



## Zero Waste

Our vision is to reach a day where there are no dumpsters behind our stores and clubs, and no landfills containing our throwaways. We want to create zero waste.

Reducing waste saves money for our customers, our suppliers, and our business. It also decreases our reliance on nonrenewable resources.

To help us reach our long-term goal, our mid-term goal is to reduce waste by 25 percent by October 2008. We're recycling more and working with our suppliers to reduce the packaging on the products we sell.

### Sandwich Baling

In our U.S. stores and clubs we use a "sandwich baling" process to recycle more waste. We sandwich loose plastic — shrink wrap, garment bags and grocery bags — between layers of cardboard and bundle it together in bales that are sent to certified processors for recycling. Sandwich baling prevents us from sending millions of pounds of trash to the landfill and it's adding millions of dollars to our bottom line—which is good for our customers.

### Less packaging

Much of our waste comes from packaging materials used in shipping. Our Packaging Network works with suppliers to reduce their packaging and ensure that the packaging they do use can be recycled or reused. Reduced packaging creates savings for our suppliers, our business and most important—for our customers.

These are just a few examples of how we are reducing waste:

- By reducing the packaging on one of our patio sets we were able to use 400 fewer shipping containers to deliver them. We created less trash and saved our customers more while doing it.
- We worked with one of our toy suppliers to help them reduce packaging on 16 items. As a result, we were able to use 230 fewer shipping containers to distribute their products, saving about 356 barrels of oil and 1,300 trees. By broadening this initiative to 255 items, we expect to save 1,000 barrels of oil, 3,800 trees and millions of dollars in transportation costs.
- Through sandwich baling, we estimate that we've diverted 1100 tons of plastic from landfills. That's enough to fill a football field 38 feet deep.

