Task Force on Climate-related Financial Disclosures Report

2020–2021

Altria

About Altria

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

Altria's wholly owned subsidiaries include the most profitable tobacco companies in their categories: Philip Morris USA Inc. (PM USA), U.S. Smokeless Tobacco Company LLC (USSTC) and John Middleton Co. (Middleton). Altria's smoke-free portfolio includes 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).

Altria also owns equity investments in Anheuser-Busch InBev SA/NV (ABI), the world's largest brewer, and Cronos Group Inc. (Cronos), a leading Canadian cannabinoid company. In October 2021, we completed the sale of our Ste. Michelle Wine Estates business. (Ste. Michelle). This report references relevant information about the Ste. Michelle wine business that occurred in 2020 and prior to its sale in 2021.

The brand portfolios of Altria's tobacco operating companies include *Marlboro*®, *Black & Mild*®, *Copenhagen*®, *Skoal*® and *on!*®.

Other Altria wholly owned subsidiaries include Philip Morris Capital Corporation (PMCC), which maintains a portfolio of finance assets, Altria Client Services LLC (ALCS), which provides various support services to Altria and its subsidiaries, and Altria Group Distribution Company (AGDC), which provides sales and distribution services to certain Altria operating subsidiaries. Altria and its companies operate principally in the United States and substantially all of Altria's net revenues are from sales generated in the United States.

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Cover photo: Solar panels located at our Park 500 facility, owned and operated by Dominion Energy on land leased to Dominion Energy by PM USA

ISSUED: NOV. 2021

About this Report

Unless otherwise noted, this report includes data and progress for Altria and its wholly owned subsidiaries for calendar year 2020. PMCC is not in scope as PMCC ceased making new investments in 2003 and Altria expects to complete the wind-down of this business by the end of 2022.

The inclusion of information in this report should not be construed as a characterization regarding the materiality or potential financial impact of that information. For additional information regarding Altria, please see the reports Altria files with the Securities and Exchange Commission, including our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

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

Disclosures in this report are based on assumptions and estimates as modeled by the long-term climate scenarios described in this report. Given the inherent uncertainty in modeling future conditions, caution should be exercised when interpreting the results. The scenarios described in this report are not predictions and do not represent specific likelihoods of outcomes and, therefore, may not accurately represent the potential impacts of climate change on our businesses.

If you have questions about our report, please **contact us**.

A Note from our Chief Financial Officer

Welcome to our first standalone Task Force on Climate-related Financial Disclosures (TCFD) report. While we have reported against many of the TCFD recommendations for several years through our CDP Climate Change response, this year we were able to go more in-depth after conducting preliminary climate-related scenario analysis workshops to identify risks and opportunities. We continue to align our reporting with evolving stakeholder expectations for communicating our progress.

The COVID-19 pandemic and increased national focus on racial injustice cast new light on the global challenges of social and economic inequity, while reminding us of the continued perils of environmental deterioration and the need to address these challenges collectively, across sectors. Entering 2021, stakeholder expectations were already high and rising, including investors' and financial regulators' increasing interest in environmental, social and governance (ESG) disclosures, including relating to climate change. The pursuit of our Vision is about creating a more sustainable enterprise that's aligned with societal expectations for responsibly managing our businesses. We intend to pursue initiatives designed to promote the long-term welfare of our company, our stakeholders, society and the environment.

Our responsibility focus areas address the issues we believe are most important to drive this progress. As a result of our 2020 responsibility **materiality assessment**, we elevated "Protect the Environment" as a focus area. We understand that our companies and their products have an effect on our environment, including climate change; we also understand that changes in nature affect our companies – and cause risks for our businesses. That's why we set goals and regularly share progress. In the near-term, our goal is to align our operational and value chain business practices with science-based methodology to limit the damaging impacts of climate change. This is foundational to achieving our long-term quantitative environmental targets that we describe later in this report.

Just as we believe in the benefits of a science- and evidence-based approach for our industry and tobacco harm reduction, we believe in a science-based approach for climate action. As was clearly outlined in the August 2021 U.N. **Intergovernmental Panel on Climate Change (IPCC) report**, climate change presents very significant global risk, humans are the primary cause, and inaction is not an option. We set targets aligned with science — our 2030 greenhouse gas emissions reduction targets are approved by the Science Based Targets initiative (SBTi) — and we use climate scenarios supported by the IPCC report.

While there is tremendous work ahead to address this global challenge, we are proud of our progress to date:

- Our emission reductions targets were approved in July 2020 by the SBTi as consistent with levels required to meet the goals of the Paris Agreement. Our operational target is consistent with reductions required to keep warming to 1.5°C.
- Since 2017, we have reduced absolute Scope 1 & 2 greenhouse gas emissions by 16.6% through 2020.
- We were awarded a double 'A' rating for tackling climate change and protecting water security by CDP and were among only one percent of companies that achieved a double 'A' out of 5,800+ businesses scored by CDP in 2020.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

CDP A LIST 2020 CLIMATE

CDP A LIST 2020 WATER

We also acknowledge this is our first report and expectations for ESG disclosure are rapidly changing. We intend to learn as we go while responding to this dynamic environment as we evolve our reporting in the future.

"Just as we believe in the benefits of a science- and evidence-based approach for our industry and tobacco harm reduction, we believe in a science-based approach for climate action."

Sal Mancuso

Executive Vice President & Chief Financial Officer,

"Protect the Environment" Executive Co-Sponsor

Our Approach to TCFD

The TCFD was formed by the Financial Stability Board in 2015 to help companies provide decision-useful information about their climate-related risks and opportunities to investors. In 2017, the TCFD published final recommendations across four core elements: governance, strategy, risk management, and metrics and targets.

Altria is proud to have submitted our Statement of Support to the TCFD as our intention to become one of the 2,700+ public supporters of the TCFD.

Reporting against the TCFD recommendations is consistent with how we approach our "Protect the Environment" focus area, including our governance and goals. You can read more about our approach to this focus area in our **2020-2021 Protect the Environment report**.

We have reported against many of the TCFD recommendations for several years through our CDP Climate Change response. In 2021, we conducted cross-functional workshops with employees on climate-related scenario analysis to identify risks and opportunities and to inform this more comprehensive TCFD report. These workshops included key functions across our companies, including our Protect the Environment Steering Committee, co-sponsored by our Chief Financial Officer (CFO) and Chief Operating Officer (COO).

Key Business Functions Involved in TCFD Workshops

- Internal Audit
- Communications
- Compliance & Integrity (includes Enterprise Risk Management)
- Controller
- Corporate Citizenship
- Facilities
- Government Affairs
- Investor Relations
- Law
- Operating Company Brand Teams
- Operating Company Leadership
- Operating Company Manufacturing Teams
- Procurement
- Product Development
- Safety, Health & Environmental
- Sales Supply Chain
- Strategy & Consumer Market Insights
- Tax
- Treasury & Risk Management

We worked with an external third-party with expertise in TCFD reporting and climate scenarios to develop and execute the workshops, including:

- identifying relevant climate scenarios and underlying assumptions
- hosting an educational workshop for stakeholders across our businesses on TCFD, climate scenarios, and scenario analysis
- brainstorming potential risks and opportunities to our businesses and value chain, aligned with our enterprise risk management process
- prioritizing key risks and opportunities to explore further, including existing business continuity and risk mitigation processes

As this was our first formal climate-related scenario analysis exercise, we focused on qualitative impacts. We have the opportunity in the future to dive deeper into key risks and opportunities and evaluate data availability and quality that would allow us to begin quantifying these impacts. Any future disclosures would be driven by existing and anticipated SEC guidance and rulemaking and informed by the TCFD framework.

Disclosure on the TCFD Recommendations

Governance : Corporate Responsibility & ESG

Board Oversight

The primary responsibility of our Board is to foster our long-term success. Leading responsibly has been the foundation of Altria's strategy for many years, and our Board actively oversees our corporate responsibility and ESG priorities. Our Board periodically receives updates on our responsibility efforts, including trends in corporate responsibility, our underage tobacco prevention program, environmental initiatives, community and public policy engagement, harm reduction initiatives, talent and culture, and ESG progress monitoring and reporting. Over half of our Board of Directors has experience in managing or overseeing ESG efforts and/or engaging with stakeholders on ESG topics.

Nominating, Corporate Governance and Social Responsibly Committee

The Nominating, Corporate Governance and Social Responsibility (NCGSR) Committee provides oversight of Altria's public affairs, corporate reputation and environmental and social responsibility strategies. The Committee is responsible for: reviewing key environmental trends 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 toward achieving those goals.

The 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 greenhouse gas emissions reduction targets, 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 SBTi.

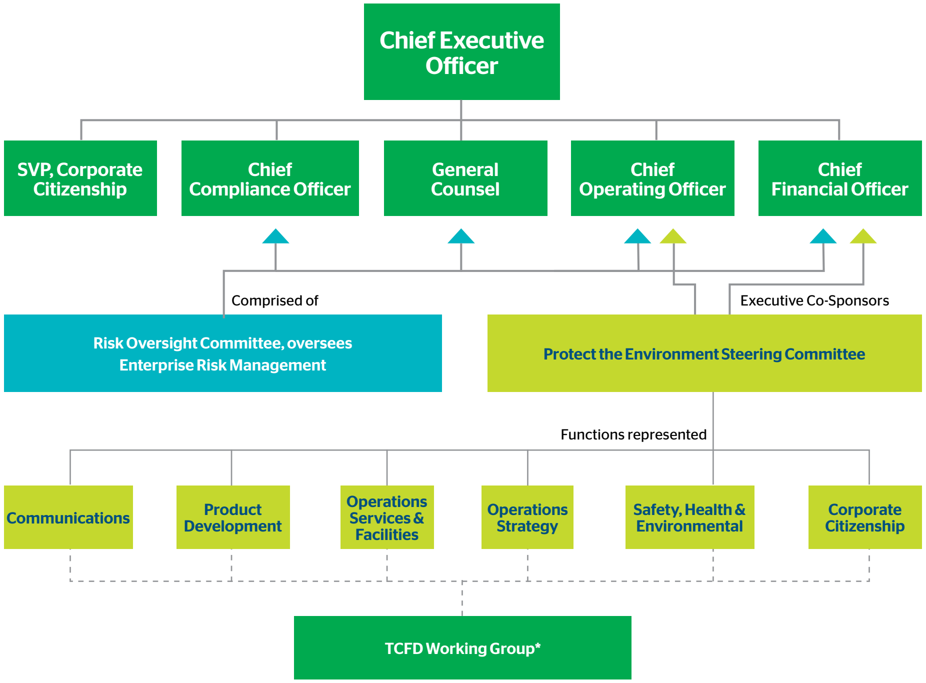
Management Oversight

In 2020, we conducted a comprehensive, formal responsibility materiality assessment to identify ESG issues that we believe are important to our long-term sustainability and success. We considered the information obtained through stakeholder engagement, along with input from our leadership team and our Board, to identify the six responsibility focus areas we believe are important to our long-term sustainability and success:

For each of these focus areas, we have set goals to guide our efforts and measure our progress.

Our Senior Vice President of Corporate Citizenship reports directly to the CEO, briefs the Board of Directors on climate-related issues, and is considered the equivalent of a Chief Sustainability Officer position. The SVP of Corporate Citizenship works with the Executive Leadership team and 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. We also formed a "Protect the Environment" steering committee comprised of our executive co-sponsors and other functional leaders to inform annual plans and assess progress toward our focus area goals. The SVP of Corporate Citizenship, the Executive Leadership team, and the NCGSR Committee are briefed periodically on workstreams overseen by the steering committee.

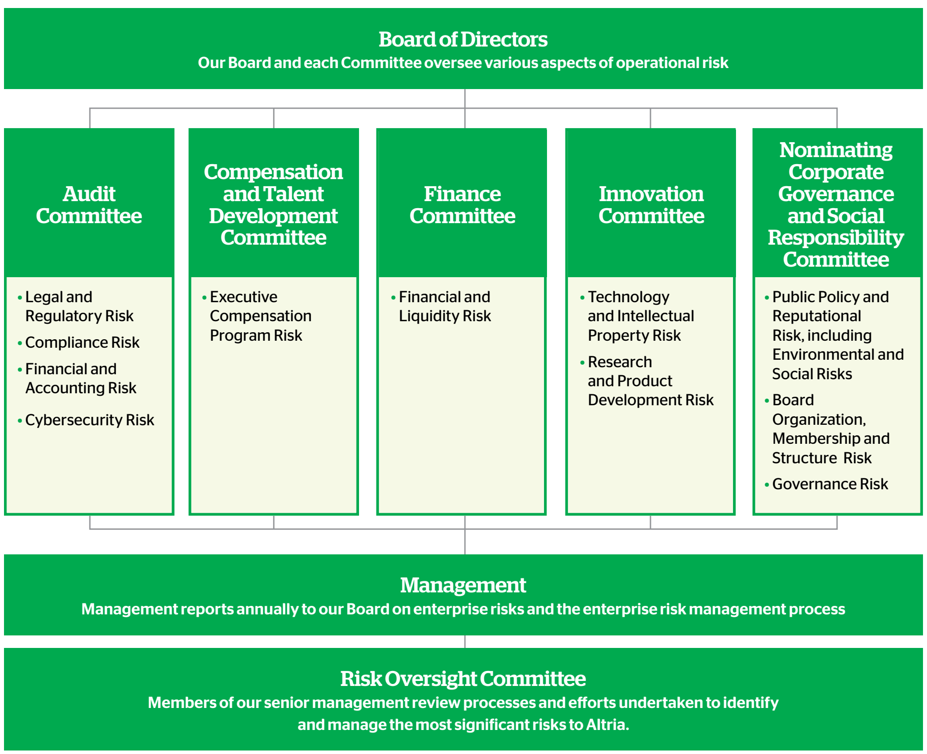
Our Environmental Management Framework helps set direction, guide decision-making and promote continuous improvement. The framework includes management structure, policies, programs, data management and metrics, and program assessments. For more details on the supporting elements and processes, please refer to **our website** and our **2020-2021 Protect the Environment report**.



* Additional functions involved listed on page 5.

Risk Management: Enterprise Risk Management

Altria's companies participate in a risk assessment process to assess risks and opportunities for both near- and long-term horizons. The risk assessment process includes discussions of several risk areas, including environmental impacts which could pose threats to business continuity. Documented risks are updated quarterly. Part of this process includes enterprise risk management (ERM), an evaluation of potential immediate and emerging risks. 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 key risks identified are considered enterprise risks and a senior leader is designated as a risk owner. Risk owners are responsible for risk responses, including mitigation plans, and reporting to management and the Board of Directors. Risks that do not rise to the level of enterprise



risk are managed by functional leadership. The process also includes reporting to the Risk Oversight Committee (ROC), which meets regularly to oversee management of integrated risks. The ROC is chaired by the Chief Compliance Officer (CCO) and comprised of our General Counsel (GC), CFO, and other such members of senior management determined from time to time by the CCO, GC and CFO. Management reports annually to our Board on this process and periodically to our Board or its Committees on the management of specific risks. If a climate-related risk is identified as an ERM risk, the Board would be briefed and would review proposed business plans to mitigate the risk.

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.

Identified risks and opportunities, including regulatory risks and opportunities identified by our 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 company-level projects and initiatives, such as emissions reduction activities in a manufacturing facility.

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 longer- term planning?
- **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 potential 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.
- **Leading Indicators** — Forward looking, early warning signal that provides an effective means for identifying emerging risks.
- **Risk Response** — Risk responses are the proposed manner to address, or not address, the risk. Risk responses should be the results of an evaluation of the cost versus benefit of potential risk mitigation activities and the degree to which mitigation activities will reduce the impact and/or likelihood of a risk occurring. Examples include:
  - **Monitor** — Not pursuing any additional risk mitigation or management, except monitoring the risk for change.
  - **Avoid** — Taking steps to remove risk, engage in alternative activity, or otherwise substantially eliminate exposure to risk.
  - **Reduce** — Taking steps to significantly reduce the exposure to a risk and/or the likelihood of its occurrence (e.g., institute controls to reduce the likelihood or impact of a risk occurring).
  - **Share** — Shifting a significant portion of the cost of the consequences of a risk to a non-Altria entity (e.g., purchase insurance to reduce the impact of a risk).

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 and monitoring scenario development. Crisis preparedness activities include periodic review, update, and testing of each of Altria's principal operating and service companies' business continuity, emergency response, and/or disaster recovery plans.

Specific to climate risk, we also conduct annual water risk assessments. 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 and/or 2040. 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. 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.

Strategy: TCFD Alignment

Our 2021 TCFD workshops explored potential climate change risks and opportunities using data and qualitative information from publicly available scenarios, such as the IPCC Representative Concentration Pathway (RCP) 8.5 scenario and the International Energy Agency (IEA) Net Zero scenario as the base scenario. In order to capture a range of plausible future pathways, we considered two scenarios: a high warming scenario and low warming, high mitigation scenario.

Increased Physical* Risks

High Warming Scenario

- Global warming limited to 4°C by 2100
- Assumes no significant transition impacts
- Assumes climate policy is less ambtious and emissions remain high so the physical impacts are more apparent, e.g. droughts, floods, weather extremes, severe weather

Low Warming, High Mitigation Scenario

- Global warming limited to 1.5 – 2°C by 2100
- Assumes no significant physical impacts
- Assumes society acts rapidly to limit greenhouse gas emissions, e.g. through carbon prices, halting net deforestation, rapid transition away from fossil fuels

Increased Transition* Risks

* "Physical risks" refer to the manifestations of a changing climate – such as floods, droughts and other extreme weather events – and their associated costs.

"Transition risks" refer to the risk inherent in changing strategies, policies or investments as society and industry work to reduce reliance on carbon and impact on the climate.

Subject matter experts across key functions identified potential impacts from climate change under these two scenarios and qualified them using existing terminology from our ERM process. For time horizons, we considered:

Short-term: 0 – 5 years

This aligns with our 2025 responsibility materiality assessment and focus area goal time horizon, as well as our time horizon for functional strategic priority planning.

Medium-term: 6 – 9 years

This aligns with our Vision by 2030, which sets our enterprise initiatives and business strategies, including our 2030 long-term environmental targets.

Long-term: 10 – 30 years

This aligns with the longer-term nature of climate-related issues, as well as our long-term environmental targets, including our approved Science-Based Targets.

We considered the following areas when determining the impact on our business and strategy:

Products and services

Our operating companies' sales could be impacted by increased production costs and prices due to impacts to agricultural supply from weather and crop conditions, as well as evolving adult tobacco consumer preferences for purchasing environmentally-friendly products.

Supply chain and/or value chain

PM USA and USSTC purchase American-grown tobacco and PM USA and Middleton buy international tobacco leaf through third-party suppliers who purchase from farmers across the globe. The availability of tobacco at the price and quality needed for these operating companies may be at risk from changing weather conditions, including extreme weather events such as droughts in Malawi and Brazil, flooding in Turkey or hurricanes in the southeast United States. Altria's operating companies maintain a flexible, diversified sourcing model to purchase tobacco leaf from various sources. Additionally, we are working to understand our environmental impacts and opportunities throughout our value chain. This includes annual data gathering and analysis of Altria's Scope 3 greenhouse gas (GHG) 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 energy. 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 SBTi. By aligning our emissions targets with science-based targets methodology, we hope to do our part in limiting warming to 1.5 degrees Celsius in alignment with the Paris Agreement.

Investment in R&D

Our Agronomy and Genetics groups support projects and initiatives to improve growers' access to technology in tobacco production. This includes tobacco breeding that may improve tobacco variety response to severe 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. We also sponsor projects for land-grant universities in tobacco producing regions to enhance production practices and technology to include tobacco curing fuel efficiency, plant breeding and agriculture engineering, which can help us make progress toward our 2030 Scope 3 greenhouse gas emissions target.

Operations

Transition risks are those related to moving to a lower emission economy, including policies such as carbon pricing and market expectations. To meet our long-term Scope 1 and Scope 2 emissions reduction targets and mitigate transition risks from potential GHG emissions pricing, Altria's companies have implemented numerous emissions reduction projects. One of the more substantial projects was replacing coal-fired boilers with natural gas boilers at three manufacturing facilities in Richmond, VA and Nashville, TN, in 2014. We also have current, ongoing energy-efficiency projects across various facilities, including: retrofitting lighting fixtures to more efficient technologies such as LED; optimizing set-points for refrigeration systems; replacing outdated HVAC units; and, reducing manufacturing waste and water consumption. These projects also help manage transition risks related to costs to move to lower emissions technologies in the future and provide Altria's companies the opportunity to move toward more resource efficient facilities over the coming years. In 2020, we made the strategic decision to set longer-term, more ambitious science-based targets for GHG emissions and renewable electricity to be achieved by 2030.

Climate-Related Risks and Opportunities

As we prepared our disclosure for this TCFD report, we acknowledge that – as described above – Altria has several key processes by which we identify and disclose potential climate-related risks and opportunities.

- We disclose financially material climate-related risks in our annual reports on Form 10-K.
- We also identify and monitor a broad set of potential, medium-term climate-related risks that do not currently pose substantial risk to Altria, which we discuss in more detail through our publicly available CDP responses.
- The TCFD scenario analysis workshops allowed us to consider an even broader – and much longer-term – set of potential climate-change impacts with both negative and positive outcomes for Altria's suppliers, adult tobacco consumers or businesses.

We believe these layers of risk monitoring are important to enable Altria to act in a timely manner to mitigate potential risks or capitalize on opportunities, as the external landscape evolves in a warming global climate. The following chapter details the risks, opportunities and impacts identified through each of these processes.

2020 Annual Report on Form 10-K

Risks to Altria and its operating companies and supply chains regarding climate change and/or the environment as identified in our 2020 Annual Report on **Form 10-K** include:

- Altria's subsidiaries face risks inherent in reliance on a few significant manufacturing facilities and a small number of key suppliers, distributors and distribution chain service providers. A natural or man-made disaster or other disruption that affects the manufacturing operations of any of Altria's tobacco subsidiaries or investees, or the operations of any key supplier, distributor or distribution chain service provider of any of Altria's tobacco subsidiaries or investees could adversely impact the operations of the affected subsidiaries and investees. An extended disruption in operations experienced by one or more of Altria's subsidiaries, investees or in the supply or distribution of goods or services by one or more key suppliers, distributors or distribution chain service providers could have a material adverse effect on the business, the consolidated results of operations, cash flows or financial position of Altria and its tobacco subsidiaries and investees.
- Significant changes in price, availability or quality of tobacco, other raw materials or component parts could have an adverse effect on the profitability and business of Altria's tobacco subsidiaries and investees. Shifts in crops (such as those driven by economic conditions and adverse weather patterns) may increase or decrease the cost or reduce the supply or quality of tobacco and other raw materials or component parts used to manufacture our companies' products. Any significant change in the price, quality or availability of tobacco, other raw materials or component parts used to manufacture our products could restrict our subsidiaries' ability to continue marketing existing products or impact adult consumer product acceptability and adversely affect our subsidiaries' profitability and businesses. With respect to tobacco, as with other agricultural commodities, crop quality and availability can be influenced by variations in weather patterns, including those caused by climate change. Additionally, the price of tobacco leaf can be influenced by economic conditions and imbalances in supply and demand.
- There is increasing investor focus on ESG matters. Organizations that provide ESG information to investors have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings may lead to increased negative investor sentiment toward Altria, which could result in shareholders choosing to divest their ownership in Altria stock or choosing not to invest in our stock and could have a negative impact on the market performance of our stock.

CDP Climate Response

Through our CDP Climate response, we further identified and evaluated climate-related risks more broadly, including those that do not currently pose a substantial risk to Altria, but which we are monitoring. Through this process, we also evaluated potential opportunities – climate-related scenarios that could result in positive benefits for Altria. Tables 1 and 2 provide additional detail about these risks and opportunities. In some cases, Table 1 repeats a risk disclosed in our Annual Report on Form 10-K, in order to further categorize these risks by TCFD recommended "risk types" and provide context related to our assessment of potential financial impacts.

Table 1: Climate-Related Risks

Risk Type		Risk details and response, including mitigation strategy where applicable	Potential Financial Impact
Transition Risks	Policy and Legal	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. Failure to comply 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. We work to mitigate this risk with our robust compliance processes and our 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.	Increased operating costs if we fail to comply with regulations (e.g., fines, penalties or other curative measures)
Transition Risks	Policy and Legal	GHG 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. 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, GHGs 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. *See Risk 3, pages 22-24 of our* **CDP Climate Change response** *for more details.*	Increased operating costs from emerging regulations, including carbon pricing mechanisms
Transition Risks	Market	As described in our 2020 Annual Report on Form 10-K, our tobacco products rely on agricultural commodities, where the price, quality and/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 ERM process.	Increased operating costs from increased cost of raw materials
Transition Risks	Market	As described in our 2020 Annual Report on Form 10-K, unfavorable ESG ratings may lead to increased negative investor sentiment toward Altria, which could result in shareholders choosing to divest their ownership in Altria stock or choosing not to invest in our stock and could have a negative impact on the market performance of our stock. Our Investor Relations, Treasury and Corporate Responsibility teams monitor these risks, including proactively engaging on various ESG ratings.	Decreased access to capital due to inability to attract investors

Table 1: Climate-Related Risks *continued*

Risk Type		Risk details and response, including mitigation strategy where applicable	Potential Financial Impact
Transition Risks	Reputation	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. Reputational risks associated with inaction, such as negative media coverage or investment community assessments, could cause stakeholders not to engage with us. We continue to focus on making progress toward enterprise-wide, long-term environmental targets and a strategic philanthropic focus that allows us to continue to address societal expectations to reduce the environmental impacts of our businesses.	Increased costs or decreased access to capital due to stakeholder concern or negative stakeholder feedback
Physical Risks	Acute	As described in our 2020 Annual Report on Form 10-K, Altria's tobacco subsidiaries face risks inherent in reliance on a few significant facilities and key suppliers that could have operations disrupted by extreme weather. 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. *See Risk 4, pages 24-26 of our* **CDP Climate Change response** *for more details.*	Increased costs and/ or reduced revenues from reduced production capacity caused by the increased severity and frequency of extreme weather events such as hurricanes and floods
		As described in our 2020 Annual Report on Form 10-K, Altria's subsidiaries face risks inherent in reliance on a small number of key suppliers, distributors and distribution chain service providers that could have operations disrupted by extreme weather. 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 subsidiaries. For example, our companies carry adequate inventory of key materials to mitigate supply disruptions and maintain a diversified sourcing model and we have insurance coverage to mitigate the financial impact of disruptions. *See Risk 5, pages 26-28 of our* **CDP Climate Change response** *for more details.*	Increased costs due to increased severity and frequency of extreme weather events such as hurricanes and floods
	Chronic	As described in our 2020 Annual Report on Form 10-K, the availability of tobacco at the price and quality needed for Altria's operating companies is at risk from changing weather conditions, including extreme precipitation events. Altria's operating companies maintain a flexible, diversified sourcing model that allows the purchase of tobacco from various sources and we work with internal and external stakeholders to provide growers with programs and practices to lessen the impact of extreme weather. *See Risk 2, pages 19-22 of our* **CDP Climate Change response** *for more details.* *See Risk 1, pages 16-19 of our* **CDP Climate Change response** *for backward-looking details from our previous ownership of Ste. Michelle.*	Increased costs due to changes in precipitation patterns and extreme variability in weather patterns

Table 2: Climate-Related Opportunities

Opportunity Type	Opportunity details and realization strategy	Potential Financial Impact
Resource Efficiency	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. Several projects focused on resource efficiency are currently underway, including more efficient energy usage in company facilities. *See Opportunity 1, pages 29-31 of our* **CDP Climate Change response** *for more details.*	Reduced operating costs with move to more efficient facilities
	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. 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. Additionally, USSTC is in the process of implementing and exploring more efficient logistics processes with the potential to provide both emissions and cost reduction over the next several years. *See Opportunity 2, pages 31-33 of our* **CDP Climate Change response** *for more details.*	Reduced operating costs from the use of more efficient production and distribution processes
Energy Source	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 renewable electricity installations through capital projects at certain locations. *See Opportunity 3, pages 33-35 of our* **CDP Climate Change response** *for more details.*	Returns on investment in low-emission technology

TCFD Workshop Learnings

Tables 3 and 4 below summarize the potential climate-related impacts we identified through the TCFD scenario analysis workshop. These are not inclusive of all potential impacts and do not represent likelihood or materiality. The impacts below represent uncertain future conditions given the nature of long-term climate-related scenario analysis and have not been quantified to determine materiality. For a discussion of climate-related risks we have determined could be material, please refer to our Annual Report on Form 10-K.

Table 3: Potential Climate-Related Impacts

Impact Type		Impact Details	Potential Financial Impact
Transition Risks	Policy and Legal	Single-use plastic bans and/or extended producer responsibility mandates could impact our revenues and/or direct costs. Single-use plastic bans could ban some of our product packaging or possibly the product itself, with the additional challenge related to the ease, speed, and cost of product changes due to being regulated by the FDA. Extended producer responsibility mandates that require our business to incur the financial impacts of end-disposal of our products and/or packaging could increase indirect operating costs.	Increased costs and/or reduced revenues due to mandates on and regulation of existing products and services
Transition Risks	Technology	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 GHG emissions by 55%. If the technology needed to achieve these targets does not materialize in a low-cost way (such as low-cost renewable energy and/or low-cost alternative fuel vehicles), it could increase costs to implement alternative technologies.	Increased operating costs to transition to lower emissions technology
Transition Risks	Technology	In an environment where consumers are increasingly focused on climate change, more rapid shifts to electric vehicles could impact overall adult tobacco consumer trips to and/or reliance on convenience stores, where a large portion of our products are sold.	Decreased revenues as adult tobacco consumers transition to lower emissions technology
Transition Risks	Market	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. Adult tobacco consumers may also change their purchasing patterns due to increasing energy or food prices or job losses in sectors they over index in, such as fossil fuels, as a result of other transition risks, such as regulation.	Decreased revenues from reduced demand for products and services due to changing adult tobacco consumer behavior

Table 3: Potential Climate-Related Impacts *continued*

Impact Type		Impact Details	Potential Financial Impact
Physical Risks	Acute	Increasing severity and frequency of extreme weather events negatively impacts insurance markets – insurance is either non-existent in high-risk areas and/or prohibitively expensive.	Increased insurance claims liability from increased severity and frequency of extreme weather events such as hurricanes and floods
Physical Risks	Chronic	As described in our 2020 Annual Report on Form 10-K, the availability of tobacco at the price and quality needed for Altria's operating companies is at risk from changing weather conditions, including extreme precipitation events. In the long-term, water stress and extreme weather that impacts vast amounts of global agricultural products, such as food, could lead to crop type restrictions or societal pressures that limit growing tobacco and would impact our strategy to source tobacco-derived nicotine.	Increased operating costs and potential supply limitations due to changes in precipitation patterns and extreme variability in weather patterns
		Rising mean temperatures and increasing severity and frequency of extreme weather could decrease worker productivity, lower GDP, and increase food prices. These impacts to macroeconomics could negatively impact adult tobacco consumer buying power.	Reduced revenues from reduced demands
		Altria's raw material and finished good warehouses could be impacted with mold and/or humidity issues with rising temperatures leading to inventory write-offs, as well as increasing energy costs for heating, ventilation and air conditioning systems to maintain the needed storage conditions.	Increased operating costs due to rising mean temperatures
		Rising mean temperatures and increasing severity and frequency of extreme weather could impact worker mental and physical health and productivity, impacting our ability to produce and deliver our products, including the impact on tobacco farm workers and lost working days due to heat waves.	Increased costs from negative impacts on workforce due to rising mean temperatures

Table 4: Potential Climate-Related Opportunities

Opportunity Type	Opportunity details and realization strategy	Potential Financial Impact
Energy Source	Altria could have the opportunity to realize tax benefits from various investments in climate change mitigation and adaption projects, such as tax equity investing in renewable energy projects.	Returns on investment in low-emission technology due to use of supportive policy incentives
Products/Services	Altria has an opportunity to decrease the environmental impact of products through sustainable materials, packaging, and end-of-life. Altria's operating and service companies continue to explore more sustainable packaging and product materials, including the use of bioplastics and recycled materials. We are also exploring take-back and recycling schemes which could allow us to recover and reuse materials.	Reduced operating costs due to development and/or expansion of low emission goods and services
Markets	As electric vehicles continue to expand under climate change mitigation policies, it will impact fuel and convenience stores, where we sell a large portion of our products. Altria has the opportunity to engage adult tobacco consumers differently as there is an opportunity for increased access to the adult tobacco consumer as they wait to charge their vehicle at convenience stores and/or other locations. This is particularly important as we work toward our Vision to responsibly lead the transition of adult smokers to a smoke-free future.	Increased revenues through access to new and emerging markets
	Infrastructure investments, GDP growth, and high employment rates due to increased regulations and/or investments in climate change mitigation could increase adult tobacco consumer demand for our premium products. Adult tobacco consumer preferences could also shift as we continue to focus on making progress toward enterprise-wide, long-term environmental targets and a strategic philanthropic focus that allows us to continue to address societal expectations to reduce the environmental impacts of our businesses. As we align with evolving adult tobacco consumer expectations in this space, our reduced environmental impact could have brand reputational and competitive advantage.	Increased revenues from increased demand for products and services due to shift in adult tobacco consumer preferences
	Altria could have the opportunity to access new investor bases by pursuing sustainability-linked and/or green bonds.	Increased access to capital due to access to new markets
Resilience	Altria has an opportunity to increase climate resilience through regenerative agriculture and resource practices. Altria continues to work with growers, universities and industry partners to establish agricultural best practices that conserve natural resources. We are exploring climate resilient tobacco plant breeds and agricultural management to build sustainable futures for farmers and their communities.	Reduced costs due to increased reliability of supply chain

Climate-Related Impacts on Financial Planning

Climate-related issues are an input to our financial planning processes, including capital expenditure planning. For example, 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. 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 taken into account our evaluation of the financial transactions related to wind and/or solar virtual power purchase agreements as we pursue our 2030 100% renewable electricity target.

Resilience of Strategy

Our analysis shows that there are risks to Altria's businesses under both high warming and high mitigation scenarios. However, there are still many unknowns, including the speed and intensity of global warming and how society will adapt to it through regulation, investment and technological advancements. While there are challenges ahead, we believe Altria is positioned to meet them. We expect the combination of our robust ERM infrastructure, business continuity and crisis management processes, diversified sourcing model, exceptional employee talent, capital strength and leading premium brands will allow us to manage through risks and meet stakeholder expectations as the planet continues to address increasing temperatures and society transitions to a low-carbon economy.

Mitigating Physical & Transition Risks

Our risk assessment processes have helped mitigate physical risks. An example of this is USSTC's 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 constructed an additional manufacturing facility outside of the same severe weather risk zones. 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.

Our risk assessment processes have also helped mitigate transition risks. An example of this 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 GHG 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 GHG emissions, therefore lowering our exposure to the transition risks associated with GHG emissions pricing.

Engagement & Partnership

We recognize it is critical for business and government to work together toward a sustainable economy as failure to limit environmental degradation may cause significant disruption to businesses and communities. Driving social impact through engagement and partnership with diverse stakeholders is an important element in the long-term success of our business. Protecting the Environment is important to our business and communities and we are committed to responsibly engage with stakeholders to advance common goals. Our engagement includes partnering with community organizations and businesses in our value chain, as well as public policy advocacy aligned with our environmental goals. For more details on our engagement strategy and policy advocacy, please refer to our **2020-2021 Protect the Environment report**.

Metrics & Targets

Metrics to assess climate-related risks

Physical risks of climate change: Water stress

In 2020, we conducted a comprehensive water risk assessment to examine physical, regulatory and reputational water risks to Altria's companies' direct operations and their value chains, using tools such as the WRI Aqueduct Tool and the WWF-DEG Water Risk Filter to determine what areas are water-stressed; we define any region where water stress was high or extremely high as a water-stressed area.

	2020	2019	2018	2017
Percentage of total operational water use from water-stressed areas[1]	38.2%	13.8%	10.6%	5.1%
Percentage of tobacco sourced from areas with water stress	26.9%	1-10%	0%	0%
Percentage of wine grapes produced in areas with water stress	26-50%	<1%	3.5%	Not available
Percentage of wine grapes sourced from areas with water stress	51-75%	<1%	14.4%	Not available

[1] Water-stressed areas in 2020 include Ste. Michelle locations Canoe Ridge, Cold Creek, Col Solare, Snoqualmie/14 Hands, Northstar and Walla Walla, and Grandview. 2017-2019 water-stressed areas were Napa/Sonoma, CA.

In the future, we will no longer report grapes produced and sourced from areas with water stress since we sold Ste. Michelle in October of 2021. We anticipate the percentage of operational water use from water-stressed areas to decrease in the future as Ste. Michelle accounted for all operational water use from water-stressed areas in 2020. To learn more about initiatives to manage water use both in our operations and in our agricultural supply chain, please refer to our **2020-2021 Protect the Environment report**.

Physical risks of climate change: Extreme weather impacts on facilities and operations

In 2021, we worked with our insurance broker and our commercial property insurer to evaluate natural disaster risk on our facilities. The below table includes the assessment for our tobacco operating and service companies' facilities. These disclosures are based on assumptions and estimates as modeled using the proprietary risk assessment technology of Risk Management Solutions, Inc., a leading global provider of climate and natural disaster risk modeling and analytics. Given the inherent uncertainty in modeling future conditions, caution should be exercised when interpreting the results. While Ste. Michelle facilities were evaluated as part of this effort, we are not including those results here as those projected loss levels will not be applicable to Altria in the future due to the sale of Ste. Michelle.

Operational Region	Natural Disaster Type	Probability of Exceedance	Projected Loss Levels	Percentage of 2020 Operating Income
New Madrid (TN/KY)	Earthquake	0.2% (500 year return period)	$2 million	0.02%
New Madrid (TN/KY)	Earthquake	0.4% (250 year return period)	$0.06 million	<0.01%
Virginia	Earthquake	0.2% (500 year return period)	$0	0%
Virginia	Earthquake	0.4% (250 year return period)	$0	0%
All U.S. Locations	Hurricane	0.2% (500 year return period)	$79 million	0.73%
All U.S. Locations	Hurricane	0.4% (250 year return period)	$41 million	0.38%
All U.S. Locations, excluding Virginia	Hurricane	0.2% (500 year return period)	$31 million	0.29%
All U.S. Locations, excluding Virginia	Hurricane	0.4% (250 year return period)	$16 million	0.15%
Richmond, Virginia	Hurricane	0.2% (500 year return period)	$48 million	0.44%
Richmond, Virginia	Hurricane	0.4% (250 year return period)	$25 million	0.23%

According the latest IPCC report, climate change is already affecting many weather and climate extremes in every region across the globe. Evidence of observed changes in extremes such as heatwaves, heavy precipitation, droughts, and tropical cyclones/hurricanes, and, in particular, their attribution to human influence, has strengthened. With this, we have the opportunity to explore the potential impacts of these natural disasters further in the context of climate-related scenario analysis.

Additionally, in 2013, we evaluated tornado and flood risks at our primary manufacturing facilities in the Richmond, VA, and Nashville, TN, areas. The estimated probability of an EF2[2] tornado within a five-mile radius of PM USA's Manufacturing Center in Richmond is 0.31% (323 year return period) and the estimated probability of an EF3[3] tornado is 0.11% (910 year return period). Given the nature of tornados, loss estimates cannot be calculated and these probabilities were based on estimates and assumptions from 2013 and do not include more recent modeling updates. The Manufacturing Center is not in a Special Flood Hazard Area, as it is higher than the elevation of the 0.2% (500 year) annual flood hazard zone. Our commercial property insurer does not consider these events to be a significant risk to our Virginia locations.

The estimated probability of an EF2 tornado within a five-mile radius of USSTC's facility in Nashville is 0.74% (135 year return period) and the estimated probability of an EF3 tornado is 0.33% (303 year return period). Given the nature of tornados, loss estimates cannot be calculated and these probabilities were based on estimates and assumptions from 2013 and do not include more recent modeling updates.

In 2020, USSTC worked with our commercial property insurer to evaluate natural disaster risks for the Nashville, Tennessee facility. The Federal Emergency Management Agency considers this location a "high risk" area for natural disasters, including floods (within the 100 year and 500 year flood zones), tornados (more likely in Nashville than Richmond), and earthquakes (within New Madrid Seismic Zone). Our commercial property insurer considers mitigating factors we have in place when setting premiums, including engineered systems, safety protocols and business continuity practices, and they consider this location a Highly Protected Risk. For more details on the loss estimates for this location ($750 million in operating company income) and mitigating factors, see Risk 4, pages 24-26 of our **CDP Climate Change response**.

Transition risks of climate change: Carbon pricing

Altria currently has low exposure to carbon pricing mechanisms given we operate principally in the U.S., which does not have universal carbon pricing, and it is still unclear how public policy will develop in this regard. 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, GHGs 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. See Risk 3, pages 22-24 of our **CDP Climate Change response** for more details.

Assuming we achieve our 2030 emission reduction target (our Scope 1 and 2 emissions would be 151,653 metric tonnes CO2e), we estimate the financial impact under various IPCC climate scenarios and their corresponding assumed potential carbon prices in the table below. These scenarios include various global public policy assumptions ranging from "business as usual" to very aggressive mitigation and carbon pricing policies.

	Climate Scenarios		
	4°C Scenario[4]	2°C Scenario[5]	1.5°C Scenario[6]
Assumed Carbon Price	$0	$15-$220/tCO2e	$135-$6050/tCO2
2030 total costs	$0	$2 million - $33 million	$20 million - $917 million
Percentage of 2020 Operating Income	0%	0.02% - 0.3%	0.2% - 8.4%

[4] Assumes no carbon pricing, given current business-as-usual policies in the U.S.

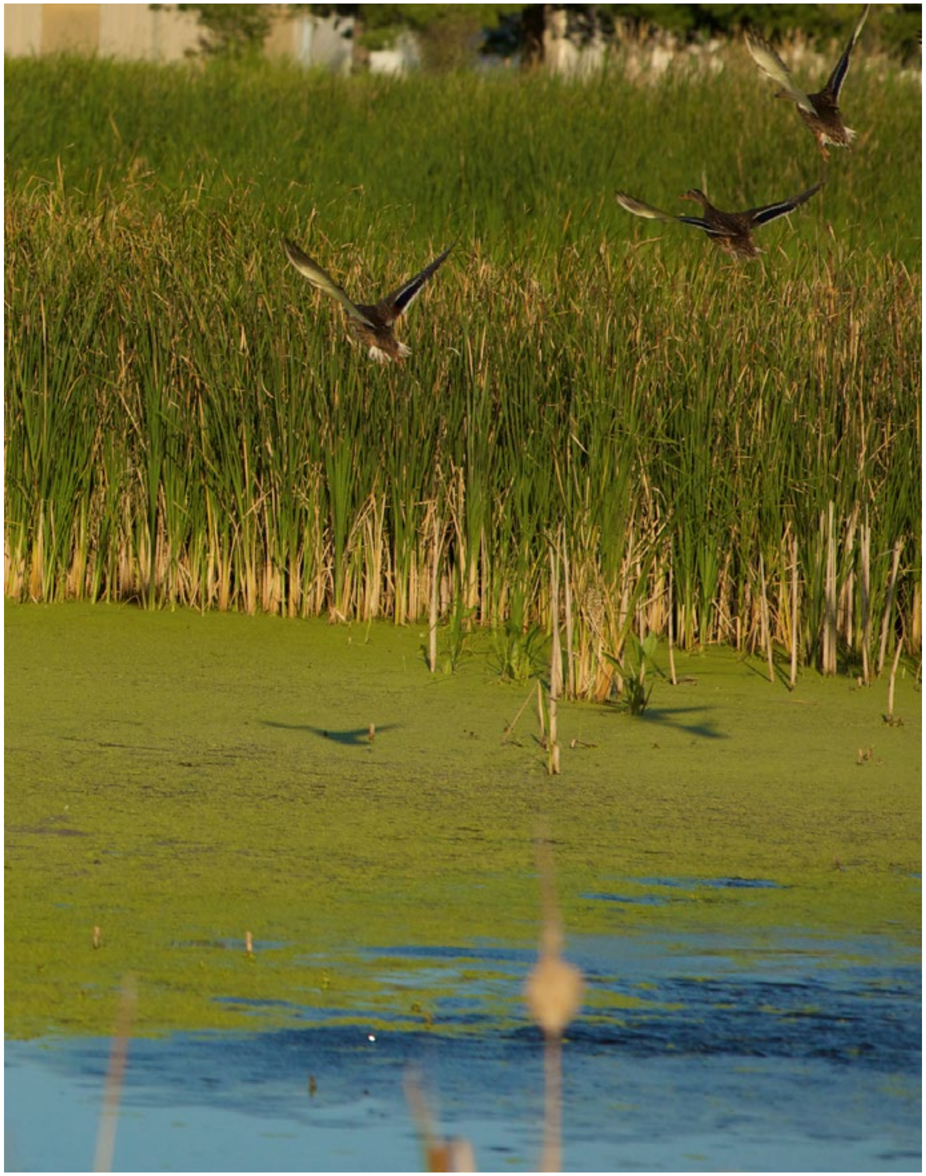
[5] Calculated using Altria's 2030 carbon emissions target and IPCC undiscounted (2010 USD) carbon prices for a 2°C policy scenario from the 2019 IPCC Special Report on Global Warming of 1.5°C

[6] Calculated using Altria's 2030 carbon emissions target and IPCC undiscounted (2010 USD) carbon prices for a 1.5°C policy scenario from the 2019 IPCC Special Report on Global Warming of 1.5°C

[2] Defined on the Enhanced Fujita Scale as Considerable Damage; wind speeds of 113 to 157 mph.
[3] Defined on the Enhanced Fujita Scale as Severe Damage; wind speeds of 158 to 206 mph.

Greenhouse gas emissions data

Scope 1 emissions, Scope 2 emissions, and the business travel category of Scope 3 emissions have been assured by a third party – see our **ERM CVS Assurance Statement** for details. Additional environmental data, including water, waste, and energy, can be found in our **Environmental Data Supplement**.



Metric	Unit	2020	2019	2018	2017
Scope 1 emissions	tonnes CO2e	139,868	154,507	162,162	167,720
Scope 2 emissions (market-based)	tonnes CO2e	141,100	147,909	167,120	169,287
Scope 2 emissions (location-based)	tonnes CO2e	144,140	151,259	170,533	172,709
Total Scope 3 emissions[7]	tonnes CO2e	5,189,893	5,227,733	5,078,448	5,264,365
Purchased goods and services	tonnes CO2e	1,680,841	1,297,850	1,344,729	1,402,570
Capital goods	tonnes CO2e	26,999	6,713	11,515	11,934
Fuel and energy related activities	tonnes CO2e	96,877	96,806	98,424	103,063
Upstream transportation/ distribution	tonnes CO2e	230,858	278,393	225,799	235,413
Waste generated in operations	tonnes CO2e	21,661	27,853	4,929	5,111
Business travel	tonnes CO2e	2,546	14,102	20,286	15,298
Employee commuting	tonnes CO2e	6,188	11,373	17,436	18,112
Downstream transportation/ distribution	tonnes CO2e	200,860	199,307	148,000	151,736
End-of-life treatment of sold products	tonnes CO2e	64,723	67,173	80,439	84,728
Investments	tonnes CO2e	2,858,340	3,228,163	3,126,891	3,236,400

[7] Business travel is calculated based on emission factors and miles traveled for purchased air travel and rental cars. All other Scope 3 categories were calculated using a hybrid life cycle assessment approach for 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. Scope 3 emissions are estimated in 2018 using shipment volumes. For details on methodologies for each category, include percentage of data direct from suppliers and explanation for non-relevant categories, see our **CDP Climate Change** response.

Key climate-related goals and targets

Between now and 2025, Altria and its companies will focus on making progress to:

- Align our operational and value chain business practices with science-based methodology to limit the damaging impacts of climate change.
- Conserve the natural resources on which our businesses and communities rely.
- Reduce the environmental impact of using our companies' products.

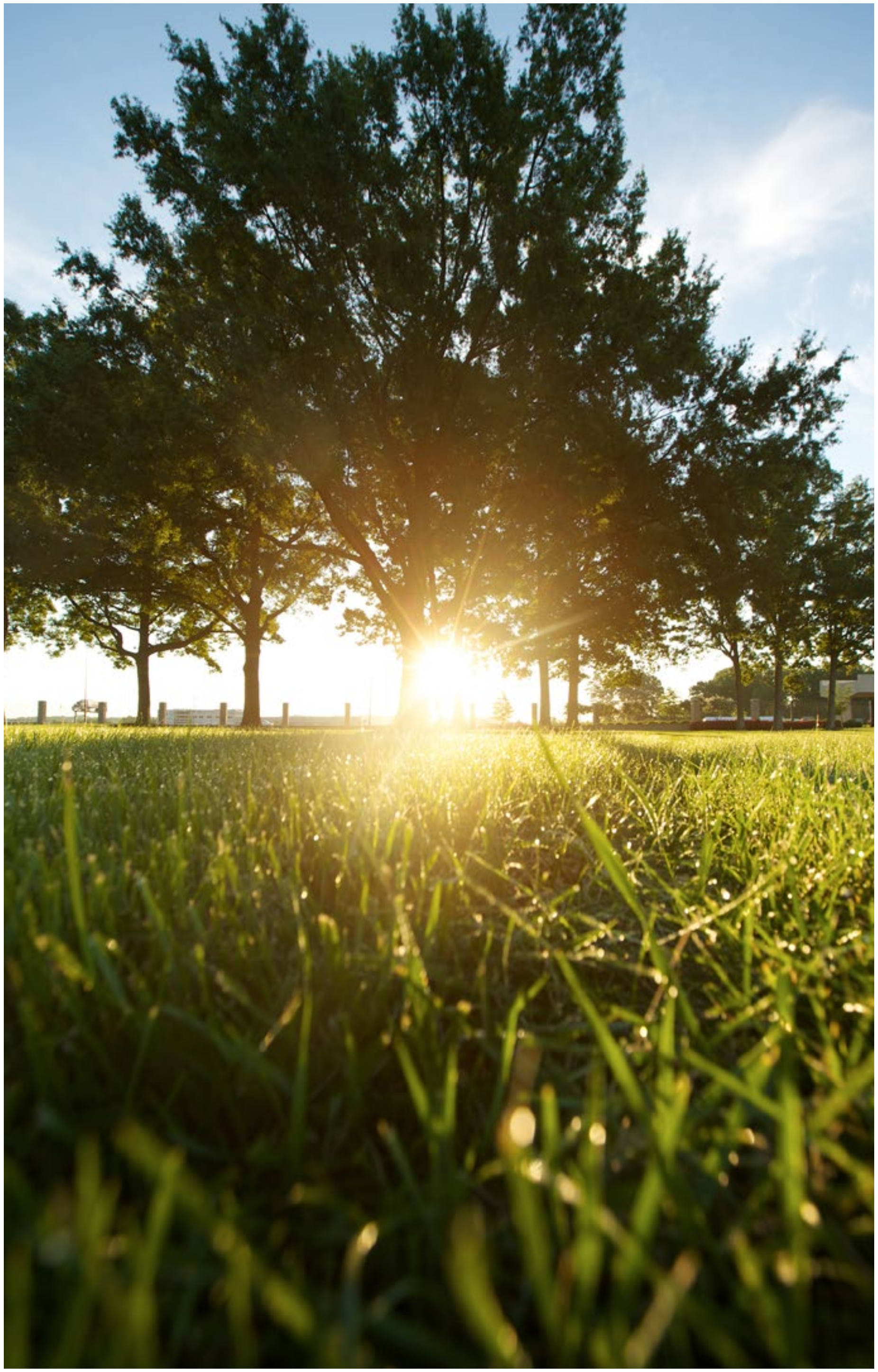
This includes our work toward achieving our 2030 long-term targets, our ongoing focus to reduce cigarette butt litter, and our intention to explore impacts and initiatives around biodiversity, deforestation, product packaging, and innovative product pipeline.

Our 2030 long-term targets (against a 2017 baseline) include:

- Reduce absolute Scope 1 & Scope 2 emissions by 55%
- Reduce absolute Scope 3 emissions by 18%
- Achieve 100% renewable electricity
- Reduce waste sent to landfill by 25%
- Achieve 100% water neutrality each year

For more details on methodologies and progress towards these targets, see our **2020-2021 Protect the Environment report**.

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 third-party Good Agricultural Practices Connection (GAPC) certification process to potentially drive best management practices and track progress in reducing Scope 3 emissions from Purchased Goods and Services emissions. Our goal is 100% of all domestic contracted growers achieve GAPC certification by the end of 2021. For more details on GAPC certification and our progress, see our **2020-2021 Drive Responsibility Through Our Value Chain report**.

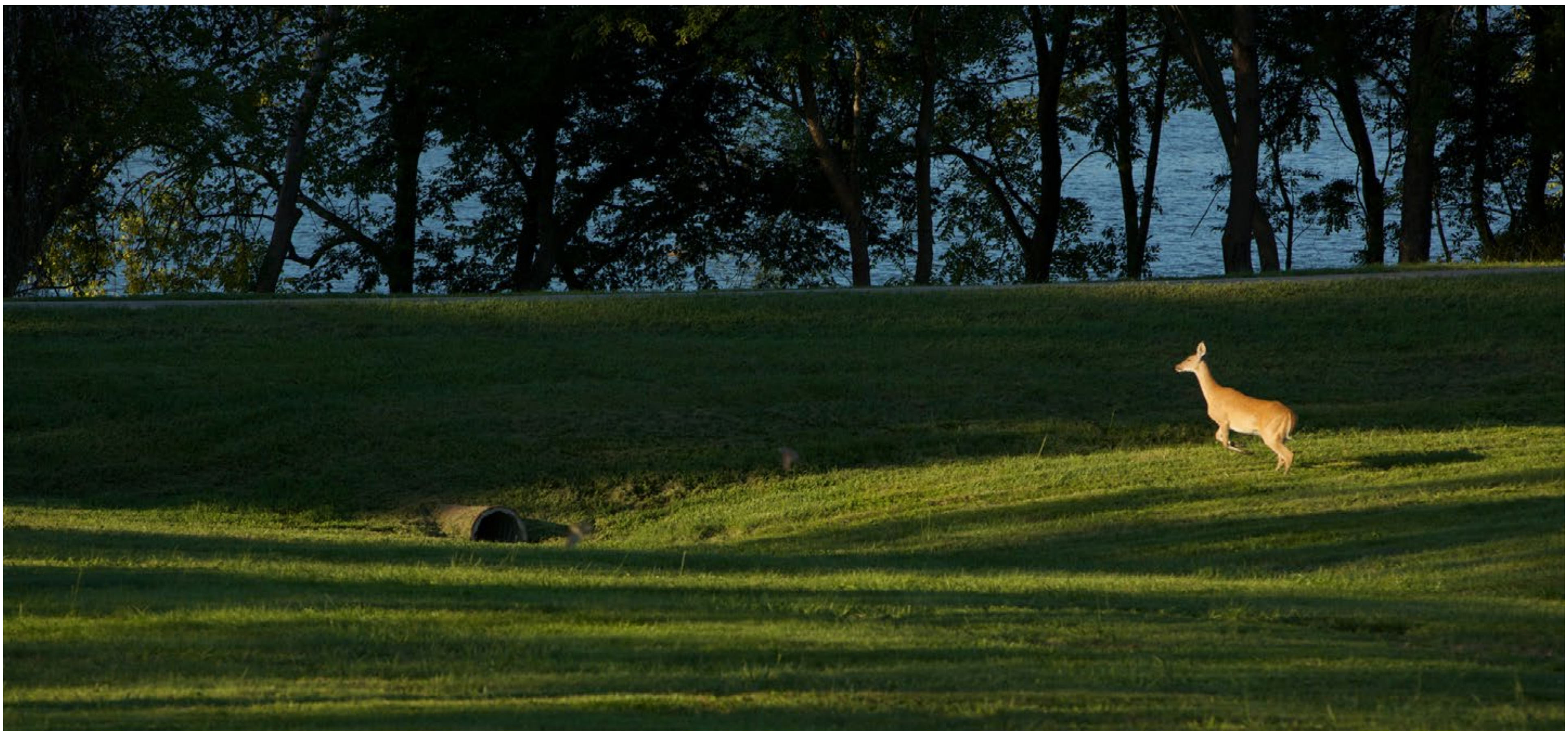


Looking Forward

As the latest IPCC report makes clear, the global community needs to quickly increase the ambition and progress of GHG emission goals. Companies also need to prepare for better analysis and disclosure around the impacts of climate-related risks and opportunities. We believe this analysis will help companies meet investor and regulatory demands while also building a more resilient business.

We plan to assess our ability to establish a 2050 net zero GHG emissions target when the SBTi releases its methodology for companies to set credible targets. In the meantime, we have an approved operational science-based target that aligns with a 1.5°C transition. We plan to also explore a more ambitious Scope 3 science-based target when we re-baseline and re-set our targets to account for the sale of Ste. Michelle in October 2021.

Scenario analysis and reporting in line with the TCFD recommendations is an iterative process, and we have opportunities to further integrate this work into our ERM process and strategic planning, while incorporating the latest science from the IPCC.



Altria