

MiGROS

Sustainability Report



Table of Content

4	18	53	
6	20	56	93
7		59	94
8			
9			99
	23		
	24	64	
	25	66	101
11			102
14	31	69	103
16	36	72	
	38		105
	39	74	112
	42	78	123
		79	
	45	81	125
		82	
		83	
		84	
		87	
		90	



Introduction



Message from the CEO

GRI 102-14

Dear stakeholders,

For the last 65 years, we have been designing the future of retail by meeting all the needs of our customers to an extent beyond their imagination. And in doing so, we have been committed to acting responsibly, being sensitive and striving for efficiency. 10 years ago, we identified sustainability as our way of doing business. We upgraded our 'growth' concept, one of our main strategies, as 'sustainable growth'. Accordingly, we categorize our sustainability priorities and focus areas, namely environmental, social and economic, under 12 headings as part of our Migros Better Future Plan.

WE HAVE ACHIEVED AND EXCEEDED OUR CARBON EMISSION TARGET FOUR YEARS IN ADVANCE

As we combat climate change, which affects our cities, villages, land and even food, we further our efforts to make sure that the footprints of all Migros customers

are greener. We have achieved our 2023 target to reduce our carbon footprint, with a 26.6 percent decrease per square meter in carbon emissions in four years. We will accelerate this positive trend by expanding the use of our patented Migros Water Cooling System developed for our store coolers and by investing in next generation technologies.

EVERY AGRICULTURAL INVESTMENT ENLIGHTENS OUR FUTURE

At Migros, generating 77 percent of its turnover from agriculture, we are responsible to pass all the richness Anatolia, one of the most fertile lands in the world, has to offer down to future generations. We are aware of the cyclical effect of practices relating to eco-friendly agriculture, energy and water efficiency and food disposal prevention. Accordingly, we have become the only member of OP2B (One Planet Business for Biodiversity), a coalition aiming to protect cultivated biodiversity, representing



Turkey. While we support the coalition in ensuring sustainability and traceability in agricultural activities and livestock through our Good Agricultural Practices, we also contribute to its efforts to support the production of endangered local and original seeds and plants with our Anadolu Lezzetleri (Tastes of Anatolia) and Mirasımız Yerel Tohumlar (Our Heritage Local Seeds) projects.

However, one third of all foods produced globally is wasted. A quarter of the world's clean water resources are used in the production of these products. Reducing food waste equals efficiency in resource utilization and labor force. In line with the Sustainable Development Goals, we aim to halve the ratio of the tonnage of our food waste per tonnage of our food sales by 2030. We made a great progress towards our target by achieving a 17 percent reduction in 2019.

TURKEY LEARNS FROM THE WORLD AND THE WORLD FROM TURKEY

We will serve as Chair of the Retailer College of the Consumer Goods Forum (CGF), the umbrella company of the world's leading retailers and fast-moving consumer goods companies, for the next two years. This will allow for an in-depth analysis of the geographical aspects of

our region and our advanced practices, resulting in exemplary local practices for the whole world to follow suit. The retail scene in Turkey has just as much to learn from global practices as the global retail does from Turkey.

Our Migros Wellbeing Journey project, launched to raise awareness and lead behavioral change towards balanced nutrition, has introduced a different perspective to the world retail. We collaborated with KPMG Turkey to create the Balanced Nutrition Index (BNI) to gauge the efficacy of our project, which reached 1.53 million people by the end of 2019. The comparison between the index results of our customers, who changed their behavior towards balanced nutrition by participating in our project, recorded before the project and in December 2019 pointed to a permanent improvement of 5.2 points.

MAKING LIFE EASIER WITH DIGITAL INNOVATION AND ACCESS

Digitalization is positioned at the very center of our business as our strongest driving force towards sustainable growth. We improve our technological infrastructure to ensure correct processing and interpretation of data, speed and efficiency in our business

processes, uninterrupted communication with our stakeholders and the delivery of our products and services to customers through multiple channels. To this end, we launched the Migros Hemen (Migros Right Now) application last year, offering 30-minute delivery to customers. We have doubled the number of provinces we provide our Migros Sanal Market e-commerce services in. We also aim to expand our online service to all of Turkey in 2020. Moreover, we are now able to transfer money directly from the cash register without the need for a bank account and carry out invoice collection for over 170 companies. We have also completed the Istanbul Card – Money Card integration process.

WE EMPOWER OUR EMPLOYEES FOR THE FUTURE

Brands are as strong as their employees and their future depends on the competence and creativity of their employees. At Migros, we support the personal and professional development of our 45,000 employees by providing them with next generation trainings using the latest technologies to prepare them for the future. With our policies based on gender equality and equal opportunities, we support the active participation of women in business and plan career paths

without discrimination. We aim to increase our female manager ratio to 30 percent in 2024, up from 28 percent as of 2019.

With the Family Clubs we launched in our stores in collaboration with District Community Education Centers, we focus on women, youth and children. By contributing to the personal development of our customers, we aim to create a society that produces, adds value and self-improves. In just two years, we have helped provide Family Club members with 250,000 trainings in 92 different fields.

Please see our report for a detailed and transparent account of the projects we have launched as part of our Migros Better Future Plan and our progress. I would like to extend my heartfelt thanks to our customers, employees, producers, suppliers and farmers for giving us the strength to strive for being better and innovating for the better for 65 years and for empowering us to always outdo ourselves with each passing year.

Sincerely,

Ö. Özgür Tort
CEO

About the Report

GRI 102-1, 102-4, 102-45, 102-46, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56

As Migros Ticaret A.S. , since our establishment we have been maintaining our relations with our stakeholders in line with the principles of transparency, accountability, responsibility and fairness. Accordingly, we share the value, we have created in social, environmental and economic terms, as well as our sustainability performance with the public on a regular basis. Our fourth sustainability report has been drawn up adhering to our short (for a period of 1 year), medium (for a period of 5-years) and long-term (for a period of 10-years) sustainability performance targets. We are making efforts to implement our long-term objectives and projects by considering the global priorities in parallel with the 2030 Sustainable Development Goals. The reported indicators, can be followed through the GRI Content Index that is available at the end of this report. The data, available in our report, covers the

operations carried out in Turkey between January 01, 2019 and December 31, 2019, and constitutes 97 percent of our global operations. The contents of our report have been drawn up in line with the input, provided by the Sustainability Committee of Migros and also by the working groups reporting to the Sustainability Committee, and such contents have been approved by the Senior Management. This report has been prepared in accordance with the GRI Standards: Core Option.

Our report consists of the verifiable information with a parallel confidence interval. The data regarding the greenhouse gas emission data, the supply chain audit results, and the activities, falling under the scope of the human rights, we have declared for 2019, has been verified by an independent audit firm.

The discrimination, freedom of association and collective bargaining, child labor, forced labor topics, available under the human rights heading, have been verified as part of the GRI Standards. The declarations within the reporting period on discrimination, child labor, forced labor in our domestic and foreign operations; also, freedom of association, collective bargaining, ratio of basic salary and remuneration of women to men, employee training on human rights policies or procedures in our domestic operations have been independently verified according to GRI Standards. The Independent Assurance Statement for Human Rights and Supply Chain and also the verification statement, obtained in accordance with the ISO 14064-3 Guidance for the Validation and Verification of Greenhouse Gas Assertions, are available at the back of our report.

Please send your all kind of feedback with respect to our sustainability activities and report to the e-mail address, namely surdurulebilirlik@migros.com.tr

We regard the sustainability as a guide that steers all our operations, and we provide the reporting on yearly basis with the objective to demonstrate continuous development. We will continue to share our sustainability performance on a regular basis.

* The terms "Migros" and "Our Company" as used throughout our report shall refer to Migros Ticaret A.S.

About Migros

GRI 102-2, 102-4, 102-6, 102-7, 102-16

Migros carries its leadership in the retail sector to the future by integrating its 65 years of experience into all business processes with digital transformation.

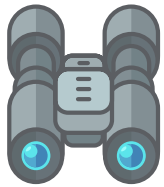
Pioneering the state-of-the-art retail sector in Turkey, Migros meets the requirements of its customers, in particular with respect to the foodstuff and the supplies, and also under the categories such as cosmetics, stationery, glassware, electronics, books and textiles, at its stores with wide areas of use, and also through the e-commerce channels. In addition to all the 81 cities in Turkey, it carries out business in Kazakhstan and North Macedonia under its Ramstore brand name. Having approximately 77 percent of its turnover consisting of the agriculturally-derived products, Migros is not only the retailer that sells fresh products the most in Turkey, but also the first and sole retailer that accommodates an R&D center for the food retailing, thanks to its expertise in fresh products. Migros carries its leadership in the retail sector to the future by integrating its 65 years of experience into all business processes with digital transformation.



Our Vision, Mission and Values

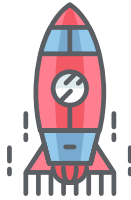
GRI 102-11, 102-16

Our Vision



To be always the first choice of customers by providing a unique convenience and trustworthy shopping experience

Our Mission



Providing a unique shopping experience through our ultimate service approach, pioneer applications, broad product portfolio and family budget friendly pricing strategy. Creating value for all our stakeholders through our eco-friendly and community-focused operational approach.

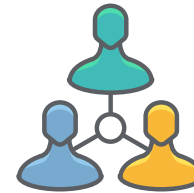
Our Values



The company values which have been formed by the participation of our employees and which bound everyone are as follows;

Customer-Orientation
Reliability
Sensitivity
Leadership
Efficiency
Innovativeness

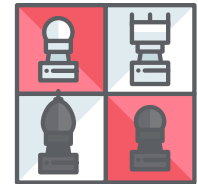
Our Corporate Governance Principles



Our Company has adopted all the fundamental principles of corporate governance;

Fairness
Transparency
Responsibility
Accountability

Our Strategies



Our core strategies are; Creating a unique shopping experience, sustainable growth, improving operational efficiency, boosting household reach

Highlights of 2019

Our Corporate Governance Rating Score was updated as

9.60 (95.98)

as 27 December 2019.



In CDP Water Program, Management

we have the

Level performance with B score.



We are among the favorite top ten companies

in terms of the Sustainability Strategy as listed by the Capital Magazine.



We rank as **17th** on the Fortune 500 Turkey list.



In CDP Water Program, Management Level

we have the

performance with B score.



We are the first and the sole food retailer that is listed in the BIST Sustainability Index successively

6 years in a row



We rank as the 17th largest company

in Turkey as listed in the Fortune 500 list.



We Are the Most Favorite Company in the Retail Sector for the

16th time

as listed by the Capital Magazine.





**Sustainability
Management**

Our Sustainability Approach

GRI 102-18

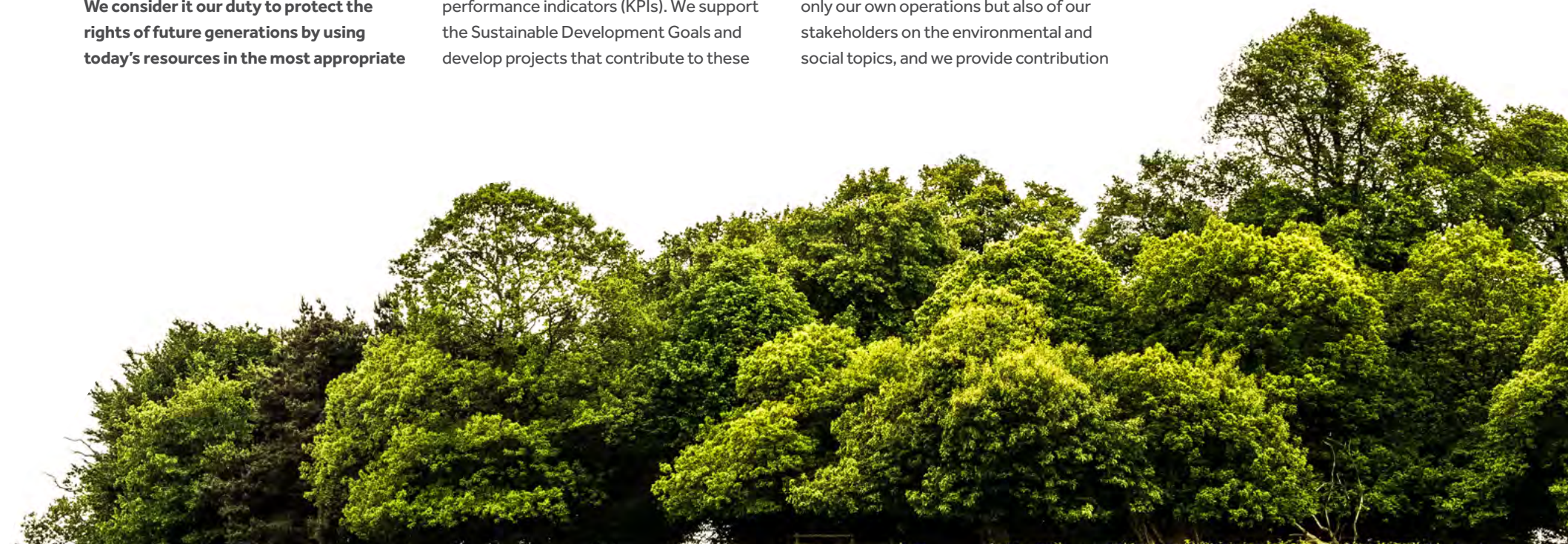
Our sustainability approach, which covers all environmental, social and economic dimensions guides all our efforts. **We believe that a healthier and better society is only possible on a healthier and better planet.** In all our activities, we act with the awareness of our responsibility to humankind, nature and future generations. **We consider it our duty to protect the rights of future generations by using today's resources in the most appropriate**

and efficient manner. Accordingly, sustainability is the main responsibility of all our employees, and such responsibility is distributed in a manner both from the top to bottom and the bottom to the top. We assess all our decisions and activities within the field of sustainability in accordance with the national and international performance indicators (KPIs). We support the Sustainable Development Goals and develop projects that contribute to these

Goals. We analyze our risks by making use of internationally-recognized tools and implement various measures for mitigating such risks.

Our sustainability approach underlies the focus of our business. From this point of view, we assess the impacts of not only our own operations but also of our stakeholders on the environmental and social topics, and we provide contribution

for the development thereof. We take various actions by **setting** short, mid and long-term **targets** with respect to our material topics and develop projects and generate solutions together with our stakeholders, accordingly.



SUSTAINABILITY COMMITTEE

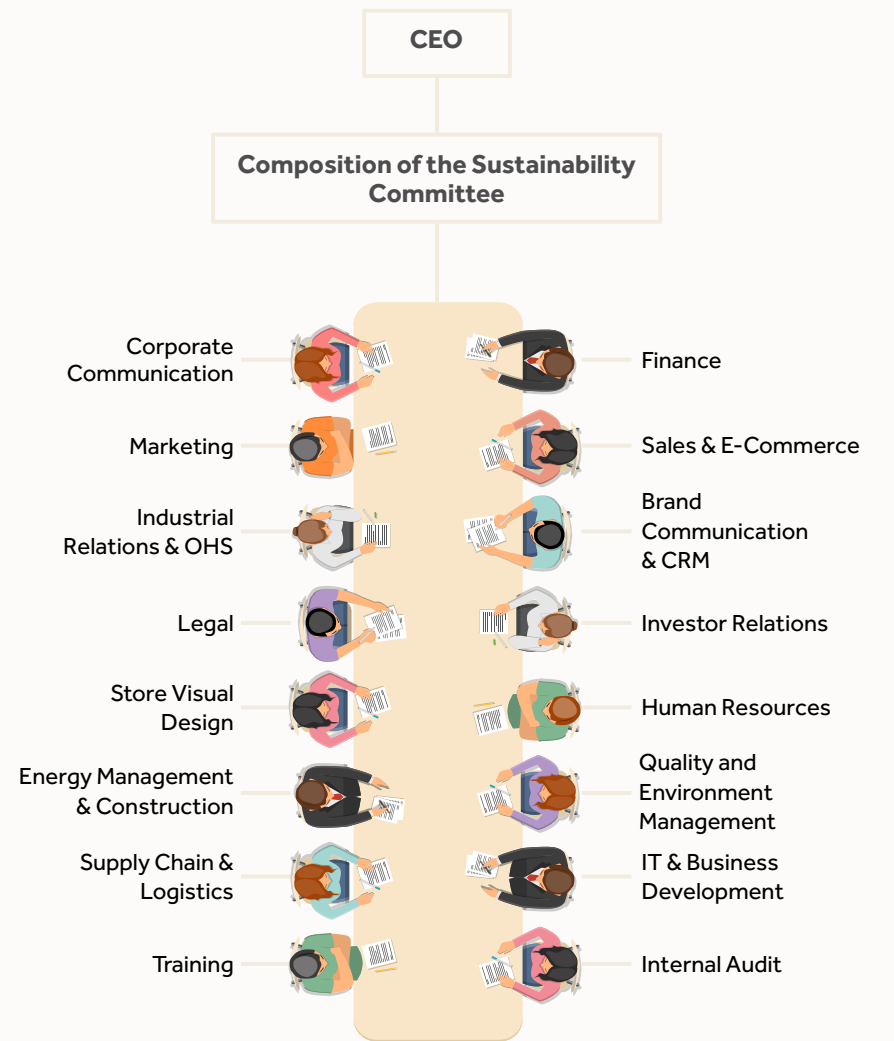
Our Board of Directors is responsible for determining our strategic approach to all sustainability issues as indicated in the materiality matrix. Our CEO is responsible for the implementation of such strategies and carries out this responsibility with the top management team. Besides, with the appointment of our CEO on behalf our Board of Directors, our **Sustainability Committee conducts the management, implementation, monitoring and measurement of our activities within the field of sustainability.** All primary functions of our company are represented at the Sustainability Committee, and thereby a discussion platform, whereby equal participation and right to speak is granted to all departments, is provided. The details and information with respect to composition of such committee are given herein below. **Our Sustainability Committee Chairperson** does not report to any department, and he is granted with a **special authority for a supra-departmental position** for the purpose of management of the activities of our company with respect to international relations and sustainability.

Our Sustainability Committee assesses the legal, physical, environmental, operational and socio-economic risks and opportunities that might affect the existence and

operations of our company, and monitors and analyzes the related sustainability topics, and identifies the indicators to be used for performance monitoring and carries out the projects for the purpose of accomplishment of the performance targets. Besides, we report the developments and results of these studies to our CEO and Senior Management quarterly. **All primary functions of our company are required to have at least one of their annual targets in the field of sustainability,** and their activities within such field directly affect the annual performance premiums.

Our Sustainability Committee checks and supervises the adequacy and effectiveness of our *'Environment, Human Rights and Equal Opportunities', 'Anti-Bribery and Anti-Corruption'* and *'Responsible Sourcing'* policies on yearly basis by obtaining information from all department managers. Our corporate policies are expected to be understood and adopted by all of our employees. All department managers, comprising our Sustainability Committee, ask for and monitor the implementation of these policies by their teams. Our Migros Better Future Plan provides a transparent explanation of our sustainability approach supporting our manner of operation and principal strategies, our focus areas thereof and our roadmap.

Composition of the Sustainability Committee



Our Migros Better Future Plan



COMPLIANCE WITH THE HUMAN RIGHTS AND EQUALITY

To comply with the human rights and consider gender equality and equal opportunities in all our activities;



GENERATING SHARED VALUE

To generate a shared value by incorporating our stakeholders into our sustainable development goals with the economic value and employment, we generate, and our business partners;



COMBATING CLIMATE CHANGE

To measure our carbon footprint and strive to reduce it;



INNOVATIVE PRACTICES

To implement the innovative practices that would increase our efficiency and provide convenience for and speed up the life for our stakeholders;



COMBATING POLLUTION

To combat environmental, water, air, soil, noise and visual pollution, and to develop preventive solutions;



WASTE MANAGEMENT AND CIRCULAR ECONOMY

To measure, reduce, recycle or re-economize the waste resulting from our operations;

ENVIRONMENTAL IMPACT ANALYSIS

To conduct an environmental impact assessment before establishing our new areas of activity;



IMPROVING THE PRODUCT LIFE CYCLE

To develop solutions with our suppliers in order to improve the life cycle of the products we offer to our customers;



EFFICIENT USE OF RESOURCES

To develop projects for the purpose of efficient use of the water and energy resources;



AWARENESS ACTIVITIES

To carry out awareness raising activities for the contributions that might be provided by our stakeholders for a more livable world and future;



TRANSPARENT AND RAPID FLOW OF THE PRODUCT INFORMATION

To ensure that the product contents and information flow in a transparent, accurate and rapid manner;



PRESERVING THE BIODIVERSITY

To support the activities for preserving the biodiversity and sustainable agriculture, and to eliminate any negative effect that might result from our operations;



Our Material Topics

GRI 102-46, 102-47, 102-48, 102-49

We carry out all our activities with the aim of creating a shared value for all our stakeholders. In this respect, we aim to show the necessary importance to the values of our entire stakeholders, in particular our main stakeholder groups.

In the field of sustainability, retailers in addition to their own operations have indirect impacts resulting from the supply chain. Such impacts may be listed as the impacts on the public health in line with the product safety, and the impacts on the climate change, resulting from the production and distribution, and the impacts on the biodiversity, resulting from the agricultural production, and also the social and ethical impacts. While determining our material topics, we considered these impacts, too. [List of updates on material topics is available in the section of Annexes.](#)

In 2018, we revised our material topics which we had determined according to

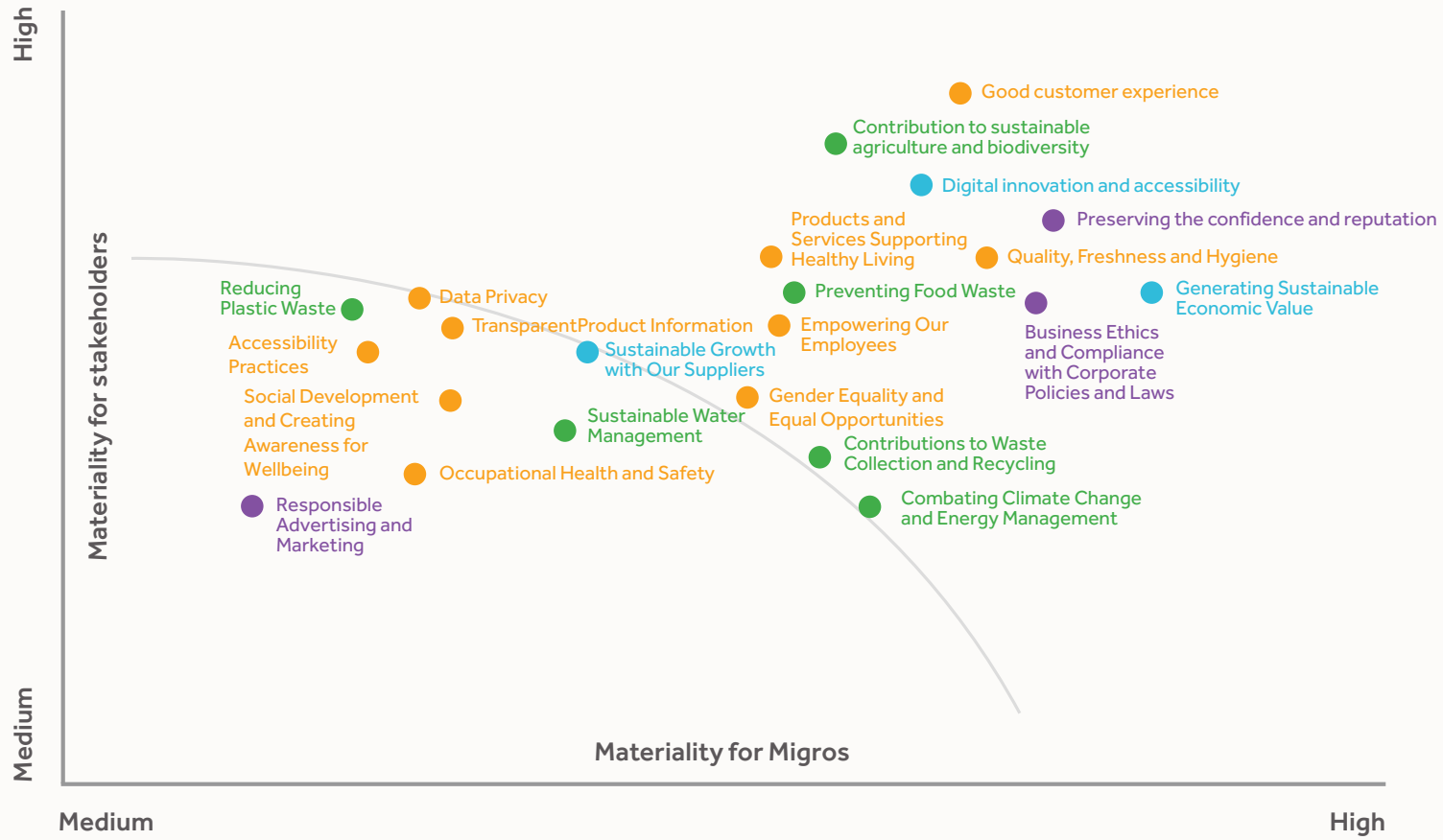
the results of the stakeholder surveys and workshops conducted by the Migros Sustainability Committee in line with the GRI Standards, by analyzing the global reports and trends in the retail sector worldwide and also by assessing the new risks and opportunities that emerging due to the nature of our operations. In 2019, we updated the set of questions for our stakeholder surveys and expanded the scope of the participation in the survey so as to include also the students. We considered the feedback, provided by the Migros Sustainability Committee, and also the results of the assessment survey we have conducted with the employees, customers, students and our suppliers, as well as the priorities of the global and domestic non-governmental organizations to which we are a member. Our material topics have changed as based on the feedback, we received from the stakeholder surveys we have conducted, and the new responsibilities and our new commitments we have

assumed in respect of the projects we have carried out with the global industrial organizations to which we are a member. The material topics, which are re-arranged, expanded and further supplemented as compared to the

previous reporting period, are listed herein below, irrespective of the order of precedence. Our sustainability topics are categorized under four main groups, namely A Livable World, Sustainable Growth, People-Oriented Approach and Responsible Business Approach.



Our Materiality Matrix



- Sustainable Growth
- Human-Centric Approach
- Livable World
- Responsible Business Approach

Sustainable Development Goals Map

GRI 102-47

SUSTAINABLE DEVELOPMENT GOALS



OUR MATERIAL TOPICS

Generating Sustainable Economic Value
 Digital Innovation and Accessibility
 Sustainable Growth with Our Suppliers

Empowering Our Employees
 Gender Equality and Equal Opportunities
 Disabled-Friendly Practices

Products and Services Supporting Healthy Living
 Quality, Freshness and Hygiene
 Occupational Health and Safety

Social Development and Creating Awareness for Wellbeing

Social Development and Creating Awareness for Wellbeing

Contribution to Sustainable Agriculture and Biodiversity
 Transparent Product Information

Preventing Food Waste
 Waste Collection and Recycling
 Reducing Plastic Waste

Sustainable Water Management



Stakeholder Engagement

Communication with Our Stakeholders

GRI 102-12, 102-13 102-40, 102-42, 102-43, 102-44

We encourage all of our business partners and stakeholders to adopt our business mentality for a healthier society, healthier world and better work, and we develop our collaborations, accordingly. The “**society and customers**”, “**employees**”, “**shareholders and investors**”, “**supply chain**” and “**governmental agencies**” were determined as our most material stakeholders in line with the experience and observations of the representatives from all the primary functions of the Company at the materiality workshop, held by our Sustainability Committee. The details about the process of engagement with the stakeholders are given in the following table.

STAKEHOLDERS	ENGAGEMENT CHANNEL	ENGAGEMENT FREQUENCY
Society and Customers	Our WhatsApp line	Direct communication with 1,500,000 individuals a year / approximately 4,100 responses in average on daily basis
	Social Media	Instantaneous monitoring and response / Analysis of 1,3000,000 different social media messages on yearly basis
	Consumer Researches	The consumer and trend researches, covering a total of 475,000 individuals within the year, on the basis of monthly periods
Employees	Internal Communication Practices	Provision of information instantaneously through the Intranet Communicating the progress made by the company and also the vision and the targets by means of the Orange Book, published on quarterly basis. Communicating the Human Resources strategies and practices by means of the Panoramik Magazine, published on yearly basis Meeting up the employees with the Senior Management by means of the Internal Communication Meetings, held at the regions and throughout Turkey Socializing of the employees by making use of business or personal posts through the Migros Sosyal App.
	Recruitment Assessment Survey	Following each new recruitment
	Working Life Assessment Research	Annually
	Migros Sharing Hotline	Responding to 20,500 calls a year through the Migros Sharing Hotline and the Intranet of our company

STAKEHOLDERS	ENGAGEMENT CHANNEL	ENGAGEMENT FREQUENCY
Shareholders and Investors	Shareholders' General Assembly Meeting	Convention of the <i>Shareholders' General Assembly Meeting</i> upon the attendance of the shareholders following the announcement of the annual financial statements, on yearly basis, and issuance of the meeting minutes on the corporate website following such meeting
	PDP (Public Disclosure Platform) Announcements	Announcement of the financial statements with respect of each quarter of the respective year and submission of the material disclosures, if and when so required.
	Corporate Governance Principles Compliance Report	Annually
	The website, www.migroskurumsal.com	Sharing detailed information on the corporate website that is updated on daily basis
	<i>Annual Report</i>	Announcement of the operational and financial results for the Company on the corporate website and the PDP on quarterly and yearly basis
Supply Chain	Migros Business Partners Summit	Annually or biyearly, depending on the requirement
	MeCom / MeMobil (B2B) applications	Daily update
	Meetings (GAP-Good Agricultural Practices supplier incentive meetings, etc.)	If and when so required
Governmental Agencies	Meetings and requests for opinions	In line with the requests of the Municipalities and the Ministries - delivery of the opinions through the Food Retailer Association (GPD), Turkish Federation of Shopping Centers and Retailers (TAMPF), International Investors Association (YASED), Turkish Industry & Business Association (TUSIAD) and the Union of Chambers and Commodity Exchanges of Turkey (TOBB) Retailing Assembly, to which we are a member
	Audits	Monthly / Yearly
	Communication with the Municipalities and Ministries	Following up the regulations, legislation and by-laws, and providing the information as required - taking the actions in terms of compliance with the advanced objectives by consulting with the Ministry of Trade, the Ministry of Agriculture and Forestry, the Ministry of Family, Labor and Social Services, the Ministry of Industry and Technology, the Ministry of Treasury and Finance and the Revenue Administration
	Applications for the Authorizations and Licenses	New areas of activity, the statutory permissions and licenses for opening of each store and distribution center
Industrial Organizations - Consumer Goods Forum (CGF)	Meetings and Requests for Opinions	Bimonthly meetings with the Board of Directors and the Governance Committee Monthly meetings with the Coalition Management Committees and Working Groups Ensuring the compliance with the commitments, and provision of regular reporting. Accomplishment of the projects and operational regulations in line with the joint resolutions. Assuming the leadership position for the industrial transformations

Membership and Initiatives

GRI 102-12, 102-13, 102-12

The voluntary memberships and initiatives, which Migros takes part, are as follows.

[Detailed information about our collaborations with civil society and umbrella organizations in the Annexes.](#)

 <p>Consumer Goods Forum (CGF)</p>	 <p>One Planet Business for Biodiversity (OP2B)</p>	 <p>Food Retailer Association (GPD)</p>	 <p>Sustainable Food Platform</p>	 <p>The Association of Turkish Milk, Meat, Food Industrialists and Manufacturers Association (SETBIR)</p>	 <p>The Association of Non-Household Consumption Suppliers (ETUDER)</p>	 <p>Turkish Food Safety Association (GGD)</p>	 <p>GS1 Turkey Foundation of Economic Enterprise</p>
 <p>Marine Environment Protection Association (TURMEPA)</p>	 <p>Turkish Industry & Business Association (TUSIAD)</p>	 <p>Women in Technology Association (WTECH)</p>	 <p>Ethics & Reputation Society (TEID)</p>	 <p>Corporate Governance Association of Turkey (TKYD)</p>	 <p>The Institute of Internal Auditing Turkey (TIDE)</p>	 <p>The Turkish Informatics Foundation (TBV)</p>	 <p>The Blockchain Turkey Platform (BCTR)</p>
 <p>Association of Corporate Communicators (KİD)</p>	 <p>European Association of Communication Directors (EACD)</p>	 <p>Turkey Quality Association (KALDER)</p>	 <p>International Investors Association (YASED)</p>	 <p>The Union of Chambers and Commodity Exchanges of Turkey (TOBB)</p>	 <p>International Chamber of Commerce (ICC)</p>	 <p>Turkish Investor Relations Society (TÜYİD)</p>	 <p>CSD of Turkey (MKK)</p>
 <p>LEAD Network EU</p>	 <p>LEAD Network Turkey</p>	 <p>Women on Board Turkey (YKKD)</p>	 <p>People Management Association of Turkey (PERYÖN)</p>	 <p>Training and Development Platform Association (TEGEP)</p>	 <p>Ziraat Mühendisleri Odası (ZMO)</p>	 <p>Environmental Protection and Packaging Waste Utilization Foundation (CEVKO)</p>	 <p>Istanbul Commodity Exchange</p>

Consumer Goods Forum (CGF)



The Consumer Goods Forum (CGF), which has **400 members consisting of retailers, manufacturers and service providers from 70 countries worldwide**, provides guidance to the fast-moving consumer goods and retail sector in the world in respect of social and environmental sustainability, health, product safety and end-to-end value chain. **Özgür Tort, our Chief Executive Officer**, who has been holding office at the Board of Directors of CGF since 2013, continues to serve as the **Head of CGF Retail** since 2019. Thus, Migros plays an active role in determination of the global targets of the CGF in respect of sustainability.

CGF, which has maintained its activities in accordance with various initiatives, working groups, proposed solutions and commitments previously under the topics of environmental sustainability, social sustainability, health, product safety and end-to-end value chain, updated its management and implementation approach in 2019. Accordingly, the coalitions for Food Waste, Plastic Waste, Collaborations for Healthier Lives, Global Food Safety Initiative (GFSI), Sustainable Supply

Chain Initiative (SSCI), Human Rights – Working to End Forced Labor, End-to-End Value Chain, and Forest Positive (supporting forestation) have been established upon the participation of the retailers and manufacturers that wish to work actively in the relevant fields. As based on such coalition structuring, each company became involved in the topics, in which it is actually interested and in which it wishes to make the difference, depending on its own material topics. It is expected that the commitments as determined in such manner would be more realistic, and also that the practices would be faster and generate effective results. Accordingly, **we lead our industry** in respect of accomplishment of the improvement objectives of the CGF in Turkey by participating in the coalitions of the **CGF for Food Waste, Collaborations for Healthier Lives**, and End-to-End Value Chain. We provide contribution to the progress reports, which are based on the commitments and objectives and issued separately for all focal topics by the CGF, by means of our sustainability performance.

Along with being a signatory of the CGF's global commitments, we also lead our sector in Turkey in the implementation of development goals.





A Livable World

Responsible
Production,
Healthy World

Responsible
Use of Our
Resources

Effective Waste
Management

Combating
Climate
Change

Our Sustainability Commitments for a Livable World

Reducing Food Waste

To halve the ratio of our food waste tonnage to our food sales tonnage by 2030 compared to 2018



Combating Climate Change

To reduce our daily electricity consumption per square meter of our sales area by 18.5% in 2024 compared to 2015

To reduce our daily greenhouse gas emissions per square meter of our sales area by 7% in 2024 compared to 2019



Sustainable Water Management

To reduce our daily water consumption per square meter of our sales area by 3.5% in 2024 as compared to 2019



Supporting Sustainable Agriculture and Biodiversity

To preserve the biodiversity at the agricultural areas to support the products made of local seeds



Our Environmental Management

GRI 103-1, 103-2, 103-3, 307, 307-1

All of our domestic business units hold an ISO 14001 Environmental Management Standard Certificate.

We are aware of the need to protect the environment to leave a livable world for future generations. Based on the view that each step taken for a more livable world is indeed taken for the humanity, we not only preserve the present resources but also aim to protect the rights of the next generations thanks to our **Migros Better Future Plan**. We monitor and bring under control our environmental impacts that might arise in consequence of our operations and maintain our activities with the objective to minimize such impacts, in accordance with our Migros Better Future Plan. We share our environmental management strategy, principal focal

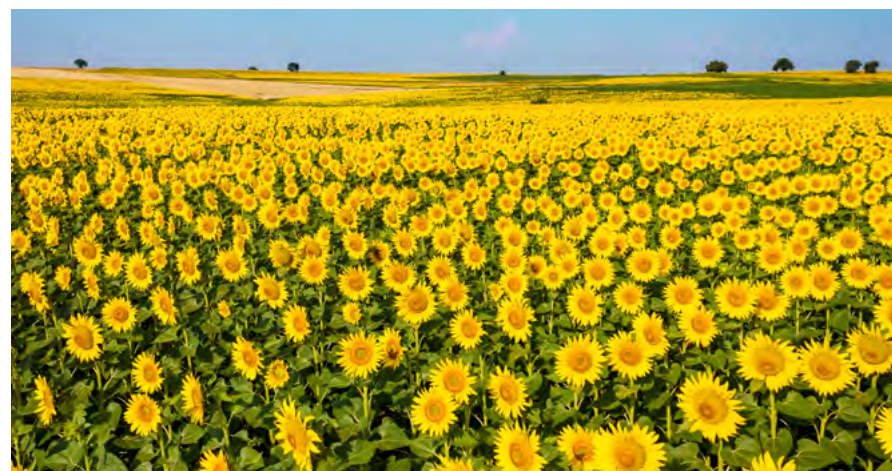
topics and management processes with all of our stakeholders through our website in detail in the Migros Environmental Policy. In line with the changing needs and material topics, we undertake to review and update our Environmental Policy on yearly basis. Our policy was last updated in 2019.

The ISO 14001 Environmental Management Standard, possessed by our company, covers our operations at all of our domestic business units. Our company has not acted in breach of any law or policy whatsoever in respect of the environmental issues in 2019.

Our Board of Directors is responsible for determining the strategic approach of our company with respect to the environmental management with a view based on the risks and opportunities. The responsibility for improving the performance with respect to the environmental issues by transforming

such strategic approaches into improvement plans, projects and practices remains with the Senior Management of our company, as well as our Sustainability Committee that is assigned directly by our Senior Management. We set both qualitative and quantitative improvement targets in accordance with our Environmental Policy and our Migros Better Future Plan. The performances

achieved are reported to our **Sustainability Committee and Chief Supply Chain and Logistics Officer** on the basis of the topics, either on monthly or quarterly basis. Such two checkpoints of us conduct an assessment with respect to our strategies, practices and performance for the environmental issues, and submit the results thereof to our Senior Management.



Our Contribution to Sustainable Agriculture and Biodiversity

GRI 103-1, 103-2, 103-3, 304-1, 304, 304-2

We care about the preservation and enhancement of the biodiversity at the regions where we affect due to our operations. The operations, we maintain at the urban areas as based on our fields of activity, do not have any direct negative effect on the biodiversity. However, we make the efforts to minimize our indirect effects despite the foregoing. Accordingly, we are subject to all environmental assessments, which also includes the biodiversity, as required by the Convention on Biological Diversity under the United Nations Environment Program (UNEP), signed by our country, in respect of the statutory permissions and licenses for opening stores. **Preservation of the biodiversity** is of vital importance not only for the living of the

creatures but also for the economic and social development. **Agriculture stands as** the basis for all basic products, we eat, drink and use, for the purpose of maintaining the ordinary course of life. While the biodiversity enables the agricultural products to be more resistant against the factors such as the diseases, epidemics and climate change, agricultural production based upon sustainable methods supports the biodiversity.

Since its establishment, we have been an active member of the OP2B (One Planet Business for Biodiversity) coalition, which was launched at the United Nations Climate Action Summit in 2019 and which is aimed at preserving the agriculture-driven

biodiversity with its members from various international industries. The OP2B coalition aims to perform a systematic transformation in respect of the production and supply processes within its own value chain, and to contribute to develop the policies by interacting with the corporate and financial officials for the purpose of revitalizing the biodiversity. Scaling up regenerative agriculture, developing product portfolio, and eliminating deforestation are among the focal topics of the OP2B that carries out its activities as managed by the WBSCD (World Business Council for Sustainable Development). In addition to our practices for **popularizing the agricultural awareness** in parallel with such approach, we carry out activities in respect of becoming sustainable

in agriculture and stock-breeding and ensuring the traceability therein by means of the **Good Agricultural Practices**, and preserving the seeds that face with the danger of extinction thanks to the **Tastes of Anatolia Project (Anadolu Lezzetleri)** and **Our Heritage Local Seeds (Mirasımız Yerel Tohum) projects**, and also in respect of tree planting with the Aegean Forest Foundation. The role, we have assumed as **the sole company representing Turkey** in the OP2B coalition, also constitutes the contribution provided by the private sector also for the Conference of the Contracting Parties to the Convention on Biological Diversity, which will be chaired by Turkey between 2022-2024.

Focal Activities of the OP2B Coalition



REGENERATIVE AGRICULTURE (REHABILITATIVE AGRICULTURE)

- To preserve the biodiversity at the agricultural areas
- To preserve the soil health



PRODUCT PORTFOLIO

- Offering the new ranges of product made of local seeds or traditional methods
- Raising the awareness of consumers on biodiversity and for the valuation of these new product ranges



ELIMINATING DEFORESTATION

- Increasing the forest lands
- Preservation of high-valued ecosystems, and restoration

OUR GOOD AGRICULTURAL PRACTICES

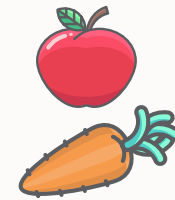
We feel grateful for the Anatolian soils, which have hosted various civilizations for thousands of years and which have served, yielded, fed our people continually and which stand as one of the greatest ranches in the world, and we act with the responsibility to carry over such fertility to the future and our children. In addition to being the retailer that purchases the most from the Cooperative Agricultural and Credit Associations, we provide support also for the local cooperative associations at all regions. We manage to reach both the large-scaled and also the medium and the small-scaled

producers through this channel. Besides, we purchase products from approximately 15 thousand farmers on individual basis. We materialize many projects for the purpose of ensuring the continuance of agricultural production and enabling the producers to continue their existence by getting stronger.

For the purpose of managing our impact on biodiversity, resulting from the indirect agricultural and animal production at our supply chain due to our field of activity, we prioritize collaboration with the suppliers that have adopted the Good Agricultural Practices. Thanks to the Good Agricultural Practices, which describe the processes that are required to be implemented for the purpose of turning the agricultural production system into a process which is livable in social terms and profitable and productive in economic terms and which protects the human health and cares about the animal health and welfare as well as the environment, we contribute to the reduction of the negative effects, resulting from the agricultural production. In addition to this, we carry out the activities for the purpose of developing alternative pest control methods and eliminating use of agricultural pesticides by making use of the biological combat techniques.



Vegetative Production



812,114

Within a period of 9 years, we delivered 812,114 tons of fruits and vegetables, produced as based on the GAP.



1,282

In 2019, we purchased products with a GAP certificate from 1,282 producers.

GAP - Vegetative Production

Since 2010, our Company is the retailer that has applied the **control system, as based on 224 criteria for the fruits & vegetables, the first in Turkey in accordance with the procedures and principles for the "Good Agricultural Practices"**.

Our Company holds the Good Agricultural Practices Group Certification, including the crop processing areas, for its fruit & vegetable warehouses in Antalya, Bursa, Izmir and Mersin, and it maintains such certificates up to date by means of the audits conducted on yearly basis.

We provide support for our suppliers and their producers to switch to the GAP system by providing them with consulting, training and incentives. We delivered **trainings to approximately 25,000 farmers** of us for producing as based on the GAP, within a period of 9 years. Also, **1,282 of our sub-producers** and the farmers affiliated with

them have completed their trainings in 2019. We procured **336 products with a GAP Certificate, pertaining to 102 groups of fresh fruits & vegetables which have been produced as based on the procedures and principles for the GAP, from such farmers.** The products we have procured with a Good Agricultural Practices Certificate, supporting the sustainable agriculture, increased to 812,114 tons as of the end of 2019 since 2010. In 2019, we held trainings for the purpose of ensuring that our employees are informed as based on the procedures and principles for the Good Agricultural Practices, and also raising their competence with respect to the products which are based on the Good Agricultural Practices and which are offered to our customers in our stores. Accordingly, **our 478 employees, serving at our 14 warehouses, have completed their trainings.** We are involved in the various activities that are carried out for the purpose of increasing the production as based on the procedures and principles for the Good Agricultural Practices for the

dried products (pistachio, hazelnut, apricot, grape, etc.).

GAP - Animal Production

Accordingly, we started to offer the chicken, turkey and egg products with a GAP certificate to our customers by realizing the 'Good Agricultural Practices in Animal Production' project as per the standards for white meat as part of the Good Agricultural Practices as introduced by the Ministry of Agriculture and Forestry, in 2013. Such products are being produced in accordance with the 317 criteria for the inquiries conducted by the inspection and certification bodies that are authorized by the Ministry of Agriculture and Forestry, and the relevant analyzes for such products are being performed, accordingly..

In 2019, **100 percent of our chicken and turkey** products was produced in accordance with the GAP procedures and principles, and we procured eggs from 12 enterprises, which are listed on the 6 GAP Certificates issued for our 4 suppliers, in respect of egg production. In 2017, we once more blazed a trail for delivering safe raw milk to our customers just after the sale of raw milk has become legal as based on certain conditions. We offered the **raw milk with a Good Agricultural Practices**

Certificate for the first

time to our customers by initiating a collaboration with a ranch, which produces at the international standards for the Dairy Cattle Raising and which is **approved by the European Union.** We sold 1.3 million liters of raw milk with the GAP certificate within 3 years. In 2019, we sold 857 tons of raw milk with the GAP certificate. Besides, we provided our customers with 968,765 eggs with the GAP certificate which correspond to 4.4 percent of our total egg sales.



In 2019;



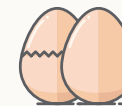
100%

100% of our chicken and turkey products were put on the market after having passed through 317 control points in accordance with the GAP procedures and principles.



857 tons

We offered 857 tons of raw milk, produced as based on the GAP, and



968,765

968,765 eggs with a GAP certificate to our customers.

In 2017, we initiated the “**Good Honey**” project together with the **Ministry of Agriculture and Forestry**. The aim of this project is to prevent imitation and adulteration in the honey products, and to establish good honey criteria, and ensure the **safe honey** production and supply, and also to **reduce the losses** in honey production. During the course of such process, many workshops were held in collaboration with the governmental agencies, research institutes, universities, producer associations, inspection and certification bodies. We will continue to offer honey with the Good Agricultural Practices Certificate to our customers.



SUPPORTING THE LOCAL SEEDS

Anadolu Lezzetleri (Tastes of Anatolia) Project

We created our “Anadolu Lezzetleri” (Tastes of Anatolia) brand name, we regard as a social responsibility project in order to **preserve the Anatolian seeds on the verge of extinction and deliver them to posterity**. We browsed around every inch of the Anatolia with a dedicated team for a period of 3 years for the purpose of finding the seeds, which have existed for centuries at these lands but which have not been planted for various reasons in the course of time. We are providing mediation for producing such tastes, which are of distinctive nature by their regional or cultural characteristics, authentically by making use of conventional methods, and for introducing such tastes with the next generations, thereby. We are aimed at not only supporting the biodiversity but also passing on such richness to the next generations by looking after such cultural richness of Anatolia.

In 2019, we introduced our 54 Tastes of Anatolia Project (Anadolu Lezzetleri) products with our customers by the examination of the local seeds and exclusive recipes of 25 localities in the 7 regions of Turkey. Each of such products

of us was produced authentically by the masters thereof.

Thanks to the 54 Tastes of Anatolia Project, pertaining to 25 localities of the Anatolia, we are carrying the seeds, which have almost become extinct, into the future.

We include all of our suppliers, which deliver products as part of the Tastes of Anatolia Project (Anadolu Lezzetleri), into the scope of the “Supplier Development Program”. At first, we conduct the initial audits for the production sites of such suppliers, and we analyze the results, thereafter. Depending on the results of such analysis, we provide our suppliers with the essential requirement trainings in respect of the provisions as prescribed under the statutory regulations, hygiene practices, pest control practices, infrastructure conditions, etc., without making any change with respect to the traditional production conditions for the respective product. Following such trainings, we supervise the practices of our suppliers by means of the monitoring audits, and we

support them in respect of sustainable production.

Mirasımız Yerel Tohumlar (Our Heritage Local Seed) products

We offer our customers ‘Mirasımız Yerel Tohumlar’ (Our Heritage Local Seeds) products, produced by using thousands of years old heirloom seeds of the Anatolia, a project that is being carried out within the Ministry of Agriculture and Forestry. We became the first and the sole retailer, which has put the Our Heritage Local Seeds Products on its shelves, by providing support for this endeavor that was launched in 2019. In this context, we purchased 75 tons of 9 kinds of products, and offered them to our customers.



COMBATING DEFORESTATION

As part of combating deforestation, we are working to reduce the amount of the paper we use in our operations, and preserve the biodiversity, and also **reforest the forest lands damaged by wildfires**. By offering the olives, grown by the Aegean Forest Foundation, at our shelves, we provide contribution to generation of new forest lands in substitution for the thousands of trees, which have been burned and damaged, by making use of the revenue derived from such products. We have donated young plants in the Aegean Region through the agency of the Aegean Forest Foundation for 11 years, and also in 81 cities of Turkey by means of the **"Breath for the Future"** campaign, carried out within the organization of the Ministry of Agriculture and Forestry, in 2019, and we have provided support for **the planting of a total of 544,241 young plants**. In 2019, we made a donation to the TEMA Foundation (The Turkish Foundation for Combating Soil Erosion, For Reforestation and the Protection of Natural Habitats) by making use of a portion of the revenue derived from the sales of the Sofia brand toilet tissues, sold as 32 in one pack, designed exclusively for the Migros stores thanks to the "Memorial Forest of 10 Thousand Young Plants For Our Future", we have accomplished in cooperation with Lila Kağıt.

A portion of the revenues, derived from the sales of the Finish Powerball 0% (containing no phosphate, perfume and skin allergens) sold at the Migros stores, has been donated to the Aegean Forest Foundation, and 10,000 young plants have been planted, accordingly. Likewise, 5,000 young plants have been planted as part of the donation made to the Aegean Forest Foundation by making use of the revenue, derived from the sales of the Omo Yumos Bio Active (with a packaging containing 50 percent lesser plastics) products sold at our stores.



We supported planting of 544,241 olive trees in 11 years. We donate the revenue, derived from the sales of the products of the olive trees, to the Aegean Forest Foundation.



Our Practices to Reduce the Use of Paper

We aim to reduce the amount of the paper consumption in our operations, and also increase the use of recycled or certificated materials. Our paper consumption in 2019 was reported as 6,629.5 tons.

We prefer to use the paper, derived from the sustainable resources, for the photocopy papers used at the Migros Head Office. Furthermore, the photocopiers are activated by the employee identity cards, and thus, we avoid taking any redundant printout. With the aim of reduction of paper consumption in both our stores and other units, all of our managers can access all data and analysis they need through the

application MIO on their tablets and view digitally their daily routine reports. In 2019, 67.14 tons of paper were saved with the store employees switching to tablets and by other updates in our processes. Also, the requests for the necessary consumables are being forwarded through the corporate intranet at our 5M stores. Any such needed product is being sent to the respective store only upon the grant of the approval thereto. Thanks to this practice, we saved 30 percent of A0 paper (plotter) consumption at our 5M stores in 2019. We design the size and design of our printed marketing materials so as to keep our paper consumption at the minimum level. Moreover, we print all campaign and promotional brochures and leaflets on recycled paper. We saved 30,685 trees by

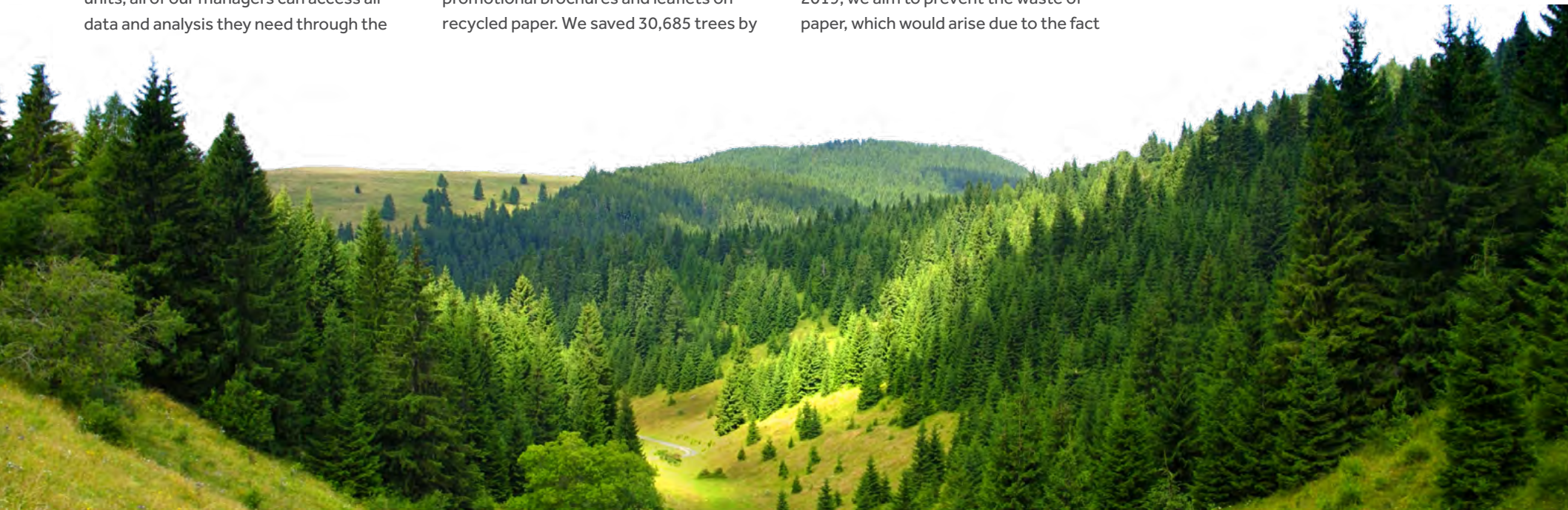
using 1,805 tons of recycled paper for the entire campaign leaflets.

In addition to the foregoing, we are capable of completing the claims and collection processes as addressed to the respective insurance company with respect to any claim that might occur at any of our units, without any need for any printed paper, since we have moved the insurance claim notification system to the online system. Thus, we aim to avoid use of 50 kg paper next year.

Thanks to the BOSS (Maintenance Repair Servicing System) practice, we have started to implement on pilot basis in 2019, we aim to prevent the waste of paper, which would arise due to the fact

that a printout is taken and delivered to the manager of the store, at which such work was performed, following any work performed for any malfunction/repair at such store. We will save 406 kg of paper for 2020.

Also, we encourage our customers to make use of the mobile Money Cards. Thus, our customers can submit an on-line application through our website, namely www.money.com.tr, and have a mobile Money Card issued accordingly, instead of completing a printed Money Card application form.



Our Food Waste Prevention Practices

GRI 103-1, 103-2, 103-3, 306

We are aware of the significance of preservation of our finite resources for a livable world. Accordingly, we are carrying out our activities to ensure the effective use of food and water, the most notable two core resources, and prevent the waste thereof.

According to the report, drawn up by the Food and Agriculture Organization of the United Nations (FAO), one third of food is not consumed for the intended use but becomes wasted. In this context, we believe that the food retail sector can provide a great contribution in prevention of the food loss and food waste. **Sustainable Development Goals 12.3** is focused particularly on this topic. As a member of the Consumer Goods Forum (CGF), we are committed to reduce our food waste percentages accordingly and set our target by 2030. Reduction of food loss reduces the use of water and fertilizers, and prevent loss of soil, and thus, reduce the greenhouse gas emissions.

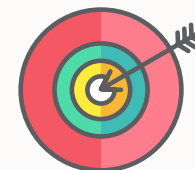
In order to reduce food loss and waste and ensure re-utilization of any food that can be consumed, we realize various **projects in line with the food recovery hierarchy** by accelerating our measurement, categorization, analysis and improvement activities. We are firmly moving towards our goals with projects, listed herein below and whose capacity we plan to gradually increase.

The projects we carry out to reduce food waste are as follows:

- Operational improvements
- Delivering the food to the individuals in need
- Raising the awareness of the consumers
- Donating food for feeding the animals
- Extending the product shelf life by employing technological methods
- Generating energy from organic waste
- Reducing food waste of our suppliers

Our Performance and Target

The ratio of our food waste tonnage to our food sales tonnage was 5.36 in the base year of 2018. We aimed to reduce this rate by 11 percent for 2019, and our performance was 17 percent, and our food waste ratio decreased to 4.43. We aim to reduce the same rate by 1 percent in 2020 compared to 2019.



50%

We target to halve the ratio of our food waste tonnage to our food sales tonnage by 2030 compared to 2018.



OPERATIONAL IMPROVEMENTS AND DISCOUNTED SALES

In line with our objective to reduce any loss at source, we continue our practices to reduce the food waste resulting from food spoilage. For many years, we have been offering 25-50 percent discounted sales for prevention of waste of the fresh food products such as meat, chicken, dairy products with an upcoming Expiry Date. We have conducted researches for moving beyond such practice. In consequence of the surveys we have conducted, we observed that a portion of 80 percent of our food waste consisted of the vegetables & fruits. Accordingly, we conducted ad hoc activities for such perishable product group.

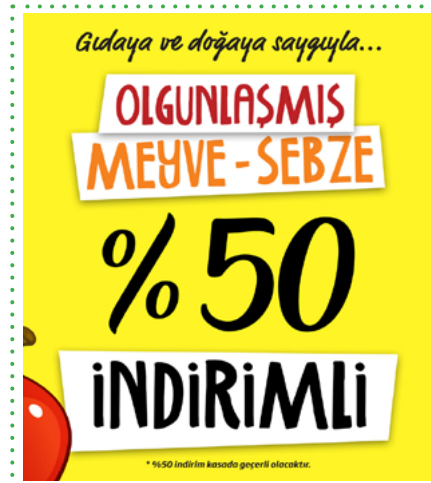


We are placing our orders for the fruits & vegetables in our stores automatically by making use of machine learning, and thus, we prevent the loss of food, resulting from overstocking. We saved 5,000 tons of food by applying the upcoming Expiry Date and ripe fruit and vegetable discounts

In 2018, we commissioned the automated ordering system for fruits & vegetables for the purpose of preventing the losses that result from overstocking. We started to place the orders for fruits & vegetables on automated basis as based upon the previous orders, stockpiling and sales by making use of the machine learning algorithm. **We accomplished to reduce our fruit and vegetable waste by 3.1 points at 114 of our stores** where we tried such system the first. We filed a patent application for such system, which has been developed entirely by making use of our internal resources, and we generalized

such system at all of our stores. Having guaranteed the accurate ordering and stockpiling by means of such system, we proceeded to the second phase for reducing our food waste which still remain to arise.

We started to **employ the practice of 25 - 50 percent discounted sales**, we have been applying for many years for the purpose of **accelerating the sales of the fresh food products such as meat, chicken, dairy products with an upcoming Expiry Date**, also for the sales of ripe fruits & vegetables. In 2019, we avoided waste of 5,000 tons of fruits & vegetables and meat products, and we **saved the food up to the annual turnover of 12 MigrosJet stores** by applying the discounts for the upcoming Expiry Date as well as ripe fruits & vegetables.



OUR RESPECTING FOOD PROJECT

We provide the individuals in need with the food products, which do not satisfy the sales standards in visual terms, but which remain nutritious and **are convenient for consumption, through a web-based donation platform**. Thanks to this new generation practice, we have materialized in 2017 in cooperation with Fazla Gıda (Whole Surplus) for the first time in Turkey, **the food products that can be donated are matched with the requests of the individuals in need at the same platform**. Thus, such donated food becomes utilized 100 percent since they are delivered to the right individuals at the right quantities. By means of the system, in which the fruits & vegetables and dry legume products are involved, **the products can be delivered to the food banks and social markets on daily basis**. By donating 1,424 tons in 2019, we provided support for delivering more than 4 million meals to the individuals in need as of the beginning of the project. We aim to popularize our project at our stores throughout the country.

We supported more than 4 million meal deliveries to those in need.

FOOD LOSS AND LABEL READING RESEARCH

In addition to the practices and projects, we have developed for the purpose of reducing food waste, we are focusing on understanding the current situation and raise the awareness of the consumers by providing contribution to the research and activities conducted for such purpose. Under the leadership of our company and upon the contributions of the leading companies in the retail and fast-moving consumer goods industry, a research has been conducted by the Turkish Food Safety Association (GGD) for the purpose of determining the consumer perceptions and behaviors that give rise to loss of food. In consequence of a



research, conducted through the agency of the Nielsen Research Company, it was determined that the food with an expired Best Before Date (BBD) but convenient for consumption, was junked by 72 percent of the consumers since they were not actually familiar with the difference between the Best Before Date and the Expiry Date. **Expiry Date is used for fresh food product which would be unhealthy to be consumed after this date.** If no problem is determined upon checking the taste, smell and appearance, **consumption of any food with an expired Best Before Date will not pose any risk in terms of health.** Following such research, we participated in the workshop, held by the Ministry of Agriculture and Forestry in 2019, and we submitted our proposals and opinions with respect to the subject matter. In 2020, the guidance for the Regulation on Turkish Food Codex Labeling and Awareness-Raising for the Consumers has been revised, and it was incorporated into such Regulation that “the products with an expired Best Before Date could be consumed”. Further, it was indicated that the food with an expired Best Before Date could be offered for sale to the extent that the convenience for human consumption will be under the control of the food establishments. Accordingly, we are planning to hold

trainings and communication activities at our stores in 2020 for the purpose of raising the awareness of the consumers and preventing undue Food Waste.

OUR 'FRESH LEFTOVERS TO OUR FOUR-LEGGED FRIENDS' PROJECT

In order to feed the stray and forest animals, we have been carrying out the “Fresh Leftovers to Our Four-Legged Friends” project since 2014. **Food products in our stores**, that have an upcoming Expiry Date but which still remain **convenient for consumption**, are being **donated for feeding the stray animals and forest animals** through the agency of the HAYTAP (Turkish Animal Rights Federation). A support of 873 tons of food has been provided in 2019 as part of the project. We have provided contribution to feeding the suffering animals by means of the food aid of 1,896 tons, in total, up until the present.

We have **placed special-design animal food containers in front of the Migros and Macrocenter stores** for the purpose of feeding the stray animals around the stores at a clean and healthy environment. We are allocating such animal food containers for our stores in line with the requests received from our

stores that are located at the areas where there are many stray animals. Such stores of us are acting attentively to freshen the cat and dog food available at the food areas in front of their doors, on regular basis.

We donated 1,896 tons of food to feed the stray and forest animals in 2019



EXTENDING THE PRODUCT LIFE OF RED MEAT

At MIGET, we are carrying out activities for turning each point of our products into a value and minimizing the loss and extending the shelf life thanks to our innovative production line and expert butcher staff. **We extended the shelf life of the meat products approximately by 30 percent by making use of the MAP (Modified Atmosphere Packaging) technique, optimum stockpiling and robust cold chain.** This year, we started to make use of the cutting-edge packaging technology. **The Skin packaging technology**, which covers the food products just like the skin thanks to its flexible upper film, **draws out the air completely during the vacuum pumping, and protects the product against the environmental effects.** Thus, we manage to enhance the shelf life to double. As of the end of 2019, we switched to the "Zero Inventory" practice for the calf carcass being used as the raw material for the production. The sales life of the product at the store was extended by 40 percent since the shelf life has been prolonged. We will continue with our investments together with the rapid development of such technology in the upcoming years.

We reduced loss of food by 50% by extending the life of our red meat products by 30% by making use of the MAP packaging, and by 200% by making use of the skin packaging

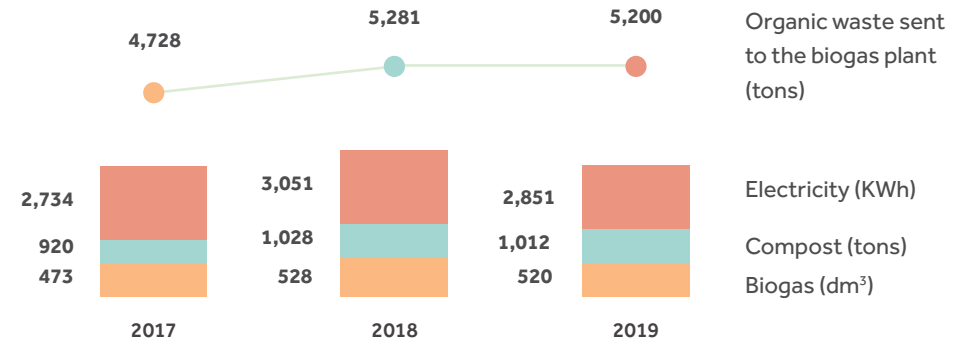


OUR ENERGY GENERATION PRACTICES FROM ORGANIC WASTE

We use our store's organic waste that is not convenient for consumption, in energy recovery and composting or we send it to the municipal waste disposal centers. The food waste at our vegetable & fruit warehouse in Bursa, and also at our Distribution Centers in Bursa, Gebze, Esenyurt and Bayrampasa are sent to the **biogas plants** upon being sorted at the source. In 2019, we sent **5,200 tons of organic waste** from our 687 stores to the biogas plant that produced 520 cubic decameters of biogas which resulted in 2,851 tons of compost and generation of 1,012 kWh electricity.

Additionally, we launched the pilot project, "**Black Soldier Fly (BSF)**", at Incek, Ankara store in 2019. BSF fly larvae utilize the fruit & vegetable waste as the nutritional source, and they can consume waste with the twice of their own body weights a day. **The vegetable & fruit products of our stores are received free of charge by Germina Plant to feed the BSF flies. Upon the degradation of organic waste biologically, the BSF larvae are used as chicken and fish feed** owing to the high protein and oil ratio. Thanks to our circular economy practices, in 2019 we utilized 3 tons of fruit & vegetable waste through this process.

Energy Generation from Organic Waste



REDUCING FOOD WASTE OF OUR SUPPLIERS

We, as Migros, maintain to combat not only for the food waste originating from own operations. In addition to that, we make efforts for enabling our suppliers to reduce their own food waste. In line with such purpose, we participated in the 10x20x30 project that is being carried out globally by the World Resources Initiative (WRI). As part of the project, for the purpose of supporting the target to reduce the food waste, as given in Sustainable Development Goals (SDG) 12.3, **10 retailers will provide support for the performance of the activities for measuring and reducing the food waste ratios of such companies by engaging 20 supplier companies into their activities for the purpose of contributing to the target for 2030.** Migros is among the 10 retailers that have adopted such activity, which has been launched in the international arena, and participated in the said project voluntarily with 20 of its suppliers. For the purpose of enabling them to reduce their food waste, such suppliers of us will be provided with information about the activities carried out on global basis, and trainings will be held, and the use of the Global Food Loss and Waste Prevention Protocol will be ensured for being able to

perform the measurements on the basis of tons, until the end of 2020. Besides, we will provide guidance to such suppliers for the purpose of recording the food waste of such suppliers as part of the ATLAS program to be created by the WRI.

We are working for reducing the food waste by 50% through 10x20x30 Project with our 20 volunteered suppliers until 2030.



Sustainable Water Management

GRI 103-1, 103-2, 103-3, 303, 303-1, 306, 306-1

We received the B score in the CDP Water Program with Management Level which we have been reporting since 2017.

We work to ensure the efficient use of water, one of the most important natural resources, and to prevent the environmental impacts of wastewater that has emerged resulting from our activities. Accordingly, we monitor our water consumption on a monthly basis in all our business units (stores, Head Office, regional directorates, manufacturing sites, distribution centers), report to the Senior Management and aim to reduce our water consumption by using efficiency providing equipment.

The water that we use in our operations is supplied mainly from the municipal water networks, and only 3.69 percent

is supplied from well water. **There is no water source that is significantly affected by our activities.**

We increase the quality of wastewater by employing grease traps in fish and hot-food sections of our stores. The wastewater of our stores is discharged into sewage system. Wastewater generated at MİGET and Distribution Centers of Gebze, Torbalı, Kemalpaşa and Gölbaşı, which all have treatment plant, is reduced to a pollution load level that is below the legal limits in the treatment plant, and then the wastewater generated at Distribution Centers of Gebze and Torbalı and MİGET is discharged into the sewage system, the wastewater generated at the Distribution Center of Kemalpaşa is discharged into Nif

We provided 16,495 of our employees with the effective water use training.

Stream, while the wastewater generated at the Distribution Center of Gölbaşı, which is located within Sakarya Basin, is discharged into the stream bed with seasonal flow. 99.2 percent of our total water consumption is discharged into the sewage system.

In this context, we do not carry out any activities that causes water pollution, and we ensure that no significant impact occurs on the biodiversity characteristics of the water resources as a result of our operations.

OUR RISK MANAGEMENT

This year, we started to use the WRI Aqueduct tool to assess the water risk that might occur at the facilities where our operations are carried out. By means of such tool, we determine the areas with water stress and the regions that pose any risk of flood and drought, and we share the risks and opportunities, as drawn up specific to water, with our stakeholders.

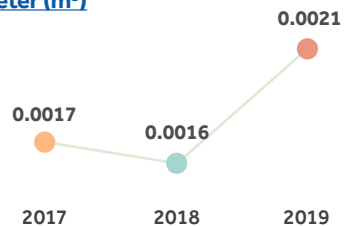
In our calculation, we added our units other than the store formats such as Head Office and distribution center in order to obtain a result covering all our operations. In consequence of the studies as part of our operations in Turkey, we observed that the water consumption of our 1,792 units (stores, warehouses, Head Office etc.), which are located in water-stressed areas, has a share of 91.5 percent in total water consumption. We added the Head Office and distribution centers to 29 stores with the highest annual turnover among the stores with water-risk and revealed the financial aspect of the risk. In addition, by use of WRI Aqueduct Food tool, we evaluate the water risks including especially drought that our suppliers from whom we purchase agricultural products may experience and develop action plans to ensure the continuity of our supply chain.



OUR WATER EFFICIENCY PRACTICES

We measure the amount of water that we consume in all of our operations carried out at the stores, Head Office, regional directorates, distribution centers, fruit and vegetable warehouses, MİGET and Gebze Meat Production Center. Our water consumption is monitored through the cubic meters of water indicated on the water meters of stores and warehouses. In all operational units, we monitor our water consumption on a monthly basis in all operational units and aim to reduce our water consumption by use of equipment that enables efficiency. In order to monitor our consumption in line with the targets of the global retail sector, we monitor our water consumption per square meter of sales area, which constitutes 85 percent of our total water consumption. Since 2017, **we have been reporting to Carbon Disclosure Project (CDP) water management questionnaire in addition to climate**

Daily Water Consumption Amount per Sales Area Square Meter (m³)



change, and our reporting score of B is considered as 'Management' level.

In 2019, our total water consumption arising from all of our operations was 1,282,537 m³. There was an increase of 25.4 percent in our water consumption per sales square meter as compared to 2018, which was our annual target. This is due to two important reasons:

- 1) The transformation of Kipa stores, which we took over in 2017, to Migros stores, was completed in the last quarter of 2018. In the course of this transformation, it was observed that the plumbing systems employed at Kipa stores were not efficient. In addition, data flow problems due to the system differences were solved.
- 2) The systems monitoring the water consumption in all other operations were updated. Up-to-date and accurate data were obtained by integration of renewed system. Thus, we are aiming to increase our data quality for a more accurate calculation of the water consumption of all of our units over the years.

The water consumption shares of 455 stores, which could not be monitored in the course of store transformations and

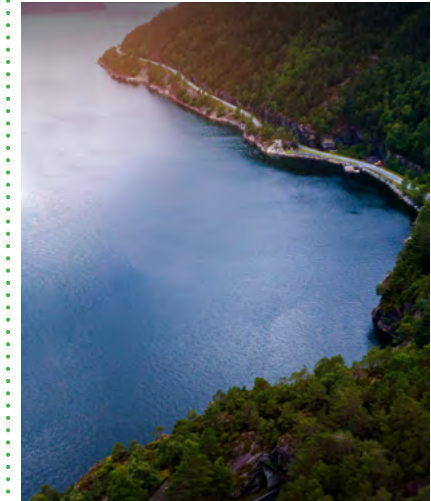
have low data quality, is 39 percent in total consumption. The increase made by these stores corresponds to 16.5 points of the increase occurred this year in our consumption. In light of these developments, we updated our **target of water reduction as reducing our water consumption per sales square meter by 0.5 percent in 2020, 3.5 percent until 2024 in mid-term, and 10 percent until 2029 in long-term** as compared to 2019 base year.

In 2018, we started to conduct a life cycle assessment on our private label products. In this context, the water footprint of 2 kg kashar cheese among our private label products and 1 kg beef tenderloin with skin packaging among our Expert Butcher (Uzman Kasap) products was measured as 170,985 m³.

We renew the equipment, which we use to prevent the waste oils generated in our stores with fish sections and hot-food production areas from mixing into the sewage system, more functional by new-generation tools. Accordingly, 200 grease trap equipment available in our 185 stores were replaced with new-generation equipment that are easier to clean. The requirement to make available such equipment in case of positioning a fish

section in our new stores has been included in the opening protocol. In addition, the obligation to install a grease oil trap in all service sections or the drains to which the sections are connected is imposed for any store to be opened inside a shopping mall.

In 2019, 12,133 of our employees received in-class training on hygiene and food safety, and 36,870 of employees completed the training by distance learning. In addition, **we delivered training to 16,495 of our employees on water management during Environmental and Waste Management Trainings in 2019.**



Effective Waste Management

GRI 103-1, 103-2, 103-3, 306, 306-2

We carry out practices and activities for reduction of the amount of waste we generate and optimum use of natural resources through our responsible, efficient and sustainable consumption approach that we integrate into our processes. We believe that effective waste management plays a key role in line with the Sustainable Development Goals, as well as protection and improvement of human beings and all living creatures in nature.

Zero Waste is a goal defined as a waste management philosophy that involves prevention of wastage, ensuring more efficient use of resources, prevention or minimization of waste by reviewing the causes of waste generation, and in case of waste generation, separate collection at source and recycling of waste. The companies on the journey of Zero Waste are certified at four different levels: basic, silver, gold and platinum. Adopting the principle of Zero Waste, our company

was entitled to receive a **Basic Level Zero Waste Certificate for our Distribution Center of Şekerpınar** in 2020. We are aiming to obtain Zero Waste Certificate in all of our facilities.

The amount of waste per waste types for 2019 is given in the table below and the amount of waste recycled by years is shown in the Annexes.



WASTE TYPE	DISPOSAL METHOD	AMOUNT (TONS)		
		2017	2018	2019
Non-hazardous	Recycle/Recovery	12,695.05*	17,024*	17,264.24*
	Reuse/Animal Feed	193	327	550
	Biogas/Compost	4,728	5,281	5,200
	Delivery to Municipalities	22,766	24,420	29,360
	Donation to Stray Animals	281	641.1	894
	Donation to Food Banks	58	528	1,424
	Incineration	-	275.7	223
Hazardous	Recycling/Recovery	24	6.1	5,494
	Biodiesel	23	28	30
	Incineration	1.23	0.735	4.46

* Data on items delivered to CEVKO is included.

Our Plastic Waste Reduction Practices

GRI 103-1, 103-2, 103-3, 306

We sold 2,695,886 environment-friendly non-woven plastic and cloth bags in 2019.

The hazard brought by plastic waste has reached to an undeniable extent in terms of its impact on climate change and environmental pollution. For a solution to this problem that disrupts natural life, we aim to spread the awareness of responsible consumption and production, which is among the requirements of the Sustainable Development Goals, throughout our operations.

We took the first step to bring the use of plastic bag under control in 2008 by **starting to use Oxo-biodegradable bags for the first time in Turkish retailing sector.** Then, we introduced environment-friendly bags such as cloth and non-woven bags (non-knitted or non-woven fabric) enabling multiple use for grocery shopping to the consumers for the first time in Turkey. In accordance with the regulation published by the Ministry of Environment and Urbanization, the shopping bags started to be provided for a fee as of January 1, 2019. We were in close contact with the Ministry and took an active role in the establishment of the system, industrial compliance and informing consumers. In the last 2 months of 2018, we carried out activities to raise the awareness of our customers about the new practice at our cash registers. Before the practice of shopping bag charging, which started in early 2019, we produced custom-designed foldable non-woven bags, and distributed these bags to our

customers through special campaigns in the first week of the practice. **We sold 2,695,886 environment-friendly non-woven plastic and cloth bags** throughout 2019. Accordingly, **we reduced the use of plastic bags by 74 percent in 2019 as compared to the previous year.**

We reduced the use of plastic bags by 74% as compared to the previous year.



ENVIRONMENTAL-FRIENDLY PACKAGING SOLUTIONS OF OUR PRIVATE LABEL PRODUCTS

We carry out activities to make the **packaging of our private label products more environmentally friendly**. In our company, there is a **committee which has been established by interdepartmental participation** and focuses on this topic. This committee aims to minimize the use of plastics in packaging, by taking into consideration the product safety. Due to our sensitive approach in this regard, **polystyrene and carbon black are not used in the packaging of any of our private label products, and PVC is not used** at any point in direct contact with the product. In addition, the amount of plastic that we use in our **private label products including 40 items among the detergent and paper category is 405 tons less** than to that of the same products of leading brands. Furthermore, we reduced the amount of plastic that we release to the market by increasing the weight of our private label yogurts from 2.5 kg to 3 kg, and ketchup and mayonnaise products from 700 gr to 1 kg. This method **ensured releasing 46 tons less plastic to the market in 2019**. We also have a Committee of Innovative and Alternative Packaging Suggestions, which was established to take a broader look and

develop more creative ideas in packaging design and material use.

In addition to all of these activities that we carried out as part of environmental management and combating climate change, we started to examine all impacts of our private label products on the environment in the light of scientific methods. We conducted a life cycle assessment and measurement of carbon emission on our products and Expert Butcher products, which constitute 50 percent of our private label product trade.



In consequence of the studies performed, the carbon emission of 127 items in the sales for 2019 was found to be 208,157.53 tCO₂e. Through this analysis, we aim to examine all stages related to energy raw materials used during the manufacturing of the products and transportation and provide our stakeholders with a product experience that meets international standards. We are planning to complete the measurement of our whole private label product range in the upcoming years.

We are conducting transformation activities for the use of sustainable and biodegradable materials in the packaging of our Expert Butcher (Uzman Kasap) products and meat produced in our fresh meat processing plant of MİGET:

- **Thinning the upper film used at our MAP (modified atmosphere packaging)**

For reduction of the amount of plastic package used in packaging, **the upper films of the packages have been thinned** by carrying out activities to keep constant or improve the product characteristics and life-cycle for MAP. In this way, **the use of 5 tons of plastic was avoided**.

- **Making use of mono materials in MAP and making them completely recyclable**

By conducting improvement activities with our business partner in packaging materials, **we made use of completely mono materials for the packaging material** used for one of product groups. As a result of this activity, **110 tons of packaging material** in the product group manufactured through making use of MAP became completely recyclable instead of becoming waste, and thus, **usable as raw material** in the production of different materials.

- **‘EU Project Partnership for Biodegradable Packaging’ in order to reduce eco-friendly packaging materials and food losses**

Biodegradable packaging is not produced in our country and limited in the world. **Biodegradable packaging material was developed as part of the EU project** at which we have partnership. In the project to be completed in November 2020, the use of the developed material will be evaluated following the completion of the test phases and the approval of the parameters such as their impacts on cost and product life.

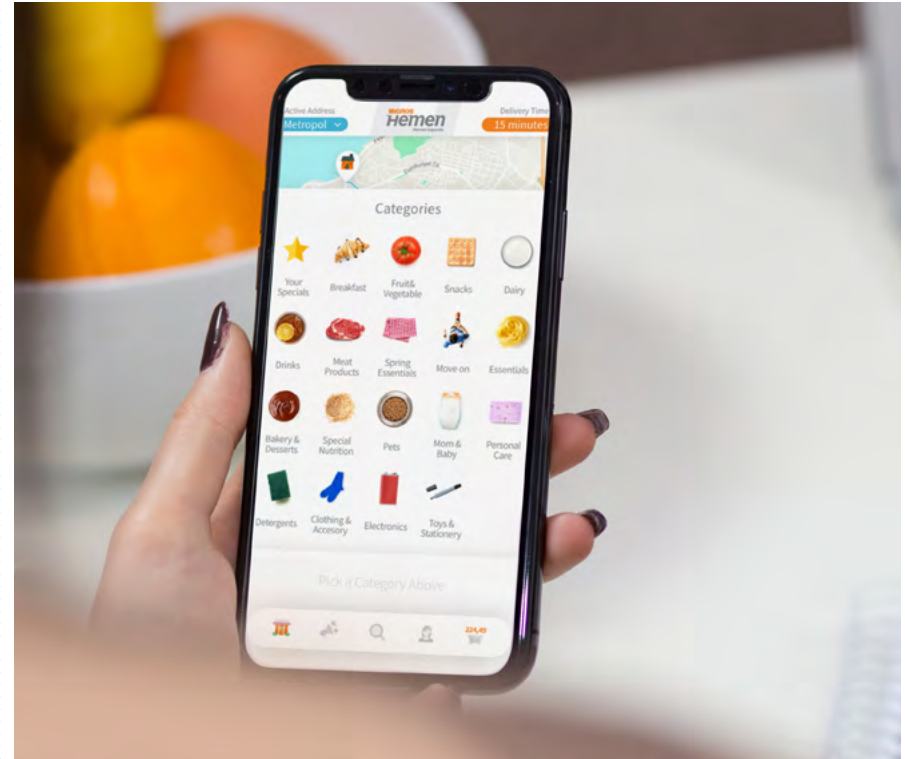


OUR OTHER PRACTICES FOR REDUCING PLASTIC USE

Instead of a plastic transport crate with low durability, we have been making use of foldable crate that is suitable for multiple uses in the distribution of fruit and vegetable products since 2013. We started to use these crates in our red meat shipment in 2014.

We encourage our customers to make use of mobile Money Card instead of plastic cards in order to further reduce our negative impact by further examining our impact on the environment. **In 2019, the rate of mobile Money Card use reached 65.7 percent of shopping transactions by card.**

Finally, Global Compact Turkey, Business Council for Sustainable Development Turkey (BCSD Turkey) and TÜSİAD took the fight against plastic pollution a step further and established “The Business Plastic Initiative” Being one of the signatory parties of this initiative, our company announced that it will establish a commitment regarding plastic waste until 2021.



Our Contributions to Waste Collection and Recycling

GRI 103-1, 103,2, 103-3, 306

OUR WASTE OIL AND BATTERY COLLECTION ACTIVITIES

Waste oil discharged into the sewage system mixes into soil and water and cause a high level of pollution. 1 liter of waste oil makes 1 million liters of clean water unusable. We deliver the waste oil that we collect from our customers through our stores and Migros Sanal Market (our e-commerce channel) to a licensed company authorized by the Ministry of Environment and Urbanization. Biodiesel production is conducted by this oil. In 2019, we **delivered 30 tons of waste vegetable oil** collected through waste oil collection units located in 80 percent of our stores **to licensed companies.**

30 tons of waste vegetable oil and 4.5 tons of waste batteries were collected in 2019.

By the collected waste vegetable oil, we also contributed to the cleaning of the seas through the TURMEPA Marine Clean Association. As part of the **Waste Vegetable Oil Collection Project** being conducted under our leadership, **contributions to keep Selimiye Bay located at Hisarönü Gulf clean are made** by donations made for the boat DENİZTEMİZ 3. Through the service it offers, DENİZTEMİZ 3 collected 49,751



400,000 liters of sea water was kept clean in cooperation with TURMEPA.

liters of wastewater equivalent to the wastewater generated by 275 people from 158 boats in 2019. In other words, mixing of black and gray water equivalent to approximately 2,700 carboys into the sea was prevented. **In this way, it was ensured that 400,000 liters of sea water was kept clean.**

We are also providing mediation for eco-friendly disposal of batteries and electronic equipment, which are among the hazardous waste. In 2019, we delivered **4.5 tons of waste batteries** collected from our customers in battery boxes in our stores to the Foundation of Manufacturers and Importers of Portable Batteries (TAP) authorized by the Ministry of Environment and Urbanization. When



the waste batteries, which are brought to our stores as part of the project **"Give the Batteries to Migros and the Milk to Kids"** that was launched in 2019, are delivered to TAP, **1 liter of UHT whole-fat milk of Migros brand is donated to the Koruncuk Foundation** (Turkish Foundation for Children in Need of Protection) **in return for each waste battery of 1 kg.** As part of the project, which will continue also in 2020, **4,115 liters of milk was donated in 2019.** Since 2017, **we have been collecting**

waste vegetable oil and waste batteries from the houses of our customers by Migros Sanal Market and deliver them to recycling points. Within the scope of this service that has been implemented for the first time in Turkey, **91 kg batteries and 219 kg waste vegetable oil have been recycled in 2019**. In 2019, we delivered **92 tons of electrical and electronic equipment**, which we collected from our customers, to licensed institutions authorized by the Ministry of Environment and Urbanization and **had them recycled**.

The amount of waste we collected by year is available in the section of Annexes.



OUR PRACTICES SUPPORTING RECYCLING

Through our project "Bring Us Back to Life" that we carried out in our Head Office and regional directorates in previous years, we ensured that packaging waste, paper, glass waste and organic waste were recycled at the source. This year, we will realize the **Green Office program** implemented for savings and improvements in the offices **in cooperation with WWF-Turkey**. In this context, we aim to raise awareness of our employees about energy savings, carbon emissions, renewable resources, conscious use of natural resources and changing lifestyle. In 2019 we consider systematically evaluate the resources we consume then we will put into practice the measurement and monitoring systems determining the relevant saving criteria in the next year.

We are in close contact with the Ministry of Environment and Urbanization and actively participate in the working groups for establishment of the deposit system to be implemented for beverage packaging as of 2021 as part of the Zero Waste Project. In consequence of the meetings held by formation of working groups for deposit study with many

stakeholders such as WWF - Turkey, BCG, manufacturers and consumers, 'Waste Management Report' was drawn up for beverage packaging in Turkey.

We accomplished to have 17,173 tons of wood, paper - cardboard, metal, plastics and glass recycled in total in 2019.

Protection of Green Sea Turtles in Akyatan Region of Adana and Dolphin Species in Dilek Peninsula of Kusadasi, being the projects of WWF - Turkey, were supported by the revenue derived from the sales of the cereal products of Nestlé as part



of our campaign. Through this project, 359 nests were designated in Akyatan Region of Adana, and 10,000 baby green turtles were helped to the sea. In the marine area of Dilek Peninsula National Park, the activities to determine the number of dolphins and to protect them, and to establish a nature observation system and increase the capacity of local authorities were carried out. In addition, approximately 3.22 tons of packaging was collected for recycling through the recycling project in accordance with the information received from ÇEVKO.

We prevented chopping of 89,806 trees by means of such wooden, paper and cardboard products that have been recycled.

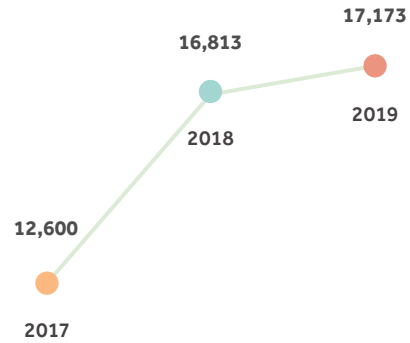
GRI 306-2

We collect non-hazardous metal, wooden, paper- cardboard, plastic, glass waste, at their source, arising from our operational activities, and recycle them by the best methods through licensed companies. We design the packaging of our private label products so as to be suitable for recycling, and we also enable recycling of the packaging waste of these products **in cooperation with ÇEVKO**. Within the scope of the targets set forth under the Regulation on Control of Packaging Waste, our company has an improvement goal that is updated every year. **In 2019, we collected 6,200 tons of packaging waste, and recycled 54 percent of packaging waste of our private label products** by achieving the target we set. Through these activities, we accomplished to have 17,173 tons of wooden, paper-cardboard, metal, plastics and glass recycled in total in 2019. We prevented **chopping of 89,806 trees** by means of such wooden, paper and cardboard products that have been recycled.

In 2019, employees of Macrocenter, who aimed to leave a livable beach and environment, started to clean the Aegean coasts by the end of the summer. A shared value was created, and awareness was

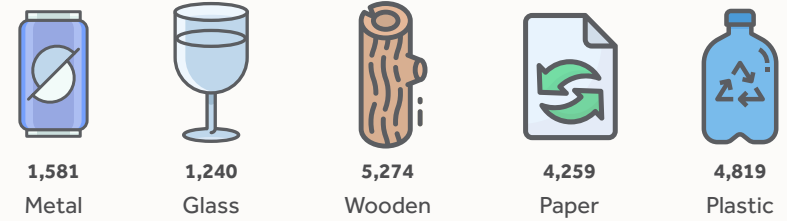
raised through the support of the local people to Macrocenter employees, who were collecting the garbage in Cennet Koyu Beach and Gündoğan Beach in Bodrum and Altın Yunus Beach in Çeşme.

Amount of packaging waste recycled by years (ton)



You can find the amount of waste vegetable oil, waste batteries, and electronic waste recycled by years from the Annexes.

Non-Hazardous Waste Distribution Recycled in 2019 (ton)



Combating Climate Change and Our Energy Management

GRI 103-1, 103-2, 103-3, 305, 305-1, 305-2, 305-3, 305-4, 305-5

We rank among the CDP Turkish Climate Leaders with Score of A- in CDP Climate Change Program.

We undertake and maintain our practices and targets with respect to combating climate change, transition to a low carbon economy and sustainability, which are included in our Migros Better Future Plan, in accordance with international norms, national statutory requirements, Sustainable Development Goals and the principles of Consumer Goods Forum. For such purpose, we determine our environmental targets for reduction of our carbon emission as per Paris Agreement, global initiatives and national targets, and manage our operations in this context in long term. We review our targets every year by our principle of highest level of development. For combating climate

change, we adopt challenging goals, which we can update in line with the science-based methodology in the long term. We report **our annual performance and our plan for combating climate change in line with these targets in Carbon Disclosure Project (CDP) every year.** We rank among the Turkish Climate Leaders with Score of A in CDP Climate Change Program.



Performance by Target

	KPI	TARGET YEAR	COMMITMENT	PERFORMANCE OF 2019	PERFORMANCE BY TARGET	BASE YEAR
Electricity consumption	kWh/m ² .day	2024	18.5% ↓	16.3% ↓	In progress	2013
Greenhouse gas emissions	MtCO ₂ e/m ² .day	2023	25% ↓	26.6% ↓	Completed	2015

RISKS AND OPPORTUNITIES

A team, which we formed from our departments under our Sustainability Committee, conducts an annual assessment in order to identify the risks and opportunities associated with climate change. The risks arising from the changes in legislation and physical climate parameters, and the risks arising from other climate-related changes (change in consumer behaviors and company image) are identified in annual evaluations. These risks coincide with the topics addressed by global initiatives such as **Task Force on Climate-related Financial Disclosures (TCFD)** and are reported to our Senior

Management to develop solutions by monitoring possible and current financial results. In addition, the targets of our **Chief Construction Officer and Group Manager of Repair and Energy Management**, for reduction of energy consumption and gas leakage, which have the greatest impact on combating climate change, have a significance of 10-20 percent among all targets, and have direct impact on annual performance premiums.

The impacts of retail operations on climate change are primarily due to electricity and refrigerant gas usage. The lighting, air-conditioning and refrigeration activities of our stores and distribution

centers result in greenhouse gas emission. The greatest source of indirect impacts is the logistics of the products.

Changes in precipitation are the main risks to our company arising from the climate change. In addition, as of this year, we have included the storm in our risk assessment for the following 5 years, since it caused a considerable loss in 2019. In this context, we expect that the impacts of snow, storm and flood will increase and thus, a loss of approximately TRY 1.4 million may be experienced for the next 5 years. As a precaution against abovementioned, we have our stores insured against possible floods and other natural disasters that may occur.

As part of environmental management and combating climate change, we made an investment of TRY 10.87 million in 2019 within the scope of development of our refrigeration system with natural cooling, energy efficiency and system improvement activities, carbon neutralization activities, waste management, sustainability consultancy, certification under ISO 14001 Environmental Management System and verification of our annual carbon emission.



GRI 305-1, 305-2, 305-3, 305-4, 305-5

OUR CARBON FOOTPRINT

We are aware of the fact that effective carbon footprint management is one of the most important conditions for us to maintain our value chain in a responsible and respectful way to humanity and nature. **As part of our Migros Better Future Plan, our efforts to combat climate change and carbon management activities** are the primary sustainability topics addressed at the top management level. In this context, we determine our short, mid- and long-term actions, and implement them in accordance with our strategy.

None of our production facilities cause air pollutants such as dust, heavy metals, combustion gas, volatile organic compounds, fluorine and chlorine.

We identify the factors causing greenhouse gas for all of our stores, distribution centers, regional directorates, regional fruit and vegetable warehouses, MİGET meat processing plant and breeding farm, which started operation in 2018. 50 percent of our carbon emission is due to electricity, and 49 percent is due to refrigeration. We monitor, calculate and report our performance in this regard in **“daily carbon emission per sales area**



We reduced our daily carbon emission by 26.6% in 4 years then achieved the target of 2023 in advance.

square meter (kgCO₂e) equivalent”. Our efforts to reduce our carbon footprint continue in our offices as part of the Green Office Program. We aim to raise awareness of our office employees about energy savings, carbon emissions, renewable resources, conscious use of natural resources and changing lifestyle.

Our Performance and Targets

Accordingly, we aimed to reduce our daily “Scope 1 and Scope 2” carbon dioxide emission rate per store sales area square meter by 1.5 percent in 2019 as compared

to 2018. In addition to the eco-friendly projects we conducted in 2019, we achieved a 9 percent reduction by going far beyond this target through the impact of our effort to neutralize carbon. In addition, we increased our target for reduction of our daily carbon emission per square meter of our sales area by 2023 as compared to 2015, which is the base year for our mid/long term target, to 25 percent; however, **we exceeded our target 4 years ago by achieving a total of 26.6 percent CO₂ in 2019.**

We set our new mid/long term target so as to reduce our daily “Scope 1 and Scope 2” CO₂ emission rate per square meter of store sales area by 7 percent until 2024 as compared to 2019 base year.

Accordingly, we aim for a reduction of 1 percent in 2020.

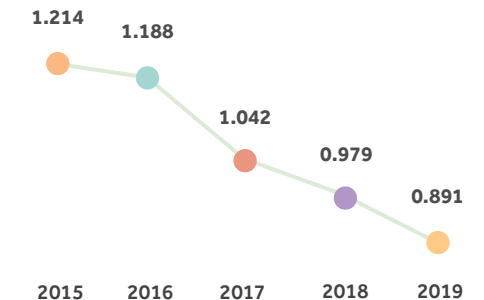
Our 2019 Scope 1, Scope 2 and Scope 3 emission values, which consist of our direct emission sources, have been verified and certified by BSI (British Standards Institution) based on ISO 14064-3 standard and GHG protocol.

[You can review the details of the verification statement in the Annexes.](#)

Corporate Greenhouse Gas Emissions of Turkey Operations by Year *

SOURCE	2017	2018	2019
Scope 1 (mt CO ₂ e)	223,339	225,129	265,117
Scope 2 (mt CO ₂ e)	195,841	228,067	243,558
Scope 3** (mt CO ₂ e)	76,814	84,984	103,923
Total (mt CO₂e)	495,994	538,180	612,597

Daily Carbon Emission Per Sales Area Square Meter (kgCO₂e)



* Emissions from past years has been recalculated based on the current Turkey emission factor.
** Scope 3 emissions include emissions from Flights, Wastes, Transport, Sanal Market Operations, Personnel Services, Customer Service and energy consumption out of scope.

OUR ECO-FRIENDLY COOLING SYSTEMS

We focus on making use of natural coolants and more efficient and new-generation systems for refrigeration systems, which are among the most important elements causing greenhouse gas emission in our retailing operations. We put in place our innovative practices for making use of natural coolants or eco-friendly systems, which can function in harmony with the climate of our country, for the refrigeration systems of our distribution centers and stores, instead of hydrofluorocarbon (HFC).

Accordingly:

- We use **ammonia as a natural refrigerant instead of HFC** in the refrigeration systems in our MIGET meat processing plant.
- In 2015, we started to work on making use of natural refrigerant system in **our Tasdelen Migros M store** and made the efforts to cool by **glycol instead of HFC-R404a gas**.
- In 2016, we worked on **cooling the refrigeration cabinets by circulation of cold water** in our Cekmekoy Koru store, and made use of glycol-propane, a natural refrigerant, to cool the water.



We have patented the system, which is certified with the Utility Model Certificate.

- **In our Sile Dogancili store**, we realized water-cycle system transformation by reducing the amount of gas we used by 60 percent through retrofit implementation in the conventional refrigeration system.
- In 2018, we reached an acceptable level in electricity consumption. We installed a water cooling system in **our Izmir Narlıdere 2. Inonu store and Ankara Gölbaşı Distribution Center**. Thus, the number of our stores and distribution centers, where we use water cooling systems, increased to 4 and 2, respectively.
- We started employing the water cooling system in our Urla MM Migros and Alemdag M Migros stores in 2019. The number of our stores with glycol cooling system increased to 6 upon installations thereof. Upon these two installations that we realized in 2019, only 15 kg HFC gas was used instead of 125 kg to cool the water circulating in the store, and almost 90 percent of gas was saved. **In 2020, we are planning to increase the number of our stores operating by this system to 20.**

In addition, we prevented possible gas leaks by replacing the cabinets and groups in our 17 stores with risk of gas leakage in 2019.

During the transformation of 33 Kipa stores that joined us, we terminated the frozen product center systems, which were inefficient and too large for the requirement, and started to make use of plug-in cabinets. In this way, 1,667,000 kWh energy was saved, and 7.844 tCO₂e emission was prevented on a yearly basis. We aim to realize frozen cabinet transformation in 55 of our stores in 2020.

We will expand Migros patented water cooling system to 20 stores in 2020.



OUR SUSTAINABLE DISTRIBUTION SYSTEMS

We carry out efficiency activities in order to save our energy consumption arising from distribution and logistics, and to reduce our greenhouse gas emissions arising from logistics. Every year, we measure the route covered between our distribution centers and stores, perform route optimizations and open our new distribution centers according to the results of these analyzes. Within the scope of our central distribution strategy, **we transport 80 percent of our products to the stores by fully loaded trucks. We reduce truck traffic by up to 30 times** by directing the products to be sold in our stores to the related distribution centers.

Opening of hub distribution centers of Ortakent, Ardiç and Güre in 2019 allowed us to distribute bulk groups such as non-alcoholic beverages, water, to the stores from a closer distance. In addition, we also performed route optimization in 2019 as performed periodically every year. Opened for the shipment of red meat products to the region, Erzurum Meat Distribution Center allowed us to distribute related groups in the region from a closer distance. In 2019, the ratio of transportation costs to sales was more

favorable as compared to 2018. Similarly, fuel consumption, corresponding to a sale of TRY 1, decreased dramatically in 2019 as compared to 2018.

In 2019, we reduced our CO₂ emissions per unit transported by 6%.

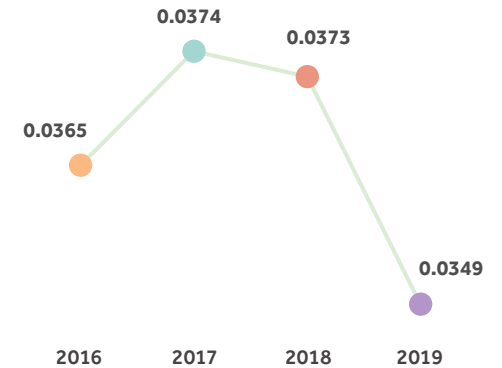
We have the **“target to reduce CO₂ emissions per unit transported”** in order to reduce our impact on environment due to our distribution center shipments. In 2019, we accomplished much more reductions than we aimed. Accordingly, there was **a decrease of 6 percent in CO₂ emission per unit transported in 2019 as compared to 2018**. In the meantime, the hub warehouses opened in 2019 ensured a great saving on transportation.

We aim to achieve an improvement of 0.3 percent in 2020 as compared to the results for 2019, and **to reduce CO₂ emission per unit transported by 7 percent in 2024 as compared to 2018**. The reduction in our operations will support the reduction in our total greenhouse gas emission.

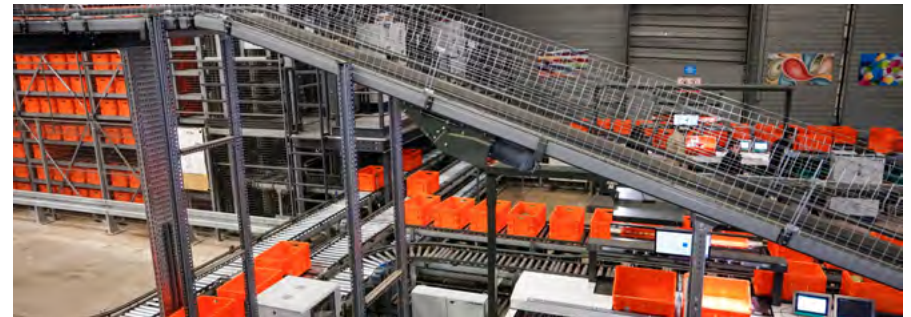
We use foldable crates that are suitable for multi-use for the shipment of fruit, vegetable and red meat in our distribution centers and during logistics processes. Accordingly, Palex, one of our business partners, saved 3,374 tons of CO₂ emission by the pallets collected from our distribution centers in 2019. Similarly, the company Chep also saved 926 tons of CO₂ emission in connection with Migros, and the company IFCO saved 7,503 tons of CO₂ emission.

Our distribution system also consists of shipments of Migros Sanal Market, beside the shipments of our distribution centers. We have 14 electric vehicles available within the Sanal Market (Our E-Commerce Channel) vehicle fleet in order to reduce our impact on the environment. In addition, we increased the number of electric bicycles, which was 23 in 2017, to 38 in 2019.

CO₂ emissions per transported unit from Distribution Center shipments* (kgCO₂e)



** Emission values of previous years were recalculated based on the current emission factor.*



GRI 302-1, 302-4

OUR ENERGY MANAGEMENT

Our total energy consumption was 598,018 MWh in 2019, and 96 percent of this was due to use of electricity.

Our Performance and Targets

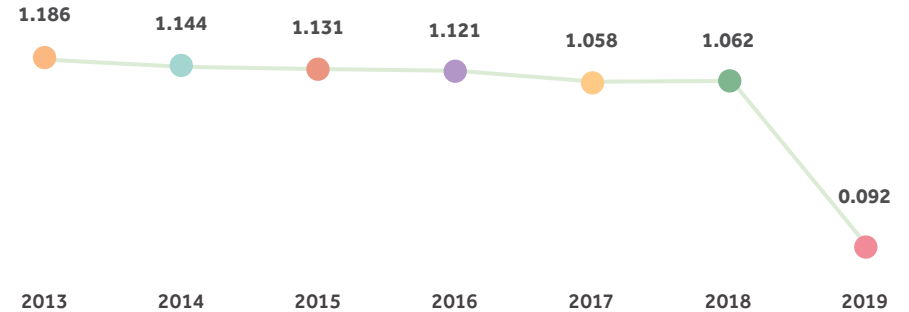
The total electricity consumption of our Company was 565,249 MWh in 2019. In 2019, we aimed to reduce our electricity consumption by 1.5 percent as compared to that of the previous year. We exceeded our target by ensuring a higher reduction of 6.6 percent. In 2020, we are aiming to reduce our electricity consumption per square meter by 1.5 percent as compared to 2019.

In mid/long term, we are targeting to reduce our daily energy consumption per our sales square meter by 18.5 percent until 2024 as compared to 2013. For such purpose, we reduced our electricity consumption by 16.3 percent in 2019 as compared to that in 2013.

In 2019, we had no renewable energy production nor consumption, and no heating, cooling and steam consumption nor sales as a secondary energy source. We purchased 19,000 verified carbon units (VCUs) regarding our electricity consumption, which can be considered within the scope of renewable energy consumption, through the hydroelectric power plant project.

**We reduced
our electricity
consumption by 16.3%.**

Daily Electricity Consumption per Sales Area m² (kWh)



Our Energy Consumption by Source (MWh)

SOURCE	2016	2017	2018	2019
Electricity	417,362	421,617	490,994	565,249
Natural Gas	8,159	6,104	7,182	7,956
Diesel	13,999	14,629	15,459	15,025
Gasoline	21	55	43,6	788
Total	439,541	442,405	513,679	589,018



GRI 302-1, 302-4

OUR ENERGY SAVING PRACTICES

We provide operational efficiency and combat climate change through our efforts to save energy. We prefer systems with varied current control and high automation efficiency for air conditioning and industrial cooling systems in all our newly opened and renovated stores in order to reduce our energy consumption and the emission caused thereby.

Our energy monitoring system allows us to **measure our energy consumption on a daily, weekly and monthly basis**, and take measures to reduce our energy consumption and thus, our greenhouse gas emissions. In addition, we installed an automated system that centrally controls our refrigeration, air-conditioning and lighting systems for the purpose of controlling our energy consumption. We generalize our system as the number of our stores increases. Our cooling, air conditioning and lighting processes have become more traceable and remotely controllable over the years.

Where applicable, we get maximum benefit from sunlight by making use of daylight lighting systems in our convenient stores. We prevent formation of heat islands by preferring paints enabling heat

insulation and reflecting the sun rays on the roofs of our stores. We employ lighting units with motion sensors in our warehouses. The automatic shutdown of the lighting systems on the floors at lunch break started to function more efficiently in 2019 following the renovation activities we carried out at our Head Office building. 30,420 kWh of electricity was saved in this regard. This saving enables 1 bulb to run continuously for 1.5 million hours.

We installed 2 new-generation lighting systems in our Tekirdağ YSK Center and Kayseri Mustafa Şimşek stores and saved 35,556 kWh of electricity annually.

We saved 26,460 kWh of energy annually through the installation of lids to refrigeration cabinets in our Nisantasi City's and GOP Macrocenter stores, which we launched in October.

[You can find the number of stores with automation system installed in the Annexes.](#)

OUR GREEN IT PRACTICES

As part of our Green IT approach, we also purchased **250 thin clients** for our new stores opened in 2019. **This ensures an energy saving of 80 percent on average annually. We recycled 47 tons of out-of-use electronic equipment.**

We achieved 80 percent energy savings by replacing 80 percent of our conventional server infrastructure with new-generation hyper-integrated servers, making it virtual and transferring to cloud systems.

We closed our backup data center and moved our data to our new Disaster Data Center (Felaket Veri Merkezi), which we designed in accordance with our Green

IT strategy. In this way, we achieved an annual energy saving of over 500 MW.

We make use of video conference for the business interviews being held as part of our operations across Turkey. This allows us to reduce our Scope 3 carbon emission by eliminating the need of our Human Resources employees to use vehicles for transportation. The interviews we had through video conference method was over 14,000 (almost 18,000 hours) in 2018. Similarly, **we held more than 50 percent of intercity meetings through video conference** and enabled our employees to make less business travels.



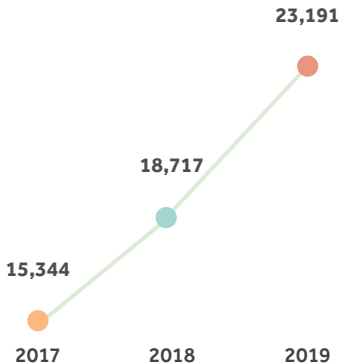


Sustainable Growth

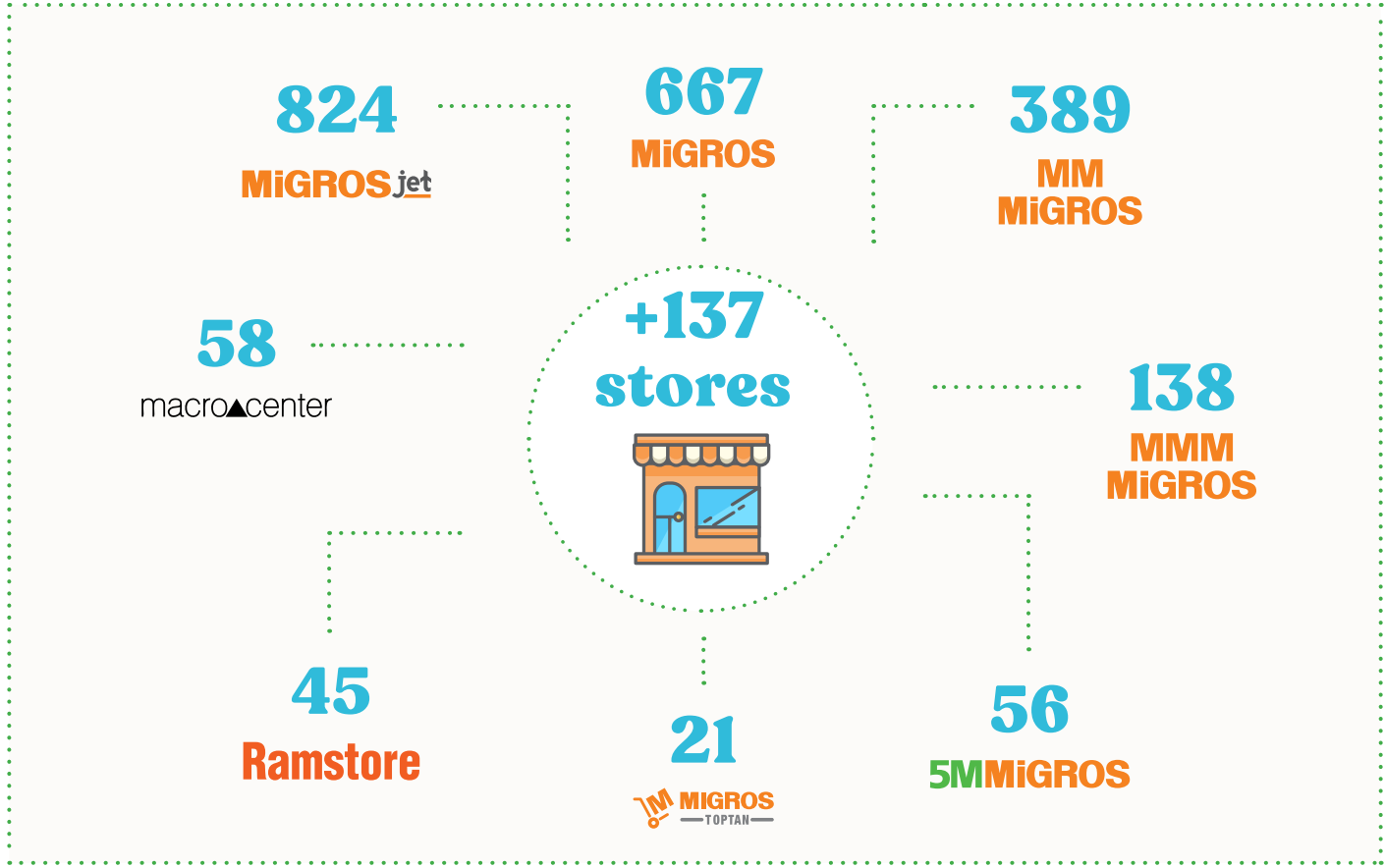
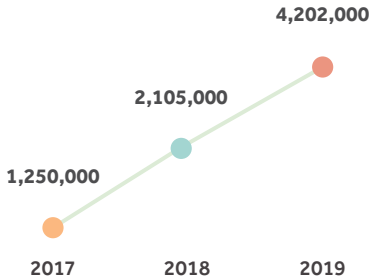
Generating Sustainable Economic Value

GRI 102-6, 102-7, 102-9, 103-1, 103-2, 103-3, 201-1, 202-1, 203-2, 419

Net Sales (Million TRY)



The Number of Members of Online Channels on a Yearly Basis



OUR CONTRIBUTION TO EMPLOYMENT AND LOCAL DEVELOPMENT

We continue to generate sustainable economic value for our employees, suppliers, customers and our country. [You can review the direct economic value details generated and distributed for the reporting year in the Annexes.](#)

Our Employees

Our most distinct area of activity among 3 of the countries, where we operate, takes place in Turkey, corresponding to 97 percent of our turnover. **Our Company operates in 81 provinces** and provides employment across the country. We had **5,000 new recruitments** in 2019, and we have 45,000 employees working under the umbrella of Migros including indirect employment that we provide throughout our value chain. We are aiming to continue to provide **5,000 new recruitments in 2020**. We pay attention to employ local people in all of the geographies where we operate. 95 percent of our employees work in our stores, and 55 percent works at their hometowns. This impact allows us to provide the driving force for local development.



* This is the recruitment rate of the candidates whose city of birth according to their National ID, is the same place with location of the Migros operation they applied for.

Our Suppliers

With a network of **approximately 1,900 active suppliers**** and **15,000 farmers**, we act as the locomotive of a large supply chain. While the payments we made to our suppliers in 2019 constitute 73 percent of the economic value we distributed, the impact area of the ecosystem, which we have created, is better understood when manufacturers, raw material suppliers and all employees are taken into consideration.



** The number of our active suppliers from whom we make a purchase of TRY 1,000 and above

Our Customers

In addition to our contribution to production and employment, we contribute to the family budget of our customers through our policy of offering high-quality at the best price and our year-long campaigns and discount opportunities. Our yellow label practice allows us to **offer the best price guarantee on more than 1,500 products** selected among both our branded and private label products every day. In this way, we make it possible for consumers among all socio-economic groups to reach high-quality at an affordable price. We host our 2.8 million customers in our stores every day. We have **increased the rate of houses we have reached in Turkey to 89 percent** in 2019 through the impact of these activities.

Public

The corporate tax that we have paid is TRY 15,593 million according to our consolidated IFRS financial statements for 2019, which has undergone an independent audit. In addition, our tax, duty and fee expenses for 2019 are TRY 27.8 million.

During the reporting year, there were no significant penalties or sanctions imposed on our Company due to non-compliance with laws and regulations in social and financial aspect.



Digital Innovation and Accessibility

GRI 102-6, 102-7

We attach great importance to make our customers' lives easier and to allow them to access our products effortlessly all over our country. For this purpose, we implement the latest technological practices, and create sustainable business models through collaborations. We believe in the importance of digital transformation for sustainable growth and shape our operations accordingly. We develop the services we offer through our online sales channels in order to make our products easily accessible by our customers, and create a perfect customer experience. We bring our customers together with our products sold in the stores through [Migros Sanal Market](#), [Tazedirekt](#), [Migros Hemen](#), [Macroonline](#), and accomplish collaborations to support this process.

We built mini e-commerce warehouses in our stores in specific locations in order to support our online operations. In this way, we increased both product collection efficiency and service quality. We have become a 25 percent shareholder of Paket Lojistik ve Teknoloji A.S., the logistics service provider, in order to manage our e-commerce operations more efficiently and effectively.

The number of our active customers, using our online channels increased by 120%



INNOVATIVE SERVICES

Since our establishment, we have contributed to the development of modern retailing by putting into practice many technology-based innovations and maintain our leading position in the industry.

We establish collaborations to allow our customers to fulfill all of their daily needs through our stores. Therefore, our stores have gone beyond being just a shopping spot. A total of 3 million customers made use of our collaborations in a year.

We added a new practice to our life-easing practices, and integrated a retail loyalty program into a transportation system for the first time. This integration allowed **all Istanbulkart holders to be able to take the advantages of Money Card**. In this way, our customers can load Istanbulkart in our stores to **make shopping payments by Istanbulkart and use the Moneys they**

earned by their Money Cards in public transportation.

We created a new and easy payment alternative for our customers, especially for shopping of electronic products. Through our collaborations with the banks, we allowed our customers to purchase electronic products in our stores at the most affordable price in a very short period of time and under favorable credit conditions. Furthermore, our service of **store-to-store money transfer** enables our customers to send and receive money until 10 P.M. every day of the week without the need for a bank account. We enabled our customers to **pay the bills of over 170 institutions at our cash registers** to offer them a perfect shopping experience and to make it easier. We will continue our innovations through the advantage brought by having an R&D center and our collaborations in Silicon Valley.

Migros Sanal Market

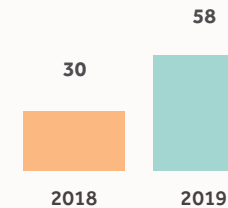
In 2019, increased the number of the cities, where we offer service through **Migros Sanal Market** (our e-commerce channel), **to 58 from 30**. We started to offer Migros Kargo (Migros Cargo) service for our customers in the locations where Sanal Market operation is not available. In this way, we started to deliver our entire product portfolio, except fresh products, to all districts across Turkey. **We will generalize our service of Migros Sanal Market in 81 provinces in 2020, and deliver all orders, including fresh products, to the addresses of our customers on the same day.**

In 2019, we also opened the **Darkstore operation center** in

Istanbul, where Migros Sanal Market team carries out order and distribution operations, in order to improve our service quality and ensure sustainable growth. The darkstores **increase by 5 times the service capacity of Migros Sanal Market** with the opportunity to meet more orders, when compared to the stores with physical and online sales. As all of the products are directed to Migros Sanal Market service, more types of products and stock are offered to customers shopping online. We aim to generalize our darkstores in other cities in 2020.

MIGROS
sanalmarket

Number of Cities Providing Migros Sanal Market Service



Tazedirekt

We offer the products, which we purchase from 20 contracted farms that conduct organic production, to our customers , who give priority to organic foods with a known source , through our Tazedirekt online shopping channel. We share the source and manufacturer stories of the products on the website of Tazedirekt in a fully transparent manner in order to allow our customers to be closely acquainted with the products they buy. You can find detailed information about our Tazedirekt sales channel under the title of Our Online Channel Supporting Healthy Living .



Migros Hemen

Joined our family in 2019, Migros Hemen delivers the largest product range to its customers at Migros prices through its fast delivery model. Through Migros Hemen, we deliver more than 2,000 products, needed by our customers, from 30 locations in 3 major cities (Istanbul, Izmir, Ankara) to the address in maximum 30 minutes at the prices, high-quality and guarantee of Migros.



Macrocenter

In addition to our Macrocenter stores with special product options and service standards, we offer service in 5 cities with our Macroonline mobile application. We will deliver Macrocenter products and services to all cities, where Macrocenter is available, with the option of online shopping upon the participation of Bursa in 2020.



Trendyol

We have established a cooperation with Migros Sanal Market and Trendyol, the online shopping platform with the highest order volume in its field of activity in Turkey, and for the very first time, we opened an e-commerce channel for our customers other than our own platform. We **bring our customers together with the strong product portfolio and campaigns of Migros through Migros Sanal Market boutique opened in Trendyol** by the cooperation we have established.



Sustainable Growth with Our Suppliers

GRI 102-9, 103-1, 103-2, 103-3, 308, 408, 409, 414, 414-2

Our sustainability approach is based on supplying products and services from companies, which respect to people and the environment.

With a leading role in the retail industry, we are determined to use our influencing power to ensure that all processes are carried out in a respectful manner to people and the environment, in cooperation with our stakeholders in the value chain. We have built our business model on empowering our suppliers and growing with them to offer financially accessible, reliable and healthy products to our customers. In the light of our responsible sourcing approach, we monitor our environmental and social impacts arising from the supply chain, and work in cooperation with our suppliers

to reduce such negative impacts in accordance with the globally accepted principles and measures. In this context, we raise the awareness of our suppliers about human rights, code of ethics, occupational health and safety, quality standards and eco-friendly production methods, and develop solutions together.

You can reach our number of suppliers by years in the Annexes.



EXPECTED RESPONSIBILITIES FROM OUR SUPPLIERS

Our working standards including including human rights, environment, occupational health and safety, quality standards and code of ethics, which we expect our suppliers to comply with, are set forth in detail under our [Policies of Responsible Sourcing](#), [Anti-Bribery and Anti-Corruption](#) and [Human Rights and Equal Opportunities](#), as well as [Code of Ethics of Migros](#). We offer our relevant policies to our newly-hired employees every year through online training, and to our suppliers through B2B applications called MeCom and MeMobil.

For our operations in Turkey, Code of Ethics on anti-bribery and anti-corruption, human rights and labor standards, occupational health and safety and protection of environment are set forth in all agreements executed with our suppliers. All our suppliers are

obliged to give a commitment to comply with abovementioned Code of Ethics during the term of the agreement. In this context, we clearly express that religion, language, race and sex discrimination, and verbal, physical and sexual violence of our suppliers against their employees, as well as forced or child labor, are unacceptable, and we request our suppliers to respect and support their employees' right to freedom of association and collective bargaining. In addition, the suppliers, whom we work with, should also make a commitment for not being involved in corruption and bribery as per the agreement. Throughout our cooperation, we monitor whether if our suppliers offer a safe and fair work environment for their employees in terms of working conditions, health and safety measures taken, wages paid, etc. through regular assessment surveys and site visits. We monitor and report our annual targets through supply chain risk assessment.

Our policies of Responsible Sourcing, Anti-Bribery and Anti-Corruption and Human Rights and Equal Opportunities have been translated into Russian, Kazakh and Macedonian, and published on the websites of Ramstores, which operate in Kazakhstan and North Macedonia, and the policies are communicated to both employees and suppliers.

In 2019, we have not concluded contracts with any of our suppliers due to non-compliance with our Anti-Bribery and Corruption Policies and Human Rights and Equal Opportunity Policies. Our contract was terminated with one of our suppliers due to production contrary to legal regulations contrary to our Responsible Sourcing Policy.



OUR SUPPLIER SELECTION PROCESSES AND AUDITS

Selection of New Suppliers

Firstly, we make the efforts to work with suppliers, who share our sensitivity to human rights, code of ethics, occupational health and safety, quality standards and environmental awareness. In this context, we conduct a detailed review that reveals the financial, legal and ethical risks and opportunities related to the companies before deciding to work with all our business partners. We investigate the commercial registries of the relevant companies through official bodies, and their trading history in terms of bribery, corruption and ethics through digital platforms. In addition, candidate suppliers

are subjected to pre-audit through the quality control criteria and question lists applied in current supplier audits, and the decision to work is determined in accordance with the results of such audits. Candidate suppliers are subjected to audits for product safety, and ethical, social and environmental compliance. By successfully completing all these audits, **we start to work with the companies that pass the audit successfully and become a supplier.** We do not work with the candidate suppliers, who fail to pass such audits.

In 2019, 113 product safety audits were conducted for 92 candidate suppliers, and 58 candidate suppliers passed such audits successfully. We conducted 90 ethical, social and environmental compliance audits for 72 candidate suppliers which correspond to 31 percent of 229 of our new suppliers in accordance with the SEDEX criteria, and we decided to work with 49 suppliers that have accomplished the process.

AUDITS FOR OUR SUPPLIERS

Regular audits are conducted for our suppliers, whom we work with, by our Migros Quality Management Systems team and the independent external auditing institution in terms of compliance with both all corporate policies of Migros, especially Responsible Sourcing, and international food safety, ethical, social and environmental working standards. Audit results are reported to the – Executive Board Member, Marketing and International Operations, and Executive Vice President, Distribution Centers and Logistics, the senior management units responsible for supply chain working standards.

Compliance in terms of child labor, forced labor, working hours, right to freedom of association and collective bargaining, wage and salary, discrimination and discipline practices, working conditions of pregnant and lactating mothers, physical and psychological pressure, maternity and breastfeeding leave, and annual leaves is questioned. **We carry out our food-related audits by taking into consideration the international standards recognized by Global Food Safety Initiative (GFSI)** which sets the criteria for food safety across the world. We grant

a certain period of time to our suppliers and candidate suppliers, whom we have been working with, to complete the non-conformities found out in the audits, and then we carry out follow-up audits. We grant the right to maximum 3 follow-up audits to each of our failed suppliers. In the event that the expected success is not achieved, we terminate the commercial relationship upon evaluation.

We implement an intensive audit program in the facilities of our suppliers, where 278 criteria are questioned. **We carry out compliance audits in accordance with two international standards: 'BRC-IFS International Product Safety Standard'** on the first day, and **'GC-SEDEX-Environmental and Ethical'** on the second day.

The ethical and social performance of our suppliers is measured through SEDEX audits.



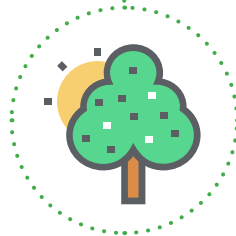
Product Safety Audits

Our suppliers, who successfully pass our first-day audit that we carry out in accordance with 'BRC Global Market' or 'IFS Global Market' audit checklist, are listed in [BRC \(British Retail Consortium\)](#) or [IFS \(International Featured Standards\)](#) portal depending on the evaluation standard which they were subjected to, and their level of achievement is announced to the world.



Ethical Audit

In the second-day audit, the impact of the suppliers on people and environment, and their sensitivity to ethical and social issues throughout their operations are audited. Accordingly, the practices of the suppliers are checked in accordance with SEDEX criteria, which include the requirements for occupational health and safety, ethical and social compliance, and the full scope of SA 8000 standard.



Environmental Audit

We also evaluate all of our suppliers in terms of environmental issues such as water consumption and waste management as part of SEDEX audits in order to offer products derived from sustainable sources. Our suppliers, who successfully pass such audits that play an important role in sustainability activities, are entitled to get a GC-SEDEX certificate.

GRI 308-2, 408-1, 409-1, 414-2

In 2019, 82 percent of our key suppliers, from whom we supplied the products that consisted 80 percent of our total turnover, were audited through an accredited independent external audit firm. We carried out a total of 1,075 audits in 2019, including the audits that we carried out with other suppliers excluded out of this scope. We also checked the products of the rest of the suppliers, which are mostly importer companies, before offering them for sales in our stores, as per the statutory regulations. The results of the audits for 2019 are available in the table of Supplier Audit Results for 2019. Accordingly, our suppliers passed number of 558 "BRC-IFS Product Safety" audit, which we carried out for 448 suppliers, with an average success score of 80.5. In the same year, there was an improvement in 81 percent of 89 companies, which were subjected to follow-up audits. In addition, 87,9 percent of our suppliers successfully passed 537 audits that we carried out for 449 suppliers and were qualified for certification. An improvement of 83 percent was observed following the GC-SEDEX follow-up audits that we carried out for 80 companies. During the audits of 83 new and old suppliers, which constitute 18 percent of our 449 suppliers, non-compliance cases were detected. In the audits carried out for

the suppliers within the scope of ethical and social compliance, it was found out that 51 percent of non-compliance cases were related to occupational health and safety, 20 percent were related to working conditions, 12 percent were related legal requirements, 11 percent were related to environmental requirements, and 6 percent were related to the other issues. In the audits carried out for the supplier companies during the reporting period of 2019, no supplier, who violated the right to freedom of association or collective bargaining or were under significant risk, was found out. In addition, no cases of child and youth labor and/or forced and compulsory labor were found out. We did not receive any negative feedbacks from non-governmental organizations or other external organizations for our supply chain during the reporting year.

Depending on their success in audits, **Migros approved suppliers** were evaluated in three categories: **Gold**, **Silver** and **Bronze**; they also had the opportunity to announce their success through [GC Portal](#). 63 percent of our suppliers, who were subjected to audit in 2019, passed both audits successfully, and were entitled to get the certificate of "GC Migros Approved Supplier". In Migros Better Future Festival we organized, we

congratulated the success of our supplier companies, which were entitled to get the certificate of **"Gold Migros Approved Supplier"** and delivered them the certificates.

The reports of our ethical and social audits for **2019**, which we carried out for our suppliers with respect to the criteria of discrimination, freedom of association, right to collective bargaining, child labor, and forced and compulsory labor **within the context of compliance with Responsible Sourcing Policy**, were **subjected to independent external audit**, and it was verified independently in accordance with the international ISAE 3000 (Revised) standard.



[Independent Assurance Statement for Human Rights and Supply Chain \(Selected Criteria\)](#) is available in the Annexes.

Supplier Audit Results for 2019

Type of Audit	Number of suppliers audited	Number of audits	Success rate	Number of suppliers subjected to follow-up audit	Number of follow-up audits	Success rate of follow-up audit
Product Safety-BRC/IFS Global Market	448	538	80.5%	89	113	81%
Environmental and Ethical-GC-SEDEX	449	537	87.9%	80	102	83%



Our Human-Centric Approach

Promoting Healthy
Lifestyles

Exceeding
Expectations

Empowerment

Quality, Freshness and Hygiene

GRI 102-11, 103-1, 103-2, 103-3, 416-1, 416-2, 417-1, 417-2

We are committed to furthering our leadership in retail to promote healthy lifestyles and conscious consumption habits. We raise awareness among our stakeholders in the entire value chain on healthy living and conscious consumption and encourage our business partners to adopt this approach.

As part of promoting healthy lifestyles, we have **focused on making quality, fresh, hygienic products accessible, and on contributing positively to our customers' nutritional habits with products and services that support a healthy lifestyle.** Moreover, we prioritize encouraging the society we are a part of to embrace conscious consumption habits, providing access to accurate and reliable product information, and, of course, creating a healthy working environment for our employees.

We develop projects focusing on many areas ranging from production to access

in order to deliver healthy products to our customers and help them curate their shopping preferences with an awareness on healthy lifestyle. We determined our main area of responsibility as delivering fresh, high-quality, hygienic and healthy products to our customers, created our policies accordingly and published them on our corporate website. [Our Health and Nutrition Policy](#) includes detailed approaches and rules regarding product range, product safety, certified product practices, quality standards in the fresh product group, and packaging and labeling information on products' nutrients and energy. Our [Own Brand Products Quality Policy](#) includes guidelines for ensuring ethical, social and environmentally friendly production conditions for our private label products and our product safety standards. We implement our policies by integrating international management systems into our production and service processes. In this context, we are the food retailer with the most quality

management system certificates issued by the Turkish Standards Institute. Our quality certificates are as follows:

- TS EN ISO 9001 Quality Management System
- TS EN ISO 14001 Environmental Management System
- TS ISO 45001 Occupational Health and Safety Management System
- TS EN ISO 22000 Food Safety Management System
- FSSC 22000 Food Safety Management System
- TS ISO 10002 Customer Satisfaction System
- TS OIC SMIIC 1 Halal Certificate
- TS ISO 14064-3 Verification Statement of Greenhouse Gas Emissions
- Independent Assurance Statement in Supply Chain and in Human Rights (Selected Criteria)



GRI 416-1, 416-2, 417-1

PRODUCT QUALITY CONTROL PROCESSES AND AUDITS

We are highly sensitive with regards to the quality standards of the **more than 60,000 food and non-food** products we offered to our customers in 2019 and **are committed to ensuring that every product is safe for human health.** In order to offer the highest quality products to our customers, we carry out a thorough auditing and control operation. Regarding product safety, we aim to ensure the required hygienic conditions for our products by complying with the highest international standards. By applying Integrated Quality Management Systems, we make sure that our entire product journey is under control from the initial purchase until our products reach the end consumer. In this context, a total of 191,814 trainings have been provided to 38,163 employees on ISO 22000 Food Safety Management Systems, ISO 9001

Quality Management System, ISO 45001 OHS Management System, ISO 10002 Customer Satisfaction Management System and ISO 14001-Environmental Management System. Moreover, 1,849 employees have completed their food allergen training and 1,784 employees have completed their pest control training. In 2019, a total of 9,026 new products were audited, including 3,115 food and 5,911 non-food products, and 2,926,852 products were checked for quality control at our distribution centers. And more than 20.000 hygiene control visits were made to the stores. [Detailed information on the number of product and store inspections carried out in 2019 can be found in the Product Quality Controls table in the Annexes.](#)

We check to make sure that the label information of each product we sell complies with the legal regulations:

- The name, ingredients and allergen information of the food item, food establishment name and address, origin, net amount, Expiration Date and Best-By Date, batch number, special storing conditions, business registration/ certification number, instructions for consumption, the degree of actual alcohol by volume in beverages with an alcoholic content of more than 1.2% vol., and nutrition facts, which are legally required to be displayed on food labels under the Turkish Food Codex Labeling and Consumer Information Regulation, are checked.
- If the food label contains any claims made by the producer in line with the Turkish Food Codex Nutrition and Health Claim Regulation (energy-reduced, fat-free, source of omega-3, no trans-fat, high fiber, high protein, contributes to the normal function of the immune system, contributes to the normal function of the heart, etc.), accredited analysis reports

of these claims are checked prior to approving any product for sales.

- The label information of products in the detergent, paper, cosmetics, stationery, glassware, toy, electronics, textile groups is checked according to the respective legislation of each product group and only the products with suitable label information are approved for sales. In addition, if there are any commitments made the consumer on the labels of the products in these product groups, their sales are approved after their accredited analysis reports are checked.

In 2019, 13 cases of administrative fines were identified in our stores that did not comply with regulations on product and service information and labeling. In product health and safety audits carried out in stores and warehouses, 16 noncompliance cases were identified, and administrative fines were paid.

in 2019



9,026

In 2019, auditing for a total of 9,026 new products, including 3,115 food and 5,911 non-food products



2,926,852

Quality control for 2,926,852 products at our distribution centers



20,000+

More than 20,000 hygiene control visits to stores

Our Products and Services Supporting Healthy Living

GRI 102-9, 103-1, 103-2, 103-3, 416

We develop projects that complement the products and services we offer to promote a healthy lifestyle and that support community health. We believe that a proper diet and conscious consumption should be encouraged for a healthy society. To this end, we expand the areas of influence of our projects through collaborations and ensure their sustainability.

SPECIAL PRODUCT RANGE

In line with customer demand, we care about offering our customers a special product range that supports healthy lifestyle with ingredients. We take into account the product choices of our customers who prefer products **that are low in sugar, salt and oil, lactose-free, gluten-free, ecological, organic, etc.**, and **improve the product range** we offer in this category **every year**. Accordingly, in 2019, we introduced a total of 1,468

products that supported healthy living, 180 of which were from our private-label products. These products make up 3 percent of the total products in the same categories. **With M Life, one of our private-label product ranges**, we offer our customers, who care about living healthy; **an organic certified, reduced calorie and healthy lifestyle-oriented product range.**

We reserve a special place for organic chicken products on our shelves and regularly monitor their sales volume while also encouraging our producers and suppliers to enable us to increase the number of organic chicken products and eggs we offer to our customers. **All the chicken products** we offered for sale in 2019, **6 percent of which were organic, were in line with Good Agricultural Practices.** Moreover, **organic eggs accounted for 28 percent of the total number of eggs** sold in 2019.

We offer the majority of our organic produce to our customers by packing them in our facilities in Bursa and Izmir with necessary permissions. In 2019, we sold **625 tons of organic fruits and vegetables.**

We support biodiversity and sustainable fishery by offering our customers the fish caught during the season and in accordance with the determined measures. As of 2019, we started to offer sustainable seafood products, such as those MSC and ASC certified, to our customers, and we sold more than 1,600 kg of certified sustainable seafood.

In addition, we **carry out promotional activities to make products** that support healthy living, **that are produced in accordance with special health needs and whose contents are reformulated** affordable. For example, in order to raise awareness on celiac disease, we offer

a 25 percent discount on gluten-free products every year in May, to celebrate May 9 World Celiac Day. As part of these efforts, we have **offered discounts worth of TRY 6,675,224 in total with special campaigns.**



180 of 1,468 products that support healthy lifestyle are private-label products



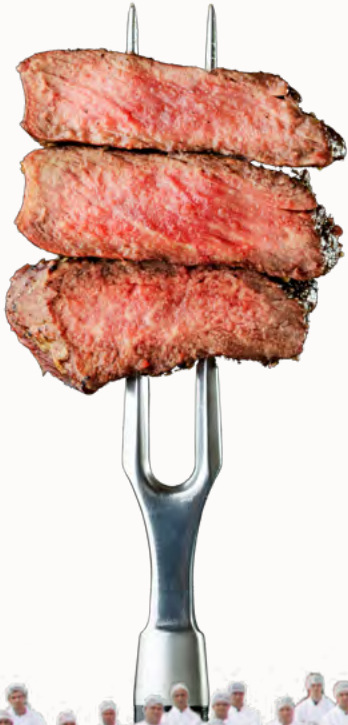
28% of the eggs sold are **organic**



625 tons of organic fruits and vegetables sold

Turkey's Largest Fresh Meat Processing Plant: MİGET

MİGET has the FSSC 22000 Global Food Safety Management System Certification.



Red meat has an important place in the food chain and is especially important for our future to increase its access by young people and children. Therefore, we focus on increasing the consumption of meat per household by delivering both one hundred percent healthy and the most affordable products in the industry, all over Turkey.

To increase the capacity of the meat in Turkey and improve breeding and meat production facilities by examining the world of advanced technology completely, we laid the foundation of the Migros Fresh Meat Processing Plant (MİGET) 6 years ago. **With an annual production capacity of 62,000 tons**, Migros is the first and only manufacturer boasting a meat processing plant in Turkey with such volume.

We control the red meat we offer in our stores from the farm to the table. The products entering our facility as carcass are processed with advanced technology. We carry out hundreds of tests and analyses every day in our laboratories in accordance with international standards. Our red meat products pass through 220 checkpoints until they end up on our customers' plates. Thousands of our expert butchers, veterinarians and food engineers conduct audits and reporting considering every detail.

We train our own butchers at the **Food Technology Training Center (GATEM)** within Migros Retail Academy. After 180 hours of practical training and exams, we assign successful butchers to the MİGET and Migros stores all around Turkey. Thus, 3,000 trained butchers are employed under Migros. We produce our

ready-to-cook red meat products and meatballs with the brand "Uzman Kasap" (Expert Butcher) all packed and untouched by human hands. By using the most suitable packaging techniques for food, we ensure that our red meat products maintain their freshness for longer.

All production processes at MİGET are carried out within the framework of **TS EN ISO 9001 Quality Management, TS EN ISO 14001 Environmental Management System, TS ISO 45001 Occupational Health and Safety Management System, TS ISO 10002 Customer Satisfaction Management System and TS EN ISO 22000 Food Safety Standards**. In addition, we are the first retailer with the **FSSC 22000 Global Food Safety Management System Certification** in Turkey. All of our products produced for our stores have the Halal Certificate issued by the Turkish Standards Institute.



OUR ONLINE CHANNEL SUPPORTING HEALTHY LIFESTYLE

The fruits and vegetables we offer to our customers through Tazedirekt reach their tables directly from 20 contracted organic farms. We travel all over Turkey to meticulously select the farmers we will work with. The source of the products and the stories of the producers are available on Tazedirekt's website, offering a completely transparent look into the entire process. The development

Developments in 2019



39 small producers were audited based on "Small Scale Supplier Audit Criteria".



8 producers were included in the "Tazedirekt Supplier Process Development Project".



At the end of the project, the 'unsuccessful' and 'room for improvement' statuses of the producers were updated to 'successful'.

of suppliers for Tazedirekt, which has more than 2,000 different products in its portfolio, including products with geographical indications, is of great importance for the continuity of this special production approach.

Tazedirekt Supplier Development Program

As part of our Tazedirekt Supplier Development Program, we provide consultancy to our companies that produce at the SME level or on a smaller scale to help them navigate the entire process, from food production to performing product analysis, raising production quality standards to compliance with mandatory product label regulations. During the audits carried out by our quality team, we both train our suppliers and guide them through how they can correct the identified shortcomings. We see that the companies we have included in this program show improvement in the re-evaluations at the end of the program. We continue to audit our suppliers and the products they provide at certain intervals, thus helping producers introduce a higher quality of production to the industry. Our suppliers grow, and this growth also contributes to local development.



Cares About What You Eat

Do you know what it is you eat? Tazedirekt cares about what you eat.



Guaranteed Freshness

We carefully package the products, perform final checks and deliver them to your door with our refrigerated vehicles preserving them at +4 degrees Celsius, guaranteeing freshness.



Carefully Picked

We find local producers and organic farms that meet our criteria, source the products directly and have our food engineers inspect them.



Sustainable Goals

We offer you the products of conscious producers with an aim to create a healthy and sustainable future.

Our Projects Supporting Community Health

GRI 103-1, 103-2, 103-3, 203-2, 413, 413-1, 416, 417-2

We develop projects that complement the products and services we offer to promote a healthy lifestyle and that support community health. We believe that a proper diet and conscious consumption should be encouraged for a healthy society. To this end, we expand the areas of influence of our projects through collaborations and ensure their sustainability.

OUR WELLBEING JOURNEY PROGRAM

With the “WellBeing Journey” program we launched in 2018, we aim to raise awareness among and lead a positive behavior change in our customers towards balanced nutrition, increasing daily physical activity, adequate water consumption, oral and dental health.

In the Migros Mobile application, we created a special section under “WellBeing Journey Program”. Here, the

nutrient distributions of our customers’ 3-month food purchases and the ideal daily food consumption table are created side by side with an intelligent algorithm. Based on global parameters and data from the Ministry of Health, our customers can compare their consumption with ideal consumption and see at a glance which food group they neglect for a balanced diet. We offer tailor-made offers at a discount in order to cover the difference in balanced nutrition and encourage a wellbeing journey. The system updates the distribution chart of our customers after each purchase and provide a new wellbeing offer every two weeks.

Our WellBeing Journey project won 7 international awards.

In addition, our application also includes weekly exercise suggestions and notifications on oral and dental health, water consumption and sun protection as well as interactive contents to support a healthy lifestyle such as a step tracker

As part of our efforts to raise awareness on healthy living, we reached 1.53 million people.



to increase physical activity, water drinking reminders for adequate water consumption and tooth brushing reminder for oral care.

In 2019, we had various collaborations to further improve the contents of our project and develop its overall performance. Accordingly, we **updated the ideal consumption table for vegans and vegetarians** in the Migros Mobile application in collaboration with Anadolu Medical Center in 1Q20. We **removed the animal products such as meat and milk**, which are outside their consumption habits, from their **ideal consumption tables** and revised our WellBeing Offers. In addition, we made our application more interactive **by providing the informative messages** in the application **through videos prepared by Nutritionists**.

Moreover, we developed a new performance criterion with KPMG Turkey to measure the effectiveness of our project. **With the Balanced Nutrition Index (BNI)** we calculate the average annual distribution of our customers' food shopping based on main food groups. Then we calculate the deviation of this data according to the recommended consumption rates and find the BNI score of all our customers. While the BNI

score of our customers who participated in our project was 70.5 just before the project started, we saw that this reading increased to 75.7 as of December 2019. Thus, **we measured the contribution of our project to our customers' balanced nutritional habits**.

Since the beginning of our project, we have considered our employees as ambassadors of the **WellBeing Journey**. All our innovations have enabled us to provide our employees with up-to-date trainings and to **re-launch our project** with exclusive WellBeing offers and discounts for them. When our employees opened the Migros Mobile application, they first saw pop-ups that directed them to the WellBeing page, allowing them to see their special offers. Moreover, we improved the visibility of our project by placing information banners, visuals and free-standing boards in our stores and our Head Office building.

With the WellBeing Journey, **we reached 1.53 million people** from the start of the project until the end of 2019 with the aim of raising awareness on healthy living. Through collaborations with our suppliers, we set up WellBeing Journey areas in 26 stores and four festivals where we were joined by nutritionists and dentists to

provide information to the participants face-to-face. **Our WellBeing Journey project won 7 international awards**. It was recognized as an exemplary project at world retail summits in Lisbon, Berlin, London, Tokyo, Warsaw and Monaco in 2018 and 2019, and well-received as a pioneering retail practice.



GROWING HEALTHY WITH MIGROS PROJECT

We aim to ensure effective behavioral changes by including children in our activities raising awareness on public health. To that end, we have running the “Growing Healthy with Migros” project since 2016 to further strengthen the awareness among children on healthy and good living.

176,122 children participated in our activities raising awareness on healthy and good living.

Store tours for children at 396 Migros stores in 70 cities have been carried out by our volunteer store managers who invite the children in the neighborhood and their families to Migros stores. Children learn various subjects such as the benefits of fruits and vegetables, the control processes of the products until they reach the shelves, Good Agricultural Practices, and tips of label reading. Children also learn about the benefits of waste collection bins in stores and

their contribution to a better future by recycling their waste. The “Migros Healthy Growth Guide” is given to children as a gift during the tours where the importance of balanced nutrition and exercise is emphasized. 176,122 children have participated in the awareness raising events we have been organizing for three years as part of the Growing Healthy with Migros project.

In addition, with our April 23 Migros Children’s Theater Festival, which we have been organizing for 25 years, we have introduced 1 million children to theater for free. We have also been providing the audience with good Living training along with the “Migros Healthy Growth Guide” prepared in collaboration with the Food Safety Association for the past four years.



Supporting Conscious Shopping with Transparent Product Information

GRI 103-1, 103-2, 103-3, 416, 417-1, 417-2

We believe that our customers have rights to access detailed information about the contents of the products, and we adopt a sensitive approach towards this issue. Accordingly, in 2019, **we provided nutritional information on the calorie, carbohydrate, sugar, protein, fiber, fat and salt contents in the packaging of 209 private-label food products with transparency.** 72 of our 103 private-label non-food products contain usage information.



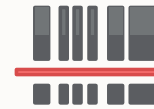
In addition to this information we share, we have been leading a global transformation project in Turkey since 2017. In retail, the producers and retailers need a well-functioning common infrastructure in order to quickly access correct and reliable product information online.

In collaboration with GS1 Turkey, we are responsible for the Turkey-based activities of the project initiated by the Consumer Goods Forum (CGF), of which we became a member to support our consumers develop conscious shopping habits through transparent product information. As part of the project, CGF member companies provide consistent and transparent data flow for all products through the GS1 barcode system.

Retailers will have GS1 verify the barcode of each product they sell with seven basic attributes, creating a standard dataset globally. With this system, information entered into the product barcode by a producer anywhere in the world will be online and displayed on retailers' screens within seconds.

Data Accuracy and Transparency Road

In line with the decision made by CGF member companies, the world retail and FMCG sector will provide consistent and transparent data flow through the GS1 barcode system. The actions required are listed as follows:



All products will have a **valid barcode** issued by GS1.



Retailers and online marketplaces will ask GS1 to verify the barcode of each product they sell through **7 basic attributes.**



With the global data model, **a standard data set** will be created for each product globally.

Our Employees' Health and Safety

GRI 103-1, 103-2, 103-3, 403-1, 403-2, 403-3



OUR EMPLOYEE HEALTH PROGRAM

With our 'Good Job, Good Future' motto, we support our employees' career and personal development, as well as carrying out a comprehensive employee health program to help them be healthier and happier and boost their physical and mental strength. Our program includes the head office, regional directors and our employees in our stores.

We also actively engage our employees in our WellBeing Journey program. Before the launch of the project in 2018, our employees were trained on the program and they were the first ones to use and test the WellBeing Journey section on the Migros Mobile application. At the end of 2019, we retrained our employees and provided them with special offers to increase their engagement in the project. You can find detailed information in the WellBeing Journey Program section.

We support our employees with easy access to private health insurance, health services and nutritionists to help them live a better life. In order to promote a healthy diet, **we share the calorie information of the meals served in our cafeterias every day and offer diet menu options** to our employees. In this regard, we strive for raising awareness on health by organizing many training and health seminars.

With the special recipes of dietitian Çağatay Demir, our corporate nutrition counselor, a healthy lunch alternative was served in the Head Office cafeteria. İzmir Regional Office started providing healthy diet services.

In 2019, we offered our employees clinical massage therapy, osteopathy, an on-site dietitian, breathing exercises, yoga classes, an on-site laboratory, flu vaccine and skin analysis. We have held talks in many health-related topics such

GRI 403-3

as healthy diet, metabolic syndrome and living with diabetes, methods of coping with forgetfulness, solutions to neck and lower back pain and correct breathing techniques.

Moreover, we offer our employees a platform to improve themselves in various fields, socialize and boost their motivation through our hobby and travel clubs. This year, we have added the Migros Bicycle Club to our hobby clubs. **The Migros Bicycle Club members organized a collective bicycle tour with the slogan 'I Pedal with Migros for a Healthy Lifestyle'** to turn the spotlight on the importance of healthy living and physical exercise for a sustainable future.

As part of our employee health programs, Ramstore in Kazakhstan has a hobby club. We also participate in the Almaty Marathon with a team made up of our company employees. As the North Macedonia Ramstore team, we participate in the Skopje Marathon every year and encourage our employees and customers to participate as well.

14,423 Migros employees benefited from 22 different projects we launched in 2019. In addition, as part of our periodic health checks, our store employees had

a comprehensive medical examination (including blood count, blood sugar, HBSAG, Anti HCV, Anti-HIV, AST and ALT tests, chest x-rays, throat swabs, nasal swabs, and stool cultures) in 2019.



SAFETY AND SECURITY IN THE WORKPLACE

In line with our priority to protect the health and safety of our employees, we are committed to providing them with a healthy and safe workplace. We classify all our areas of operation and carry out our OHS activities in accordance with the Law on Occupational Health and Safety (OHS). Accordingly, while the Head Office, regional directorates and stores are classified as less dangerous; MİGET Meat Processing Plant, breeding farm, distribution centers and fruit and vegetable warehouses are classified as dangerous.

We have an OHS Unit within the Industrial Relations and Support Services Directorate, which is under the responsibility of our CHRO. Our department director serves as an OHS representative. Our top level OHS management unit is our Occupational Health and Safety Committee, which consists of senior managers of Human Resources Management and related departments and reports directly to our CEO. The committee also includes occupational safety specialists and workplace physicians who work full-time or are appointed as per legal processes.

The committee regularly assesses the OHS processes of all Migros workplaces in Turkey. OHS committee meetings are held regularly in our stores, MİGET, breeding farm, distribution centers and fruit and vegetable warehouses. The Occupational Health and Safety processes of all our units are managed systematically. We transitioned to the **TS ISO 45001 Occupational Health and Safety Management System Standard.**

All our units are certified with the TS ISO 45001 Occupational Health and Safety Management System.

We aim to create a safe working environment in order to protect our employees, business partners and customers against the health and safety risks arising from our workplace environment, and we adopt proactive approaches to ensure continuity. [Our Occupational Health and Safety policy](#) applies to all our employees, customers and business partners (subcontractors, contractors, suppliers, etc.) and is published on our corporate website. As

Earthquake Simulation Truck

In collaboration with the Kandilli Observatory, we rolled out the earthquake simulation truck to remind both our customers and employees the possibility of an earthquake and raise awareness on the issue. In the trainings we organized, we emphasized the fact that our country was seismically active, and communicated the precautions to be taken to minimize the risks of a possible earthquake and what to do during an earthquake. After the briefing, the participants went in a 20-second earthquake simulation. 2,622 people benefited from the mobile project that visited nine cities.



part of occupational health and safety, the formal agreements with unions include provisions on food aid, cleaning materials and tools, health permit and fees, workplace physician, examination room and medicine cabinets, persons to be working when ill and in light works, work clothes and equipment.

We use a **special OHS software to systematically and centrally control and report all our OHS-related processes and activities**. With this software, we monitor risk assessments for new and existing locations every year, and we plan corrective and preventive actions in designated areas. In 2019, we invested TRY 6.03 million in OHS efforts and training.

OHS TRAININGS

In line with our goal of providing a safer working environment for our employees, we also provide them with trainings as part of occupational health and safety policy so that they can learn their duties and responsibilities and be more careful. Our occupational safety specialists and workplace physicians provide on-the-job and periodic OHS trainings face-to-face in a classroom setting both in our service locations and during on-boarding. In

addition, trainings provided to our employees in all our locations are complemented with distance trainings. In 2019, 22,282 employees had 157,844 hours of face-to-face on-the-job training, and 31,899 employees completed 220,727 hours of distance training instructed by occupational safety experts and workplace doctors. **1,425 employees from all our locations completed their first aid training**. In addition, as part of our OHS efforts, we provide emergency action plan training and drills by the trainers and occupational safety experts of the companies we have contracted in all our workplaces.

OUR PERFORMANCE AND GOALS

In addition to the main Occupational Health and Safety Committee in our Head Office, Occupational Health and Safety Committees were established in all units of our company with 50 or more employees. In 2019, we received 72,002 hours of OHS services from 66 occupational safety experts, 84 workplace doctors and four other health personnel from companies authorized to provide occupational health and safety services in all our stores and other workplaces meeting this criterion. The number of store employees receiving OHS services

GRI 403-2

is 8,876, which corresponds to 29 percent of the entire store employees. The total number of employees receiving OHS services, including administrative employees, is 10,246, and which makes up 32 percent of the total number of employees.

In 2019, 23,108 health checks were carried out by workplace doctors as part of pre-employment medical assessments and periodic examinations. Occupational health and safety documentation including the Emergency Action Plan and risk assessments of 198 new stores opened in 2019 were completed.

The staff with the highest risk of work accidents are charcutiers and butchers working in service departments due to their use of sharp objects. **We aim to reduce lost work time through our OHS activities and trainings we provide to our employees.**

In 2019, we reduced the number of lost days due to work accidents in our stores (like for like*) by 25 percent. As a growing company, **we aim to reduce our work accident / lost day severity ratio from 2018 to 2023 by 2 percent** in order to provide meaningful data despite the number of newly opened stores and

employees. **We achieved a 1.49 percent decrease in this ratio in 2019** and there were no lost days due to occupational diseases.

Moreover, our international operations also implement pivotal OHS projects. We fully comply with all legal requirements set out by the law on occupational health and safety in Ramstore in North Macedonia. In this regard, an Occupational Health and Safety Procedure is created and shared with all employees over the company's intranet. Employees receive the necessary OHS trainings where they are granted a certificate. As per the regulations, OHS reports are prepared annually. On the other hand, according to the relevant law on occupational health and safety, the working environment and conditions of the stores in Ramstore in Kazakhstan (temperature, lighting, radiation, noise, etc.) are assessed by independent assessors and the results are submitted to government agencies. In addition, each new employee receives an OHS training and these trainings are repeated every six months.

[You can find the distribution of work accidents by type of injury and gender for 2019 in the Annexes.](#)

OHS performance in 2019 **

WORK ACCIDENTS	2017	2018	2019
Work accident severity rate (lost days) ***	27.9	19.7	19.4
Work accident severity rate (lost hours) ****	0.022	0.015	0.015

** Stores and Administrative Units are included.

*** Lost day = Indicates the number of working days lost per 1,000,000 hours in a calendar year due to work accidents.

**** Lost hour = Indicates how many hours have been lost per every 100 hours worked due to work accidents.



* The performance changes of the same store (like for like) are the percentage of the year-over-year improvement in the lost days due to work accidents in 2019.

Preserving the Confidence and Reputation

GRI 102-11

Celebrating its 65th anniversary in the Turkish retail industry, Migros strives for adding value to our society, economy and the environment with the ecosystem it has created. We support raising healthy and good generations with our understanding of fresh, healthy and quality products and services, and aim to be the first choice of customers that they can always trust by offering them a unique shopping experience. Leveraging our position as the most experienced supermarket chain in Turkey, we further our efforts to preserve the brand perception, reputation and confidence we have built in 65 years.

With the “**Migros is Good for You**” motto, we strive for improving our customers’ family budget, health and quality of life, namely being good for them throughout their life, whenever they need.

BRAND RESEARCH

While trying to preserve our brand perception, reputation and confidence through uninterrupted communication with all our stakeholders, we closely follow the developments with our corporate research efforts. We witness the positive perception of our brand in the research conducted by independent organizations in addition to our own research.

We have been listed in by far the largest and most comprehensive reputation management survey “**RepMan Turkish Reputation League**”, where a total of 155 companies from 17 different industries were assessed.

For the 16th consecutive year, Migros received the “Most Favorite Retailer” award in the Capital Magazine’s “Turkey’s Most Favorite Companies” survey. In the same survey, we were also listed among

the “20 Most Favorite Companies”, which include all industries.

We won Turkey Reputation Academy’s “**Most Reputable Retail Store Brand Award**” in the “Turkey’s Most Reputable Brands” award ceremony.

In the Customer Loyalty Survey, which is conducted with an average of 2,400 participants every year, we achieved loyalty score 2.9 points higher than the food retail industry average in 2019. Moreover, we increased our “**Product Quality Offered to the Customer**” score **by 2 points** and our “**Brand and Product Range**” score **by 6 points** year-over-year. Also, our Customer Loyalty Survey showed that the most prominent reason why our customers preferred Migros was “their trust in Migros”.

We conduct various surveys to determine the brand value and character of our

brands. In 2019, we conducted a survey to focus on the brand value of Macrocenter and a neuro-research to focus on the brand character of Migros Sanal Market (our e-commerce channel).



Good Customer Experience

GRI 103-1, 103-2-103-3, 418, 418-1

COMMUNICATION AND FEEDBACK

Based on our distinctive shopping experience approach that forms the pillars of our long-standing history, our priorities include constant value creation for our customers, and rapid and effective response to their expectations and feedbacks. With continuously developing communication channels, **we strive to boost our customers' experiences to the best possible level.** Accordingly, we work in line with the requirements of the TS ISO 10002 Customer Satisfaction Management System. We record all the feedback from our customers, evaluate them with due respect to privacy and create fair and objective solutions in no later than 48 hours. In 2019, **we received nearly 1,500,000 customer feedbacks** from all available channels. All incoming requests and recommendations were evaluated by relevant departments, **and 95 percent of calls was concluded within the targeted period.**

We have the TS ISO 10002 Customer Satisfaction Management System Certificate.

Keeping in mind the changing customer habits and needs due to digital transformation, we consider every channel that our customers use daily as a communication tool. Accordingly, the number of our customer communication channels rise, or they improve with digital infrastructure each year. On top of the WhatsApp line we recently added to our communication channels, **we also launched a Corporate WhatsApp line this year that works with an entirely digital infrastructure and provides instant information with shortcuts.**

Moreover, we closely follow topics and posts shared on social media about our company or our industry. We respond

to the requests, questions and needs of our customers even if they are not directly sent to our official social media accounts. Accordingly, we followed and analyzed 1,300,000 posts on social media in 2019. Via Social Media Tracking Screens, we follow instantly the trending topics about our industry, popular posts and their positive/ negative impact as well as atypical jumps in the number of posts, and then we rapidly take necessary action.

We consider opinions, requests and recommendations by our customers to be an important guide with which we can improve our activities. We feed big data through conventional channels and all available digital channels as well as with our detailed feedback analyses. We received the "Diamond" award in the National Supermarket Chain category at the "A.C.E (Achievement in Customer Excellence) Awards" where the brands that best manage the Customer Experience are recognized.



Communication Channels Available to Our Customers

MiGROS macro▲center **MiGROS** **sanalmarket**

444 10 44
Customer Hotline

Migros Mobile

0530 915 45 45
WhatsApp Line

Twitter

0530 300 13 00
Corporate WhatsApp Line

Facebook

iletisim@migros.com.tr
etik@migros.com.tr
surdurulebilirlik@migros.com.tr

Instagram

taze
Direkt
.com

444 75 15
Happy Customer Hotline

Twitter Facebook

CUSTOMER SATISFACTION RESEARCHES

Customer satisfaction and loyalty are among the priorities of our Company. We continue to enhance our service quality to the highest possible level with adjustable and innovative working methods in parallel with the needs and expectations of our customers. We make effective use of research methods to better understand our customers, conducting in-depth surveys that analyze even the micro-segments. The feedback we receive from customers that participate in the research provides valuable insights for our goals and strategies, helping us navigate our progress. In 2019, **we conducted consumer research and trend surveys that reached out to a total of 474,991 people.**

Following are some examples thereof:

- We conducted a survey with 431,000 people to measure satisfaction inside the stores as part of the Customer's Voice Survey project.
- As part of the Qualitative Customer's Voice Survey project, we engaged our store managers and worked with Focus Groups to gauge customer satisfaction levels.

- We surveyed 19,500 customers on various topics with the Customer Survey Program.
- We surveyed 257 people in Kazakhstan and 475 people in North Macedonia to measure customer satisfaction with Ramstores.

We conducted consumer research and trend surveys that reached out to a total of 474,991 people.



Data Privacy

GRI 103-1, 103-2-103-3, 418, 418-1

Privacy and Data Security Policy, We give a detailed account of what information we collect from customers, for what purpose we use it and how we ensure information security. We share updates and explanatory information about customer data protection on our website: www.migroskurumsal.com. In 2019, Migros did not receive any notices from authorities such as courts, prosecutor's offices or Ministries with regards to a violation of personal data protection. Moreover, pursuant to regulations and legislation, we delete customer information upon request by the given customer. In 2019, we deleted the information of 198 customers upon their requests.



Our Accessibility Practices

GRI 413-1

Our Migros Sanal Market website and mobile application are accessible for the visually impaired.

As part of our “Accessible Migros” project that offers privileged services to our disabled and elderly customers, we have made our Migros Sanal Market website and mobile application compatible with screen readers used by the visually impaired. Additionally, we have at least one employee in our Accessible Migros and Macrocenter stores who **knows sign language to help the hearing-impaired** and our customers can distinguish these employees from their special collar badges indicating that they know sign language. These stores have ramps and railings at the entrance and have aisles designed to enable access by wheelchairs. The stores also have wheelchairs available for

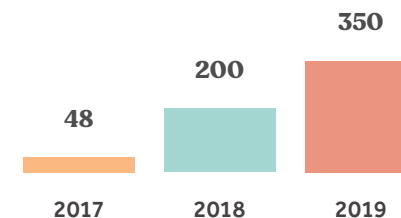
the elderly and at least one wheelchair-accessible checkout counter marked with special signs, prioritizing customers with disabilities. In accessible stores, upon request by disabled and elderly customers, a Migros employee will accompany and help them throughout their shopping.

OUR PERFORMANCE AND TARGETS

As of 2019, the number of Migros and Macrocenter stores transformed into the Accessible Store concept rose to 350 in 55 provinces. Our goal is to make sure that in each store we have two employees who know sign language, with one of them standing in when the other is on leave. We have provided sign language training to 784 employees since 2016. **In 2019, 443 employees completed sign language training. In 2020, we hope to increase the number of our Accessible Stores to 425.**



Number of Accessible Stores per year



In our Accessible Migros Stores, we have;



At least one employee who knows sign language



Arranged entrances and aisles to accommodate wheelchairs



Priority checkout counter for the disabled and elderly



Staff providing assistance during shopping

Our Employee Profile

GRI 102-8, 102-41, 103-1, 103-2, 103-3, 202-1, 401-1, 402-1, 404-1, 404-2, 404-3, 405-1, 406-1, 408-1, 412-1

At the core of our empowerment concept lies unlocking our employees' creativity and energy, helping them discover their power within. We actively take part in numerous platforms and joint projects with our partners to establish gender equality and equal opportunities both in the business world and in the society at large.

Based on our human-centric management approach, we believe that protecting the rights of our employees, the architects of our success, as well as improving their personal and professional knowledge play a critical role in building a sustainable future. As a fair-minded employer providing equal opportunities to its employees, we offer services with a work force coming from various language, religious and ethnic backgrounds both in Turkey and in our subsidiaries abroad. We launch practices and policies that help improve our employees' competences in problem-solving, autonomous decision

making and ownership mindset etc.

We boast a team of 45,000 across our value chain, including the indirect employment we create. The average age of our employees is 32, **with 83 percent of whom are Millennials**. We have an **average seniority period of 11 years** among our store managers and our administrative employees, 17 percent of our total work force. We pay special attention to employing from the local community in every location we operate in. 55 percent* of our employees work in their hometowns.

In 2019, **we employed 5,000 new people**. Through our internal application system, we utilized internal resources to fill 346 positions. Thanks to our "Recommend a Friend" project, we evaluated recommendations by employees and hired 276 people. In 2019, Migros had a total of 797 employees with disabilities.

Employee Distribution



17%

Administrative Units and Store Managers



83%

Store Employees

Employee Age Distribution



2%

Over 50



55%

Between 30-50



43%

Under 30

Across the entire value chain



45,000

employees



83%

Millennials



40%

Female employees

* This is the recruitment rate of the candidates whose city of birth according to their National ID, is the same place with location of the Migros operation they applied for.

Empowering Our Employees

GRI 103-1, 103-2, 103-3, 404, 404-2, 404-3

TALENT AND CAREER MANAGEMENT

We are aware of the significance of talent and career planning in creating an experienced and qualified human resource. Therefore, we provide professional and personal development opportunities to our employees from day one and offer them career guidance. Our **Migros Career Paths practice** allows all of our store and administrative employees to manage their careers in a fair-minded and objective manner. In 2019, thanks to Store Career Paths, we filled 98 percent of our store management positions internally.

We were named most preferred company to work for in the retail industry in the “Most Popular Companies 2019” survey.

With our human resources assessment systems, we objectively monitor and assess the competencies, skills and performance of our employees according to common criteria. Every other year, our administrative employees and store managers undertake a **360° Feedback and Personal Assessment**, which evaluates competencies and potential in two stages. With “360° Feedback”, our employees not only observe themselves but find out how their managers, superiors, subordinates and peers perceive their competencies; while “Personal Assessment Tools” provide reliable inventories and reports to employees, helping them correctly determine their potential. We thereby discover the strengths and areas of development of our employees and devise development plans for them accordingly. In 2019, more than 1,100 members of administrative employees and more than 3,500 store managers received 360° Feedback and Personal Assessment Reports. Our Ramstore employees in

North Macedonia and Kazakhstan also utilize the system. Additionally, we work with a consultancy firm to further assess our employees in an effort to unlock their competence potential.

We apply Migros Rewarding System to recognize our employees’ performance with regards to creativity, added value and teamwork. Accordingly, in 2019, more than 8,000 employees received various awards, with more than 3,100,000 reward points distributed to our employees in total.



In 2019, we were named most preferred company to work for in the retail industry in the “Most Popular Companies 2019” survey, which was conducted by a consultancy firm focusing on university students and new graduates.

In 2019, we met with a great number of university students in 58 career events across Turkey. In its very first year, our **Smart Long-term Internship Program** that aims to prepare university students for business life **won a Bronze Stevie in the Best Youth Employment Strategy**



category of the Stevie Awards for Great Employers. As part of the 8-month program, students attend orientation, mentoring, training/ development programs and acquire professional experience. Furthermore, we got together with engineering students at the Migros Master Minds Ideathon which focuses on design-oriented thinking. Students who scored high were recruited into the Smart Long-term Internship Program. In 2019, the entirety of our administrative and store employees and 97 percent of our store managers underwent performance assessment as part of our performance management process.

The breakdown of employees who joined the assessment can be found in detail in the Human Resources tables at the Annexes.

CONTRIBUTION TO THE EMPLOYMENT DEVELOPMENT

We believe that the resources we allocate to employee development will contribute greatly to both our employees and our company’s success. With a commitment to providing in-house and lifelong learning opportunities to all of our employees, we have integrated continuous development into our corporate culture. To serve this end, we established **Migros Retail**

Academy (MPA) that supports our employees’ personal and professional development through partnerships with universities as well as through in-class and online training options. We train our employees ourselves at the Food Technology Training Center (GATEM) launched as part of MPA. We play a leading role in this area in Turkey with a diverse range of training and development programs and 36 awards handed out by the world’s most prestigious assessment institutions.

We run long-term training and certificate programs in partnership with Boğaziçi

University, Anadolu University, Koç University, Ege University, Karadeniz Technical University, Uludağ University and Georgia State University.

Employees who have not completed their university education obtain five certificates as part of **Migros Retail Associate and Bachelor’s Degree Program**, hence obtaining associate degrees within Migros. Those who add three certificate programs on top of the initial five qualify as Bachelor’s Degree holders. **43 of our employees have successfully completed the said program so far, hence obtaining Associate or Bachelor’s Degrees.**



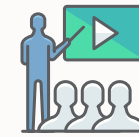
43

store employees graduated from university with Migros Retail Associate and Bachelor Degree Program.



372

employees completed the Executive Development Program.



38,426

employees received 1,030,000 (days x employees) trainings.



99%

of our employees were provided with professional and personal training.

GRI 401-2, 404-1, 404-2

Our mid-level managers participate in the Executive Development Program developed in partnership with Koç University at KÜMPEM (Koç University Migros Retail Training Center). As of the end of 2019, a total of 372 employees completed this program.

In an effort to rapidly respond to the needs of a changing world, we began to implement agile methodologies in our project management processes. We provided theoretical and applied training to 15 agile project team members. The Finance Business Partnership team, put together with the organizational change required by agile methodology, completed the said training as well.

In 2019, we started to offer in-class training to our employees, using our GETready catalog to teach the competencies of the future. 649



employees joined 41 training sessions focusing on 10 different competencies. Additionally, we used the BizBize (We Share & We Learn) Program to help employees share knowledge and experience in their respective fields of expertise and interest, thereby learning from each other, reaching a total of 2,096 employees.

In an effort to acquire professional experience and adapt to the working environment, 2,202 male and 2,166 female employees (totaling 4,368) joined İşkur's (Turkish Employment Organization) On-the-Job Training Program.

In 2019, we provided in-class and online 1,030,000 (days x employees) trainings to 38,426 employees. Hence 99 percent of our employees were provided with professional and personal training. In 2019, our investments in employees' personal and professional development, training, career planning, performance management, competence assessment amounted to more than TRY 17 million.

EMPLOYEE SATISFACTION

We adopt approaches to satisfy our employees, the most important asset of our value creation process. First of

all, with the "Recruitment Evaluation Questionnaire", we learn about the experiences in the recruitment process of all newly recruited employees. In addition, we work with an independent research firm each year that carries out Employee Loyalty and Satisfaction Survey in order to measure our employees' satisfaction and loyalty to the company, discover and prioritize areas of improvement. Compared to 2018, our **Employee Loyalty Rate** rose by 2 points to 69 percent. Our rate of increase was above the norm in the retail industry and **earned us an "Employee Loyalty Achievement Award" for the third consecutive time.**

In order to ensure employee satisfaction and boost their loyalty, we introduce private health insurance, life insurance and personal accident insurance to both store and administrative employees in equal measure. With DE.HA - Flexible Fringe Benefits Program, a winner of Stevie Awards for Great Employers, we enable our employees to shape their fringe benefits according to their needs and preferences and take further advantage from them.

We created "Migros Sharing Hotline" in order to boost our employees' satisfaction, solve the issues they might



have and rapidly handle possible breaches of code of ethics. In 2019, the line provided solutions to 20,500 calls.

Gender Equality and Equal Opportunities

GRI 103-1, 103-2, 103-3, 405, 405-1, 405-2

We are among 100 Female Executive-Friendly Companies

Under our [Human Rights and Equal Opportunities Policy](#), we support gender equality and women's participation in the labor force. As part of our policies based on gender equality and equal opportunities, we do not discriminate against any gender when it comes to career planning and we put in detailed effort focusing on employees' current duties, competencies and development areas.

We support gender equality in our society with projects in line with one of the major pillars of our human-centric approach: Adding value to the society. Accordingly, we aim to boost women's participation in business and empower them in social life.

OUR INTERNAL PRACTICES FOR GENDER EQUALITY

We organize various programs and trainings to increase female executive ration in our company. Our company ranked 4th among **"Female Employee-Friendly Companies"** and 3rd among **"Female Executive-Friendly Companies"** according to the **"100 Female-Friendly Companies"** survey conducted by Capital Magazine in 2019. As of 2019, 28 percent of our female managers both in Turkey and abroad are women. We want to increase the rate of our female executives to 30 percent by 2024.

We support our female employees' as they lead their own development and even acquire new professions based on their areas of interest and demands. For instance, 300 female employees completed the GATEM Butcher Training

Program for specialization purposes and are now working in stores and fresh meat processing plants across 81 provinces. Although the rate of female butchers in Turkey is 1 percent, 10 percent of butchers in Migros are female.

In order to prevent stagnation in the career development of female employees due to childbirth, in 2019 we began to include them in promotion processes even during maternity leave. We have a pregnancy follow-up system currently in progress. When we launch the system in 2020, we will support our pregnant employees further with brief trainings and video content about their legal rights, healthy nutrition, child development and return to work after childbirth. In 2020, we also plan to create various training opportunities focusing on career and personal developments of our female employees in the company and raise

awareness among employees with training programs on gender equality.

In our domestic operations, we do not apply gender-based differences in our salary and remuneration policies for employees in similar positions and performance levels. Details of our salary and remuneration system may be found in the "Orange Book" guide.



LEAD Network

LEAD Network is an internationally operating non-governmental organization that focuses on increasing the rate of senior female managers in the retail and consumer goods industry. Our company supported the establishment of the Turkey chapter of the Netherlands-based Lead Network. **Lead Network Turkey, the president of which is our FMCG Marketing Director**, supports the development of talented female workforce in our industry and contributes to our industry to help increase the number, reputation and influence of female leaders. We participate in the mentoring program with three mentors and three mentees from our company.

In addition, our Company is a Gold Partner in Lead Network Europe.

In 2019, we started working on a research to demonstrate our performance in "diversity and inclusion" under the leadership of Lead Network Turkey. Through these efforts, we aim to create the Gender Diversity Scorecard of our Company. One of our targets for next year with regards to LEAD Network is the signing of the **CEO Pledge**. Thus, **we will commit ourselves to increasing the rate of our female directors and female senior-level managers from 18 percent to 23 percent by 2023** as part of our gender equality plan .



Migros Leadership Path - I Develop Program

We support our female employees throughout their career paths with executive coaching and personal development plans so that they can participate more in the management level. We ensure that our female managers represent our company and encourage their participation in sectoral committees and professional organizations. 42 percent of the participants of our program are female managers.

Women on Board Mentoring Program

Since the beginning of the program, we have participated in the inter-company mentoring program, which is organized to increase the number of women on the Boards of Directors, with one of our female managers every year. To date, three of our female managers have benefited from this program as a mentee.

Migros Women's Club

The Migros Women's Club, created on Migros' social platform, aims to drive engagement among our female employees working in stores and administrative units. Articles and videos with various informative content are shared in the club, from personal and career development to health. Finally, a series with motivational and inspirational speeches from female leaders was launched to support our female employees on their way to leadership.

Female Employee Loyalty Project Group

Starting to work on boosting female employee loyalty in 2019, our project group aims to develop the most accurate approach, working conditions and suggestions to help Migros position itself among the companies that women prefer to work for the most in Turkey.

GRI 103-1, 103-2, 103-3, 413, 413-1

OUR PROJECTS SUPPORTING GENDER EQUALITY IN SOCIETY

Family Clubs



We believe that family, the smallest yet the most crucial constituent of society, has to be healthy and well-educated to ensure the productivity and strength of the community as a whole. Driven by this understanding, we have launched Family Clubs in collaboration with District Community Education Centers to aid with the skills development of women, men and children of all ages. Operating across a diverse geographical area, our Family Clubs offer **free-of-charge vocational and skills training courses as well as socialization opportunities for people with similar interests.**

As of the end of 2019, Family Clubs operating out of Migros stores in 27 locations across Turkey provide training courses in 92 highly diverse fields, including confectionery and cooking, embroidery, marbling, ceramic and wood painting, oil painting, pilates, foreign language training, sign language, diction, photography and robot programming. With members mostly comprised of

women, Family Clubs enable women to participate in social life more actively, invest in their own personal development, pursue careers, and become stronger role models for their children. With each passing day, **more and more women set up their own businesses thanks to the knowledge, skills and Ministry of Education-approved certification** they obtain upon completing Family Clubs courses.



Family Clubs also aim to contribute to the development of children with courses such as painting, music and chess. We also help develop their knowledge and imagination with workshop on coding, sustainability and zero waste.

In 2019, 19 book-reading events at 14 Family Clubs and eight event organizations in four cities enabled us to reach over 2,000 children and their parents directly. Over the course of the last two years, Family Clubs provided 250,000 trainings.

Women in Technology Association (WTECH)

We provide the highest level of support for the activities and initiatives of the Women in Technology Association, which was established to support women in discovering their true potential in today's world of science and technology and contribute to societal development by advocating equal opportunity and increasing the number of women in technology. Our Chief Information Officer serves on the board of the association.

Better Future Ambassadors

Our Better Future Ambassadors Platform **was designed as an online platform where women who closely follow Migros come together to share their ideas and opinions and contribute to their family budgets by fulfilling assigned tasks.** Designed exclusively for women, the platform reached 90,000 members in 2019, while the face-to-face events organized by the platform saw approximately 1,000 participants. During 2019, Better Future Ambassadors transformed into a platform providing employment opportunities for women, and 142 ambassadors took part in events as workshop instructors and hosts.



Our Collaborations Providing Social Contribution

GRI 103-1, 103-2, 103-2, 413, 413-1

Our philosophy of social benefit, an important component of the way we do business, guides us to undertake social responsibility projects for the development and betterment of society as well as creating awareness on better living. Working in collaboration with stakeholders, we are realizing projects in a wide range of areas including vocational and skills development, education, sports and health.

One of the longest-running among these is our **“Special Support for Athletes with Special Needs”** campaign, which was transformed into the **Little Athletes Project** in 2016. A portion of the revenues generated from Procter&Gamble products sold in our stores are donated to the Turkey Special Olympics Committee, enabling training activities for special needs children aged 2-7 aimed at enhancing their coordination skills and providing them with opportunities to socialize with their peers. Over the course

of 16 years, 11 million Migros customers helped introduce sports to 6,238 special needs young people and children. Meanwhile, for the last eight years, Migros, in collaboration with Ariel (P&G) and the Community Volunteers Foundation (TOG) has been organizing a now-traditionalized **“Clothing Donation Campaign”**. As part of this project, our stores collected 705,000 articles of clothing, which were then cleaned using Ariel products and donated to 288,000 children by TOG.

As part of our joint campaign with Domestos, **“Cleaner Toilets, Brighter Future”**, we donate one bottle of Domestos to schools in need for every bottle purchased at our stores. This collaboration has enabled us to provide a year’s supply of Domestos hygiene products to 119 schools with over 150,000 students in the provinces of Gaziantep, Van, Diyarbakır and Antalya.

In another campaign that formed part of Finish’s **“Pledge to Save Water”** movement, all Migros stores offered Finish Quantum products with discounts equal to how much participants managed to save on their water bill compared to the previous month. The campaign helped save 3.5 million litre of water, equal to



TRY 16,000. Water Ambassadors project, another joint initiative with Finish, provided training to 8,000 children in Migros stores on the importance of water and the preservation of water sources.



The “**Colorful Schools**” campaign, an initiative launched two years ago in partnership with Lipton Ice Tea and with support from the Community Volunteers Foundation (TOG), we repainted the interior and exteriors of five schools in need of repair to create a more colorful learning environment for kids.

As part of the “**Women Shaping Hearts**” project, launched by Migros to support economic empowerment of women, 30,000 heart-shaped lavender sachets, hand-made with support from the Foundation for the Support of Women’s Work, were sold with Vernel Max products in Migros stores.

In collaboration with the Olmuksan International Paper (Olmuksan IP) and Turkish Paraplegic Association (TOFD), Migros contributed to the **plastic cap collection project**, and donated two wheelchairs.

Each year, on occasion of the National Sovereignty and Children’s Day, **Educational Volunteers Foundation of Turkey (TEGV) donation boxes** are placed inside Migros stores. In addition, Migros customers who wish to donate are able to do so by purchasing toys, children’s books

and stationery products at 50 percent discount to be donated to children in need via the foundation. In collaboration with our customers, we also support the Books for All foundation in order to foster a love for reading in children. In this context, customers can use the **Books for All foundation book collection boxes** to donate the books they bring or purchase at a discount in our stores. So far, 58,588 books were collected and sent to schools all across Turkey.



Migros Better Future Festival

The first brand-driven retail fair in Turkey, the **Migros Better Future Festival** brought together producers, suppliers, farmers, employees and customers that form part of Migros’ value chain. The festival, which took place at the Istanbul Congress Center over the course of four days, provided a platform for **4,000 brands and more than 400 suppliers to promote their products at their own stands**. The festival also marked the first appearance of an authentic farm experience, complete with live animals such as goats, cattle, sheep, chicken and turkeys. The festival, which also featured a fully-equipped Migros store, **received 50,000 visitors**. Migros Better Future Festival had a number of celebrity guests, who delivered engaging discussions on health, sports, nutrition, self-care, personal development, music and entertainment. The festival’s kitchen was joined by renowned chefs who prepared delicious meals and shared recipes with visitors.



Our Responsible Business Approach

Our Board of Directors and Capital Structure

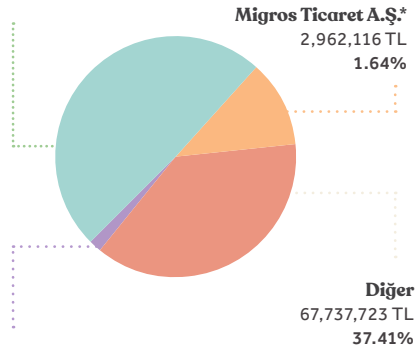
GRI 102-5, 102-16, 102-18

OUR CAPITAL STRUCTURE

The capital structure of the company by December 31, 2019 is as follows:

Migros Ticaret A.Ş. Capital Structure TRY 181,054,233

MH Perakendecilik ve Ticaret A.Ş.
89,046,058 TL
49.18%



Kenan Investments S.A.
21,308,336 TL
11.77%

* Due to the merger, the company has bought back its own shares in accordance with CMB communiqués

OUR BOARD OF DIRECTORS

Elected by the General Assembly for a limited term, the Board of Directors of Migros serves as the top strategic decision-making and control body of the company. The Board of Directors is tasked with managing Migros in a transparent, accountable, fair and responsible manner in accordance with the corporate governance principles of the company and by taking into consideration its risk-return balance, growth, and interests.

Migros Board of Directors has 12 members, all of whom are non-executive with the exception of the CEO. Four of the members meet the independent board member criteria as specified in the CMB Corporate Governance Principles. The positions of CEO and Chairman of the Board are held by different individuals who are both capable of representing Migros.

Detailed information on the members, organization and working principles of individual committees is available on our [corporate website](#) and in the 2019 Annual Report, while the [Corporate Governance Principles Compliance Report](#) contains other details regarding Migros operations and management.

[Please visit our corporate website to find out more about the organization of the Board of Directors.](#)



Business Ethics and Compliance with Corporate Policies and Laws

GRI 102-11, 102-16, 103-1, 103-2, 103-3, 205-1, 206-1, 403-4, 407-1

RISK MANAGEMENT AND INTERNAL CONTROL

Migros utilizes an Internal Control System to define the risks associated with its business processes and operational, functional and financial performance, ensure independent examination and present its findings to the management.

The company's **Risk Management Unit** operates under the CFO and Early Detection of Risks Committee. The purpose of risk management is to ensure the early detection of risks that pose a threat to the existence, growth and continuity of Migros as a company, and guide and inform necessary measures against such threats. Working in collaboration with Migros employees, the Risk Management Unit monitors relevant risk criteria using a variety of risk indicators designed to predict and follow-up on risks that might prevent the company from achieving its strategic business objectives as well as to identify

the respective probabilities and potential impacts of said risks. Any changes are analyzed and monitored by relevant business units under the supervision of the Early Detection of Risks Committee, which convenes at least six times per year to identify whether appropriate action has been taken.

Throughout the year, the **Internal Audit Department** reviews and examines the company's activities and transactions via internal audits. In case these audits reveal any irregularities, a comprehensive investigation is launched to inform necessary measures as well as any action to prevent repeat occurrences in the future. The Internal Audit Department serves as a function of the broader-scope Audit Committee, to which it regularly reports material findings, results and analyses pertaining to its audits. During 2019, several Audit Committee-approved audits were carried out, and the results were shared with the committee on a

quarterly basis. Control audits were also carried out on issues previously reported to senior management and with relevant measures already agreed upon.

As in previous years, in 2019 the Internal Audit Department conducted its operations in compliance with the standards and ethical rules of the international Institute of Internal Auditors (IIA). Migros also maintained its **TS EN ISO 9001 Quality Management System certification** in the category of "**Internal Audit, Consultancy and Assurance**" through the audits carried out by the Turkish Standards Institution (TSE) in 2019. This certification serves to standardize internal audit, consultancy and assurance activities and drive continuous improvement.



BUSINESS ETHICS, ANTI-BRIBERY AND ANTI-CORRUPTION

Migros regards anti-corruption and anti-bribery as matters that fall within the scope of risk management, and exercises a risk-focused approach to evaluate these. Our comprehensive approach involves the entirety of the domestic operations of our companies, where we evaluate our risks and potential impacts via audits. Our overseas audit activities are included in each year's risk-based internal audit plan, and take the form of process and store audits. In addition, transactions are evaluated on daily and monthly bases to inform investigations by the Internal Audit Analysis and Reporting department. The evaluations also take into account positions at the company that are more susceptible to bribery, as well as the bribery risks associated with those. Internal audit findings on bribery and corruption, high levels of risk and ethical principles are discussed in the Migros Ethics Board, which is made up of the company's Corporate Communications,

Industry Relations, Internal Audit and Sales directors. The board convenes four times every year, reporting the company's performance in matters governed by Migros' [Anti-Bribery and Anti-Corruption Policy](#) to the Migros Supreme Board of Ethics formed by relevant executive vice presidents.

Migros adheres to the code of conduct and rules of ethics laid out in the [Migros Code of Ethics](#), which is made available to all stakeholders on the company's corporate website and annual reports. We review our Anti-Bribery and Anti-Corruption Policy on an annual basis under the supervision of relevant departments, and notify any changes to our employees, suppliers, contractors and other business partners. Migros promptly investigates any suspicion of fraud, bribery or corruption connected to its activities, takes necessary legal action, and informs its stakeholders as required. We have been a member of the **Ethics & Reputation Society (TEID)** to draw on their wealth of knowledge and receive guidance and

training on issues related to ethics, anti-bribery and anti-corruption, employee misconduct and third-party risks. In 2017, TEID reviewed our Anti-Bribery and Anti-Corruption Policy and it has been found in compliance with TEID's membership statement and ethical principles. In 2019, 4 of our employees participated in the Ethics and Compliance Management Certificate program organized by TEID.

In 2019, four employees enrolled on the Ethics and Compliance Management certification course of TEID, while 39 managers received "Third-Party Ethics Compliance Risk Management" training. In

2019, Migros maintained its title as one of "Turkey's Most Ethical Companies" at the ETIKA Turkey Ethics Awards by the Ethical Values Center Association (EDMER), as a result of a comprehensive evaluation encompassing 80 criteria that includes ethical values, business ethics, reputation management, corporate governance, corporate social responsibility, compliance management, leadership, and creativity. All of the company's activities remain fully compliant with the Migros Code of Ethics and Anti-Bribery and Anti-Corruption Policy, which are embraced and upheld by the Board of Directors.

Customers, suppliers and other stakeholders are able to **report** suspected acts of bribery, corruption or other forms of ethics violations, as well as complaints, through the 444 10 44 Call Center or etik@migros.com.tr e-mail address.



COMPLIANCE WITH CORPORATE POLICIES AND CODES OF CONDUCT

Migros' "Human Resources", "Human Rights and Equal Opportunities", "Anti-Bribery and Anti-Corruption" and "Responsible Sourcing" policies are reviewed annually by relevant departments, with revisions communicated to employees via e-mail and circulars and updated versions made available to the public on the corporate website. Migros has a guidebook named the "Orange Book" for its employees, detailing all corporate policies and Migros Code of Ethics in a comprehensive and transparent manner. The guidebook is shared with employees via e-mail during orientation, and is also available on the company intranet.

Migros provides e-training courses on corporate policies for all employees to ensure that the contents and guidance of the policies are embraced and upheld across the company. All existing employees are expected to take this course once a year, while new recruits are offered the training as part of the first-month of their orientation. Employees who fail the training must retake the course. In 2019, 44,143 employees successfully completed the training,

which covers the entire range of Migros' corporate policies.

As part of Migros' activities in Kazakhstan and North Macedonia under the Ramstore brand, relevant corporate policies were translated into the official regional languages of **Kazakh, Macedonian and Russian**. These policies are shared on company websites and intranets, and communicated to employees via e-mail. The policies are also displayed on billboards inside stores to facilitate the training of store personnel.

Employee violations of the rules of ethics, anti-bribery and anti-corruption are addressed by the Human Resources Department and reported to senior management. In case such violations are committed by union-member employees, a Disciplinary Board is convened including trade union representatives as mandated by collective labor agreement provisions. Violations of Migros Code of Ethics and Anti-Bribery and Anti-Corruption policies result in the termination of the employment contract with the offending employee.

In 2019, Migros launched the "Ethical Violation Record Tracking" system, which has enabled a single point of collection,

evaluation and systematic action for all reports involving **Human Resources, Human Rights and Equal Opportunities, Anti-Bribery and Anti-Corruption and Responsible Sourcing** policy violations as well as Migros Code of Ethics breaches, regardless of whether these are reported to the company via the call center, e-mail, or the mobile app.

All individuals working at or with Migros are equally responsible for preventing bribery and corruption. **Migros employees** are able report their doubts and concerns **directly to the Migros Ethics Board via the etikkurul@migros.com.tr e-mail address**. Migros embraces an open-door policy, and provides contact information for all senior management members and department heads on the corporate website in a transparent manner.

Our 44,143 employees completed corporate policies training.

This enables both employees and other stakeholders to contact Migros executives, including senior management, directly to report any violation of ethics. Reporting is completely anonymous. Migros is committed to protect its employees from retaliation for reporting suspected cases of misconduct or violation. Accordingly, no Migros employee may be held liable for any damages or losses incurred by the company or face any disciplinary action due to their refusal to comply with a non-ethical directive or for acting in accordance with the mandates of the Migros Code of Ethics. During 2019, Migros received



447 reports on ethics violations from all communication channels, 250 of which were made by Migros employees. Upon Disciplinary Board evaluation, disciplinary penalties were handed out, including warnings, reprimands and termination. Migros received 18 anonymous reports by whistleblowers on matters of misconduct, corruption and dishonesty, unethical behavior, neglect of duty, harassment, mobbing, and unlawful personal benefits. These reports were evaluated by the Disciplinary Board, and consequently, 6 employees were reprimanded while the other 12 were dismissed. In other reports on workplace harassment claims, one of which was made by a whistleblower, the Disciplinary Board terminated the labor contract with the 3 employees involved with the claims. Furthermore, 6 reports of mobbing were received, one of which was made by a whistleblower, and the Disciplinary Board's investigation resulted in the dismissal of 4 employees, while 2 others were reprimanded. The Disciplinary Board also investigated reports of 3 employees obtaining unlawful personal benefits from suppliers in contravention of Migros' Anti-Bribery and Anti-Corruption and Responsible Sourcing policies. 2 of the employees in question were dismissed, while the third received a warning.

COMPLIANCE WITH HUMAN RESOURCES POLICIES

Matters relating to the implementation of and compliance to the [Human Resources Policy](#) and [Human Rights and Equal Opportunities Policy](#) are regularly monitored by the **Internal Audit Department** and reported to senior management. The department also carries out additional audits in response to complaints received or upon identifying potential areas of non-compliance, collaborating with other departments for internal inspections as necessary. Social compliance evaluations on human rights related matters encompass the entirety of the company's domestic operations, where risks and potential impacts are identified via audits. In addition, we receive opinions and feedback from internal customers via our Recruitment Evaluation Questionnaire and Working Life Evaluation Survey, which inform our efforts towards ensuring full compliance with our Human Rights and Equal Opportunities Policy.

It is the responsibility of the CHRO to ensure that Human Resources processes and employee relations are managed in line with our Human Rights and Equal Opportunities Policy. As stated in our

Human Rights and Equal Opportunities Policy, our operations in all markets, including our overseas subsidiaries in North Macedonia and Kazakhstan, are in full accord with the **UN Guiding Principles on Business and Human Rights**, as well as the **ILO Declaration on Fundamental Principles and Rights at Work**, to which we are committed to uphold despite any challenge or adversity. Human rights risk assessment is part of Migros' risk assessment process. Our policies highlight the vital importance of ensuring full compliance with human resources standards by our employees and the company at large.



In our operations in Turkey as well as in our overseas subsidiaries in North Macedonia and Kazakhstan, all human rights processes from recruitment to placement and remuneration follow a comprehensive set of task profiles. We evaluate applicants on the basis of their competence, avoiding any form of discrimination based on age, gender and disability. Accordingly, we offer entry-level remuneration at Migros stores in accordance with minimum legal wage and benefits, regardless of gender. Migros' human resources assessment system is built on the principle of equality, measuring and tracking employee competence, skills and performance using broad and objective criteria. No cases of discrimination took place in the company during the reporting period.

In 2019, we organized an online training to spread awareness among employees on basic human rights as defined in the Universal Declaration on Human Rights. The course was attended by 14,118 employees (43.66 % of all workforce), bringing the total hours of training up to 4,000 hours. The training was preceded by a test measuring overall knowledge of the topic, which was repeated after the course to track improvements. The tests revealed a 31 percent increase in employee knowledge. We aim to achieve

99 percent compliance with our Human Rights and Equal Opportunities Policy by 2021 across the entirety of our operations and our value chain. Audits carried out in 2019 revealed no human rights violations in Migros operations. There have been **no cases of child or forced labor** in our domestic operations or overseas subsidiaries. All female employees are given maternity leave after childbirth as mandated by law, as well as other benefits specified in relevant laws, regulations and labor contract provisions. Male employees are given paternity leave of 5 working days.

Regarding overseas operations, Ramstore North Macedonia and Ramstore Kazakhstan are carrying out efforts on human rights and equal opportunities in line with the directions of authorities. These include the establishment of internal control systems in Ramstore North Macedonia, which enables regular reporting to public agencies. Updates and developments are communicated to employees using the company's intranet. Employees are entitled to the full range of wages and benefits (overtime, severance, pension, etc.) mandated by the labor law and private sector collective labor agreements. During the reporting year, no incidents of discrimination, child labor or

forced labor took place in Ramstore North Macedonia and Ramstore Kazakhstan.

In 2019, overseas subsidiaries in North Macedonia and Kazakhstan added the topics of discrimination, child labor and forced labor to the assurance statements of their human rights compliance reporting. Meanwhile, statements in domestic operations reports concerning employee trainings on freedom of association and the right to collective bargaining, minimum wage and gender pay equality, human rights policies & procedures were independently verified in accordance with the international ISAE 3000 (Revised) standard.

[Independent Assurance Statement for Human Rights and Supply Chain can be shown in the Annexes.](#)

FREEDOM OF ASSOCIATION

Since 1972, the company conducts its operations in a working environment that respects the rights of employees to unionize. Constructive dialogue between trade unions and Migros encompass topics essential to labor, such as abolishing forced labor and child labor, compliance with local rules and regulations, and impartiality and fairness. Accordingly,

any violations of human rights or ILO standards in Migros are subject to disciplinary action or punishment.

Migros and Tez-Koop Trade Union signed a collective labor agreement, which is valid between May 1, 2017 and December 31, 2019 and covered 64 of Migros employees as of signing date. **As of 2019, 75 percent of all employees are trade union members.** The collective labor agreement contains several occupational health and safety related provisions including food aid, cleaning supplies and equipment, sick leave and pay, workplace physician, examination room and medicine cabinets, illness and light work, and work clothing and equipment. The company provides various benefits to union member employees such as premiums, subsistence, holiday bonus, per diem, fuel aid and clothing aid. In addition, the company offers allowances to employees in the events of marriage, childbirth and death, as well as a once-per-year education grant for their children.



Responsible Advertising and Marketing

GRI 103-1, 103-2, 103-3, 417, 417-2

In its advertising and marketing activities across all channels, Migros is committed to ensure full compliance with applicable rules and regulations governing the production and broadcasting of commercial. As part of our Broadcasting Policy, we do not advertise products not suitable for minors on channels or programs aimed at children under 12. In addition, all processed food commercials are accompanied by a disclaimer text provided by the Ministry of Health. During the reporting period, none of Migros' advertising, promotion and sponsorship activities were found to be in breach, and no fines were levied against the company.





Annexes

Report Explanations

GRI 102-10, 102-48, 102-49, 206-1

CURRENT ACQUISITIONS AND CAPITAL CHANGES

During the year, no changes were made to the company's paid-in capital, which stood at TRY 181,054,233. As communicated in a material disclosure on November 29, 2019, Migros shareholders Moonlight Capital S.A. and Kenan Investments S.A. sold their shares worth TRY 20,000,000 in nominal value. Consequently, Moonlight Capital S.A. no longer has any shares in Migros, while Kenan Investments S.A. shareholding fell to 11.77 percent.

During 2019, 137 new Migros stores were opened, increasing the company's total net sales areas by 38,000 square meters.

Apart from these developments, there were no material changes to the size, structure, ownership or supply chain of the company. In 2019, the company received no warnings concerning anti-competitive behaviors or breach of regulations on monopolization regulations.

List of Updates on Our Material Topics

GRI 102-49

MATERIAL TOPIC UPDATED	CHANGE
Digital Innovation and Accessibility	Material topics Digital Innovation and Product and Service Accessibility merged
Quality, Freshness and Hygiene	Added as a separate topic under Promoting Healthy Lifestyles
Products and Services Supporting Healthy Living	Added as a separate topic under Promoting Healthy Lifestyles
Transparent Product Information	Added as a separate topic under Promoting Healthy Lifestyles
Responsible Advertising and Marketing	Added as a separate topic under Promoting Healthy Lifestyles
Preventing Food Waste	Added as a separate topic under Waste Management
Contributions to Waste Collection and Recycling	Added as a separate topic under Waste Management
Reducing Plastic Waste	Added as a separate topic under Waste Management
Accessibility Practices	Added as a separate topic under Social Contribution
Business Ethics and Compliance with Corporate Policies and Laws	Material topics Business Ethics and Transparency and Compliance Regulations merged
Empowering Our Employees	Employee Loyalty and Improvement renamed
Preserving the confidence and reputation	Brand Reputation and Reliability renamed
Social Development and Creating Awareness for Wellbeing	Promoting Healthy Lifestyles renamed
Generating Sustainable Economic Value	Sustainable Growth and Economic Benefit renamed
Contribution to Sustainable Agriculture and Biodiversity	Protecting Biodiversity renamed
Sustainable Growth with Our Suppliers	Responsible Sourcing renamed
Data Privacy	Stakeholder Data Privacy and Security renamed
Gender Equality and Equal Opportunity	Gender Equality added to topic name
Combating Climate Change and Energy Management	Energy Management added to topic name

Our Collaborations with Civil Society and Umbrella Organizations

GRI 102-12, 102-13, 102-43, 102-44

STAKEHOLDER	PROJECT NAME	ROLE IN THE PROJECT	MATERIAL TOPIC
Consumer Goods Forum (CGF)	Co-Chair of the Board of Directors	Member/Active Participant	Sustainable Growth with Our Suppliers
	Food Waste Coalition	Member/Active Participant	Preventing Food Waste
	Product Data Coalition	Member/Active Participant	Transparent Product Information
	Collaboration for Healthier Lives Coalition Migros Wellbeing Journey Programme	Member/Active Participant Project Leader	Products and Services Supporting Healthy Living
One Planet Business for Biodiversity (OP2B)	Regenerative Agriculture Coalition Product Portfolio Coalition	Member/Active Participant	Contribution to Sustainable Agriculture and Biodiversity
Food Retailer Association (GPD)	Chairperson of the Board of Directors	Member / Active Participant	Generating Sustainable Economic Value Business Ethics and Compliance with Corporate Policies and Laws
Fazla Gıda (Whole Surplus)	Respecting Food Project	Project Leader	Preventing Food Waste
HAYTAP (Turkish Animal Rights Federation)	Fresh Leftovers to Our Four-Legged Friends	Project Leader	Preventing Food Waste
Chamber of Agricultural Engineers	Stakeholder Engagement	Member	Contribution to Sustainable Agriculture and Biodiversity
Sustainable Food Platform	Information Sharing about Sustainable Production and Supply	Member/Active Participant	Products and Services Supporting Healthy Living Contribution to Sustainable Agriculture and Biodiversity
The Association of Turkish Milk, Meat, Food Industrialists and Manufacturers Association (SETBIR)	Stakeholder Engagement	Member	Products and Services Supporting Healthy Living Contribution to Sustainable Agriculture and Biodiversity
The Association of Non-Household Consumption Suppliers (ETUDER)	Stakeholder Engagement	Member	Products and Services Promoting Healthy Lifestyles
Turkish Food Safety Association (GGD)	Growing Healthy with Migros Guidance Loss of Food and Label Reading Research Delivery of Opinions for the Regulations	Member/Active Participant	Social Development and Creating Awareness for Wellbeing
GS1 Turkey Foundation of Economic Enterprise	Creation of the Global Data Model Industrial Transformation for Digitalization and Standardization of Data	Member / Active Participant/ Project Executor	Transparent Product Information
World Wide Fund for Nature (WWF - Turkey)	Green Office	Project Executor	Contribution to Waste Collection and Recycling Combating Climate Change & Energy Management
Environmental Protection and Packaging Waste Utilization Foundation (CEVKO)	Collection of the Packaging Waste	Member/Active Participant/Project Executor	Waste Collection and Recycling

GRI 102-12, 102-13, 102-43, 102-44

STAKEHOLDER	PROJECT NAME	ROLE IN THE PROJECT	MATERIAL TOPIC
Marine Environment Protection Association (TURMEPA)	Contribution to Cleaning of Seas by Collecting Waste Vegetable Oils Project	Member/Active Participant	Waste Collection and Recycling
Turkish Industry & Business Association (TUSIAD)	Business World Plastics Initiative	Member/Active Participant	Reducing Plastic Waste
Ethics & Reputation Society (TEID)	Participation in the Working Groups Training support	Member	Business Ethics and Compliance with Corporate Policies and Laws
Corporate Governance Association of Turkey (TKYD)	Stakeholder Engagement	Member/Active Participant	Business Ethics and Compliance with Corporate Policies and Laws
The Institute of Internal Auditing Turkey (TIDE)	Business Ethics and Compliance with Corporate Policies and Laws	Member	Business Ethics and Compliance with Corporate Policies and Laws
The Turkish Informatics Foundation (TBV)	Digital Innovation and Accessibility	Member	Digital Innovation and Accessibility
The Blockchain Turkey Platform (BCTR)	Digital Innovation and Accessibility	Member	Digital Innovation and Accessibility Transparent Product Information
LEAD Network EU	Participation in the Activities and Commitments in Respect of Gender Equality	Member	Gender Equality and Equal Opportunities
LEAD Network Turkey	Active Participation for the Establishment, and Serving as the President thereof	Member/Active Participant	Gender Equality and Equal Opportunities
Women on Board Turkey (YKKD)	Participation in the Mentorship Program	Member/Active Participant	Gender Equality and Equal Opportunities
Women in Technology Association (WTECH)	Member of the Board of Directors	Member	Gender Equality and Equal Opportunities
People Management Association of Turkey (PERYÖN)	Information Sharing in Respect of Human Resources Processes, Attending the Conferences	Member/Active Participant	Empowering our employees
Training and Development Platform Association (TEGEP)	Information Sharing in Respect of the Training Processes For Employees	Member	Empowering our employees
Association of Corporate Communicators (KİD)	Stakeholder Engagement	Member	Preserving the confidence and reputation
European Association of Communication Directors (EACD)	Stakeholder Engagement	Member	Preserving the confidence and reputation
Turkey Quality Association (KALDER)	Information Sharing in Respect of Quality Management Processes	Member	Quality, Freshness and Hygiene
International Investors Association (YASED)	Stakeholder Engagement	Member	Generating Sustainable Economic Value
The Union of Chambers and Commodity Exchanges of Turkey (TOBB)	Stakeholder Engagement	Member	Generating Sustainable Economic Value
International Chamber of Commerce (ICC)	Stakeholder Engagement	Member	Generating Sustainable Economic Value
Turkish Investor Relations Society (TÜYİD)	Investor Relations, Information Exchange in Financing Processes	Member	Generating Sustainable Economic Value
CSD of Turkey (MKK)	Stakeholder Engagement	Member	Generating Sustainable Economic Value
Istanbul Commodity Exchange	Stakeholder Engagement	Member	Generating Sustainable Economic Value

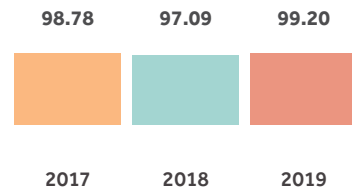
Performance Tables

GRI 303-1, 306-1, 306-2

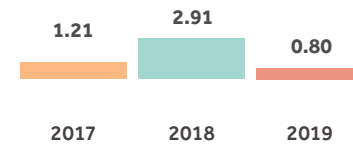
WATER CONSUMPTION TABLES FOR 2019

Water Discharge Distribution

Discharged to Sewers (%)

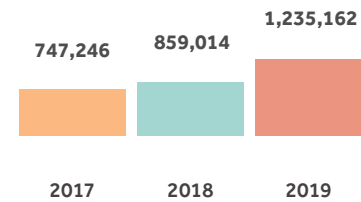


Discharged to Water Bodies (Other) (%)

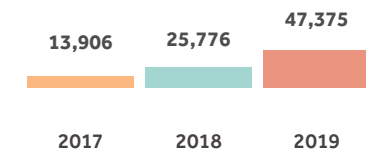


Water Consumption by Source

Mains Water (m³)

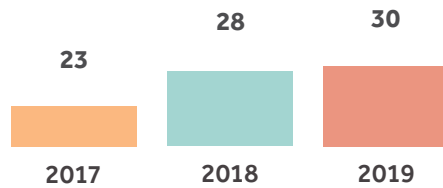


Well Water (m³)



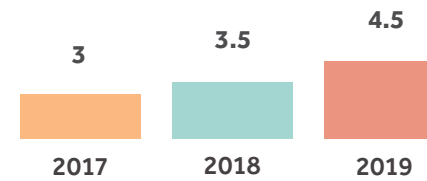
RECYCLED WASTE VEGETABLE OIL, WASTE BATTERY AND ELECTRONIC WASTE AMOUNTS BY YEARS

Waste Vegetable Oil Collected (tons)



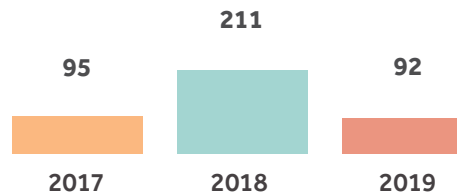
2018 and 2019 data include waste vegetable oil collected from homes by Migros Sanal Market.

Waste Battery Collected (tons)

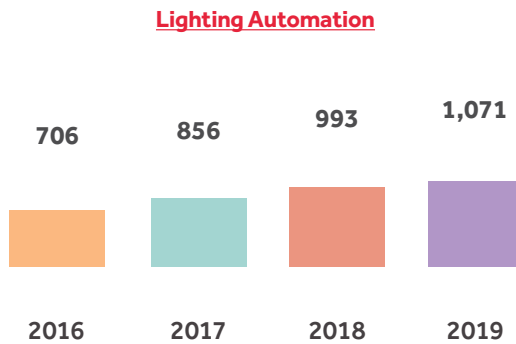
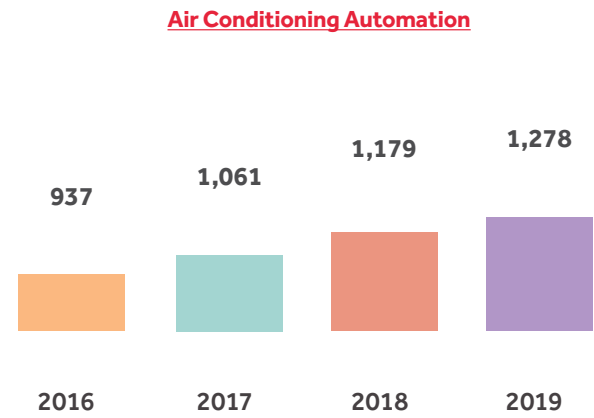
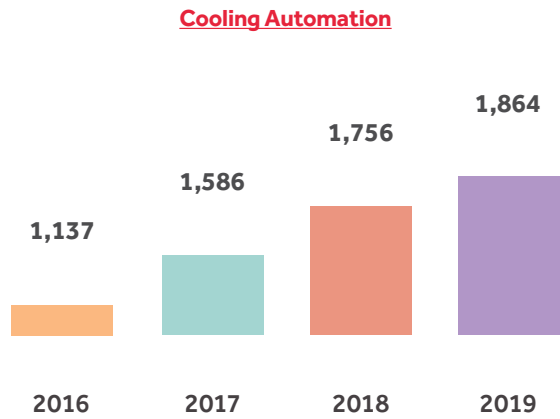


2018 and 2019 data include waste batteries collected from homes by Migros Sanal Market.

Electronic Waste Collected (tons)



OUR STORES WITH AUTOMATION SYSTEM



PRODUCT QUALITY CONTROL AUDITS

GRI 416-1, 416-2

	Sayı
New food products internally checked for quality	3,115
New non-food products internally checked for quality	5,911
New products internally checked for quality	9,026
Products inspected in an accredited laboratory*	6,251
Unannounced store verification audits	2,695
# of stores analyzed for hygiene	1,857
# of hygiene analyses (SWAB Analysis)	22,390
Fresh product department audits	1,752
# of Migros Sanal Market process audits	272
New stores and seasonal store compliance audits	285
# of bakery product controls	246
# of products checked for quality in Distribution Centers	2,926,852
# of delivery vehicles checked**	1,434

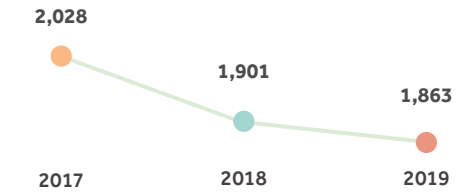
* Quality verification analyses of 6,251 new products have been completed in accredited laboratories based on 34,542 parameters

** Vehicle controls have been completed by verifying the vehicle temperatures with the data loggers and temperature labels in distribution centers.

NUMBER OF SUPPLIERS BY YEARS

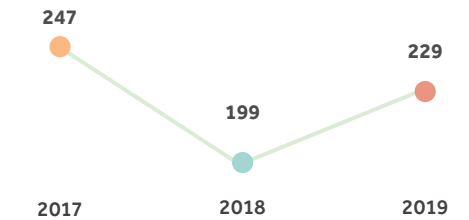
GRI 203-2

Total suppliers*



* The number of our active suppliers from whom we make a purchase of TRY 1,000 and above

Total number of the new suppliers



OHS TABLES

GRI 403-2

Occupational accidents by type of injury in 2019*

TYPE OF INJURY	%
Cuts and lacerations	33
Slips, trips and falls	15
Being hit by falling objects	8
Crushes	6
Collisions and crashes	9
Other	29
Accidental deaths	0

* Includes stores and administrative units.

Occupational accidents by gender*

GENDER	NUMBER
Male	658
Female	389
TOTAL	1,047

* Includes stores and administrative units.

HUMAN RESOURCES TABLES

GRI 102-8

Employee profile by age and gender

Year	Employee Category	IN ISTANBUL		OUTSIDE ISTANBUL			OVERSEAS SUBSIDIARIES		
		Female	Male	Female	Male	Total	Female	Male	Total
2019	Full-time	3,544	6,553	7,860	12,758	30,715	727	474	31,916
	Part-time	148	122	805	543	1,618	0	0	1,618
	Total	3,692	6,675	8,665	13,301	32,333	727	474	33,534

GRI 404-3

Employees who have passed regular performance improvement assessments (%)

POSITION	FEMALE	MALE	TOTAL
HQ	36%	64%	100%
Store Management	26%	72%	97%
Store Personnel	40%	60%	100%
Total	11,889	19,496	31,385

GRI 402-1

Operational changes and resignations are subject to the notice periods specified in collective labor agreements, or in the Labor Law for employees who are not covered by a collective labor agreement. Employees who leave Migros after one year of service due to reasons other than resignation or misconduct (such as for retirement or mandatory military service) are entitled to severance pay as mandated by law. Detailed information about the process is provided in our [Severance Policy](#), which is available to the public on our corporate website.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

GRI EC 201-1

	%	TRY ,000
REVENUES (Net Sales)	100.0	23,191,364
ECONOMIC VALUE DISTRIBUTED	86.7	20,114,896
Operating costs	13.4	3,112,900
Sales costs (Payments to suppliers)	73.2	16,986,111
Employee wages and benefits	10.0	2,317,764
Payments to capital providers	0.0	0
Bank interest expenses (net)	2.0	466,250
Payments to the government – Tax payments	0.1	15,593
Donations made	0.0	292
ECONOMIC VALUE HELD	13.3	3,076,468

Note: The table Direct Economic Value Generated and Distributed above does not include exchange incomes / expenses, derivative instrument incomes / expenses or other financial expenses. Payments to the government show the total cash payment to indicate the amount in the tax statement.

GRI Content Index



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the Turkish version of the report.

GRI STANDARD	GRI DISCLOSURES	PAGE NUMBERS AND DIRECT ANSWERS	EXTERNAL AUDIT
GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
	Organizational Profile		
	102-1 Name of the organization	About the Report p. 6	
	102-2 Activities, brands, products and services	About Migros p. 7 Health and Nutrition Policy	
	102-3 Location of headquarters	Migros Headquarters are located in Atatürk Mahallesi Turgut Özal Bulvarı No:7 Ataşehir / Istanbul – Turkey	
	102-4 Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report	Migros has operations in 3 countries: Turkey, Kazakhstan and North Macedonia. About the Report p. 6	
	102-5 Ownership and legal form	Our Capital Structure p. 93	
	102-6 Markets served	About Migros p.7 Generating Sustainable Economic Value p. 53-55 Digital Innovation and Accessibility p. 56 - 58	
	102-7 Scale of the organization	Generating Sustainable Economic Value p. 53-55 Digital Innovation and Accessibility p. 56 - 58 Migros Annual Report	
	102-8 Information on employees and other workers	Our Employee Profile p. 83 Human Resources Tables p. 110	
	102-9 Supply chain	Sustainable Growth with Our Suppliers p. 59 - 62 Generating Sustainable Economic Value p.53 - 55 Our Products and Services Supporting Healthy Living p.66 - 68	
	102-10 Significant changes to the organization and its supply chain	Current Acquisitions and Capital Changes p.101	



GRI STANDARD	GRI DISCLOSURES	PAGE NUMBERS AND DIRECT ANSWERS	EXTERNAL AUDIT
	102-11 Precautionary Principle or approach	Our Vision, Mission and Values p. 8 Business Ethics and Compliance with Corporate Policies and Laws p. 94 -98	
	102-12 External initiatives	Membership and Initiatives p. 20 - 21 Our Collaborations with Civil Society and Umbrella Organizations p. 103 - 104	
	102-13 Membership of associations	Membership and Initiatives p. 20 - 21 Our Collaborations with Civil Society and Umbrella Organizations p. 103 - 104	
Strategy			
	102-14 Statement from senior decision-maker	Message from the CEO p. 4	
Ethics and Integrity			
	102-16 Values, principles, standards, and norms of behavior	Our Vision, Mission and Values p.8	
Governance			
	102-18 Governance structure	Our Board of Directors p. 93, Our Sustainability Approach p.12	
Stakeholder engagement			
	102-40 List of stakeholder groups	Communication with Our Stakeholders p. 18 - 19	
	102-41 Collective bargaining agreements	Freedom of Association p. 98, Human Rights and Equal Opportunity Policy	
	102-42 Identifying and selecting stakeholders	Communication with Our Stakeholders p. 18 - 19	
	102-43 Approach to stakeholder engagement	Communication with Our Stakeholders p. 18 - 19 Consumer Goods Forum (CGF) p. 21 Our Collaborations with Civil Society and Umbrella Organizations p. 103 - 104	
	102-44 Key topics and concerns raised	Communication with Our Stakeholders p.18 - 19 Consumer Goods Forum (CGF) p. 21 Our Collaborations with Civil Society and Umbrella Organizations p. 103 - 104	
Reporting			
	102-45 Entities included in the consolidated financial statements	About the Report p.6	
	102-46 Defining report content and topic Boundaries	About the Report p.6 Our Materiality Approach p. 14	



GRI STANDARD	GRI DISCLOSURES	PAGE NUMBERS AND DIRECT ANSWERS	EXTERNAL AUDIT
	102-47 List of material topics	Our Materiality Approach p. 14 Our Materiality Approach p. 15 Sustainable Development Goals Map p.16	
	102-48 Restatements of information	Current Purchase and Capital Changes p.101	
	102-49 Changes in reporting	Our Materiality Approach p. 102	
	102-50 Reporting period	About the Report p. 6	
	102-51 Date of most recent report	About the Report p. 6	
	102-52 Reporting cycle	About the Report p. 6	
	102-53 Contact point for questions regarding the report	About the Report p. 6	
	102-54 Claims of reporting in accordance with the GRI Standards	About the Report p. 6	
	102-55 GRI content index	GRI Content Index p. 112	
	102-56 External assurance	About the Report p. 6	
Topic-Specific Standards			
GRI 200 Economic Standards			
GRI 201: Economic Performance 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Generating Sustainable Economic Value p. 53 - 55	
	103-2 The management approach and its components	Generating Sustainable Economic Value p. 53 - 55	
	103-3 Evaluation of the management approach	Generating Sustainable Economic Value p. 53 - 55	
	201-1 Direct economic value generated and distributed	Direct Economic Value Generated and Distributed p. 111	
GRI 202: Market Presence 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Generating Sustainable Economic Value p. 53 - 55	
	103-2 The management approach and its components	Generating Sustainable Economic Value p. 53 - 55	
	103-3 Evaluation of the management approach	Generating Sustainable Economic Value p. 53 - 55	
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Human Rights and Equal Opportunity Policy Generating Sustainable Economic Value p. 53 - 55	
GRI 203: Indirect Economic Impacts 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Generating Sustainable Economic Value p. 53 - 55	
	103-2 The management approach and its components	Generating Sustainable Economic Value p. 53 - 55	
	103-3 Evaluation of the management approach	Generating Sustainable Economic Value p. 53 - 55	
	203-2 Significant indirect economic impacts	Generating Sustainable Economic Value p. 53 - 55 Number of Suppliers by Years p.108	

GRI STANDARD	GRI DISCLOSURES	PAGE NUMBERS AND DIRECT ANSWERS	EXTERNAL AUDIT
GRI 205: Anti-corruption 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Business Ethics and Compliance with Corporate Policies and Laws p.94 - 98	
	103-2 The management approach and its components	Business Ethics and Compliance with Corporate Policies and Laws p.94 - 98	
	103-3 Evaluation of the management approach	Business Ethics and Compliance with Corporate Policies and Laws p.94 - 98	
	205-1 Operations assessed for risks related to corruption	Business Ethics and Compliance with Corporate Policies and Laws p.94 - 98	
GRI 206: Anti-competitive Behavior 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Current Purchase and Capital Changes p.101	
	103-2 The management approach and its components	Current Purchase and Capital Changes p.101	
	103-3 Evaluation of the management approach	Current Purchase and Capital Changes p. 101	
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Current Purchase and Capital Changes p. 101	
GRI 300 Environmental Standards			
GRI 302: Energy 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Combating Climate Change and Our Energy Management p.45 -51	
	103-2 The management approach and its components	Combating Climate Change and Our Energy Management p.45 -51	
	103-3 Evaluation of the management approach	Combating Climate Change and Our Energy Management p.45 -51	
	302-1 Energy consumption within the organization	Our Energy Management p. 50 - 51	
	302-4 Reduction of energy consumption	Our Energy Management p. 50 - 51	
GRI 303: Water 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Our Sustainable Water Management p. 36 - 37	
	103-2 The management approach and its components	Our Sustainable Water Management p. 36 - 37	
	103-3 Evaluation of the management approach	Our Sustainable Water Management p. 36 - 37	
	303-1 Interactions with water as a shared resource	Distribution of Water Resources by Its Source p. 105	
GRI 304: Biodiversity 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Our Contributions to Sustainable Agriculture and Biodiversity p. 25 - 30	
	103-2 The management approach and its components	Our Contributions to Sustainable Agriculture and Biodiversity p. 25 - 30	

GRI STANDARD	GRI DISCLOSURES	PAGE NUMBERS AND DIRECT ANSWERS	EXTERNAL AUDIT
GRI 304: Biodiversity 2016			
	103-3 Evaluation of the management approach	Our Contributions to Sustainable Agriculture and Biodiversity p. 25 - 30	
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Our Contributions to Sustainable Agriculture and Biodiversity p. 25 - 30	
	304-2 Significant impacts of activities, products and services on biodiversity	Our Contributions to Sustainable Agriculture and Biodiversity p. 25 - 30	
GRI 305: Emissions 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Combating Climate Change and Our Energy Management p. 45 -51	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach	Combating Climate Change and Our Energy Management p. 45 -51	
	305-1 Direct (Scope 1) GHG emissions	Our Carbon Footprint p. 47	Emissions Verification Statement p.124
	305-2 Energy indirect (Scope 2) GHG emissions	Our Carbon Footprint p. 47	Emissions Verification Statement p.124
	305-3 Other indirect (Scope 3) GHG emissions	Our Carbon Footprint p. 47	Emissions Verification Statement p.124
	305-4 GHG emissions intensity	Our Carbon Footprint p. 47	
	305-5 Reduction of GHG emissions	Combating Climate Change and Our Energy Management p. 45 -51	
GRI 306: Effluents and Waste 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Our Food Waste Reduction Practices p. 31 - 35 Our Sustainable Water Management p. 36 - 37 Effective Waste Management p.38 Our Plastic Waste Reduction Practices p.39 - 41	
	103-2 The management approach and its components	Our Food Waste Reduction Practices p. 31 - 35 Our Sustainable Water Management p. 36 - 37 Effective Waste Management p.38 Our Plastic Waste Reduction Practices p.39 - 41	
	103-3 Evaluation of the management approach	Our Food Waste Reduction Practices p. 31 - 35 Our Sustainable Water Management p. 36 - 37 Effective Waste Management p.38 Our Plastic Waste Reduction Practices p.39 - 41	

GRI STANDARD	GRI DISCLOSURES	PAGE NUMBERS AND DIRECT ANSWERS	EXTERNAL AUDIT
GRI 306: Effluents and Waste 2016			
	306-1 Water discharge by quality and destination	Water Discharge Rates p. 105	
	306-2 Waste by type and disposal method	Our Energy Generation Practices from Organic Waste p. 34 Effective Waste Management p.38 Our Waste Management p.44 Recycled Vegetable Waste Oil, Waste Battery and Electronic Waste Amounts by Years p.106	
GRI 307: Environmental Compliance 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Our Migros Better Future Plan p. 13 Our Environmental Management Approach p. 24	
	103-2 The management approach and its components	Our Migros Better Future Plan p. 13 Our Environmental Management Approach p. 24	
	103-3 Evaluation of the management approach	Our Migros Better Future Plan p. 13 Our Environmental Management Approach p. 24	
	307-1 Non-compliance with environmental laws and regulations	Our Environmental Management Approach p. 24	
GRI 308: Supplier Environmental Assessment 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Sustainable Growth with Our Suppliers p.59 - 62	
	103-2 The management approach and its components	Sustainable Growth with Our Suppliers p.59 - 62	
	103-3 Evaluation of the management approach	Sustainable Growth with Our Suppliers p.59 - 62	
	308-1 Percentage of new suppliers that were screened using environmental criteria	Our Supplier Selection Processes and Audits p. 60	
	308-2 Negative environmental impacts in the supply chain and actions taken	Supplier Audit Results p. 62	
GRI 400 Social Standards			
GRI 401: Employment 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Compliance with Human Resources Policies p. 97 - 98	
	103-2 The management approach and its components	Compliance with Human Resources Policies p. 97 - 98	
	103-3 Evaluation of the management approach	Compliance with Human Resources Policies p. 97 - 98	
	401-1 New employee hires and employee turnover	Our Employee Profile p. 83	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Satisfaction p.86	



GRI STANDARD	GRI DISCLOSURES	PAGE NUMBERS AND DIRECT ANSWERS	EXTERNAL AUDIT
GRI 402: Labor/Management Relations 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Compliance with Human Resources Policies p. 97 - 98	
	103-2 The management approach and its components	Compliance with Human Resources Policies p. 97 - 98	
	103-3 Evaluation of the management approach	Compliance with Human Resources Policies p. 97 - 98	
	402-1 Minimum notice periods regarding operational changes	Human Resources Tables p.110	
GRI 403: Occupational Health and Safety 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Health and Safety of Our Employees p. 74 - 77	
	103-2 The management approach and its components	Health and Safety of Our Employees p. 74 - 77	
	103-3 Evaluation of the management approach	Health and Safety of Our Employees p. 74 - 77	
	403-1 Workers representation in formal joint management worker health and safety committees	Health and Safety of Our Employees p. 74 - 77	
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Our Performance and Targets p. 76 - 77 OHS Tables p. 109	
	403-3 Workers with high incidence or high risk of diseases related to their occupation	Safety and Security at Workplace Environment p. 75	
	403-4 Health and safety topics covered in formal agreements	Freedom of Association p. 98	
GRI 404: Training and Education 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Empowering Our Employees p. 84 - 86	
	103-2 The management approach and its components	Empowering Our Employees p. 84 - 86	
	103-3 Evaluation of the management approach	Empowering Our Employees p. 84 - 86	
	404-1 Average hours of training per year per employee	Contribution to the Employment Development p. 85 - 86	
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent and Career Management p. 84 - 85 Contribution to the Employment Development p. 85 - 86	
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent and Career Management p. 84 - 85 Number of Employees Getting a Successful Result in Continuous Performance Development Tests p. 110	

GRI STANDARD	GRI DISCLOSURES	PAGE NUMBERS AND DIRECT ANSWERS	EXTERNAL AUDIT
GRI 405: Diversity and Equal Opportunity 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Gender Equality and Equal Opportunities p.87 - 88	
	103-2 The management approach and its components	Gender Equality and Equal Opportunities p.87 - 88	
	103-3 Evaluation of the management approach	Gender Equality and Equal Opportunities p.87 - 88	
	405-1 Diversity of governance bodies and employees	Our Internal Practices for Gender Equality p.87	
	405-2 The Rate of Women's Fees compared to Men and The Minimum Wage	Gender Equality and Equal Opportunities p.87 - 88	Independent Assurance Statement
GRI 406: Non-discrimination 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Compliance with Corporate Policies and Codes of Conduct p.96 Compliance with Human Resources Policies p.97 - 98	
	103-2 The management approach and its components	Compliance with Corporate Policies and Codes of Conduct p.96 Compliance with Human Resources Policies p.97 - 98	
	103-3 Evaluation of the management approach	Compliance with Corporate Policies and Codes of Conduct p.96 Compliance with Human Resources Policies p.97 - 98	
	406-1 Incidents of discrimination and corrective actions taken	Compliance with Corporate Policies and Codes of Conduct p.96 Compliance with Human Resources Policies p.97 - 98	Independent Assurance Statement
GRI 407: Freedom of Association and Collective Bargaining 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Freedom of Association p.98	
	103-2 The management approach and its components	Freedom of Association p.98	
	103-3 Evaluation of the management approach	Freedom of Association p.98	
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Freedom of Association p.98	Independent Assurance Statement
GRI 408: Child Labor 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Sustainable Growth with Our Suppliers p.59 - 62 Compliance with Corporate Policies and Codes of Conduct p.96 Compliance with Human Resources Policies p.97 - 98	
	103-2 The management approach and its components	Sustainable Growth with Our Suppliers p.59 - 62 Compliance with Corporate Policies and Codes of Conduct p.96 Compliance with Human Resources Policies p.97 - 98	
	103-3 Evaluation of the management approach	Sustainable Growth with Our Suppliers p.59 - 62 Compliance with Corporate Policies and Codes of Conduct p.96 Compliance with Human Resources Policies p.97 - 98	
	408-1 Operations and suppliers at significant risk for incidents of child labor	Supplier Audit Results p.62 Compliance with Human Resources Policies p.97 - 98	Independent Assurance Statement

GRI STANDARD	GRI DISCLOSURES	PAGE NUMBERS AND DIRECT ANSWERS	EXTERNAL AUDIT
GRI 409: Forced or Compulsory Labor 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Sustainable Growth with Our Suppliers p.59 - 62 Compliance with Corporate Policies and Codes of Conduct p.96 Compliance with Human Resources Policies p.97 - 98	
	103-2 The management approach and its components	Sustainable Growth with Our Suppliers p.59 - 62 Compliance with Corporate Policies and Codes of Conduct p.96 Compliance with Human Resources Policies p.97 - 98	
	103-3 Evaluation of the management approach	Sustainable Growth with Our Suppliers p.59 - 62 Compliance with Corporate Policies and Codes of Conduct p.96 Compliance with Human Resources Policies p.97 - 98	
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supplier Audit Results p.62 Compliance with Human Resources Policies p.97 - 98	Independent Assurance Statement
GRI 412: Human Rights Assessment 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Compliance with Human Resources Policies p.97 - 98	
	103-2 The management approach and its components	Compliance with Human Resources Policies p.97 - 98	
	103-3 Evaluation of the management approach	Compliance with Human Resources Policies p.97 - 98	
	412-1 Operations that have been subject to human rights reviews or impact assessments	Compliance with Human Resources Policies p.97 - 98	
	412-2 Employee training on human rights policies or procedures	Compliance with Human Resources Policies p.97 - 98	Independent Assurance Statement
GRI 413: Local Communities 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Our Projects for Supporting Public Health p.69 - 71 Our Projects Supporting Gender Equality in Society p.89 Our Collaborations Providing Social Contribution p.90 - 91	
	103-2 The management approach and its components	Our Projects for Supporting Public Health p.69 - 71 Our Projects Supporting Gender Equality in Society p.89 Our Collaborations Providing Social Contribution p.90 - 91	
	103-3 Evaluation of the management approach	Our Projects for Supporting Public Health p.69 - 71 Our Projects Supporting Gender Equality in Society p.89 Our Collaborations Providing Social Contribution p.90 - 91	

GRI STANDARD	GRI DISCLOSURES	PAGE NUMBERS AND DIRECT ANSWERS	EXTERNAL AUDIT
	413-1 Operations with local community engagement, impact assessments and development programs	Our Projects for Supporting Public Health p.69 - 71 Our Projects Supporting Gender Equality in Society p.89 Our Collaborations Providing Social Contribution p.90 - 91 Our Disabled-Friendly Practices p.82	
GRI 414: Supplier Social Assessment 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Sustainable Growth with Our Suppliers p.59 - 62	
	103-2 The management approach and its components	Sustainable Growth with Our Suppliers p.59 - 62	
	103-3 Evaluation of the management approach	Sustainable Growth with Our Suppliers p.59 - 62	
	414-1 New suppliers that were screened using social criteria	Our Supplier Selection Processes and Audits p. 60	Independent Assurance Statement
	414-2 Negative social impacts in the supply chain and actions taken	Supplier Audit Results p. 62	Independent Assurance Statement
GRI 416: Customer Health Safety 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Quality, Freshness and Hygiene p.64, - 65 Our Products and Services Supporting Healthy Living p. 66 - 68 Our Projects for Supporting Public Health p.69 - 71 Supporting Conscious Shopping by Transparent Product Information 72 - 73	
	103-2 The management approach and its components	Quality, Freshness and Hygiene p.64, - 65 Our Products and Services Supporting Healthy Living p. 66 - 68 Our Projects for Supporting Public Health p.69 - 71 Supporting Conscious Shopping by Transparent Product Information 72 - 73	
	103-3 Evaluation of the management approach	Quality, Freshness and Hygiene p.64, - 65 Our Products and Services Supporting Healthy Living p. 66 - 68 Our Projects for Supporting Public Health p.69 - 71 Supporting Conscious Shopping by Transparent Product Information 72 - 73	
	416-1 Assessment of the health and safety impacts of product and service categories	Product Quality Control Processes and Audits p.65 Product Quality Control Audits p.108	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality Control Processes and Audits p.65 Product Quality Control Audits p.108	



GRI STANDARD	GRI DISCLOSURES	PAGE NUMBERS AND DIRECT ANSWERS	EXTERNAL AUDIT
GRI 417: Marketing and Labeling 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Responsible Advertising and Marketing p. 99	
	103-2 The management approach and its components	Responsible Advertising and Marketing p. 99	
	103-3 Evaluation of the management approach	Responsible Advertising and Marketing p. 99	
	417-1 Requirements for product and service information and labeling	Product Quality Control Processes and Audits p.65 Supporting Conscious Shopping by Transparent Product Information p. 72	Independent Assurance Statement
	417-2 Incidents of non-compliance concerning product and service information and labeling	Responsible Advertising and Marketing p. 99	
GRI 418: Customer Privacy 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Good Customer Experience p.79 - 80 Data Privacy p.81	
	103-2 The management approach and its components	Good Customer Experience p.79 - 80 Data Privacy p.81	
	103-3 Evaluation of the management approach	Good Customer Experience p.79 - 80 Data Privacy p.81	
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Good Customer Experience p.79 - 80 Data Privacy p.81	
	GRI 419: Socioeconomic Compliance 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Generating Sustainable Economic Value p.53 - 55	
	103-2 The management approach and its components	Generating Sustainable Economic Value p.53 - 55	
	103-3 Evaluation of the management approach	Generating Sustainable Economic Value p.53 - 55	
	419-1 Non-compliance with laws and regulations in the social and economic area	Our Contribution to Employment and Local Development p.55	

INDEPENDENT ASSURANCE STATEMENT FOR HUMAN RIGHTS AND SUPPLY CHAIN



KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
İş Kuleleri Kule 3 Kat:2-9
Levent 34330 İstanbul
Tel +90 212 316 6000
Fax +90 212 316 6060
www.kpmg.com.tr

Independent Limited Assurance Report

We were engaged by Migros Ticaret A.Ş. (hereinafter "Company" or "Migros") and its subsidiaries which are referred as RAMSTORE MACEDONIA DOO and RAMSTORE KAZAKHSTAN LIMITED SİRKETİ (together will be referred to as "Migros subsidiaries") to provide limited assurance on whether the "Selected Information" as defined in Appendices of this Sustainability Report (hereinafter "the Report") that has been prepared by Migros and Migros subsidiaries for the year ended 31 December 2019 in accordance with the Global Reporting Initiative Standards ("GRI").

The scope of our assurance is limited to the Selected Information listed for Migros below:

- Number of discrimination incidents – in accordance with the definition of GRI 406-1
- Percentage of employees covered by collective bargaining and measures taken to promote this right - in accordance with the definition of GRI 407-1
- Number of child labor incidents and measures taken - in accordance with the definition of GRI 408-1
- Operations evaluated at significant risk for forced or compulsory labor and number of incidents identified - in accordance with the definition of GRI 409-1
- Percentage of the new suppliers that were screened through social audits - in accordance with the definition of GRI 414-1
- Number of social audits conducted on suppliers, number of identified incidents that have significant negative social impact and actions taken, rate of improvement upon measures taken on incidents and number of suppliers the relationship is terminated due to negative social impact - in accordance with the definition of GRI 414-2
- Employee training on human rights policies or procedures impact - in accordance with the definition of GRI 412-2
- Requirements for product and service information and labeling - in accordance with the definition of GRI 417-1
- Diversity and equal opportunity - in accordance with the definition of GRI 405-2

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.,
a Turkish corporation and a member firm of the KPMG network of independent
member firms affiliated with KPMG International Cooperative, a Swiss entity.



The scope of our assurance is limited to the Selected Information listed for Migros subsidiaries below:

- Number of discrimination incidents – in accordance with the definition of GRI 406-1
- Number of child labor incidents and measures taken - in accordance with the definition of GRI 408-1
- Operations evaluated at significant risk for forced or compulsory labor and number of incidents identified - in accordance with the definition of GRI 409-1

Management's responsibilities

Management is responsible for the preparation and presentation of the Report for the Selected Information in accordance with the definition of GRI, and the information and assertions contained within it; for determining the Migros and Migros subsidiaries's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Management is responsible for preventing and detecting fraud and for identifying and ensuring that Migros complies with laws and regulations applicable to its activities.

Management is also responsible for ensuring that staff involved with the preparation and presentation of the description and the Selected Information are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

Our responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement.

We apply International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Procedures performed

A limited assurance engagement on a Selected Information consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Selected Information, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Selected Information.
- Comparing the information presented in the Selected Information to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Selected Information.
- Reading the information presented in the Selected Information to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Migros.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the Selected Information may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Selected Information, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.



We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Selected Information as defined in Appendices of the Report of Migros for the year ended 31 December 2019 is not presented, in all material respects, in accordance with the GRI Sustainability Reporting Standards.

In accordance with the terms of our engagement, this independent limited assurance report on the Selected Information has been prepared for Migros in connect with reporting to Migros and for no other purpose or in any other context.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Migros, for any purpose or in any other context. Any party other than Migros who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Migros for our work, for this independent limited assurance report, or for the conclusions we have reached.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of KPMG International Cooperative

Şirin Soysal,
Partner

Istanbul, 24 June 2020

GREENHOUSE GAS EMISSIONS VERIFICATION STATEMENT

bsi.



Carbon Footprint Verification

Verification Opinion Statement

This is to verify that:

Migros Ticaret A.S.

Turgut Özal Cd. No:12
34758, Atasehir, Istanbul, Turkey

Holds Statement No: **GHGEV 709258**

EMISSIONS DETAILS	
Reporting Year(s):	01/01/2019-31/12/2019
Date of Emissions Report:	30.04.2020
Scope 1 Emissions in tCO ₂ e	n/a
Scope 2 Emissions in tCO ₂ e	n/a
Scope 3 Emissions in tCO ₂ e	75,912
Total Reported Emissions in tCO ₂ e	75,912

FACILITY VERIFICATION DETAILS	
Proportion of facilities inspected during the verification?	100%

OPINION - verified:	BSI Group Eurasia Certification Services Inc has conducted a verification of the greenhouse gas data reported by <i>Migros Ticaret A.S.</i> in its Emissions Report dated 30 th April 2020 and presented above. On the basis of the verification work undertaken (see Annex 1) these data are fairly stated.
----------------------------	---

OPINION - verified with comments:	As a result of verification procedures, it is the opinion of BSI with limited assurance that: The Greenhouse Gas Emissions for the period from 01/01/2019 to 31/12/2019 is 75,912 tonnes of CO ₂ equivalent (materiality level is 10%). No material misstatements in the selected base year Greenhouse Gas Emissions calculation for <i>Migros Ticaret A.S.</i> were revealed. Data quality was considered acceptable in meeting the principles as set out in ISO 14064-1:2006.
--	--

Lead Verifier :	Furkan Sadıkoğlu
Technical Reviewer :	Mehmet Kurnu
Signed on behalf of BSI Group Eurasia Certification Services Inc :	Yanca Çakır
Date of Opinion :	18.05.2020



bsi.



ANNEX 1 - BASIS OF THE OPINION

Objectives and scope of the Verification:	To examine the Reporting Company's emissions report for the Greenhouse Gas (GHG) Program identified above; and to confirm compliance with the rules, principles and monitoring requirements of the Program; and to verify that the reported emissions figures and associated information are compliant and accurate to within the agreed Materiality threshold.
Responsibilities:	The Reporting Company (named above) is solely responsible for the preparation and reporting of GHG Emission for the purposes of the GHG Program (named above); for any information and assessments that support the reported data; for determining the Company's objectives in relation to GHG information and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived. In accordance with the verification contract dated 2019 it is the responsibility of BSI Group Eurasia Certification Services Inc to form an independent opinion, based on the examination of information and data presented in the Emissions Report, and to report that opinion to the Company. We will also report if, in our opinion (see Annex 2) : <ul style="list-style-type: none"> any information or assessments relating to the disclosed data are inconsistent with the verification findings; or the verification team has not received all the information and explanations that it requires to conduct its examination; or we become aware of additional information, the omission of which may result in the reported data being materially misstated or misleading. Without qualifying our Opinion, we may also report to the Company any opportunities identified for improvement in the robustness of emissions accounting and reporting processes (these are identified in Annex 2).
Work performed & basis of the opinion:	We conducted our examination having regard to the reference documents 1-# outlined below. This involved examining, on a test basis, evidence to give us limited assurance that the amounts and disclosures relating to the data have been properly prepared in accordance with the rules and principles of ISO14064-1:2006, as outlined in reference documents A-# below. In testing the emissions accounting and reporting processes, we examined elements at both entity consolidation level and a selection of local facilities. This examination also involved assessing where necessary estimates and judgments made by the Company in preparing the data and considering the overall adequacy of the presentation of the data in the Emissions Report.
Reference documents cited :	Conduct of the Verification 1) ISO 14065:2007 - Requirements for GHG validation and verification bodies for use in accreditation and other forms of recognition 2) ISO 14064-3:2006 - Part 3 - Specification with guidance for the validation and verification of greenhouse gas assertions Rules etc of the GHG Program A) ISO14064-1:2006 - Part 1 - Specification with guidance at organizational level for quantification and reporting of greenhouse gas emissions and removals





ANNEX 2 - ISSUES ARISING FROM THE VERIFICATION THAT ARE REQUIRED TO BE REPORTED

A.	Material Non-Conformances with Reporting Protocols etc and/or Material Mis-statement
A1	
A2	
A3	
A4	
A5	
A6	
A7	
A8	
A9	
A10	
B.	Other improvement opportunities (e.g. to aid information system robustness, transparency etc.)
B1	
B2	
B3	
B4	
B5	
B6	
B7	
B8	
B9	
B10	



Carbon Footprint Verification
Verification Opinion Statement

This is to verify that:

Migros Ticaret A.S.

Turgut Özal Cd. No:12
34758, Atasehir, Istanbul, Turkey

Holds Statement No: **GHGEV 709258**

EMISSIONS DETAILS	
Reporting Year(s):	01/01/2019-31/12/2019
Date of Emissions Report:	30.04.2020
Scope 1 Emissions in tCO ₂ e	265,117
Scope 2 Emissions in tCO ₂ e	243,558
Scope 3 Emissions in tCO ₂ e	n/a
Total Reported Emissions in tCO₂e	508,675

FACILITY VERIFICATION DETAILS	
Proportion of facilities inspected during the verification?	100%

OPINION - verified:	BSI Group Eurasia Certification Services Inc has conducted a verification of the greenhouse gas data reported by <i>Migros Ticaret A.S.</i> in its Emissions Report dated 30 th April 2020 and presented above. On the basis of the verification work undertaken (see Annex 1) these data are fairly stated.
----------------------------	---

OPINION - verified with comments:	As a result of verification procedures, it is the opinion of BSI with limited assurance that: The Greenhouse Gas Emissions for the period from 01/01/2019 to 31/12/2019 is 508,675 tonnes of CO2 equivalent.(materiality level is 5 %). No material misstatements in the selected base year Greenhouse Gas Emissions calculation for <i>Migros Ticaret A.S.</i> were revealed. Data quality was considered acceptable in meeting the principles as set out in ISO 14064-1:2006.
--	---

Lead Verifier :	<i>Furkan Sadıkoğlu</i>
Technical Reviewer :	<i>Mehmet Kumru</i>
Signed on behalf of BSI Group Eurasia Certification Services Inc :	<i>Yonca Çakır</i>
Date of Opinion :	18.05.2020





ANNEX 1 - BASIS OF THE OPINION

Objectives and scope of the Verification:	To examine the Reporting Company's emissions report for the Greenhouse Gas (GHG) Program identified above; and to confirm compliance with the rules, principles and monitoring requirements of the Program; and to verify that the reported emissions figures and associated information are compliant and accurate to within the agreed Materiality threshold.
Responsibilities:	<p>The Reporting Company (named above) is solely responsible for the preparation and reporting of GHG Emission for the purposes of the GHG Program (named above); for any information and assessments that support the reported data; for determining the Company's objectives in relation to GHG information and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.</p> <p>In accordance with the verification contract dated 2019 it is the responsibility of BSI Group Eurasia Certification Services Inc to form an independent opinion, based on the examination of information and data presented in the Emissions Report, and to report that opinion to the Company. We will also report if, in our opinion (see Annex 2) :</p> <ul style="list-style-type: none"> any information or assessments relating to the disclosed data are inconsistent with the verification findings; or the verification team has not received all the information and explanations that it requires to conduct its examination; or we become aware of additional information, the omission of which may result in the reported data being materially misstated or misleading. <p>Without qualifying our Opinion, we may also report to the Company any opportunities identified for improvement in the robustness of emissions accounting and reporting processes (these are identified in Annex 2).</p>
Work performed & basis of the opinion:	<p>We conducted our examination having regard to the reference documents 1-# outlined below. This involved examining, on a test basis, evidence to give us limited assurance that the amounts and disclosures relating to the data have been properly prepared in accordance with the rules and principles of ISO14064-1:2006, as outlined in reference documents A-# below.</p> <p>In testing the emissions accounting and reporting processes, we examined elements at both entity consolidation level and a selection of local facilities.</p> <p>This examination also involved assessing where necessary estimates and judgments made by the Company in preparing the data and considering the overall adequacy of the presentation of the data in the Emissions Report.</p>
Reference documents cited :	<p>Conduct of the Verification</p> <p>1) ISO 14065:2007 - Requirements for GHG validation and verification bodies for use in accreditation and other forms of recognition</p> <p>2) ISO 14064-3:2006 - Part 3 - Specification with guidance for the validation and verification of greenhouse gas assertions</p> <p>Rules etc of the GHG Program</p> <p>A) ISO14064-1:2006 - Part 1 - Specification with guidance at organizational level for quantification and reporting of greenhouse gas emissions and removals</p>




ANNEX 2 - ISSUES ARISING FROM THE VERIFICATION THAT ARE REQUIRED TO BE REPORTED

A.	Material Non-Conformances with Reporting Protocols etc and/or Material Mis-statement
<p>A1</p> <p>A2</p> <p>A3</p> <p>A4</p> <p>A5</p> <p>A6</p> <p>A7</p> <p>A8</p> <p>A9</p> <p>A10</p>	
B.	Other improvement opportunities (e.g. to aid information system robustness, transparency etc.)
<p>B1</p> <p>B2</p> <p>B3</p> <p>B4</p> <p>B5</p> <p>B6</p> <p>B7</p> <p>B8</p> <p>B9</p> <p>B10</p>	





sustainability.migroskurumsal.com

Contact Information

Migros Ticaret A.Ş.
Atatürk Mah. Turgut Özal Bulvarı No: 7
34758 Ataşehir – İSTANBUL
You may send us your questions
and suggestions:
surdurulebilirlik@migros.com.tr

Report Consultant

SUSTAiNOVA Sustainability Consulting

SUSTAiNOVA
Sustainability Consulting

Legal Disclaimer

The information and analyses provided in Migros Sustainability Report 2019 is based on reliable resources and informations at the time of its preparation process, and the aim of this report is only provision of information. The company, its managers, employees and other parties who worked on the production of the report, cannot be held responsible for any loss, costs or expenses arising from the use of information provided in this report. Migros Ticaret A.Ş. owns the copyright of all materials presented in Migros Sustainability Report 2019.