

Migros Sustainability Reporting 2010

GRI Content Index

Reporting according to GRI and Global Compact

Since publishing its first sustainability report in 2004 Migros has continuously extended its sustainability reporting. Today this has become integrated in the online reporting and has become part of the integrated company reporting.

The Migros Annual Report for 2010 discloses the main economic, ecological and social performances and is based on the guidelines of the Global Reporting Initiative GRI (G3). The extensive and linked GRI Index can be found on the Internet at www.migros.ch/m10.

The report also serves as a progress report in the sense of the Global Compact, which has been submitted by Migros each year since joining in 2006. This initiative of the United Nations (UNO) includes ten principles based on widely acknowledged values of good company management. www.globalcompact.org

GRI Application Level

The GRI certifies that the report is in accordance with the GRI standards at level B. The requirements for this were:

- in the «Strategy and Profile» section, the answering of all indicators (indicators 1.1 to 4.17);
- in the «Performance Indicators» section, data on the management approach for each category (economy, ecology, working practice, human rights, society, product responsibility), and
- the reporting on a total of at least 20 indicators (minimum one per category).

More information on the application levels is to be found on the GRI website. www.globalreporting.org

System limits

The system limits for collating the economic, ecological and social data have generally remained unchanged from the previous year. Facts and figures relating to employees apply to the entire Migros group. Facts and figures relating to the environment and consumption do, however, only apply to the Migros Cooperatives, the FMC, the industry and logistics companies of Migros. The aim is to extend the sustainability reporting to the Migros group in the following years.

Legend

● reported ● partially reported ● not reported ● core indicator ● supplement indicator

Profile disclosure and performance indicators	Reported	Cross-reference / Direct answer	Global Compact principle
1. Strategy and Analysis			
1.1 Chairman and CEO's statement	●	Chairman and CEO's statement	
1.2 Risks and opportunities	●	The Strategic Business Units Sustainability Progresses 2010	
2. Organizational Profile			
2.1 Name of organization	●	Migros Group	
2.2 Primary brands, products and services	●	Companies and Foundations	
2.3 Operational structure	●	Group Structure	
2.4 Location of headquarters	●	Headquarters of the Federation of Migros Cooperatives is Zurich.	
2.5 Countries of operation	●	Commerce > Distribution network	
2.6 Nature of ownership and legal form	●	Legal form	
2.7 Markets served	●	Commerce > Distribution network	
2.8 Scale of the organisation	●	Kex figures 2010	
2.9 Significant structural changes	●	Acquisitions and disposals	
2.10 Awards received	●	Awards	
3. Report Parameter			
3.1 Reporting period	●	The report covers the period from January 1st 2010 to December 31st 2010.	
3.2 Date of most recent previous report	●	The previous Annual Report was published 2009. Since then, the sustainability reporting is integral part of the annual reporting.	
3.3 Reporting cycle	●	The Annual Report is published annually.	
3.4 Report contact person	●	Federation of Migros Cooperatives, Issue Management & Sustainability Limmatstrasse 152, CH-8031 Zurich Tel: +41 44 277 23 42, E-Mail: isabel.specker@mgb.ch	
3.5 Report content: process for defining	●	The method suggested by the GRI for defining the relevance of topics was applied in this report. The following topics are relevant for Migros: a) significant economical, ecological and social effects; b) particular concerns of target groups. The topics are selected as part of the annual sustainability screening by the Issue Management & Sustainability unit from annual expert discussions with the respective experts and from findings from the Issue & Stakeholder Forum. The process takes into consideration the central stakeholders and their informational interests. Apart from customers and employees, these are, for instance, business partners, the media, social partners, authorities or non-government organizations (NGOs). The Migros Annual Report (Sustainability Report) primarily addresses professionals (persons responsible for sustainability, the media, social partners, authorities or NGOs). The interests of the customers and of the population as a whole are covered in an annual "Sustainability" supplement of the weekly customer magazine "Migros Magazin".	
3.6 Boundary of the report	●	The system limits used for measuring and assessing economic, ecological and social data are essentially unchanged from last year. Due to organizational reasons not all data with the same system limits are available. Employee figures refer to the Migros Group. Data regarding Environment & Society refer to the business segments Cooperative Retailing, Industry & Wholesaling and the Federation of Migros Cooperatives.	
3.7 Limitations on report scope	●	It is intended to extend the sustainability reporting in the medium term to all strategic areas of business. In 2011 a concept for sustainability reporting throughout the group will be established.	
3.8 Basis for reporting	●	The basis for reporting has not changed during the last financial year.	
3.9 Data measurement techniques	●	The report in general adheres to the indicators defined by the GRI. Where national legislation imposes other methodical procedures, the data collecting methods differ slightly	
3.10 Re-statements of information	●	see 3.11	
3.11 Significant changes in scope and methods	●	No relevant changes compared to previous years.	
3.12 GRI Content Index	●	Download section > Our responsibility	
3.13 Assurance	●	The financial report will be checked externally. In 2010/11, sustainability contents and facts and figures were checked for the first time internally.	
4. Governance, Commitments and Engagement			
4.1 Governance structure	●	Organisation	
4.2 Chair/ executive officer status	●	The chairman of the Board of Directors has no operational function.	
4.3 Board: non-executive directors	●	Board of Directors	
4.4 Board: mechanisms for feedback	●	Assembly of Delegates	

Profile disclosure and performance indicators	Reported	Cross-reference / Direct answer	Global Compact principle
4.5 Remuneration: senior executives	●	Remuneration	
4.6 Board: conflicts of interest	●	Board of Directors	
4.7 Board: qualifications and expertise	●	No specific processes for defining qualifications with regard to economic, social and ecological topics have been defined for other members of the FMC board. The new Issue and Stakeholder Forum set up in 2007 does, however, advise the Board of Directors on these issues. The forum looks at trends and current developments in society.	
4.8 Internal statements: mission and principles	●	Environmental and Social Policy Mission statement	
4.9 Board: oversight of performance	●	Board of Directors	
4.10 Board: evaluating own performance	●	No such processes have been implemented.	
4.11 Precautionary principle	●	Group Strategy	7
4.12 External charter/initiatives endorsed	●	Partnerships > Commitments	
4.13 Memberships	●	Partnerships > Memberships	
4.14 Stakeholder: list	●	Dialogue > Partnerships	
4.15 Stakeholder: identification and selection	●	Dialogue > Partnerships As part of the group strategy process the key stakeholders were identified: customers, employees, members of the Cooperatives, suppliers and society itself, including apart from the general public, also the media, authorities, the economy, politics and associations/NGOs. The specialist departments are in contact with various organisations, e.g. the Ecology dept. with different disposal organizations, Marketing with animal welfare associations, the Commercial Policy department with farmers' associations, the personnel department with internal and external social partners. The department Issue Management & Sustainability, for instance, identifies on one hand the main sustainability topics and looks for an exchange with organizations, operating in these areas. On the other hand it actively approaches NGOs, discusses their concerns, searches for mutual solutions, where possible and also enters into partnerships with NGOs from time to time – such as with the WWF.	
4.16 Stakeholder engagement: approaches	●	The specialist departments maintain a regular contact to their central interest groups. For this purpose they either look for a bilateral exchange (e.g. as part of the strategic partnership with the WWF the common steering committee meets three times a year), participate in interest groups (e.g. apart from regular meetings, the interest group Swiss Retail Trade also arranges meetings addressing specific topics) or set up their own committees (e.g. the Issue and Stakeholder forum, where 6 of the 12 members are external representatives, meets twice a year to discuss socio-political topics). The rhythm of contact ranges from once a week (Migros magazine) up to once a year.	
4.17 Stakeholder engagement: key topics	●	Dialogue > Partnerships The chapter Dialogue > Partnerships contains a selection of interest groups as well as their core interests. Within the WWF Climate Group member companies agree to meet climate protection goals – the climate protection measures are disclosed in the articles Energy & Climate as well as in the branches. Another issue for the WWF is bio diversity – Migros' accomplishments in this area are described in the article Biodiversity. Customers can air their concerns through various channels, for instance, through the Helpline M-Infoline and now also via the Online platform migripedia.ch. Migros address each individual concern – this is, for instance, apparent from a drink being offered in new packaging after requests from customers. As the specialist departments maintain a continuous exchange with the central interest groups and any issues and concerns are addressed during the year, such matters are not as yet systematically considered as part of the Sustainability Reporting.	
ECONOMIC PERFORMANCE INDICATORS			
Management Approach	●	Environmental and Social Policy Mission statement Group Strategy	
EC1 Economic value generated	●	Download > Financial Reporting Migros Group: see added value statement p. 27	
EC2 Climate change: financial risks	●		(7, 8)
EC3 Benefit plan obligations	●	The Migros pension fund, based on optimisation of benefits, provides a high-level of insurance benefits. The old-age pension paymentfor staff having contributed all their working life is 74 percent of the final salary. Two-thirds of the pension funds contributions are paid by the employer. With an employer's contribution rate of 17 percent (employee: 8.5 percent of gross wage) contributions made by Migros are by far above the average for companies in Switzerland. Migros also pays for the old-age reserve pension allowing early retirement for staff at all levels.	
EC4 Financial assistance from government	●		
EC5 Entry level wage	●		(6)
EC6 Locally-based suppliers: Policies, spendings	●	Sustainable Labels > From the Region	
EC7 Local hiring policy	●	Collaborators > Nationalities and Nations Migros has defined no specific procedure for personnel operating abroad. When recruiting and hiring staff, Migros applies the principle of treating all employees equally, irrespective of their origin and nationality. Migros also applies the universal principle of not discriminating against any employees along the entire value-added chain from the start to the termination of employment.	(6)
EC8 Infrastructure developments	●	Migros Culture Percentage	
EC9 Indirect economic impacts	●	Migros Culture Percentage Sustainable Labels > From the Region	
ECOLOGICAL PERFORMANCE INDICATORS			
Management Approach	●	Environmental and Social Policy Mission statement Group Strategy	
EN1 Materials: used	●		(8)
EN2 Materials: recycled input materials	●		8, 9
EN3 Energy: direct energy consumption	●	Energy and Climate The total energy consumption for 2010 of 1'630 MWh (5.900 TJ) can be split into 622 MWh (2.200 TJ) of direct energy consumption and 1'009 MWh (3.600 TJ) of indirect energy consumption. The direct energy consumption from primary energy for 2010 amounted to: 106 GWh (381'600 GJ) fuel, 85 GWh (306'000 GJ) heating oil, 394 GWh (1.4 Mio. GJ) natural gas, 4 GWh (14'400 GJ) refuse-derived fuel, 25 GWh (90'000 GJ) regenerable fuel (wood), as well as 8 GWh (28'800 GJ) bio fuel. The Migros companies involved in the sustainability report do not produce any direct energy sources.	(8)
EN4 Energy: indirect energy consumption	●	Energy and Climate The electricity consumption for 2010 amounted to 957 GWh (3.1 million. GJ) (according to the Swiss consumption mix: 41% nuclear power, 34% hydroelectric power, 2% fossil fuels (predominantly natural gas), 2% waste, 21% non-verifiable energy sources). Green power certificates were purchased for 89 GWh (320'400 GJ). The energy consumption from long-distance heating amounted to 52 GWh (187'200 GJ) (mostly waste incineration, average. CO2 factor 8.2 g/kWh). Migros produced 240 MWh of solar energy fed directly into the grid.	(8)
EN5 Energy: efficiency savings	●	Energy and Climate Sustainable Construction: Stores	8, 9
EN6 Products: energy-efficient or renewables	●	Sustainable Labels Sustainable Construction: Stores	8, 9

Profile disclosure and performance indicators	Reported	Cross-reference / Direct answer	Global Compact principle
EN7 Indirect energy consumption	●	Energy and Climate Sustainable Construction: Stores	8, 9
EN8 Water: consumption	●	Figures and Charts > Section Disposal and Water Figures Water consumption for the year 2010 amounted to 7.5 million m3. 100% of the water consumption is from public drinking water supplies.	
EN9 Water: sources	●	The water consumption is exclusively from the public water supply. No water sources are considerably affected by the operational water consumption. Water consumption is no problem in Switzerland and has been decreasing in Switzerland and within Migros.	
EN10 Water: recycled	●		8, 9
EN11 Biodiversity: land usage	●	There is no knowledge of any buildings being located in or adjacent to zones with increased bio diversity.	(8)
EN12 Biodiversity: impacts on	●	Biodiversity Migros does not operate in any conservation areas. No major effects on the bio diversity in conservation areas and areas with a high bio diversity value are known. In order to make a contribution to the biological diversity in settlement areas Migros has by now adopted an eco-friendly design for 8 company sites and has had these certified by the foundation "Nature & Science".	(8)
EN13 Biodiversity: habitats protected or restored	●	Biodiversity	8
EN14 Biodiversity: managing impacts	●	Biodiversity	8
EN15 Biodiversity: red list species	●		
EN16 Greenhouse gas emissions: direct and indirect	●	Energy and Climate	(8)
EN17 Greenhouse gas emissions: other indirect	●		(8)
EN18 Greenhouse gas emissions: reduction	●	Energy and Climate	8, 9
EN19 Ozone-depleting substances by weight	●	Energy and Climate Sustainable Construction: Stores	(8)
EN20 NOx & SOx, and other significant air emissions	●	Ecological Transports	(8)
EN21 Wastewater: discharge (quality and destination)	●	The wastewater does not represent a hazard for the environment and is generally discharged into municipal wastewater treatment plants without any special pretreatment. Companies producing higher pollution loads operate their own preliminary clarification. (e.g. ELSA, Micarna). As part of environmental controlling the volume of wastewater produced by the Federation of Migros Cooperatives, the FMC and the industry and logistics companies is recorded annually.	8
EN22 Waste: total weight and disposal method	●	Disposal > Section Operational Waste From the 208'000 tons of industrial waste generated in 2010, 145'000 tons (69%) were reused through material recycling, animal food, fermentation and composting. 61'000 tons (29%) were combusted in incinerator plants, internal combustion or cement works). 2'000 tons (1%) were disposed of on a waste disposal site after treatment (e.g. ash). 2% of all industrial waste were disposed of correctly as special waste (batteries, electronic scrap, as well as other special waste and waste subject to regulatory controls).	8
EN23 Significant spills: total number and volume	●		(8)
EN24 Hazardous waste: transported weight	●		(8)
EN25 Affected water bodies	●	see EN21	(8)
EN26 Products: environmental impacts reduction	●	Sustainable Labels Sustainable Construction: Stores	8, 9
EN27 Products/packaging: percentage	●	Disposal > Section Operational Waste	8, 9
EN28 Non-compliance environmental laws	●	No significant non-compliance of environmental laws is known.	(8)
EN29 Transport: environmental impacts of transport	●	Energy and Climate Ecological Transports	(8)
EN30 Environmental protection expenditures	●		8
SOCIAL PERFORMANCE INDICATORS: LABOR PRACTICES AND DECENT WORK			
Management Approach	●	Environmental and Social Policy Staffing policy Working at Migros	
LA1 Workforce: employment type, contract, region	●	Collaborators > Figures and Charts > Section Human Resource Management Migros Group	
LA2 Employee turnover by age group, gender, region	●	Collaborators > Human Resource Management > Workforce and Staff Movements	6
LA3 Employee benefits	●	All employees who are part of the country-wide collective agreement receive the same additional benefits. There is no difference between full and part time positions.	(6)
LA4 Collective bargaining agreements	●	Collaborators > Social Partnership/GAV > Subordination to Collective Work Agreements	(1), 3
LA5 Operational changes: minimum notice period	●		3
LA6 Health & safety: workforce in committees	●		
LA7 Health & safety: rates of injury, lost days	●	Collaborators > Work and Health > Working Hours, Health and Absences	
LA8 Health & safety: prevention of serious diseases	●		
LA9 Health & safety: agreements with trade unions	●	Within Migros' national collective agreement an occupational health management was agreed with the social partners beyond the classical issues such as occupational safety and health. The occupational health management which respects both working conditions and individual health behavior, was elaborated in collaboration with employees and social partners.	
LA10 Training & development: hours per	●		
LA11 Training & development: lifelong learning	●		
LA12 Training & development: performance reviews	●		
LA13 Diversity statistics	●	Collaborators > Human Resource Management	(1), 6
LA14 Remuneration: basic salary men - women	●		(1), 6
SOCIAL PERFORMANCE INDICATORS: HUMAN RIGHTS			
Management Approach	●	Environmental and Social Policy Staffing policy	
HR1 Human rights: significant investments screening	●	The BSCI standard, demanding and assuring the protection of human rights according to the Universal Declaration of Human Rights of the UN forms an integral part of all agreements. As Migros already applies the respective standard since 1997, this also includes long-term contractual relationships.	1, 2, (4), (5), (6)
HR2 Human rights: procurement screening	●	Production Conditions	1, 2, (4), (5), (6)
HR3 Human rights: employee training	●		1, (4), (5)
HR4 Discrimination: number of incidents	●		
HR5 Freedom of association: right at risk	●	Production conditions > Section BSCI Neither Migros nor independent audit firms commissioned with the monitoring and control of the BSCI standard, have detected any business activities potentially endangering the freedom of association and right to collective bargaining. Activities that could contain such a potential hazard are generally already excluded from the business activities of Migros via the Pre-Clearance Compliance.	1, 6
HR6 Child labour: operations with significant risk	●	HR6 The information of HR 5 also apply to child labor.	1, 5
HR7 Forced labour: operations with significant risk	●	HR7 The information of HR 5 also apply to forced labor.	1, 4

Profile disclosure and performance indicators	Reported	Cross-reference / Direct answer	Global Compact principle
HR8 Human rights: security personnel trained	●	The safety measures of Migros are based on the standards of international human rights as well as the laws and occupational standards of the country or of the countries, in which they apply, and are solely used for the prevention of risk and to avert danger. All of the safety personnel is continuously trained and instructed on this basis and is obliged to observe the physical and psychological integrity of all people without restriction and to refrain from any type of physical or psychological force.	1, 2
HR9 Indigenous people rights: incidents	●	The areas of business of Migros do not cover areas in which the interests or traditions of original inhabitants could be violated. Neither Migros nor third parties have made any statements that affect or could even violate the business activities of Migros and the rights of original inhabitants.	1
SOCIAL PERFORMANCE INDICATORS: SOCIETY			
Management Approach	●	Environmental and Social Policy Staffing policy	
SO1 Impacts of operations on communities	●	Migro Culture Percentage The Migros Culture Percentage is a voluntary commitment of Migros in the areas culture, society, education, leisure and economy. Its institutions, projects and activities, allow the population at large access to cultural and social benefits.	1
SO2 Corruption: number of business units analyzed	●	Migros Group operates a comprehensive risk management, which also analyses and reports ethical risks. The degree of cover is nearly 100 %. Corruption risks are, however, not mentioned directly.	10
SO3 Anti-corruption: training	●	When hiring new staff, terms of employment are pointed out. The terms of employment for management staff include points for combating corruption.	10
SO4 Corruption: actions taken in response to	●	An anti-corruption guideline can be found at www.arbeiten-bei-migros.ch . Respective provisions can also be found in the Purchasing Manual and in the Terms of Employment for management staff.	10
SO5 Public policy development	●	Economic Policy	(10)
SO6 Political contributions: total value	●	Migros on principle does not support any political parties and does not support individual candidates in their election campaign. Migros does, however, support projects of organisations and associations.	(10)
SO7 Legal actions: anti-competitive behavior	●	Due to its acquisitions, Migros is in constant contact with cartel authorities (merger control). There are currently no known antitrust proceedings involving Migros.	
SO8 Non-compliance: significant fines	●	No significant cases known.	
PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS			
Management Approach	●	Environmental and Social Policy Product Quality	
PR1 Products: customer safety assessments	●	Based on risk assessments, new products are checked by SQTS (Swiss Quality Testing Services) for relevant criterias and released.	
PR2 Non-compliance: customer health & safety	●	Product Quality Migros complies with product safety regulations and implements all reasonable measures to ensure consumer welfare. In 2010 Migros carried out a total of 12'000 product analyses. 12 products had to be recalled.	
PR3 Products: information requirements	●	The statutory regulations according to Swiss law must be fully complied with by all suppliers. 100% of the in-house brands must fulfill additional Migros requirements as regards labeling. Migros provides suppliers with information regarding declaration/marketing of products. These are specified in the M Declaration regulations and the M Dating Regulations. Die Lebensmittelkennzeichnungsverordnung z.B. regelt sämtliche gesetzlich obligatorischen Angaben auf den Verpackungen wie Zutaten und Herkunft.	(8)
PR4 Non-compliance: product information	●		(8)
PR5 Customer satisfaction	●	Customer and pedestrian surveys are carried out on an anual basis. The analysis shows which performance criteria are important to customers, the figures Migros achieves compared to the competition and how customer appraisalment changes over the course of time with regards to the location. In addition, the respondents can suggest improvements.	
PR6 Marketing communications: voluntary codes	●		
PR7 Non-compliance: marketing communications	●	There are no known relevant procedures or infringements of the law.	
PR8 Customer complaints: customer privacy	●	There are no known relevant incidents.	
PR9 Non-compliance: provision of products	●	There are no known relevant incidents.	



Statement GRI Application Level Check

GRI hereby states that **Migros** has presented its report "Migros Annual Report 2010" to GRI's Report Services which have concluded that the report fulfills the requirements of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

18 April 2011, Amsterdam

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of the GRI logo in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

***Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 16 March 2011. GRI explicitly excludes the statement being applied to any later changes to such material.*