For the 2020 APCO Annual Report, Imperial Tobacco Australia Limited has achieved Level 2 (Good Progress) for the core criteria. All seven core criteria were answered and three out of six recommended criteria were answered.

This Annual Report shows the organisation's performance against the APCO Packaging Sustainability Framework.

**CORE:** All core criteria.

**RECOMMENDED:** All answered recommended criteria.

**TOTAL:** Sum of all core and answered recommended criteria.

**LEADERSHIP:** All criteria that defines leadership on packaging sustainability.

**OUTCOMES:** All criteria that lead to direct improvement in packaging sustainability.

**OPERATIONS:** All criteria related to business operations for improving packaging sustainability.
The APCO Packaging Sustainability Framework (the Framework) aims to provide a consistent and transparent framework for assessing and tracking packaging sustainability across organisations. The Framework consists of thirteen independent criteria that belong to three separate categories. These categories are (i) Leadership, (ii) Packaging Outcomes and (iii) Operations. The diagram above shows the different criteria included within each of these three categories.

There are two types of criteria within the Framework:
• **Core criteria** are mandatory and must be answered by all Members when completing the Annual Reporting Tool.
• **Recommended criteria** are not mandatory, but Members are encouraged to complete as many recommended criteria as possible.

Each criteria is divided into five levels of performance ranging from ‘getting started’ to ‘beyond best practice’. The diagram above illustrates the key differences between performance levels. Please see www.packagingcovenant.org.au for more information.

**ABOUT APCO**

APCO is a co-regulatory, not for profit organisation that partners with government and industry to reduce the harmful impact of packaging on the Australian environment. APCO promotes sustainable design and recycling initiatives, waste to landfill reduction activities and circular economy projects. APCO Annual Reports are a key Membership obligation, providing Member organisations with a transparent method to track their packaging sustainability performance. Annual reporting also supplies APCO with valuable data and information to identify industry trends and advancements.
FREE FORM QUESTIONS

Describe initiatives, processes or practices that you have implemented during your chosen reporting period that have improved packaging sustainability.

ITA remains a committed signatory to the Australian Packaging Covenant. During the 2018-19 reporting year, 1,394 tonnes of our packaging contained renewable cardboard and paper, and many of the shippers we received product in were 33% recycled content, which equates to around 112 tonnes of recycled content material. Pipe tobacco is sold in reusable tins, of which 5 tonnes were sold in the reporting year. In addition, during 2018-19 we:
1. Saved around 1.18 tonnes of cardboard in the reporting year alone, by switching from cardboard to polypropylene on half cartons of JPS+Crushball and Parker and Simpson Red;
2. Helped close the loop by purchasing around 840kg of recycled material, in recycled content paper and stationery;
3. Continued our involvement in the voluntary Tobacco Industry Product Stewardship Group (TIPSG) to address the social and environmental impacts of tobacco product litter;
4. Achieved an office waste recycling rate of 85%, diverting 21.2 tonnes of material from landfill, including commingled containers, paper, cardboard and food waste;
5. Further reduced the use of single use packaging at head office by maintaining a 10cent discount at the local café to encourage staff to bring reusable cups rather than use disposable coffee cups; and
6. Allowed staff to buy superseded mobile phones and computers for personal use when office technology is upgraded, to keep valuable resources out of landfill.

Describe any opportunities or constraints that affected performance within your chosen reporting period.

As part of a global business, packaging procurement, selection and manufacturing is managed by regional and global teams. Our ability to control packaging is limited. Global teams are responsible for selecting packaging acceptable for a number of markets to embed cost efficiencies.

In addition, our packaging design is restricted by the Tobacco Plain Packaging Act 2011, which prescribes the packaging format, on-pack messages and materials.

CASE STUDIES

Case Study

Whilst part of product, not packaging, in 2019 Imperial Brands was the first to release Natura Hemp Tally-Ho roll-your-own papers. As an alternative to wood pulp paper, hemp is a faster growing crop than trees, thereby reducing our environmental footprint.

In addition, in 2019 Imperial Tobacco Australia implemented a due diligence process to demonstrate that all materials included in the manufacture of 'Tally Ho', 'Rizla' and 'Papers' are logged legally.
COMMITMENTS

The Action Plan detailed below is a public commitment to advancing packaging sustainability outcomes as a Member of APCO. Members are encouraged to have a comprehensive internal plan with the steps they will take to fulfill their commitments.

Criteria 1.1 PACKAGING SUSTAINABILITY STRATEGY (core)

5. Beyond best practice

Your organisation is committed to: Publicly reporting progress towards packaging sustainability.

Criteria 1.2 CLOSED-LOOP COLLABORATION (core)

1. Getting started

Your organisation is committed to: Investigating options to join or start a collaborative initiative to address barriers to the recovery of waste packaging.

Criteria 1.3 CONSUMER ENGAGEMENT (recommended)

Not relevant

Your organisation has indicated that this criteria is not relevant.

Criteria 1.4 INDUSTRY LEADERSHIP (recommended)

4. Leading

Your organisation is committed to: (1) Investigating collaborative or industry leadership actions to improve packaging sustainability. (2) Being involved in a program or initiative to improve packaging sustainability through collaboration and leadership. (3) Being involved in multiple programs or initiatives to improve packaging sustainability through collaboration and industry leadership. (4) Actively engaging with peers and/or the community to promote packaging sustainability, and sharing sustainability knowledge for non-commercial purposes.

Criteria 2.1 PACKAGING DESIGN & PROCUREMENT (core)

1. Getting started

Your organisation is committed to: Preparing a procedure that requires the use of the Sustainable Packaging Guidelines (SPG) or equivalent to evaluate packaging during design or procurement.
COMMITMENTS

Criteria 2.2 PACKAGING MATERIALS EFFICIENCY (core)

1. Getting started
Your organisation is committed to: Developing a documented plan to optimise material efficiency.

Criteria 2.3 RECYCLED & RENEWABLE MATERIALS (core)

2. Good progress
Your organisation is committed to: Incorporating or optimising recycled and/or renewable content in up to 20% of products.

Criteria 2.4 POST-CONSUMER RECOVERY (core)

1. Getting started
Your organisation is committed to: Investigating opportunities to improve recoverability in packaging.

Criteria 2.5 CONSUMER LABELLING (recommended)

Not relevant
Your organisation has indicated that this criteria is not relevant.

Criteria 2.6 PRODUCT-PACKAGING INNOVATION (recommended)

Not relevant
Your organisation has indicated that this criteria is not relevant.

Criteria 3.1 BUSINESS-TO-BUSINESS PACKAGING (core)

1. Getting started
Your organisation is committed to: Developing a plan or investigating opportunities to reduce the amount of single-use business-to-business (B2B) packaging used internally or sent to customers.
COMMITMENTS

Criteria 3.2 ON-SITE WASTE DIVERSION (recommended)

4. Leading

Your organisation is committed to: Investigating opportunities to divert more than 50% of solid waste generated at facilities (factories, warehouses, offices, retail stores etc.) from landfill.

Criteria 3.3 SUPPLY CHAIN INFLUENCE (recommended)

1. Getting started

Your organisation is committed to engaging its supply chain about packaging sustainability by: (1) Communicating goals and guidelines.

SIGN OFF

Kirsten Daggar-Nickson
Head of Legal & Corporate Affairs
Tuesday, 26 May 2020

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