Welcome to your CDP Climate Change Questionnaire 2022

C0. Introduction

C0.1

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

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

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

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

When used in this response, the terms "Altria", "we", "us", and "our" refer to Altria Group, Inc. and its consolidated subsidiaries, unless otherwise noted.

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 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.

The inclusion of information in this questionnaire should not be construed as a characterization regarding the materiality or potential financial impact of that information. Please refer to Altria's publicly filed reports, including its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, for material financial information required to be reported under the U.S. Securities and Exchange Commission's disclosure rules. References herein to "material" amounts and related terms should also not be construed as reflecting or otherwise aligning with the use of such terms in the U.S. Securities and Exchange Commission's recently proposed climate-related disclosure rules.

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, 2021	December 31, 2021	No

C0.3

(C0.3) Select the countries/areas in which you operate.

Canada
Sweden
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-FB0.6

(C-FB0.6) 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-FB0.7

(C-FB0.7) 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 net revenues, source tobacco grown in the United States as well as from farmers across the globe.

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	NYSE: MO

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. In 2021, an example of a board-level decision related to climate is the Committee reviews and approves annually our charitable contributions budget, which in 2021 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. Additionally, our Innovation Committee oversees our efforts to reduce environmental impact of our manufacturing operations and products.

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 strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies	The Nominating, Corporate Governance and Social Responsibility Committee is regularly briefed on our corporate responsibility strategies, including environmental and climate change-related issues, by our Chief Sustainability Officer (CSO). In 2021, our CSO briefed the Committee on environment and climate change topics at four Committee meetings. This includes briefing the Committee on climate-related external trends and expectations and

	Reviewing and guiding annual budgets Reviewing and guiding business plans Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	review of the implementation and performance against our long-term environmental targets, including our Scope 1 and 2 greenhouse gas emissions reduction target. Examples include Altria's commitment to the Science Based Targets initiative and publication of our first TCFD report. 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. The Committee reviews and approves Altria's board-allocated contribution budget, which includes environmental grants for climate-related issues.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues
Row 1	Not assessed

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
Chief Sustainability Officer (CSO)	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 & Chief Sustainability Officer (CSO) reports directly to the CEO and briefs the Board of Directors on climate-related issues. 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 CSO 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 CSO, 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
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction target Behavior change related indicator	Our SVP of Corporate Citizenship & Chief Sustainability Officer 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 CSO 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 CSO , 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 Efficiency target Behavior change related indicator Supply chain engagement	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.

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.
All employees	Non-monetary reward	Behavior change related indicator	Altria Group, Inc. uses non-monetary awards, available to all employees, to encourage a culture of sustainability. In 2021, to celebrate Earth Day, we leveraged our employee engagement program — Altria Contributing Together (act.) — to create opt-in learning modules about our environmental efforts. Together, employees completed over 1,900 learning activities focused on our business impact, environmental targets and personal responsibility to protect the environment. The conversation continues year-round in Altria's employee social platform where employees engage with each other in our Green Up! channel dedicated to all employees interested in stewardship of our environmental goals and reducing their environmental footprint at work and at home.

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	5	Altria's companies participate 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 5 year time horizon as this aligns with our 2025 focus area goal time horizon, as well as our time horizon for functional strategic priority planning.
Medium-term	6	9	Altria's companies participate 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 6 to 9 year time horizon as this aligns with our Vision, which sets our enterprise initiative and business strategies, including our 2030 long-term environmental targets.
Long-term	10	30	Altria's companies participate 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 10 to 30 year time horizon as 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.

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 in its periodic financial reports such as our 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 2021 Annual Report on Form 10-K include:

- Altria's tobacco operating companies and investees 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 operating companies or investees, or the operations of any key supplier, distributor or distribution chain service provider of any of Altria's tobacco operating companies 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 tobacco operating companies, 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 operating companies 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 operating companies and investees. Shifts in crops (such as those driven by economic conditions and adverse weather patterns), climate and environmental changes and disruptions due to man-made or natural disasters may increase or decrease the cost or reduce the supply or quality of tobacco and other raw materials or ingredients or component parts used to manufacture our companies' and our investees' products. Any significant change in the price, quality or availability of tobacco, other raw materials, ingredients or component parts used to manufacture our products and those our investees could restrict our tobacco operating companies' and investees' ability to continue manufacturing and marketing existing products or impact adult consumer product acceptability and adversely affect our tobacco operating companies' and investees' 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 and availability of tobacco leaf can be influenced by economic conditions and imbalances in supply and demand. In addition, government taxes, restrictions and prohibitions on the sale and use of certain products may limit access to, and increase the costs of, raw materials and component parts and, potentially, impede our ability to sell certain of our products. For example, additional taxes on the use of certain single-use plastics have been proposed by the U.S. Congress, which, if passed, could increase the costs of, and impair our ability to, source certain materials used in the packaging for our tobacco operating companies’ products.

-There is increasing investor focus on environmental, social and governance (“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. Decreasing social acceptance of tobacco products or 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 potential investors choosing not to invest in Altria stock and could have a negative impact on the market performance of Altria stock.

These risks 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 operating companies. Should such an event occur, the determination as to whether the impact is substantive would be based on quantitative (including increased operating costs) and qualitative factors. For our enterprise risk management process, risks are categorized by potential financial impact as follows: low (<$100 million in operating companies 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 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 risks 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 annually Our Environmental Management Framework helps guide this risk and opportunity assessment process with regard to climate change.

Identified risks and opportunities, including operational environmental 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.

While near-term climate-related risks, including those we disclose in our Risk Factors in our Annual Report on Form 10-K and quarterly reports on Form 10-Q, are integrated into our ERM and other risk management processes, we also have the opportunity to better evaluate and integrate more emerging, longer-term, and more uncertain climate risks into ERM and/or other risk management processes as we get better data and information around these risks, including scenario analysis.

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	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 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.
Emerging regulation	Relevant, always included	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. 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 (such as prices of energy, GHGs and regulations) by setting an enterprise-wide target of reducing absolute Scope 1 and Scope 2 emissions 55% by 2030, based on a 2017 baseline. This has helped mitigate emerging

		transition risks related to potential increases in greenhouse gas emissions pricing, by encouraging transition to lower-emissions technologies in our companies' 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 at various facilities. In addition, government taxes, restrictions and prohibitions on the sale and use of certain products may limit access to, and increase the costs of, raw materials and component parts and, potentially, impede our ability to sell certain of our products. For example, additional taxes on the use of certain single-use plastics have been proposed by the U.S. Congress, which, if passed, could increase the costs of, and impair our ability to, source certain materials used in the packaging for our tobacco operating companies' products. Additionally, in recent years, legislation has been introduced or enacted at the state or local level to prohibit the sale of our products based on environmental concerns and/or impose responsibility on manufacturers for disposal, recycling or other treatment of post-consumer goods such as plastic packaging. Such legislation may be subject to constitutional or other challenges on various grounds, which may or may not be successful. Single-use plastic bans and/or extended producer responsibility mandates could impact our revenues, direct costs and/or ban some of our product packaging or possibly the product itself. Due to being regulated by the FDA, our products face additional challenges related to the ease, speed, and cost of product changes.
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%. 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. 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.
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. Failure to comply with 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. We work to mitigate this risk with our compliance processes and our Safety, Health and Environment team assesses current climate-

		related regulations as part of the group's regulatory risk assessment processes, guided by Altria's Environmental Management Framework.
Market	Relevant, always included	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. 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. 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 may over index in as a result of other transition risks, such as regulation.
Reputation	Relevant, always included	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 could result from inaction. 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.
Acute physical	Relevant, always included	Altria's tobacco operating companies and investees face risks inherent in reliance on a few significant facilities and key suppliers, distributors and distribution chain service providers that could have operations disrupted by extreme weather. 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 operating companies. Altria also carries adequate inventory of key materials to mitigate supply disruptions and maintains a diversified sourcing model. We also have insurance coverage to mitigate the financial impact of disruptions.

		Increasing severity and frequency of extreme weather events may negatively impacts insurance markets including increased insurance claims liability and availability or cost of insurance in high risk areas.
Chronic physical	Relevant, always included	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 operating companies and investees. Shifts in crops (such as those driven by economic conditions and adverse weather patterns), climate and environmental changes and disruptions due to man-made or natural disasters may increase or decrease the cost or reduce the supply or quality of tobacco and other raw materials or ingredients or component parts used to manufacture our companies' and our investees' products. 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. Altria's tobacco 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. 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. The following are potential climate-related impacts we identified through a 2021 TCFD scenario analysis workshop. These are not inclusive of all potential impacts and do not represent likelihood or materiality as they represent uncertain future conditions given the nature of long-term climate-related scenario analysis and have not been quantified to determine materiality: Rising mean temperatures and increasing severity and frequency of extreme weather could decrease worker productivity, lower GDP, and increase food prices - these macroeconomic impacts could negatively impact adult tobacco consumer buying power. These chronic changes could also impact worker's 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. 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.

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 2

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Chronic physical

Changing precipitation patterns and types (rain, hail, snow/ice)

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 primarily purchased for PM USA’s and USSTC’s products through direct contracted growers. PM USA and JMC also buy 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, such as Kentucky or

Pennsylvania, have become more erratic and extreme over the last few years diminishing crop yields and quality. Continued extremes like these can impact crop yield and quality and create grower sustainability issues that can potentially impact our end products.

Time horizon

Medium-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)

213,000

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, to minimize the 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. As a result of operating a diversified sourcing model, we have not experienced increased costs from variable weather and are unable to currently quantify potential impacts outside of that model. Therefore we are instead reporting the financial impact of 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

319,000

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; GAP Connections (GAPC) Certification Program; supplier participation in the Sustainable Tobacco Programme (STP), 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 2021, 100% 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 labour management standards via third-party auditing firms. 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 report annually on their adoption of additional standards within the crop, environment and labour management focus areas and are audited on these standards every other year. 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 2021 spend on the environment portion of third-party assessments, such as GAP Connections and the STP and 2021 spend for incentives paid to growers for achieving GAPC certification.

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 and 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. 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. The United States currently does not have a national carbon pricing policy, nor is one expected in the short-term. The states where Altria currently operates do not have carbon pricing regulations that directly affect our operations, nor are regulations imminent. However, Virginia, where we have our largest manufacturing and office footprint, and therefore largest operational carbon footprint, is part of the Regional Greenhouse Gas Initiative (RGGI). RGGI is a carbon tax-and-invest initiative to cap and reduce emissions from the power sector. We continue to monitor Virginia's participation in the RGGI in case there are plans to expand this program beyond the power sector and for any indirect impacts from our energy suppliers.

Time horizon

Medium-term

Likelihood

Unlikely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure – minimum (currency)

2,000,000

Potential financial impact figure – maximum (currency)

917,000,000

Explanation of financial impact figure

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. The potential finance impact figure was estimated using hypothetical 2030 carbon price ranges from the 2°C and 1.5°C policy scenarios from the 2019 IPCC Special Report on Global Warming of 1.5°C. These undiscounted 2010 carbon prices were in the range of $15-$6050 per metric tonne of CO2e.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 companies' facilities and that Altria would achieve our 2030 emission reduction target for Scope 1 and 2. The figures were then estimated by multiplying our 2030 Scope 1 and 2 emissions target (151,653 metric tonnes CO2e) by the respective hypothetical carbon price and rounding.

Cost of response to risk

3,500,000

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 (such as the price of energy, GHGs and regulations) by setting an enterprise-wide target of reducing absolute Scope 1 and Scope 2 emissions 55% by 2030, based on a 2017 baseline. Progress toward our target has been driven by emissions reduction activities across Altria's operating companies, including ongoing energy-efficiency projects across various facilities, as well as pursuing renewable electricity purchases.

As a case study, Altria's operating companies evaluated the replacement of boilers at manufacturing facilities with newer technologies with lower emissions. A major conversion of coal-fired boilers to natural gas boilers at three of PM USA and USSTC's manufacturing facilities was completed in 2014. USSTC is in the process of replacing three natural gas boilers, originally commissioned in the 1970's, with new high-efficiency combustion natural gas boilers. We estimate that the new boilers will reduce NOx emissions by 70%. While these conversions help the company meet some compliance requirements, the decision to convert fuels or boiler technology 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, which is the USSTC boiler replacement project cost of $3,500,000, is not reflective of just mitigating the financial impact of this risk.

Additionally, Altria continues 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. We recently announced signing a virtual power purchase agreement to cover the electricity load of all our U.S. facilities and continue to explore additional opportunities as our business changes. There is no cost to this response to risk as a virtual power purchase agreement contract requires no upfront investment cost for Altria.

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

Tornado

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, including tornados, floods, and earthquakes. 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

Unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure – minimum (currency)

700,000,000

Potential financial impact figure – maximum (currency)

3,400,000,000

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 manufacturing operations of any of Altria's tobacco subsidiaries. Our commercial 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 of around 24 months, we estimated the potential financial impact in a range considering a “best case” scenario where current and planned business continuity coverage minimizes the impact and a “worst case, inherent risk” scenario that assumes we do not have any business continuity coverage in place, even though that coverage does exist today. These ranges do not take into account any investments needed to repair or rebuild the facility, other mitigating factors such as insurance, or intangible impacts such as loss of market share. Given those scenarios and assumptions, it is estimated USSTC would experience $700 MM to $3,400 MM in operating companies income loss over the outage period.

Cost of response to risk

52,200,000

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 business continuity operations. 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, USSTC had already made a decision in 2015 to construct an additional manufacturing processing facility deemed outside of the same severe weather risk zones as these locations and in 2022 made the decision to construct an additional business continuity operation in Hopkinsville, KY to provide packing and pouching operations outside existing operational capabilities. The project commenced in Q2 2022 and is planned for completion in Q3 2023 for an investment of approximately $48.2MM. 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 business continuity operation ($48.2 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

Cold wave/frost

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 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 2021 ice storms in Texas and in the past, hurricanes have impacted our suppliers. The impact was immaterial and we mitigated the impact by securing resin from a supplier in a new geographic region. 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, a single figure estimate

Potential financial impact figure (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 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 expeditated shipping from an alternative supplier after the resin supply chain disruption in 2021.

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, 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. 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

Identifier

Risk 6

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Reputation

Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact

Decreased access to capital

Company-specific description

There is increasing investor focus on environmental, social and governance (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. Decreasing social acceptance of tobacco products or 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 potential investors choosing not to invest in Altria stock and could have a negative impact on the market performance of Altria stock.

Time horizon

Medium-term

Likelihood

Unlikely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Explanation of financial impact figure

The impact has not been quantified financially.

Cost of response to risk

0

Description of response and explanation of cost calculation

Our Investor Relations, Treasury and Corporate Responsibility teams monitor these risks, including proactively engaging on various ESG ratings, which has no associated cost beyond employee time to engage on ratings. 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 could include negative media coverage or investment community assessments. 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.

Comment

Identifier

Risk 7

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Emerging regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Increased direct costs

Company-specific description

Government taxes, restrictions and prohibitions on the sale and use of certain products may limit access to, and increase the costs of, raw materials and component parts and, potentially, impede our ability to sell certain of our products. For example, additional taxes on the use of certain single-use plastics have been proposed by the U.S. Congress, which, if passed, could increase the costs of, and impair our ability to, source certain materials used in the packaging for our tobacco operating companies' products. Additionally, in recent years, legislation has been introduced or enacted at the state or local level to prohibit the sale of our products based on environmental concerns and/or impose responsibility on manufacturers for disposal, recycling or other treatment of post-consumer goods such as plastic packaging. Such legislation may be subject to constitutional or other challenges on various grounds, which may or may not be successful. For example, single-use plastic bans and/or extended producer responsibility mandates could impact our revenues, direct costs and/or 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.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Explanation of financial impact figure

Because the regulatory landscape around single-use plastics is nascent in the United States and varies considerably between state-level proposals, we do not have enough specifics to quantify the financial impact at this time.

Cost of response to risk

0

Description of response and explanation of cost calculation

Our Government Affairs, Regulatory Affairs and Corporate Responsibility teams monitor these risks and engage across the business, including Legal, Procurement and Packaging Services, to understand potential business impacts. As legislation emerges, these teams work together to conduct legislative review and prioritization, including education on environmental issues, determining business impacts and company positions, and stakeholder engagement. As part of our 2025 Protect the Environment goals, we are working to reduce the environmental impact of our products, which includes single-use plastics and packaging. Currently, the response to this risk has no associated costs beyond employee time to review and engage on potential legislation and develop strategies toward our 2025 environmental goals; however as legislation continues to evolve, we may have costs associated with policy advocacy in the future.

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; energy recovery projects; optimizing set-points for refrigeration systems; replacing outdated HVAC units; consolidating our facility footprint with remote work; 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)

479,000

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, energy recovery at a PM USA central plant facility, is estimated to provide annual monetary savings of approximately $479,000 in water and energy costs upon project completion in January 2023, and the figure provided above is the sum of these savings. Based on a multi-year project schedule, PM USA has estimated around a 7 to 8 year payback period for this project.

Cost to realize opportunity

2,945,500

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. In 2021, PM USA began an energy recovery project at its central plant with the goal of reducing water and energy-related operating costs and making progress against enterprise-wide long-term environmental targets. This project is expected to be completed in January 2023 and is estimated to offer around $479,000 in combined water and energy cost savings annually. The cost to realize this opportunity of $2,945,500 represents the labor and materials needed to implement the energy recovery project.

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 set a target to achieve 100% renewable electricity by 2030 and recently announced signing a virtual power purchase agreement to cover the electricity load of all our U.S. facilities, including those in Richmond, VA and Nashville, TN. This project, expected to be operational at the end of 2022,could reduce our Scope 2 market-based emissions by 123,000 tonnes CO2e based on 2021 metrics.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

26,000,000

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 a projected average gain of $26 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 continues 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. We recently announced signing a virtual power purchase agreement to cover the electricity load of all our U.S. facilities and continue to explore additional opportunities as our business changes. 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) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

Altria has many elements of a transition plan, including a TCFD-aligned report and our 2030 operational greenhouse gas emissions reduction target is consistent with a 1.5°C pathway as approved by the Science-Based Target initiative. We are assessing our ability to establish a 2050 net zero target with the recently-released methodology from Science-Based Target initiative, as our 2025 goal is to align our operational and value chain business practices with science-based methodology to limit the damaging impacts of climate change.

C3.2

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

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative and quantitative

C3.2a

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

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios RCP 8.5	Company-wide		Our scenario analysis conducted in 2021 used data and qualitative information from publicly available scenarios, such as the IPCC Representative Concentration Pathway (RCP) 8.5 scenario. In this high warming scenario for physical risks, we assumed global warming was limited to 4°C by 2100; no significant transition impacts; less ambitious climate policy; emissions remain high so physical impacts are more apparent.
Transition scenarios IEA NZE 2050	Company-wide		Our scenario analysis conducted in 2021 used data and qualitative information from publicly available scenarios, such as the International Energy Agency (IEA) Net Zero scenario. In this low warming, high mitigation scenario, we assumed global warming was limited to 1.5 - 2°C by 2100; no significant physical impacts; society acts rapidly to limit greenhouse gas emissions through carbon prices, halting net deforestation and a rapid transition away from fossil fuels.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

What does a warming world mean for our business, both operations and in our value chain? What does increasing extreme weather mean for our companies' manufacturing facilities and/or our key suppliers and distribution partners? Is our agricultural tobacco supply chain resilient to increasing temperatures, precipitation variability and water stress? What would GDP loss mean for our adult tobacco consumers?

What does a low-carbon economy mean for our business? How would policy changes, such as carbon pricing or single-use plastic legislation, impact our business and/or key suppliers? Where are the GHG emission hotspots in our value chain and can we identify efficiency projects? How does this impact our target setting and business plans – is this a competitive advantage?

Results of the climate-related scenario analysis with respect to the focal questions

Our analysis shows that there are potential 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 ERM infrastructure, business continuity and crisis management processes, diversified sourcing model, 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.

For example, we explored the impact of carbon pricing on Altria's business. 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. We estimated potential future carbon pricing financial impacts under various climate scenarios using hypothetical 2030 carbon price ranges from the 2°C and 1.5°C policy scenarios from the 2019 IPCC Special Report on Global Warming of 1.5°C. These undiscounted 2010 carbon prices were in the range of $15-$6050 per metric tonne of CO2e. This hypothetical scenario 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 companies' facilities and that Altria would achieve our 2030 emission reduction target for Scope 1 and 2. The resulting impacts to Altria ranged from $2 million to $917 million.

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	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	Yes	PM USA and USSTC purchase American-grown tobacco and PM USA and Middleton buy 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, diversified sourcing model that allows the purchase of tobacco leaf from various sources. Additionality, 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 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 Science Based Targets initiative. By aligning our emissions targets with science-based targets methodology, we hope to do our part in in limiting warming to 1.5 degrees Celsius in alignment with the Paris Agreement.
Investment in R&D	Yes	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 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	Yes	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.. We recently announced signing a virtual power purchase agreement to cover the electricity load of all our U.S. facilities. We also have current, ongoing energy-efficiency projects across various facilities, including: retrofitting lighting fixtures to more efficient technologies such as LED; energy recovery projects; 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 transition to lower emissions technologies in the future and provide Altria's companies the opportunity to move towards more resource efficient facilities over the coming years. In 2020, we made the strategic decision to set longer-term, more ambitious science-based greenhouse gas emissions targets renewable electricity target to be achieved 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. We recently announced signing a virtual power purchase agreement to cover the electricity load of all our U.S. facilities 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. In 2022, USSTC made the decision to invest $48.2 MM to construct an additional business continuity operation in Hopkinsville, KY to provide packing and pouching operations outside existing operational capabilities.

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)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Base year

2017

Base year Scope 1 emissions covered by target (metric tons CO2e)

167,720

Base year Scope 2 emissions covered by target (metric tons CO2e)

169,287

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

337,007

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

55

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

151,653.15

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

129,087

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

123,359

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

252,446

% of target achieved relative to base year [auto-calculated]

45.6213884956

Target status in reporting year

Underway

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 target coverage and identify any exclusions

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.

Plan for achieving target, and progress made to the end of the reporting year

Besides current and ongoing energy efficiency projects in our companies' manufacturing facilities, we recently announced signing a virtual power purchase agreement to cover the electricity load of all our U.S. facilities, including those in Richmond, VA and Nashville, TN. This project, expected to be operational at the end of 2022, would allow us to hit our target ahead of schedule as it significantly reduces our market-based Scope 2 emissions.

Target reference number

Abs 4

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 3 category(ies)

Category 1: Purchased goods and services
Category 2: Capital goods
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 5: Waste generated in operations
Category 6: Business travel
Category 7: Employee commuting
Category 9: Downstream transportation and distribution
Category 12: End-of-life treatment of sold products
Category 13: Downstream leased assets
Category 15: Investments

Base year

2017

Base year Scope 3 emissions covered by target (metric tons CO2e)

5,264,365

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

5,264,365

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

18

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

4,316,779.3

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

5,420,777

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

5,420,777

% of target achieved relative to base year [auto-calculated]

-16.5063698196

Target status in reporting year

Underway

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 target coverage and identify any exclusions

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

Plan for achieving target, and progress made to the end of the reporting year

While we are showing a slight increase in total Scope 3 emissions since the baseline year, we believe inflation may be impacting our data, as we use an economic input-output methodology. We are exploring moving from spend data to quantity data and piloting primary data for key categories of impact.

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: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Base year

2017

Consumption or production of selected energy carrier in base year (MWh)

448,146

% share of low-carbon or renewable energy in base year

2.1

Target year

2030

% share of low-carbon or renewable energy in target year

100

% share of low-carbon or renewable energy in reporting year

0.47

% of target achieved relative to base year [auto-calculated]

-1.6649642492

Target status in reporting year

Underway

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 target coverage and identify any exclusions

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

Plan for achieving target, and progress made to the end of the reporting year

We recently announced signing a virtual power purchase agreement to cover the electricity load of all our U.S. facilities, including those in Richmond, VA and Nashville, TN. We expect this project, projected to be operational at the end of 2022, to allow us to hit our renewable electricity target ahead of schedule.

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

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

20,048,510

% of target achieved relative to base year [auto-calculated]

112.1641428571

Target status in reporting year

Achieved

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 target coverage and identify any exclusions

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.

List the actions which contributed most to achieving this target

Altria's companies implement waste management programs at our offices and production facilities to manage business waste, production waste, chemical waste and solid waste. This includes waste reduction and recycling programs to reduce the amount of waste we send to landfill.

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

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

97.9

% of target achieved relative to base year [auto-calculated]

97.2

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 target coverage and identify any exclusions

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.

Plan for achieving target, and progress made to the end of the reporting year

We have been encouraging growers to participate in GAPC Certification program since its inception in 2018. We assisted growers with applications and audit fees for the first year of successful completion of GAPC Certification. Participation in the program continues to grow and we are proud of the progress. In 2020, 100% of USSTC’s dark tobacco growers and 100% of PM USA’s flue cured growers were contractually required to participate. Additionally, 41% of PM USA’s burley growers voluntarily participated in the GAPC certification program equating to a total of 67% of our TLP grower base participating in GAPC certification in 2020. In 2021, all TLP growers were contractually obligated to participate. In 2021, 100% of all domestic contracted growers participated and 97.9% were certified.

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*	5	126,998
Implemented*	4	276
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

Transportation

Employee commuting

Estimated annual CO2e savings (metric tonnes CO2e)

3

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 7: Employee commuting

Voluntary/Mandatory

Voluntary

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

0

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

16,000

Payback period

No payback

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Low-carbon energy consumption

Low-carbon electricity mix

Estimated annual CO2e savings (metric tonnes CO2e)

273

Scope(s) or Scope 3 category(ies) where emissions savings occur

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)

12,480

Payback period

No payback

Estimated lifetime of the initiative

1-2 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-FB4.4

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

Yes

C-FB4.4a

(C-FB4.4a) 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

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)

1,143

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 1,143 tons of CO2e since completion.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

No

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, an acquisition

Yes, a divestment

Name of organization(s) acquired, divested from, or merged with

Divested :International Wine & Spirits Ltd., which included Ste. Michelle Wine Estates Ltd.

Acquired: Burger Söhne Holding and its subsidiaries

Details of structural change(s), including completion dates

On October 1, 2021, Altria's wholly owned subsidiary UST sold its subsidiary International Wine & Spirits Ltd., which included Ste. Michelle Wine Estates Ltd. In 2019, Altria's wholly owned subsidiary Helix acquired Burger Söhne Holding and its subsidiaries as well as certain affiliated companies that are engaged in the manufacture and sale of on! Oral nicotine pouches. At closing, Altria owned an 80% interest in Helix. At December 31, 2021, Altria owned 100% of the global on! Business as a result of transactions in December 2020 and April 2021 to purchase the remaining 20% interest in (i) Helix Innovations GmbH and its subsidiaries (Helix ROW) and (ii) Helix, respectively.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	No, because we do not have the data yet and plan to recalculate next year	Per the GHG Protocol and Science-Based Target initiative criteria, we recalculate emissions when we have major structural changes, such as a divestment or acquisition to ensure our data and targets are covered by at least 95% of emissions.

C5.2

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

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

Scope 3 category 1: Purchased goods and services

Base year start
January 1, 2017

Base year end
December 31, 2017

Base year emissions (metric tons CO2e)
1,402,570

Comment

Scope 3 category 2: Capital goods

Base year start
January 1, 2017

Base year end
December 31, 2017

Base year emissions (metric tons CO2e)
11,934

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

103,063

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

235,413

Comment

Scope 3 category 5: Waste generated in operations

Base year start

January 1, 2017

Base year end
December 31, 2017

Base year emissions (metric tons CO2e)
5,111

Comment

Scope 3 category 6: Business travel

Base year start
January 1, 2017

Base year end
December 31, 2017

Base year emissions (metric tons CO2e)
15,298

Comment

Scope 3 category 7: Employee commuting

Base year start
January 1, 2017

Base year end
December 31, 2017

Base year emissions (metric tons CO2e)
18,112

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not relevant to Altria

Scope 3 category 9: Downstream transportation and distribution

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

151,736

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not relevant to Altria

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not relevant to Altria

Scope 3 category 12: End of life treatment of sold products

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

84,728

Comment

Scope 3 category 13: Downstream leased assets

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

0

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not relevant to Altria

Scope 3 category 15: Investments

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

3,236,400

Comment

Scope 3: Other (upstream)

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

214,909

Comment

Scope 3: Other (downstream)

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

165,090

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
The Climate Registry: General Reporting Protocol
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol Agricultural Guidance: Interpreting the Corporate Accounting and Reporting Standard for the Agricultural Sector
The Greenhouse Gas Protocol: Public Sector Standard
The Greenhouse Gas Protocol: Scope 2 Guidance
US EPA Center for Corporate Climate Leadership: Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases
US EPA Center for Corporate Climate Leadership: Indirect Emissions From Events and Conferences
US EPA Center for Corporate Climate Leadership: Indirect Emissions From Purchased Electricity
US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources
US EPA Center for Corporate Climate Leadership: Direct Emissions from Mobile Combustion Sources
US EPA Mandatory Greenhouse Gas Reporting Rule
US EPA Emissions & Generation Resource Integrated Database (eGRID)

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)

129,087

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

124,010

Scope 2, market-based (if applicable)

123,359

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?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

In 2019, Altria’s wholly owned subsidiary Helix acquired Burger Söhne Holding and its subsidiaries as well as certain affiliated companies that are engaged in the manufacture and sale of on! Oral nicotine pouches. At closing, Altria owned an 80% interest in Helix. At December 31, 2021, Altria owned 100% of the global on! Business as a result of transactions in December 2020 and April 2021 to purchase the remaining 20% interest in (i) Helix Innovations GmbH and its subsidiaries (Helix ROW) and (ii) Helix, respectively. As we were still calculating data for these subsidiaries in 2021, we are excluding these emissions (primarily emissions from subsidiary operations in Sweden) from our disclosure this year and estimate they represent less than 1% of Altria total emissions. We anticipate including this data for the 2022 reporting year.

Relevance of Scope 1 emissions from this source

Emissions excluded due to a recent acquisition or merger

Relevance of location-based Scope 2 emissions from this source

Emissions excluded due to a recent acquisition or merger

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions excluded due to a recent acquisition or merger

Explain why this source is excluded

In 2019, Altria's wholly owned subsidiary Helix acquired Burger Söhne Holding and its subsidiaries as well as certain affiliated companies that are engaged in the manufacture and sale of on! Oral nicotine pouches. At closing, Altria owned an 80% interest in Helix. At December 31, 2021, Altria owned 100% of the global on! Business as a result of transactions in December 2020 and April 2021 to purchase the remaining 20% interest in (i) Helix Innovations GmbH and its subsidiaries (Helix ROW) and (ii) Helix, respectively. As we were still calculating data for these subsidiaries in 2021, we are excluding these emissions (primarily emissions from subsidiary operations in Sweden) from our disclosure this year and estimate they represent less than 1% of Altria total emissions. We anticipate including this data for the 2022 reporting year.

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

Emissions in reporting year (metric tons CO2e)

1,722,791

Emissions calculation methodology

Spend-based method

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

0

Please explain

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

23,718

Emissions calculation methodology

Average spend-based method

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

Emissions in reporting year (metric tons CO2e)

76,065

Emissions calculation methodology

Average data method

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

0

Please explain

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

222,469

Emissions calculation methodology

Spend-based method

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

0

Please explain

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

4,430

Emissions calculation methodology

Average data method

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

0

Please explain

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2,618

Emissions calculation methodology

Spend-based method
Fuel-based method
Distance-based method

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

Emissions in reporting year (metric tons CO2e)

5,843

Emissions calculation methodology

Average data method

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

Emissions in reporting year (metric tons CO2e)

190,659

Emissions calculation methodology

Average data method

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

Emissions in reporting year (metric tons CO2e)

43,971

Emissions calculation methodology

Average data method

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

0

Please explain

Downstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,694

Emissions calculation methodology

Asset-specific method

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

100

Please explain

Altria was sub-leasing its previous Headquarters Annex office building in 2021.

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

Emissions in reporting year (metric tons CO2e)

3,126,519

Emissions calculation methodology

Average data method

Investment-specific method

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

99

Please explain

Other (upstream)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

185,287

Emissions calculation methodology

Average data method

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

0

Please explain

Other (downstream)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

136,712

Emissions calculation methodology

Methodology for direct use phase emissions, please specify

Greenhouse gases and products that contain or form greenhouse gases that are emitted during use

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

0

Please explain

C-FB6.8

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

No

C-FB6.9

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

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.

C-FB6.9a

(C-FB6.9a) 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)

1,369,911

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.

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
0.0000097

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
252,446

Metric denominator
unit total revenue

Metric denominator: Unit total
26,013,000,000

Scope 2 figure used
Market-based

% change from previous year
9.3

Direction of change
Decreased

Reason for change

Scope 1 and Scope 2 emissions on an intensity basis per unit of net revenue decreased 9.3 percent from 2020 to 2021. 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 2021 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 CO2e)	GWP Reference
CO2	127,795	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	97	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	140	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	1,055	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 CO2e)

United States of America	129,087

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	12,330
Altria Client Services LLC	11,306
John Middleton Company	2,900
Philip Morris USA	85,085
Ste. Michelle Wine Estates	4,171
U.S. Smokeless Tobacco Company	13,289
Other	6.94

C-FB7.4

(C-FB7.4) 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-FB7.4a

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

Total emissions

C-FB7.4b

(C-FB7.4b) 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)

705

Methodology

Default emissions factor

Please explain

The total emissions figure reported includes Scope 1 emissions associated with agricultural activities across Ste. Michelle's vineyards for the period of time prior to Altria divesting Ste. Michelle in October 2021.

Activity

Processing/Manufacturing

Emissions (metric tons CO2e)

128,382

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 CO2e)	Scope 2, market-based (metric tons CO2e)
United States of America	124,010	123,359

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 CO2e)	Scope 2, market-based (metric tons CO2e)
Altria Group Distribution Company	141.2	141.2
Altria Client Services LLC	10,210	9,937
John Middleton Company	1,818	1,818
Philip Morris USA	75,787	75,787
Ste. Michelle Wine Estates	16,163	15,785

U.S. Smokeless Tobacco Co.	19,890	19,890
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	2,389	Increased	0.85	In 2020, Altria's operating companies purchased a Renewable Energy Certificate (REC) for a portion of one of our service companies' facilities' energy use, participated in Dominion Energy's Green Power Program, and participated in MCE's Light Green (50%) Power Program at Ste. Michelle's Conn Creek and Stag's Leap Wineries. In 2021, we sold Ste. Michelle and did not purchase the REC, reducing our total renewable energy consumption. In 2021, emissions were increased 2389 tons by less renewable energy consumption and our total Scope 1 and Scope 2 emissions in the previous year were 280,968 tons therefore we arrived at 0.85% through (2389/280,968) *100 = 0.85% (i.e. a 0.85% increase in emissions).
Other emissions reduction activities	276	Decreased	0.1	Through emissions reduction activities noted in C4.3a across Altria's operating company facilities, emissions in 2021 were reduced by 276 tons and our total Scope

				1 and Scope 2 emissions in the previous year were 280,968 tons therefore we arrived at 0.1% through (276/280,968) * 100 = 0.1 (i.e. a 10.1% decrease in emissions).
Divestment	16,025	Decreased	5.7	In October 2021, Altria sold Ste. Michelle Wine Estates.
Acquisitions				
Mergers				
Change in output	14,610	Decreased	5.2	Changes in output, including the impact of COVID-19 on field sale force on gasoline usage, resulted in emissions in 2021 being reduced by 14,610 tons and our total Scope 1 and Scope 2 emissions in the previous year were 280,968 tons therefore we arrived at 5.2% through (14,8610/280,968) * 100 = 55.2 (i.e. a 5.2% 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	649,987	649,987

Consumption of purchased or acquired electricity		1,956	417,747	419,703
Consumption of self-generated non-fuel renewable energy		0		0
Total energy consumption		1,956	1,067,734	1,069,690

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.

Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

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

Comment

Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

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

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

0

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

Comment

Coal

Heating value

HHV

Total fuel MWh consumed by the organization

0

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

Comment

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

73,253

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

Comment

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

576,734

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

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

0

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

Comment

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

649,987

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

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	18,135	18,135	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 or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Green electricity products from an energy supplier (e.g. green tariffs)

Energy carrier

Electricity

Low-carbon technology type

Low-carbon energy mix, please specify

Wind, Solar, Biomass, Hydro and Geothermal

Country/area of low-carbon energy consumption

United States of America

Tracking instrument used

Other, please specify

Utility power content label

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

1,956

Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2,020

Comment

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

United States of America

Consumption of electricity (MWh)

419,703

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

419,703

C9. Additional metrics

C9.1

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

Description

Waste

Metric value

20,048,510

Metric numerator

Pounds (lbs) of waste sent to landfill

% change from previous year

75

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 and the project was completed before 2021.

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 CY2021_FINAL.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 CY2021_FINAL.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 CY2021_FINAL.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
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.
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.

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, 2021

Period end date

December 31, 2021

Allowances allocated

0

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

174

Verified Scope 2 emissions in metric tons CO2e

0

Details of ownership

Other, please specify

Corporate jet fleet fuel emissions

Comment

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. 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 companies' 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?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Navigate GHG regulations

Other, please specify

Assessing transition risks

GHG Scope

Scope 1

Scope 2

Application

Altria used a range of carbon prices from the IPCC under various climate scenarios to estimate potential future impacts of carbon prices; these carbon prices were applied company-wide.

Actual price(s) used (Currency /metric ton)

0

Variance of price(s) used

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 so we currently set the carbon price to $0 under a business as usual scenario. We estimated potential future carbon pricing financial impacts under various climate scenarios using hypothetical 2030 carbon price ranges from the 2°C and 1.5°C policy scenarios from the 2019 IPCC Special Report on Global Warming of 1.5°C. These undiscounted 2010 carbon prices were in the range of $15-$6050 per metric tonne of CO2e.

Type of internal carbon price

Other, please specify

Hypothetical policy carbon prices for scenario analysis

Impact & implication

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. We estimated potential future carbon pricing financial impacts under various climate scenarios using hypothetical 2030 carbon price ranges from the 2°C and 1.5°C policy scenarios from the 2019 IPCC Special Report on Global Warming of 1.5°C. These undiscounted 2010 carbon prices were in the range of $15-$6050 per metric tonne of CO2e.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 companies' facilities and that Altria would achieve our 2030 emission reduction target for Scope 1 and 2. The resulting impacts to Altria ranged from $2 million to $917 million.

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

35.4

% total procurement spend (direct and indirect)

13.1

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

49.7

Rationale for the coverage of your engagement

Our contracted domestic tobacco growers and leaf suppliers 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 require all growers to participate in the GAPC Certification program. A target incentive of $300 is provided to growers that successfully achieve certification. In 2019 we announced our goal for 100% of direct contracted growers to be certified by GAPC by the end of 2021. In 2021, 100% of our direct contracted growers participated in GAPC Certification and 97.9% achieved certification and qualified for the incentive. For tobacco sourced from tobacco leaf suppliers domestically and overseas, we work with the suppliers to promote and maintain good agricultural practices (GAP) among their growers through the STP The STP is a supply chain due diligence platform designed to drive continuous improvement and positive supply chain impacts and 100% of our suppliers completed self-assessments for 2021. Data for Ste. Michelle was excluded from our percentages for 2021 since we sold Ste. Michelle in October 2021 and no longer had access to supplier spend data.

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 by the end of 2021. In 2021, 100% of our direct contracted growers participated in GAPC Certification and 97.9% achieved certification. 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 STP to potentially drive best management practices and track progress in reducing Scope 3 emissions from Purchased Goods and Services emissions.

Comment

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

4

% total procurement spend (direct and indirect)

66

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

Rationale for the coverage of your engagement

Through the CDP Supply Chain program, Altria requests direct and indirect suppliers respond to the CDP Climate, Water, and Forests questionnaires. We do so in order to collect primary emissions data for our Scope 3 carbon footprint, to collaborate on shared goals, and to understand environmental risks in our supply chain. For CDP Climate Change in 2021, we requested responses from over 150 suppliers – covering our key strategic suppliers (those critical to our business) as well as the top suppliers by spend.

Impact of engagement, including measures of success

In 2021, 79% of our requested suppliers responded to the CDP Climate Change questionnaire, an 11 percentage point increase from our pilot in 2020 and 12 percentage points higher than the CDP member average response rate. Our measures of success include an increase in the response rate, meeting or exceeding the CDP member average response rate, and monitoring the response rates and responses on specific KPIs, such as how many of our suppliers have science-based emission reduction targets.

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 2021, 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 1.2 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 anniversary year in 2022.

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.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Other, please specify

GAPC certification

Description of this climate related requirement

In 2021, all domestic direct contracted tobacco growers were contractually obligated to participate in GAPC certification. The GAPC certification program audits growers utilizing document review, farm visits, and grower and worker interviews to validate their performance against crop, environment, and labour 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 report annually on their adoption of additional standards within the crop, environment and labour management focus areas and are audited on these standards every other year. Growers must achieve a minimum score of 75 percent for these additional standards to achieve certification.

% suppliers by procurement spend that have to comply with this climate-related requirement

13.1

% suppliers by procurement spend in compliance with this climate-related requirement

12.9

Mechanisms for monitoring compliance with this climate-related requirement

Certification
Supplier self-assessment
Off-site third-party verification
On-site third-party verification
Grievance mechanism/Whistleblowing hotline

Response to supplier non-compliance with this climate-related requirement

Other, please specify
Exclude, Retain and engage, Suspend and engage

C-FB12.2

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

Yes

C-FB12.2a

(C-FB12.2a) 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

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. Additionally, we continue to provide grant support to 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 PM USA and USSTC, 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. GAPC 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. 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 from 2018-2020. This incentive covered all, if not more, of the costs for the first year of the certification process. In 2021, it became a contractual obligation for all our growers to participate in the certification program and we provide a targeted incentive of $300 to growers who achieve certification. In 2021, 97.9% of our contracted growers were GAPC Certified against our goal of 100%.

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. Additionally, we continue to provide grant support to 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 PM USA and USSTC, 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. GAPC 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. 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 from 2018-2020. This incentive covered all, if not more, of the costs for the first year of the certification process. In 2021, it became a contractual obligation for all our growers to participate in the certification program and we provide a targeted incentive of $300 to growers who achieve certification. In 2021, 97.9% of our contracted growers were GAPC Certified against our goal of 100%.

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

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-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

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

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-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 PM USA and USSTC, 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.

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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. Additionally, we continue to provide grant support to 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 PM and USSTC, 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.

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Climate change related benefit

Emissions reductions (mitigation)
Reduced demand for pesticides (adaptation)

Comment

C-FB12.2b

(C-FB12.2b) 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) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers
Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

No, but we plan to have one in the next two years

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

Like most major corporations, Altria and its companies are members of carefully vetted policy-oriented organizations focused on issues that affect our businesses. Before we partner with any organization, we carefully and thoughtfully consider whether our support of the organization is in the best interest of our companies and whether our partnership would raise any legal, reputational, or ethical concerns . Each year we carefully review our membership in each national and state trade association and policy-oriented membership organization that we support. Before we provide support to such organizations, the contribution is reviewed and approved by the ALCS Law Department as well as by a vice president in the Government Affairs Department. Further, the Altria Board of Directors' Nominating, Corporate Governance and Social Responsibility Committee receives regular updates on our engagement with 501(c)(6) trade associations and 501(c)(4) social welfare organizations engaged in public policy issues. These updates help provide additional oversight of our work with these organizations.

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; and
- our participation in an organization can positively influence how it operates.

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 before making it. In addition, 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. We may also choose to utilize our influence and work to bring change to the organization. In other 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 and end our financial support of that organization.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate
Climate-related targets

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Nationally Determined Contribution (NDC) pursuant to the Paris Agreement

Policy, law, or regulation geographic coverage
National

Country/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers

In 2021, Altria joined more than 400 other businesses asking the Biden Administration to set a new Paris Agreement goal of slashing the nation's carbon dioxide, methane, and other planet-warming emissions at least 50% below 2005 levels by 2030.

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

US Chamber of Commerce

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

"For more than a decade, the U.S. Chamber of Commerce has asserted that the climate is changing, humans are contributing to these changes, and inaction is not an option. The Chamber is committed to representing its diverse membership in addressing climate change and advancing economic prosperity. The Chamber evaluates and engages on climate change policy approaches that acknowledge the cost of inaction and the competitiveness of the U.S. economy. The Chamber is focused on finding durable solutions that leverage innovation and the strength of American business, including market-based mechanisms to drive down emissions. Chamber members are demonstrating that significant progress is not only possible, but also already underway. Combating climate change requires citizens, governments, and businesses to work together. Inaction is not an option, and the Chamber continues to advance solutions that leverage the innovation and the strength of American business to find durable solutions that improve our environment, grow our economy, and leave the world better for generations to come. But just because we share a common goal, that does not mean we agree on every proposed solution. The Chamber has long believed that we can address climate change and support economic growth, job creation, and American competitiveness. " (https://www.uschamber.com/ climate-change/the-chambers-climate-position-inaction-is-not-an-option)

In 2021, we became members of 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.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

National Association of Manufacturers

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

“With the right federal policies and a balance between environmental ambition and commercial feasibility, manufacturers are proving we can have both a clean environment and a prosperous economy. However, when lawmakers adopt poorly tailored regulations that put manufacturers in America at a global disadvantage, the critical balance between environmental improvement and economic growth is lost, hurting our workers, businesses and communities. In the eyes of America’s manufacturers, the need to act on climate is no longer up for debate. With federal policies that balance these goals with sound rules and regulations, manufacturers can continue leading the way toward a safer environment and stronger economy. An environment and climate change agenda for the future must: Recognize manufacturers as the solution to emerging environmental challenges and build on the strong steps manufacturers have already taken to become more sustainable and tackle climate change; Apply sound science and evidence-based approaches in new proposals; Appropriately balance the United States’ economic and environmental interests so that achieving one goal does not mean ignoring the other..”
(https://www.nam.org/wp-content/uploads/2020/01/NAM_CompetingToWin_Environment.pdf

We have not asked the National Association of Manufacturers to take any position on climate change but have worked with other third-party organizations to advocate for climate change legislation.

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

Virginia Chamber of Commerce

Is your organization’s position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

As part of Blueprint Virginia 2030, climate change and environment positions are include in several focus areas including: infrastructure, energy, corporate sustainability & environment, and safety, preparedness & resiliency.

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 2030.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

American Legislative Exchange Council

Is your organization's position on climate change consistent with theirs?

Inconsistent

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

"Global Climate Change is Inevitable. Climate change is a historical phenomenon and the debate will continue on the significance of natural and anthropogenic contributions. ALEC will continue to monitor the issue and support the use of sound science to guide policy, but ALEC will also incorporate economic and political realism. Unilateral efforts by the United States or regions within the United States will not significantly decrease carbon emissions globally, and international efforts to decrease emissions have proven politically infeasible and unenforceable. Policy makers in most cases are not willing to inflict economic harm on their citizens with no real benefit. ALEC discourages impractical visionary goals that ignore economic reality, and that will not be met without serious consequences for worldwide standard of living." (https://alec.org/model-policy/alec-energy-principles/)

We have not asked the American Legislative Exchange Council (ALEC) to take any position on climate change but have worked with other third-party organizations to advocate for climate change legislation. We engage with ALEC on general corporate issues that affect our businesses, including excise taxes. Given that third-party organizations serve a broad constituency, we recognize that we will not necessarily agree with every position taken by each organization we support; we recognize ALEC's position on climate change differs from ours. 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. We may also choose to utilize our influence and work to bring change to the organization. With ALEC, we have a history of influencing from inside to change ALEC's position on other issues and there is an opportunity to consider if we can do the same with climate change positions.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is not aligned

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-2022-Proxy-Statement.pdf

Altria-2021-Annual-Report.pdf

Page/Section reference

Governance: Proxy Statement – Pages 3, 6-8, 11
Strategy: Proxy Statement – Pages iv-vi
Risks & opportunities: Annual Report – Pages 4, 11, 37-39, 59, 103-104
Emission targets: Proxy Statement – Pages v-vi
Other metrics: Proxy Statement – Pages v-vi

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Other metrics

Comment

C13. Other land management impacts

C-FB13.1

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

Yes

C-FB13.1a

(C-FB13.1a) 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

Water

Description of impact

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 absorb nutrients in the wastewater, create a new habitat for wildlife and help strengthen the health of the James for future generations.

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

No

Description of the response(s)

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 absorb nutrients in the wastewater, create a new habitat for wildlife and help strengthen the health of the James for future generations.

C-FB13.2

(C-FB13.2) 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-FB13.2a

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

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. Additionally, we continue to provide grant support to 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. Additionally, we continue to provide grant support to 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.

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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.

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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)

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. Additionally, we continue to provide grant support to 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.

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C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues
Row 1	No, but we plan to have both within the next two years

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Other, please specify Conserve the natural resources on which our businesses and communities rely, Reduce the environmental impact of using our companies' products	SDG

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?
Row 1	Yes, we assess impacts on biodiversity in our upstream value chain only

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	

C15.6

(C15.6) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Impacts on biodiversity	Preserving the Waterway that Helped Build America.pdf 2020-2021 Protect the Environment report, pages 19-25

C16. 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.

C16.1

(C16.1) 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)