

Overview of Migros

Sustainability Management

Sustainability is part of the Migros culture and an integral component of Migros' corporate activity. The economic, social and ecological objectives are implemented along the entire value-added chain.

The values **responsibility and credibility** are part of the Group strategy and are upheld along the entire value-added chain. Migros has been committed to the ten principles of the UN Global Compact since 2006. It also makes an important contribution to implementation of the UNO's global sustainability goals.

The Migros Group has a **clear concept of sustainability**. It offers a broad range of sustainable products and services, serves as a partner for a healthy lifestyle, is a model employer, sets standards for climate protection and resource efficiency, and promotes social cohesion.

The strategic sustainability management is performed on several levels:

Sustainability at Migros

Strategic business units



* N-CLA Migros, CLA Travel, CLA in globo (in 2017, 63.4% of employees were covered by a CLA)

In order to manage the achievement of targets, Migros uses KPIs to measure its progress in the area of sustainability. The degree to which the basic requirements and individual goals have been met is **regularly monitored** centrally by the Federation of Migros Cooperatives (FMC). The progress (including status indicators) is reported to internal decision makers and, to some extent, made public.

In the reporting year, the Issue Management & Sustainability department introduced a **sustainability tool** with which the Migros Group companies are able to manage and analyse their sustainability data themselves. Since the end of 2017, all companies belonging to the Migros Group have obtained their data through this shared platform.

A **range of basic social and ecological requirements** apply to all Migros Group companies. These are also mandatory for companies that have been acquired by the Migros Group in Switzerland and abroad. They have 18 months to implement all the processes necessary to meet these requirements.

The **18 basic requirements for suppliers and product ranges** include labour standards in the supply chain, and requirements relating to food safety, animal welfare and the protection of global fisheries and rainforests.

The **basic requirements for corporate environmental protection** include measures in the areas of climate, energy and waste. The companies have defined individual targets and thus contribute to climate protection and resource efficiency.

Generation M

Migros kept five promises in 2017: More products for vegetarians and vegans, health courses, Slow up, Eco textiles, bananas. The promises originated from the Generation M sustainability programme, with which Cooperative Retailing pursues specific and measurable sustainability objectives in the five spheres of activity consumption, environment, employees, society and health. The extent to which the objectives have been achieved is published twice a year in the progress report.

M-Industry Sustainability Roadmap

The sustainability strategy of M-Industry includes **more than 40 objectives** in the areas of environment, economy and society. It makes an important contribution to Migros' sustainable value creation chain, and strengthens the competitiveness of the M-Industry companies and increases their appeal as an employer.

2020 objectives

From 2018, the Migros Pension Fund will apply environmental, social and governance criteria (ESG criteria) when selecting its investments. This decision has resulted from its sustainability strategy for real estate investments, which defines measurable goals. Denner also refined its **individual sustainability strategy** and agreed a strategic partnership with WWF Switzerland in 2017.

In 2017, the annual progress check was carried out for the 2020 sustainability objectives. These affect all **retail companies** of the Migros Group, as well as Saviva, Hotelplan and Migros Bank, and include industry-specific, measurable sustainability targets. Selected KPIs are included in this report.