

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 built 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 financial reporting standards of Swiss GAAP FER. 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](#)**. The financial report of the Migros Group is 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, to the Corporate Governance Directive of the SIX Swiss Exchange (DCG) and, where appropriate, to 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. Migros describes its **main sustainability efforts in the reporting year** in accordance with the guidelines of the Global Reporting Initiative (GRI).

Global Reporting Initiative (GRI)

The Migros Group bases its sustainability reporting on the guidelines of the Global Reporting Initiative (GRI). Since the 2018 reporting year, it has applied the GRI standards with the option "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](#).

Determination of the relevant issues

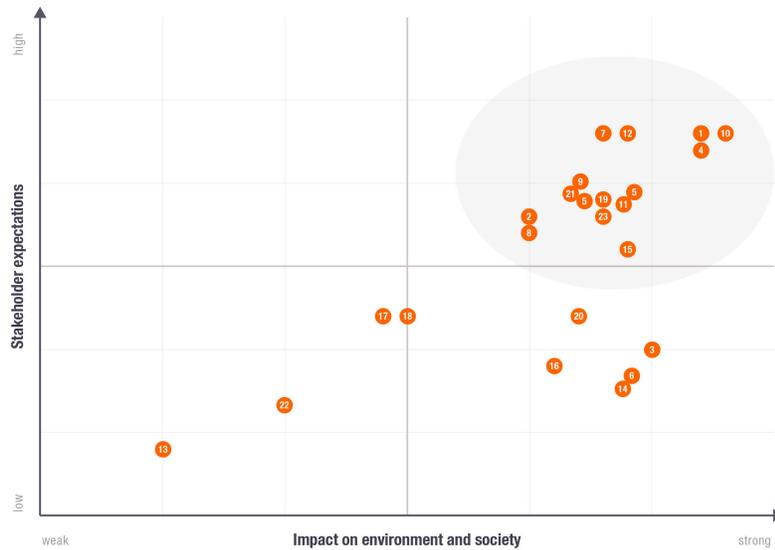
As part of the development of the new strategic framework for sustainability, the Migros Group carried out a **materiality analysis** in 2019 together with external experts. During this process, the sustainability-relevant spheres of activity of the Migros companies were analysed in terms of their impact on society and the environment, as well as with regard to stakeholder expectations. The United Nations Sustainable Development Goals (SDGs) were also taken into account in the selection of spheres of activity.

The effect of a topic on society and the environment was determined by means of an **impact assessment**. This involved analysing the potential extent (e.g. the number of people or ecosystems affected) and the magnitude of the effects (e.g. reversible versus irreversible). All strategic business units (SBUs) of the Migros Group and their associated stages of value creation were included in the analysis.

To identify **stakeholder expectations**, Migros first identified and weighted the most important stakeholders for each SBU. It then determined the expectations of the individual stakeholder groups. In addition, market research was conducted to identify customer expectations.

The combination of the two aspects in a matrix illustrates the **most relevant topics for the Migros Group**. In line with the GRI guidelines, the reporting focuses on those spheres of activity that have a significant impact on the environment and society, and where stakeholder expectations are high.

Materiality matrix



- 1 Sustainable raw materials
- 2 Animal welfare
- 3 Biodiversity
- 4 Climate protection and emissions
- 5 Energy
- 6 Water
- 7 Waste and recycling
- 8 Food waste
- 9 Packaging and plastics
- 10 Ecological products
- 11 Healthy products
- 12 Products made under socially responsible conditions
- 13 Sustainable financial products
- 14 Access to affordable products and services
- 15 Promote sustainable consumption
- 16 Political influence
- 17 Training and development of employees
- 18 Fairness towards competitors and suppliers
- 19 Responsible employer
- 20 Equal opportunities and diversity
- 21 Ethical corporate management
- 22 Social commitment to education, culture and leisure
- 23 Responsible marketing and product information

Independent review

The statements and key figures in the Annual Report are reviewed by an **independent auditor**. In particular, the processes and the published figures are assessed in terms of their accuracy, verifiability and traceability.

The key indicators for CO₂ emissions and energy efficiency are assessed annually by the independent Energy Agency for the Economy (EnAW). For these indicators, **target agreements** have been concluded with the Federal Office for the Environment (FOEN), the Federal Office of Energy (SFOE) and the cantons.

In the Environment and Products sections, the previous year's figures are adjusted each year as a result of improved underlying data. Therefore, the **values in this report may deviate** from those in previous years' reports.

The editorial deadline for the key indicators was 17 March 2020. As some environmental key indicators had not been finalised by that date, **selective updates** may be made after the Annual Report is published online on 24 March 2020. Updated key indicators will be highlighted accordingly.

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 2019 objectives, are taken into account. The published figures on energy consumption and greenhouse gas emissions for the Migros Group are based in part on estimates for the SBUs Commerce, Financial Services and Travel. Due to the Migros Group requirements for corporate environmental protection (formerly "basic requirements"), the underlying data is becoming increasingly 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 |
|-----------------------|-----------------------|------------------------|-------------------|--------------------|-------------------|
| Finance | Full reporting | Full reporting | Full reporting | Full reporting | Full reporting |
| Employees | Full reporting | Full reporting | Full reporting | Full reporting | Full reporting |
| Products | Full reporting | Full reporting | Partial reporting | Partial reporting | Partial reporting |
| Environment | Full reporting | Full reporting | Partial reporting | Partial reporting | Partial reporting |
| Society | Full reporting | Full reporting | Full reporting | Full reporting | Full reporting |
| Share of Sales | 57% | 17% | 21% | 2% | 3% |

■ full reporting
 ■ partial reporting