

Global Sustainable POS Guidelines

These guidelines will be reviewed and updated on an ongoing basis to reflect developments in materials and related technologies as well as recycling infrastructure and solutions.

Version 2.5 – April 2020

Contents

Our Vision: Circularity

PAGE 3

Framework & Ambition

PAGE 4

Embedding a circular mindset at all stages of product development

PAGE 5

POS scope and specifications

PAGE 6

POS Dimensions/Eco-system

Summary of requirements for existing POS and NPD

- Transport and Packaging
- End of life
- Decoration
- Electronics/Batteries
- Use
- Material

PAGE 7 - 14

Definitions: Key terms

PAGE 15 - 17

Contact

PAGE 18

Appendices

PAGE 19 - 21

Our Vision: Circularity

Our Ambition: To adopt a circular mindset in our product design and development for a more circular tomorrow



Alexandre Ricard, CEO

At Pernod Ricard, we offer our consumers moments of “convivialité” – bringing good times from a good place.

Now we must expand this convivial mindset to everything we do, the choices we make, the products we use, the waste we generate and the people we impact.

This mindset includes embracing the circular economy, a forward-thinking system reimagining the way we design, make and use things. For us, this includes repurposing used materials, aiming for minimal or zero waste and being innovative in our thinking.

“ We must act now to ensure both the future success of the business and the world we all live in ”

“ We must ensure we stop POS proliferation and only create POS with purpose... ”



Eric Benoist
Global Marketing and
Commercial Director

Vanessa Wright
VP Global Sustainability &
Responsibility

Peter Morehead
Group Operations
Director

Our S&R strategy *Good Times from a Good Place* sits at the heart of our business with Circular Making as a key pillar - this is about minimising waste and preserving our natural resources by reusing, reimagining, recycling and reducing, adopting a truly circular mindset.

As a consumer-centric company we know that increasingly our consumers are looking for brands that act in an environmentally and socially responsible way. Therefore, our new POS guidelines are very important in delivering our 2025 and 2030 commitments, helping to drive innovation and further engage with our consumers.

Our vision is for Pernod Ricard to be recognized as a pioneer in sustainable POS, setting the standard within the industry. Pernod Ricard’s goal is to ensure that all POS has a purpose. **Our motto is clear: if in doubt, don’t produce!**

Framework & Ambition

We are committed to circular POS, guided by 5 principles across the POS lifecycle. These principles will contribute to helping us reach our S&R commitments.



Think out of the box to challenge the need for each POS component and explore new circular solutions.

What purpose does the POS serve, can we reach the same result in another way or by using different material? **If in doubt, don't develop!**



Optimize the specification and the use of materials to reduce size and weight. Limit the number of items, nothing unnecessary. Increase recycled material where possible.



Move away from single-use to keep POS reusable as long as possible. POS should be designed to be reused for the same purpose.

Avoid campaign branded POS to increase life span. (ex. 'Brand logo + Festival' on a staff T-shirt instead of 'Logo + Festival 2020')



Design POS with recycling in mind – using mono-materials when possible and avoid non separable material solutions. Choose recyclable materials only. Check if there is a recycling collection bin for this item in the main markets of use and existing recycling infrastructure. If recyclable is not possible, use compostable materials.



Ensure materials are responsibly designed and sourced, i.e. appropriate suppliers are used, proposing recycled content, sustainable origins and that waste, materials, chemicals, water and energy are minimized. Use bio-based materials that can be compostable and respect regulations through appropriate certifications.

RELATED S&R COMMITMENTS

2020: Adopt a circular mindset

100% of new projects adopt eco-design principles and circular mindset.

2021: Eliminate all single-use plastic POS

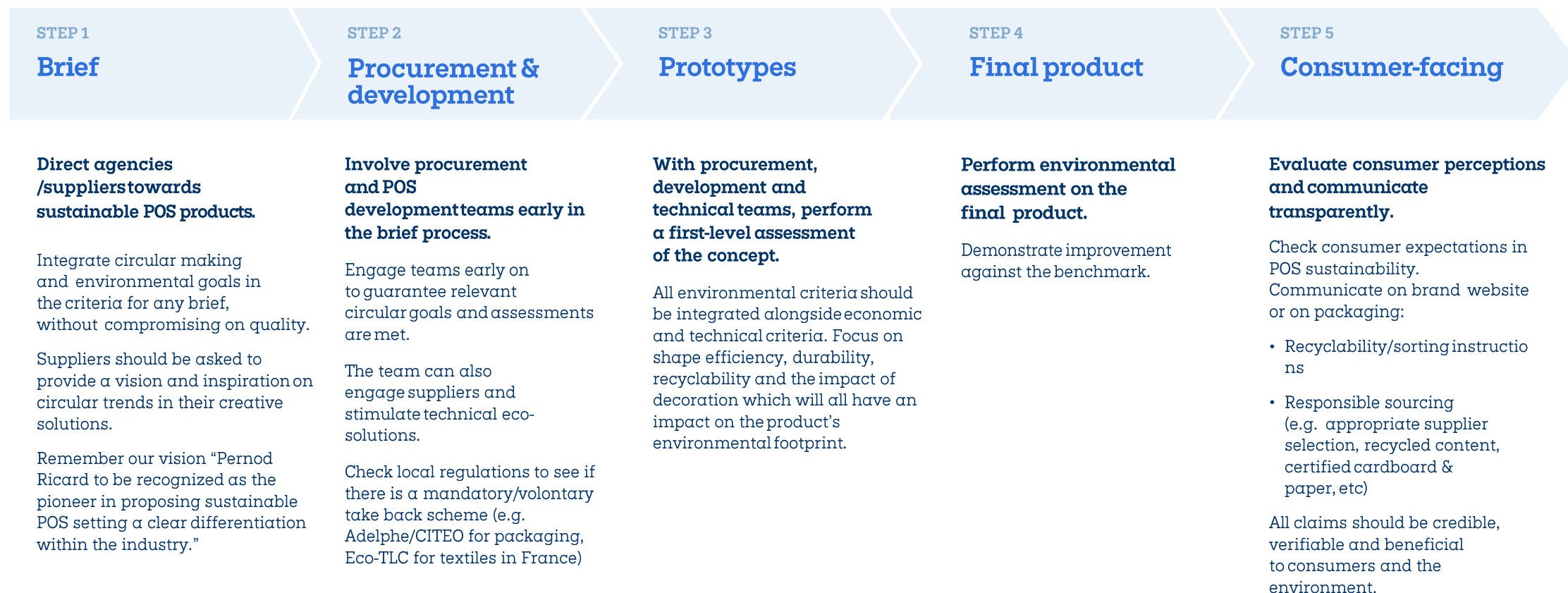
PR Group already banned all single-use plastic straws and stirrers. We are now phasing out all single-use plastic POS items by July 1, 2021 (exception for tasting cups by July 1, 2025)

2030: All POS are reusable, recyclable or compostable

All POS products need to be designed to meet the expected lifespan. By 2030 all POS should be reusable, recyclable or compostable. Reusing is better than recycling because it saves the energy that comes with having to dismantle and re-manufacture products.

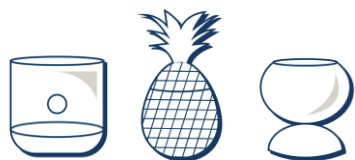
Embedding a circular mindset at all stages of POS development

Objective: by 2020, 100% of new projects adopt eco-design principles and a circular mindset



POS Scope

Applicable to all POS categories for all Pernod Ricard brands



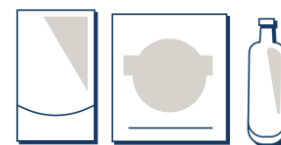
Drinkware

any containers used to drink something from, made of various materials



Serving Material

any items used to prepare or serve our drinks



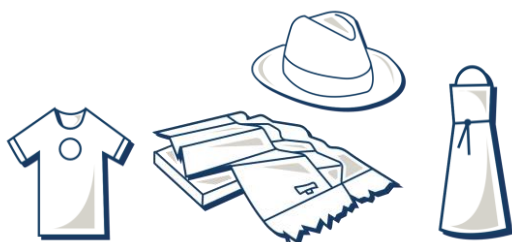
Permanent Visibility

any permanent items whose main focus is to promote brands



Gifts

any gadgets or gifts developed for customers and consumers



Garments and Accessories

any wearable textiles or accessory items made of various materials



Disposable Displays

any disposable displays used to store and promote brands

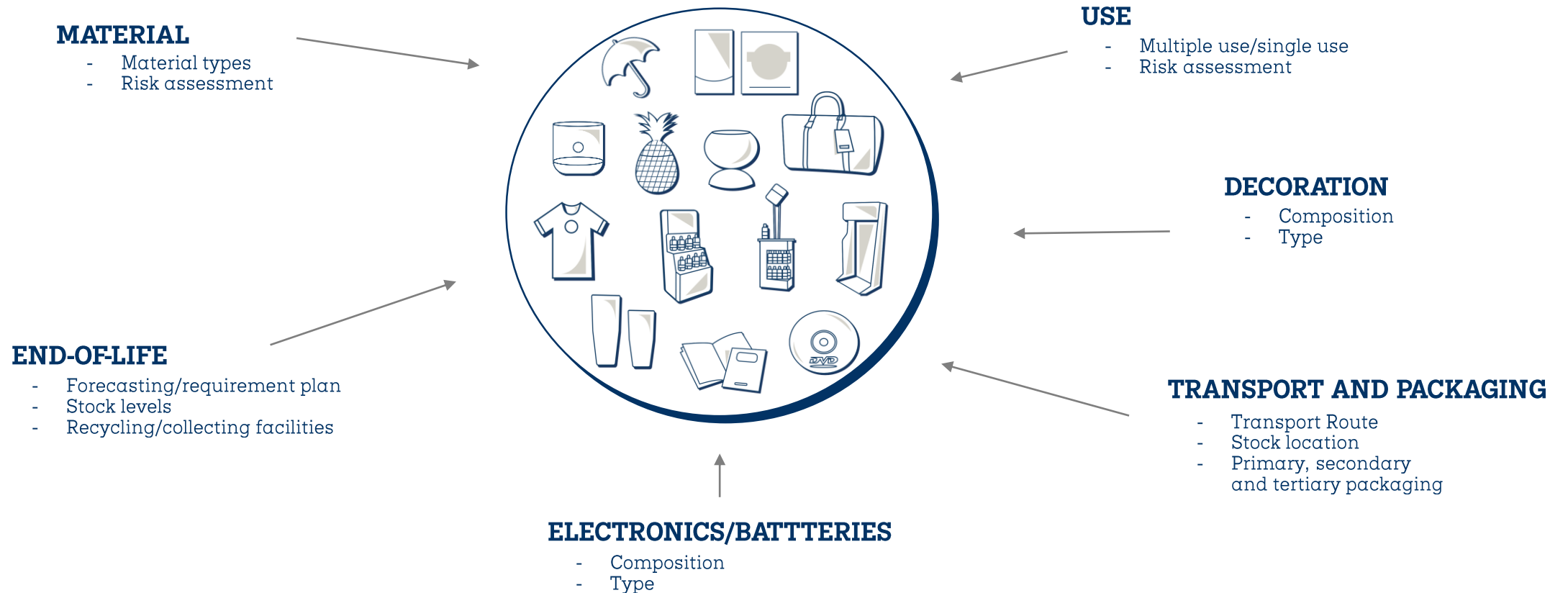


Print & Multimedia

any items simultaneously integrating text, sound & fix or animated images

POS Dimensions

Main dimensions of POS to be covered that contribute to the strategy



Summary of requirements for existing POS and NPD

To reach 100% reusable, recyclable or compostable POS by 2030

More details can
be found on pages
9 through 14



MATERIAL	USE	DECORATION	TRANSPORT - PACKAGING	ELECTRONICS - BATTERIES	END OF LIFE
- PVC in all uses - Crystal glass - Porcelain - Sandstone - Ceramic - Opal glass - Black and dark coloured glass / plastics - Heat resistant (Borosilicate glass) - PLA - Oxo-degradable plastic - Mix plastics/metal material (unless separable) - Traditional grown cotton - Chlorine bleached paper	- Plastic in single use items - For POS in contact with liquid, ban non-food grade solutions	- Heavy Metals - Petrol based inks - Toxic inks - Electroplating	- Polybags - Polystyrene balls / chips	- Batteries molded in the material of the item, not detachable - No single use batteries - No batteries /electronics in a single use item - Mercury, Cadmium, Lead batteries	Destruction / incineration

EXISTING ITEMS:
NPD:

Ban by July 1, 2021
Ban immediately

Ban by July 1, 2021
Ban immediately (exception for
tasting cups by July 1, 2025)

Ban immediately
Ban immediately

Ban by July 1, 2021
Ban immediately

Ban by July 1, 2021
Ban immediately

Ban immediately
Ban immediately



AVOID

Reusable items with a quality that only allows a limited number of re-uses	Single use	Varnishes which degrade quickly over time	- Unnecessary transport - Air Freight unless CEO approval	Batteries	Obsolete stocks
--	--	---	--	---	---



In line with S&R
Commitments

- Reusable - Recyclable - Compostable	- Answers to a real need (consumer centric) - For POS in contact with liquid, it shall answer to a risk assessment (take into consideration reuse for another than initial purpose)	- Embossed/Debossed - Organic ink/UV-ink - Engraved - Detachable when it is multimaterial	Optimized for transportation (stackability, weight and measurement of the secondary packaging)	- Electronics parts shall be detachable from the POS - Batteries shall be rechargeable	- All strategic items must be forecasted before launch - Reduce obsolete stock wastage by re-distributing it or recycling it properly
---	--	--	--	---	--

POS Material

- 
REDUCE
Weight, quantities
Rare - virgin material
- 
REUSE
Think out of the box - some other finished products could be turned into POS (ie: the Ricard bottle turned into a drinking glass)
- 
RECYCLE
Maximize recycled content of the material if possible. Bio-based materials should first be recyclable, secondly compostable and only where relevant. (infrastructure in place)
- 
RESPECT
Certifications: source, production techniques, protection of rare materials and species
- 
RETHINK
Is this material fit for use/purpose for a POS
For garment sizes, try to rethink the spread of sizes
Challenge the need of a branded packaging of a POS
- 
BAN now
 - Crystal glass
 - Porcelain
 - Sandstone
 - Ceramic
 - Opal glass
 - Black and dark coloured glass/plastics
 - Heat resistant (Borosilicate glass)
 - Single-use plastic
 - PVC
 - PLA (not if used as a liner in paper cups)
 - Oxo-degradable plastic
 - Mix plastics/metal material (unless detachable)
 - Traditional grown cotton
 - Chlorine bleached paper



Risk assessment

- 
 - to be documented on all new items . Please refer to Appendix A ([link to appendix A](#))
- 
BAN now
 - Items not compliant with GL-26. Please refer to Appendix A ([link to appendix A](#)) on the food grade pillar

LEGEND:

- 
 IN LINE WITH S&R COMMITMENTS
- 
 TO BAN
- 
 AVOID & REPLACE

POS Use



REDUCE

POS that are not consumer centric.
a diversity of items



REUSE

Favour solutions that can be used multiple
times, avoid single use regardless of material



RECYCLE

Favour recycled material and easy to
recycle material (no multiple layers etc)



RESPECT

Ensure a proper risk assessment is done,
especially on items in contact with liquid.
No single use plastic POS: think of the landfill
impact/vision



RETHINK

POS often produces waste, so challenge your
need of POS. What is its target? Can your
objective be achieved in another way?

Multiple use/Single use



- Answers to a real need
(consumer centric)



- Single use



BAN now

- Plastic straws and stirrers

BAN from 2021

- Plastic single use items
(Tasting cups excluded, ban by
2025)

Risk assessment

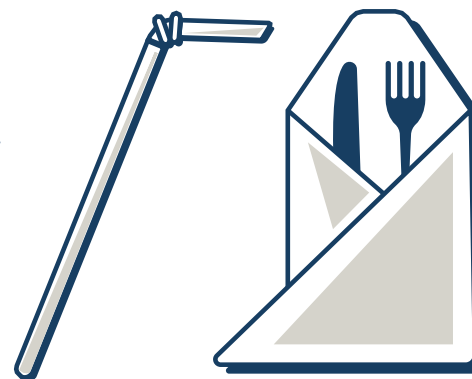


- to be documented on all new
items . Please refer to Appendix
A ([link to appendix A](#))



BAN now

- Items not compliant with
GL-26. Please refer to
Appendix A ([link to
appendix A](#))



LEGEND:



IN LINE WITH S&R
COMMITMENTS



TO BAN



AVOID &
REPLACE

POS Decoration



REDUCE

Reduce decoration that requires extra coloring or material on the item.

Decoration that degrades over time and make the item useless (ex.soft touch varnish becoming sticky)



REUSE

Not applicable



RECYCLE

Use decoration that can be recycled, or detachable from the item



RESPECT

Ensure a proper risk assessment is done, especially on items in contact with liquid.
No single use plastic POS: think of the landfill impact/vision



RETHINK

POS, apart from material serving our brands are not key intrinsically. They often produce waste, so challenge your need of a POS. What is its target? Can objective be achieved in another way?

Type



- Embossed/debossed
- Engraved/laser engraved
- Detachable when it is multimaterial
- Embroidery insted of print on textiles



- Avoid varnishes which degrade quickly over time



- BAN now**
- Electroplating

Composition



- Organic ink/UV-ink
- Water based inks
- Soy inks



- BAN now**
- Heavy Metals
 - Petrol based inks
 - Toxic inks



LEGEND:



IN LINE WITH S&R COMMITMENTS



TO BAN



AVOID & REPLACE

POS

Transport and packaging of POS



REDUCE

Ensure packaging is light weighted, and size optimized
Eliminate unnecessary additional packaging when possible
Optimize transport routes (CO2 emissions)



REUSE

Packaging is not fit for reuse



RECYCLE

Ensure packaging is **recyclable**. Mono-material boxes preferred
Avoid multi-material boxes, ensure parts can be separated



RESPECT

Ensure material is **responsibly sourced**
All paper, cardboard materials should be FSC or PEFC, and also TCF (totally chlorine free), EFC (elemental chlorine free) or PCF (process chlorine free)
Use recycled content whenever possible or responsibly sourced virgin fiber. Choose transport with lowest CO2 emissions

Transport Route



- Sea freight for big volume cross continental transport
- Road transport for short/medium distance and continental transport



- Minimize air freight usage

Secondary and tertiary packaging

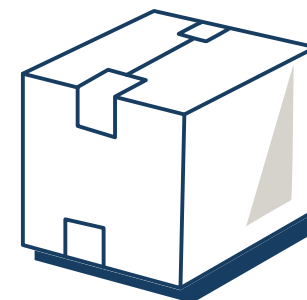
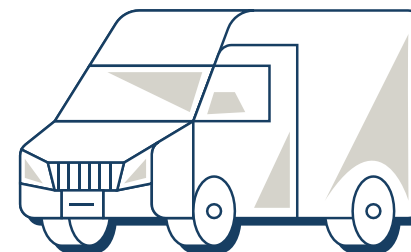
see packaging guidelines



- Pulp/paper



- BAN 2021 | NPD BAN now**
- Plastic Polybags
 - Polystyrene balls / chips



Stock Location



- Mutualize with other brands/ markets as much as possible
- Warehouse with WMS

LEGEND:



IN LINE WITH S&R COMMITMENTS



TO BAN



AVOID & REPLACE



RETHINK

Ensure that additional components are **efficiently eco-designed**. Adapt your packaging according to the off and on trade consumer needs.

Avoid decoration on packaging of POS

Handles: remove any non-cardboard handles

Replace polybag with other materials

Plastic components: choose a recyclable plastic resin (PET, PE, PP), preferably source this resin from recycling streams (rPET, rPE, rPP) and if the recycled resin cannot achieve 100%, favor the same bio-based plastic resin to complement it
Forecast your POS needs and avoid air transport, order and stock only what is needed (avoid big orders to only benefit of a best price reduction)

POS Electronics/Batteries



REDUCE

The use of electronics
The different modules for batteries (select a common system)



REUSE

Favour rechargeable batteries options



RECYCLE

Ensure batteries and electronic boards are detachable and not molded in the item



RESPECT

Ban lead batteries
Mercury
Cadmium



RETHINK

Challenge if POS has to be electronic and have a battery. Why and what does this add?

Look for alternative options, shapes, colour, inks, reacting to UV etc.

Think about a collection process to avoid any disposal of batteries in the incorrect bin in case of discharged batteries.

Type



- Electronics parts shall be detachable from POS
- Use rechargeable batteries that complies with certification

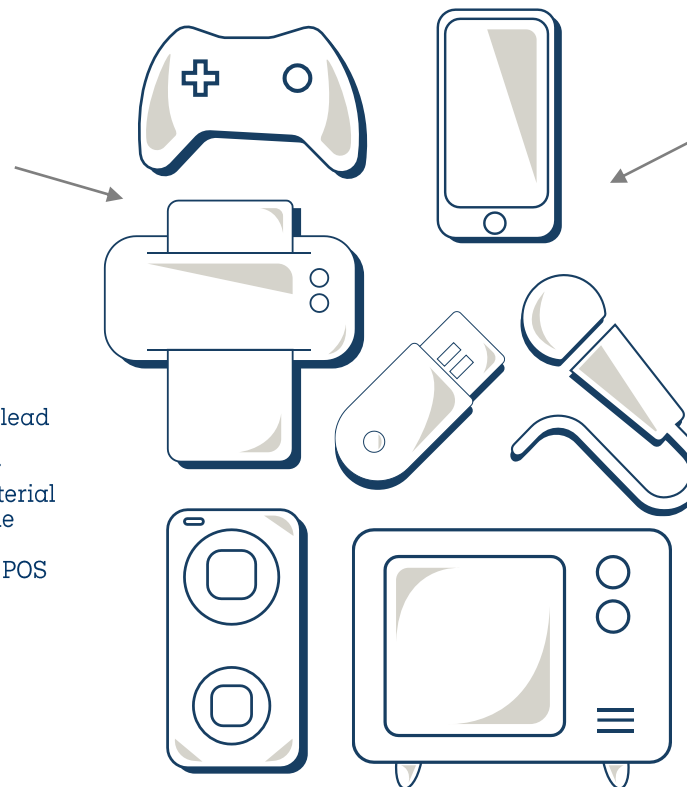


- Reduce batteries as a waste and ensure they are detachable



BAN now

- No mercury, cadmium or lead batteries
- All batteries, RFID, NFC or similar molded in the material of the item, not detachable
- No single use batteries
- No batteries in single use POS



Composition



Comply with norm

LEGEND:



IN LINE WITH S&R COMMITMENTS



TO BAN



AVOID & REPLACE

POS End of life



REDUCE

Obsolete stocks



REUSE

Propose POS for an alternative second life: NGO, 2nd hand shops, redistribution to other markets, free giveaways, etc



RECYCLE

Ensure your POS is designed for properly recyclable solutions per country (collection process)



RESPECT

No landfill of POS or incineration
Ensure there are Human Rights policies within the chosen recycling facility
Check if there is a mandatory/voluntary take-back system in the country of use (Extended Producers Responsibility scheme)
Train sales/Trade Marketing teams on proper disposal of POS.



RETHINK

Is this POS needed and driving benefits for my brand, if so which benefits, is there another way to reach the same benefit?

Plan from the beginning an end of life period for the POS, and reduce orders accordingly over time => FORECAST strategic POS

Forecasting / Requirement Plan



- All strategic items should be forecasted before launch



BAN now

- Launch strategic POS without forecasting
- Destruction/incinerations

Recycling facilities



- Find local recycling facilities
- Collecting process
- Think about alternative recycling solutions: NGO, 2nd hand shops/free giveaways, etc.



- Landfilling
- Incineration
- Incineration with energy recovery is not considered recycling



Stock Levels



- Reduce obsolete stock wastage by distributing it or properly recycling it
- Follow group GLP04 POS inventory management guideline Regular review POS portfolio esp. obsolete stock



- Obsolete stock



- No un-monitored warehouses (garages)

LEGEND:



IN LINE WITH S&R COMMITMENTS



TO BAN



AVOID & REPLACE

Definitions: Key terms

Closed loop/circular system

- System retaining the highest utility and value of products/components and materials at all times within a company or a cooperating group of companies.

Reusable

- Products designed to be reused for the same purpose in a closed loop system. Can be reused in business-to-business or business-to-consumer applications. There needs to be a 'system for reuse' in place that enables the user to ensure it is reused in practice where the item is placed on the market. Such a system for reuse should be able to prove a significant actual reuse rate, or average number of use-cycles, in normal conditions of use. Example: Refillable bottle with a collection system in place to effectively return to its source.

Recyclable

- Products made with materials that have an **easy, accessible recycling option** for consumers and customers, allowing further use-cycles. Technically recyclable at scale without materials hindering existing recycling system.
- Note that incineration with energy recovery is not recycling.
- Example: Glass bottle with a metal cap and a paper label.

Recycled content

- Packaging produced with recycled materials collected from **post-consumer** waste.
- Examples: Recycled PET, recycled glass.

Responsibly sourced (cardboard)

- Certified to be responsibly sourced by an external organization.
- Example: PEFC and FSC labels for no deforestation paper:



New Product Development - NPD

- New POS or inspiration of former POS with a new shape or new material.
-  a logo change or decoration/colour is not considered as a NPD.

Definitions: Plastic

Facts about plastic

Plastics play an important role in our lives and are here to stay. We simply need to address the over-usage of plastic and how to increase recycling rates and reduce the use of virgin material. Some plastics can be recycled but currently are not, due to low demand.

Plastic covers a broad range of materials. It can be either:

Virgin plastic

Brand new plastic that has never served any purpose before:

- Fossil-based virgin plastics: sourced from fossil resources. Examples include fossil-based PET and fossil-based PE.
- Bio-based virgin plastics: sourced from biomass, such as plants, trees. Examples include bio-PET, bio-PE, PLA, starch-based or corn-based plastic and cellophane.

Recycled plastic

Plastic that has already undergone post-consumer use & recycling.

Note that the availability of recycled plastics depends on existing recycling schemes in each country. The most widely recycled plastics are often called r-PET, r-PP or r-HDPE.

Plastic designations

Compostable plastic

- The entirety of packaging is “compostable” if it is proven to be in compliance with international standards such as EN 13 432 for industrial and home compost and is **effectively collected and sorted to be composted**.
- If the components can be easily manually separated before disposal, then the physically separated components can be individually considered for composting.
- **Caution to carefully select compostable materials as some can hinder recycling.** Examples: some PLA, starch-based or cellulose plastics grades.



Note that industrial composting does not exist in numerous markets as of today.

Bio-based plastic

- Plastic that is **100% sourced** from biomass, such as plants, trees or animals.
- Not always renewable if sourced from non-sustainably managed resources.
- Examples: corn-based or starch-based, bio-PET, bio-PE.

Labels include:



Biodegradable

- Should not be confused with bio-based and compostable. Biodegradable is a property needed, among others, to make a package compostable.
- **Plastics deemed degradable today are not effectively degrading. Collection schemes for appropriate composting are not yet widely available.**

Definitions: Glass, Textile, Paper, Metal

Glass

Glass is made initially from three natural, inert and abundant ingredients: sand, limestone and soda ash. The production uses a lot of energy and consequently has an important carbon footprint. Once made, glass drinkware is reusable and 100% infinitely recyclable. There is reliable glass recycling infrastructure in virtually all developed countries, which facilitates simple collection of used glass packaging from the public. In Europe, 90% of glass bottles are currently being recycled but in the USA, the recycling rate is only 35%. Lower rates are also the case in many countries outside of Europe. Glass is simple to recycle – it has no linings or laminates which need to be separated before the material can be reused.

Metal

Steel is the most recycled material in the world. Stainless steel is both made of recycled materials and is 100% fully recyclable, without any quality degradation. Durability is also important from the life-cycle point of view. Aluminium is the most plentiful metal in the earth's crust. Alumina and bauxite are the two main raw materials in the aluminium making process which unfortunately is very energy consuming. The material has a unique barrier function and is reusable, refillable, light and unbreakable. Aluminium can be recycled endlessly without loss of its properties, and this makes it a key contributor to a more resource-efficient economy.

Paper & Cardboard

Paper is made from trees, a natural and renewable resource that absorbs atmospheric carbon dioxide. Recycling rate in EU is over 72% and USA 68%.

Textiles

Textiles can be made of natural fibres (such as cotton) or synthetic ones.

Cotton is a natural fibre harvested from the cotton plant. Disadvantage when not choosing organic is that production uses more chemicals than any other crop and accounts in total for 10-16% of the world's pesticides. Chemicals used in the processing of cotton pollute the air and surface waters. It takes 2720 litres of water and 150 grams of pesticides to produce one traditional cotton t-shirt. It takes only 2 litres of water to produce a cotton waste/recycled polyester t-shirt.

Synthetic textiles however have the disadvantage of being made from fossil fuels and generate micro particles at the washing stage that accumulate in the ocean.

Questions and Support

If you are developing POS that is not covered by these guidelines
or if you have any other questions, please contact us.

Contact: procurementhub.posvap@pernod-ricard.com

Appendix A

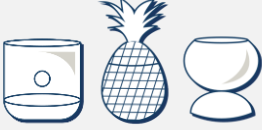
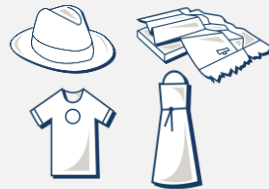
[Link to Guideline GL 26 – POS VAP Development](#)

This guideline is designed to ensure appropriate due diligence is used when developing a POS item.

It is additionally used as support to help those in charge of developing POS items or VAPs to be able to carry out a 360° risk assessment, by reviewing various areas of risk or failure.

Appendix B

POS Classification : 7 Categories

Drinkware	Disposable display	Gifts	Print & Multimedia	Permanent visibility	Serving material	Garments & Accessories
						
any containers used to drink from, made of various materials	any disposable displays used to store and promote brands	any gadgets or gifts developed for customers and consumers	any items simultaneously integrating text, sound & fix or animated images	any permanent items whose main focus is to promote brands	any items used to prepare or serve our drinks	any wearable textiles or accessory items made of various materials

POS Classification: Seven categories

Balloon, Cocktail, Cups & Jars, Flute, Highball, Mojito, Shot, Tasting, Tumbler, Wine, Cocktail, Ceramic, Disposable, Glass, Metal, Plastic, Organic	Electronic Non-Electronic	Bags & Luggage Executive & Promotional gifts	Multimedia Print	Electronic Non-Electronic	Serving Equipment Serving Kit Serving tools Disposables	Apparel accessories Bar Apparel, Hats & Caps, Jackets, Shirts & t-shirts, Shoes, Sports Apparel, Sweaters & Hoodies
--	------------------------------	---	---------------------	------------------------------	--	--

Appendix B

POS Classification: Types of POS



STRATEGIC



TACTICAL



Definition

- Extension of the brand, **building Brand Experiences**
- Developed by BC or Lead MC with Delegation Model
- Ensure brand consistency and builds Brand Equity
- **Recurrent items**
- Forecastable - Should be planned & forecasted in advance

Definition

- Extension of the Activation/Campaign, building brand relevance
- Compliant local adaptation to ensure market relevance
- **Ensures market agility** to respond to competitor activity, drive sales and increase visibility
- Supplementary POS relevant to the campaign and market
- **Non-Forecastable** - Should be produced for use (fast moving items)



Examples

- Drinkware, Permanent Visibility, Serving Materials
- Glasses, Mule Cups, Coconut Cups
- Glorifiers, Plinths, Pedestals, Crates, Barrels, Light Boxes, Fridges
- FSDU's, Permanent Displays, Back of Bar
- Trays, Ice Buckets, Bar Caddies, Pitcher, Bar Runner, Perfect/Ritual Serves

Examples

- **Print & Multimedia, Gifts, Garments & Accessories, Disposable Displays**
- Posters, Neck-tags, Tent Cards, DVDs, Smartphones, Tablets, USB Drives
- Bags, Luggage, Lanyards, Pens, Sunglasses, Keyrings, Torch
- Jackets, Dresses, Belts, Cufflinks, Hats, Caps, Polo Shirts
- Pull-up Banners, Parasols, Banner Walls, Snapper Frames
- Disposable Barware (Non-Plastic) i.e. Stirrers, Coasters, Napkins etc.