

# Our Products and Services Supporting Healthy Living

In order that our customers can lead a healthy life, we provide our customers with various products and services through the community health projects that we carry out to support so they can have balanced nutrition and conscious consumption habits. In order to raise awareness on community health, we aim to make effective behavioral changes for every age group, and design and update our products and services according to the needs of our customers.

Disease agent microorganisms found in food products increase the importance of hygiene and make it a concern that requires caution. Therefore, we carefully manage the quality and control processes of our products and services, and care for the continuity of our projects intended to support wellbeing. We make beneficial collaborations with our stakeholders to take part in comprehensive projects in the social sphere.

You can find detailed information on our respective studies in the **“Quality, Freshness and Hygiene”** section.



## Our Special Product Ranges

We care about the demands of our customers for products supporting healthy lifestyle, offering special product ranges. We increase every year the number of sugars, salt and fat-reduced, lactose-free, gluten-free, ecological and organic products, aiming to provide better service to those customers who prefer such products. Consumption of fruits, vegetables, legumes, nuts, cereal products, dairy products and meat products on a daily basis in certain portions is important for a balanced diet. In addition, special products with reduced fat, salt, sugar and increased beneficial nutrients support a healthy lifestyle. In this context, we introduced 12,721 products, 396 of which are private label, to our customers in 2021.

We particularly place organic chicken products on our shelves and regularly monitor the sales of these products. We encourage our manufacturers and suppliers to increase the amount of organic chicken and eggs provided to the customers. With wide product portfolio, high quality customer service and modern store designs, we continue our pioneering practices about special tastes and delicacies in our Macrocenter stores. In addition to the most refined tastes of the world to meet the lifestyle and preferences of our customers, we also provide valuable tastes of Anatolia.

Similarly, we produce various products for our vegan and vegetarian customers aiming to meet all demands. In 2021, our sales included 707 different vegan certified products, 81 of which were non-food products. With newly added

products, the number of our products in vegan range increased nearly by 15% compared to the previous year.

4.25% of the products we sell in the entire detergent category are sustainable products in terms of their content or packaging.

20% of the products containing cacao, 30% of the products containing palm oil and 25% of the products containing soybean oil have sustainability certificates.





## M Life

Following the worldwide wellbeing trends, **M** collects our products supporting wellbeing under a single umbrella, which we designed for the changing demands of our customers. With our trademark **M Life**, we provide easy access to organic, limited calorie, gluten-free products supporting wellbeing.

As of 2021, after our 2 M Life Honey Propolis place in the shelves, the number of products in our **M Life** range reached 58. In addition to these products, we also provide our customers with more than 100 **M Life** branded fruit

and vegetable products. 89.6% of our **M Life** products have organic certificates issued by ECAS and have recyclable packaging, indicating the importance we attach to nature. Our M Life Bio organic fruit juice, which has a 100% fruit juice content without any ingredient like added sugar or sweetener etc., awarded the first prize in 2020 European Special Trademarks Awards by European Supermarket Magazine, which is one of the globally most reputable award organizations.

## Migros Home Flavors and Street Flavors

In our Migros Home Flavors concept, in which we set out with the motto of Mothers' Recipes Cooked by Professional Chefs, we offer to our customers hygienically packaged meals prepared with healthy cooking techniques and Migros quality and assurance, suitable for the needs of our beloved mothers and for home cooking purposes.

We have 15 cafés with the Street Flavors concept and 1 café with the Flavor Center concept, at 16 stores in 4 provinces. At our cafés, we offer our customers 95 special products, 7 of which are vegan and 1 of which is gluten-free.



In 2021, we provided our customers with a total of **12,721** products supporting wellbeing, **396** of which were private label products.

### Our activities in 2021 regarding our special product ranges are as follows\*:

- In 2021, we sold 1,760 tons of organic fruit/vegetables.
- In line with our goal of contributing to the conversion of 760 hectares of land into land that is suitable for organic agriculture by 2026, we supplied organic products in an amount equivalent to the production volume of 413 hectares of land in 2021.
- 19% of eggs and 1.7% of chickens sold in 2021 are organic. All of our chicken and turkey products are produced with Good Agricultural Practices.
- Plant-based milk made up 6.6% of the milk products that were sold.
- To support biodiversity and sustainable fishery, we procure the fish that we offer to our customers in its usual season and sizes specified by the relevant regulations. We sold more than 4,886 kg of seafood with sustainable seafood certification such as MSC and ASC.
- In 2021, our fat, salt and sugar-reduced products were 3.41%, products with increased nutritional value were 2.15% and reformulated products were 5.09% of total sales\*\*.
- We biannually organize a campaign for a discount of 25 to 50% on gluten-free products, one of which is on May 9, World Celiac Day. In 2021, we provided a total discount of TRY 900,000 on these products.
- We carry out promotional efforts to ensure affordable products that support wellbeing, produced as per specific health requirements, as well as for the products that we renewed to improve their content.

- Products produced with **Good Agricultural Practices** constitute 46% of our fruit and vegetable turnover and 52% of our sales tonnage. All products that are sold have GAP certificate. For details, please review the **Good Agricultural Practices** section.



Furthermore, under the Cosmetics Regulation issued by the Ministry of Health in accordance with the EU, it is forbidden to test on animals the cosmetic products such as toothpaste, creams, shampoos, shower gels and cologne. As Migros, we assume responsibility in this respect and do not test on animals any our private label product cosmetics to ensure compliance with our legislation.

*\*In 2021, organic products comprised 0.67% of our total turnover for fruits and vegetables.*

*\*\*Including products with sales of TRY 500 and above.*



## MİGET: Türkiye's Largest Fresh Meat Processing Plant

Being aware of the importance of consuming protein-containing food, we deliver our customers the most affordable and completely healthy products of our industry in all regions of Türkiye, especially to facilitate the access of young people and children to red meat. We established our **Migros Fresh Meat Production Plant (MİGET)** by examining in detail the meat capacity with significant potential in Türkiye and the advanced technologies and meat production plants in the world aimed at developing stockfarming. MİGET is the leader of our industry with an annual production capacity of 62,000 tons. We offer our red meat products in our stores after having them checked through 220 different control points under the supervision of our expert butchers, veterinarians and food engineers. We use advanced technologies to process the products that enter our plant as a carcass. We register the safety of these products by conducting hundreds of tests and analyses every day in our laboratories at international standards.

- › We carry out all our production processes at MİGET 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.
- › We are the first company to have the FSSC 22000 Global Food Safety Management System certificate in the Turkish retail industry.
- › All products we produce for our stores have a Halal Certificate issued by the Turkish Standards Institute.

In our farms, we ensure that the animals have sufficient space in breeding areas, are sufficiently fed and have improved ventilation conditions, and provide them with a clean and safe living area. We also audit our suppliers with third party inspections for animal welfare conditions.



We train our own butchers at the **Food Technologies Training Center (GATEM)** of Migros Retail Academy. With the trademark Uzman Kasap, we pack the products with zero-touch using the packaging techniques most suitable for the food. By this means, we ensure long time preservation of the freshness of our red meat products and meatballs ready to cook.

## Our Online Brand Supporting Healthy Lifestyle

With **Tazedirekt** that has the motto "Beware of What You Eat", we deliver fruits and vegetables directly to the tables of our customers **from 64 contracted organic production farms**. Our Tazedirekt team continues its efforts to offer quality and reliable products to our consumers by choosing the farms and producers we will work with only after comprehensive visits and research throughout Türkiye. The origin of products and manufacturer history are shared with transparency through **Tazedirekt** application. We attach great importance to the development of our suppliers in order to make sustainable the special production approach of **Tazedirekt**, which has 3,292 different products in its portfolio including local products, custom-produced products, products with geographical indication, and products fit for different diets. We have 96 products with 'Geographical Indication' in Tazedirekt.

More than 40% of Tazedirekt's sales are made up of fruit and vegetable products delivered directly from farms to customers' doorsteps within 24 hours, and 80% thereof are fresh products with early expiry dates. In this sense, Tazedirekt, which provides an online service that has the highest fresh basket penetration in Türkiye, continues its R&D studies in order to deliver the products to its customers in the freshest way possible.

## Developments in 2021

- ▶ In 2021, our **Tazedirekt** application reached a total of 171,297 members.
- ▶ Tazedirekt Operations Center increased its capacity by 3.5 times with an area expansion.
- ▶ It has included more than 600 products from local manufacturers which produce over 150 niche products, in its portfolio.
- ▶ With our transformation project launched in 2021, our use of plastic packaging has started to be reduced. At the first stage the use of clamshell containers was abandoned to switch to paper packaging in 19 product varieties without loss of freshness and quality.
- ▶ 29 small-scale producers were audited through the “Small-Scale Supplier Audit Criteria”. 12 manufacturers were included in the “Tazedirekt Supplier Process Development Project”. As a result of the project, 9 manufacturers increased their production quality.
- ▶ In 2021, we delivered to our customers 380 kinds of fruit and vegetable products, which constitute 13% of our total portfolio.



## Tazedirekt Supplier Development Program

Within the scope of our “**Tazedirekt Supplier Development Program**”, we provide consultancy services to contribute to the development of small-scale manufacturer companies and SMEs on any issues such as the food production process, conducting product analyses, increasing the product quality standards, and the legislation that the product labeling should comply with. This program aims to contribute to the growth of our suppliers and local development. The training provided by our quality team to our suppliers includes methods to meet the deficiencies identified by the inspections.

We assess the companies we include in this program at the end of the program and thus monitor the improvement. Thanks to the periodic audits we carried out to our suppliers and to the products they supply, we ensure raise of the quality standards and bring manufacturers into the industry. This year, we took our project one step further and launched the Tazedirekt Supplier Academy program in collaboration with the DQS company. We provide certificates of achievement to our companies that participate in and successfully complete this program.

To support the development in food safety of Tazedirekt nominee suppliers of the products that we want to sell, we organized online trainings in ‘Migros Supplier Academy’. Periodic trainings are held for our nominee suppliers. In these trainings, our nominee suppliers were given a wide range of information on producing safe products, such as labeling information, infrastructure conditions, personnel hygiene and traceability practices, particularly the rules of legal legislation. In 2021, 25 Tazedirekt nominee suppliers were provided training, and the process is ongoing.

21 of 33 (63.64%) companies participating in the audit conducted following the training succeeded in the first audit. Companies that failed in the first audit are supported in remedying the deficiencies by organizing follow up trainings.

