operations by 25% by 2030, against a 2017 baseline. We had a large increase in waste in 2019 and 2020 due to a renovation and construction project at our Headquarters location. Approximately 80% of waste generated from this project was recycled or beneficially reused.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 ERM CVS Assurance Statement CY2020.pdf

Page/ section reference

Pages 1-3

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 ERM CVS Assurance Statement CY2020.pdf

Page/ section reference

Pages 1-3

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 ERM CVS Assurance Statement CY2020.pdf

Page/section reference

Pages 1-3

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	ISAE3000	ERM Certification and Verification Services, Inc. (ERM CVS) has been engaged by Altria to provide independent, 3rd-party assurance in relation to GHG, water and waste consolidated data for each calendar year since 2013. Scope 1 and 2 emissions are included in this assurance process.

C6. Emissions data	Year on year change in emissions (Scope 3)	ISAE3000	ERM Certification and Verification Services, Inc. (ERM CVS) has been engaged by Altria to provide independent, 3rd-party assurance in relation to GHG, water and waste consolidated data for each calendar year since 2013. Scope 3 emissions related to business travel activities have also been assured since 2013.
C8. Energy	Energy consumption	ISAE3000	ERM Certification and Verification Services, Inc. (ERM CVS) has been engaged by Altria to provide independent, 3rd-party assurance in relation to GHG, water and waste consolidated data for each calendar year since 2013. Energy use-related data disclosed in C8. has also been assured since 2013.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS

0

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1, 2020

Period end date

December 31, 2020

Allowances allocated

0

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO₂e

0

Verified Scope 2 emissions in metric tons CO₂e

0

Details of ownership

Other, please specify

Corporate jet fleet fuel emissions

Comment

In 2020, there were no corporate flights to the EU so zero emissions were subject to emissions trading schemes.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Altria's operating and service companies conduct business in compliance with all applicable environmental laws, regulations, policies and company commitments. Compliance with emissions trading schemes our operations are subject to, including the EU ETS our corporate jet fleet fuel emissions are subject to, is included in the approach that Altria's companies take towards conducting business. Currently, only our corporate jet fleet fuel emissions are subject to emissions trading schemes, which comprise a very small portion of our emissions. In 2020, there were no corporate flights to the EU so zero emissions were subject to emissions trading schemes. However, we also are proactive in anticipation of any future emission regulations by setting an ambitious enterprise-wide target of reducing absolute Scope 1 and Scope 2 emissions 55% by 2030, based on a 2017 baseline. We have applied this strategy by pursuing initiatives such as exploring renewable energy and lighting efficiency projects in our manufacturing facilities.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number

29.8

% total procurement spend (direct and indirect)

15

% of supplier-related Scope 3 emissions as reported in C6.5

45.2

Rationale for the coverage of your engagement

Our domestic tobacco growers, international leaf suppliers and contract vineyards are engaged because our agricultural supply chain has a large environmental impact. We engage through direct discussions, quality assessments and facility/farm visits. In our domestic tobacco supply chain, we provide a targeted incentive to growers who participate in the GAPC Certification program: \$800 to growers that successfully complete the first year of the three-year program. Since 2018, 67% of our direct contracted growers participated in GAPC Certification and received the incentive. In 2019 we announced our goal for 100% of direct contracted growers to be certified by GAPC by the end of 2021. For tobacco sourced from suppliers domestically and overseas, we work with tobacco suppliers to promote and maintain GAP among their growers through the Sustainable Tobacco Program (STP). The STP is a supply chain due diligence platform designed to drive continuous improvement and positive supply chain impacts and >90% of our suppliers completed self-assessments for 2020. Ste. Michelle works with suppliers to understand risks and opportunities related to climate and water. In 2007, Ste. Michelle spearheaded the creation of Vinewise in conjunction with the Washington Winegrowers Association of Wine Grape Growers to provide wineries with information and tools to help evaluate business practices and implement sustainable management strategies. Long-term grower contracts include on-site visits and Vinewise self-assessments which ask growers to report on Pest, Disease and Weed Management Practices; Integrated Pest Management; Timing of Farming Operations; Fertilizer Management; and Biodiversity considerations.

Impact of engagement, including measures of success

For supplier engagement, our measures of success has been that 100% of our domestic contracted tobacco growers are assessed every 3 years as part of our internal GAP Assessment process and that all items needed to be remediated by the grower are done so in a timely manner. We achieved that objective in 2017 to 2019. In 2019, we established a new goal that 100% of growers would be GAPC certified in 2021. Through continuous improvement programs like GAPC and STP we are better able to monitor the progress of our full leaf supply chain. As we work to evaluate opportunities to reduce Scope 3 emissions associated with our tobacco operating companies' supply chains, we may leverage engagements through the GAPC Certification process and the Sustainable Tobacco Program to potentially drive best management practices and track progress in reducing Scope 3 emissions from Purchased Goods and Services emissions. For Ste. Michelle, 95% of the company's contract growers employ drip irrigation and enhance their effectiveness through the use of weather stations and soil moisture-measuring probes that monitor water use and eliminate wasted water in the vineyards. The measure of success is 100% of contract vineyards use the Vinewise tool.

Comment

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Our companies engage with non-profit organizations that focus on: water quality and conservation in our operating communities; sustainable agriculture in tobacco-growing regions; and litter prevention and clean-up programs across the U.S. PM USA also supports specific efforts that help reduce cigarette butt litter, including Keep America Beautiful, which implements the Cigarette Litter Prevention Program.

To address water-quality and water quantity issues in communities where our companies operate, in 2020, we continued to support the National Fish and Wildlife Foundation (NFWF) through several of its national and regional-scale programs which provide funding to local conservation organizations working directly with agricultural producers in the Chesapeake Bay watershed, Cumberland Plateau and Columbia River basin on conservation challenges unique to each region. These efforts restored over 1 billion gallons of clean water to rivers in the U.S. through the implementation of agricultural best management practices, irrigation efficiency and agricultural water use improvements, riparian buffers, and green infrastructure improvements for enhanced stormwater management.

To continue to foster sustainable agricultural practices in the tobacco value chain, Altria's funding of NFWF's programs supports work in Lancaster County, Pennsylvania and north-central Tennessee to increase the use of no-till tobacco farming amongst growers in these regions. Through these programs, interested contracted growers can more easily convert to no-till tobacco for the health of the environment and sustainability of their crop, while benefiting from cost and labor savings. Continuing to support the implementation of sustainable agricultural practices like no-till has the potential to reduce Scope 3 emissions from Purchased Goods and Services, and drive progress against our long-term Scope 3 emissions reduction target.

Keep America Beautiful, with support from PM USA, implements the Cigarette Litter Prevention Program across the United States. The program reduces cigarette litter on average by half in the communities in which it is implemented. More than 1,850 locations have implemented the program, now heading into its 20th year in 2021.

We prioritize engagements among non-profit organizations to support programs that focus on water quality and conservation in our operating communities; sustainable agriculture in tobacco-growing regions; and litter prevention and clean-up.

Our measures of success for non-profit organization engagement vary by the specific programs supported but can include reductions in cigarette litter as part of Keep America Beautiful's Cigarette Litter Prevention Program in geographies where the program is implemented and the amount of water restored to U.S. waterways through the National Fish and Wildlife Foundation's programs we support.

C-AC12.2/C-FB12.2/C-PF12.2

(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?

Yes

C-AC12.2a/C-FB12.2a/C-PF12.2a

(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Management practice reference number

MP1

Management practice

Biodiversity considerations

Description of management practice

Ste. Michelle engages its contract growers in Washington State to assess their growing operations and requires growers to complete a yearly survey through Vinewise. The survey asks growers to report on Pest, Disease and Weed Management Practices; Integrated Pest Management; Timing of Farming Operations; Fertilizer Management; and Biodiversity considerations among other business and labor-related practices.

Your role in the implementation

Procurement

Explanation of how you encourage implementation

In 2007, Ste. Michelle spearheaded the creation of Vinewise in conjunction with the Washington Winegrowers Association to provide wineries with information and tools to help evaluate business practices and implement sustainable management strategies. Through this industry leadership, Ste. Michelle has continued to encourage responsible viticulture practices across its industry. By assessing contract growers annually through the Vinewise survey tool, Ste. Michelle encourages these management practices through its grape procurement practices.

Climate change related benefit

Emissions reductions (mitigation)

Comment

Management practice reference number

MP2

Management practice

Fertilizer management

Description of management practice

Ste. Michelle engages its contract growers in Washington State to assess their growing operations and requires growers to complete a yearly survey through Vinewise. The survey asks growers to report on Pest, Disease and Weed Management Practices; Integrated Pest Management; Timing of Farming Operations; Fertilizer Management; and Biodiversity considerations among other business and labor-related practices.

Your role in the implementation

Procurement

Explanation of how you encourage implementation

In 2007, Ste. Michelle spearheaded the creation of Vinewise in conjunction with the Washington Winegrowers Association to provide wineries with information and tools to help evaluate business practices and implement sustainable management strategies. Through this industry leadership, Ste. Michelle has continued to encourage responsible viticulture practices across its industry. By assessing contract growers annually through the Vinewise survey tool, Ste. Michelle encourages these management practices through its grape procurement practices.

Climate change related benefit

Emissions reductions (mitigation)

Reduced demand for fertilizers (adaptation)

Comment

Management practice reference number

MP3

Management practice

Integrated pest management

Description of management practice

Ste. Michelle engages its contract growers in Washington State to assess their growing operations and requires growers to complete a yearly survey through Vinewise. The survey asks growers to report on Pest, Disease and Weed Management Practices; Integrated Pest Management; Timing of Farming Operations; Fertilizer Management; and Biodiversity considerations among other business and labor-related practices.

Your role in the implementation

Procurement

Explanation of how you encourage implementation

In 2007, Ste. Michelle spearheaded the creation of Vinewise in conjunction with the Washington Winegrowers Association to provide wineries with information and tools to help evaluate business practices and implement sustainable management strategies. Through this industry leadership, Ste. Michelle has continued to encourage responsible viticulture practices across its industry. By assessing contract growers annually through the Vinewise survey tool, Ste. Michelle encourages these management practices through its grape procurement practices.

Climate change related benefit

Reduced demand for pesticides (adaptation)

Comment

Management practice reference number

MP4

Management practice

Pest, disease and weed management practices

Description of management practice

Ste. Michelle engages its contract growers in Washington State to assess their growing operations and requires growers to complete a yearly survey through Vinewise. The survey asks growers to report on Pest, Disease and Weed Management Practices; Integrated Pest Management; Timing of Farming Operations; Fertilizer Management; and Biodiversity considerations among other business and labor-related practices.

Your role in the implementation

Procurement

Explanation of how you encourage implementation

In 2007, Ste. Michelle spearheaded the creation of Vinewise in conjunction with the Washington Winegrowers Association to provide wineries with information and tools to help evaluate business practices and implement sustainable management strategies. Through this industry leadership, Ste. Michelle has continued to encourage responsible viticulture practices across its industry. By assessing contract growers annually through the Vinewise survey tool, Ste. Michelle encourages these management practices through its grape procurement practices.

Climate change related benefit

Reduced demand for pesticides (adaptation)

Comment

Management practice reference number

MP5

Management practice

Timing of farm operations

Description of management practice

Ste. Michelle engages its contract growers in Washington State to assess their growing operations and requires growers to complete a yearly survey through Vinewise. The survey asks growers to report on Pest, Disease and Weed Management Practices; Integrated Pest Management; Timing of Farming Operations; Fertilizer Management; and Biodiversity considerations among other business and labor-related practices.

Your role in the implementation

Procurement

Explanation of how you encourage implementation

In 2007, Ste. Michelle spearheaded the creation of Vinewise in conjunction with the Washington Winegrowers Association to provide wineries with information and tools to help evaluate business practices and implement sustainable management strategies. Through this industry

leadership, Ste. Michelle has continued to encourage responsible viticulture practices across its industry. By assessing contract growers annually through the Vinewise survey tool, Ste. Michelle encourages these management practices through its grape procurement practices.

Climate change related benefit

Emissions reductions (mitigation)

Comment

Management practice reference number

MP6

Management practice

Crop rotation

Description of management practice

Altria's Supplier Code of Conduct and Tobacco GAP Supplemental guidelines requires all domestic tobacco growers to implement resource management processes that protect air, soil and water, such as crop rotation, soil samples, use of resistant tobacco varieties and proper pesticide usage. It also encourages our international leaf suppliers to replenish trees used in the tobacco curing process. Although wood is used by only a small portion of the growers of tobacco purchased by our companies, some of our leaf suppliers invest in programs to repopulate the trees used. For over the past ten years, one of our tobacco suppliers has provided its contracted growers in Brazil with millions of eucalyptus seedlings, creating tens of thousands of acres of woodlot plantings. Additionally, we continue to support Total Land Care, a Malawi-based non-governmental organization whose programs address concerns about Malawi tobacco production and improving farmer livelihoods in the region.

In addition to Altria's Supplier Code of Conduct, through our Tobacco Leaders Program, we support growers who use innovative ideas to promote sustainable agriculture. The Tobacco Leaders Program covers the following good agricultural practices related to the environment::

- Crop Management
- Integrated Pest Management
- Nutrient Management

- Crop and Operation Management
- Curing and Barn Management
- Non-Tobacco Related Materials
- On-Farm Tobacco Storage
- Soil and water management
- Agrochemical management

Your role in the implementation

Knowledge sharing
Procurement

Explanation of how you encourage implementation

Through the Tobacco Leaders Program, ALCS, on behalf of Philip Morris USA and U.S. Smokeless Tobacco Company, supports contracted growers in several ways including: incentive programs; engagement & communication; farming mechanization/production innovation; seed variety research; university & agricultural extension programs; and educational scholarships.

We engage with suppliers and other key stakeholders to better understand their concerns and determine effective ways to build grower capacity, particularly in areas related to worker rights, tobacco production, and the environment. Those engagements consist of forums which include supply chain members, external stakeholders and industry members to increase accountability and compliance.

Altria also participates in GAP Connections (GAPC), a third-party organization, governed by a board of directors consisting of leaf buyers, tobacco manufacturers, growers, non-government organizations and grower organizations. GAPC oversees the Good Agricultural Practices standards which cover crop production practices, environmental practices and labor standards. GAP Connections provides leadership, education, and resources for the adoption and promotion of standards and practices which produce a quality crop while protecting, sustaining or enhancing the environment, protect the safety and rights of farm laborers, and recognize those producers who are committed to a higher standard. All of our direct contracted growers must be members of GAPC and attend annual training meetings. In 2018, the GAPC Certification Program launched. For our growers, this voluntary program is a chance to distinguish themselves in the marketplace. The certification program provides access to monitoring, such as on-farm audits, which identify areas in need of improvement and a clear remediation plan that makes correcting deficiencies easier. We were active in encouraging our growers to become certified and offered an \$800 financial incentive for growers in their first year of certification that successfully completed the program. This incentive covers all, if not more, costs for the first year of

the certification process. In 2020, 67% of our contracted growers were GAPC Certified. Our goal is that 100% of contracted growers will be GAP Connections certified by the end of 2021.

Climate change related benefit

Emissions reductions (mitigation)

Comment

Management practice reference number

MP7

Management practice

Fertilizer management

Description of management practice

Altria's Supplier Code of Conduct and Tobacco GAP Supplemental guidelines requires all domestic tobacco growers to implement resource management processes that protect air, soil and water, such as crop rotation, soil samples, use of resistant tobacco varieties and proper pesticide usage. It also encourages our international leaf suppliers to replenish trees used in the tobacco curing process. Although wood is used by only a small portion of the growers of tobacco purchased by our companies, some of our leaf suppliers invest in programs to repopulate the trees used. For over the past ten years, one of our tobacco suppliers has provided its contracted growers in Brazil with millions of eucalyptus seedlings, creating tens of thousands of acres of woodlot plantings. Additionally, we continue to support Total Land Care, a Malawi-based non-governmental organization whose programs address concerns about Malawi tobacco production and improving farmer livelihoods in the region.

In addition to Altria's Supplier Code of Conduct, through our Tobacco Leaders Program, we support growers who use innovative ideas to promote sustainable agriculture. The Tobacco Leaders Program covers the following good agricultural practices related to the environment:-

Crop Management

-Integrated Pest Management

-Nutrient Management

- Crop and Operation Management
- Curing and Barn Management
- Non-Tobacco Related Materials
- On-Farm Tobacco Storage
- Soil and water management
- Agrochemical management

Your role in the implementation

Knowledge sharing
Procurement

Explanation of how you encourage implementation

Through the Tobacco Leaders Program, ALCS, on behalf of Philip Morris USA and U.S. Smokeless Tobacco Company, supports contracted growers in several ways including: incentive programs; engagement & communication; farming mechanization/production innovation; seed variety research; university & agricultural extension programs; and educational scholarships.

We engage with suppliers and other key stakeholders to better understand their concerns and determine effective ways to build grower capacity, particularly in areas related to worker rights, tobacco production, and the environment. Those engagements consist of forums which include supply chain members, external stakeholders and industry members to increase accountability and compliance.

Altria also participates in GAP Connections (GAPC), a third-party organization, governed by a board of directors consisting of leaf buyers, tobacco manufacturers, growers, non-government organizations and grower organizations. GAPC oversees the Good Agricultural Practices standards which cover crop production practices, environmental practices and labor standards. GAP Connections provides leadership, education, and resources for the adoption and promotion of standards and practices which produce a quality crop while protecting, sustaining or enhancing the environment, protect the safety and rights of farm laborers, and recognize those producers who are committed to a higher standard. All of our direct contracted growers must be members of GAPC and attend annual training meetings. In 2018, the GAPC Certification Program launched. For our growers, this voluntary program is a chance to distinguish themselves in the marketplace. The certification program provides access to monitoring, such as on-farm audits, which identify areas in need of improvement and a clear remediation plan that makes correcting deficiencies easier. We were active in encouraging our growers to become certified and offered an \$800 financial incentive for growers in their first year of certification that successfully completed the program. This incentive covers all, if not more, costs for the first year of

the certification process. In 2020, 67% of our contracted growers were GAPC Certified. Our goal is that 100% of contracted growers will be GAP Connections certified by the end of 2021.

Climate change related benefit

Emissions reductions (mitigation)

Reduced demand for fertilizers (adaptation)

Comment

Management practice reference number

MP8

Management practice

Integrated pest management

Description of management practice

Altria's Supplier Code of Conduct and Tobacco GAP Supplemental guidelines requires all domestic tobacco growers to implement resource management processes that protect air, soil and water, such as crop rotation, soil samples, use of resistant tobacco varieties and proper pesticide usage. It also encourages our international leaf suppliers to replenish trees used in the tobacco curing process. Although wood is used by only a small portion of the growers of tobacco purchased by our companies, some of our leaf suppliers invest in programs to repopulate the trees used. For over the past ten years, one of our tobacco suppliers has provided its contracted growers in Brazil with millions of eucalyptus seedlings, creating tens of thousands of acres of woodlot plantings. Additionally, we continue to support Total Land Care, a Malawi-based non-governmental organization whose programs address concerns about Malawi tobacco production and improving farmer livelihoods in the region.

In addition to Altria's Supplier Code of Conduct, through our Tobacco Leaders Program, we support growers who use innovative ideas to promote sustainable agriculture. The Tobacco Leaders Program covers the following good agricultural practices related to the environment:

-Crop Management

-Integrated Pest Management

- Nutrient Management
- Crop and Operation Management
- Curing and Barn Management
- Non-Tobacco Related Materials
- On-Farm Tobacco Storage
- Soil and water management
- Agrochemical management

Your role in the implementation

- Knowledge sharing
- Procurement

Explanation of how you encourage implementation

Through the Tobacco Leaders Program, ALCS, on behalf of Philip Morris USA and U.S. Smokeless Tobacco Company, supports contracted growers in several ways including: incentive programs; engagement & communication; farming mechanization/production innovation; seed variety research; university & agricultural extension programs; and educational scholarships.

We engage with suppliers and other key stakeholders to better understand their concerns and determine effective ways to build grower capacity, particularly in areas related to worker rights, tobacco production, and the environment. Those engagements consist of forums which include supply chain members, external stakeholders and industry members to increase accountability and compliance.

Altria also participates in GAP Connections (GAPC), a third-party organization, governed by a board of directors consisting of leaf buyers, tobacco manufacturers, growers, non-government organizations and grower organizations. GAPC oversees the Good Agricultural Practices standards which cover crop production practices, environmental practices and labor standards. GAP Connections provides leadership, education, and resources for the adoption and promotion of standards and practices which produce a quality crop while protecting, sustaining or enhancing the environment, protect the safety and rights of farm laborers, and recognize those producers who are committed to a higher standard. All of our direct contracted growers must be members of GAPC and attend annual training meetings. In 2018, the GAPC Certification Program launched. For our growers, this voluntary program is a chance to distinguish themselves in the marketplace. The certification program provides access to monitoring, such as on-farm audits, which identify areas in need of improvement and a clear remediation plan that makes correcting deficiencies easier. We were active in encouraging our growers to become certified and offered an \$800 financial incentive for

growers in their first year of certification that successfully completed the program. This incentive covers all, if not more, costs for the first year of the certification process. In 2020, 67% of our contracted growers were GAPC Certified. Our goal is that 100% of contracted growers will be GAP Connections certified by the end of 2021.

Climate change related benefit

Reduced demand for pesticides (adaptation)

Comment

Management practice reference number

MP9

Management practice

Land use change

Description of management practice

Altria's Supplier Code of Conduct and Tobacco GAP Supplemental guidelines requires all domestic tobacco growers to implement resource management processes that protect air, soil and water, such as crop rotation, soil samples, use of resistant tobacco varieties and proper pesticide usage. It also encourages our international leaf suppliers to replenish trees used in the tobacco curing process. Although wood is used by only a small portion of the growers of tobacco purchased by our companies, some of our leaf suppliers invest in programs to repopulate the trees used. For over the past ten years, one of our tobacco suppliers has provided its contracted growers in Brazil with millions of eucalyptus seedlings, creating tens of thousands of acres of woodlot plantings. Additionally, we continue to support Total Land Care, a Malawi-based non-governmental organization whose programs address concerns about Malawi tobacco production and improving farmer livelihoods in the region.

In addition to Altria's Supplier Code of Conduct, through our Tobacco Leaders Program, we support growers who use innovative ideas to promote sustainable agriculture. The Tobacco Leaders Program covers the following good agricultural practices related to the environment:

- Crop Management
- Integrated Pest Management

- Nutrient Management
- Crop and Operation Management
- Curing and Barn Management
- Non-Tobacco Related Materials
- On-Farm Tobacco Storage
- Soil and water management
- Agrochemical management

Your role in the implementation

- Knowledge sharing
- Procurement

Explanation of how you encourage implementation

Through the Tobacco Leaders Program, ALCS, on behalf of Philip Morris USA and U.S. Smokeless Tobacco Company, supports contracted growers in several ways including: incentive programs; engagement & communication; farming mechanization/production innovation; seed variety research; university & agricultural extension programs; and educational scholarships.

We engage with suppliers and other key stakeholders to better understand their concerns and determine effective ways to build grower capacity, particularly in areas related to worker rights, tobacco production, and the environment. Those engagements consist of forums which include supply chain members, external stakeholders and industry members to increase accountability and compliance.

Altria also participates in GAP Connections (GAPC), a third-party organization, governed by a board of directors consisting of leaf buyers, tobacco manufacturers, growers, non-government organizations and grower organizations. GAPC oversees the Good Agricultural Practices standards which cover crop production practices, environmental practices and labor standards. GAP Connections provides leadership, education, and resources for the adoption and promotion of standards and practices which produce a quality crop while protecting, sustaining or enhancing the environment, protect the safety and rights of farm laborers, and recognize those producers who are committed to a higher standard. All of our direct contracted growers must be members of GAPC and attend annual training meetings. In 2018, the GAPC Certification Program launched. For our growers, this voluntary program is a chance to distinguish themselves in the marketplace. The certification program provides access to monitoring, such as on-farm audits, which identify areas in need of improvement and a clear remediation plan that makes correcting deficiencies easier. We were active in encouraging our growers to become certified and offered an \$800 financial incentive for

growers in their first year of certification that successfully completed the program. This incentive covers all, if not more, costs for the first year of the certification process. In 2020, 67% of our contracted growers were GAPC Certified. Our goal is that 100% of contracted growers will be GAP Connections certified by the end of 2021.

Climate change related benefit

Emissions reductions (mitigation)

Comment

Management practice reference number

MP10

Management practice

Seed variety selection

Description of management practice

Altria's Supplier Code of Conduct and Tobacco GAP Supplemental guidelines requires all domestic tobacco growers to implement resource management processes that protect air, soil and water, such as crop rotation, soil samples, use of resistant tobacco varieties and proper pesticide usage. It also encourages our international leaf suppliers to replenish trees used in the tobacco curing process. Although wood is used by only a small portion of the growers of tobacco purchased by our companies, some of our leaf suppliers invest in programs to repopulate the trees used. For over the past ten years, one of our tobacco suppliers has provided its contracted growers in Brazil with millions of eucalyptus seedlings, creating tens of thousands of acres of woodlot plantings. Additionally, we continue to support Total Land Care, a Malawi-based non-governmental organization whose programs address concerns about Malawi tobacco production and improving farmer livelihoods in the region.

In addition to Altria's Supplier Code of Conduct, through our Tobacco Leaders Program, we support growers who use innovative ideas to promote sustainable agriculture. The Tobacco Leaders Program covers the following good agricultural practices related to the environment:

- Crop Management
- Integrated Pest Management

- Nutrient Management
- Crop and Operation Management
- Curing and Barn Management
- Non-Tobacco Related Materials
- On-Farm Tobacco Storage
- Soil and water management
- Agrochemical management

Your role in the implementation

Knowledge sharing
Procurement

Explanation of how you encourage implementation

Through the Tobacco Leaders Program, ALCS, on behalf of Philip Morris USA and U.S. Smokeless Tobacco Company, supports contracted growers in several ways including: incentive programs; engagement & communication; farming mechanization/production innovation; seed variety research; university & agricultural extension programs; and educational scholarships.

We engage with suppliers and other key stakeholders to better understand their concerns and determine effective ways to build grower capacity, particularly in areas related to worker rights, tobacco production, and the environment. Those engagements consist of forums which include supply chain members, external stakeholders and industry members to increase accountability and compliance.

Altria also participates in GAP Connections (GAPC), a third-party organization, governed by a board of directors consisting of leaf buyers, tobacco manufacturers, growers, non-government organizations and grower organizations. GAPC oversees the Good Agricultural Practices standards which cover crop production practices, environmental practices and labor standards. GAP Connections provides leadership, education, and resources for the adoption and promotion of standards and practices which produce a quality crop while protecting, sustaining or enhancing the environment, protect the safety and rights of farm laborers, and recognize those producers who are committed to a higher standard. All of our direct contracted growers must be members of GAPC and attend annual training meetings. In 2018, the GAPC Certification Program launched. For our growers, this voluntary program is a chance to distinguish themselves in the marketplace. The certification program provides access to monitoring, such as on-farm audits, which identify areas in need of improvement and a clear remediation plan that makes correcting deficiencies easier. We were active in encouraging our growers to become certified and offered an \$800 financial incentive for

growers in their first year of certification that successfully completed the program. This incentive covers all, if not more, costs for the first year of the certification process. In 2020, 67% of our contracted growers were GAPC Certified. Our goal is that 100% of contracted growers will be GAP Connections certified by the end of 2021.

Climate change related benefit

Emissions reductions (mitigation)

Reduced demand for pesticides (adaptation)

Comment

C-AC12.2b/C-FB12.2b/C-PF12.2b

(C-AC12.2b/C-FB12.2b/C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?

Yes

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

Funding research organizations

Other

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

U.S. Chamber of Commerce

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

"The climate is changing and humans are contributing to these changes. We believe that there is much common ground on which all sides of this discussion could come together to address climate change with policies that are practical, flexible, predictable, and durable. We believe in a policy approach that acknowledges the costs of action and inaction and the competitiveness of the U.S. economy. The Chamber believes that an effective climate policy should: Support a market-based approach to accelerate GHG emission reductions across the U.S. economy; Leverage the power of business; Maintain U.S. leadership in climate science; Embrace technology and innovation; Aggressively pursue greater energy efficiency; Promote climate resilient infrastructure; Support trade in U.S. technologies and products; and Encourage international cooperation." (<https://www.uschamber.com/climate-change-position>)

How have you influenced, or are you attempting to influence their position?

In 2020, we engaged with the U.S. Chamber of Commerce's Task Force on Climate Actions, which engages members on a range of investments, innovations, and internal processes that businesses are employing to tackle climate change. This task force enables the Chamber to become smarter about the impact of both existing climate policies and future proposals on the business community. The specifics learned through this task force help inform and shape opportunities for the Chamber and its members to address climate change and continue to be a credible voice in the policy debate. The Task Force on Climate Actions serves as a platform for engaging companies across its broad membership on solutions to this important issue. In early 2021, we officially became members of the task force.

Trade association

National Association of Manufacturers

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

"Climate change is an issue our generation must tackle. Like past generational challenges—world wars, the space race, the COVID-19 response and vaccine development—manufacturers will lead the way and ensure our country emerges stronger. After all, it is manufacturers who will make the needed products and technologies—clean energy, carbon capture, batteries, microgrids, efficiency, advanced vehicles and more... As we explain in 'The Promise Ahead,' manufacturers' plan for taking action on climate, we believe that a unified federal policy combined with an equitable and enforceable international agreement is key."
(<https://www.nam.org/issue/environment/>)

How have you influenced, or are you attempting to influence their position?

We have not asked any third-party organization such as the National Association of Manufacturers to take any position on such standards.

Trade association

Virginia Chamber of Commerce

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

As part of Blueprint Virginia 2025, "Encourage the continued adoption of, and incentives for, sustainable business practices as a method of reducing corporate costs, attracting a strong workforce, and protecting natural resources."

How have you influenced, or are you attempting to influence their position?

Altria is an active member of the Virginia Chamber of Commerce's Corporate Sustainability and Environmental Executive Committee, which is working to implement the sustainability and environmental policies and initiatives outlined in the Virginia Chamber's strategic plan, Blueprint Virginia 2025.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

Yes

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

In 2020, Altria joined other companies in urging Congress not to lose focus on environmental issues as it works to address the far-reaching impacts of COVID-19. Specifically, we supported increased investments in clean energy infrastructure and grid modernization, the creation of new clean energy jobs, the improvement of the integration of renewable resources such as wind and solar and improved energy efficiency.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our approach to advocacy and engagement is grounded in maintaining compliance with the law and acting responsibly. Altria and its companies, like most major corporations, are members of various trade associations and public policy organizations focused on issues that affect our businesses. In developing and maintaining partnerships with these organizations, we expect that they will engage in effective and responsible advocacy within the political and public policy processes. We consider these organizations in the context of our Vision Strategies and our responsibility expectations. On altria.com, we disclose an extensive list of organizations to which Altria and its companies contribute, including many that are involved in public policy issues.

While we may not necessarily agree with every position taken by each organization we support, we do assess whether the intended use of a contribution is consistent with Altria's Vision and Cultural Aspiration in an annual review conducted by the funding function, such as Government Affairs. If an organization we support adopts a public policy position that we do not agree with, we may voice our objection to it and choose to not

participate in advocacy related to that subject. In some cases, we may actively lobby against the position of an organization of which we are a member or determine that our continued membership in the organization is impracticable, in which case we could withdraw our membership. Additionally, in our annual evaluation of our support of third-party organizations, we examine whether each organization is able to effectively address the issues of concern to our businesses, and on balance, serve the long-term interests of our companies and shareholders. This means assessing whether:

- the organization is effectively advancing positions important to our businesses;
- their involvement on other issues is not inconsistent with our interests; and
- they hold themselves to high standards of conduct
- our participation in an organization can positively influence how it operates.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).


Publication

In mainstream reports

Status

Complete

Attach the document

 Altria-Group-2021-Proxy-Statement.pdf

 Altria-2020-Annual-Report.pdf

Page/Section reference

Governance: Proxy Statement – Pages v, 3, 6-8, 11

Strategy: Proxy Statement – Page vii; Annual Report – inside cover

Risks & opportunities: Annual Report – Pages 5, 10, 12, 39, 45

Emission targets: Proxy Statement – Page vii

Other metrics: Proxy Statement – Page vii

Content elements

Governance

Strategy

Risks & opportunities

Emission targets

Other metrics

Comment

C13. Other land management impacts

C-AC13.1/C-FB13.1/C-PF13.1

(C-AC13.1/C-FB13.1/C-PF13.1) Do you know if any of the management practices implemented on your own land disclosed in C-AC4.4a/C-FB4.4a/C-PF4.4a have other impacts besides climate change mitigation/adaptation?

Yes

C-AC13.1a/C-FB13.1a/C-PF13.1a

(C-AC13.1a/C-FB13.1a/C-PF13.1a) Provide details on those management practices that have other impacts besides climate change mitigation/adaptation and on your management response.

Management practice reference number

MP1

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Description of impact

Ste. Michelle harvests grapes from more than 2,900 company-owned acres in Washington, California and Oregon. Vineyard management strategy includes utilizing best management practices with biodiversity considerations in mind. These management practices include but are not limited to utilizing cover crops to reduce soil erosion and promote beneficial insect habitats; planting trees besides streams to control runoff and erosion; and using natural methods to control weeds and pests.

Have you implemented any response(s) to these impacts?

Yes

Description of the response(s)

Ste. Michelle continues to expand biodiversity considerations across its company-owned vineyards and has increased the number of vineyards and wineries certified for biodiversity by a third party.

Management practice reference number

MP2

Overall effect

Positive

Which of the following has been impacted?

Water

Other, please specify

Energy use reduction

Description of impact

Ste. Michelle harvests grapes from more than 2,900 company-owned acres in Washington, California and Oregon. Vineyard management strategy includes utilizing best management practices with efficient equipment use in mind. These management practices include but are not limited to using water-conserving nozzles on cellar hoses; re-using winery gray water; and conserving hot water and increasing efficiencies of tank heating systems. These practices help make progress against Altria's long-term environmental targets by reducing energy use as well as overall water use.

Have you implemented any response(s) to these impacts?

Yes

Description of the response(s)

Ste. Michelle continues to implement efficient equipment use across its vineyard and winery operations and provides job specific training regarding environmental stewardship to employees. An example of this training includes a recent water saving initiatives at one of Ste. Michelle's wineries. Wine grapes consume water not just in the form of irrigation, but through the grape cleaning process during harvesting. To reduce water consumption, newer, more efficient cleaning nozzles coupled with increased employee awareness of water consumption during this process has helped this winery reduce water use.

Management practice reference number

MP3

Overall effect

Positive

Which of the following has been impacted?

Water

Other, please specify

Energy use reduction

Description of impact

Ste. Michelle harvests grapes from more than 2,900 company-owned acres in Washington, California and Oregon. Vineyard management strategy includes utilizing best management practices with equipment maintenance and calibration in mind. An example of this management practice includes the implementation of enhanced heat exchangers to reduce water usage in fermentation cellars at some of Ste. Michelle's wineries.

Have you implemented any response(s) to these impacts?

Yes

Description of the response(s)

Ste. Michelle continues to implement equipment maintenance and calibration as part of its vineyard management strategy across its operations.

Management practice reference number

MP4

Overall effect

Positive

Which of the following has been impacted?

Soil

Water

Description of impact

Ste. Michelle harvests grapes from more than 2,900 company-owned acres in Washington, California and Oregon. Vineyard management strategy includes utilizing best management practices with fertilizer management in mind. These management practices include but are not limited to utilizing cover crops to reduce soil erosion and promote beneficial insect habitats, and planting trees besides streams to control runoff and erosion.

Have you implemented any response(s) to these impacts?

Yes

Description of the response(s)

Ste. Michelle continues to expand biodiversity considerations across its company-owned vineyards and has increased the number of vineyards and wineries certified for biodiversity by a third party. Fertilizer management practices are a key component of expanding biodiversity certification across its company-owned vineyards.

Management practice reference number

MP5

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Soil

Water

Yield

Description of impact

Ste. Michelle harvests grapes from more than 2,900 company-owned acres in Washington, California and Oregon. Vineyard management strategy includes utilizing best management practices with integrated pest management in mind. These integrated pest management techniques include using cover crops specifically designed to attract certain insects which feed on harmful bugs and fungi; maintaining and expanding the registered virus-free mother block of disease-resistant wine grape vines; and increasing the use of environmentally friendly pest control agents.

Have you implemented any response(s) to these impacts?

Yes

Description of the response(s)

Ste. Michelle continues to implement integrated pest management practices across its company-owned vineyards.

Management practice reference number

MP6

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Soil

Water

Yield

Description of impact

Ste. Michelle has had a long history of taking a leading role in engaging with other wine grape growers. In 2007, Ste. Michelle spearheaded the creation of Vinewise in conjunction with the Washington Winegrowers Association to provide wineries with information and tools to help evaluate business practices and implement sustainable management strategies. Vinewise includes knowledge sharing including but not limited to pest management; soil management; vineyard site selection; and water management.

Have you implemented any response(s) to these impacts?

Yes

Description of the response(s)

Ste. Michelle has integrated the Vinewise self-assessment tool into its contract grower relationships to help improve grower practices.

Management practice reference number

MP7

Overall effect

Positive

Which of the following has been impacted?

Biodiversity
Soil
Water
Yield

Description of impact

Ste. Michelle harvests grapes from more than 2,900 company-owned acres in Washington, California and Oregon. Vineyard management strategy includes utilizing best management practices with integrated pest management in mind. These integrated pest management techniques include using cover crops specifically designed to attract certain insects which feed on harmful bugs and fungi; maintaining and expanding the registered virus-free mother block of disease-resistant wine grape vines; and increasing the use of environmentally friendly pest control agents.

Have you implemented any response(s) to these impacts?

Yes

Description of the response(s)

Ste. Michelle continues to implement integrated pest management practices across its company-owned vineyards.

Management practice reference number

MP8

Overall effect

Positive

Which of the following has been impacted?

Water

Description of impact

Ste. Michelle harvests grapes from more than 2,900 company-owned acres in Washington, California and Oregon. As part of vineyard management strategy, timing of operations, such as irrigation systems to account for daily precipitation and hourly temperature conditions, maximizes efficient water consumption and energy use on the vineyard.

Have you implemented any response(s) to these impacts?

Yes

Description of the response(s)

Both decreased water consumption and energy use from the timing of operations drive operating cost reductions for Ste. Michelle's vineyards, and continue to be implemented across company-owned acreage.

Management practice reference number

MP9

Overall effect

Positive

Which of the following has been impacted?

Other, please specify

Packaging and waste reduction

Description of impact

Ste. Michelle's wineries and vineyards actively seek ways to reduce waste across their operations. In addition to on-site waste reduction and recycling, Ste. Michelle actively seeks ways to reduce packaging resources while maintaining product quality, including the use of lighter weight EcoBottles for some of its wines as well as alternative packaging such as kegs and aluminum cans for select products.

Have you implemented any response(s) to these impacts?

Yes

Description of the response(s)

Ste. Michelle's efforts to reduce waste helped drive progress against Altria's enterprise-wide long-term environmental target to reduce waste sent to landfill by 25% by 2030.

C-AC13.2/C-FB13.2/C-PF13.2

(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?

Yes

C-AC13.2a/C-FB13.2a/C-PF13.2a

(C-AC13.2a/C-FB13.2a/C-PF13.2a) Provide details of those management practices implemented by your suppliers that have other impacts besides climate change mitigation/adaptation.

Management practice reference number

MP1

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Description of impacts

Ste. Michelle engages its contract growers in Washington State to assess their growing operations and requires growers to complete a yearly survey through Vinewise. The survey asks growers to report on Pest, Disease and Weed Management Practices; Integrated Pest Management; Timing of Farming Operations; Fertilizer Management; and Biodiversity considerations among other business and labor-related practices.

In 2007, Ste. Michelle spearheaded the creation of Vinewise in conjunction with the Washington Winegrowers Association to provide wineries

with information and tools to help evaluate business practices and implement sustainable management strategies. Through this industry leadership, Ste. Michelle has continued to encourage responsible viticulture practices across its industry.

In addition to the emissions reduction benefits of implementing the practices measured through the Vinewise survey tool, these practices each provide biodiversity, soil, water and yield benefits.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

By assessing contract growers annually through the Vinewise survey tool, Ste. Michelle encourages its growers to continue to implement these management practices. Through this encouragement, Ste. Michelle along with its growers continues to protect the region's reputation for high-quality wines and environmentally responsible production practices.

Management practice reference number

MP2

Overall effect

Positive

Which of the following has been impacted?

Soil

Water

Description of impacts

Ste. Michelle engages its contract growers in Washington State to assess their growing operations and requires growers to complete a yearly survey through Vinewise. The survey asks growers to report on Pest, Disease and Weed Management Practices; Integrated Pest Management; Timing of Farming Operations; Fertilizer Management; and Biodiversity considerations among other business and labor-related practices.

In 2007, Ste. Michelle spearheaded the creation of Vinewise in conjunction with the Washington Winegrowers Association to provide wineries with information and tools to help evaluate business practices and implement sustainable management strategies. Through this industry leadership, Ste. Michelle has continued to encourage responsible viticulture practices across its industry.

In addition to the emissions reduction benefits of implementing the practices measured through the Vinewise survey tool, these practices each provide biodiversity, soil, water and yield benefits.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

By assessing contract growers annually through the Vinewise survey tool, Ste. Michelle encourages its growers to continue to implement these management practices. Through this encouragement, Ste. Michelle along with its growers continues to protect the region's reputation for high-quality wines and environmentally responsible production practices.

Management practice reference number

MP3

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Soil

Water

Yield

Description of impacts

Ste. Michelle engages its contract growers in Washington State to assess their growing operations and requires growers to complete a yearly survey through Vinewise. The survey asks growers to report on Pest, Disease and Weed Management Practices; Integrated Pest Management;

Timing of Farming Operations; Fertilizer Management; and Biodiversity considerations among other business and labor-related practices.

In 2007, Ste. Michelle spearheaded the creation of Vinewise in conjunction with the Washington Winegrowers Association to provide wineries with information and tools to help evaluate business practices and implement sustainable management strategies. Through this industry leadership, Ste. Michelle has continued to encourage responsible viticulture practices across its industry.

In addition to the emissions reduction benefits of implementing the practices measured through the Vinewise survey tool, these practices each provide biodiversity, soil, water and yield benefits.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

By assessing contract growers annually through the Vinewise survey tool, Ste. Michelle encourages its growers to continue to implement these management practices. Through this encouragement, Ste. Michelle along with its growers continues to protect the region's reputation for high-quality wines and environmentally responsible production practices.

Management practice reference number

MP4

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Soil

Water

Yield

Description of impacts

Ste. Michelle engages its contract growers in Washington State to assess their growing operations and requires growers to complete a yearly survey through Vinewise. The survey asks growers to report on Pest, Disease and Weed Management Practices; Integrated Pest Management; Timing of Farming Operations; Fertilizer Management; and Biodiversity considerations among other business and labor-related practices.

In 2007, Ste. Michelle spearheaded the creation of Vinewise in conjunction with the Washington Winegrowers Association to provide wineries with information and tools to help evaluate business practices and implement sustainable management strategies. Through this industry leadership, Ste. Michelle has continued to encourage responsible viticulture practices across its industry.

In addition to the emissions reduction benefits of implementing the practices measured through the Vinewise survey tool, these practices each provide biodiversity, soil, water and yield benefits.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

By assessing contract growers annually through the Vinewise survey tool, Ste. Michelle encourages its growers to continue to implement these management practices. Through this encouragement, Ste. Michelle along with its growers continues to protect the region's reputation for high-quality wines and environmentally responsible production practices.

Management practice reference number

MP5

Overall effect

Positive

Which of the following has been impacted?

Water

Description of impacts

Ste. Michelle engages its contract growers in Washington State to assess their growing operations and requires growers to complete a yearly survey through Vinewise. The survey asks growers to report on Pest, Disease and Weed Management Practices; Integrated Pest Management; Timing of Farming Operations; Fertilizer Management; and Biodiversity considerations among other business and labor-related practices.

In 2007, Ste. Michelle spearheaded the creation of Vinewise in conjunction with the Washington Winegrowers Association to provide wineries with information and tools to help evaluate business practices and implement sustainable management strategies. Through this industry leadership, Ste. Michelle has continued to encourage responsible viticulture practices across its industry.

In addition to the emissions reduction benefits of implementing the practices measured through the Vinewise survey tool, these practices each provide biodiversity, soil, water and yield benefits.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

By assessing contract growers annually through the Vinewise survey tool, Ste. Michelle encourages its growers to continue to implement these management practices. Through this encouragement, Ste. Michelle along with its growers continues to protect the region's reputation for high-quality wines and environmentally responsible production practices.

Management practice reference number

MP6

Overall effect

Positive

Which of the following has been impacted?

Soil

Yield

Description of impacts

Altria's Supplier Code of Conduct and Tobacco GAP Supplemental guidelines requires all domestic tobacco growers to implement resource management processes that protect air, soil and water, such as crop rotation, soil samples, use of resistant tobacco varieties and proper pesticide usage. It also encourages our international leaf suppliers to replenish trees used in the tobacco curing process.

In addition to Altria's Supplier Code of Conduct, through our Tobacco Leaders Program, we support growers who use innovative ideas to promote sustainable agriculture.

In addition to the emissions reduction benefits of implementing these management practices, crop rotation, fertilizer management, integrated pest management, land use change and seed variety selection all have benefits to biodiversity, soil health and water quality in tobacco growing regions both domestically and internationally.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

Through these strategies encouraging both domestic and international growers to undertake management practices focused on crop rotation; fertilizer management; integrated pest management; land use change; and seed variety selection, the number of growers implementing these practices continues to increase.

To foster sustainable agricultural practices in the tobacco value chain, Altria's funding of the National Fish and Wildlife Foundation's programs supported work in Lancaster County, Pennsylvania and north-central Tennessee to increase the use of no-till tobacco farming amongst growers in these regions. Through these programs, interested contracted growers can convert to no-till tobacco for the health of the environment and sustainability of their crop, while benefiting from cost and labor savings.

Internationally, although wood is used by only a small portion of the growers of tobacco purchased by our companies for curing, some of our leaf suppliers invest in programs to repopulate the trees used by these growers. For over the past ten years, one of our tobacco suppliers has provided its contracted growers in Brazil with millions of eucalyptus seedlings, creating tens of thousands of acres of woodlot plantings.

Additionally, we continue to support Total Land Care, a Malawi-based non-governmental organization whose programs address concerns about Malawi tobacco production, including sustainable tobacco curing, and improving farmer livelihoods in the region.

Management practice reference number

MP7

Overall effect

Positive

Which of the following has been impacted?

Soil

Water

Description of impacts

Altria's Supplier Code of Conduct and Tobacco GAP Supplemental guidelines requires all domestic tobacco growers to implement resource management processes that protect air, soil and water, such as crop rotation, soil samples, use of resistant tobacco varieties and proper pesticide usage. It also encourages our international leaf suppliers to replenish trees used in the tobacco curing process.

In addition to Altria's Supplier Code of Conduct, through our Tobacco Leaders Program, we support growers who use innovative ideas to promote sustainable agriculture.

In addition to the emissions reduction benefits of implementing these management practices, crop rotation, fertilizer management, integrated pest management, land use change and seed variety selection all have benefits to biodiversity, soil health and water quality in tobacco growing regions both domestically and internationally.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

Through these strategies encouraging both domestic and international growers to undertake management practices focused on crop rotation; fertilizer management; integrated pest management; land use change; and seed variety selection, the number of growers implementing these practices continues to increase.

To foster sustainable agricultural practices in the tobacco value chain, Altria's funding of National Fish and Wildlife Foundation's programs supported work in Lancaster County, Pennsylvania and north-central Tennessee to increase the use of no-till tobacco farming amongst growers in these regions. Through these programs, interested contracted growers can convert to no-till tobacco for the health of the environment and sustainability of their crop, while benefiting from cost and labor savings.

Internationally, although wood is used by only a small portion of the growers of tobacco purchased by our companies for curing, some of our leaf suppliers invest in programs to repopulate the trees used by these growers. For over the past ten years, one of our tobacco suppliers has provided its contracted growers in Brazil with millions of eucalyptus seedlings, creating tens of thousands of acres of woodlot plantings. Additionally, we continue to support Total Land Care, a Malawi-based non-governmental organization whose programs address concerns about Malawi tobacco production, including sustainable tobacco curing, and improving farmer livelihoods in the region.

Management practice reference number

MP8

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Soil

Water

Yield

Description of impacts

Altria's Supplier Code of Conduct and Tobacco GAP Supplemental guidelines requires all domestic tobacco growers to implement resource management processes that protect air, soil and water, such as crop rotation, soil samples, use of resistant tobacco varieties and proper pesticide usage. It also encourages our international leaf suppliers to replenish trees used in the tobacco curing process.

In addition to Altria's Supplier Code of Conduct, through our Tobacco Leaders Program, we support growers who use innovative ideas to promote sustainable agriculture.

In addition to the emissions reduction benefits of implementing these management practices, crop rotation, fertilizer management, integrated pest management, land use change and seed variety selection all have benefits to biodiversity, soil health and water quality in tobacco growing regions both domestically and internationally.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

Through these strategies encouraging both domestic and international growers to undertake management practices focused on crop rotation; fertilizer management; integrated pest management; land use change; and seed variety selection, the number of growers implementing these practices continues to increase.

To foster sustainable agricultural practices in the tobacco value chain, Altria's funding of National Fish and Wildlife Foundation's programs supported work in Lancaster County, Pennsylvania and north-central Tennessee to increase the use of no-till tobacco farming amongst growers in these regions. Through these programs, interested contracted growers can convert to no-till tobacco for the health of the environment and sustainability of their crop, while benefiting from cost and labor savings.

Internationally, although wood is used by only a small portion of the growers of tobacco purchased by our companies for curing, some of our leaf suppliers invest in programs to repopulate the trees used by these growers. For over the past ten years, one of our tobacco suppliers has provided its contracted growers in Brazil with millions of eucalyptus seedlings, creating tens of thousands of acres of woodlot plantings. Additionally, we continue to support Total Land Care, a Malawi-based non-governmental organization whose programs address concerns about Malawi tobacco production, including sustainable tobacco curing, and improving farmer livelihoods in the region.

Management practice reference number

MP9

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Soil

Water

Yield

Description of impacts

Altria's Supplier Code of Conduct and Tobacco GAP Supplemental guidelines requires all domestic tobacco growers to implement resource management processes that protect air, soil and water, such as crop rotation, soil samples, use of resistant tobacco varieties and proper pesticide usage. It also encourages our international leaf suppliers to replenish trees used in the tobacco curing process.

In addition to Altria's Supplier Code of Conduct, through our Tobacco Leaders Program, we support growers who use innovative ideas to promote sustainable agriculture.

In addition to the emissions reduction benefits of implementing these management practices, crop rotation, fertilizer management, integrated pest management, land use change and seed variety selection all have benefits to biodiversity, soil health and water quality in tobacco growing regions both domestically and internationally.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

fertilizer management; integrated pest management; land use change; and seed variety selection, the number of growers implementing these practices continues to increase.

To foster sustainable agricultural practices in the tobacco value chain, Altria's funding of National Fish and Wildlife Foundation's programs supported work in Lancaster County, Pennsylvania and north-central Tennessee to increase the use of no-till tobacco farming amongst growers in these regions. Through these programs, interested contracted growers can convert to no-till tobacco for the health of the environment and sustainability of their crop, while benefiting from cost and labor savings.

Internationally, although wood is used by only a small portion of the growers of tobacco purchased by our companies for curing, some of our leaf suppliers invest in programs to repopulate the trees used by these growers. For over the past ten years, one of our tobacco suppliers has provided its contracted growers in Brazil with millions of eucalyptus seedlings, creating tens of thousands of acres of woodlot plantings. Additionally, we continue to support Total Land Care, a Malawi-based non-governmental organization whose programs address concerns about Malawi tobacco production, including sustainable tobacco curing, and improving farmer livelihoods in the region.

Management practice reference number

MP10

Overall effect

Positive

Which of the following has been impacted?

Yield

Description of impacts

Altria's Supplier Code of Conduct and Tobacco GAP Supplemental guidelines requires all domestic tobacco growers to implement resource management processes that protect air, soil and water, such as crop rotation, soil samples, use of resistant tobacco varieties and proper pesticide usage. It also encourages our international leaf suppliers to replenish trees used in the tobacco curing process.

In addition to Altria's Supplier Code of Conduct, through our Tobacco Leaders Program, we support growers who use innovative ideas to

promote sustainable agriculture.

In addition to the emissions reduction benefits of implementing these management practices, crop rotation, fertilizer management, integrated pest management, land use change and seed variety selection all have benefits to biodiversity, soil health and water quality in tobacco growing regions both domestically and internationally.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

Through these strategies encouraging both domestic and international growers to undertake management practices focused on crop rotation; fertilizer management; integrated pest management; land use change; and seed variety selection, the number of growers implementing these practices continues to increase.

To foster sustainable agricultural practices in the tobacco value chain, Altria's funding of National Fish and Wildlife Foundation's programs supported work in Lancaster County, Pennsylvania and north-central Tennessee to increase the use of no-till tobacco farming amongst growers in these regions. Through these programs, interested contracted growers can convert to no-till tobacco for the health of the environment and sustainability of their crop, while benefiting from cost and labor savings.

Internationally, although wood is used by only a small portion of the growers of tobacco purchased by our companies for curing, some of our leaf suppliers invest in programs to repopulate the trees used by these growers. For over the past ten years, one of our tobacco suppliers has provided its contracted growers in Brazil with millions of eucalyptus seedlings, creating tens of thousands of acres of woodlot plantings. Additionally, we continue to support Total Land Care, a Malawi-based non-governmental organization whose programs address concerns about Malawi tobacco production, including sustainable tobacco curing, and improving farmer livelihoods in the region.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Executive Vice President & Chief Financial Officer	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms