

# 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 in many areas to impose stricter reporting and disclosure requirements than those stipulated by 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.

# Governance

The information about governance describes the overall organisational and contextual structuring of the management and supervision of Migros, a cooperative structure. 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, the Corporate Governance Directive of the SIX Swiss Exchange (DCG) and, where appropriate, 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 sustainability efforts in accordance with the Global Reporting Initiative (GRI G4) 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](#) and [Health](#).

### Global Reporting Initiative (GRI)

Migros bases its sustainability reporting on the guidelines of the Global Reporting Initiative (GRI). It applies the reporting profile G4 "comprehensive" and 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 can be found [here](#).

## **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**

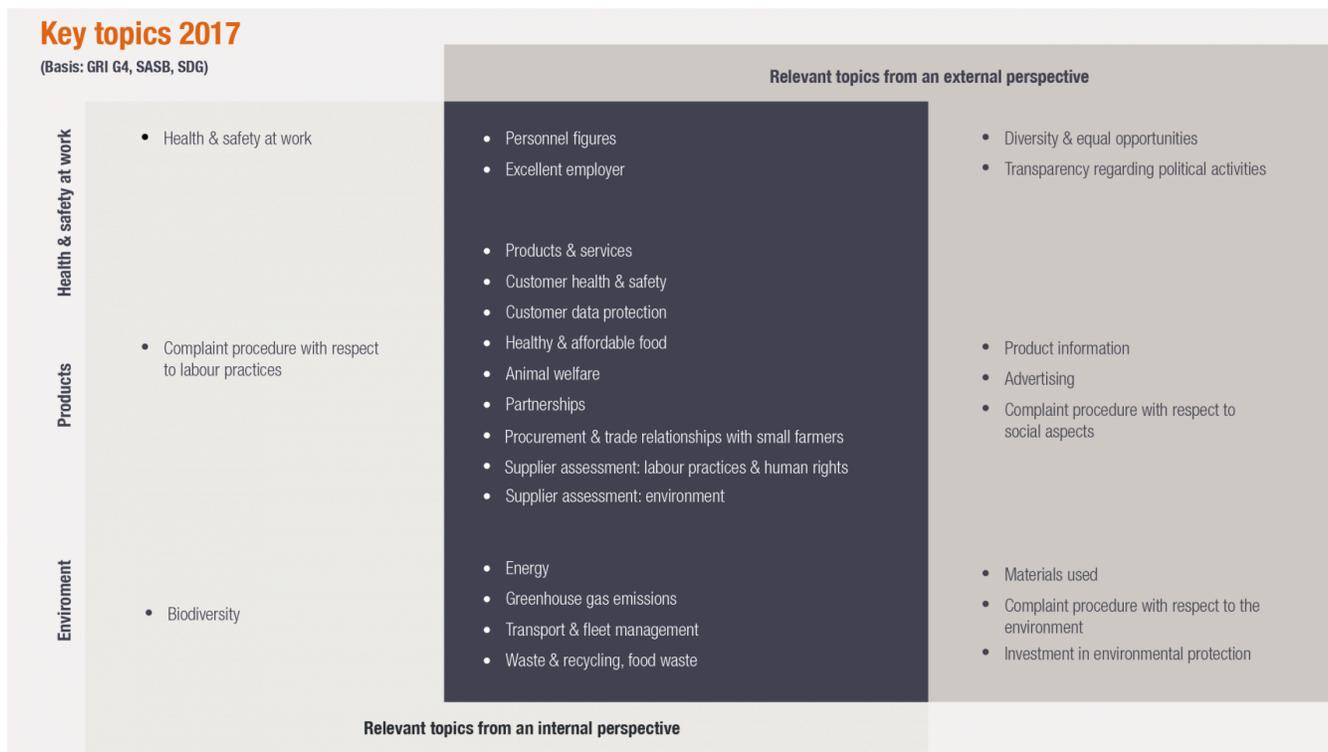
To determine the relevant sustainability issues, Migros relies on regular dialogue with its main stakeholder groups, such as customers, employees, cooperative members, business partners, political parties, NGOs, the media and academic bodies. Detailed information can be found at [In Dialogue with Migros](#) and in the [overview of partnerships and memberships](#).

In the reporting year, two workshops were held with representatives of scientific institutions, political parties, the media and NGOs, and suppliers and students. The aim was to gain a better understanding of the target groups' preferences in terms of the reporting, and to use these as the basis for improvement. Some of the suggestions (e.g. to make it more focused and less detailed) have been incorporated in the current report.

On the basis of the GRI G4 guidelines with the Sector Supplement for food processing, Migros has prioritised the results of its dialogue with the stakeholder groups according to their relevance. The sustainable development goals (SDGs) of the United Nations and the principles of the Sustainability Accounting Standards Board (SASB) for the food industry (Food Retailers & Distributors) were also taken into account when selecting the key issues.

## Key topics 2017

(Basis: GRI G4, SASB, SDG)



## Independent review

Mitreva Treuhand und 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 in Switzerland (including the Migros Group companies) each year as part of the targets agreed for energy efficiency and CO2 reduction.

The editorial deadline for the key indicators is 20 March 2018. As some environmental key indicators have not yet been finalised, there may be an update after the Annual Report is published online on 27 March 2018. 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. The same applies to the figures in the chapter Products.

## **Reporting limits**

The details relate generally to the entire Migros Group, except where otherwise stated. The sustainability reporting focuses on the strategic business units (SBUs), Cooperative Retailing (core business) and Industry & Wholesaling.

The strategic business units Commerce, Financial Services and Travel are partially covered in the sustainability reporting. Selected figures for individual Migros Group companies, such as those relating to the basic requirements for suppliers and product range or to selected milestones for individual 2020 objectives, are taken into account. The published figures on energy consumption and greenhouse gas emissions for the Migros Group are in part still based on estimates for the SBUs 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:

## Strategic Business Units

Chapter	Cooperative Retailing	Industry & Wholesaling	Commerce	Financial Services	Travel
Consumption	full reporting				
Employees	full reporting				
Products	full reporting		partial reporting		
Environment	full reporting		partial reporting		
Society	full reporting				
<b>Share of Sales</b>	<b>58%</b>	<b>16%</b>	<b>21%</b>	<b>2%</b>	<b>3%</b>

full reporting
  partial reporting