For the 2020 APCO Annual Report, Philip Morris Limited has achieved Level 4 (Leading) for the core criteria. All seven core criteria were answered and four 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.
2020 Annual Report & Action Plan

Philip Morris Limited

REPORTING FRAMEWORK

OVERVIEW

1. LEADERSHIP
   - 1.1 Packaging sustainability strategy
   - 1.2 Closed loop collaboration
   - 1.3 Consumer engagement
   - 1.4 Industry leadership

2. OUTCOMES
   - 2.1 Packaging design & procurement
   - 2.2 Packaging materials efficiency
   - 2.3 Recycled & renewable materials
   - 2.4 Post-consumer recovery
   - 2.5 Consumer labeling
   - 2.6 Post-consumer waste diversion

3. OPERATIONS
   - 3.1 Business to business packaging
   - 3.2 On-site waste diversion
   - 3.3 Supply chain influence

LEVEL DESCRIPTION

1. Level 0
   - Not Yet Started
   - The organisation does not have a plan and has not started investigating options for action under the relevant criteria.

2. Level 1
   - Getting Started
   - The organisation is developing a plan or is investigating options for action under the relevant criteria (e.g. agreeing on goals and targets).

3. Level 2
   - Good Progress
   - There are documented procedures in place (e.g. to implement the Sustainable Packaging Guidelines) or some progress has been achieved, data tracking shows up to 20% of products have achieved the desired outcome.

4. Level 3
   - Advanced
   - The organisation has specific, measurable targets in place, or data tracking shows that >20% of products have achieved the desired outcome.

5. Level 4
   - Leading
   - The organisation has more rigorous procedures in place, or an ambitious target has been met e.g. >50% of products have achieved the desired outcome.

6. Level 5
   - Beyond Best Practice
   - The organisation has more rigorous procedures in place, or an ambitious target has been met e.g. 100% of products have achieved the desired outcome.

ABOUT THE APCO FRAMEWORK

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.


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)

5. Beyond best practice

Your organisation is committed to: Introducing a documented process to continually identify new opportunities for collaboration or to improve existing initiatives.

Criteria 1.3 CONSUMER ENGAGEMENT (recommended)

0. Not yet started

Your organisation has no commitment to this criteria.

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) Having at least one leadership initiative externally recognised through an award or other formal process. (4) Actively engaging with peers and/or the community to promote packaging sustainability, and sharing sustainability knowledge for non-commercial purposes.
COMMITMENTS

Criteria 2.1 PACKAGING DESIGN & PROCUREMENT (core)

5. Beyond best practice

Your organisation is committed to: Evaluating all packaging using a rigorous Life Cycle Assessment (LCA) approach.

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)

4. Leading

Your organisation is committed to: Incorporating or optimising recycled and/or renewable content in more than 50% of products.

Criteria 2.4 POST-CONSUMER RECOVERY (core)

4. Leading

Your organisation is committed to: Having more than 50% of primary packaging be recoverable through existing post-consumer recovery systems and achieving the highest potential environmental value.

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.
OUTCOMES

COMMITS

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.

Criteria 3.2 ON-SITE WASTE DIVERSION (recommended)

0. Not yet started

Your organisation has no commitment to this criteria.

Criteria 3.3 SUPPLY CHAIN INFLUENCE (recommended)

4. Leading

Your organisation is committed to engaging its supply chain about packaging sustainability by: (1) Communicating goals and guidelines. (2) Providing support to suppliers to improve their understanding of goals and strategies. (3) Collaborating with key suppliers to share knowledge. (4) Having processes to evaluate risks and opportunities for influence.

SIGN OFF

Tammy Chan
Managing Director Australia, NZ & PI
Wednesday, 30 September 2020

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