

Environment & Commitment

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 the 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.

In 2018, the independent ratings agency ISS-oekom analysed the social and environmental commitment of the Migros Group in detail. Of 151 retail companies assessed worldwide, Migros achieved the best result throughout the industry. This made it the **world's most sustainable retailer** in the reporting year.

The **strategic sustainability management** is performed on several levels:



* N-CLA Migros, CLA Travel, CLA in globo (in 2018, 62.3% of employees were covered by a CLA)

Basic requirements

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

In the reporting year, Migros **successfully met** the two promises "more apprenticeships" and "biodegradable washing and cleaning products". The promises originated from the Generation M sustainability programme, with which Cooperative Retailing transparently communicates specific and measurable sustainability objectives in 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.

Generation M is a component of the **long-term sustainability strategy** of Cooperative Retailing. It includes measures aimed at making ecological and social improvements to as many products as possible. To this end, Migros has analysed the negative effects of the most important raw materials along the entire value-added chain, and defined cultivation and processing requirements on the basis of the results.

In 2018, Migros standardised the labelling of sustainable products with **M-Check**. M-Check summarises the sustainability performance of a product and offers customers specific guidance when shopping. The logos of well-known labels, such as Fairtrade Max Havelaar, ASC and MSC, are integrated in the M-Check box on the product. Added value offered by products, such as in terms of animal welfare, can also be shown on the product.

M-Industry sustainability Roadmap

In the reporting year, the group certificate for the sustainability management of **M-Industry under ISO 14001 was renewed**. The standardised management and control system allows M-Industry to take systematic measures to meet the requirements under environmental law, minimise the impact on the environment and optimise the sustainability efforts. In 2018, Micarna Ecublens, Mifroma Wittenbach, Dörig Käsehandel AG and the Jowa regional bakery in Münchenstein were certified according to ISO 14001 for the first time. This means that a total of 16 M-Industry companies were certified as at the end of 2018.

Certifying all companies according to ISO 14001 by 2020 is one of the objectives of the **M-Industry Sustainability Roadmap**. This sustainability strategy includes more than 40 objectives in the areas of environment, economy and society.

The companies Micarna and Chocolat Frey published an individual **sustainability report according to GRI** for the first time in the reporting year.

Individual sustainability strategies

All Migros Group retailers, as well as Saviva, the Hotelplan Group and Migros Bank, pursue **industry-specific, measurable sustainability targets**. Some of these are part of the individual sustainability strategies of the companies (e.g. Denner).

In 2018, good **progress was made towards achieving the targets**. For example, LeShop again increased its sales of organic products. At the end of 2018, the proportion of organic products in relation to total sales stood at 16.5% (+1.6% in comparison with previous year).

Regular progress checks

In order to manage the achievement of targets, Migros uses KPIs to measure its progress in the area of sustainability. As part of **regular monitoring**, the degree to which basic requirements are implemented and individual goals met in the strategic business units is checked 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.