

pepco[®]



Our packaging Policy

version 1.0 2023

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1 General background of the policy

The Single-Use Plastics Directive (2019/904) introduces several different measures on single-use plastics products, which include market restrictions, consumption reductions, marking requirements, mandatory recycled content, separate collections and clean-up litter costs.

Secondly, as part of the **Circular Economy Action Plan**, on 30 November 2022, the Commission proposed to revise the Packaging and Packaging Waste Directive to ensure that "all packaging on the EU market is reusable or recyclable in an economically viable way by 2030". It will also contribute to the commitment of the 2018 Plastics Strategy to ensure that by 2030 all plastics packaging placed on the market can be reused or recycled in a cost-effective manner".

Thirdly, a plastics tax has been introduced, which is a fee to be paid by EU Member States for each kilogram of non-recycled plastic waste each year.

Pepco packaging policy is a response to a need for collective action towards circular economy and limiting plastic pollution.



**POLSKI
PAKT
PLASTIKOWY**

Additionally, in February 2023 Pepco became a member of Polish Plastic Pact, a part of global network Plastics Pact coordinated by Ellen Mac Arthur Foundation in order to learn from and share good practices with the industry.

2 Our goals

Packaging is one of the pillars of Pepco sustainability plan.

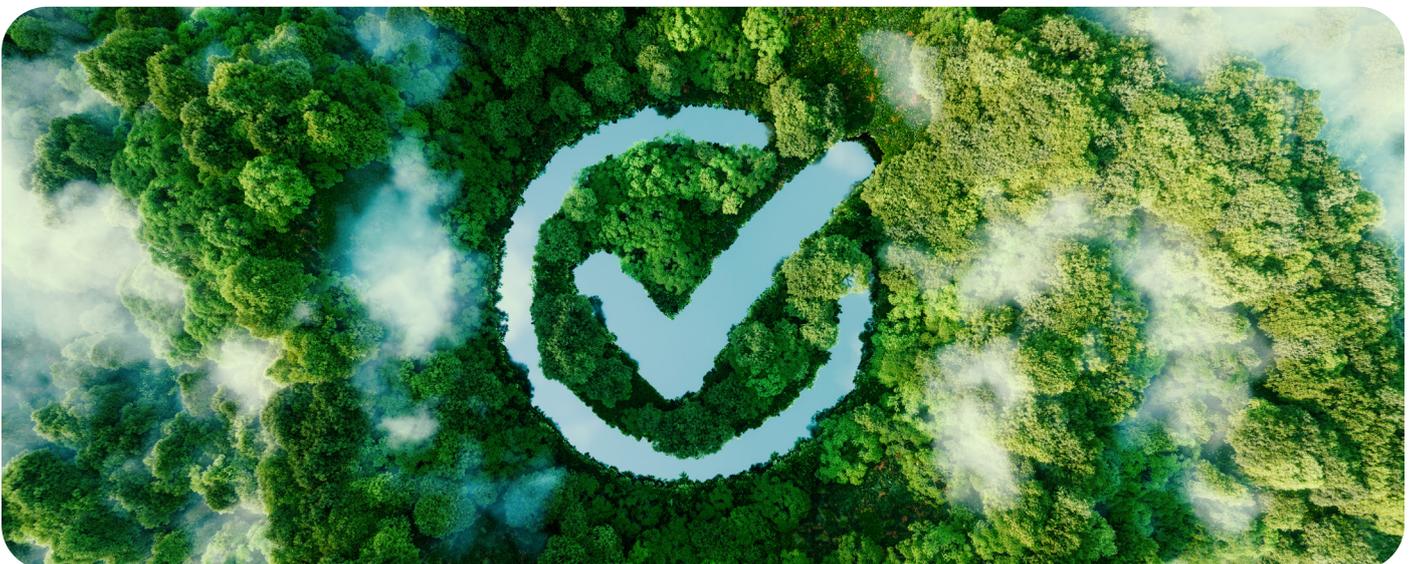
This policy ensures that our goals are met by the end of 2025:

1. Identify and eliminate all unnecessary or problematic packaging through design, innovations and use of alternative resources
2. Reach 30% of raw recycled materials in primary packaging
3. Reduce weight of primary packaging by 20% through removal or downgauging
4. Reach 100% of packaging to be recyclable in order to improve recyclability of materials on the market
5. Increase the awareness of clients and business partners when it comes to segregation, recycling and reusing packaging materials
6. Increase sortability up to 95% of incoming goods to limit waste and optimize logistics.

The policy purpose is to communicate these goals throughout our value chain and make sure we can realize them. As a responsible business we want to use packaging changes to make sure that today's waste be-

comes a resource that shapes the future.

This policy applies to all employees, vendors & suppliers of Pepco.



3 A Terminology - general

Term	Definition
Primary packaging	The packaging that customer takes home.
Secondary packaging (inner)	Packaging that groups primary packs together, e.g., multipacks.
Tertiary packaging (outer)	Outer cartons and or shelf ready displays e.g., transit packaging.
Vendors & suppliers	All companies which have business relations with Pepco, meaning product suppliers and service providers.
Own-Brand Products	Products offered to consumers under Pepco brand, understood as products manufactured by a given suppliers with qualities and packaging specified by Pepco.
Compostable, biodegradable, biobased	Will break down under specific conditions, no end-of-life solution for customers. The use and production of biobased, biodegradable and compostable plastics has been steadily increasing. Several conditions must be met for these plastics to have positive environmental impacts, rather than exacerbating plastic pollution, climate change and biodiversity loss.
Laminates	Several materials bonded together to bond a single layer.
Rigid plastics	Hard plastics, e.g., trays, tubs.
Flexible plastics	Flexible materials – bags and films.
Circular economy	A model of production which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products if possible. At Pepco it involves continuous reduction of the number of materials and increased reliance on recycling and reusing resources and materials.

3 B Terminology - materials

Term	Definition
Paper	<ul style="list-style-type: none"> • Cardboard/corrugated board - multi-layer material made from at least two layers of paper when one is fluted. Used in primary box, secondary and tertiary pack. • Solid board - board with one liners. Used in primary boxes, swing tags, headers and secondary packs. • Paper - all of paper application under 120 grams. Used in leaflets, instructions, inserts etc. <p>All paper-based packaging in Pepco is required to be FSC (or equivalent) certified.</p>
PET	Polyethylene terephthalate. Used to produce bottles, fibres & packaging like blisters, clamshells, boxes, insets and trays. When used in packaging PET is a material with good recyclability quality.
HDPE	High-density polyethylene. Used to produce bottles, bags, hooks, recycling bins, base cups and more. Material usually feels delicate and weaving. HDPE is picked up through most curbside recycling programmes.
LDPE	Low-density polyethylene. Used to produce pallet wrap, shrink wrap, bags and coverings, plastic bags, six pack rings, containers, tubing, laboratory equipment. LDPE is recyclable.
PP, OPP, BOPP	Polypropylene, oriented polypropylene, biaxially-oriented polypropylene. Used to produce food containers and dishware. Picked up through most curbside recycling programmes.
PS, EPS	Polystyrene. Used to produce styrofoam, plastic utensils. No end-of-life solution. Not recyclable, usually incinerated instead. Prohibited in Pepco since 2023.
PVC	Poly vinyl chloride, a clear soft plastic with no end-of-life solution. Prohibited in Pepco since 2023.
PLA	A plastic made of corn starch, currently no end life solution. Also known as „bioplastic“.
Recycled plastics	Plastics certified to be made from recycled materials with % indicated (e.g. rPP, rPET, rPE).

4

Sustainability in packaging:

8 GOLDEN RULES

1.

HOLISTIC APPROACH

When designing and planning packaging, think about cost, protection, performance & sustainability. Material is only a list item in the „total cost“ equation for packaging.

5.

END OF LIFE & SUSTAINABILITY

Material choice matters. Use of post-consumer recycled, and recyclable raw material impacts the environment and helps companies achieve higher efficiency in circular economy.

2.

SEE WASTE AS A RESOURCE

Use all of the materials available: always remember that scraps, boxes and fillers can be reused. Optimize your process to address that.

6.

AESTHETICS, FIT & PEPCO BRAND

Packaging that fits the shelf, is made from quality materials & is easy to recycle will enhance Pepco brand image.

3.

KEEP IT SIMPLE

The less elements, the better. Make sure that different materials can be de-attached, to increase recyclability.

7.

OPTIMIZE THE SIZE

Optimizing packaging size can positively impact many departments. Minor changes can bring major benefits.

4.

WORKFLOWS

Optimize your workflow & keep it efficient. Make sure the process is safe and efficient for all employees.

8.

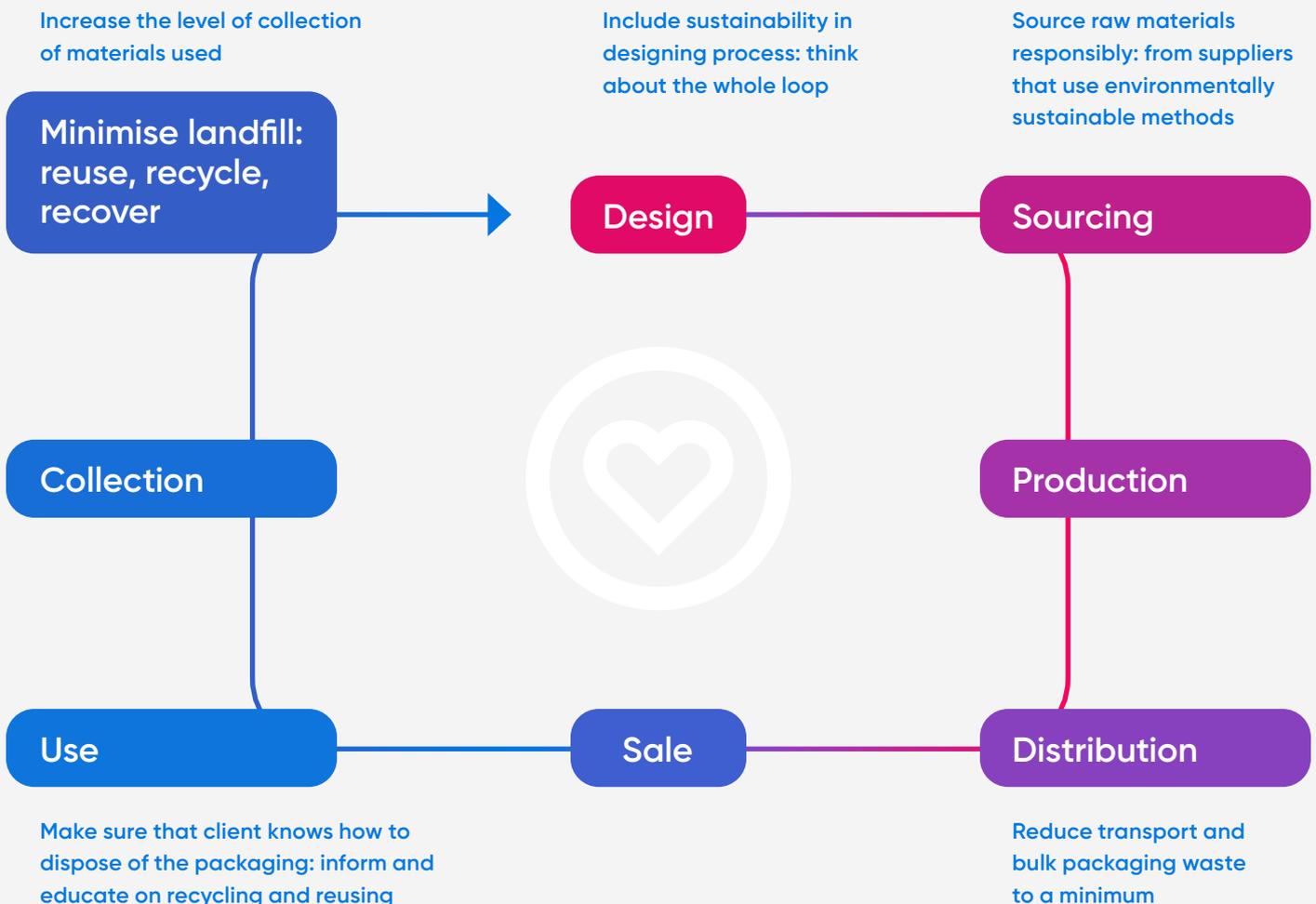
STOCKING, VENDOR, INVENTORY

More is not always better: think about the efficiency and workflows and always stick to the product-specific manual.

5 Packaging loop & performance specs

Performance specs encourage supplier to think proactively, reduce costs and innovate

- Define performance requirements to ensure the protection and preservation of the product throughout the whole packaging loop (mode of transport, strength, shrinking, durability etc).
- Ensure compatibility with equipment/machineability (sorting line).
- Materials specified must be able to have their performance validated (ASTM, Tappi, ISO testing).
- Find out what materials and methods the manufacturers may use to make the component.
- Determine for certain that what you are going to specify is doable.





6 Material choices

Our packaging policy also takes into account phasing out some of the materials which are difficult to recycle and promoting materials which support circular economy.

RED	ORANGE	LIGHT-GREEN	GREEN
<p>We do not accept these materials in packaging.</p> <ul style="list-style-type: none"> • PS / EPS • PU / PA • PVC • Polycarbonates • Multimaterial packaging • Laminates • Barrier paper 	<p>Limit the use of these materials, or make sure it is possible to de-attach them from packaging</p> <ul style="list-style-type: none"> • Coloured plastics • Compostable materials • Oxy/Oxo degradable • PLA • Polystyrene • Black plastic • Silicon gel 	<p>Good solution: these materials are easy to recycle</p> <ul style="list-style-type: none"> • PET • PP, CPP, BOPP • PE, LDPE, HDPE • Glass • Steel • Paper • Cellophane 	<p>Closed loop materials: best solution</p> <ul style="list-style-type: none"> • Packaging from recycled materials • rPET, rPE, rPP* • Alu • Paper** • Multiuse packaging

* all recycled materials require external certification

**all paper-based solutions in Pepco must be FSC (or equivalent) certified

7 Pepco packaging guidelines

Each packaging level has its own manual & guidelines.
For more information find the right document.

Tertiary packaging

Tertiary packaging follows **palletization and shipments requirements**

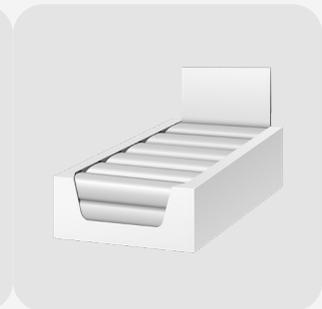
Level 01



Secondary packaging

Secondary packaging follows **trade guidance**

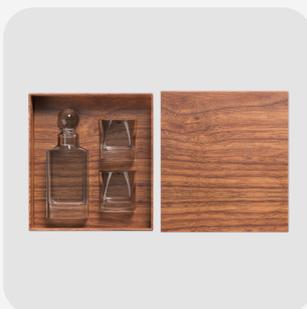
Level 02



Primary packaging

Primary packaging follows **consumer unit specifications**

Level 03





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