

REDUCING OUR ENVIRONMENTAL IMPACT



Our environmental policy

Our biggest direct environmental impact comes from our distribution set-up and retail stores, because we do not own any manufacturing or production sites. Our environmental policy focuses on the following six priority areas where we believe we can bring about the most positive change:

- Energy and emissions
- Product packaging
- Waste
- Transportation
- Product suppliers
- Investments and purchases

In 2016/2017, we carried out a series of initiatives in line with our policy:

Reducing waste by using bags instead of cardboard for web orders

We have reduced packaging for many of our web order deliveries by using plastic bags instead of cardboard. This reduces the amount of packaging waste. In addition, the plastic bags are made from recycled material – 10% from post-consumer waste and 90% from industrial waste. We currently deliver 25% of our web orders in recycled plastic bags.

Charging for plastic bags and changing to recycled material

EU has an ambition to reduce plastic bag consumption by 50% before 2025. We welcome this, so in 2016/2017, we decided to start charging for our plastic bags. The decision will be implemented in the second half

of 2017. We hope this will encourage our customers to consider other alternatives before they buy a plastic bag - or reuse the bags they buy. As part of the initiative, we have also decided that, in the future, we will only sell bags made from 100% recycled material – 80% from post-consumer waste and 20% from industrial waste.

Responsible own brands

We have integrated environmental concerns in the development of new own branded products. Packaging is made of recycled cardboard with a waterbased UV coating that ensures quality and environmental standards are met. In addition, our series of own branded wood products is made entirely of FSC-certified wood. In 2016/2017, we sold more than 180,000 of these products.

Energy and emissions: LED lighting in our warehouse and stores

One of our most important steps to reduce energy consumption and emissions is the switch to LED lighting in our own facilities. At our distribution centre, this has saved approximately 710,000 kWh, corresponding to 300 tonnes of CO2 a year. At our BR stores, we have saved approximately 4.4 million kWh, corresponding to a CO2 reduction of 1,800 tonnes. In 2016/2017, we introduced LED lighting in the remaining TOYS'R'US stores that still used traditional lighting. All but one of our TOYS'R'US stores now use LED lighting.

Stores with LED lighting at year-end

2014/2015	2015/2016	2016/2017
35%	75%	93%