

# CEO Message



**Dear stakeholders,**

As Migros, we have adopted offering our customers not just products and services but also 'value', investing in our employees and growing together with our suppliers as our principles. For this reason, we ensure that all our business decisions pass through the sustainability filter, in order to create long-term benefits for all our stakeholders, both today and in the future. Within the framework of our **Migros Better Future Plan**, we are constantly strengthening and expanding our sustainability efforts, in a way that feeds our main strategies. Pursuant to our Migros Better Future Plan, we are pursuing the goals that will make it better for our customers and stakeholders, our employees, innovative transformation and our world.

In 2020, **during the Pandemic** which has affected the entire world, we witnessed that **collective consciousness** is now **an obligation rather than a necessity**, for the sustainability of humanity and our world. Thanks to our strong logistics network and technological infrastructure, our cooperation, in constant communication with our suppliers and our

employees, who provide uninterrupted services at the forefront, **we have gone beyond commerce and taken on the role of securing and sustaining society**. Through pioneering practices, we have adapted our business models to the new era, and while managing the product supply, we have also quickly responded to the emerging needs of consumers. During these uncertain times, we have provided unlimited service, both at our stores and in our online operations in 81 provinces of Turkey.

**Combating climate change**, which forms the common agenda of the entire world, is always among our top priorities. The most important factors causing greenhouse gas emissions in our operations are refrigerant gases and electricity consumption. In order to **save electricity**, we centrally control our cooling, air conditioning and lighting systems and ensure their optimization. We also install new generation systems to **prevent gas leaks**. Among these systems, the most important is our **water-cooling system, whose patent belongs to us**. We run cold water in our store cabinets and consume gas only to cool the water, preventing leaks by 99 percent. Last year, **we exceeded our carbon emission reduction target**. This year, **we exceeded our electricity consumption reduction target**. We continue to target even more challenging goals.

**As a food retailer**, we have a greater impact area on topics such as supporting **sustainable agriculture**, **preventing wastage of food produced** with so much effort, consumers' access to **healthy and safe food**, and **promoting healthy choices** via right information. By taking part in the relevant coalitions of the Consumer

Goods Forum (CGF), of which we are a part of the management, we lead efforts in both the national and the international arena. With our efforts in this context, we also contribute to the healthier, more sustainable and more equitable food systems goal of the **Sustainable Development Goals**.

Since its foundation, we have supported the **Good Agricultural Practices (İyi Tarım Uygulamaları - GAP)**, which is one of the biggest steps towards sustainable and traceable agriculture in our country. The amount of 'GAP fruits and vegetables' that we have sold in 10 years has reached 1 million tons. With our **Tastes of Anatolia (Anadolu Lezzetleri)** products, we ensure that endangered seeds are removed from the warehouses and reproduced with authentic recipes. As Turkey's largest fresh food seller, we will purchase 500 thousand tons of fresh products in 2021, including fruit, vegetables, red meat, fish and chicken. At the same time, we are the largest food retailer customer of **Agricultural Credit Cooperatives**. In this way, we support our small producers and farmers to find a place in the market and implement innovative solutions such as digital stations and a cash payment system. Via **Blockchain** technology, we deliver the journey of 750 kinds of fruits and vegetables sold in our stores to our consumers. When the digitalization and standardization of product data project, which we implement in cooperation with GS1, is completed, **efficiency in the data flow between the manufacturer and the retailer, and consistency and transparency in the data flow towards the consumer**, will be ensured. Consumers will be able to access such information and make their shopping decisions more consciously. Until the end of 2021, we will not be selling any product whose basic product data is not defined in the GS1 system at our stores.

In line with the Sustainable Development Goal 12.3, we aim to **halve our food disposal rates by 2030** in the fight against food waste. With operational improvements, the automatic ordering system, innovative packaging systems that extend food life, and food donations, we **reduced our food disposal rates by 24 percent in two years**. However, what matters most is to spread this impact throughout our entire value chain. For this purpose, we became the first Turkish retail company to participate in the international "10x20x30" initiative, initiated by the World Resources Institute (WRI). For our 2030 Target, we have **partnered with our 23 supplier companies**, who participate in this initiative voluntarily. We conduct our **Wellbeing Journey (Sağlıklı Yaşam Yolculuğu)** program so that our customers can make their shopping decisions more conscientiously and consume more healthily. To date, 2.3 million of our customers have viewed the comparison between their shopping with the ideal consumption through our mobile application, and have been guided to a balanced diet via video messages and suggestions prepared for them. Our program has been adapted to Latin American countries, and we are still in talks with Japan. In the gender and opportunity equality field, we have signed the **LEAD Network Europe's CEO Commitment** on equality and inclusion in the business world, and promised to increase our female senior executive ratio by 5 points by 2023. We have moved our **Family Clubs**, which have provided certified training to thousands of women, to our social media and digital channels, so that they can continue to operate even when physical training is limited. We aim to establish the **Migros Women's Academy** by gathering the forces of our Family Clubs and Migros Retail Academy, and provide training to 1 million women by 2023.

Additionally, by implementing the **Migros Better Future Support Package**, we have developed various solutions for our employees, our society, our customers over the age of 65, healthcare professionals, farmers and producers, and those in need.

Furthermore, we established our **Migros Up** platform. We started to support entrepreneurs and develop collaborative efforts to provide innovative and agile responses to the changing needs and expectations of the retail industry, and to support the entrepreneurship ecosystem in our society.

I wanted to share a few examples of developments that excited us in 2020. You may find the details of all the work we carried out within the framework of our Migros Better Future Plan in our **Sustainability Report**.

I would like to take this opportunity to thank all our stakeholders for their great contribution to targeting the 'better' in our activities and creating common values. However, in this year particularly, I would like to **thank all our employees** in our supply chain, distribution centers and stores for their **work devotion**, which has made it possible for social life to continue in its normal course, especially during the Pandemic we are going through.

Best regards,

**Ö. Özgür Tort**  
Chief Executive Officer