

In Dialogue with Migros

As Switzerland's largest retailer and private employer, Migros is in touch with numerous stakeholder groups. By maintaining active dialogue with its stakeholders, it can identify issues in society at an early stage.

From customers, employees, cooperative members and business partners, to representatives of NGOs, political parties, the media and science – Migros is in dialogue with many stakeholders. An overview of the company's main **memberships and partnerships** can be found on the [Migros website](#).

The dialogue with stakeholders is an important element in defining and implementing the company's objectives. It reflects Migros' commitment to **corporate responsibility**, an **open corporate culture** and a **preventive approach to societal risks**. Alongside institutional forms of communication, such as customer magazines, partnerships and association memberships and initiatives, Migros engages in social dialogue with all relevant stakeholders that are interested in open and fair communication.

Migros has been a member of the **Sustainable Agriculture Initiative Platform** (SAI Platform) since 2015. The platform is the largest global initiative in the food and retail industries for the sustainable production and procurement of agricultural raw materials. This year, Migros will participate on a rice project in Italy and a strawberry project in southern Spain in collaboration with the SAI platform.

Together with the **Energy Agency for the Economy (EnAW)**, Migros agreed new energy-efficiency and CO₂-reduction targets in 2015 with its subsidiaries Galaxus (incl. Digitec), LeShop and the meat and sausage specialist Rudolf Schär from eastern Switzerland.

As part of its mandate as a business adviser to the **Health Promotion Switzerland** foundation, Migros played a part in the evolution of the quality label **Friendly Work Space** in 2015. It represented the interests of the company when addressing new issues and, among other things, helped ensure a high level of practical relevance when measuring the effectiveness of the implemented measures.

Customers

Customers are Migros' **largest group of stakeholders**. Migros counts around 441 million customer contacts at the checkout each year. Customer satisfaction determines the long-term success of the company.

Migros therefore engages in open dialogue with customers to identify their

expectations at an early stage. With its **weekly newspapers** (Migros-Magazin, Migros Magazine, Azione) and **magazines** (Saisonküche, Vivai) and the associated websites, Migros reaches a large readership.

Another effective communication channel is **M-Infoline**, which allows customers to share their suggestions or opinions about products. M-Infoline recorded around 151'300 contacts in 2015. Customers provided some very positive feedback on the recycling systems in the branches and also showed an interest in the origin of the products. For instance, they praised the fact that the chicken in some Anna's Best salads now originates from Swiss production.

There was some negative feedback in the area of packaging materials, especially for the plastic packaging used on organic fruit and vegetables. This packaging is necessary because of the legal requirement to separate conventional and organic products. With regard to origin, some customers complained that Migros does not source all of its products – especially fruit and vegetables – from Switzerland.

Lively discussion also takes place on social media platforms such as **Facebook** and **Twitter**. Lactose- and gluten-free products, as well as vegetarian and vegan products, were popular talking points in 2015. With **Migipedia**, Migros offers its customers the opportunity to help design the product range: Migipedia users can rate products on the platform and also suggest new ones.

Since the launch of **Migipedia** in 2010, customers have helped develop more than 50 products or have suggested product improvements. In the reporting year, the users designed a chestnut-flavoured muffin and a chai-flavoured syrup, for example. Due to widespread customer feedback, Migros changed the recipe of the Bon Chef vegetable bouillon back to an old recipe.

M-Industry also maintains regular dialogue with its business customers. For example, in the 2015 financial year it created its own **sustainability report** for the first time. The report, which will be published in June 2016, demonstrates M-Industry's broad commitment to meeting the sustainability targets.

Employees

The Migros Group employs a total of 100'373 people in Switzerland and abroad. In Switzerland, 64.1% of the 87'383 employees benefit from **exemplary and progressive working conditions**, which are governed in the three collective labour agreements "L-GAV Migros", "GAV in globo" and "GAV Travel".

In the reporting year, Migros trained **3'700 trainees** in more than 50 different professions in 39 retail, industrial, logistics and service companies.

Migros operates a **systematic occupational health management system**. This has earned many companies the Friendly Work Space label. The label is awarded to companies that make an active commitment to a healthy working

"Thanks to Migipedia, customers can have a real influence on Migros: whether with criticism, praise or an idea for a product. Migros listens to everyone and many of the ideas have already been implemented!"

Migipedia user "Imperator"

"I have a say in the decisions of the committee and contribute towards harmonising the concerns of employees with those of the company."

Patrick Avanthay, Employee Representative

environment and healthy employees.

The **FMC Board of Directors** is the main control body of the Migros Group. It includes **two staff representatives**, who share the concerns of their fellow employees.

Cooperative Members

By converting Migros into a cooperative in 1941, Gottlieb Duttweiler demonstrated his pioneering spirit. As a cooperative, Migros is not obliged to serve the interests of investors. Instead, it is dedicated to **socially sustainable growth for the benefit of all**.

At the end of 2015, Migros had more than two million cooperative members in its ten regional Cooperatives. These members are equal **co-owners** of their regional cooperative. In the annual ballots, the members decide on issues such as the approval of the annual financial statements, the distribution of the net profit and the formal approval of the executive bodies. The statutory bodies are elected every four years. The members are kept regularly informed of the latest events in their regions via Migros' own media and the Cooperative Councils.

"Even in difficult economic times, Migros maintains its commitment to environmental protection and culture and meets its social responsibilities – completely in line with the spirit of Duttweiler."

Ines Wolfisberg, Delegate of
Migros Geneva

Business partners

Alongside maintaining strict quality and safety standards, Migros regards it as important to ensure that its products are made in **socially responsible**, safe working conditions and originate from **environmentally sustainable sources**. It meets these requirements by working closely with suppliers and manufacturers in Switzerland and abroad.

Migros promotes continued development of **workers' rights** as a member of various bodies and develops solutions for **improving local working conditions** together with suppliers. In the reporting year, the Code of Conduct of the Business Social Compliance Initiative (BSCI) was revised with the help of specialists from Migros.

"We make it clear to fisherman that protecting the oceans and preserving our natural resources will ultimately benefit us all."

Migros also collaborates with numerous **trade associations**. For example, in a partnership with the **Marine Stewardship Council (MSC)**, it helped anchovy fishermen in Spain to implement the MSC guidelines. In Switzerland, Migros has been cooperating with **IP-Suisse**, the association of Swiss integrated production farmers, since 2008 under the TerraSuisse label.

Sinforiano de Mendieta,
Spanish entrepreneur & Migros
partner

Politics

Migros engages in political dialogue at various levels, especially on **issues relating to the economy, agriculture, consumption, the environment and food**. It represents the interests of the company and consumers to political authorities, parties and organisations. Migros also shares its concerns and expertise directly in political debate.

Due to the abandonment of the cap on the euro to Swiss franc exchange rate by the Swiss National Bank (SNB), the price differential with other European countries widened in 2015. There was also a significant rise in shopping tourism as the industry's competitiveness weakened. Against this backdrop, Migros called for better market conditions and constructive solutions such as a sensible Foodstuffs Ordinance and the elimination of **barriers to trade that have the effect of increasing prices**. At the same time, it opposed new requirements applying only in Switzerland as well as higher taxes and levies. Migros also campaigned for **more consumer-friendly store opening hours** and the important issue of open and competitive agriculture in Switzerland.

"Employees are the backbone of our economy. Offering fair working conditions and good development opportunities is important and in companies' own interests."

Federal Councillor Simonetta Sommaruga, Micarna visit

Together with the Swiss retail stakeholder group IG DHS, Migros supported a **revision of the environmental legislation**, an indirect counterproposal to the "Green Economy" public initiative, but it was ultimately rejected by the Federal Parliament. In addition, Migros showed its support for a constitutional provision governing a **climate- and energy-control system**.

Non-governmental organisations

Migros maintains **constructive dialogue** with numerous non-governmental organisations (NGOs), with the aim of identifying early on which topics they address and picking up interesting ideas.

Migros also collaborates with NGOs on specific projects and issues. For example, it makes a commitment to implementing Swiss animal welfare standards abroad in conjunction with with **Swiss Animal Protection (SAP)**. SAP supports the company with its expertise and audits the foreign companies locally. In 2015, the Swiss animal welfare standard was introduced at 36 poultry plants in Hungary and Germany.

"During our visit to the Migros partner companies in Hungary, we saw that they are making an important contribution towards improving animal welfare abroad."

In addition, Migros supported the child and youth projects of **WWF** as part of the **strategic partnership** between the two organisations. The focus was also on discussing the procurement of sustainable raw materials and products, as well as on climate protection. Migros kept its Generation M promise of getting at least 1'000 employees on board for a WWF nature project by 2015. Between 2011 and 2015, 1'034 staff took part in a nature project and preserved valuable countryside in biodiversity hotspots, i.e. in regions that are home to a large number of endemic plant and animal species and whose habitats are particularly endangered.

Mira Gelehrter, Veterinary Surgeon at Swiss Animal Protection (SAP)

The main topic during the discussions with **Greenpeace** was textile production that is environmentally and socially sustainable and traceable. Among other things, the requirements of the Eco Label were discussed, which was introduced by Migros in 1996.

Danièle Gosteli Hauser, Head of Business and Human Rights at Amnesty International Switzerland, gave a talk on the planned group responsibility initiative to around 150 participants at the internal Migros sustainability summit. The initiative has been launched to complement existing ones such as the Business Social Compliance Initiative (BSCI).

Media professionals

As Switzerland's largest retailer, Migros is a popular partner for the media. In the reporting year, some **2'200 enquiries** from media professionals were received by the media office of the Federation of Migros Cooperatives (FMC).

The office was mostly asked about issues such as vegetarian/vegan food, allergens and intolerances, food waste and animal welfare. Migros was also asked for information and opinions on day-to-day headlines such as the active agent glyphosate in pesticides, the abandonment of the Swiss franc cap against the euro and strategic decisions by management.

It also sought to engage in dialogue itself with media professionals. At the **financial press conference**, it announced its results for the year and provided information about the marketing initiative "From us. From here". M-Industry communicated its results at an annual **press breakfast**, during which it also introduced its new **sustainability strategy**.

Science

Migros continuously refines its products and production processes. It also promotes scientific research. To this end, the specialists in the individual departments maintain close dialogue with **universities** and other **research institutions**, with the aim of improving raw materials and food and improving the processing methods.

During the reporting year, various **projects** were conducted with research partners such as the Swiss Research Institute of Organic Agriculture (FiBL) and Agroscope. This enabled, for example, the development of alternative pest control methods for pollen beetles, one of the most common pests in rapeseed cultivation.

Saviva and the hotel school Ecole hôtelière de Lausanne (EHL) signed a three-year **partnership agreement** in 2015. As part of this agreement, the **Saviva Food & Beverage Chair** was established, which carries out research projects for innovation and sustainable development in the field of catering and hospitality.

Since 2015, the M-Industry companies have also been supporting an **ETH professorship** for sustainable food processing. The newly appointed assistant professorship researches the development of new procedures for making the production of food more environmentally friendly and sustainable. This covers the entire product cycle, from the molecules through to the food on the store shelves.

Migros regularly receives enquiries from students who are interested in the company as part of their studies. The **Migros Environment Award** was presented for the first time in the reporting year. The award promotes Bachelor's and Master's theses that address environmental and climate issues along the value chain and lead to innovative and practical solutions.

2'200 enquiries

from media professionals were received by the media office.

"The world will not be able to feed itself with its current nutritional mix in the future. We are therefore researching food security at global level."

Prof. Alexander Mathys, Chair of Sustainable Food Processing, ETH Zurich

