

## Products

# Cultivation & Raw Materials

Migros is committed to the responsible procurement of raw materials. In 2017, three Migros Group companies signed the memorandum of understanding of the Swiss platform for sustainable cocoa.

Migros considers it important to use raw materials that have been grown or extracted with **respect for people, animals and the environment**, and which are traded fairly. To achieve this objective, all Migros Group companies are gradually implementing the same basic requirements for suppliers and product ranges in addition to their individual procurement policies. Migros also contributes to meeting industry-wide goals through national and international standards.

## Sustainable agriculture

In 2017, Migros made efforts to **reduce the use of pesticides in farming**, worked with different partners to increase environmentally and socially sustainable cultivation of bananas and rice, and audited fruit and vegetable producers from the Mediterranean in accordance with GlobalGAP GRASP.

It also supported **various research projects** aimed at making agriculture more sustainable. For example, the Research Institute of Organic Agriculture (FiBL) and the federal government's centre of excellence for agricultural research (Agroscope) tested fungi that infects the pollen beetle and renders it harmless to organically grown rapeseed.

## Platform for sustainable cocoa

The Swiss Platform for Sustainable Cocoa was launched in the reporting year. Its objective is to increase **sustainability in the cocoa production chain and value-added chain** in order to improve the living conditions of cocoa producers and their families.

**The aim is for 80% of cocoa-containing products imported into Switzerland to originate from sustainable production by 2025.**

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Migros, Chocolat Frey and Denner are founding members, among numerous other representatives from the cocoa-processing industry, retail, associations, official bodies and NGOs. First milestone of the alliance: The aim is for 80% of **cocoa-containing products** imported into Switzerland to originate **from sustainable production** by 2025.

## Sustainable banana cultivation

As part of Generation M, Migros has set itself the target of obtaining all bananas in the Migros range from environmentally and socially sustainable cultivation by the end of 2017. Since 2016, it has offered **bananas from a WWF model project** in addition to those certified under the Bio, Fairtrade Max Havelaar and Rainforest Alliance programmes. A report to be published by WWF in summer 2018 will reveal how much progress banana producers have made with implementing the sustainability measures on their farms.

The Migros Cooperatives Aare, Lucerne and Geneva began offering **organic bananas from the Canary Islands** in 2017. The banana trees flourish almost all year round in this mild subtropical climate. After being picked, they are transported to Switzerland by sea, then on to their final destinations by road or rail. In comparison with bananas from Central or South America, the transport route for bananas from the Canaries is 65% shorter.

## **Sustainable rice from northern Italy**

As part of the Sairisi project, Migros has been working with other food producers since 2016 to **increase biodiversity, improve ground fertility and reduce use of pesticides** in rice cultivation in northern Italy. Training courses were held for beginners and the more advanced in 2017; a total of 129 farmers took part.

The training covered topics such as **soil health, nutrients and sustainable water management** in detail with relevant examples. The participants also had the opportunity to carry out soil tests with the state rice institute Ente Risi. Migros participated in field visits.

## **Monitored working conditions in the Mediterranean**

To ensure that **fruit and vegetable producers in the Mediterranean** offer socially responsible working conditions, the Migros Group adheres to the international standard GlobalGAP Risk Assessment on Social Practice (GlobalGAP GRASP).

In 2017, 47% of all fruit and vegetable producers from Italy, Spain, Greece and Israel that supply Migros Group companies were audited in accordance with the **GlobalGAP GRASP criteria**. The implementation within the Migros Group looks as follows:

## Implementation GlobalGAP GRASP Migros Group

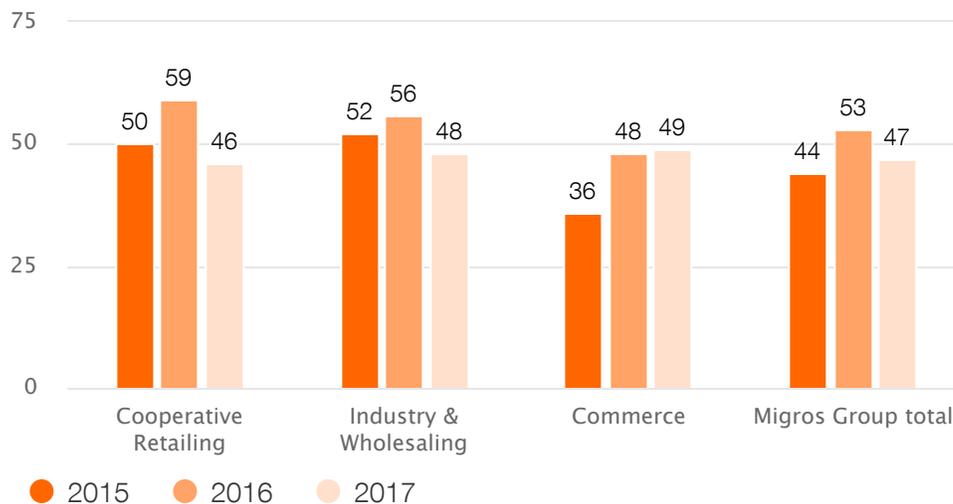
Migros Group, GlobalGAP GRASP implementation by strategic business unit	Cooperative Retailing	Industry & Wholesaling	Commerce [2]	Migros Group total [1]
<b>Number of producers from high-risk countries</b>				
2015	9'779	13'852	20'206	43'837
2016	19'466	11'168	24'224	54'858
2017	20'188	10'114	25'647	32'398
<b>Number of producers from high-risk countries with GRASP audit</b>				
2015	4'938	7'149	7354	19'441
2016	11'392	6'228	11'597	29'217
2017	9'267	4'865	12'639	15'149
<b>Implementation rate GRASP</b>				
2015	50%	52%	36%	44%
2016	59%	56%	48%	53%
2017	46%	48%	49%	47%

1 Producers who deliver to several Migros Group companies are only counted once here.

2 without tegut...

## Migros Group, GlobalGAP GRASP implementation by strategic business unit

in %



## Protection of forests

According to WWF, forests in many regions of the world are at risk due to overuse and destruction. Tropical forests are most heavily affected, due among other things to deforestation associated with non-sustainable and non-certified cultivation of soy and palm oil. In 2017, Migros **stepped up its efforts in the area of sustainable palm oil procurement**, introduced alternative sources of protein for animal feed, and enhanced its range of FSC-certified toiletries.

## Palm oil from sustainable sources

In WWF's palm oil rating for 2017, Tegut improved its rating considerably in comparison with 2015. Thus, the Migros subsidiary occupies a strong position among the 255 German companies assessed. Migros was given this excellent rating as a result of using **physically sustainable palm oil in 65%** of own-brand food. In comparison, the proportion in 2015 was 0%.

## Soy-free feed for organically raised laying hens

By the end of 2017, all organic eggs sold by Migros Cooperative Retailing originated from laying hens fed with soy-free feed. In place of soy, **sunflower meal is used as the protein component** in the feed. Sunflower meal is a by-product of sunflower oil production. By eliminating soy in the feed of organically raised hens, Migros is able to drastically reduce the proportion of soy used in animal feed.

## Expansion of the range of FSC-certified toiletries

Migros is a pioneer when it comes to **conversion to FSC-certified incontinence products**: in 2017, it became the first retailer in Switzerland to offer FSC-certified unisex and female incontinence pads under the own-brand "Secure". Migros has thus taken further steps to enhance its range of wood and paper products that originate from sustainable sources. By the end of 2017, close to 83% of wood and paper products in Migros supermarkets met the sustainability guidelines.

## Sustainable fishing

Fish consumption is increasing worldwide, with drastic consequences for the planet's oceans. As a **member of the WWF Seafood Group**, Migros takes ocean overfishing seriously and strives to offer products from sustainable sources in all Migros companies.

## Current state of implementation

Since 2016, Migros Cooperative Retailing has sold only **fish and seafood that originates from sustainable sources**, and the company is steadily increasing the proportion of products with a sustainability label.

# 100%

of the fish and seafood sold in Cooperative Retailing originates from sustainable sources.

As part of the minimum requirements, the Migros Group retailers and the M-Industry companies have made a pledge to no longer sell any fish species that have been categorised as "non-sustainable" in terms of population or breeding methods. Since 2017, this categorisation has been based on the **annual assessment by Naturland**, a renowned organisation for organic agriculture. At the same time, the aim is to steadily increase the proportion of products with a sustainable label (MSC, ASC, Bio).

## Proportion of labelled fish products in the Migros Group

### Migros Group, proportion of labelled fish products (MSC, ASC, Bio)

in %	2015	2016	2017
Cooperative Retailing	39.3	42.6	48.1
Industry & Wholesaling (without Mérat)	27.4	35.3	36.3
Retail (incl. tegut...)	42.9	44.9	51.3
<b>Migros Group total</b>	<b>37.0</b>	<b>41.2</b>	<b>45.8</b>

## Migros Group, proportion of labelled fish products in the Migros Group (MSC, ASC, Bio)



## Perch from domestic production

Perch is a popular food in Switzerland. However, **yields from domestic production** have steadily fallen in recent years. As a result, more and more products are imported from north-eastern Europe or German aquaculture.

In 2017, Micarna decided that it would build its **own production plant for perch** in Birsfelden (BL) in 2018, with the aim of producing sustainable fish for the Swiss market. The water used in the plant is treated and recycled; as a result, up to 500 times less water is needed in comparison with conventional flow-through systems. At the same time, nutrients are recovered and can be used as fertiliser in farming, for example. The aim is for 90 t of perch fillet per year to be produced by this method from 2019.

# Animal welfare

Demand for meat, dairy products and eggs is rising. At the same time, **animal-friendly husbandry** is becoming increasingly important to customers. Migros also attaches great importance to animal protection. With meat from Switzerland and a broad range of label products, Migros makes a clear commitment to animal welfare.

In 2017, Migros' efforts in the area of animal welfare were **recognised for the second time in succession** in the "Business Benchmark on Farm Animal Welfare" (BBFAW) rating. The British-based organisation BBFAW rates companies around the world on the basis of their commitment to animal welfare.

## Animal welfare standards: focus on foreign products

Migros also aims to introduce Swiss animal welfare standards in Cooperative Retailing for all products from abroad by the end of 2020. In 2017, considerable progress was made with the **species cattle**, for example. More information can be found on the Generation M website.

## Project "Hahn im Glück"

Each year, billions of male chicks are killed straight after hatching because they cannot lay eggs. Demeter Switzerland launched "Hahn im Glück" in 2017. As part of this project, male chicks are not killed, but instead **raised and sold as young roosters at the age of 12 to 14 weeks**. The Migros Cooperative Zurich now offers this meat at all Alnatura stores and selected Migros branches. From 2019, "Hahn im Glück" will be firmly established in the MCZ's product range.

## Cameras at the slaughterhouse

In 2017, Micarna installed several cameras along the slaughter process at the pig slaughterhouse in Courtepin (FR). These facilitate **transparency and seamless documentation of animal welfare** throughout the whole slaughter process, and are part of a research project through which Micarna aims to improve the pig slaughter process.

The cameras allow Micarna and external inspectors to trace the entire process, individual process stages, or animals as far back as two months. This results in new findings that can be used to make the slaughter process less stressful for animals. In addition to cameras, the **dual scales** that were installed in 2016 make an important contribution to gentle slaughter and quality assurance.

## Research projects to increase animal welfare

In the area of animal welfare, Migros works closely with various research institutions. In 2017, it supported a project by the **University of Bern's Vetsuisse Faculty** and IP-Suisse, concerned with animal welfare in calf fattening. The project is researching a new approach to calf fattening, in which the animals are held in a new type of outdoor system. This is expected to improve their health and reduce the use of medication.

## Animal welfare in the non-food area

Schild, Globus and Herren Globus signed up to the international **"Fur Free Retailer"** programme in 2017 and have not sold any products made from or containing real fur since the 2017/18 autumn/winter season. Migros signed this agreement in 2011.

Globus, Micasa and Interio have begun to apply the standards Downpass 2017 Standard, Responsible Down Standard (RDS) and Traceable Down Standard for their **bedding products**. Under these standards, companies are monitored strictly to ensure they do not engage in live plucking or force feeding.