

## Reducing costs by increasing the recycling rate at Loop5

Our shopping centres produce significant amounts of waste. If not managed appropriately, a large proportion of this waste can end up being disposed of in landfill sites, taking up valuable land space and causing pollution to the air, soil and water. Since most shopping centre waste is produced by our tenants, influencing tenants' practices is one of the principal strategies we can adopt in order to reduce the impact of our shopping centres' waste production on health and the natural environment.

When Loop5 opened in Germany in October 2009, the shopping centre implemented a 'polluter payer' or 'pay by weight' waste management scheme whereby tenants' waste is separated by type and the associated cost is allocated directly to the tenant through a card system. Recyclable packaging materials (plastic, metal, plastic foil and glass) are free of charge. Paper, cardboard, organic waste and wood have a lower cost than mixed (unsorted) waste so as to encourage tenants to recycle.

The success of a scheme such as this depends on tenants' participation. For this reason, Loop5 organises regular training sessions for tenants and delivers brochures to explain the recycling programme and procedures. The shopping centre team analyses each tenants' waste production by type on a monthly basis. Tenants identified as having a low recycling rate are asked to meet regularly with the shopping centre team, who explain to them the environmental and economic benefits of waste recycling. Tenants identified as having a high recycling rate are congratulated for their good performance.

As a result of this strategy, Loop5 increased its average recycling rate to 73% in 2011, compared with 63% in 2010 and 48% in 2009 (during its first three months of opening). The increase in the recycling rate allowed us to reduce waste management costs by 19% in 2011 in comparison with 2010, and generated a cost saving of around €20,000. Following negotiations with our waste management supplier in September 2011, it also became possible for us to dispose of more recyclable materials (paper and cardboard, organic waste and wood) free of charge. This enabled us to make a final cost saving of around €35,000, a 33% reduction in comparison with 2010. All waste from Loop5 that is not recycled or composted is disposed of through incineration with energy recovery, meaning that the shopping centre does not send any waste to landfill.