

2. Promoting Healthy Lifestyle



2.1. Product Range and Reliability

Our main task is to bring our consumers together with fresh, quality and healthy products. In this respect, public health and development occupy a special place among the issues we focus on in the field of sustainability. **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. In 2018, we also presented our **Private Label Quality Policy** on our corporate website, in which we transparently share the quality standards of our unique branded products within the scope of product safety, ethics, social and environmental issues.

Product Range Supporting Healthy Lifestyle

We attach great importance to high-quality standards in every product we offer to our customers and we carry out all audits and controls in order to ensure that each product is manufactured in accordance with human health and brought together with our customers. In addition, while listening to the preferences of our customers who prefer less sugar, salt, fat and fresh products, we develop our product range every year. We take care to bring together special products that support a healthy lifestyle in terms of their contents. Accordingly, in 2018, we introduced a total of 1,312 products, 117 of which were non-food classified as supporting healthy living, to our customers. 180 of these products were from our private label products, and made up 3 percent of the total products in the same categories. Our **M Life** branded products are designed for our customers who care about living healthy with an **organic certified, reduced calorie and healthy lifestyle-oriented product range**.

We offer the majority of our organic produce to our customers by packing them in our facilities in Bursa and Izmir. In 2018, we sold **560 tons of organic fruits and vegetables**.

We reserve a special place for organic chicken products on our shelves. **Organic chicken products accounted for almost 10 percent of all chicken products** we offered for sale in 2018. **Organic eggs accounted for 25 percent of the total number of eggs sold** in 2018. We encourage our manufacturers and suppliers to increase this ratio. In accordance with regulations and by-laws; We support biodiversity and sustainable fishery by offering our customers the fish caught during the season and in accordance with the determined measures.



In 2018; We provided **discount worth up to TL 4,964,397** to our customers with the promotions we made in order to promote products; that support healthy life, are produced in accordance with special health needs and whose contents were reformed. For example, in order to raise awareness to celiac disease, we offer a 25 percent discount on gluten-free products every year in May, to celebrate May the 9th World Celiac Day.



Turkey's Largest Fresh Meat Processing Plant: MİGET

Red meat has an important place in the food chain and is especially important for our future to increase the access of 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 Production Plant (MİGET) 5 years ago. **MİGET, Turkey's largest and most modern facility is also in the top 10 in Europe in terms of size. With our annual production capacity of 62 thousand tons, Migros is the first and only manufacturer that has a meat processing plant in Turkey with this volume.**

Our 3,000 expert butchers serve in all 81 provinces

We put the red meat we offer in our stores under a microscope 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 analyzes every day in our laboratories in accordance with international

We are Turkey's first retailer with the **FSSC 22000 Global Food Safety Management System Certification**

standards. **Our red meat products pass through 220 checkpoints until they reach the table of our customers.** Thousands of our expert butchers, veterinarians and food engineers conduct every audits and reporting.

We grow 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 shops all around Turkey. Thus, 3 thousand trained butchers are employed under Migros.

We produce our ready-to-cook red meat products and meatballs with the brand "**Uzman Kasap**" all packed and untouched. 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 **TSEN ISO 9001 Quality Management and TSEN ISO 22000 Food Safety Standards** In addition, in 2018, We became the first retail company in Turkey to take the **FSSC 22000 Global Food Safety Management System** certification to MİGET facilities. All of our products produced for our stores have the Halal Certificate issued by the Turkish Standards Institute.



Product Quality Audits

In 2018, we sold **64 thousand food and non-food products** in our stores. We aim to store and present all our products under the most hygienic conditions in order to be worthy of the trust of our customers by fulfilling the requirements of the highest standards on product health at an international scale. By applying Integrated Quality Management Systems, we ensure that each of our products is under control from the initial purchase stage to the point where it reaches the final consumer.



Product and Store Audits in 2018

- **Internal quality auditing of 8,642** new products in total, 2,380 food and 6,262 non-food items
- **Quality verification analysis of 6,666 products** in accredited laboratories based on **34,542 parameters**
- **3,446 unannounced store verification audits**
- Hygiene analysis of **over 20,000 stores**
- **1,648 fresh product department audits**
- **303 Migros Sanal Market (online shopping) process audits**
- **258 new stores and seasonal store compliance audits**
- **250 bakery products control**
- Product **quality control of 2,346,179 products** in distribution centers
- A total of **938 vehicle controls** in distribution center by verifying the vehicle temperatures with the data logger and temperature label

In 2018, only 66 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, 44 non-compliance cases were identified, and administrative fines were paid.



Product Transparency and Informing Consumers

We believe that consumers have the greatest rights to have detailed information about the contents of the products. For this reason, we approach the issue of informing our consumers about the nutritional values of our products meticulously. We share nutritional information on calorie, carbohydrate, sugar, protein, fiber, fat and salt amounts in the packaging of all our private label food products with transparency. Accordingly, in 2018, we **presented information on these 7 different nutritional values on the packaging labels of 195 private label food products.** We also share usage information of our non-food products in packaging.

In a digitalizing world order, consumers demand fast access to accurate and reliable information from the online environment. In order to provide a service in this direction, a sectoral transformation must be triggered. In the retail sector, data flow is provided between retailers and suppliers and manufacturers in many areas, particularly in terms of weight, content and origin of products to be offered to consumers. The Consumer Goods Forum (CGF) initiated a study to ensure that this process works healthier, that manufacturers do not create a separate data set for each retailer, and that changes in shared data can be monitored more quickly and closely. Working groups around the world have discussed different methods and pilots have been conducted to determine the most accurate method. Migros took the sector leadership in the study' Turkey leg.

We started our activities in this direction in 2017. First, we invited GS1 Global President to the Joint Development Congress organized by the Food Retailers Association and brought them together with sector representatives. Then, we called on retailers and FMCG manufacturers to initiate a joint study on data transparency and consistency in our industry. At the first meeting hosted by our CEO and general manager of



Data Accuracy and Transparency Roadmap

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. Actions to be taken for this:

- 1) All products will have a valid barcode issued by GS1.
- 2) Retailers and virtual marketplaces will verify the barcode of each product they sell to GS1.
- 3) With the global data model, a standard data set will be created for each product globally.

the GS1 Turkey Foundation, the leading representatives of the sector decided to cooperate for a joint study. As a result of the workshops and meetings held **jointly in the retailer, producer, consumer triad** and attended by sector representatives, a minimum country database that will enable **transparent and reliable data flow** fast and with ease was established in 2018. It is planned to enter the product information into barcodes stored in the GS1 infrastructure, which can be identified as the identification numbers, in line with the data set. Thus, the parties in the retail sector will have access to the information they need and the changes in the products will be changed through a single system and made available to all parties.

Migros completed system integration with the GS1 platform.

As other representatives of the sector are included in the system and our country data set is aligned with the global data set, the system will be commenced. In the next phase of the project, consumers are expected to access the identified product information instantly by reading the barcode of the product.

Responsible Advertising and Marketing

In our advertising and marketing activities, we undertake to make advertising production and broadcast communication in compliance with all Regulations and rules defined within the scope of all advertising channels. During the reporting year, no violations were detected, and no fines were received within the scope of our advertising, promotion and sponsorship activities.



2.2. Our WellBeing Journey Program

WellBeing Journey Program was launched in order to give our customers shopping preferences with a healthier life awareness and to support the creation of positive behavior change. We launched the first phase of the project in April 2018, which aims to guide balanced nutrition and active living. Thus, we have **led an incredible change for Turkish and the global retail sector.** In **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 recommendations at a discount in order to cover the difference in balanced nutrition and encourage a healthy life journey. The system updates the chart of our customers after each purchase and offers a new healthy lifestyle tip every two weeks.

Our application also includes notifications on the importance of drinking water as well as a balanced diet and a sample exercise table. Enriched with interactive content such as **water drinking reminders and step counter**, our customers can monitor their movements during the day and set up reminders for sufficient water consumption.

In September 2018, we added our awareness-raising activities on oral and dental health to our project, which started within the scope of food and maintained on the mobile platform.

Raised awareness for balanced nutrition among **1.3 million** customers in **9 months** Resulting in **51%** changing their behavior.

During the store activities we organized in cooperation with the **Turkish Dental Association** and the leading companies in this field, we offered training on correct brushing, flossing and mouthwash techniques. In addition, by adding oral care messages to the WellBeing Journey tab in the Migros Mobile application, we started to offer each of our customers the oral care product that was missing based on shopping data, with personalized opportunities.

With our project, which started in April 2018 and became continuous with the integrated use of stores and mobile channels, we **reached 1.3 million customers in 9 months and enabled 51 percent of our customers to change their purchasing tendencies towards more healthy choices.** We have established WellBeing Journey areas in our 26 stores in 14 provinces and 3 festivals with the cooperation of our suppliers. **A total of 33,500 people attended face-to-face trainings, which were provided by nutritionists and dentists.** In 2018, we encouraged our customers to have a balanced diet by offering total discounts of TL 1,200,000 within the scope of WellBeing Offers.





2.3. Our Employees' Health and Safety

Our Employee Health Program

We conduct training and health seminars and health checks to ensure that our employees have a better life. In this context, we provide our employees with easy and convenient access to private health insurance, health care and nutrition specialists. In order to encourage our employees to eat healthily, we disclose the calorie content of the meals we serve in our cafeteria centers on a daily basis and offer diet menu options to our employees. In addition to this, we create an environment to increase the motivation of our employees by developing and socializing in different fields with hobbies and travel clubs.

In 2018, we conducted interviews and screenings on subjects such as metabolic syndrome, diabetes and living with diabetes, methods of coping with forgetfulness, cardiovascular health and hypertension, ozone therapy, secrets of beautiful smile, manual therapy, and the effects of nasal breathing disorders on our lives; on-site laboratory, on-site nutritionist, flu vaccine, Red Crescent blood donation drives, breathing activity, clinical massage and manual therapy (osteopathy) have organized activities. In 2018, **2,156 Migros employees benefited from 23 different initiatives.**

Safety and Security in the Working Environment Work

We are committed to providing a healthy and safe workplace environment for our employees. In accordance with the Occupational Health and Safety Law No. 6331, our Company's Head Office, branch directorates and stores are classified as less hazardous; MİGET Meat Production Plant, fattening farm, distribution centers and fruit and vegetable stores operate in dangerous class. Our OHS (Occupational Health and Safety) activities are carried out in this direction.

Our top-level management unit in the OHS field is the Occupational Health and Safety Committee, which is established in our General Directorate, consisting of senior managers of Human Resources Management and related departments and reporting directly to our CEO. This OHS processes are regularly assessed for Migros locations in Turkey, Migros and the necessary decisions are taken. OHS Committee meetings, including occupational safety specialists and workplace physicians, whose members are appointed within the framework of full-time or legal processes, are held regularly in our stores, MİGET, fattening farm, distribution centers and fruit and vegetable stores.

In 2018, risk assessment studies were conducted in all our locations and corrective and preventive actions were planned in the designated areas. Risk assessment studies are carried out completely in all our newly opened workplaces. We use special OHS software to systematically and centrally audit and report all our OHS-related processes and activities.

In 2018, we renewed our **TS 18001 Occupational Health and Safety Management System quality certificate**. In 2019, we aim to convert the ISO 45001 Occupational Health and Safety Management System, which is the new version of the management system, to ensure continuity of the documents and to successfully complete the supervision and audits.



Our project was presented at the Sustainable Retail Summit held by the Consumer Goods Forum in Lisbon and was cited as the most effective next-generation retail application by world's leading retailers and manufacturers. The project also won two awards in the "Innovation in Customer Service" and "Distinctive Sales Application of the Year" categories in the "Sales and Customer Service" awards organized by Stevie Awards, one of world's most prestigious award programs.

Rising threat: Obesity

Obesity is one of the most known health problems of today and has been a serious issue in recent years. In OECD countries, one in five people struggle with obesity. If we look at the results of the same survey in Turkey, it is above the OECD average at 22.3 percent. According to the study by the World Health Organization (WHO), 13 percent of the world's adult population is overweight, while 41 million children under 5 are either overweight or obese.

OHS Trainings

In order to provide a safer working environment for our employees, our trainings within the scope of occupational health and safety are among our priority issues. On-site and periodic OHS trainings are given by our occupational safety specialists and workplace physicians as face-to-face classroom training at the locations in which service is provided and at introductions to work. In addition, the trainings provided to our employees at all locations are supported by remote trainings. 115,420 hours of face-to-face on-the-job training and 228,232 modules of remote learning were provided to 21,406 employees by occupational safety experts and workplace physicians. **1,238 employees at all our locations completed first aid training.**

21,406 employees were given 115,420 hours on-the-job and 228,232 modules of remote training

In addition, 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.

OHS Controls

In addition to the Occupational Health and Safety Committee in our General Directorate, Occupational Health and Safety Boards have been established in all units of our company with 50 or more employees. In 2018, we received **78,324 hours of OHS services from 69 occupational safety experts, 87 workplace physicians and 4 other health personnel** from companies authorized to provide occupational health and safety services in all our stores and other workplaces covered by this scope. The number of employees in stores with OHS services is 7,366, which corresponds to 24 percent of the total number of employees.

In 2018, 26,362 health checks were carried out by workplace physicians within the scope of work entry audits and periodic examinations. Occupational health and safety documentation including the Emergency Action Plan and risk assessments of 228 newly opened stores in 2018 were completed.

The riskiest group in occupational accidents are charcutiers and butchers working in service departments due to their use of cutting and piercing tools. We aim to reduce lost work time through our OHS activities and trainings we provide to our employees.

In 2018, we aimed to reduce the number of lost days due to work accidents in our stores (like for like*) by 1.5 percent compared to 2017 and exceeded our target by 6 percentage points. In 2019, we updated our target criteria in line with the calculation method of the Social Security Institution. As a growing company, we aim to reduce our work accident / lost day severity ratio from 2018 to 2023 by 2% in order to provide meaningful data despite the number of newly opened stores and employees. In 2018, there were no lost days due to occupational diseases. The occupational accident distributions determined in our OHS assessments in 2018 are given below.

*The same store (like for like) performance changes are the percentage of the improvement in the 2018 occupational accidents caused by the loss of workdays in 2017.



Occupational accidents by type of injury **

Cuts	38%
Slips / Falls	14%
Hit by Falling objects	8%
Being Crushed	5%
Physical impacts	8%
Other	27%

Number of Occupational accidents by gender **

Male	612
Female	315
Total	927

Migros Occupational Health and Safety Performance **

Operational incidents	2016	2017	2018
Severity rate (lost days) ***	25.4	27.9	19.7
Severity rate (lost hours) ****	0.020	0.022	0.015

** Stores and Administrative Units are included.

*** Lost day = Indicates how many 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.