
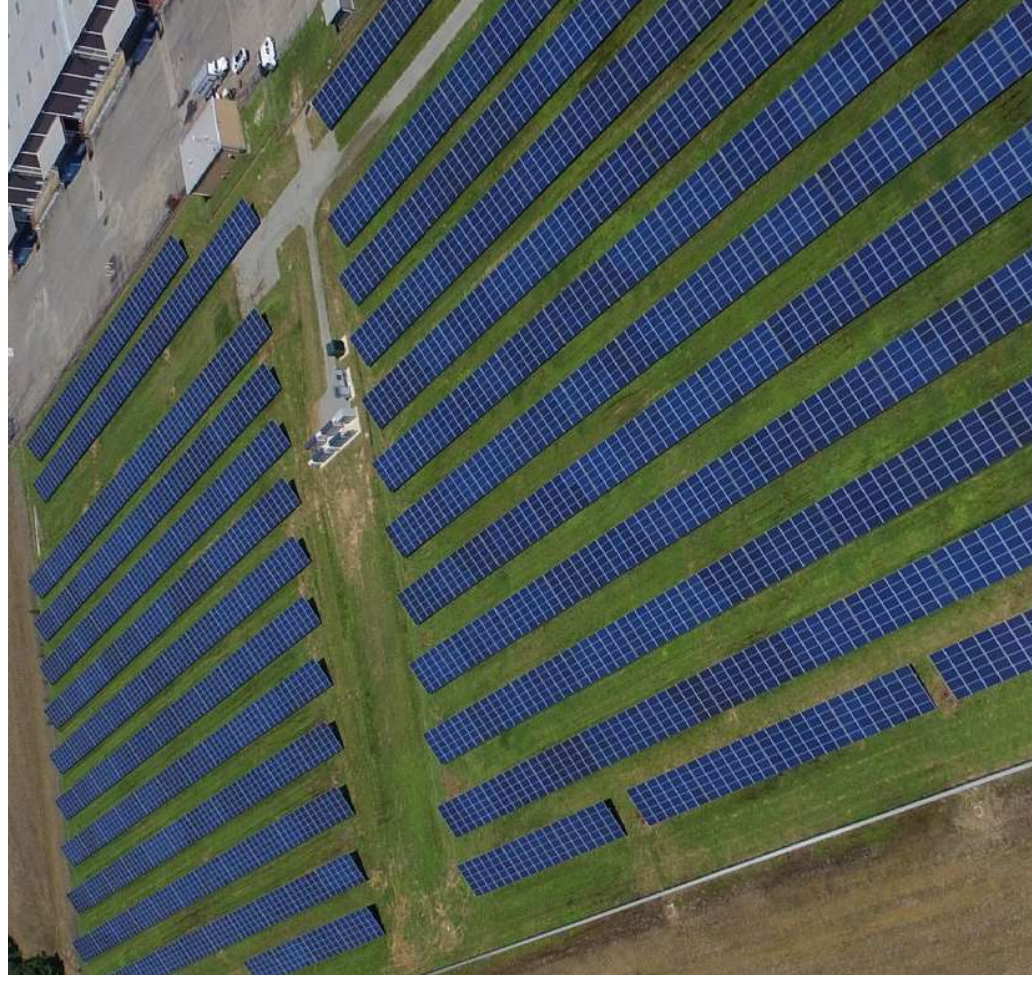


# Climate Change

## 2025 Goal:

 Align our operational and value chain business practices with science-based methodology to limit the damaging impacts of climate change.

Changes in nature as a result of climate change and society's response to those changes can affect the future of our businesses. Climate change presents very significant global risk, humans are the primary cause and inaction is not an option. We're focused on aligning our operational and value chain business practices with science-based methodology. We have set ambitious 2030 targets approved by the Science Based Targets initiative (SBTi) as consistent with levels required to stay below 1.5°C of warming and avoid the most catastrophic impacts of climate change. We will assess our ability to establish a 2050 net-zero target when the SBTi finalizes its methodology. However, achieving global net-zero emissions by 2050 will require new investments, technology and international cooperation. We believe business, governments and society must work together to avoid the worst impacts of the climate crisis. At Altria, we are committed to doing our part and engaging responsibly with governments and society to limit the damaging impacts of climate change.



### SBTi & Net-zero

The SBTi validates that company plans to reduce GHG emissions are in-line with what the latest science deems necessary to keep global temperature below 1.5°C of warming above pre-industrial levels. This is the temperature scientists have determined we must stay below to avoid catastrophic climate change impacts, including intense






drought, storms, heat waves and ocean changes that would threaten the lives and livelihoods of billions across the planet. According to the United Nation's body for assessing the science related to climate change, the Intergovernmental Panel On Climate Change (IPCC), to stay below 1.5°C of warming the world must reach net-zero emissions by 2050, followed by net-negative emissions. As stated by the IPCC, the largest source of global emissions comes from burning fossil fuels including oil, coal and natural gas.

Intergovernmental Panel on Climate Change, August 2021. *Climate Change 2021 the Physical Science Basis.*

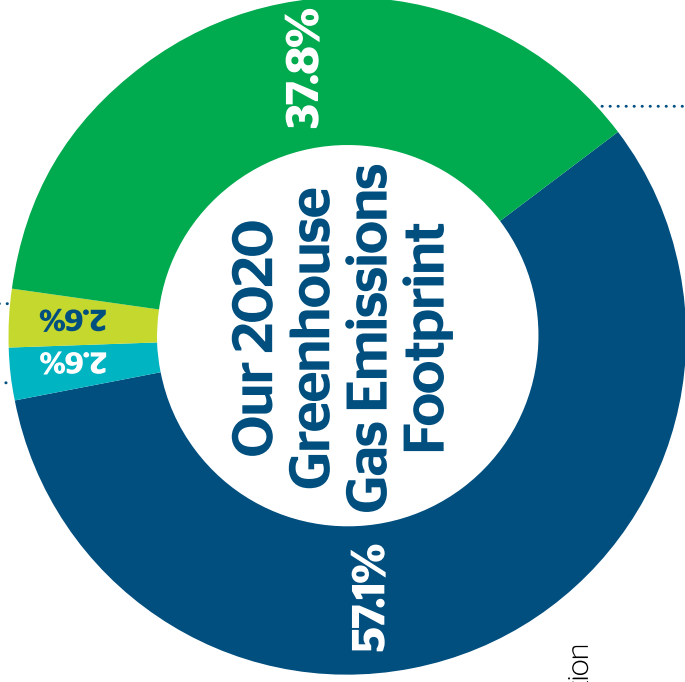
**Direct Operations | Scope 1**









-  **2.2%** Manufacturing operations
-  **<0.1%** Company aircraft
-  **0.2%** Company vehicles, including field sales force fleet
-  **0.2%** Offices

-  **3.7%** Downstream transportation & distribution
-  **1.2%** End-of-life treatment of sold products
-  **52.2%**<sup>7</sup> Investments (driven almost entirely by our 10% investment in Anheuser-Busch InBev SA/NV (ABI))

**Downstream Value Chain | Scope 3**

**Purchased Electricity | Scope 2 (market-based)**



-  Purchased goods and services **30.7%**
  -  Tobacco and wine growing **19.3%**
  -  Capital goods **0.5%**
-  Fuel and energy related activities **1.8%**
-  Upstream transportation & distribution **4.2%**
-  Waste generated in operations **0.4%**
-  Business travel **<0.1%**
-  Employee commuting **0.1%**

**Upstream Value Chain | Scope 3**

<sup>7</sup> We estimate our share of investment emissions based on our percent of ownership or equity stake. For ABI, we use the emissions (Scope 1, 2, and 3) as disclosed in ABI's disclosures and annual reports.

**The Impact of COVID-19 on GHG Emissions**

In the beginning of 2020, we took several steps to mitigate risk and protect the health of our employees, including travel restrictions and remote work for non-manufacturing salaried employees. These protocols intended to protect employees resulted in a reduction to our Scope 1 emissions as our remote sales force used less gasoline, as well as reduced Scope

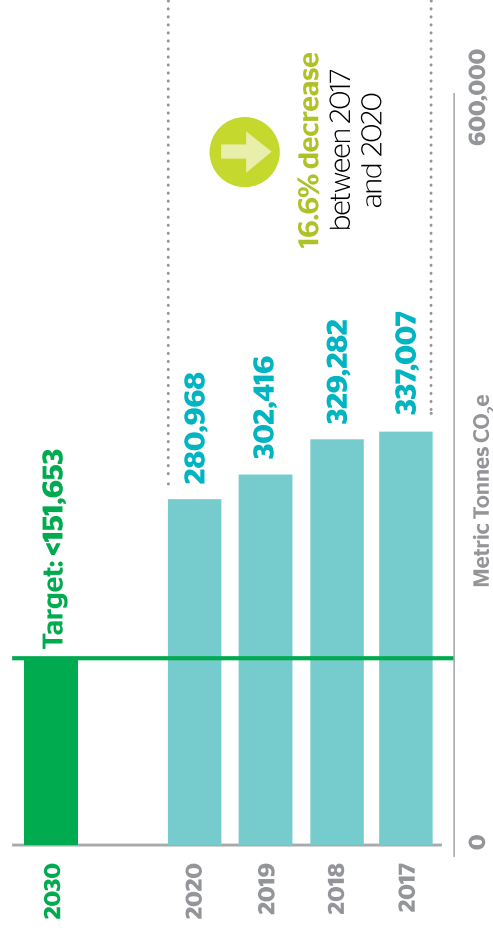
3 emissions from reduced employee commutes and business travel. We estimate reductions for these reasons contributed to over a third of our total GHG emissions decline from 2019 to 2020. We will continue to prioritize employee health as the COVID-19 pandemic evolves and we will inform our stakeholders of emissions impacts in future reports.

## Scope 1 & 2 Emissions

Scope 1 GHG emissions stem from our direct operations, such as gasoline in our field sales force vehicles or natural gas boilers at our manufacturing facilities. Scope 2 GHG emissions are from the electricity we purchase to run our facilities and offices. We are implementing and exploring projects throughout our businesses to reduce these emissions. Our operating companies continue to replace lighting and equipment in their facilities with more energy-efficient options, which reduced over 2,400 tonnes of CO<sub>2</sub>e emissions in 2020.

### 2030 Target: Reduce Absolute Scope 1 & Scope 2 Emissions by 55%

Scope 1 & Scope 2 Greenhouse Gas Emissions



**Note:** Data reflects market-based Scope 2 emissions to align with renewable energy accounting.

In 2020, we completed a three-year renovation project to our headquarters facility in Richmond, Virginia. The campus was reimaged with a priority on our environmental footprint and has received two Green Globes, an environmental assessment and certification program for commercial buildings. The design team was intentional to include eco-friendly features in the remodel like water recycling, energy conservation measures, green energy use, electric vehicle charging, expanded recycling, food composting, locally sourced or recycled materials and low-VOC paint and finishes, which contain fewer environmentally harmful chemicals.



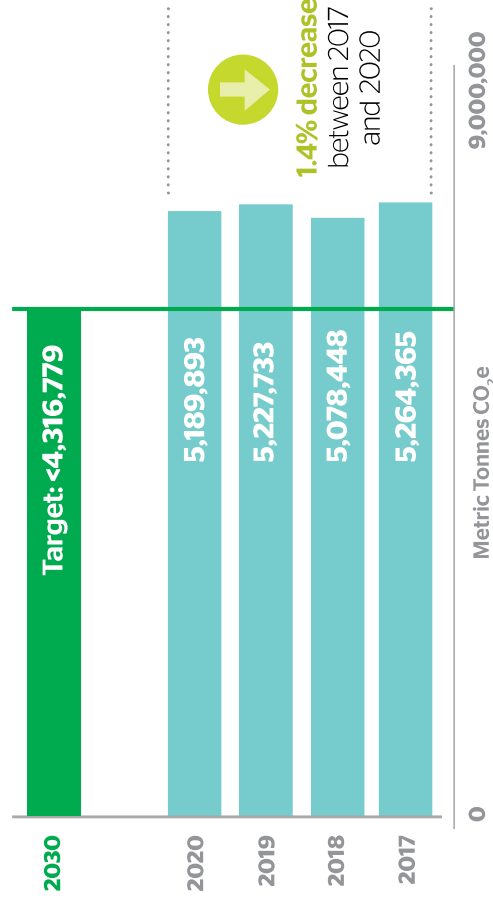
## Scope 3 Emissions

Scope 3 emissions include those across our entire value chain, both upstream including suppliers and tobacco growing, to downstream including disposal of our products. Scope 3 emissions are allocated to 15 different categories. The largest category for our Scope 3 footprint is investments, driven by our 10% investment in ABI. ABI has GHG emissions goals validated by the SBTi and is making progress on initiatives such as renewable electricity<sup>8</sup>

<sup>8</sup> ABInBev Bringing People Together for a Better World, 2020 Environmental, Social & Governance Report, 2020

### 2030 Target: Reduce Absolute Scope 3 Emissions by 18%

Scope 3 Greenhouse Gas Emissions



**Note:** We update Scope 3 emission data using a hybrid life cycle assessment methodology.

Another significant portion of our Scope 3 emissions is from the goods and services we purchase from our suppliers, including our agricultural supply chain. We source most of our tobacco from the United States and our tobacco operating companies support sustainable agriculture through industry programs. We communicate sustainable agriculture expectations with all domestic growers through our Tobacco Leaders Program.



In 2020, 67% of our growers participated in the GAP Connections Certification Program, which sets standards and assesses growers in areas such as:

- Crop management (integrated pest management, nutrient management, curing and barn management)
- Soil and water management
- Agrochemical management

In 2020, 90% of our international leaf suppliers participated in the Sustainable Tobacco Program (STP), a due diligence platform for sustainable agricultural supply chains. Part of STP focuses specifically on climate change to encourage suppliers to address GHG emissions and adopt climate change resilient agricultural practices. In addition to the emissions reductions benefits of these international and domestic leaf supplier programs, sustainable agricultural practices such as 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. We support the continued improvement of sustainable agriculture by investing in the development of tobacco curing efficiency processes, seed variety research, and university and agricultural extension programs.

### Cannabis & Climate Justice

In 2019, Altria acquired a 45 percent ownership interest in Cronos Group Inc., a leading global cannabinoid company, headquartered in Toronto, Canada. An estimate of Cronos' GHG emissions is included in our Scope 3 emissions inventory. Altria supports a comprehensive federal framework for all cannabis products that is based on science and evidence.

We are members of the [Coalition for Cannabis Policy, Education and Regulation](#), which has stated principles of environmental sustainability, social justice and climate justice as part of comprehensive cannabis regulation. See Altria's full public policy positions on [Cannabis & CBD](#).

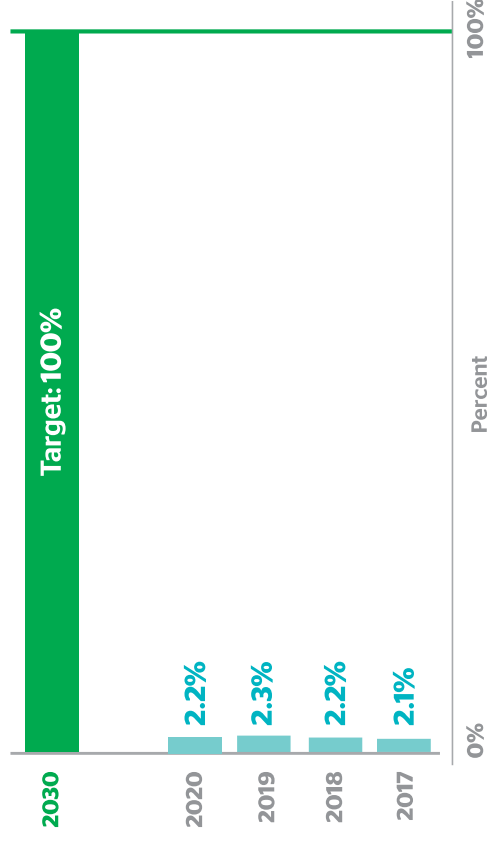


## Renewable Electricity

In 2020, we committed to procure 100% renewable electricity by 2030, which will significantly contribute to achieving the Scope 2 portion of our operational science-based target. We currently purchase a small number of renewable energy certificates (RECs) and participate in green power programs offered by some of our facilities' utility providers. To achieve our goal, we are exploring virtual power purchase agreements to offset organization-wide electricity consumption. We are working with a leading third-party energy advisor to evaluate these agreements to cover the electricity load of all our facilities, which could reduce our emissions by 141,000 tonnes CO<sub>2</sub>e based on 2020 metrics.

### 2030 Target: Achieve 100% renewable electricity

#### Renewable Electricity



### Task Force on Climate-related Financial Disclosures (TCFD)

In 2021, we conducted an enterprise level risk assessment aligned with the TCFD disclosure framework. We aim to further integrate potential climate change impacts into our Enterprise Risk Management (ERM) and Business Planning processes. The TCFD disclosure framework supports standardized climate-related financial disclosures to promote more informed investment, credit and insurance underwriting decisions. If interested, please read our

[TCFD Report](#).