

About this report

As a large group of companies and service providers, Migros is in constant contact with people and its environment in various ways.

In addition to Migros' economic performance and its asset, financial and earnings position, this report also highlights its roots in the natural and man-made environment and its interactions with society and various stakeholders. Migros has a clear concept of value creation and manages the company accordingly.

Financial reporting

These Migros Group financial statements have been prepared in accordance with the provisions of the law and the Swiss GAAP FER financial reporting standards. With the aim of ensuring maximum transparency for the reader, the Migros Group has decided to increase its reporting and disclosure requirements in many areas in accordance with Swiss GAAP FER. Swiss GAAP FER provides a framework for financial reporting that is as transparent as possible, clearly comprehensible and geared towards the needs of the reader.

The main accounting principles can be found in the PDF Migros Group Financial Report, available in the Download Center. The financial reports of the Migros Group are available in English, German and French. The German version is authoritative.

The Federation of Migros Cooperatives is committed to responsible, purposeful and integrated governance.

Governance

The information that we provide about governance describes the overall organisational and contextual structuring of the management and supervision of a cooperative. The Federation of Migros Cooperatives is committed to responsible, purposeful and integrated governance. It therefore voluntarily adheres to the provisions of economiesuisse's "Swiss Code of Best Practice for Corporate Governance", to the Corporate Governance Directive of the SIX Swiss Exchange (DCG) and, where appropriate, to the Federal ordinance against excessive pay (VegÜV). Any deviations from these provisions are referred to in the report.

Sustainability Reporting

Sustainability reporting is an integral part of the Annual Report. In this reporting, Migros discloses its main economic, ecological and social contributions in accordance with the Global Reporting Initiative (GRI) standard and the ten principles of the Global Compact of the United Nations (UN Global Compact). This applies to the chapters Environment, Products, Employees, Society & Culture.

Standard Global Reporting Initiative (GRI)

Migros bases its sustainability reporting on the guidelines of the Global Reporting Initiative (GRI). It has been applying the reporting profile G4 "comprehensive" since 2013 (previously: G3). Migros also applies the additional guidelines for the food processing industry.

The reporting option "comprehensive" ensures that all implementation indicators are reported on for all relevant issues, along with the company's internal structures and processes.

The GRI Content Index with details about all relevant issues can be found [here](#).

GRI has performed a Materiality Disclosures Service for this report. On the basis of the GRI G4 requirements for sustainability reporting, the service confirms that the standard information G4-17 to G4-27 have been disclosed correctly in the report and in the GRI Content Index.

UN Global Compact progress report

This Annual Report serves as a progress report (Communication on Progress, COP) within the meaning of the UN Global Compact (UNGC). The GRI Content Index provides information on the fulfilment of the ten principles of the UNGC.

Determination of the relevant issues

To determine the relevant sustainability issues, Migros relies on regular dialogue with important stakeholder groups, such as customers, employees, cooperative members, business partners, political parties, NGOs, the media and academic bodies.

The dialogue takes many different forms, ranging from the M-Infoline for customers, to staff surveys, through to association memberships and political discourse (*GRI G4-26*). This active communication with stakeholders helps Migros understand trends and expectations at an early stage and identify social risks. More information about the dialogue with stakeholders can be found at [In dialogue with Migros \(GRI G4-24, G4-25, G4-26\)](#). An [overview of the memberships and partnerships](#) provides information about the different stakeholder groups with which Migros maintains close and regular dialogue (*GRI G4-26*).

In 2015, the oekom Rating and the WWF Retailer Rating provided some valuable pointers for further improvement, such as when implementing environmental requirements along the supply chain. Migros used the results and the feedback to identify future issues, make progress on ongoing projects and initiate new ones.

In early summer 2015, Migros conducted a survey among external stakeholder groups (*GRI G4-26*). The aim of the survey was to find out their expectations for Migros' sustainability reporting, determine the potential for improvement and identify the relevant issues for the 2015 reporting. In the first part, the approximately 50 respondents categorised the main sustainability issues for

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respondents assessed the main sustainability issues for Migros.

Migros in the areas of consumption, environment, employees and society according to their relevance. They also explained why certain issues are particularly important to them. In the second part, the respondents named issues that Migros has not previously addressed in its sustainability reporting. It was found that the stakeholders' expectations were mostly met for the issues covered in the 2014 report. The stakeholders expressed a desire for more information in areas such as vegetarian and vegan products as well as allergies and intolerances. This requirement is met by the 2015 report, in the chapters Consumption and Processing.

On the basis of the GRI G4, the Issue Management & Sustainability Department has prioritised the results of the survey according to their relevance for Migros (*GRI G4-26*). The issues were compared with the main expectations of Migros' most important stakeholders and then categorised into whether an issue is relevant within or outside of the company (*GRI G4-20, G4-21*). The graph shows the result of this process. When generating the 2015 report, Migros focused on the 2nd quadrant (main internal and external GRI issues). The issues in the 1st (main external) and 4th quadrant (main internal) were partially considered in consultation with internal specialists. (*GRI G4-19, G4-27*).

Materiality Matrix M15 (basis: GRI G4)



Independent review

Mitreva Interne Revision AG has reviewed the statements and key indicators in the Annual Report. It also reviews the Generation M sustainability programme progress report on a semi-annual basis, and carries out an annual review of the processes used to implement the basic requirements.

The CO₂ burden and energy efficiency environmental key indicators are assessed annually by the independent Energy Agency for the Economy (EnAW). In addition, the Federal Office for the Environment (FOEN) and the Swiss Federal Office of Energy (SFOE) conduct implementation audits at selected companies each year as part of the targets agreed for energy efficiency and CO₂ reduction. On average this affects two to three Migros Group companies per year.

The editorial deadline for the key indicators was 30 March 2016. As some environmental key indicators had not been finalised by that point, there may be an update after the Annual Report is published online on 13 April 2016. Updated key indicators will be highlighted accordingly.

For the environmental key indicators, the previous year's figures are adjusted each year due to improved underlying data. As a result, the values in this report may differ from those in previous years' reports.

Reporting Limits

The details in this report generally relate to the entire Migros Group, except where otherwise stated. The sustainability reporting focuses on the strategic business units Cooperative Retailing (core business) and Industry & Wholesaling (GRI G4-17).

Cooperative Retailing includes the branches and operating centres of the ten regional Migros Cooperatives, the Federation of Migros Cooperatives (FMC), and the national distribution centres of Neuendorf and Suhr (the Migros leisure facilities and tegut... are not included). The Industry & Wholesaling Department comprises 27 companies (21 in Switzerland and 6 abroad). With these two strategic business units, Migros generates around 74% of its sales and employs close to 80% of its staff.

The strategic business units Commerce, Financial Services and Travel are only partially covered in the sustainability reporting (*GRI G4-20*). Selected figures for individual companies on the basic requirements for suppliers and product range are taken into account. Some of the relevant published figures on energy consumption and greenhouse gas emissions for the entire Migros Group are still based on estimates for the strategic business units Commerce, Financial Services and Travel. Due to the basic requirements for corporate environmental protection, the underlying data is becoming more complete and precise.

The sustainability reporting covers the following issues and business units (*GRI G4-17, G4-18*):

Strategic Business Units					
Chapter	Cooperative Retailing	Industry & Wholesaling	Commerce	Financial Services	Travel
Consumption					
Employees					
Products					
Environment					
Society					
Share of Sales	58 %	17 %	20 %	2 %	4 %
<div><div></div> full reporting</div> <div><div></div> partial reporting</div>					