

Routines for Waste Sorting & Collection

- **Printer Cartridges/ Toners:**

These are 100% recyclable! Place in the green cardboard “Cartridges 4 Planet Ark” containers in the printer/fax/photocopier room. For free collection ring 1800 24 24 73. Homebush Bay Store’s ID number is 123512. We will receive an itemised report on how many kilos we saved from going to landfill.

- **Corks:**

All corks are to be placed in the same container as the customers use at the “Customer Take Back” station. Remember only cork can be recycled not plastic bottle stoppers. These are taken to Guides Australia who send them to a cork recycling company in Victoria where they are turned into heat mats, dart boards, noticeboards, flooring and cricket and hockey balls.

- **Light globes/ Compact Fluorescents:**

These are to be placed in the 240litre yellow wheelie bins, with the corresponding signage, on the back dock. These are sent to a Resource Recovery company, Chemsal, who separates the components for recycling. We receive an itemised report on the kilos recycled.

- **Fluorescent Tubes:**

These need to be taken to the Recovery Department who will store them till their containers are full. These are sent to a Resource Recovery company, Chemsal, who separates the components for recycling. We receive an itemised report on the kilos recycled.

- **Batteries:**

All batteries, regardless of type, are to be placed in the yellow 240 litre wheelie bin with the corresponding sign on the back dock.

These are sent to a Resource Recovery company, Chemsal, who separates the chemicals for recycling. We receive an itemised report on how many kilos of NiCad, lithium & nickel we saved from going to landfill.

- **IFS Food Waste:**

This is to be placed in plastic bags & then into the 1.1mtr bins in the IFS waste room. Bins are to be placed out each night and collection will be in the early morning. The waste goes to Earthpower for composting.

- **IFS Co-mingled:**

This includes all glass bottles and jars, plastic bottles, plastic milk containers and cartons, aluminium and steel cans. Remember that lids must be removed from the jars and bottles and can not be recycled. These are to be placed in the orange 240litre wheelie bins located in the kitchen area. When there are 5 bins the bins should be placed out with the food waste and a collection ordered.

- **Office Paper:**

All paper should be placed in the blue 240 litre wheelie bin in the printer/fax room.

All A4 paper that is only printed on one side should be placed in the tray beside P23 in the Controlling Dept. Please place this printed side up & ensure there are no staples or torn paper because this will jam the printer as it feeds through.

Meeting the Customer

Guidelines for environmental work in IKEA Retail



Prepared by Environmental Staff, IKEA Int. A/S
Issued 00-01-12

Table of contents

BACKGROUND	2
CURRENT SITUATION.....	3
MEETING THE CUSTOMER FY 00-03.....	3
<u>1. ORGANISATION.....</u>	<u>4</u>
1.1 ENVIRONMENTAL CO-ORDINATOR.....	4
1.2 ENVIRONMENTAL ACTION PLAN.....	5
1.3 ENVIRONMENTAL TRAINING	6
1.3.1 INTRODUCTION FOR NEW CO-WORKERS	6
1.3.2 BASIC ENVIRONMENTAL TRAINING.....	6
1.3.3 ENVIRONMENTAL TRAINING FOR STORE MANAGEMENT	6
1.3.4 OTHER ENVIRONMENTAL TRAININGS	7
1.4 INTERNAL ENVIRONMENTAL INFORMATION.....	7
<u>2. WASTE</u>	<u>7</u>
2.1 GUIDELINES FOR WASTE MANAGEMENT IN IKEA STORES	8
2.2 ADDITIONAL INFORMATION.....	8
2.3 DISPOSING POSSIBILITIES FOR CUSTOMERS	9
2.4 TAKE BACK OF IKEA PRODUCTS – PRODUCER RESPONSIBILITY	9
<u>3. ENERGY AND WATER.....</u>	<u>10</u>
3.1 ENERGY - GENERAL INFORMATION.....	10
3.1.1 TECHNICAL SOLUTIONS.....	10
3.1.2 EDUCATION.....	10
3.2 WATER – GENERAL INFORMATION	10
<u>4. RECOVERY</u>	<u>11</u>
4.1 GENERAL INFORMATION	11
<u>5. BUILDINGS</u>	<u>11</u>
5.1 GENERAL INFORMATION	11
<u>6. LOCAL TRANSPORTS.....</u>	<u>12</u>
6.1. GENERAL INFORMATION	12
<u>8. ADDITIONAL ENVIRONMENTAL MEASURES</u>	<u>12</u>
8.1 CONSUMPTION MATERIAL	12
8.2 CO-WORKER TRANSPORTATION.....	13
8.3 COOLING AGENTS IN AIR-CONDITION PLANT/REFRIGERATORS/FREEZERS.....	13
8.4 CO-OPERATION WITH LOCAL SOCIETY AND NGO’S.....	14
8.5 INFORMATION TO CUSTOMERS.....	14
8.6 LEGAL MATTERS.....	14

Background

The environmental work in the stores is one of the five prioritised issues in the environmental action plan for FY 00-03. The environmental impact

from the operation of the stores may not be IKEA's biggest, compared to the use of raw material and transportation. However, the stores are our faces out in the society and if we perform well there, our credibility for environmental work in other areas, will increase. Besides, a well-structured environmental work is something the society expects today. But there are not only defensive reasons why we should work with environmental issues in the stores – environmental progress often lead to cost reductions, both in the short and long term.

The co-workers are one of IKEA's most important stakeholder groups and about 80% of them are working within retail. Thus, priority must be given the environmental work in the stores also to gain confidence among our co-workers. If our co-workers feel pride working at IKEA, they will most likely do a better job and stay longer at IKEA. Besides, the co-workers have families and friends whose attitudes about IKEA they influence.

We also know that the interest and the willingness to work with environmental matters are high – not at least shown in a recently made study.

Current situation

The environmental status of the IKEA stores varies quite significantly. Due to the fact that environmental issues in the stores have not had any greater attention, the status is generally rather low. Some steps have been taken, but as the saying – “not on a path”. There are good examples in the environmental field but the consistency, structure and outspoken goals have been lacking. Unclear responsibilities on management level has also contributed to the fact that environment has had a minor or none importance within retail.

Meeting the Customer FY 00-03

The new plan for prioritised environmental issues is what one could call a “new start”. The environmental work in the stores is highlighted in the plan, and this time in a way to make it sustainable. We have now also got three environmental requirements, which the stores have to fulfil within a certain time limit. The purpose is to get the levels up in areas where we know we can reduce our environmental impact and at the same time reduce the costs. Besides, the plan brings up a number of other issues that the stores should start working with. Issues that are important since they create a platform for the long-term environmental work.

However, the plan does not state in detail how the issues should be dealt with, and therefore this document was created. The purpose is to provide the stores with guidelines on how to fulfil the goals set up in the

environmental plan. Besides, it aims to support the environmental section of the commercial review.

1. Organisation

As previously mentioned, consistency and structure are cornerstones in the environmental work. One important task is therefore to build up an organisation to deal with environmental issues in the stores. On SO-level one person should already be appointed to co-ordinate the country's environmental activities but also on store level, a co-ordinating person shall be appointed.

1.1 Environmental co-ordinator

The plan says that all stores shall have a person co-ordinating the environmental work. Local conditions should be put into consideration when defining the role description, but down below some basic input is given:

- The person should be part of the store management group or at least report to a person in the management group.
- Sufficient time to work with environmental issues should be given the environmental co-ordinator. The amount of time should be calculated with consideration to the store's size and background in regard to environmental issues. The dedicated time should not be locked up to a certain weekday but should be adjusted according the current needs.
The environmental work should not be seen as something voluntary that one does on the spare time but as an ordinary task in the store.

The environmental co-ordinator should:

- ensure that environmental training of the store's co-workers is taking place,
- be the contact person for the customers and co-workers in environmental issues,
- regularly inform the store's management group about current and future issues in the environmental field,
- inform the Service Office about local environmental issues and upon request provide SO with various information,
- work for integration of environmental issues into the daily work in all department activities,

- directly or indirectly be responsible for ensuring that the store's waste management system are well maintained and developed, and that all co-workers are regularly informed and trained,
- yearly establish an environmental action plan and goals for the store (see 1.2).

1.2 Environmental Action Plan

The Environmental Action Plan is the document that determines what priorities shall be taken the coming period of time.

The Environmental Action Plan should follow the cycle of the store's and the country's business plans and be valid from the 1st of September to the 31st of August.

The basic input for the store action plan is the country's environmental action plan. Local priorities can be added if needed.

The store environmental action plan should consist of;

- **Current situation** – a brief description of the current state of the environmental work in the store
- **Goals** – quantitative and qualitative goals for the coming year
- **Actions** – purpose, time plan, responsible person(s) and estimated cost/income/investment for each action. Example:

Action	Purpose	Time plan	Economy	Responsible
Introduce a mailbox for co-workers-suggestions for environmental improvements in the store.	Increase co-worker involvement. Gather ideas in a structured way.	Box at the staff entrance by the 1 st of January 00. Information to co-workers in December issue of store magazine and on the billboard.	100 SEK for mailbox.	John (environmental co-ordinator) – also maintaining the activity.

Finally, the plan shall be approved by the store manager and be sent to the environmental co-ordinator on Service Office.

1.3 Environmental Training

The environmental training is an important tool to create awareness, motivation and knowledge about environmental issues among the co-workers.

The questions from customers are increasing which means that a well-educated staff will be an asset when it comes to customer communication in environmental matters.

Regarding training in the store it is crucial to establish routines and include the environmental training in the store-training plan.

1.3.1 Introduction for new co-workers

Environment should be a section when introducing new co-workers. The information should focus on practical issues such as waste sorting in the store but also include information about IKEA's environmental policy and the store's current priorities.

1.3.2 Basic environmental training

All co-workers should get the environmental basic training, prepared by the Environmental Staff at IKEA International. The training gives the co-worker a broad knowledge about environment in general and IKEA's environmental work in particular. The basic training programme is estimated to take about 3 hours, and can of course be divided into 2 or more sessions.

In addition, the basic training should include information about IKEA's environmental work in the country and the store. This section can be carried out in different ways but a good, general tip is to involve the participants in training activities.

The number of basic training yearly should be calculated on the co-worker turnover but a general guidelines is that all co-workers should get the basic training within six months from the start of the employment

The SO is responsible for training the appointed store trainer(s).

1.3.3 Environmental training for store management

Today there is no material developed centrally for management environmental training. However, it is important that the store's decision-makers get adequate environmental knowledge in addition to the basic training. Such training could include;

- Local and national environmental issues
- Environmental organisations relevant to the store
- Current and future environmental trends
- Environmental laws and regulations

1.3.4 Other environmental trainings

Apart from the trainings above, there might be other needs. For example;

- Training for co-workers that have undergone the basic training but are in need of “refreshment”.
- Specialist training for maintenance crew – energy and water saving.
- Specialist training for purchaser of office and other supplies.
- Specialist training for sales persons and customers service – knowledge about products, materials and chemicals.

1.4 Internal environmental information

Together with the environmental training, environmental information to the co-workers is a major key to success in creating engagement in the environmental work.

It is important that relevant information reaches the co-workers in the stores and there are many ways of spreading the information. First of all, it is of course a condition that the store has an environmental co-ordinator that gives information to and receives information from the Service Office. Other sources for information could be the local newspapers, magazines and IKEA’s environmental intranet site.

The channels for spreading environmental information in the store could for example be;

- Billboard
- Store newsletters
- Meetings (departmental and store)

Naturally, the most interesting information concerns IKEA but sometimes also global environmental issues and “green” tips for the co-workers can be appreciated.

It is also important that the information comes regularly.

2. Waste

Waste management has become one of the major successes in the environmental work. Already in the early eighties IKEA stores started to sort waste with great benefits both for the environment and the economy.

Since then the development has continued. Today most countries have or are on their way of getting a well managed waste sorting systems. The

external conditions have also improved in terms of disposal possibilities of sorted material.

New ways of waste management have been developed. For instance have stores started to sell damaged parts of products as building material in the bargain corner, which eliminate the disposal costs and instead generate incomes.

Some stores have also successfully established collaboration with schools and other local institutions by donating waste material, for example wood from damaged products. In this way they eliminate costs and at the same time gain confidence in the local society.

2.1 Guidelines for waste management in IKEA stores

In the current plan for prioritised environmental issues for the IKEA-group, it states that all stores shall sort the five biggest material fractions; cardboard, wood, office paper, polyethylene plastic and metal. Besides, hazardous waste shall be handled and disposed of in an environmentally safe manner. These requirements shall be fulfilled latest by the end of FY 01.

In order to provide the stores with guidelines how to fulfil the requirements, a document "Guidelines for waste management in IKEA stores" was developed and distributed to the retail countries. The document describes the process from organising the sorting to disposal.

2.2 Additional information

The basic requirements comprise the five biggest material fractions. By sorting out these five, the stores reach a sorting level at about 75% to recycling. There are, however, more possibilities in optimising the waste sorting – both from environmental and economical perspective.

Waste such as food waste, glass, soil and plants, other plastics than polyethylene and other waste material the store produces can be sorted out with considerable benefits. The long-term aim must be to reduce the waste to landfill to zero.

It is also important to have in mind that IKEA in many countries pay fees for letting out packaging material on the market. The packaging directives varies from country to country but it is worth investigating if the packaging material sorted at the store will lead to cost deductions. From IKEA's side it is normally the importer and not the retailer that deals with these issues but by collaborating costs may be reduced for IKEA in total. However, the responsible for contacts with the authorities and the importer should be the environmental co-ordinator at SO. The store's task is to provide the SO with statistics on sorted waste.

2.3 Disposing possibilities for customers

Except from legal aspects in some countries, providing waste containers for the customers' packaging is a good and visible way to show that IKEA takes responsibility for the environment. It is of course also a matter of service – it can be hard for customers in some cities to dispose of their IKEA packaging and then the IKEA alternative is highly appreciated.

The most common, and recommended solution is to set aside a small area of the parking space and there place waste containers for the most common packaging materials such as cardboard, polyethylene plastic, expanded polystyrene, and one for residual waste. It is however important that the containers are possible to lock in order to avoid dumping of waste during non-opening hours.

The system can preferably be built up together with the communities who often are interested in supporting waste collection.

By collecting packaging at the IKEA site could also lead to reduced fees for producer responsibility on packaging in case that is valid for country. That, of course, requires data on the collected packaging, which the waste disposal company should be able to present.

2.4 Take back of IKEA products – Producer Responsibility

Producer responsibility means that the producer is responsible for the product during its entire lifecycle, and that includes the moment when the product has served its time. This could mean that IKEA has to take back old products at the stores.

Today there are only a few examples where this kind of responsibility has been effectuated but there are far-reaching plans for several countries to introduce legislation on producer responsibility. It can include isolated product groups like electrical and electronic items but also the whole range of products.

The corporate plan states that the countries shall prepare for producer responsibility when such legislation is under development in respective country. In order to prepare for the legislation, tests and projects can be carried out. The responsibility for initiating such preparation has the environmental co-ordinator at SO and should be planned in conjunction with the Environmental Staff at IKEA International.

3. Energy and Water

3.1 Energy - general information

The corporate plan for environmental issues states that each store shall make more efficient use of energy. The first step in working more methodologically with energy issues is to make an investigation on the present situation including statistics on energy consumption and potential saving measures, and with the investigation as a base make a plan with actions to take, and goals.

Energy saving measures can be divided into two separate parts; one technical and one educational.

3.1.1 Technical solutions

The technical part comprises energy saving measures that require specialist competence since it concerns optimisation of electrical installations such as ventilation, lightning, cooling and heating. The maintenance crew are key persons in this work and they are in contact with the property department on national level.

The building, geographical location and infrastructure are factors that influence the use of energy and the possibilities of improving the performance, and can sometimes be obstacles but experiences show that much can be done in spite of that.

3.1.2 Education

The educational part concerns more co-worker involvement. The potential savings possible to make in this area might not be of the size as the technical measures, but of great educational and symbolic importance.

Here we touch questions like switching off terminals when not in use, switch off lights, standby mode on office equipment, using low energy bulbs both in staff and customer areas.

One important purpose is to raise the co-worker awareness around energy issues and also to make visible examples to show customers that IKEA cares.

3.2 Water – general information

Water consumption may not be seen as a major environmental impact at the stores – at least not in the western world. But as a matter of fact, the water issue is increasing. The (lack of) clean drinking water issues are starting to reach also these parts of the world.

One of IKEA's cornerstones is the resource saving philosophy, and that should also include the water consumption.

Like the energy issue, it is important start getting aware of the consumption by establishing statistics around the water consumption in the store. Since the restaurant is a major user of water, it is recommendable to install separate meters for those activities if not already done.

The next step is to investigate where the potentials are and from that make a plan with actions and goals.

Also for the water issue, there is a technical part and an educational. The technical part concerns questions like water temperature, sprinkler systems, toilets and sewage. The issue of making the co-workers aware is the key point in the educational part, and to inform what they can do to save water. And when possible, inform the customers.

4. Recovery

4.1 General information

Everything we do in order to optimise the use of damaged products, is not only to be considered as an economical issue but also beneficial for the environment. By re-selling, re-using, re-cycling and donating damaged items, we reduce the waste considerably.

The recovery idea and function reduces the stores environmental impact and therefore it is also part of the basic requirements in the corporate environmental plan. Each store shall reach a recovery index of at least 60.

Ways of getting there are described in the document ***“The Recovery guidelines”***.

5. Buildings

5.1 General information

Environmental consideration when building new stores and rebuilding existing stores is a matter that we shall take in a more systematically way than before. That concerns among other things choice of location, public transports, energy and water systems and building material. Guidelines of how to work with environment in connection with buildings have therefore been produced by the Property staff at IKEA International. It consists of a checklist with both musts and optional measures. All points in the checklist

have to be examined and arguments for doing or not doing a measure must be well motivated. See further ***“Guidelines for building IKEA stores”***.

6. Local Transports

6.1. General information

The transports that the stores can influence is normally the direct transports of goods from store to customer. These transports are normally purchased by the stores themselves. Other transports such as direct deliveries from supplier to customer and from LSC to customer are normally purchased by the SO or other central functions.

Regarding the transports from the store to customer, there have up to now been no guidelines for which environmental demands the stores shall put on the carrier. It is quite important that the stores only use carriers with a documented environmental work. Even if the carrier operates under their own name, IKEA is closely connected with them and therefore we have also a responsibility. Using a proactive carrier could also give benefits in marketing.

Aspects to consider in the purchasing process are;

- does the company have an environmental policy,
- do they have an environmental action plan,
- what environmental improvements have they done,
- can they present facts about used fuel types and consumption

To be a carrier of IKEA the minimum demand should be at least to have an environmental policy and an environmental action plan. Measures they have done must of course also play an important role in the decision process.

8. Additional environmental measures

Apart from the points in the current corporate environmental action plan, there are a few other areas that need to be highlighted.

8.1 Consumption material

When it comes to IKEA-products, several specifications determine the content of the products, for example chemicals. The products we are buying to operate the IKEA stores do not have that kind of requirements.

It is however important to take the environmental aspects into consideration also for these products - it's a matter of credibility.

Consumption material is defined as the products used for the operation of the store. Due to the large number and the fact that the adaptation towards more environmental friendly products has to be done stepwise, we choose here only to give a few basic inputs for the purchase of consumption material.

The 4 R's

Reduce – is the product really necessary?

Re-use – is the product or parts of it possible to reuse, update or repair?

Re-cycle – is the product or parts of it possible to recycle?

Refuse – don't purchase the product if it does not fulfil any of the above!

Avoid

Don't buy products with:

- Heavy metals (ex. lead, cadmium, mercury)
- Persistent chemical substances (ex. CFC's, PCB)
- Wood from unknown sources and tropical wood
- PVC

8.2 Co-worker transportation

Transport is one of the major global environmental issues and it is important to show that IKEA and its co-workers are taking measures to reduce the negative impact from transportation.

Many of the stores are located outside the city centre and that means that the co-workers are dependent on some kind of transportation. Going by foot or bicycle is of course always the best alternatives from an environmental point of view but rarely possible in the practice.

Public transport systems are well developed in many countries and should be encouraged among the co-workers to use. If there are no public alternatives, perhaps the bus company are willing to discuss a stop at the store.

Driving car is for many co-workers the only alternative due to need of flexibility etc. But some can perhaps consider co-driving, and for those the store can investigate the possibilities of going together.

8.3 Cooling agents in air-condition plant/refrigerators/freezers

Cooling agents like CFC's and HCFC's are contributing to the depletion of the ozone layer and are also regulated by the international Montreal-protocol. For store it is important to investigate that no CFC or HCFC are used(see more in Building guidelines).

8.4 Co-operation with local society and NGO's

Building networks and co-operations with organisations and the local society such as schools and other local institutions becomes an increasingly important issue. IKEA wants to increase the credibility for our environmental work among the customers, and be perceived as the “good company”. Caring for our “neighbours” can contribute to obtaining and strengthening that picture. Caring in this sense could mean a large number and variety of activities. The most important aspects are however that there is a clear connection to our business – home furnishing, and that there are clear purposes and goals with the activities.

Building relationships with local NGO's (non-governmental organisations) is also measure that can increase the credibility of IKEA. Joint projects in order to increase customers awareness in different issues could be one possible theme to consider.

Other retailers and industry nearby could also be a target for co-operation with an IKEA store. That could include exchange of information about environmental work, and work together in practical issues such as waste management.

8.5 Information to customers

8.6 Legal matters

To be well updated on what laws and regulations that are valid for the store may seem obvious. But the importance of being aware of the legal aspects, can't be stressed enough. For this matter, a good relationship with the relevant local authorities is something to work towards.