

Annual Report and Action Plan

Company Name: **Imperial Tobacco Australia Limited**

Trading As:

ABN: **46088148681**

About APCO

Australian Packaging Covenant Organisation (APCO) is a co-regulatory not-for-profit organisation leading the development of a circular economy for packaging in Australia. APCO's vision is a packaging value chain that collaborates to keep packaging materials out of landfill and retains the maximum value of the materials, energy and labour within the local economy.

Each year, APCO Brand Owner Members are required to submit an APCO Annual Report and an APCO Action Plan. This document is the Annual Report and Action Plan output for the organisation listed above. This document provides the overall performance level of the organisation, as well as any commitments they have made to work towards on their packaging sustainability journey. This document may also include additional information provided by the Member in their report.

Overall Performance **Advanced**

The chart below indicates the overall performance level of this organisation listed above in the 2025 APCO Annual Report. The organisation's reporting period was October, 2023 - September, 2024.



Understanding APCO Annual Reporting performance levels:

| | |
|--------------------------------|--|
| 1 Getting Started: | You are at the start of your packaging sustainability journey. |
| 2 Good Progress: | You have made some first steps on your packaging sustainability journey. |
| 3 Advanced: | You have taken tangible action on your packaging sustainability journey. |
| 4 Leading: | You have made significant progress on your packaging sustainability journey. |
| 5 Beyond Best Practice: | You have received the highest performance level and have made significant progress on your packaging sustainability journey. |

Additional Information

The information below indicates additional information that the organisation included in their APCO Annual Report.

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

IBA remains a committed signatory to the Australian Packaging Covenant. During 2023-24, shippers in which cigarettes and fine cut are shipped to Australia contained 33% recycled content, while shippers for pipe tobacco contained 85% recycled content cardboard. In addition, cartons used for sending product to retailers all contained 100% recycled content. This equated to 227 tonnes of recycled content cardboard fibre.

In addition, during 2023-24 we:

1. Helped close the loop by purchasing over 330kg of recycled material, in recycled content paper and stationery;
2. Continued our involvement in the voluntary Tobacco Industry Product Stewardship Group (TIPSG) to address the social and environmental impacts of tobacco product litter; and
3. Achieved an office waste recycling rate of 80%, diverting 15 tonnes of material from landfill, including commingled containers, paper, cardboard, food waste and batteries

Globally, Imperial Brands aims to have 100% of all wood fibre in our packaging from recycled materials or responsibly managed forests by 2025.

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 Public Health (Tobacco and Other Products) Act 2023, which prescribes packaging format, on-pack messages and the materials of some components.

APCO Action Plan Commitments

For each of the Packaging Sustainability Framework criteria listed below, a description is provided along with the commitments made by the organisation in their APCO Action Plan.

Criteria 1:

Governance & Strategy:

This criteria considers actions to integrate packaging sustainability into business strategies.

- Regularly communicate and promote packaging sustainability objectives and targets within our organisation.
- Regularly engage or communicate with our external stakeholders about the environmental impacts of our packaging.
- Actively participate in initiatives to promote packaging sustainability outside of our organisation.

Criteria 2:

Design & Procurement:

This criteria considers actions taken to ensure that sustainability principles are considered in the design or procurement of both new and existing packaging through use of the Sustainable Packaging Guidelines (SPGs).

- Review 100% of our packaging against the Sustainable Packaging Guidelines (or equivalent).
- Improve the accuracy of our data regarding reviews of packaging using the Sustainable Packaging Guidelines (or equivalent).
- Consider the following Sustainable Packaging Principles in our packaging reviews:
 - Design for recovery
 - Optimise material efficiency
 - Design to reduce product waste
 - Eliminate hazardous materials
 - Use of renewable materials
 - Use recycled materials
 - Design to minimise litter
 - Design for transport efficiency
 - Design for accessibility
 - Provide consumer information on environmental sustainability
- 70% of our packaging to be optimised for material efficiency.
- Improve the accuracy of our data regarding packaging material efficiency.

Criteria 3:

Recycled Content:

This criteria considers actions taken to increase or optimise the amount of recycled material used by your organisation.

- Develop a policy or procedure to buy products and/or packaging made from recycled materials.
- Use recycled content in:
 - Secondary packaging that we use to sell our products
 - Tertiary packaging that we use to sell our products
 - Other items which we purchase (e.g. office stationary and suppliers etc.)
- 100% of our packaging to be made using some level of recycled material
- Improve the accuracy of our data regarding use of recycled materials.

Criteria 4:

Recoverability:

This criteria considers actions taken to improve the recovery of packaging at end-of-life and increase use of reusable packaging.

- Improve the accuracy of our data regarding recoverability.
- Use PREP to assess the recyclability of our packaging through kerbside collection in Australia and/or New Zealand.
- Investigate opportunities to use reusable packaging.
- Improve the accuracy of our data regarding reuse.

Criteria 5:

Disposal Labelling:

This criteria considers the extent to which packaging has been labelled to help consumers determine what to do with packaging at end-of-life.

- Improve the accuracy of our data regarding labelling.

Criteria 6:

On-site Waste:

This criteria considers progress in increasing the amount of on-site solid waste being diverted from landfill.

- Have recycling programs for the following materials:
 - Paper/cardboard
 - Rigid plastics
 - Glass
 - Metals
 - E-waste, batteries, mobile phones, Nespresso pods
- Aim for 80% of our on-site waste to be diverted from landfill.
- Improve the accuracy of our data regarding on-site waste.

Criteria 7:

Problematic Materials:

This criteria considers the extent to which organisations are actively phasing out problematic and unnecessary single-use plastic packaging and preventing/reducing litter.

- Help reduce litter by:
 - Participating in Business Clean Up Day
 - In September 2024, IBA conducted a Business Clean Up Day, with staff volunteers collecting litter at Norwest Business Park where head office is located.
Also, as a member of the Tobacco Industry Product Stewardship Group, we work collectively with the other tobacco companies to look for opportunities to reduce the environmental impacts of our product and packaging, including litter impacts.