

# Policy

## Deforestation- and Conversion-Free Supply Chains

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### Abstract

Sustainability is a core part of the company culture at Migros and is an integral part of the company's activities. Efforts are taken group-wide in endeavoring to achieve more sustainable business practices that are in-line with the sustainability vision and framework of the Migros Group. Our goal is to adopt a leadership role within this framework and set pioneering standards regarding climate protection and resource efficiency. To that end, we have committed ourselves to stopping deforestation or the conversion of forests throughout all the Migros Group's supply chains.

In view of the social and political urgency to address rising environmental pressures, it is eminent for us to carry out our sustainability commitments and contribute to reaching the Sustainable Development Goals ([SDGs](#)<sup>1</sup>), ensuring a livable planet for future generations. By pursuing a strategy to ensure deforestation free status in our supply chains, we are supporting healthy forests that contribute to maintaining biodiversity, temperature and water cycle regulation, and act as vital carbon sinks, as well as provide livelihoods for billions of people. This is reflected in the Migros Sustainability Strategy for 2025, which strives to keep operations within the limits of the planetary boundaries. The principles and definitions of the [Accountability Framework](#) Initiative act as an aid in ensuring the protection of forests and other natural ecosystems in our sourcing and production operations.

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<sup>1</sup> The focus herein is given to the following development goals:

SDG1- Zero Poverty  
SDG 2- Zero Hunger  
SDG 5- Gender Equality  
SDG 8- Decent Work and Economic Growth  
SDG 12- Sustainable Consumption and Production  
SDG 13- Climate Action  
SDG 15- Life on Land  
SDG 16- Partnerships for the Goals

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### 1 Definitions

Under deforestation and conversion of forests, we understand the following [definitions](#) suggested by the Accountability Framework Initiative:

- The loss of natural forests through:
  - i) conversion into agricultural land or land for other non-forestry uses;
  - ii) conversion into productive orchards or plantations; or
  - iii) severe and prolonged degradation of the land.
- Conversion of a natural ecosystem into another land use or significant alterations to the composition of species, functions, and structure of the natural ecosystem.

### 2 Background and Context

Forests are vital ecosystems and provide habitats for numerous plants, animals, and people. In tropical regions, forests provide the foundation for half of all terrestrial biodiversity, as well as contain a significant part of the earth's freshwater resources. The Food and Agriculture Organization of the United Nations ([FAO](#)) states that 420 million hectares of forest were cleared between 1990 and 2020. This is the equivalent of an area larger than the European Union. An estimated 10 million hectares of forest (about 2.5 times the size of Switzerland) are lost to deforestation annually, mainly through forest clearing for agriculture.

The Intergovernmental Panel on Climate Change ([IPCC](#)) estimates that 23 percent of all anthropogenic greenhouse gas emissions generated from 2007-2016 are attributed to agriculture, forestry, or other forms of commercial land use. Forestry and Agriculture account for approximately 11 percent of all emissions, due in large part to coupled deforestation activities. The remaining 12 percent of emissions for these sectors comes from direct sources from agricultural production, for example fertilization and animal husbandry.

In May of 2023 the European Council approved a new Deforestation-Free Regulation that will ensure that agricultural commodities (as well as their associated supply chains) consumed in the EU have not directly contributed to deforestation activities in the country of origin, as well as the legality of production operations. This new regulation will come into force as of December 2024 for the commodities coffee, cocoa, soy, beef, palm oil, wood, and natural rubber, as well as for some derivative products of these, such as chocolate. Hence, as of December 2024, companies which offer such products on the EU market, must demonstrate their compliance with ensuring deforestation-free in their supply chains from 2020 onwards through due diligence measures.

### 3 Our Commitments

#### 3.1 Climate

The Migros Group committed itself to the Science Based Target Initiative in 2019 and has thus set itself ambitious targets for the reduction of their carbon emissions, in line with the Paris Climate Agreement. Within the framework of the SBTi, 67% of all goods shall be procured through suppliers with own SBTi targets. The funds from the [M-Climate Fund](#) are used to finance measures that help to reduce emissions in Migros value chains. All subsidiaries of the Migros Group, as well as their upstream supply chain partners are thus offered a source of financing to promote climate protection measures domestically and internationally. The Migros Industry, together with the retail cooperatives are committed to reducing Scope 3 category 1 emissions (procured goods and services) by 27.5% by 2030. This ambitious goal can only be realized with a combination of freeing value chains from deforestation activities and encouraging a consumption trend away from animal proteins and meat products. The Migros Group's climate commitments are declared on our [website](#).

#### 3.2 Deforestation-free

Forests play a crucial role as carbon sinks and biodiversity hotspots, making them essential for climate and ecosystem protection. The risks of biodiversity loss and deforestation must be considered in procurement decisions.

We commit to avoiding deforestation and the conversion of forests and other intact ecosystems throughout our value chains. The supply chains of the M-Industry are our top priority in this regard, as they produce the majority of

our in-house brand products. This commitment is specifically addressed to Migros supply chains and the retail cooperatives, and, for the sake of credibility and improved logistics, is extended to third-party business partners of the M-Industry.

We ensure that the products offered to our customers do not contribute to global deforestation or the conversion of natural ecosystems. Raw materials and commodities which pose risks for deforestation and are used in the production of Migros goods, come from areas that have been deforestation-free and legally managed since 2020. The target date for achieving zero deforestation and eliminating the conversion of other natural ecosystems in our own-brand product supply chains is no later than December 31, 2025, with interim targets set for specific raw materials.

The commitment to deforestation-free practices and the protection of intact ecosystems encompasses the procurement and supply chains of the retail cooperatives, all supermarkets and other Migros retail subsidiaries, as well as the Migros industrial enterprises. We require our direct and indirect business partners to have or establish corresponding commitments. As part of our Sustainable Procurement Principles strategy goal, we evaluate suppliers based on sustainability criteria.

To ensure progress and compliance with our commitments, we adopt a risk-assessment based approach, focusing on the crops, regions, and supply chains that globally have the greatest [risk of deforestation and/or forest conversion](#). These include cocoa, coffee, palm oil, sugar cane, coconut, soy, beef, as well as wood and paper products.

#### 4 Commodity specific Goals

For critical raw materials and commodities, we have set ambitious targets and report on our progress. We achieve our goals through the following implementation levels:

- Standards and Certifications** from the sustainability strategy of the retail cooperatives, which include criteria aligned with AFi (Accountability Framework Initiative) for deforestation-free practices: For each raw material, we establish minimum requirements and objectives for the development of product assortment.
- Partnerships and Cooperations:** we actively engage in platforms, industry initiatives, and overarching collaborations to drive transformations across entire sectors and landscapes.
- In accordance with risk assessments, in coordination with our own industry, and in collaboration with our suppliers, we implement our **own supply chain projects** or participate in various **landscapes**.

<p><b>4.1 Cocoa</b></p>	<p><b>Background</b></p> <p>In the West African cocoa-producing regions, smallholder farms of less than 5 hectares constitute approximately 90 percent of cocoa cultivation. Within this demographic, several challenges persist. Many farming families live in poverty, earning incomes well below the livable wage. This situation has led in part to the prevalence of child labor. Moreover, many cocoa plantations worldwide are aging and susceptible to pests and diseases, which hinder productivity. In addition, the global market price for raw cocoa often experiences significant fluctuations.</p> <p>To support the farmers in our value chains and address these challenges, our goal is to contribute to dignified living conditions and livelihoods that provide a sustainable income. We aim to promote climate-resilient agriculture and biodiversity while preventing deforestation and land degradation. Our mission is also to facilitate the participation of all stakeholders, promote partnerships, and enhance transparency throughout the cocoa value chains.</p>	
	<p><b>Status</b></p>	<p><b>Goals 2025</b></p>
<p>Certificates and Labels</p>	<p>The cocoa and all cocoa derivatives used in the production of Frey brand chocolate and other products within the Migros private label assortment are already fully certified according to at least one of the following standards: EU Organics, Bio Suisse, Fairtrade International FSI (Fairtrade Sourced Ingredient) or Rainforest Alliance.</p>	<p>According to the requirement for deforestation-free supply chains, all cocoa and cocoa derivatives used in our private label products are to be sourced from certified* and EUDR compliant deforestation-free supply chains by 2025 and from certified and physically traceable supply chains by 2030.</p> <p>* EU Organics, Bio Suisse, Fairtrade International FSI (Fairtrade Sourced Ingredient) or Rainforest Alliance.</p>

<p>Partnerships and Cooperations</p>	<p>Involvement on the board of the Swiss Cocoa Platform (SWISSCO) is aimed at making the entire chocolate sector more sustainable.</p>	<p>As a result of our membership in SWISSCO, we are obligated to be actively involved in ensuring a livable income for producers. By 2025, we will have implemented measures to achieve this goal in at least two areas that are critical for ensuring livable incomes. By that time, the entire physical flow of cocoa products into Switzerland (beans, butter, mass, finished products, etc.) should be based on sustainable agricultural production and be fully traceable.</p>
<p>Projects</p>	<p><a href="#">Necaayo</a></p> <p>At the end of 2020, the Agroforestry Climate Protection Project commenced in collaboration with the Necaayo cocoa cooperative. The long-term objective of this initiative is to make cocoa production more sustainable while improving the income of cocoa farmers. To achieve this an agroforestry system is being introduced in partnership with farmers, incorporating the cultivation of not only cocoa but also various other plants and shade trees. This approach enhances the resilience of the agroecosystems to climate change and diseases, improves soil quality, and sequesters CO2. Simultaneously, the integrated planting of native fruit trees and timber species provides farmers with food for daily consumption or an additional source of income through local marketing. The climate protection foundation myclimate was entrusted by Migros and Delica to develop and support the <a href="#">Necaayo cooperative</a> in implementing this project as part of the M-Climate Fund.</p> <p><a href="#">Sambirano</a></p> <p>Within the framework of this project, Helvetas, in collaboration with its partners, endeavors to establish a traceable and sustainable supply chain for premium cocoa beans from Madagascar. Farmers are organized into groups and provided with comprehensive training in agricultural, social, and ecological practices related to cocoa cultivation. Based on training materials used in other countries, the developed content is structured into nine modules, encompassing all essential topics for improving the practices of Malagasy cocoa farmers.</p> <p>For instance, farmers learn about the optimal timing for harvesting, the proper fermentation and drying processes for cocoa beans, pruning techniques to enhance cocoa tree disease resistance and prevent infected cocoa pods, soil enrichment through organic materials, methods for cultivating new cocoa plants, guidelines regarding child labor, as well as subjects related to nutrition and empowering women.</p> <p>Phase 2 of the project has set measures to reduce climate emissions and is supported by the Migros Climate Fund.</p>	<p>The proportion of cocoa raw materials sourced through direct partnerships with cooperatives at the origin will be continuously increased.</p> <p>By 2025, we will assess where we can further enhance our engagement at the source. Concurrently, we are committed to deepening our already active engagements at the source and expanding these projects. For example, within the scope of the Necaayo project, we hope to achieve livable wages.</p>

<p><b>4.2 Coffee</b></p>	<p><b>Background</b></p> <p>An effective procurement policy for Migros and Delica must address various challenges and aim to promote sustainable, environmentally friendly, and ethical practices throughout the entire coffee supply chain. The key challenges include:</p> <ul style="list-style-type: none"> <li>• Climate Change and Environmental Impacts: Coffee cultivation and the primary coffee-producing regions are particularly vulnerable to the effects of climate change, such as unpredictable weather conditions and crop failures.</li> <li>• Quality Issues in coffee production, processing, and storage can adversely affect value creation.</li> <li>• Social Aspects: Working conditions, compensation, and social responsibility are not universally implemented, and there are significant global trade barriers and unfair trading practices. Infrastructure, resources, and educational opportunities pose financial challenges for many coffee farmers.</li> </ul> <p>These challenges can only be addressed through supply chain traceability and transparency, collaboration with suppliers and producer organizations at the source, and support for sustainability initiatives.</p>	
	<p><b>Status</b></p>	<p><b>Goals 2025</b></p>
<p>Certifications</p>	<p>The coffee brands Delizio and Café Royale within Delica's product range, offered by Migros cooperative retail, are already fully certified in accordance with Fairtrade International, Rainforest Alliance, Bio Suisse, or the EU Organic Regulation.</p>	<p>By 2025, the entire volume from both the industry and Migros private labels is intended to be certified according to Fairtrade International, Rainforest Alliance, Bio Suisse, or the EU Organic Regulation. Furthermore, the verification of deforestation-free practices will be assessed in accordance with risk analysis. Verification is stated through a due diligence declaration for EUDR compliance.</p>
<p>Partnerships and Cooperations</p>	<p>Delica is actively involved in the establishment of the Coffee Interest Group and contributes sustainability as the core focus of the platform.</p>	<p>By 2025, the Coffee Interest Group (IG Kaffee) is expected to be established and to have developed a sustainability roadmap in line with the Cocoa Platform Switzerland's best practices.</p>
<p>Projects</p>	<p>In the Impact Range of Café Royal, Delica collaborates directly with coffee farmers from various origins to provide long-term purchase guarantees at fair prices, thereby creating financial security. Local projects are jointly developed with farmers and cooperatives to address challenges in coffee production.</p> <p>Honduras, one of the poorest countries in Central America, where a third of the population heavily relies on the coffee industry, faces fluctuating coffee prices and challenging cultivation conditions. Delica has been working directly with coffee farmers in Honduras since 2016 to improve their living conditions. Through guaranteed Fairtrade minimum prices and the secure purchase of their coffee, farming families can plan for the long term.</p> <p>A partnership in Peru has been in place since 2020, focusing on small-scale farmers in the Department of Amazonas in Rodríguez de Mendoza. Here, the emphasis is on infrastructure development, such as depulping equipment and improved drying facilities, to help maximize the potential of coffee cultivation.</p>	<p>The Impact Range will be expanded in all projects, aiming to achieve larger volumes by 2025.</p> <p>In Minas Gerais, Brazil, a new Impact Range partnership is being established, where coffee farmers, both women and men, receive premiums for their Fairtrade coffee and are supported in addressing soil fertility and adapting to climate change challenges.</p>

<p><b>4.3 Soy</b></p>	<p><b>Background</b></p> <p>Soy is primarily found in Swiss supply chains as animal feed in animal products, with smaller quantities used in directly consumed soy products. While many soy supply chains worldwide remain opaque and are linked to ecosystem destruction, ensuring sustainable supply chains is central for Migros and the Soy Network Switzerland. To achieve this goal, fully traceable and certified value chains are to be established.</p>	
	<p><b>Status</b></p>	<p><b>Goals 2025</b></p>
<p>Certifications</p>	<p>Currently, 92% of the animal feed soy in Switzerland originates from Europe, and all soy used for direct consumption comes from Europe as well.</p> <p>Furthermore, all volumes imported into Switzerland adhere to one of the following standards: Basel Criteria, Danube/European Soy, EU Organic Regulation, Bio Suisse Organic, Pro Terra Europa, ISCC PLUS Non-GMO (Europe), RTRS (Round Table on Sustainable Soy), or RSG (Retail Soy Group).</p>	<p>By 2025, 100% of soy volumes within the Cooperative Retail Trade (GDH) are intended to be certified and segregated according to one of the following standards: Basel Criteria, Danube/European Soy, EU Organic Regulation, Bio Suisse Organic, Pro Terra Europa, ISCC PLUS Non-GMO (Europe), RTRS (Round Table on Sustainable Soy), or RSG (Retail Soy Group).</p>
<p>Partnerships and Cooperations</p>	<p>Given that Migros and its industries have only an indirect influence on suppliers of animal products, sector initiatives like the Soy Network, established in 2011, are all the more crucial. Members are committed to sourcing soy from environmentally and socially responsible cultivation and jointly conveying the added value.</p> <p>In 2017, Migros signed the Cerrado Manifesto to protect the Brazilian Cerrado savannah region.</p>	<p>According to the goal of the Soy Network, the high proportion of European soy should be maintained.</p> <p>Starting in 2021, the responsible procurement of feed grains, broken rice, corn gluten, and dextrose will gradually fall under the purview of the network.</p>

<p><b>4.4 Beef</b></p>	<p><b>Background</b></p> <p>Migros is the primary partner for Swiss agriculture and is committed to promoting regionally adapted and competitive production. Switzerland, with its grasslands, is well-suited for roughage feed production. As a result, approximately 90% of the beef in Migros is currently produced in Switzerland. When soy is used in the feed for these animals, it adheres to one of the following standards: Basel Criteria, Danube/European Soy, EU Organic Regulation, Bio Suisse Organic, Pro Terra Europa, ISCC PLUS Non-GMO (Europe), RTRS (Round Table on Sustainable Soy), or RSG (Retail Soy Group). The long-term goal is to continue sourcing from Switzerland or Europe.</p>	
	<p><b>Status</b></p>	<p><b>Goals 2025</b></p>
<p>Minimum Requirements for Imported Goods</p>	<p>The majority of imported beef currently originates in Europe. Of the portions imported from overseas (approximately 3%), in 2022, most of them originated from Uruguay, Paraguay, and Australia. Imports from Brazil have been excluded since 2020 due to various risks.</p>	<p>For imported beef, we are developing a systematic origin-based risk analysis by 2025, and we will apply this analysis to the entire product range.</p>
<p>Projects and Cooperations</p>	<p>Transition to Plant-Based Proteins</p> <p>In 2019, we engaged in a partnership with the Israeli startup Aleph Farms, specializing in the development of sustainably cultivated meat. Additionally, in 2021, Migros, in collaboration with Givaudan and Bühler, established the Lab-Grown Meat Innovation Hub. With these initiatives, we are investing in a promising technology that allows for the resource-efficient production of meat without animal husbandry, aligning with a sustainable future.</p>	<p>We are committed to making it easy for our customers to choose a climate-friendly diet in the future and actively support the shift towards more plant-based proteins. We achieve this by continually expanding our range of plant-based alternatives and offering options for every budget. We have set concrete assortment goals to accomplish this by 2025.</p> <p>Furthermore, with the sustainability rating scale M-Check, we provide transparency on how a product performs in terms of climate-friendliness, encouraging climate-conscious shopping among our customers.</p>

<p><b>4.5 Palm Oil and Palm Kernel Oil</b></p>	<p>Background</p> <p>Palm oil is an essential component of a sustainable food system due to its high oil yields per unit of land, and hence land use efficiency. Despite its questionable reputation, sustainability efforts in the palm oil sector are extensive and effective. The industry embarked on this journey early, and the RSPO (Roundtable on Sustainable Palm Oil) standard is widely adopted in Europe. As the standard continues to evolve, incorporating criteria such as Living Income, it's crucial not to neglect conditions in the cultivation countries. Domestic markets should also adhere to the key criteria: no deforestation, no cultivation on drained peatlands, and no exploitative labor practices.</p>	
	<p><b>Status</b></p>	<p><b>Goals 2025</b></p>
<p>Certifications</p>	<p>All processed palm oil and palm kernel oil used in Migros' own brands and throughout the Migros industry adhere to at least the RSPO certification standard, which is clearly distinguished and segregated from other sources of non-labeled palm oil. This certification ensures, among other things, that no deforestation occurs within our supply chain.</p>	<p>We remain committed to sourcing 100% of the purchased and processed volumes in our products as segregated and at least RSPO certified.</p>
<p>Partnerships and Cooperations</p>	<p>We are a founding member of <b>RSPO</b> and have been actively represented in working groups and on the board through our membership in the <b>Retail Palm Oil Group</b>. Furthermore, Migros is actively engaged as a founding member in the <b>Palm Oil Network Switzerland</b>, which aims to improve and strengthen the RSPO standard and, as an interim step, implement additional criteria beyond RSPO standards. Collaboration within this forum not only results in unparalleled transparency of supply chains within the palm oil sector but also provides a significant impetus for research projects and cross-sectoral cooperation.</p>	<p>Additional criteria that go beyond the current RSPO standard should be implemented by suppliers. An implementation plan ensures that suppliers continuously improve and meet all additional criteria by 2025. By 2025, traceability should ideally be ensured up to the plantation level. This is already the case for palm oil and palm kernel oil but not for palm stearin, as palm stearin is processed and sourced from hundreds of mills in Switzerland.</p> <p>Given the evolving market landscape, the Palm Oil Network aims to drive innovations, such as the development of sustainability standards for other tropical oils like coconut oil.</p> <p>Lastly, the members of the Palm Oil Network are committed to making an impact with their engagement. Therefore, they regularly measure goal achievement and inform the public about progress and challenges.</p>
<p>Projects</p>	<p>Migros, in collaboration with its key supplier Florin, is implementing a project on the Solomon Islands aimed at raising awareness and providing training on forest conservation. Additionally, Migros actively participates in research efforts beyond its own supply chain.</p>	<p>On the Solomon Islands, starting from the project's inception in 2021, the entire catchment area, along with the surrounding landscape, has been monitored for deforestation events using satellite imagery from Starling. We are actively assisting the operation and local farmers in updating their maps. Every deforestation alert is thoroughly investigated at the source.</p> <p>We are expanding buffer zones around surface water bodies, achieving three key objectives:</p> <ul style="list-style-type: none"> <li>• Establishing or restoring ecological corridors for wildlife.</li> <li>• Implementing water protection measures.</li> <li>• Sequestering more CO2 within the layered tropical system than in the plantation.</li> </ul> <p>As an alternative source of income, indigenous communities are nurturing seedlings of local tree species for the buffer zones. We are raising awareness among and providing training to these communities regarding forest conservation. Additionally, we support the Community Development Fund in enhancing community water supply by contributing to the financing of water tanks.</p>



<p><b>4.6 Palm derivatives</b></p>	<p><b>Background</b></p> <p>Oleochemical raw materials used in cosmetics and cleaning products, such as surfactants or emulsifiers, can be derived from both plant and animal oils. Palm oil is often preferred due to its chemical properties, cost-efficiency, and yield advantages.</p> <p>Derivatives are produced through the processing of fractions like palm stearin and palm olein, involving a combination of various fractions and chemical ingredients across multiple process steps. This processing requires complex infrastructure and high-volume trade, typically occurring on a global scale. In contrast, production is fragmented and driven by price. Derivatives are sourced from palm kernel oil, which accounts for only about 10% of the total oil volume produced. This creates a significant imbalance between the supply and demand for certified palm kernel oil volume.</p> <p>These factors pose challenges for transparency in derivative supply chains, making it practically impossible to distinguish and trace specific palm oil sources along the supply chain. Therefore, it is crucial, especially in this context, to act collectively and formulate sustainability requirements for upstream stages of the value chain collaboratively.</p>	
	<p><b>Status</b></p>	<p><b>Goals 2025</b></p>
	<p>Mibelle Group AG procures derivatives at the highest available standard and has consistently achieved values of over 95% certified volume in recent years.</p> <p>The majority of Migros' own-brand products come from Migros' industry. For other suppliers, it is not feasible to track the volumes, as the volumes of processed raw materials cannot be traced back to the finished product.</p>	<p>The sustainability strategy includes the goal of achieving 100% RSPO Mass Balance (MB).</p> <p>Since the procurement of derivatives primarily occurs through suppliers in Europe, efforts to enhance traceability and sustainability will inevitably align with evolving legal frameworks. The new regulation on deforestation-free products (EUDR) excludes finished products like shampoo or cleaning agents but applies requirements to fractions and traded intermediates. Therefore, our upstream suppliers will need to ensure compliance with deforestation-free standards.</p>
<p>Partnerships and Cooperations</p>	<p>Until now, we have aligned our principles with the criteria of the Forum for Sustainable Palm Oil (FONAP). Alignment with FONAP criteria, Palm Oil Network, and suppliers.</p>	<p>The <b>Organization Action for Sustainable Derivatives (ASD)</b> collectively investigates traceability to the source for its members and generates individualized reports on supply chain risks. Migros, in collaboration with its own industry, is actively pursuing membership with ASD to significantly enhance the transparency of value chains and potentially implement projects at the source.</p>

<p><b>4.7 Coconut</b></p>		
	<p><b>Status</b></p>	<p><b>Goals 2025</b></p>
<p>Certifications</p>	<p>Since the quantities of coconut oil in our supply chains are low, we have not imposed any requirements thus far.</p>	<p>By 2025, 100% of the volumes of coconut oil and fat procured by our own industry will be certified by Rainforest Alliance.</p>

<p><b>4.8 Cane Sugar</b></p>	<p><b>Background</b></p> <p>The global demand for raw sugar continues to rise. Sugar cane is predominantly grown in monoculture in tropical and subtropical regions. South America, with a significant presence in countries like Brazil, is the world's leading producer, which puts pressure on rainforests. Hotspots in the sugar industry also include labor conditions and land rights issues, particularly as demand increases due to factors like the production of biofuels.</p>	
	<p><b>Status</b></p>	<p><b>Goals 2025</b></p>
<p>Certifications</p>	<p>The raw sugar in the entire Migros Supermarket and other retail stores as well as the M-Industry is exclusively procured in Fairtrade Max Havelaar and/or organic quality.</p>	<p>The certification share of 100% should be maintained.</p>

4.9 Wood, Paper, and Cellulose Products	Status	Goals 2025
Certifications	<p>We are committed to utilizing resources from certified sources such as FSC (Forest Stewardship Council), recycled materials like FSC Recycled, Blauer Engel, PEFC Recycled, and GRS (Global Recycled Standard). In 2022, we made significant strides by sourcing 81% of our materials from sustainable sources, including products from our Micasa and Doit+Garden stores.</p> <p>In supermarkets, the percentage reached 93% in 2022.</p>	<p>We aim to further increase the proportion from certified sustainable sources. By the end of 2025, we aim to source the remainder from sources that are deforestation-free, have a verified origin (PEFC or equivalent), or have a negligible risk of deforestation.</p> <p>The requirements of the Swiss Timber Trade Regulation and EUDR will be implemented within our means on an ongoing basis.</p>
Partnerships and Cooperations	<p>We are a founding member of FSC Switzerland and have actively participated in the former WWF Wood Group. This underscores our longstanding commitment to the protection and preservation of forests.</p>	
Projects	<p>We believe that promoting the circular economy is a crucial step towards sustainability. By extending the lifespan of products and promoting their reuse, we contribute to resource conservation. We are proud of our "<a href="#">Reloved by Micasa</a>" program, which aims to give products a second life.</p>	

4.10 Peat in Soils, Flowers, Plants, Fruits & Vegetables	Background	
	Status	Goals 2025
Partnerships and Cooperations	<p>Peat is a resource that is not harvested but extracted. Peat extraction is achieved through the drainage of peatlands. The drainage process results in the irreversible destruction of these ecosystems. According to SNH2025, Migros is working to reduce the use of peat and ultimately eliminate it entirely. Peatlands cover only 3% of the earth's surface, however they act as a carbon sink for 30% of all terrestrial CO2. Approximately 20% of globally emitted atmospheric CO2 results from the drainage and destruction of peatlands. These ecosystems are in addition home to a variety of biodiverse and threatened flora and fauna species, that profit from habitat protection.</p> <p>Since we neither directly use nor sell peat, our influence on upstream stages of the value chain is limited. Therefore, we participate in the <a href="#">federal peat phase-out</a> concept through letters of intent.</p> <p>We have already implemented the actions necessary to realize the Letters of Intent regarding potting soil. All products sold in the supermarkets and specialized markets are certified peat-free, and labeled as such.</p>	<p>We support the federal letters of intent and implement them as follows:</p> <p><b>Letter of Intent for Ornamental Plants:</b> By 2025, the potting substrate for ornamental plants will contain a maximum of 50% peat, and by 2030, it will contain a maximum of 5% peat content.</p> <p><b>Letter of Intent for Vegetables and Herbs:</b> The goal is to reduce the quantity of peat in propagation substrate for seedlings to a maximum of 40% by 2028. For the remaining time period until 2030 further measures will be implemented to reduce the quantity of peat, within the limits of technical capabilities. The cultivation substrate of potted herbs may have a maximum of 50% peat by 2025, and by 2030 maximum 5%.</p>

For the procured raw materials of own brands, we annually collect at least the following criteria:

- Origins and volumes
- Certification and segregation level of the procured volumes
- Country of the last value-adding processing stage of own-brand products

## 5 Reporting, Transparency and Social Responsibility

Respecting internationally proclaimed human rights is a fundamental principle for us and conducting human rights due diligence is an integral part of our business operations. Migros aligns itself with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the ILO Core Labor Standards, and other international instruments in this regard. The Migros Group's Human Rights Policy Statement provides a detailed explanation of the organization's approach to human rights due diligence and the assurance of socially responsible working conditions throughout our supply chains. This explicitly includes consideration for vulnerable groups and minorities facing greater human rights risks. In the context of deforestation-free supply chains, we wish to emphasize our commitment to respecting the rights of all indigenous peoples and local communities, as well as workers and others who may be affected by activities within our supply chains. IN accordance with the principles of Free, Prior, and Informed Consent (FPIC) as outlined in the United Nations Declaration on the Rights of Indigenous Peoples, we respect the land rights of indigenous peoples and local communities and expect our business partners to apply the concept of FPIC in accordance.

We firmly believe that transparent reporting on adverse human rights impacts is a crucial component of human rights due diligence. In the interest of transparency, Migros continuously reports on its sustainability progress in accordance with the Global Reporting Initiative (GRI) guidelines. These reports include detailed information on how we address the negative impacts of our business activities. Additionally, we engage in regular dialogue with relevant stakeholders, sharing our challenges and insights on various technical and human rights-related issues.

As part of multi-stakeholder initiatives, we actively work to provide potentially affected stakeholders in our global value chains with access to grievance mechanisms in accordance with international frameworks. Furthermore, we are committed to establishing procedures and processes that determine how to address any identified shortcomings and respond to compensation requests from affected parties, whenever possible in collaboration with our business partners.

## 6 Implementation and Supplier Engagement

This commitment covers the private labels of Migros Cooperative Federation and the supply chains of the in-house industry. As part of the implementation of the OECD Guidelines, we enforce due diligence throughout our entire supply chains and work with a systematic risk management system that includes both human rights and environmental risks. Additionally, we aim for full compliance with EUDR for all supply chains and product categories of the group's companies. Furthermore, we continuously evaluate our commodity strategies for sourcing raw materials and risks from various sources through an iterative process.

To manage deforestation risk, the commitment of the entire Migros Group to SBTi, including the specific targets for supplier engagement, is productive, as under the [FLAG](#) guidelines published in September 2022, participation in SBTi requires a commitment to deforestation-free supply chains.