



Australian Packaging Covenant

2020 Annual Report and 2021-23 Action Plan



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Foreword

British American Tobacco Australia is pleased to present our Australian Packaging Covenant Annual Report for 2020 and Action Plan commitment for 2021-23.

In 2020, BAT announced ambitious global targets to:

- Eliminate unnecessary single-use plastic packaging by 2025; and
- Make 100% of plastic packaging reusable, recyclable or compostable by 2025 - and contain an average 30% recycled content

As we work towards this, the majority of our stock keeping units (SKUs) in Australia are currently considered optimised for renewable and recycled content, as all cigarette packs contain renewable paper and cardboard, and all shippers into Australia contain 80% recycled content. We are also replacing virgin cardboard outers on remaining cigarette SKUs with lighter weight polypropylene, saving an estimated 256 tonnes of virgin board in 2020 alone.

To improve the recoverability of packaging, Redcycle has agreed to list the polypropylene from our cigarette pack overwrap and roll-your-own (RYO) pouches on their website as being recyclable through their program. Business-to-business packaging is efficient, with shippers and cartons well optimised on reusable CHEP pallets. Pallet wrap and cardboard are recyclable when received by large retailers.

As part of our commitment to a circular economy, we continued to buy back an estimated 1.6 tonnes of recycled material through the purchase of recycled content stationery in 2020. We maintained our best practice office recycling systems for commingled containers, paper, cardboard, food waste, mobile phones, batteries, toner cartridges and e-waste, achieving a 62% on-site solid recycling rate, diverting 27.8 tonnes of material from landfill.

BATA continues to work with the voluntary Tobacco Industry Product Stewardship Group, alongside the other major tobacco companies, to tackle the social and environmental impacts of tobacco product litter. As part of this, we engage Keep Australia Beautiful to understand litter trends, and support consumer education.

In addition to our packaging work, we:

- Reduced single-use plastic and packaging waste within our own office operations, by replacing plastic containers with reusable or compostable options at our on-site café wherever possible.
- Encourage staff to reuse their personalised drink bottles in place of bottled water for meetings.
- Contribute to the QANTAS Future Planet carbon offset program to reduce the greenhouse impact of transporting our product to the consumer; and
- Converted our staff fleet to hybrid vehicles, saving an estimated 539 tonnes of carbon dioxide equivalents per year compared to petrol vehicles.

We look forward to continuing to deliver on our commitment to the Covenant as well as tackling new challenges in 2021.

Jason Murphy

Area Director, South East Asia

APC Contact

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Company information

British American Tobacco Australia Limited is a wholly owned subsidiary of British American Tobacco (Australasia Holdings) Proprietary Limited which in turn is owned by British American Tobacco p.l.c., one of the world’s largest tobacco groups with an active business presence in 200 countries.

Location

Our corporate head office is located in Woolloomooloo, NSW. We also have offices in, NSW, SA, Qld, Victoria and WA.

This document comprises our 2020 Australian Packaging Covenant (APC) Annual Report and overview of our 2021-23 Action Plan, which covers our business operations across Australia.

Employees

As of December 2020, British American Tobacco Australia employed 372 staff.

Market Share

British American Tobacco Australia supplies a range of tobacco products within Australia. In 2020, we had acquired a 41.1% share of the domestic tobacco market.

Brands

A list of British American Tobacco Australia’s brands sold within Australia during 2020 are detailed in the table below.

British American Tobacco Australia Brands Sold in Australia

Cigarettes	Roll-your-own
Ascot	Capstan
Benson & Hedges	Holiday
Cambridge	Port Royal
Craven	Rothmans
Dunhill	Winfield
Holiday	
Pall Mall	
Rothmans	
Shuang Xi	
Stradbroke	
Victory	
Vogue	
Wills	
Winfield	

Location in Packaging Supply Chain

Within the packaging supply chain, British American Tobacco Australia is a brand owner (importer/supplier).



Environmental Management Approach

At British American Tobacco Australia, we are committed to reducing the environmental impacts of our business operations. Our targets for improving environmental performance are set annually, and we regularly report against these targets both within Australia and to our global parent company.

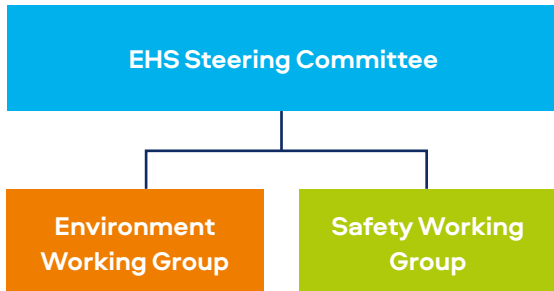
We have been a signatory to the Australian Packaging Covenant since its inception in 2000. Our APC commitments are managed by a cross-functional Environment Working Group that reports to the Area Leadership Team via a senior management EHS Steering Committee.

Our APC responsibilities are documented within the APC Action Plan, while our Environment Health, Safety and Facilities Manager has responsibility for overseeing the implementation of these commitments.

The Environment Working Group includes:

- EHS & Facilities Manager (Chair)
- EHS Executive
- New Product Introduction (NPI) Executive
- Café Manager
- Facilities Manager; and
- Communications and Sustainability Executive

EHS Management System Committees & Working Groups





2020 Performance

The Australian Packaging Covenant Organisation (APCO) Packaging Sustainability Framework provides a consistent approach for members to assess and track progress towards packaging sustainability. It covers actions in the areas of Leadership, Outcomes and Operations, with members rated in each criterion with a score ranging from 'Getting started' to 'Beyond best practice'.

A summary of the Framework is shown opposite. It is mandatory to report annually against all Core criteria, while reporting against Recommended criteria is optional.

APCO's Packaging Sustainability Framework



1. Leadership



1.1 Packaging Sustainability Strategy
(Core)

1.2 Closed Loop Collaboration
(Core)

1.3 Consumer Engagement
(Recommended)

1.4 Industry Leadership
(Recommended)

2. Outcomes



2.1 Packaging Design & Procurement
(Core)

2.2 Packaging Materials Efficiency
(Core)

2.3 Recycled & Renewable Materials
(Core)

2.4 Post-Consumer Recovery
(Recommended)

2.5 Consumer Labelling
(Recommended)

2.6 Product Packaging Innovation
(Recommended)

3. Operations



3.1 Business-to-Business Packaging
(Core)

3.2 On-Site Waste Diversion
(Recommended)

3.3 Supply Chain Influence
(Recommended)

2020 Annual Report Score

In 2020, we scored 60% for Core criteria and 70% for Recommended criteria, achieving an overall score of 62%, which equated to a 'Leading' performance level, as shown below.

A summary of our responses to the annual reporting criteria can be found on pages 12 to 19.

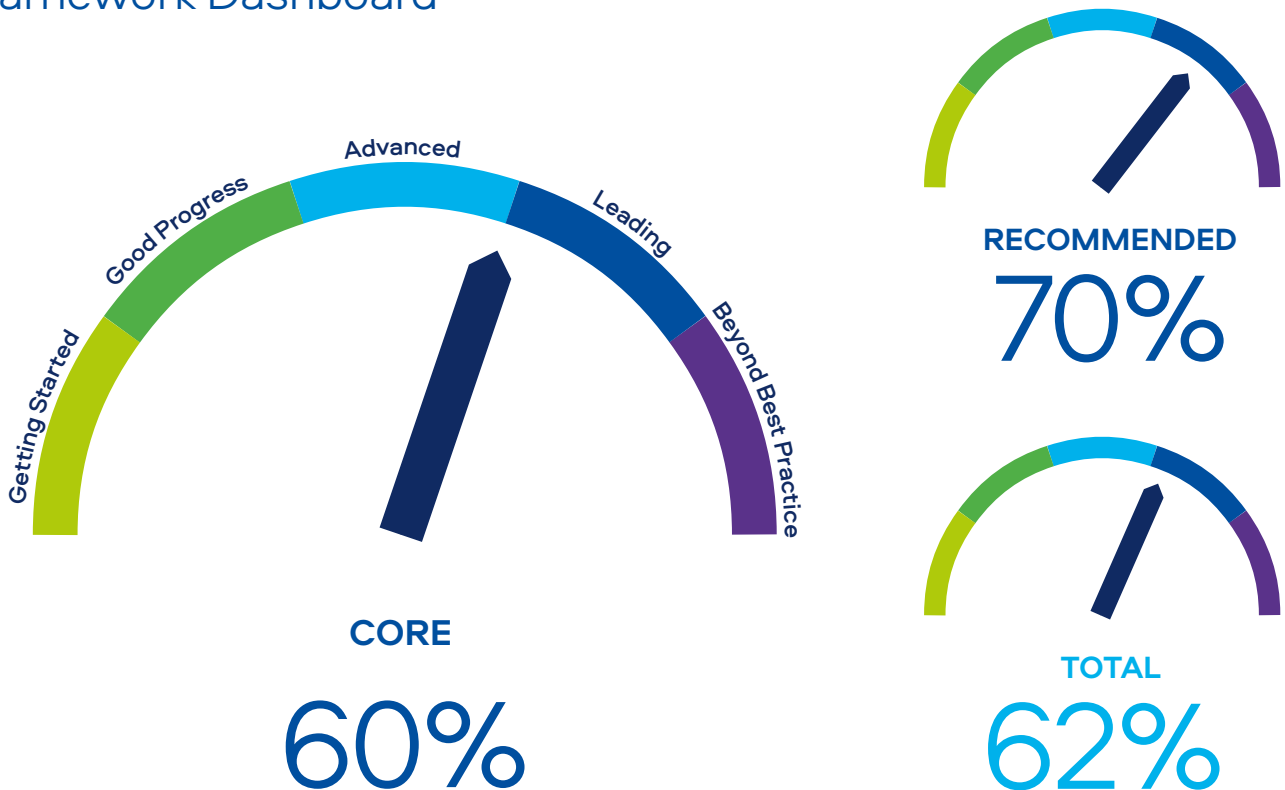
Whilst BATA is a committed signatory to the Australian Packaging Covenant, there are two limiting factors which impede our ability to influence packaging design:

1. The *Tobacco Plain Packaging Act 2011 (Cth)* – prescribes the design and format of all tobacco packaging sold within Australia, including the packaging materials to be used and restrictions for on-pack messaging.

2. Global packaging decisions – many packaging decisions are made above market by our parent company including packaging supplier selection, procurement and pack specifications. Furthermore, some brand portfolios are managed globally and therefore packaging specifications are pre-determined above market. As a result, minimal packaging changes are driven or influenced locally.

In addition, BATA's ability to communicate directly to consumers is restricted by the *Tobacco Advertising Prohibition Act 1992 (Cth)*. As a result, BATA is prohibited from communicating directly with consumers or via advertising, social media, or events. This therefore limits our ability to engage consumers regarding recycling or sustainability initiatives.

Framework Dashboard





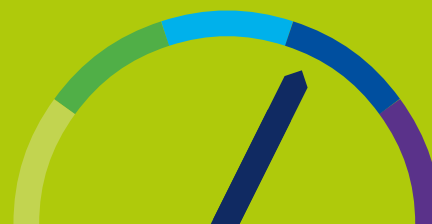
Leadership



Criteria & Score	2020 outcomes
<p>1.1 Packaging Sustainability Strategy (Core)</p> <p>Objective: <i>Integrate packaging sustainability goals and targets in corporate strategy, including use of the Sustainable Packaging Guidelines (SPG) or equivalent</i></p> <p>Score: Beyond Best Practice</p>	<p>British American Tobacco Australia Ltd (BATA) develops an Australian Packaging Covenant (APC) Action Plan each calendar year, which sets out our packaging sustainability approach. As part of the plan, BATA is committed to review new and existing packaging using the APC's Sustainable Packaging Guidelines.</p> <p>BATA's Environment Commitment also states that we are committed to "considering options to integrate sustainable packaging principles into our products".</p> <p>BATA has an EHS & Facilities Manager responsible for the Action Plan and overseeing a cross-functional Environment Working Group tasked with implementing environmental actions. Before introduction into the Australian market, new product packaging is assessed using our Sustainable Packaging Checklist which incorporates APCO's Sustainable Packaging Guidelines. In 2020, BAT globally announced bold targets to:</p> <ul style="list-style-type: none">• Eliminate unnecessary single-use plastic packaging by 2025; and• Make 100% of plastic packaging reusable, recyclable or compostable by 2025, and contain an average 30% recycled content. <p>Our Environment Working Group and senior leadership team have overarching responsibility for meeting these and other global sustainability targets.</p> <p>BATA's APC Action Plan is part of our EHS Management System, which is guided by ISO14001.</p>

Criteria & Score	2020 outcomes
<p>1.2 Closed Loop Collaboration (Core)</p> <p>Objective: <i>Encourage supply chain solutions to recover packaging and create sustainable closed loop economies</i></p> <p>Score: Good Progress</p>	<p>BATA is a member of the Tobacco Industry Product Stewardship Group (the TIPSG) which is committed to addressing the impacts of tobacco product litter.</p> <p>Both the TIPSG and BATA have investigated a number of collaborative closed-loop options, including the Redcycle program. While there are currently limitations to a partnership with Redcycle, it has been agreed that both the polypropylene from our cigarette pack overwrap and roll-your-own pouches will be listed on the Redcycle website as being recyclable through the program.</p> <p>Other opportunities to either recycle soft plastic packaging, or facilitate their recycling, are investigated as they arise.</p> <p>We also support other industry closed loop initiatives by seeking products made from recycled materials, where the cost and quality are comparable, to provide markets for materials diverted from landfill. Products include office paper, stationery items and business cards. In 2020, approximately 1.6 tonnes of recycled content material were purchased by BATA.</p> <p>In addition, we continue to support existing closed loop recycling programs by recycling waste such as e-waste, batteries, mobile phones and toner cartridges.</p>
<p>1.3 Consumer Engagement (Recommended)</p> <p>Objective: <i>Inform and educate consumers about sustainability through packaging</i></p> <p>Score: Not relevant</p>	<p>Information about BATA's sustainability and APC commitments is communicated via our website www.bata.com.au. However, BATA is restricted in its ability to communicate directly with consumers about packaging sustainability due to the <i>Tobacco Plain Packaging Act 2011</i>, which mandates packaging requirements associated with on-pack labelling and general pack information. Other tobacco control laws prohibit BATA from communicating directing with consumers.</p>
<p>1.4 Industry Leadership (Recommended)</p> <p>Objective: <i>Company involvement in other packaging-related sustainability initiatives (e.g. litter reduction, marine plastics initiative, sharing knowledge with peers, education etc.)</i></p> <p>Score: Advanced</p>	<p>BATA is working collaboratively with two other major tobacco companies in the Tobacco Industry Product Stewardship Group. Through our involvement with the TIPSG, BATA has funded projects targeting product litter.</p> <p>A representative of the TIPSG attends industry and government meetings to align with other product stewardship organisations and programs, as well as identifying opportunities and developments which might be implemented by the TIPSG. The TIPSG has worked with Keep Australia Beautiful to understand litter trends, and support consumer education.</p>

Outcomes



Leading



Criteria & Score

2020 outcomes

2.1 Packaging Design and Procurement (Core)

Objective: *Ensure the Sustainable Packaging Guidelines or equivalent is being used to evaluate all packaging*

Score: Advanced

BATA has a step-by-step procedure for evaluating packaging against APCO's Sustainable Packaging Guidelines, using our tailored Sustainable Packaging Checklist, which is incorporated into our new product introduction process.

In 2019, all packaging associated with our 211 SKUs was reviewed by applying BATA's Sustainable Packaging Checklist.

2.2 Packaging Materials Efficiency (Core)

Objective: *Reduce material consumption and associated environmental impacts in the packaging life cycle by optimising the volume and weight of packaging*

Score: Leading

In 2020, BAT globally announced that it has set a target to eliminate unnecessary single-use plastic packaging by 2025, and our Regional Product Centre continues to seek opportunities to optimise the quantity of material used for packaging.

At the local level, BATA's APC Action Plan for 2020 included a commitment to review all packaging and understand the amount of packaging optimised for material efficiency.

We developed criteria and thresholds to quantify the level to which packaging is optimised using 'ISO180602:2013 Packaging and the environment – Optimisation of the packaging system'.

Criteria & Score

2020 outcomes

In 2020, 32 cigarette SKUs were optimised for material efficiency, with all packs of 40 and 50 cigarettes the minimum weight required for packaging functionality i.e.:

- 200gsm blank (230gsm for 50 packs)
- 50gsm inner bundling
- 230gsm inner frame
- 23gsm packet overwrap
- 18gsm outer wrap; and
- 20gsm outer overwrap

In addition, all 51 roll-your-own SKUs were considered optimised for material efficiency, as all pouches are 100gsm, and each pouch wrap is 23 gsm - both of which are the minimum weight required for product freshness. Machine capability is limited to filling tobacco in two different sized pouches – one for 15-25g and one for 40-50g tobacco – and shipper weight is standardised, so this is considered optimised at this time.

2.3 Recycled and Renewable Materials (Core)

Objective: Support a circular economy for packaging by optimising the quantity of materials that are renewable and/or contain at least some recycled content

Score: Leading

In 2020, BAT globally announced ambitious targets for:

- 100% of plastic packaging to be reusable, recyclable or compostable by 2025; and
- Contain 30% average recycled content.

At the local level, BATA's APC Action Plan for 2020 included a commitment to review all packaging and understand the amount of packaging optimised for recycled and renewable content, including business-to-business packaging used within Australia.

We developed criteria and thresholds to quantify the level to which packaging is optimised for renewable and recycled content, using 'ISO180602:2013 Packaging and the environment – Optimisation of the packaging system'.

248 SKUs are currently considered optimised, as:

- All cigarette packs contain renewable paper and cardboard;
- Shippers into Australia are made of renewable cardboard containing 80% recycled content;
- Non-renewable foil and polypropylene are currently prescribed in cigarette packs by the *Tobacco Plain Packaging Act*,
- Virgin fibre is used in cigarette packs, as recycled content has caused product tainting in the past; and
- Virgin polypropylene is used in roll-your-own pouches due to the limited commercial availability of recycled content polypropylene.

5 remaining SKUs have a virgin fibre cardboard outer (rather than the polypropylene outer used on other SKUs) which is being phased out, saving an estimated 256 tonnes of virgin board in 2020.

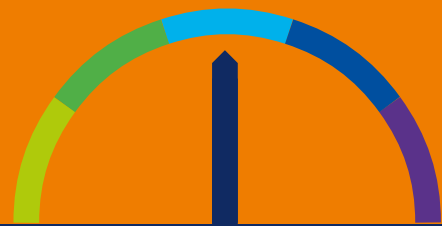
During business-to-business distribution, a number of shippers are reused to forward product on to large retailers, while smaller orders are packed into cartons containing 51% recycled content.

In addition, BAT globally only sources from reputable global suppliers, many of whom are certified to FSC or PEFC standards, as well as sourcing from suppliers that we are confident are able to effectively manage their own environmental impact and adhere to our Supplier Code of Conduct. We also support afforestation, biodiversity and environmental conservation programs around the world as part of our wider community-based initiatives.

Criteria & Score	2020 outcomes
<p>2.4 Post-Consumer Recovery (Recommended)</p> <p>Objective: Increase the proportion of packaging that can be recovered for reuse, recycling, composting or energy recovery in Australia and show that target outcomes are being met</p> <p>Score: Advanced</p>	<p>In 2020, BAT globally announced ambitious targets for 100% of plastic packaging to be reusable, recyclable or compostable by 2025.</p> <p>The foil and paper composite lining, currently prescribed by the <i>Tobacco Plain Packaging Act</i>, limits the recoverability of cigarette packs in kerbside recycling systems. The Act also prohibits on-pack labelling (such as the Australasian Recycling Logo) on both cigarette and roll-your-own packs to communicate correct separation and disposal of materials for recycling.</p> <p>However, Redcycle has agreed to list the polypropylene from our cigarette pack overwrap and roll-your-own pouches on the Redcycle website as being recyclable through their program, which requires consumers to drop these off in-store at Woolworths and Coles. Therefore, all 51 of our roll-your-own SKUs are now considered recoverable through existing post-consumer recovery systems.</p>
<p>2.5 Consumer Labelling (Recommended)</p> <p>Objective: Encourage the use of on-pack labels that equip consumers to easily determine the correct disposal method for post-consumption packaging</p> <p>Score: Not relevant</p>	<p>BATA's ability to communicate directly to consumers is restricted by the <i>Tobacco Advertising Prohibition Act 1992 (Cth) (the TAP Act)</i>. As a result, BATA is prohibited from communicating directly with consumers, including via advertising, social media, or events.</p> <p>The Tobacco Plain Packaging Act 2011 also imposes restrictions on packaging design as well as the information that can be placed on tobacco packaging, such as disposal details. For example, since the introduction of the Act, tobacco suppliers are no longer permitted to display the Tidy Man logo on packaging, and use of the Australasian Recycling Label (ARL) is not allowed.</p>
<p>2.6 Product-Packaging Innovation (Recommended)</p> <p>Objective: Reduce the life-cycle environmental impact of packaging through innovation in the design of the product-packaging system</p> <p>Score: Not relevant</p>	<p>In Australia, restrictions are placed on tobacco products by state and federal legislation, which includes (but is not limited to) the <i>Tobacco Plain Packaging Act 2011</i> and the <i>Tobacco Advertising Prohibition Act 1992 (Cth)</i>. Prescribed restrictions include packaging formats and design, and minimum pack sizes. These restrictions prevent any changes to how the product is presented to the consumer including logos recommending disposal options.</p>



Operations



Advanced



Criteria & Score

2020 outcomes

3.1 Business-to-Business Packaging (Core)

Objective: Reduce the amount of single-use B2B packaging

Score: Getting started

A detailed packaging database is used to estimate the tonnage of business-to-business packaging, including single-use packaging.

Shippers are received in shipping containers on slip sheets, then palletised when received – optimising the use of the incoming shipping container. Shippers are then reused wherever possible to forward product in pallet loads to large retailers. Orders for smaller retailers are automatically assigned small or large cartons, based on the cubic size of stock required. Pallets are well optimised, with cartons stacked to the edge of the pallet and minimal pallet wrapping used. The logistics contractor reuses CHEP pallets and recycles pallet wrap, which are both reusable and recyclable when received by large retailers. Shippers contain 80% recycled content, and cartons contain 51% recycled content.

Pallet wrap and air pockets are considered single-use packaging, while shippers, slip sheets, pallets and cartons can be reused. The low-density polyethylene air pockets are used to fill gaps in cartons – however paper filler is being considered as a more readily recyclable alternative.

An estimated 1.3 tonnes of pallet wrap and air pockets were used in 2020.

Criteria & Score	2020 outcomes
<p>3.2 On-site Waste Diversion <i>(Recommended)</i></p> <p>Objective: <i>Increase the recovery of packaging waste generated on-site</i></p> <p>Score: Leading</p>	<p>A detailed reporting system is in place to capture all company waste data, inclusive of waste collected by our licensed waste contractors and other specialty waste items separated and diverted by the business e.g. batteries, mobile phones, toner cartridges and e-waste.</p> <p>During 2020, BATA recycled 62% of on-site solid waste, which comprised the following:</p> <ul style="list-style-type: none"> • 12.4 tonnes of paper and cardboard • 4.9 tonnes of steel • 3.9 tonnes of commingled containers • 0.1 tonnes fully commingled containers, paper and cardboard (at our state offices) • 4.2 tonnes of food waste; and • 2.4 tonnes of batteries, mobile phones, toner cartridges and e-waste
<p>3.3 Supply Chain Influence <i>(Recommended)</i></p> <p>Objective: <i>Engage with suppliers to build support for, and capacity to achieve, packaging sustainability goals</i></p> <p>Score: Not relevant</p>	<p>All primary and secondary packaging material selection, suppliers and optimisation are managed by BAT at the regional level, so there is limited scope for BATA to influence this process.</p> <p>Our scope to influence suppliers is limited to contracts and services such as business-to-business packaging and logistics within Australia.</p>









2021-2023 Action Plan

We are committed to maintaining our current APC performance levels and identifying new opportunities to improve our packaging sustainability throughout 2021-23.

An overview of our Action Plan for 2021-23 is outlined over the following three pages.



Criteria	Commitment level	Detailed commitment
<p>1.1 Packaging Sustainability Strategy (Core)</p> <p>Objective: <i>Integrate packaging sustainability goals and targets in corporate strategy, including use of the Sustainable Packaging Guidelines (SPG) or equivalent</i></p>	Beyond best practice	<p>We will maintain our commitment to, and membership of, the APC, as well as setting out our APC commitments in our APC Action Plan, which is managed by our cross-functional Environment Working Group.</p> <p>We will continue to evaluate all new projects against our tailored Sustainable Packaging Checklist and commit to evaluating all existing packaging against APCO's Sustainable Packaging Guidelines, as required.</p> <p>We will make our commitment to the APC public by publishing our Annual Report and Action Plan commitment on our website at www.bata.com.au</p>
<p>1.2 Closed Loop Collaboration (Core)</p> <p>Objective: <i>Encourage supply chain initiatives to recover packaging and create sustainable closed loop economies</i></p>	Good progress	<p>We will continue our work as part of the Tobacco Industry Product Stewardship Group, which has investigated closed loop options for packaging waste.</p> <p>We will also continue to support closed loop economies for recycled materials via our commitment to buy recycled content products including office paper, stationery items and business cards made from recycled materials, which supports markets for materials diverted from landfill.</p> <p>In addition, we will continue to support existing closed loop programs by recycling waste such as batteries, mobile phones, toner cartridges and e-waste from our operations.</p>
<p>1.3 Consumer Engagement (Recommended)</p> <p>Objective: <i>Inform and educate consumers about sustainability through packaging</i></p>	Not relevant	<p>This criterion is not applicable to our industry. BATA's ability to communicate with consumers is restricted by the <i>Tobacco Advertising Prohibition Act 1992 (Cth)</i>, which prohibits suppliers of tobacco from communicating directly with consumers.</p> <p>However, we will publish information about our APC commitment on our website at www.bata.com.au.</p>
<p>1.4 Industry Leadership (Recommended)</p> <p>Objective: <i>Promote other initiatives within Australia that improve packaging sustainability through collaborations and industry leadership</i></p>	Leading	<p>We will continue to collaborate with the other major tobacco companies as part of the Tobacco Industry Product Stewardship Group, which works to address tobacco product litter.</p>



Criteria	Commitment level	Detailed commitment
<p>2.1 Packaging Design and Procurement (Core)</p> <p>Objective: <i>Ensure that the Sustainable Packaging Guidelines (SPG) or equivalent are being used to evaluate packaging</i></p>	Advanced	We will continue to review all new and existing packaging against our Sustainable Packaging Checklist.
<p>2.2 Packaging Materials Efficiency (Core)</p> <p>Objective: <i>Reduce material consumption and associated environmental impacts in the packaging life cycle by optimising the volume and weight of packaging</i></p>	Advanced	We will re-assess packaging optimisation each year using <i>International Standard 180602:2013 Packaging and the environment - Optimisation of the packaging system</i> as a basis.
<p>2.3 Recycled and Renewable Materials (Core)</p> <p>Objective: <i>Support a circular economy for packaging by optimising the quantity of materials that are renewable and/or contain at least some recycled content</i></p>	Beyond best practice	<p>We will assess the optimisation of recycled and renewable materials in our packaging each year using <i>International Standard 180602:2013 Packaging and the environment - Optimisation of the packaging system</i> as a basis.</p> <p>The majority of our packaging contains renewable and/or recycled content paper and cardboard in our cigarette packs and shippers.</p>
<p>2.4 Post-Consumer Recovery (Recommended)</p> <p>Objective: <i>Increase the proportion of packaging that can be collected in Australia for reuse, recycling, composting or energy recovery</i></p>	Advanced	<p>We will continue to assess the optimisation of our packaging for recyclability each year using <i>International Standard 180602:2013 Packaging and the environment - Optimisation of the packaging system</i>.</p> <p>However, the composite nature of material in our cigarette packs which is prescribed by the <i>Tobacco Plain Packaging Act 2011 (Cth)</i> means cigarette packs cannot currently be recycled in kerbside recycling systems.</p>
<p>2.5 Consumer Labelling (Recommended)</p> <p>Objective: <i>Encourage the use of on-pack labels that enable consumers to easily determine the correct disposal method for post-consumption packaging</i></p>	Not relevant	This criterion is not applicable to our industry as a result of state and federal legislative restrictions placed on tobacco product, including (but not limited to) the <i>Tobacco Plain Packaging Act 2011 (Cth)</i> . Such restrictions include prescribed packaging formats and design, as well as minimum pack sizes. These restrictions prevent any changes to how the product is presented to the consumer, including the use of logos recommending correct recycling or disposal.

Criteria	Commitment level	Detailed commitment
<p>2.6 Product-Packaging Innovation (Recommended)</p> <p>Objective: Reduce the environmental impact of your packaging throughout its life cycle, through innovation in the design of the product-packaging system</p>	Not relevant	This criterion is not applicable to our industry as a result of state and federal legislative restrictions placed on tobacco product, including (but not limited to) the Tobacco Plain Packaging Act 2011 (Cth). Such restrictions include prescribed packaging formats and design, as well as minimum pack sizes. These restrictions prevent any changes to how the product is presented to the consumer, including the use of logos recommending correct recycling or disposal.



Criteria	Commitment level	Detailed commitment
<p>3.1 Business-to-Business Packaging (Core)</p> <p>Objective: Reduce the amount of single use business-to-business packaging</p>	Good progress	<p>BATA will maintain our database of our business-to-business packaging to further understand existing sustainability features and opportunities for improvement.</p> <p>We will also investigate at least one opportunity to reduce single use business-to-business packaging or increase recycled content per year.</p>
<p>3.2 On-site Waste Diversion (Recommended)</p> <p>Objective: Increase the recovery of packaging waste generated on-site</p>	Leading	We will continue to maintain our best practice office recycling systems.
<p>3.3 Supply Chain Influence (Recommended)</p> <p>Objective: Engage with suppliers to build support for, and capacity to achieve, packaging sustainability goals</p>	Not relevant	<p>This criterion is not applicable to our business.</p> <p>BATA, being part of a global business, is not able to engage directly with packaging suppliers and therefore has limited influence over regional and global packaging procurement and selection processes.</p> <p>We are able to document projects conducted by our Regional Product Centre to optimise packaging, and to work with our third-party logistics contractor to reduce business-to-business packaging impacts.</p>



Targets

In addition, we have set targets, as illustrated opposite.

Results against these targets will be published in this report annually, published on www.bata.com.au and BAT PLC's Environment, Social and Governance (ESG) Report on www.bat.com

100%

of all new and existing cigarette and roll-your-own product packaging will be reviewed against the Sustainable Packaging Guidelines annually

100%

of existing cigarette and roll-your-own packaging will be reviewed annually to determine their optimisation for material efficiency

100%

of cigarette and roll-your-own packaging SKUs will be optimised for renewable content annually

100%

of plastic packaging will be reusable, recyclable or compostable by 2025

30%

average recycled content across all plastic packaging by 2025

One+ option

to join a collaborative closed loop program will be investigated annually

100%

of all A4 office paper purchased annually will be 100% recycled content

Elimination

of unnecessary single-use plastic packaging by 2025

40%

reduction in waste sent to landfill by 2025 and at least 95% of our total waste recycled each year

≤ 20%

of business-to-business packaging will be optimised for efficiency and reuse



Contact

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**British American
Tobacco Australia**

Australian Packaging Covenant

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