

MIGROS

Migros Group CEO Özgür Tort:

“MIGROS, THE FOUNDER OF MODERN RETAIL IN TÜRKİYE, HAS ADDED STRENGTH AND CONFIDENCE TO TÜRKİYE’S ECONOMY IN 70 OF THE 100 YEARS SINCE THE FOUNDATION OF OUR REPUBLIC”

“OUR SUBSIDIARIES AND INITIATIVES SHALL CREATE ANOTHER MIGROS IN THE NEXT 5 YEARS”

Migros has proudly witnessed 70 years of our century old Republic and organized the 100th Anniversary Fair at the Istanbul Congress Center on 20 – 22 October 2023. In this fair Migros brought together its giant ecosystem comprised of Migros’ producers, business partners, suppliers, farmers, employees, and customers. Tuncay Özilhan, the Chairman of the Board at Anadolu Group and Migros, inaugurated the fair together with the management team.

Migros Group CEO Özgür Tort stated that Migros, the founder of modern retail in Türkiye, has evolved far beyond a supermarket in 70 years and has blazed a trail into an amazing transformation. Tort continued, “We stand proud to have been present and served our country for 70 of the 100 years of the Republic. In 1954, we stepped into retail business with our mobile sales trucks traveling from one district to another with a cooperative structure. As a national company, we continue to grow within Anadolu Group, one of the most valuable groups in our country, with our completely national management and national capital structure. In 70 years, as we transformed ourselves with our new service areas and subsidiaries, we also transformed our sector and ecosystem. While Migros continues to grow exponentially every year, our subsidiaries and new initiatives shall create another Migros in 5 years. We are a company with high economic and social impact. The aggregate turnover of the business partners and service providers we work with corresponds to 1/4 of Türkiye’s GDP in 2022. We are growing with Türkiye and expanding economic growth. We will continue to weave the most comprehensive and most varied service network in Türkiye with the investments we will continue to make for the retail of the future. We will continue to inspire confidence in each of our customers so that they all keep saying “fortunately we have Migros.””

A giant fair befitting the 100th anniversary of our Republic



Migros, the founder of modern retail in Turkey, organized the Migros 100th Anniversary Fair at the Istanbul Congress Center on 20-22 October 2023. The fair was inaugurated by the Chairman of the Board of Anadolu Group Tuncay Özilhan, the Vice Chairman of the Board of Anadolu Group Kamil Süleyman Yazıcı and Anadolu Group CEO Hurşit Zorlu, as well as Migros Group CEO Özgür Tort together with Migros managers. In addition to over 300 suppliers, 3,200 Migros employees, more than 70% of whom are from Anatolia, attended the Migros 100th Anniversary Fair. Approximately 65 thousand visitors attended the fair which was open to the public over a three-day period.

In the press conference, **Migros Group CEO Özgür Tort** took the floor and explained the amazing transformation driven by Migros in the retail sector, its contributions to the Turkish economy through

its ecosystem that has been gaining speed like an avalanche over these past 70 years and the new vision and ambitious goals the company is working toward in the second century of the Republic.

“There are no limits to creativity here at Migros, new companies are rising within us”

Emphasizing that in 70 years Migros has achieved a scope of service far beyond that of a supermarket, Tort continued, “As Migros, we are proud to have been witness to 70 of the 100 years of the Republic while being responsible for countless values and services that have added value to our nation. Through our 70 years of service network in a multitude of areas, we have established a constantly growing environment that meets every need of our customers. As our area of impact grows so does our value. We are reaching beyond the known limits of retail. There are no limits to creativity here at Migros, new companies are rising within us. And through these companies rising within us, we are adding brand new lines of business to the retail sector. We are combining physical presence with the online world for each of our formats. We are aiming for growth in both physical stores and in home deliveries. We have joined our Migros Sanal Market, Migros Hemen, Tazedirekt, Macroonline, and Migros Yemek platforms and our own meal brands under the Migros One umbrella. We will multiply our online operations by 3 within 3 years. Peoples’ lives are changing rapidly, their lifestyle and work conditions are changing, and we are adapting to these changes, our services evolve in line with trends. Migros Yemek and our own meal brands are our step toward being the choice of people who simply do not have the time to cook at home but would still like a home-cooked meal. Within 3 years Migros Yemek is expected to reach the same level as our online grocery orders are at today. We are also aiming for 1 in 2 customers to make use of MoneyPay, which offers payment and financial services. Mimedata, our retail media company that utilizes data, communication channels and advertisement technology, aims to increase the brands it provides service to 750 within the next year. We are investing in new and efficient delivery models through Paket Taxi. Paket Taxi is expanding its existing vehicle fleet with electric vehicles. While this service is expanding in parallel with Migros’s e-commerce growth, the service it provides outside of Migros will correspond to at least one third of the volume of business generated by Migros. In January we opened a new chain of stores, Mion, which specialize in cosmetics. Mion is expected to reach 150 stores by the end of 2024, which will make it a significant player in that sector. By the end of 2024 we will install Migen charging stations for electric vehicles in 100 separate locations throughout Türkiye. Finally, we are also becoming shareholders in Gurmepack and continue our investments in the packaged meal sector.”



“Our subsidiaries and new initiatives will create another Migros within 5 years”

Tort said, “While Migros Group continues to grow exponentially, the growth of the new service sectors brought in by our subsidiaries shall exceed even Migros’ growth, which is how we will create another Migros within 5 years. We are establishing the most versatile and comprehensive service network in Türkiye with the investments we are making for the retail of the future. We will write tomorrow’s story together with our customers and our business partners.”

“Migros is growing with Türkiye and expanding growth as it grows itself”

Stating that “as it grows Migros also helps the growth of the Turkish retail sector and economy through its employment, farmers, suppliers, service providers and subsidiaries,” Tort continued, “We have contributed not just to the growth of our own sector but also the Turkish economy in general. We have been feeding strength and confidence into the Turkish economy for 70 years. It used to be that our stakeholders, suppliers, transport companies were partners who supported human resources. Now we have revised our definition of service, created our own business model, and created new stakeholders integrated into our own ecosystem. Currently, we have 23,500 business partners including our suppliers, cooperatives, farmers, and breeders from whom we purchase goods. In 2022, Türkiye’s GDP was TL 15 trillion. The aggregate turnover of the 9,504 legal entities with whom we have worked in 2022 is TL 3.5 trillion. When we compare this to Türkiye’s 2022 GDP, it corresponds to about 1/4 thereof. As a company we have immense social and economic impact. In the eyes of all our stakeholders, Migros is synonymous first and foremost with trust and the future. One in every two of our suppliers have been working with us for over 10 years. Most of our business partners are 3rd generation. We create a giant ecosystem with every stakeholder we touch. The value generated by this giant ecosystem spreads through a large spectrum of stakeholders. Migros is growing with Türkiye and expanding economic growth as it grows itself.”



“The vision of Migros, as a national company, is to become Türkiye’s most liked and most valuable new generation retailer”

Stating that “we will continue to embody the confidence that makes every customer say ‘fortunately we have Migros’” Tort continued, “In 1954, we stepped into retail with our mobile sales trucks traveling from one district to another with a cooperative structure. As a national company, we continue to grow within Anadolu Group, one of the most valuable groups in our country, with our completely national management and national capital structure. Our vision is to become Türkiye’s most liked and most valuable new generation retailer. And this is exactly what is expected of us. At this point Migros accesses 100% of the homes around the country. In Türkiye, Migros has entered every single home. Our power

and area of impact continue to grow with our ever-increasing number of complementary channels. The goal we have set is to make it possible in every county for either Migros to reach every customer in 15 minutes at most or for a customer to be able to reach Migros in 15 minutes at most. With this goal in mind, we will grow and add value by focusing on wholly new sectors and businesses needed by our customers through multi-channel, integrated initiatives that fit in with our multiple format business model. From telecommunications to automotive, from energy to software, all industries are in the process of a new generation transformation. And it is Migros that is acting as the vanguard for a new generation of retail. We are ensuring productivity in our operations through continual investment in digitalization and innovation in all areas from stores to warehouses, from administration at headquarters to regional management. In 2023 we will have investments of TL 6 billion. In addition, we will also increase our distribution center capacity by over 50% to feed our growth in the supply chain. We will continue with our investments without interruption in 2024.”

“Up to 50% discounts to over 15,000 products to fight against inflation”

Emphasizing that Migros monitors trends and changing customer needs very closely Tort stated that, “at this point in time we offer close to 50 thousand products under 3,036 brands in 189 categories. We protect our customers’ right to access the largest variety of products at the best prices. We look out for our customers’ budgets with the discounts and promotions we offer together with our stakeholders. To increase consumer purchasing power in the fight against inflation we are offering discounts of up to 50% on more than over 15,000 products that will meet all the needs of the house with 70 major campaigns in the remaining 70 days of the year.”

“Migros stands beside Türkiye’s production force. We support local development and employment”.

Explaining that Migros has invested in the future of agriculture and stands beside Türkiye’s production force, Özgür Tort stated that, “77% of Migros’ turnover is based on agriculture, we sell approximately 500 thousand tons of fruits and vegetables every year. We are the top fresh produce selling retailer in Türkiye. Agriculture is our strongest and most important muscle. Türkiye can only have a future with strong local producers. We support basin-based production throughout Türkiye. If commercial terms specific to SMEs, suitable maturity terms, and supplier funding specific to producers can be obtained, agriculture 4.0 can be realized as an integrated whole together with input productivity and irrigation infrastructure much like industry 4.0.

As Migros, we aim to preserve local products which add value to the economy of their region of origin. In this manner we support employment and local development: our egg base in Ordu, avocados in Alanya, kiwi on the Eastern Black Sea region, Turkish salmon from the Black Sea to name just a few examples. We are beginning 100% local lentil production through contracted agriculture. We will invest in similar types of local development ventures in another 14-15 regions. Furthermore, in an effort to increase fish consumption while supporting sustainable fishing, we have begun to directly purchase fish from the boat or wholesale markets all over the country to deliver to our customers. We now have 5 times the variety of fish available at the counter. To date we have purchased over 7 thousand tons of fish. Our goal for 2023 is 11 thousand tons. We are one of the few brands who have received a “Good Fish” certificate not just in Türkiye but in the world.”

“In essence we are developing local projects with a future eye toward a global picture”

Asserting that Migros has supported producers in writing their own local success stories, Tort then said, “We currently sell almost 50% of more than 370 geographically marked products and are continuing our efforts to increase this percentage. Local production with locally sourced raw materials contributes to the local economy, reduces logistics costs, and can be offered for sale on shelves at reasonable prices. We provide any and all support for producers who want to become stronger at a local level and become available at a national level. We have taken Karayaka sheep from Tokat, and many more under our wing and are helping bring them to the national market. In essence we are developing local projects with a future eye toward a global picture and are serving as examples for the world of retail.”



“Triple growth, strong growth: the goal is to achieve sustainable, profitable growth”

Tort continued, “The trend in the world now is – beyond the idea of successful, profitable growth – the concept of sustainable, profitable growth. The concept known as ‘triple growth, strong growth’ underscores that companies that manage to achieve sustainable, profitable growth will create a difference. In addition to strong balance sheet values, we have to take into consideration both the preservation of resources and growth while respecting the environment. Migros has a tradition of sustainability and sustainability is still in its future. We are among the top ten companies in Türkiye in our sustainability performance. We are working towards a goal of zero carbon emissions by 2050. Our most significant carbon emissions come from our cold storage facilities, lighting fixtures and AC units. So about half from coolant gasses and the other half from electricity. Migros has an annual electricity consumption of about 600 thousand MWh. Our company has decided to generate 1/3 of that power through its solar energy investment of 100 million US Dollars. The roofs of 4 large distribution centers have been completed and we are continuing our land development efforts. We will supply 300 stores with electricity with the system we will install in Malatya. We have opened our knowledge and experience of over 10 years to our suppliers through the Sustainable Business Partners Network and we will reduce our carbon footprint together.”

“We are the vanguard of Türkiye’s path to healthy living”

Tort indicated that in light of consumer expectations, they had projects in the works that support healthy living and said, “Together with our business partners we have bravely advanced to the point of revising our range of products. I am happy to state that goods specifically produced for a balanced and healthy lifestyle have now reached 53% of our food turnover. Consumers are now asking for more information about our products. In 1991 we were the first to start using barcodes in Türkiye and now we are bringing QR codes to the retail food sector in this new age. We started using QR codes with “Uzman Kasap” (Expert Butcher). Our customers will be able to easily access more product information as this application, which makes monitoring and tracing the source possible, becomes more prevalent.”

“We are taking concrete steps to support social gender equality and economically empower women”

Tort then continued, “An area of focus for us is gender equality, equal opportunity, inclusivity and for women to grow stronger in both the service and production areas of our sector. We have ambitious goals to increase the number of female managers and leaders in our operations. Our goal is to have at least one female manager at every store. We also fully support female farmers and entrepreneurs in increasing their production standards so that they can find a place in the national market. We prioritize women’s

cooperatives during our product purchases. We promote production by women and women gaining economic strength through the training that we provide.”

“The suppliers participating in our fair did not only display their own wares but in essence our nation’s production power”

Expressing that at Migros 100th Anniversary Fair, together with its stakeholders, employees and customers from all over Türkiye Özgür Tort said, “the suppliers participating in our fair with approximately 2,500 brands did not only display their own wares on their stands but in essence our nation’s production power. Just about 50% of the products on display have been brought in from production facilities around Anatolia. All of Anatolia’s colors have been brought together under Migros’ roof. We set up a livestock farm in Harbiye. We are proud that this fair brought us together with our employees, business partners, service providers in technology, IT, communications and our most precious public – in other words with our whole ecosystem.”