



# PACKAGING & WASTE

## COMMITMENT:

We are committed to minimising waste associated with products, packaging and production processes.

### Links to SDGs



- **SDG 12:** Ensure sustainable consumption and production patterns

### Behaviours



Start with the Consumer

### TARGET

20% Reduction in waste generated in our operations by 2030

### METRIC

Absolute waste (Tonnes)<sup>1</sup>

Status: Achieved, new target to be implemented



### TARGET

Zero Waste to landfill in our operations by 2025

### METRIC

Absolute non-hazardous waste sent to landfill (Tonnes)<sup>1</sup>

Status: On track



### TARGET

100% of all wood fibre in our packaging will be sustainably sourced by 2025

### METRIC

Percentage of wood fibre in our packaging sustainably sourced

Status: On track



### FY24 Performance

We achieved our waste reduction target ahead of time with a 32% decrease in waste compared to the 2017 baseline year. We will set a new target subject to approval by the ESG Committee.

We achieved a 96% reduction in non-hazardous waste sent to landfill compared to the baseline year.

96%<sup>A</sup> of wood fibre in our packaging is now sustainably sourced. The slight reduction of this score seen in 2024 is due to a change in the calculation methodology.

As a responsible manufacturer, we are committed to minimising our environmental impact and promoting sustainability throughout our value chain. The Group [Environmental Policy](#) makes our commitment clear, which extends through several Group policies, including our [Code of Conduct](#) and [Supplier Code of Conduct](#). These set out the foundations of our approach to environmental sustainability which all our employees, suppliers, and business partners are required to adhere to. Our due diligence processes are designed to uphold high standards to minimise our environmental impact by reducing our carbon footprint, energy, waste, and water consumption, as well as protecting biodiversity. This commitment involves responsible production, usage, and disposal of our products, requiring all employees and partners to understand their roles.

The consumer is the starting point for our strategy. And as consumers' and policy makers' attention shifts to more sustainable manufacturing and recyclable packaging, we aim to efficiently use resources and minimise waste at source.

We are working towards ensuring all our packaging is reusable, recyclable or compostable and to minimise waste across our products, packaging and production processes.

### Innovating for waste reduction

Our research suggests that, while consumers value product quality and are unwilling to compromise on this, they also highly value waste reduction but do not want to pay extra for this.

Working with third-party experts to assess the recyclability of our packaging, we developed new ways to create the same quality or better packaging where our existing packaging was not recyclable.

This underpins our target for all our EU and UK packaging to be reusable, recyclable or compostable by 2025. In FY24 based on third-party certifications, 94%<sup>A</sup> of our packaging formats are now deemed recyclable.

We also set a target for all our products sold in the EU and UK, to have an average packaging recyclability score of more than 80% by 2030. Based on third-party packaging recyclability assessments, for the volume of packaging from products sold in the year, in FY24 we achieved an average packaging recyclability score of 84%<sup>A</sup>.

Recent innovations include make-your-own cigarette buckets with reduced quantities of plastic, without compromising on consumer acceptance. In Spain, we introduced the industry's first roll-your-own tobacco pouch, featuring a food-grade recycled plastic content of 42%. We have also launched a snus can made from food-approved, bio-circular plastic.



For more targets and metrics related to packaging and waste, please see our [ESG Performance Summary 2024](#).

A. Select 2024 data has been independently assured by Ernst & Young LLP (EY) under the limited assurance requirements of the ISAE 3000 standard. EY's Assurance Opinion is available on our website. Our reporting scope and definitions are detailed in the Reporting Criteria document published on our website.

1. Our 2024 environmental data covers the reporting period Q4 2023 to Q3 2024. This is to allow for data collection, validation and external assurance.

### Zero Waste ambition

In pursuit of our Zero Waste ambition, we established a goal to eliminate landfill waste from all our operations by 2025. We can report that since May 2024, we have sent zero waste to landfill from our manufacturing operations and main offices. Three sites in the Central African Republic, Mali and Ukraine are currently out of scope due to ongoing conflicts in these regions. Due to this and other challenges our focus is on maintaining this zero landfill status at our in-scope sites.

To support the next phase of our waste reduction programme, we have formed a global community of "Zero Heroes" to champion ongoing initiatives. We achieved our 20% waste reduction target ahead of time and will set a new target subject to approval by the ESG Committee.

### Cigarette butts

We believe that the most effective approach to combating littering is through partnership with other key stakeholders, such as tobacco manufacturers, government agencies, retailers and local communities, educating consumers on the importance of the proper disposal of used cigarette butts.

We participate in Extended Producer Responsibility schemes, both on a voluntary basis and to fulfil regulatory requirements under various legislation, including the EU Single-Use Plastics Directive. The costs of these can cover waste management, the clean-up of litter and consumer awareness-raising measures.

Consumer acceptance and emissions regulation have meant that we are yet to find an adequate alternative substitute for the traditional cigarette filter. However, we continue to search for alternative materials for our filters.

### NGP waste

We are committed to enhancing the sustainability and recyclability of NGP materials and packaging.

Our blu bar kit was developed to enable consumers to move from disposable products into rechargeable pod systems. Whilst our current blu bar 1000 already had a removable battery, our new blu bar kit enables consumers to have the same sensory experience but in a pod format, allowing them to keep the device and responsibly dispose of the pod only.

To support our consumers with the responsible disposal of our blu products, "take-back" schemes for vaping devices and pods continue in some markets.

Our target to maintain Zero Waste to landfill is one part of our Triple Zero campaign.

