

Environment

Waste & Recycling

Avoiding waste, recycling raw materials, making environmental improvements to packaging: in 2017, Migros stepped up its recycling activities, saved packaging material and introduced reusable tableware nationwide.

Migros operates a **comprehensive recycling system** for waste. Out of the 233'627t of operating waste and customer returns in the Migros Cooperatives and M-Industry, around 78% was recycled in 2017. Migros thus helps to conserve natural resources. At the same time, it strives to systematically reduce its packaging volume and use recycled material. It also takes measures to reduce food waste.

Customer returns & recycling in retailing

In 2017, customers returned 15'930 t of recyclable material to the Migros branches, where it was collected and recycled by Migros. The 285 million **PET drinks bottles** accounted for the largest proportion of customer returns (9'140t). The granules from the recycled bottles are used to make new drinks bottles – a closed loop.

Pleasing progress was made with returns of **plastic household bottles**. Migros collected a total of 2'897t, representing an increase of 1.1% in comparison with the previous year. The recycled plastic bottles are used to produce plastic pipes for the construction industry, among other things.

Customer returns in Cooperative Retailing developed as follows:

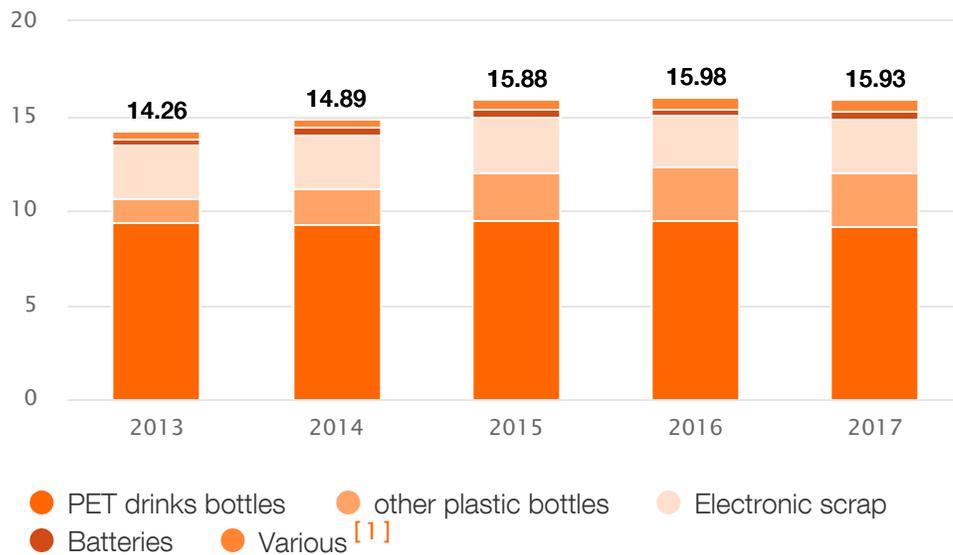
Customer returns, Cooperative Retailing

Cooperative Retailing, Customer returns by type						Change from previous year
in 1'000 tonnes	2013	2014	2015	2016	2017	
PET drinks bottles	9.37	9.24	9.50	9.47	9.14	-3.5%
other plastic bottles	1.24	1.97	2.48	2.87	2.90	1.0%
Electronic scrap	2.91	2.80	2.98	2.68	2.83	5.6%
Batteries	0.31	0.36	0.36	0.34	0.40	17.6%
Various ^[1]	0.43	0.52	0.56	0.62	0.66	6.5%
Total	14.26	14.89	15.88	15.98	15.93	-0.3%

1 Various customer waste such as u.a. Water filter cartridges and CDs

Cooperative Retailing, Customer returns by type

in 1'000 tonnes



1 Diverse Kundenabfälle wie u.a. Wasserfilterkartuschen und CDs

In the reporting year, the retail stakeholder group, represented by Migros and Coop, helped to develop a concept for the **waste and resource economy** 2030. It focuses on the efficient use of natural resources and resource-friendly consumption as important elements of a circular economy.

Measures in M-Industry

M-Industry aims to avoid waste or, where this is unavoidable, to reuse it in the best possible way. Its vision is to be **recycling all materials by 2040**. To raise awareness of the topic among employees and to show them how they can contribute to achieving the objective, an internal sustainability campaign has been underway in the business operations since 2017.

Delica now separates the waste that arises from the production of coffee capsules: **the coffee and plastic capsules are disposed of separately**, the coffee powder is added to animal feed or compost, and the plastic capsules are recycled. Thanks to this measure, Delica was able to reduce the specific volume of waste incinerated by around a quarter in comparison with the previous year.

Optimised packaging

In 2017, Migros made **environmental improvements** to the packaging of 56 products. For example, 35% of PET bottles for the cult Ice Tea range now consist of recycled PET, which saves 75.6 t of new material per year. By reducing the thickness of cardboard used in many biscuit packagings, 22.5 t less cardboard is required each year. Since 2013, Migros has saved a total of 3'437 t of packing material or made it more environmentally friendly. It is thus one step closer to fulfilling its promise of making environmental improvements to more than 6'000 t of packaging material by 2020.

The active improvement of packaging helps to preserve natural resources. In line with the motto "prevent – reduce – recycle", Migros strives constantly to **systematically reduce the volume of packaging**, use more recycled material and optimise packaging recycling.

By introducing a **charge for disposable plastic bags**, Migros has managed to reduce consumption by close to 84% in comparison with 2016. Denner also implemented the industry agreement in 2017, and migrolino has been charging the fee since the start of 2018.

Migros has also been offering reusable **fruit and vegetable bags** since the reporting year. This made it the first retailer in Europe to use and offer these "veggie bags". The bags are also available in Alnatura stores. They meet the frequent customer request for environmentally friendly packaging for fresh food.

Migros also introduced **reusable bowls** in its take-away and restaurant branches throughout Switzerland as an environmentally friendly alternative to disposable tableware. By the end of 2017, customers were able to take away their food in reusable tableware from 220 outlets. The high-quality bowl can be washed and reused up to 100 times, making it much more environmentally friendly than disposal tableware.

Preventing food waste

A third of all food worldwide is thrown away. Cooperative Retailing strives to **keep waste as low as possible**. 98.57% of food in the branches, restaurants and take-aways was sold as food, offered at a reduced price or donated in 2017. 1.38% was used as animal feed, in fermentation or as compost, while 0.05% was incinerated as waste.

In 2017, the **retailers, restaurants and take-aways** in particular made a commitment to reducing food waste. Globus ^{***}delicatessa and migrolino have developed a special concept to reduce this type of waste. Implementation of the measures will start this year. The community catering concept of the Migros Cooperative Zurich joined the "United Against Waste" (UAW) association with the aim of reducing food waste together. Raising employee awareness is the main priority.

Bischofszell Nahrungsmittel AG changed its **production process for potato products** in 2017. The potato cuttings gathered during the production of French fries are now used in the production of mashed potato. The company believes this change will enable more potatoes per year to be used in food instead of going to animal feed.

Additional figures for waste

Volume of waste

Migros group, waste in 1'000 tonnes	2013	2014	2015	2016	2017	Change from previous year
Cooperative Retailing ^[1]	121.61	125.25	128.66	129.11	132.27	2.4%
M-Industry	104.25	110.57	110.53	105.94	101.35	-4.3%
Commerce ^[2]	16.24	15.96	17.00	22.32	24.46	9.6%
Financial Services and Travel ^[3]	0.16	0.15	0.12	0.16	0.23	43.8%
Migros Group	242.26	251.93	256.31	257.53	258.31	0.30%

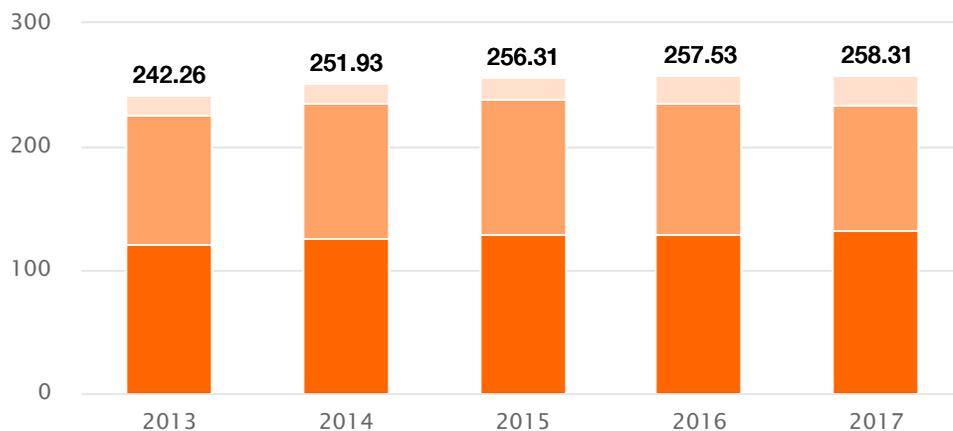
1 Branches, logistics enterprises and FMC

2 Based on data from the retailers Denner, Digitec Galaxus, Globus and Interio

3 Based on data of Migros Bank and Hotelplan Switzerland

Migros Group, waste

in 1'000 tonnes



- Cooperative Retailing ^[1]
- M-Industry
- Commerce ^[2]
- Financial Services and Travel ^[3]

- 1 Filialen, Logistikbetriebe und Migros-Genossenschafts-Bund (MGB)
- 2 Basierend auf Daten der Handelsunternehmen Denner, Digitec Galaxus, Globus und Interio
- 3 Basierend auf Daten der Unternehmen Migros Bank und Hotelplan Schweiz

Composition of waste

Cooperative Retailing & M-Industry, Composition of waste 2017

in tonnes

	Cooperative Retailing, absolute	Cooperative Retailing, percentage	M-Industry, absolute	M-Industry, percentage
Paper, cardboard	47'798.5	36%	5'589.0	6%
Special waste and waste requiring inspection ^[1]	4'393.7	3%	3'028.9	3%

Cooperative Retailing & M-Industry, Composition of waste 2017 in tonnes	Cooperative Retailing, absolute	Cooperative Retailing, percentage	M- Industry, absolute	M- Industry, percentage
Organic waste	26'032.2	20%	49'955.7	49%
Animal by-products	1'161.8	1%	28'509.0	28%
Rubbish	28'279.7	21%	8'366.1	8%
Metal, glass	2'954.6	2%	1'261.6	1%
Plastic	14'832.0	11%	1'650.3	2%
Wood, bulky goods, construction waste, etc.	6'819.3	5%	2'994.4	3%
Total	132'271.8	100%	101'355.0	100%

1 Sewage sludge, electronic scrap and batteries, other special waste and waste requiring inspection

Waste recycling rate

Migros Group Recycling rate in % ^[1]	2013	2014	2015	2016	2017	Change from previous year
Cooperative Retailing ^[2]	69.2	70.9	72.4	72.8	72.8	0.0%
M-Industry	80.4	80.5	82.2	83.6	84.5	1.1%

Migros Group Recycling rate in % ^[1]	2013	2014	2015	2016	2017	Change from previous year
Commerce ^[3]	97.7	98.4	94.3	78.6	78.0	-0.8%
Financial Services and Travel ^[4]	49.6	60.2	57.1	63.3	33.5	-47.1%
Migros Group	75.9	76.8	78.0	77.7	77.8	0.1%

1 Materials recycling, animal feed, fermentation, composting, without thermal treatment (incineration)

2 Branches, logistics enterprises and FMC

3 Based on data from the retailers Denner, Digitec Galaxus, Globus and Interio

4 Based on data of Migros Bank and Hotelplan Switzerland

Disposal processes

Cooperative Retailing & M-Industry waste disposal process 2017 in 1'000 tonnes	Cooperative Retailing, absolute	Cooperative Retailing, percentage	M- Industry, absolute	M- Industry, percentage
Materials recycling	71.3	54%	11.1	11%
Animal feed	1.9	1%	65.1	64%
KVA, in-house incineration, cement plant	34.9	26%	14.7	14%
Fermentation	21.8	17%	8.2	8%

**Cooperative Retailing & M-Industry
waste disposal process 2017**

in 1'000 tonnes

	Cooperative Retailing, absolute	Cooperative Retailing, percentage	M- Industry, absolute	M- Industry, percentage
Composting	1.2	1%	1.2	1%
Waste disposal site	1.1	1%	1.00	1%