

## rePLANET launches in California

The world's first rePLANET centers are now open in California. In mid-September an official grand opening media event was staged in the Inland Empire area of California.

Members of the media and local government, as well as staff from Tomra Pacific, Tomra North America and the parent company Tomra Systems ASA, were on hand to officially launch rePLANET. The Mayor of Riverside California presented Greg Garvey, CEO of Tomra North America, with a proclamation, declaring September 13, 1999 rePLANET DAY.

The event also brought together executives from Stater Bros., Keep Riverside Clean and Beautiful and the entire team working on rePLANET.

Californians have always been well-informed about environmental issues and are interested in new concepts and technology. These factors provided a perfect environment to begin this new and innovative recycling movement.

Ten new, state-of-the-art centers adjacent to Stater Bros. Markets, opened for business in August. This unique concept offers a convenient, fast and friendly experience for families recycling their cans, glass bottles, PET plastic bottles and newsprint. What distinguishes the facilities is the flexibility it gives to consumers. The concept incorporates use of RVM technology to expand hours of operations from 30 to 120 hours a week, improving consumer convenience.

(Cont. page 4)





# Management Perspectives

**A**s we rapidly approach the end of 1999, the TOMRA Group can look back at yet another outstanding performance in the third quarter. For the first nine months revenues were up 49% from 1998 to 1,850 MNOK, while pre-tax profit showed an increase of 61% to 325 MNOK. These results are very much in line with our own expectations and bring the last year in this millennium to a great close. Another "best year ever" performance!

## Europe

Our European operations enjoyed a 69% increase in revenues during the first nine months, bringing the total to 719 MNOK. A number of activities have been major drivers behind these positive figures.

In Norway, the introduction of deposit on cans continues to drive strong sales numbers, with more than 1,650 machines installed to date (market share above 90%). What is particularly encouraging is the positive response by Norwegian consumers to cans, which have already taken a 40% market share for beer products. Considering the short time of operation, it is also impressive to note that the recycling rate has already reached 70%, which is higher than expected compared to similar introductions in other markets.

In Germany, a strengthened product portfolio, coupled with focused key account management, has resulted in continued growth, with a positive outlook for the coming months.

A number of legislation and industry initiatives are expected to have a positive impact on the long-term business in Europe. The EU Commission's proposed revision of the Packaging Directive EU 94/62 will increase recycling targets by material from 15% to 45%; define specific reuse targets for certain materials; give producers the responsibility for cost of return, collection, reuse and recycling systems; and exclude incineration as a form of recovery. TOMRA is closely monitoring all political and industrial initiatives focused on recycling in the European market, so that we can be well positioned for new business opportunities.

## America

Our American operations increased their revenues by 39% during the first nine months, reaching 1,130 MNOK, compared with 815 MNOK for the same period in 1998. Consumer collection services in California and materials handling services in Michigan have contributed strongly to the 31% growth experienced this third quarter.

California has been the focus of much attention, with the recent launch of the new recycling centre concept "rePLANET". This new concept, which you can read more about in this issue of TOMRA News, offers consumers attractive recycling centres in prime retail locations, with extended service hours,

for better convenience. This is achieved by using RVM technology, which provides customer friendly service 120 hours a week compared with 30 hours in the traditional manual recycling centres.

A comprehensive marketing program, to increase consumer awareness about the concept, was conducted over the radio and in the newspapers and via direct mail and in-store promotions. Initially, ten pilot centres have been set up, so that TOMRA can monitor retailer commitment and consumer response. Since testing started mid-August, the results have been encouraging, with the number of transactions showing a significant increase. The automated recycling centre is a critical element in TOMRA's strategy to attract consumers and drive container volumes in California. Success with the new concept is a key for future expansion into non-deposit markets.

Another factor driving the California market is the new container legislation, which will increase handling fees to convenience centres by 25%, expand container types (representing a 18% volume increase) and eliminate the sunset provision.

## A World of Opportunities - Towards a New Millennium

Our 1998 Annual Report gave a detailed insight into the world market for beverage containers. TOMRA currently handles about 2% of the global container volume and enjoys a market share of more than 90% for reverse vending machines. With this strong position, TOMRA is so far the only company in this market niche that has expressed a

commitment to deal with the entire recycling challenge. TOMRA's future growth lies in looking into all parts of the recycling value chain and making significant investments (primarily in logistics and recycling infrastructures) to establish market presence in advance of business opportunities. This will allow us to effectively participate in industry driven solutions.

#### **Packaging trends**

Strong market trends towards convenience packages, such as the PET bottle, are influencing recycling programs worldwide. TOMRA's "Bottle to Bottle" strategy seeks to secure our future participation in this growth sector, by our active involvement in finding environmentally positive ways to close the recycling loop for this type of container.

TOMRA's investment in Life Cycle Assessment studies has given us valuable data, for creating environmentally efficient recycling solutions for both refillable and non-refillable containers. Eco efficiency will vary in each market, depending on factors such as distribution infrastructure, transportation distances and even trade borders. The global community's increasing concern with and willingness to invest in the recycling value chain makes it critical for us to research into LCA, in order to develop more efficient models.

#### **TOMRA approach**

Future challenges based on the new packaging directives make it necessary for TOMRA to participate in projects and build competence within the parts

of the value chain not efficiently served by the established industries. All market activities and acquisitions will have the goal of establishing fully integrated collection, processing and recycling systems, while outsourcing all parts which are more efficiently served by the existing industry.

TOMRA has been operating major parts of this value chain in the US market over the past years. We have learned that integration of the various activities is the best way to maximise efficiency and added value. TOMRA will add value through its unique container collection technology, combined with the expertise of value chain integration, as well as its ability to act as a third party operator for both retailers and beverage producers.



*Moving forward  
together towards new  
goals and challenging  
opportunities*

#### **Global Business Development**

In order to respond to industry challenges, realise the market opportunities and achieve our growth objectives, TOMRA recently established a Global Business Development group. This new organisational entity will be responsible for conceiving, nurturing and developing those business opportunities that can be defined as strategic in size or nature. In markets where these criteria are met, GBD will be responsible for defining and executing the entry strategy in cooperation with the established

business units. Focus areas will be the key markets of Germany, the Netherlands and the UK. Activity levels in these markets are already increasing due to the Working Document on the renewed EU Packaging Directive. Outside of Europe, GBD will concentrate its resources on non-deposit states in the USA, together with Brazil and Japan. Some 60 MNOK will be invested next year in the various GBD activities, including the launch of rePLANET in California.

#### **Thank you!**

TOMRA has had a consistently strong track record of performance and growth during the past years and we are well positioned to take on an even greater role, as the global focus on environmental issues and packaging recovery increases. The key factors for success will be our ability to sustain growth in our current operations, as well as to execute our strategy and create new business opportunities as we enter the new Millennium. I would like to take this opportunity to thank all our loyal customers, dedicated shareholders and enthusiastic employees, who have contributed to TOMRA's growth and development during the last decade. I wish you all a successful conclusion to 1999, and look forward to welcoming in the new Millennium and toasting TOMRA's continued success in the year 2000!

Erik Thorsen  
President & CEO



A giant helium balloon marks the site of one of the new rePLANET centers

clean. I know I'll be a regular customer in the future." She added, "It's nice to know that you're giving back to our community, by planting trees and handing out flower seeds."

Another customer commended one of the rePLANET Recycling Specialists. Lynn Lynch informed,

"I cannot begin to tell you what an excellent employee Carl Stewart is. He was courteous, efficient and extremely personable. What an example for your company! Thanks for the positive experience and I guarantee I will use your company from this point forward."

RePLANET hopes to change the perception of recycling, from a chore to something meaningful. Every time customers recycle at rePLANET, they receive a packet of flower seeds. In addition, TOMRA will plant trees in each community where there is a rePLANET center, based on the number of containers recycled.

Future plans involve rolling the centers out throughout the state of California, as well as testing in a non-deposit market.

*(Contd. from page 1)*

One customer, Carolyn Greywood from Riverside, California, was extremely impressed after visiting the rePLANET center. She admitted that, in the past she never recycled, because it was a 'hassle'. Now with rePLANET, she said, "It's so easy, efficient and



Greg Garvey receives the official proclamation from the Mayor of Riverside



## rePLANET story available on Video and CD Rom

An information video has been made about the rePLANET recycling concept. The film is in English and is available in VHS PAL or NTSC formats, as well as CD-ROM. To order copies, please contact the Marketing Department in Tomra, Asker.

A team of multi-disciplined TOMRA employees was responsible for the development and launch of rePLANET. If you consider TOMRA's Core Values, it's clear that this devoted team demonstrated Fighting Spirit, Enthusiasm, Personal Initiative and Innovation.

The project originally started as a 'vision' by Greg Garvey, shortly after forming TOMRA Pacific. Tom Steidel created the initial design of the center and the 'hybrid' T-600 that would bring true convenience to consumers.

Bob Lincoln and Cyndi Cobb worked with the ad agency to develop the overall marketing of the product, including the research, positioning, branding, promotion and advertising that would bring the concept to life.

Randy Gusikoski received initial approval from Ralph's and later from Stater Bros. to initiate the test. John Griffen managed the installation of the sites, including electricity and water sources, as well as permitting every

location. John also was responsible for recruitment and training of the Recycling Specialists.

Maureen Craine became an invaluable asset by executing the marketing plan locally, performing outstanding 11th hour feats on signage turn-around, managing photographers, printing and training sessions; not to mention new uniforms for the Specialists!

Magin Sanchez, with his positive 'can-do' attitude, became the machine installation expert, while Gabriela Flores brought the necessary training expertise to the Recycling Specialists.

A new workstation was developed for testing and Nancy Jossick, Duane Diniz, Anders Jorgensen, Jim Velky, Wendy West, as well as team support from the IT group at TNA, were instrumental in the creation of the first prototype.

Brian Brissette of TNA brought additional technical expertise on the T-600 to the project.

Michelle Humphries and Amy Esposito, both new to the company



Cynthia Cobb and Maureen Craine at the rePlanet media event

and the project, jumped in to make all 10 grand openings a success.

And last but not least, the rePLANET Recycling Specialists and Leads who believed in the concept and welcomed the opportunity to participate in something revolutionary in recycling.

Congratulations to a team who definitely understands TOMRA's core values.... Fighting Spirit, Enthusiasm, Personal Initiative and Innovation are all a part of this dynamic team's tireless work on the rePLANET project.

## *rePLANET exemplifies Core Values*



rePlanet team members gather at grand opening

# Positively outrageous customer service lands at rePLANET!

1999 rePLANET mystery shopper Gold Medal Winner - Edward Yurian with John Griffin, rePLANET Project Manager, Riverside CA., USA



Recycling Center

On August 2, 1999, our ten new rePLANET "Recycling Specialists" were put through an intensive all-day session focused on customer service at "Camp rePLANET". During this all day session we introduced our team to "Outrageous! Unforgettable Service - Guilt Free Selling" by Scott Gross. This reference guide has become a standard in the industry, with its real-world success stories of how to implement outstanding customer service. We also put our team through extensive role-playing, especially as it relates to teaching consumers about Reverse Vending Machines and the T-600's that are in use at the rePLANET locations.

Positively Outrageous customer service is the standard at rePLANET, not the aspiration, and to drive this point home, we implemented a Mystery Recycler program. An undercover recycler visited each of the sites in order to evaluate the performance of the Recycling Specialists, based on the rePlanet Customer Service Concept.

Positively Outrageous Customer Service is one of the unique points-of-difference that rePLANET provides. These individuals represent the standard that others will follow. We thank these pioneers for their commitment to outrageous Customer Service and for upholding TOMRA's core values!



A team of dedicated Recycling Specialists ensures that every customer is made to feel welcome at the rePLANET Recycling Centers



rePLANET Recycling Specialists  
 From top left: Hugo Duarte, Frank Orozco, Edward Yuriar  
 From bottom left: Erik Bautista, Magin Sanchez, Sam Guardron

## Congratulations to the following rePLANET ALL-STARS!

<b>Grand Prize Winner</b>	<b>Ed Yuriar</b>
<b>Silver Medallists</b>	<b>Tanya Patton, Carl Stewart, Richard Rivera, Graham Tull</b>
<b>Bronze Medallist</b>	<b>Gilbert Paniaugua</b>
<b>Special Recognition</b>	<b>Patricia Pirillo</b>
<b>Honorable mention</b>	<b>Rigo Macias</b>

## rePLANET CUSTOMER SERVICE CONCEPT

<b>SMILE</b>	Did your rePLANET Recycling Specialist smile during the transaction?
<b>WELCOME</b>	Did your rePLANET Recycling Specialist welcome you to rePLANET?
<b>ASSIST</b>	Did your rePLANET Recycling Specialist assist you with your recycling?
<b>EDUCATE</b>	Did your rePLANET Recycling Specialist provide you with an eco-fact on how your recycling efforts help the environment?
<b>ACCURACY</b>	Did your rePLANET Recycling Specialist call out your container weights?
<b>UNIFORM</b>	Was your rePLANET Recycling Specialist in uniform?
<b>CLEANLINESS</b>	Has your rePLANET Recycling Specialist kept the storefront area clean?
<b>DEMONSTRATE</b>	Did your rePLANET Recycling Specialist demonstrate the recycling machine?
<b>PREMIUMS</b>	Did your rePLANET Recycling Specialist offer you a premium for recycling? (Seed packet or brochure)
<b>THANK</b>	Did your rePLANET Recycling Specialist thank you for recycling with rePLANET?

# Ahold launch innovative, global campaign

Ahold, the Dutch parent company of the Albert Heijn stores, one of TOMRA's larger customers in Europe, has had its very first worldwide price promotion campaign. This campaign, which they called "World Champions", reached 30 million people in 17 countries.

This promotion was unique in the history of Ahold, and was also the first of its kind in the world. A large number of food and non-food products were offered at very low prices, so that consumers could buy two products for the price of one.

According to Ahold, the goal of the campaign was twofold. On the one hand, all their customers could benefit from the fact that Ahold, as a global operating company, has a large purchase



potential. On the other hand, the suppliers of the products had the possibility to present their goods in approximately 4,000 stores world wide.

15 International companies, such as Unilever, Nestlé, Pepsi, Mars, Sony and more than 100 local suppliers, were involved in this campaign, which ran under the slogan "World Brands Against World Prices".

Although no financial targets were set for the project, Ahold's aim was to gain valuable experience with international campaigns and learn from best practices.

## Emtees and TOMRA - A winning combination

As we all know, environmental concerns are very important issues. Emtees Inc., a Redemption Center operator with headquarters in New Haven, Connecticut, has always been aware of these concerns and is working hard to keep Connecticut clean. Using TOMRA machines, Emtees has established 5 Redemption Centers throughout Connecticut since its inception seven years ago. Expansion with additional centers is in the plans for the near future. Through a joint-venture agreement, TOMRA and Emtees have created a pleasant experience for Connecticut residents to recycle.

Keith Miers, president of Emtees, states, "I wanted to develop a place

that would be conveniently located for residents to return their 5 cent beverage containers. By utilizing state-of-the-art reverse vending machines provided by TOMRA, I have been able to accomplish my goal. My facilities are bright, clean, and spacious and customer service is our top priority. I can honestly say that without the support of TOMRA's expertise and reliability for high volume material handling equipment, I would not be enjoying the success I realize today."

Keith's centers have been strategically placed throughout the state to maintain a steady flow of traffic. With a total of



76 reverse vending machines available for customer use at the centers, approximately 65 million beverage containers will be processed in the year 2000.

With many years of recycling experience, Emtees makes a great partnership with TOMRA. We look forward to our continued growth and success.

# Stockman Prize

TOMRA's CFO Helge Nerland and CEO Erik Thorsen receiving the Stockman prize



Picture from Asker & Barum Budstikke. Photographer Karl Braamaas.

The Norwegian Association of Financial Analysts recently awarded its coveted Stockman prize to TOMRA, for excellence in investor relations. TOMRA won in the so-called open class, which is open to both large and small companies. The jury, which consists of 32 brokers and investors in Norway and abroad, evaluate nominees based on their performance the previous financial year with regard to information provided to the financial market, such as interim and annual reports, presentations, web-site, general company information and response to enquiries.

The results show that TOMRA received especially high points for the category "Reliable and consistent information". TOMRA also scored well in the categories "Ability to inform about strategy" and "Ability to inform about industrial development". In other words, TOMRA proved itself highly capable of communicating where they wanted to go and how they intended to go about doing this.

The foreign analysts gave a high score to TOMRA for being prompt at replying to enquiries. Not only are the replies fast and detailed, but the company also makes itself readily available and welcomes visits from analysts. In so doing, TOMRA's CEO Erik Thorsen and CFO Helge Nerland have justifiably earned the trust and respect of the financial community.

## TOMRA achieves more top rankings

TOMRA was ranked as one of the 300 best small businesses in the world in the November 1, 1999 issue of Forbes Global Business and Finance (<http://www.global.forbes.com/forbesglobal/99/1101/0222055a.htm>). It was also ranked among the 100 best small companies on the global index in the November 1, 1999 issue of Forbes magazine (<http://www.forbes.com/forbes/99/1101/6411380a.htm>).

In order to qualify, companies had to be publicly listed and have revenues of less than 500 million US dollars the previous year. Among the selection criteria were performance factors such as at least 10% return on equity and minimum 15% net income growth and 15% revenue growth in the latest fiscal year.

## TOMRA rated as one of the leading sustainability companies in new Dow Jones Index

TOMRA was recently selected as a component of the Dow Jones Sustainability Group Index (DJSGI) - the world's first global indexes that track the performance of the leading sustainability-driven companies worldwide.

The DJSGI addresses increasing investor interest in companies committed to the principles of corporate sustainability. These principles - innovative technology, corporate governance, shareholder relations, industrial leadership and social well being - are a catalyst for

enlightened and disciplined management, a crucial factor in making investment decisions. By tracking sustainability performance globally and rationally, the DJSGI provides the financial markets with a consistent benchmark.

The DJSGI includes more than 200 of the top sustainability companies in 68 industries and 22 countries. The total market capitalisation of the DJSGI is USD 4.3 trillion.

<http://www.sustainability-index.com>

**T**oday no one can escape the increasing international concern for the environment. International media bring new stories of environmental depravation, climate change, the greenhouse effect and unsustainable resource usage every single day.

The United Nations Environment Programme (UNEP) states in its recent report, Global Environment Outlook 2000, that "The beginning of the new millennium finds planet Earth poised between two conflicting trends. A wasteful and invasive consumer society,

coupled with continued population growth, is threatening to destroy the resources on which human life is based. At the same time, society is locked in a struggle against time to reverse these trends and introduce sustainable practices that will ensure the welfare of future generations."

By the very nature of our business TOMRA is a part of these efforts for sustainability. We are responsible for closing the materials loop for billions of used beverage containers annually and are, as such, contributing to reducing the need for virgin steel, aluminium,

glass, and PET. In doing this, we, as is the case for most business operations, will have some kind of impact on the environment, and it is important for us to monitor this, in order to ensure optimal environmental performance.

This issue of TOMRA News is focused on the environment, and on TOMRA's strategy for reducing our own environmental impact. It will primarily deal with our internal processes and how TOMRA will seek to improve our own environmental performance in the forthcoming years.

# *Helping the World Recycle!*

TOMRA's commitment  
to the environment



## Guiding principles for Environmental Performance

TOMRA's environmental policy was drawn up by the Group Management team in 1997 and represents the guiding principles for environmental performance within the TOMRA Group. As with all corporate policy implementation, the environmental policy will be implemented gradually, starting with the activities undertaken at TOMRA's corporate headquarters in Asker, Norway.

Although all TOMRA companies have the potential to create negative impacts on the environment, some units will be

more exposed than others. The environmental impacts created by production sites, materials handling units and service organisations will be more significant than for sales and support units. It is left to the discretion of each company to determine what actions are required in order to comply with the TOMRA group environmental policy. Guidance and assistance are always available from Tomra Systems ASA in these matters, and environmental management tools are being developed, which will be made available on the TOMRA Intranet.

## Corporate Environmental Policy

TOMRA will contribute towards the increasing efforts to protect the environment and prevent pollution in society at large. This is to be achieved through fulfilment of our environmental policy and environmental programs. TOMRA will consider environmental issues in development and production, and will, through a process of continuous improvement, seek to minimise the negative environmental effects generated by our operations.

- We shall periodically evaluate and audit our environmental management system and improve it when needed. Such evaluation is to be based on environmental performance monitoring and measurement of the effects of our environmental efforts.
- We commit to comply with all relevant environmental legislation and statutory obligations, as well as to seek to exceed the expectations of our stakeholders.
- We shall endeavour to prevent pollution, reduce waste levels and energy consumption, as well as prevent other negative environmental impacts throughout our value-chain.
- TOMRA managers shall lead by example in environmental as in other issues, and motivate their employees through proactive initiatives and activities.
- We shall encourage continuous improvement of environmental performance through personal initiative and corrective and preventative action on all levels of our organisation.
- We shall encourage and place requirements on our suppliers and expect that they focus on environmental issues in their operations.

TOMRA managers at all levels are responsible for implementation of our environmental policy and guidelines in their own departments.

## PROFILE

### Quality and Environmental Manager

In August 1998, TOMRA appointed Aleksander Mortensen as a Project Manager for environmental control. With the growing focus on environmental performance within the Group, Aleksander took over the new position as Quality and Environmental Manager, that was set up in March 1999.

Aleksander has a BSc Honours Degree in Environmental Management from the University of Dundee and is an Associate Member of the Institute of Environmental Management (AMIEMgt).

As Quality and Environmental Manager, he is responsible for development and maintenance of quality and environmental management systems and initiatives in TOMRA Asker. He is also responsible for international co-ordination of quality and environmental initiatives and systems, within the TOMRA Group.



# Safeguarding

## TOMRA's social license to operate

The publication of the ISO14001 environmental management system specifications in 1996 marked the beginning of a new era of voluntary corporate environmental responsibility. Today more than 10,000 organisations across the planet have adopted the standard. These organisations are using the standard as a tool for systematic reduction of their negative environmental impacts on a day-to-day basis.

Tomra Systems ASA, which has been certified to the ISO9001 quality management standard since 1994, regards implementation of ISO14001 as a natural progression in our efforts to

provide attractive solutions that can help the world recycle.

The adoption of ISO14001 will ensure that TOMRA can demonstrate that products and services produced at our facilities in Asker, Norway are designed and manufactured with environmental efficiency in mind, right from the outset of the process. The total life-cycle impact and cost of any product shall be considered when choosing technological solutions. This includes product energy consumption, as well as making it easier to dismantle and recycle discarded RVMs and other equipment.

To achieve this, we are working with

our suppliers and partners of technology and services. Together we are able to greatly reduce any negative environmental impact generated in our value-chains. TOMRA also place requirements on suppliers and expect that they continuously seek to find more environmentally friendly methods of production and consumption.

A project group has been working on introducing environmental management practices to our operations in Asker since 1997, and this process is now reaching its conclusion. This does not, however, imply that

the environmental improvement activities are concluded. Rather, the establishment of the system framework marks the start of continual improvement of environmental performance within TOMRA as a whole.

All organisations that wish to use ISO14001 as a tool to improve environmental performance need to comply with a list of 20 explicit management system requirements. The requirements need to be interpreted in light of the activities and processes of the organisation.

Tomra Systems ASA has developed a management system that focuses on research and development, suppliers, energy and waste management, packaging and recycling of discarded RVMs and equipment. This focus represents our most significant environmental concerns - for other companies, the list of focus areas would probably look totally different.

There is some common ground, however, one of which is the requirement of ISO14001 to publish an environmental policy. TOMRA's environmental policy was formulated by the Group Management in 1997 and sets out the common environmental principles for the TOMRA Group.

In order to implement changes, we have established environmental goals as part of our environmental program. The responsibility for reaching environmental goals resides within each relevant department, however the overall co-ordination of the management system is handled by the Quality and Environment Department in Asker.

The experiences drawn from the implementation process in Asker will be made available to all companies in the TOMRA Group through TELLUS, our corporate Intranet. In the meantime,



Mr. Jon Ove Johnsen from Grøner Certification AS hands over the ISO 14001 certificate to TOMRA's CEO, Erik Thorsen and Quality and Environmental Manager, Aleksander Mortensen



if you would like to know more about environmental management and how it may affect your company or your job, please contact our Quality and Environmental Manager, Aleksander Mortensen. You can also keep yourself updated about TOMRA's environmental management efforts through our environmental reports, which are published as a section in the annual corporate report.

## Are you helping the environment in your company?

If you have initiated environmental initiatives in your company - tell the world about it! Let everyone in the TOMRA Group benefit from your experiences, by sharing hints and tips about opportunities and environmentally friendly ways of going about helping the world recycle!

### If you are:

- Separating and recycling your waste?
- Organising car-pooling?
- Saving the environment by using environmentally friendly products?
- Teaching local school children about recycling?

Or if you are simply making sure that your car fleet is maintained within service limits in order to minimise emissions and pollution - let us know. Send your hints and good environmental stories to:

Tomra Systems ASA  
Quality and Environment Dept.  
P.O. Box 278  
N-1372 Asker  
Norway  
E-mail: [quality-environment@tomra.no](mailto:quality-environment@tomra.no)

## Enthusiasm and knowledge

TOMRA's quality and environment auditor, Grøner Certification AS, was particularly impressed with the level of knowledge and enthusiasm demonstrated by TOMRA employees during a recent environmental audit. The auditors' report states that 'the knowledge, motivation and enthusiasm of the interviewed personnel is very good'.

This statement shows that TOMRA is a company with a highly motivated workforce, which readily accepts new challenges, and that our corporate culture is dynamic and open for change.

Congratulations are due to everyone that has been a part of the ISO14001 process so far. This has been a tremendous team effort and we hope to keep up the good work in the future.

# Investing in the Future

As part of our efforts to investigate the environmental impacts of our business, TOMRA initiated environmental analysis activities in the autumn of 1998. This spring an expert in this field of study was hired to work full-time on the project.

One part of these analyses is Environmental Life Cycle Assessment - a concept and methodology to evaluate the environmental effects of a product or activity, by analyzing the entire life cycle of the selected product/activity. Life cycle assessment looks into the various stages of a product, process, or package, beginning with raw materials acquisition, continuing through processing, materials manufacture, product fabrication and use, and concluding with waste management.

When this type of analysis is combined with economic assessments, such as Life Cycle Cost, it may provide valuable strategic information to TOMRA. Eco-Efficiency is a term that combines economic and environmental consider-

ations, and can be defined as the value that is added, divided by environmental impact. Various organizations have research activities going on to find good ways of actually measuring this in companies. TOMRA is participating, through its cooperation with universities and other companies, in related research programs for "Industrial Ecology".

In order to make good assessments, a high level of data is needed, which may be difficult to obtain in the beginning. This is due to the fact that much of the required information is not actually reported in a suitable format. Having a good base of data communication in the company is important, not only for environmental studies, but also for the whole

organization. Part of the first results of the studies will be to identify information gaps.

What this will give TOMRA in the long run is increased knowledge about our own products and services, in an "extended perspective". It can also be applied to other competing services.

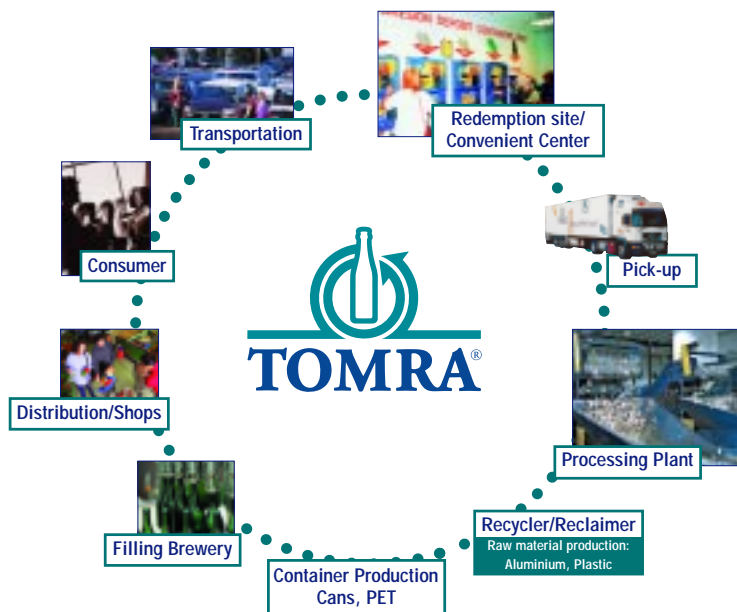
Since our mission is to 'Help the world recycle', it is important that we can show that our solutions are the best, with regard to both environmental and economic efficiency. The studies will point out where the main sources of environmental

impact lie, and will suggest improvements that are possible to carry out both in the short and long term.

The most important result will be to establish our own models for various recycling schemes, to guide our decision-making. It remains to be seen to what extent the results can be used in our external communication, as there are many types of LCA studies in existence today, with highly conflicting results, depending on who initiated them.

One of the by-products of this project, as well as one of the goals defined in relation to ISO 14001, has been the introduction of a Green Handbook in TOMRA's R&D Department. The intention is to have a guide, which can help those working in product development to take into account the right kinds of environmental considerations.

**ECOEFFICIENCY:**  
 "Reached by the delivery of competitively priced goods and services that satisfy human needs and bring quality to life, while progressively reducing ecological impacts and resource intensity throughout the life cycle, to a level in line with the earth's estimated carrying capacity"



An ongoing study of the beverage container life cycle

*For more information about the Environmental Life Cycle Assessment project, please contact Solveig Steinmo in TOMRA Asker.*



# Mini Retourette

*- a real hit with customers in Switzerland*

retourettes have built-in collection bins for other recyclable materials, such as non-deposit PET bottles, cardboard, CO2 canisters, batteries and other

packaging materials. An interactive touch screen computer, with quizzes about environmental issues, is a top attraction for children visiting the centres. Tomra AG recently started a cooperation with WWF and this organisation will be responsible for making about 200 multiple-choice quizzes with illustrations and pictures, to be featured on the interactive computers.

Tomra AG supplies the fixtures in the recycling centres, while the individual stores are responsible for organising the pick-up of the collected materials and the transportation of these to the depots. For Migros, the Retourette concept

provides a means to efficiently organise the recovery of recyclable materials, and at the same time communicate to the public that they are actively taking part in the protection of the environment. The reverse vending machines are equipped with special buttons and software, which allow the customers to donate their refund to the UNICEF organisation in Switzerland, if they choose to do so.

In 1999, TOMRA's distributor in Switzerland, Tomra AG, started the delivery of small-scale Retourette systems to Migros, the largest supermarket chain in Switzerland, with 580 stores throughout the country. Up to now, six Mini Retourettes have been installed and one more will be delivered within the end of the year.

The small recycling centres are all located at the store entrance. Each centre consists of the dragon character Fred, embracing the reverse vending machine, plus a collection bin for aluminium, moulded into the shape of a frog or dolphin. Furthermore the cen-



## New market development in Hungary

In May 1998, the French supermarket chain, CORA, decided to test TOMRA's reverse vending machines at one of the largest Hypermarkets in Hungary. The chain bought two T-600 BC (Bottle and Crate) machines with back room equipment for their store in Budakalász.

The test period ran successfully and the chain received positive feedback from both store personnel and the customers using the machines. Based on this, CORA decided to equip all their current stores in Hungary with the TOMRA 600, and in April this year, the chain invested in six additional T-600 BC machines with back room

equipment. These machines were installed in three markets at Törökbalint, Fót and Szeged. Furthermore, CORA has announced that they will build up to 10 new Hypermarkets in Hungary and they plan to have TOMRA machines in all these new markets.



Hungary is served by TOMRA's Austrian subsidiary, Tomra Leergutsysteme GmbH. Since all machines in Hungary have on-line connectivity, the Austrian service department can carry out service tasks and update the machines with new container data from their office in Vienna.

In Hungary there are different types of containers in use, both refillable (glass and refillable PET) and non-refillable (glass, PET and cans). The deposit value for bottles lies in the range from 5 to 94 HUF and for crates, between 150 and 500 HUF. An odd thing about the Hungarian refund system is that the refund values are not fixed. Values can vary from chain to chain.

# Tomra Michigan prevails through adversity

1999 has provided Tomra Michigan with some interesting growth and challenges. Mackinac Island in Michigan is a pristine, primarily summer community that prohibits the use of cars. With the centerpiece of this island being the Grand Hotel, where the movie "Somewhere In Time" was filmed, the only way to get around is by foot, bike, or horse and buggy. To get to the island, you must take a boat, ferry, fly, or ride a snowmobile. However, none of that has stopped Scott Lamb and his group from looking at the island as another opportunity for business, when they considered the island's accessibility and the volume of redeemable containers handled by the stores.

In this market, the T-62 has been the answer to the growing demand for a

cost-effective machine that handles all types of empty beverage containers. Something which the team at Tomra Michigan take into account, when looking at the volume of recyclables that stores take in.

Their research and perseverance were critical in the contract negotiations and decision to move forward and install a T-62 cans, plastic and glass machine in Doud's Mercantile, on Mackinac Island. In order to service this machine, the service technicians must drive to Mackinaw City, bring their tools and parts over by ferry, and then bike to the store. Obviously, this is not

the most ideal type of service call the technicians would like to go on, but that just goes to show what lengths Tomra Michigan is willing to go through to service their customers. Let's applaud them for truly understanding our business concept and core values. Way to go Tomra Michigan!



# Massachusetts Recycles Day

Tomra Massachusetts is a proud sponsor of Massachusetts Recycles Day on November 15, 1999. TOMRA's mission and Massachusetts Recycles Day tradition complement each other nicely;



build consumer demand for recycled products made from recycled materials and educate all

citizens about the environment and the economic benefits of recycling.

Massachusetts Recycles Day focuses on events planned by businesses, municipalities, schools, and environmental organizations, where residents can learn about recycling and buying recycled items, while entering national and state contests for recycling related prizes.

Tomra Massachusetts has decided to sponsor the elementary school prize, which will feature two theatrical performances presented by a local Massachusetts performer in a presentation about recycling and

environmental issues. Jim Murray, General Manager at Tomra Massachusetts, said "this is an ideal way to share an important message and to ask some questions about our beverage containers and the waste stream that many of us may not really think much about."

Sponsoring this event will provide TOMRA with wonderful publicity, as well as create demand for the recyclables that municipalities and businesses collect.

<http://www.massrecyclesday.org/>



**T**omra of North America and their various business units are working hard to understand customers' needs and concerns. Tomra Metro is a prime example of how we are addressing these needs in a very positive manner. Since 1996, over 300 machines have been installed in Pathmark Stores. Since then, there have been many conversations with store managers, TOMRA sales representatives, and upper management at Pathmark, discussing and addressing recycling issues and service needs.

John Scalfani, Vice President of Sales at Tomra Metro, has been instrumental in researching ways to improve the service that TOMRA can provide Pathmark, to make it a positive situation for everyone. John and Rich DeRosa, Vice President of Operations at Tomra Metro and Project Manager for this client, conducted extensive research related to this situation and developed a possible solution. Research criteria were based on current container

# Tomra Metro expands its service

volume, parking lot space, and potential for additional volume.

As a result, John and Mike Wellman, President of Tomra Metro, visited with key executives at Pathmark. They offered to implement and test a full service program at one Pathmark location. This site, in the Bronx, NY, will provide a stand alone redemption facility in the store's parking lot. With the mission to eliminate the congestion inside the store, this center will have TOMRA employees on site daily, assisting customers and providing redemption services.

The first modular unit, designed by Barry Unger

Associates, will be installed late October 1999, with plans to have four facilities up and running in the year 2000 at other Pathmark locations. The centers will be 24' x 60' with 8 machines available at all times.



Barry Unger and Rich DeRosa discuss the plans for the new Redemption Center



"Dirtbusters"

OY Tomra AB, TOMRA's sales and service subsidiary in Finland, now offers professional cleaning of their customers' reverse vending machines and backroom equipment. The new service started as a trial project during the summer of 1998, for the HOK chain, one of OY Tomra AB's major customers.

## Machine and equipment cleaning - a new service to Finnish customers

Over a period of time, several HOK stores in the Helsinki area had experienced an increased need for service on their reverse vending machines. A closer look at the service logs revealed that many service visits and repairs resulted from improper cleaning of the machines by store personnel. To avoid this problem in the future, the chain asked TOMRA to perform an extensive clean up of all machines and accumulation equipment throughout the seventy HOK stores in Finland.

The results of the test performed in 1998 were very positive. The level of machine hygiene increased substantially, while a great number of the stores experienced a reduction in down time and therefore also a drop in service costs. This was especially evident in

those stores, which managed to maintain the clean condition of their machines. In addition, the stores got positive feedback from their customers, who appreciated a cleaner and tidier reception point. As a result of these findings, the HOK chain decided to continue with Tomra Finland's cleaning service. In 1999, the chain will have all their installations professionally cleaned three times.

Also this year, the Finnish service personnel at OY Tomra AB will perform the same cleaning service on all of the 260 reverse vending machines in the Finnish wine monopoly's outlets. The cleaning visits are planned ahead to coincide with regular service visits, in order to save the customers for costs.

# TOMRA Investor Relations

**T**OMRA has, over the past ten years, increased its focus on investor relations, as a result of growing interest from investors.

TOMRA engages in a number of activities to keep the investment market up to date about the company. Quarterly road shows, which provide presentations of the company in the most important investor markets, are one. In addition, TOMRA arranges teleconferences with analysts, combined with easily accessible information via the TOMRA website ([www.tomra.com](http://www.tomra.com)).

While investor visits to the Group Headquarters in Asker have always proved highly popular, a new type of investor trip was initiated this spring, to visit TOMRA's US operations.

This US Analyst & Investor Visit was arranged to meet the growing demand from individual investors and analysts, whom it became increasingly difficult for TOMRA to service on an individual

basis. The first organised trip took place in May this year. A second trip took place in October 1999, with around 30 investors and analysts participating.

The trip started on October 27th at TOMRA's US Head office in Stratford, with a general presentation of the US activities, followed by a visit to the Tomra Metro processing plant. Thursday 28th was spent in Michigan, visiting the plant in Howell, followed by store visits. On Friday 29th, the visitors were shown TOMRA's Californian operations in the Los Angeles area, before finishing off the day with a TOMRA sponsored dinner. On Saturday morning, a small golf tournament was arranged for those investors and analysts that choose to stay on for the weekend. All arrangements were paid by the participants themselves, since this was an activity primarily initiated by them.

The next Analyst & Investor Visit is scheduled to take place in May 2000.

TOMRA was voted the best performing company at the Oslo Stock Exchange this year by Corporate Analysts. Excellent financial performance over the past years was obviously one of the most important criteria. However, innovation, management and communication were also factors that scored very well, giving TOMRA a top rating. It is hoped that initiatives such as the US Analyst & Investor Visit will help maintain TOMRA's position among the top performers, also in the future.

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## A World of Opportunities

**T**OMRA has released yet another information video, called "A World of Opportunities", which looks into the untapped potential that lies in the beverage container industry, from a recycling point of view. The film is in English and is available in VHS PAL or NTSC formats, as well as CD-ROM. The video can also be viewed on the video page of our website ([www.tomra.com](http://www.tomra.com)). To order copies, please contact the Marketing Department in Tomra, Asker.

# PROFILE

## TOMRA welcomes on board the new President of Tomra North America

Val Stalowir has recently joined TOMRA as President of Tomra of North America. Val, aged 36, is married and has one child. He holds a BA degree in Economics and Art History from the College of William and Mary and an MBA from the University of Michigan. Mr. Stalowir will be responsible for the daily operation and continued business development of the North American business unit, with a turnover of 1,119 MNOK in 1998.

Mr. Stalowir comes with a strong operations, finance and consumer marketing background. Val's experience included building successful relationships with beverage manufacturers, bottler/distributors, as well as large retail customers.

For the past 5 years, Mr. Stalowir has worked for The Coca-Cola Company as a general manager, charged with leading accelerated growth in Eastern Europe. Prior to Coca-Cola, Val worked several years in marketing and general management for such companies as Quaker Oats and Unilever.



## 10th anniversary celebration takes off with a bang!

Tomra Systems OY, TOMRA's production facility in Heinola, Finland, recently celebrated 10 years of operations. During those ten years, the company has built up considerable expertise in the manufacturer of reverse vending machines. Today, the facility specialises in the production of RVMs for low volume returns, a series of machines that go by the name of MINIMA.



An explosive introduction of the new RVM models launched during 1999

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President Bill Clinton took a short break from the recent Middle East negotiations held in Oslo, to visit TOMRA and offer his support for our efforts in Helping the World Recycle!

## What's in a name?

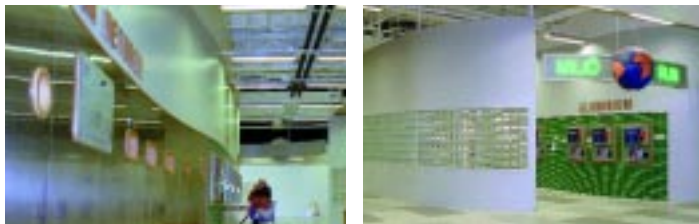
There have been a variety of interesting stories behind the origins of the name TOMRA. The name was, in fact, coined by the founding brothers, Tore and Petter Planke. It plays on the words "TOMflaske", which means "empty bottle" in Norwegian, and "RA" which is an abbreviation for "Retur Automat", which means "reverse vending machine" in Norwegian.



# TOMRA

# TOMRA

## *Environmental Room*



On the 21st October this year, Tomra Systems AB opened Sweden's first Environmental Room at the Coop Forum (formerly known as Obs! Stormarknad), which is located twenty kilometres outside of Stockholm, in a town called Fittja.

Coop Forum is a project undertaken by the Nordic Cooperative to create a supermarket for the new millennium. The Environmental Room, which is one of the new features of this innovative concept in retailing, is totally run by TOMRA staff. TOMRA receives an administration fee for every container that is returned, and pays a fixed rent to the Coop to house the facility.

In the TOMRA Environmental Room, customers can return more than just deposit containers; household waste such as newspapers, non-deposit plastic, batteries, glass and clothes are also accepted. In addition, customers are offered helpful information about the environment and environmental activities, and a PC terminal is available for those who are interested to do their own environmental investigations.

To encourage consumers to recycle at the Environmental Room, TOMRA runs weekly campaigns, such as issuing product discount coupons from the machines, or arranging special activities targeted towards children.

The Environmental Room is a joint project between TOMRA and the Nordic Cooperative. If the test runs successfully, there could be the possibility to set up a further 10 - 30 facilities in Sweden.

*Impressum: Tomra News is published twice a year to keep TOMRA's employees, subsidiaries, distributors and their customers informed about news in the reverse vending machine industry. Published by: Tomra Systems ASA, Asker, Norway. Editor: Carol Quinn. Layout: Nina Jacobsen. Printed by: Godtfreds AS*