

February 2023

Migros Group Human Rights Policy Statement

The Migros Group companies, hereafter referred to as Migros, are fully aware of their responsibility to respect human rights. Since Migros was founded, it has been committed to social issues and a responsible market economy. Respect for internationally declared human rights is a matter of course for us and human rights due diligence is an integral component of our business activities.

Our commitment to human rights

Migros is committed to internationally recognized human rights and applies the following frameworks to its human rights due diligence processes:

- United Nations' (UN) Universal Declaration of Human Rights
- Core labor standards of the International Labor Organization (ILO), including no. 138 (minimum age convention), no. 182 (worst forms of child labor convention) and the ILO-IOE *Child Labour Guidance Tool for Business* dated December 15, 2015
- UN Guiding Principles on Business and Human Rights (UNGPs)
- OECD Guidelines for Multinational Enterprises, incl. Due Diligence Guidance dated May 30, 2018

We continuously work to respect the aforementioned frameworks in all areas of our business activities and to consistently exercise our human rights due diligence.

Expectations and scope

Our commitment to human rights applies globally and forms the basis of all Migros business activities. This applies to Migros as a company and along its entire value chain, from production through to the end-of-life of our products and services.

Based on human rights risk analyses and expert assessments, we have identified the key areas for our human rights due diligence processes. The focus is on our own employees and those in our global value chains, including local communities. We devote special attention to vulnerable groups and minorities (i.e., children, women, and migrants) who are exposed to greater human rights risks.

Due to Migros' role as an employer, human rights responsibility towards its own employees is central. Migros supports and respects the protection of its employees' human rights. In the same way, we expect our employees, our partners throughout the value chain, and all other business partners to respect the internationally proclaimed human rights in the same manner.

When it comes to working conditions for our employees and those throughout our global value chains, we strive to adhere to the following labor principles, which are based on the ILO core labor standards and the amfori BSCI Code of Conduct:

- Prohibition of child and forced labor
- Special protection for young employees
- Prohibition of discrimination and unlawful employment
- Appropriate remuneration and reasonable working hours
- Occupational health and safety
- Right to freedom of association and collective bargaining
- Compliance with operational environmental protection
- Compliance with requirements of ethical business practices

Implementation of human rights due diligence at Migros

The anchoring of Migros' human rights due diligence and reporting is coordinated across the company. The individual companies are responsible for effective implementation. The human rights due diligence process within the context of Migros' core business (retail and proprietary industry) is explained below. Business units with various business processes (e.g., finance, tourism) also implement specific measures for human rights due diligence.

When it comes to respecting human rights, Migros is committed to comprehensive human rights due diligence, based in particular on the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

1. Anchoring of human rights requirements in the company

Social responsibility has always been a central tenet of our business activities. This principle is reflected in our internal guidelines, which provide a binding framework for all Migros employees to respect human rights and are also reflected in the selection and screening of our business partners.

- Articles of Association of the Federation of Migros Cooperatives: This outlines Migros' fundamental rules and values, which lay the foundation for our social responsibility.
- Migros Group Code of Conduct: It describes our employees' rules of conduct for acting responsibly and in compliance with the law.
- Migros Group sustainability mission statement: The mission statement takes into consideration the UN Sustainable Development Goals and prioritizes the topics of sustainable assortment, climate and energy, closed-loop recycling, and promoting social cohesion. It incorporates Migros Group requirements, which are based on the OECD Guidelines and include a range of minimum requirements binding for all Migros Group companies.
- amfori BSCI Code of Conduct for suppliers: The amfori BSCI Code of Conduct describes the global rules for socially responsible working conditions based on the ILO core labor standards. By agreeing to this code of conduct, all Migros suppliers commit themselves to respecting human rights and to ensuring socially acceptable working conditions throughout their value chains.

2. Human rights risk analyses

Migros continuously assesses the actual and potential negative effects of its business activities relating to human rights. The risk-based mapping of supply chains and assessments, with particular emphasis to industry-specific, geographical, product-related and company-related risk factors, are anchored in Migros' operational process within the framework of human rights due diligence. These ongoing risk assessments are complimented by human rights hotspot analyses and risk studies. The findings of these risk analyses culminate in specific measures with the declared aim to cease, prevent, or mitigate adverse impacts on human rights throughout our value chains.

3. Measures to ensure respect for human rights

To ensure the greatest possible protection against negative effects on the human rights of our own employees, the companies of Migros Group have implemented the necessary processes in their company-specific guidelines. These processes are based on the aforementioned human rights requirements anchored in the company.

Our employees and customers are provided with mechanisms that ensure a fair and objective complaints procedure for identifying actual or potential negative effects at an early stage (e.g., M-Conern). As part of multi-stakeholder initiatives, we are proactively working to ensure that potentially affected stakeholders throughout our global value chains also have access to a grievance mechanism in accordance with international frameworks.

We have also incorporated various human rights measures into our business processes. Among other things, this includes raising awareness and training our employees as well as tailoring our purchasing practices to the goal of eliminating, avoiding, or mitigating negative effects on human rights throughout our value chains. Together with relevant civil society organizations (NGOs) and business associations, we pursue a dialog on corporate human rights due diligence and drive continuous development of various multi-stakeholder initiatives with regard to environmental and human rights issues.

Through our human rights due diligence, we work closely with our business partners on achieving a continuous improvement process. We proactively support our business partners in respecting human rights and improving working conditions, for example, by conducting producer visits, empowerment activities, corrective action plans, and training and workshops on a variety of human rights-related topics. If we determine that our business partners are not adequately cooperating in this respect, we reserve the right to terminate the affected business relationships with reference to our human rights due diligence.

4. Monitoring the implementation of human rights due diligence

In order to monitor human rights developments throughout our value chains, we work with internationally recognized monitoring tools, such as amfori BSCI, GlobalG.A.P. GRASP, and other comparable social standards. The production facilities throughout our value chains are audited at regular intervals by independent auditing institutions for socially acceptable working conditions as well as actual and potential negative effects on human rights. In addition, our own auditing systems and producer visits supplement the monitoring of human rights developments in our value chains.

As a founding member of amfori BSCI we have always been proactively committed to further advancement of social standards in order to achieve the best possible impact in terms of respect for human rights throughout global value chains.

5. Reporting negative effects on human rights

We fundamentally recognize that transparent reporting of adverse human rights impacts is an essential facet of human rights due diligence. In the interest of transparency, Migros continuously reports on its progress in the area of sustainability in accordance with the requirements of Global Reporting Initiative (GRI). These reports offer detailed information on how we deal with the negative effects of our business activities. In addition, we are engaged in regular dialog with relevant stakeholders with whom we share our challenges and insights on a range of professional and human rights issues.

6. Remediation of negative effects

We are actively working to establish procedures and processes that determine how to proceed in the discovery of any wrongdoing and in the event of requests for remediation from those affected, if possible, with the involvement of our business partners.

Concluding comments

We are fully aware that the implementation of human rights due diligence requires ongoing further development. Migros will therefore critically review and further develop its efforts to respect human rights on an ongoing basis.

The relevant departments in the Migros Group companies are responsible for implementing human rights due diligence. The overall responsibility for human rights due diligence lies with the Board of Directors of the Federation of Migros Cooperatives and the management of the Migros Group companies.

Federation of Migros Cooperatives

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