

# Welcome to your CDP Water Security Questionnaire 2023

## W0. Introduction

### W0.1

#### **(W0.1) Give a general description of and introduction to your organization.**

Migros is the leading supermarket chain of the Turkish food retail sector, which was founded in 1954. Migros has an omnichannel structure in order to get closer to the customers, operating supermarkets, premium supermarkets under Migros (M, MM, MMM, 5M and Migros Jet) and Macrocenter brands, food service wholesale, and also online & mobile retailing in Türkiye. Migros Sanal Market (our e-commerce channel) is Türkiye's first, largest and most widely used e-commerce website for food. The nature of the retail sector that focuses on "the people" and being the locomotive of local development directs our target for sustainable growth. We offer our customers a shopping experience that makes a difference with our innovative practices, service quality, competitive prices that contribute to the family budget, and our friendly service approach. We carry out awareness-raising activities for public health as well as our red meat products that we personally control from farm to table and good agricultural practices in plant and animal production where we transfer our expertise in fresh products. We aim to provide our employees with a healthy and safe work environment that supports their personal and professional development. By providing employment in the cities we are located, contributing to our producers and giving guarantee to our farmers, we bring vitality to the local economy.

The 367 new stores that Migros opened in 2022 expanded its home-market footprint, bringing the total number in the chain to 2,908. Internationally Migros only operates one shopping mall in Kazakhstan and we have no retail operations. You can find detailed information in our 2022 integrated annual report. We increased the number of households to 100 % in 2022. With indirect employment, close to 60 thousand people are employed under the umbrella of Migros. With our Migros Better Future Plan, we aim to protect the rights of future generations by protecting today's resources by taking the view that every step taken for a more habitable world is actually taken on behalf of humanity. Within our Migros Better Future Plan, issues of combating climate change, transition to a low carbon economy and our applications and goals regarding sustainability are all committed to maintain within the framework of international norms, national legal requirements, and UN Sustainable Development Goals (SDG's). As an executive member, the principles of the Consumer Goods Forum (CGF) which is an umbrella organization for retailers and FMCG manufacturers with a focus on sustainability management (issues such as food waste, plastic waste, deforestation etc), also leads our commitments and

targets. Accordingly, we set our environmental targets to reduce our carbon emissions in line with particularly the Paris Agreement, global initiatives and national targets covered by our business strategy. The sustainability issues that we have addressed at the top management level are particularly efforts to combat climate change and carbon management. In this direction, we determine our short, medium- and long-term actions, and implement them in line with our Company's strategy.

## W0.2

**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	January 1, 2022	December 31, 2022

## W0.3

**(W0.3) Select the countries/areas in which you operate.**

Turkey

## W0.4

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

TRY

## W0.5

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which operational control is exercised

## W0.6

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

No

## W0.7

**(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	ISIN TREMGTI00012
Yes, a SEDOL code	SEDOL1 B50PPK4 TR

## W1. Current state

### W1.1

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Vital	<p><b>CURRENT</b></p> <p>Direct operations: Good quality freshwater (FW) is used to provide a clean environment at stores (irrigation of land around stores, cleaning up of the stores), to keep some agricultural products fresh or to clean products (fish, meat, etc.) and naturally to ensure proper service to our customers. Also, the availability of sufficient amounts of good quality freshwater and drinking water in working areas plays an essential role in the hygiene and health (usage in washrooms) of employees in Migros' facilities and for the legal compliance on Regulations of the Ministry of Labor and Social Security on Health and Safety Measures to be taken in the Workplace. Failure to comply with these regulations may result in fines or cancellation of our permits. Fresh water is also used in our meat production facility, a lack of which may impact our production processes. The direct use important rating is selected as important because our operations are not solely based on freshwater resources and we have options to secure our water supply for our stores.</p> <p>Indirect operations: 77% of our sales come from agricultural products which, by nature, are very dependent on good quality freshwater resources. In our supply chain water is used for irrigation of crops and it is also vital for producing animal-based products. Without sufficient amounts, our supply chain operations may be disrupted. This is why the indirect use importance rating is selected as vital.</p> <p><b>FUTURE</b></p>

			We do not expect any change in the water dependencies for our direct and indirect operations in the foreseeable future as we are planning to provide the same range of services in the long term.
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Neutral	<p><b>CURRENT:</b></p> <p>Direct operations: We do not use recycled, brackish, and/or produced water in any of our facilities, we mainly depend on fresh surface water resources. Therefore, the direct use importance rating is selected as "Not very important."</p> <p>Indirect Operations: We consider our supply chain as our indirect operations. We do not have any other considered stages of the value chain. At this time, we have not actively engaged our value chain to obtain water usage data. However, as 77% of our sales are agricultural products, most of our suppliers also rely on fresh surface water for their production rather than brackish surface water. The rest may have processes in which they use brackish surface water or recycled water, so the importance rating is selected as Neutral.</p> <p>We require suppliers to comply with Migros Responsible Sourcing Policy and our Environmental Policy, which sets out expectations that suppliers have the same commitment to the environment as Migros.</p> <p><b>FUTURE:</b></p> <p>We do not expect any change in water dependencies in both our direct and indirect operations in the near future as we are planning to provide the same range of services in the future.</p>

## W1.2

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Monthly	Water meters & invoices	We observe our water withdrawals per site via invoices and water

				<p>meters for all operations. This data is recorded monthly and at the end of the year, we consolidate all the data and check the withdrawal amounts for accuracy of data.</p> <p>We monitor the majority of our water withdrawals (93.29% in FY22) through invoices and the remainder (6.71% in FY22) through supply wells meters.</p> <p>We do not expect any major changes in our water consumption amount in the future.</p>
Water withdrawals – volumes by source	100%	Monthly	Water meters and invoices	<p>We use water from two different sources, majority (93.29% for the reporting year) of our water is withdrawn from 3rd party sources (i.e. municipalities) which is mainly monitored through invoices. The remainder (6.71% in FY22) of our water is withdrawn from groundwater and it is monitored through supply wells meters.</p> <p>At the end of the year, we consolidate all the data and check the withdrawal amounts one more time to</p>

				<p>ensure the accuracy of data. We follow up our water withdrawals through our water withdrawal tracking system on the intranet we mentioned above. This water withdrawal management process is essential because as we obtain our water withdrawals from water suppliers, understanding our used amount of water is important for our operational costs.</p>
Water withdrawals quality	100%	Monthly	Water meters and invoices	<p>Within the scope of the Drinking and Consumption Regulation, the quality of the water consumed at all locations is analyzed at least once a year. The frequency of analysis is higher in our production centers, MİGET, Macro Meze and Gebze Et (6.19% of total withdrawals) and decided depending on the location of the facility and special needs of the production process. In our production centers we analyze Microbiological data (Coliform bacteria, Escherichia coli, Enterococcus / Fecal Streptococi), chemical analyzes (ammonium,</p>

				<p>conductivity, turbidity, color, odor, iron, aluminum, pH) in water withdrawn.</p> <p>For the reporting year, 93.29% of the water withdrawn is from 3rd party sources i.e. municipalities. Several metropolitan municipality water suppliers (İSKİ-İstanbul, İZSU-İzmir and ASKİ-Ankara), which coincide with 23% of our suppliers, publish monthly or weekly Water Quality Reports on their websites.</p>
Water discharges – total volumes	100%	Monthly	Water meters and invoices	<p>The wastewater generated in the stores is discharged to municipal sewage systems and 100% is monitored monthly through estimates based on the respective water withdrawal volumes using the withdrawal data both from the municipality bills and from water meters.</p> <p>Also, we have treatment plants in our 4 facilities, MİGET fresh meat processing center and Gebze, Torbalı, and Kemalpaşa Distribution Centers, and we follow our</p>

				<p>discharged water through our treatment centers. In these facilities where wastewater treatment plants are available, the process is carried out through environmental consultancy firms, and the necessary controls and analyses are carried out according to the flow rate of the treatment plant.</p>
Water discharges – volumes by destination	100%	Monthly	Water meters and invoices	<p>99.41% of the water discharges of Migros facilities (all of our stores and most of our distribution centers - DC) are discharged to 3rd Parties (municipalities). Therefore, the discharges to 3rd parties are monitored monthly through estimates based on the respective water withdrawal volumes using the withdrawal data both from the municipality bills and from water meters.</p> <p>Apart from our facilities which discharge to 3rd parties, only in Kemalpaşa DC the water is discharged to fresh surface water after being treated at an on-site treatment</p>



				plant. The discharges to freshwater is also monitored via flowmeter. Our fresh surface water discharge makes up 0.59% of our total water discharges.
Water discharges – volumes by treatment method	100%	Monthly	Water meters and invoices	<p>In our MİGET, Gebze &amp; Torbalı DC facilities water is treated at on-site wastewater treatment plants (WWTPs) before being discharged to 3rd parties. These facilities make up 9.58% of our total discharges.</p> <p>We have one facility which discharges to fresh surface water, Kemalpaşa DC, which also has an on-site WWTP, discharges of which makes up 0.59% of our total water discharges.</p> <p>The remaining 89.82% of our discharges are made directly to the sewage without any prior treatment &amp; are treated at municipal WWTPs. The municipality carries out treatment with required discharge parameters for the discharge waters. As explained on their websites, they generally use advanced biological</p>

				treatment methods to remove wastewater without harming the environment. In the facilities where WWTPs are available, the process is carried out through environmental consultancy firms & the necessary controls and analyses are carried out in certain periods according to the flow rate of the treatment plant.
Water discharge quality – by standard effluent parameters	100%	Quarterly	Analysis in accredited independent 3rd party laboratories	89.82% of our discharges are made directly to 3rd parties without any prior treatment. These discharges are mainly from our stores, and according to legislation we are not required to analyze the discharge quality for the direct discharges to sewage for those facilities. We have 4 facilities in which the water is treated before being discharged,&the discharge quality is monitored in 100% of these facilities and all of them have a pollution load well below the legal limits. Only in Kemalpaşa DC discharges are made to fresh water,

				<p>therefore, the compliance of the discharge with legal limits is monitored by the laboratory appointed by the Ministry of Environment, Urbanization &amp; Climate Change, and the parameter values entered in the wastewater information system based on the laboratory results are tracked by the Ministry.</p> <p>The frequency of monitoring depends on the legal requirements and analysis is performed at least quarterly. The analyzed parameters are: TSS, BOD, COD, temperature,pH.</p>
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant			<p>Explanation of why this water aspect is not relevant:</p> <p>The waste water resulting from our operations does not contain nitrates, phosphates, pesticides and priority substances included in the Annex-X list of the EU Water Framework Directive.</p> <p>According to the Turkish regulation, the parameters that need</p>

				<p>to be monitored are determined for each sector within the scope of the Water Pollution Control Regulation by the Ministry of Environment, Urbanization and Climate Change. According to this regulation, nitrates, phosphates and pesticides are not among the parameters that need to be monitored and controlled for our industry.</p> <p>This water aspect is not expected to be relevant in the future as we will be performing the same type of activities in the foreseeable future.</p>
Water discharge quality – temperature	100%	Quarterly	Spot temperature checks during sampling for laboratory analysis of the discharge water	<p>In only one of our facilities, we discharge to fresh surface water. this facility makes up 0.59% of our discharges. In this facility, we do not have any processes where the temperature of the water changes before being discharged. Therefore, we are not legally required to monitor this parameter continuously. However, this</p>

				<p>parameter is measured/monitored quarterly during the spot checks performed by an independent 3rd party laboratory.</p> <p>% of sites is selected as 100% as Kemalpaşa Distribution Center is the only location where this parameter is relevant.</p> <p>All of the remaining sites discharge to a 3rd party.</p>
Water consumption – total volume	100%	Monthly	Calculation using withdrawal and discharge data from invoices and supply well meters	<p>We calculate our water consumption using the formula <math>\text{Consumption (C)} = \text{Withdrawal (W)} - \text{Discharge (D)}</math>.</p> <p>We monitor/calculate all of our water consumption volume. 80% of total consumed water is used in stores for cleaning, employee hygiene and service purposes, 6% of it is used in our production centers for cleaning, working hygiene, production purposes, 12% of it is used in distribution centers for cleaning and employee hygiene purposes and 2% of it is used in administrative departments for cleaning and</p>

				<p>employee hygiene purposes. For all of our operations, we monitor our water consumption via calculation monthly through invoices and supply wells meters. As we obtain our water withdrawals from water suppliers, understanding our used amount of water is important for our operational costs.</p>
Water recycled/reused	Not relevant			<p>Explanation of why this water aspect is not relevant: We do not use recycled or reused water. We also do not recycle any of the water we consume. This water aspect is not expected to be relevant in the future as we do not have planned water recycling projects.</p>
The provision of fully-functioning, safely managed WASH services to all workers	100%	Yearly	Through annual store verification units and SWAB analyses.	<p>The provision of WASH services to our staff is dictated by legislation on health and safety measures to be taken in the buildings and is a priority at all our locations. We complete occupational hygiene audits on all our facilities on an annual basis to ensure compliance with regulatory limits,</p>

				<p>which also ensure that all of our facilities provide fully functioning WASH services to all workers. In 2022, there were 2,526 unannounced store verification audits and more than 10,957 SWAB analyses conducted. In the reporting period we have also delivered 199 trainings focused on Hygiene to 15,507 of our employees. We have also trained 3,417 of our employees on handwashing rituals via remote teaching.</p>
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## W1.2b

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?**

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	1,018.13	About the same	Increase/decrease in business activity	Higher	Mergers and acquisitions	We monitor our water withdrawals per site via monthly invoices and flow meters. All the data gathered throughout the year is consolidated

						<p>at the end of the year, and the amounts are checked for accuracy of data. We monitor the majority of our water withdrawals (93.29% in FY22) through invoices and the remainder (6.71% in FY22) through supply wells meters.</p> <p>In 2021, our total withdrawal volume was 997.36 ML.</p> <p>In 2022, our total water withdrawals have increased to 1,018.13 ML by 2.08% compared to 2021. This increase was due to the increase in our number of stores and supporting facilities like</p>
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						<p>Distribution Centers. In 2022, we have also started operating fish sales in some of our stores which is a water-intensive operation, this operation was previously outsourced. This is classified as an acquisition. The number of stores has increased around 13.4% from 2,565 in 2021 to 2,908 in 2022. However, as we have many water-saving projects in place this 13.4% increase in the number of stores did not reflect much on the water withdrawal volumes.</p>
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						<p>In the 5-year forecast, we expect the withdrawal volumes to be higher as we have plans to acquire the fish sales operations in all of our stores. When we assess the magnitude of change from the previous year, we consider the change up to +/- 5% as "about the same", 5% to 25% as "higher/lower", and above 25% as much higher/lower. Therefore, we classified the change in our withdrawal amounts as "about the same" (2.08% increase).</p>
Total discharges	992.68	About the same	Increase/decrease in business activity	Higher	Mergers and acquisitions	89.82% of all the wastewater generated in the stores is

						discharged to municipal sewage systems without treatment. In our stores as the water is not used in any process, it is classified as domestic wastewater and by regulation we are not required to monitor our discharge volumes, so we monitor the withdrawal volumes. In 2021 to reflect our consumption figures better, we have started assuming 2.5% of the withdrawn amount is consumed. The remaining 10.18% of our wastewater comes from our 4 facilities namely, MİGET,
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					<p>Gebze, Torbalı, and Kemalpaşa DCs, at which we have on-site wastewater treatment plants and we follow our discharged water through our treatment centers.</p> <p>Our discharge amount for 2021 was 972.43 ML. The discharge volume has increased by 2,08% which is about the same as the previous year. This increase was due to the increase in our number of stores and supporting facilities like Distribution Centers. In 2022 we have also started operating</p>
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					<p>fish sales in some of our stores which is a water-intensive operation, this operation was previously outsourced. This is classified as an acquisition. The number of stores has increased around 13.4% from 2,565 in 2021 to 2,908 in 2022. However, as we have many water-saving projects in place this 13.4% increase in the number of stores did not reflect much on the water discharge volumes.</p> <p>In the 5-year forecast, we expect the discharge volumes to be higher as</p>
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						we have plans to acquire the fish sales operations in all of our stores. When we assess the magnitude of change from the previous year, we consider the change up to +/- 5% as "about the same", 5% to 25% as "higher/lower", and above 25% as much higher/lower. Therefore, the indicated 2.08% increase in total discharge is classified as "About the same"
Total consumption	25.45	About the same	Increase/decrease in business activity	Higher	Mergers and acquisitions	Starting from 2021 we estimate 2.5% consumption (as evaporation) for the amount of water used in our stores and other

						<p>facilities. We only use water for cleaning and WASH services; hence the wastewater is classified as domestic wastewater. To calculate the total water consumed by our organization we use the water balance; Withdrawal (W) = Discharge (D) + Consumption (C). There is 2.08% increase in the consumption amount which is due to the increase in our number of stores and supporting facilities like Distribution Centers. In 2022 we have also started operating fish sales in</p>
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						<p>some of our stores which is a water-intensive operation, this operation was previously outsourced. This is classified as an acquisition.</p> <p>The number of stores has increased around 13.4% from 2565 in 2021 to 2908 in 2022. However, as we have many water-saving projects in place this 13.4% increase in the number of stores did not reflect much on the water consumption volumes.</p> <p>When we assess the magnitude of change from the previous year, we consider the</p>
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						change up to +/- 5% as "about the same", 5% to 25% as "higher/lower", and above 25% as much higher/lower. As the consumption figure increased only 2.08% with respect to the previous reporting year, we classify this change as "About the same". In the 5-year forecast, we expect the consumption volumes to be higher as we have plans to acquire the fish sales operations in all of our stores.
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## W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

Withdrawals are	% withdrawn	Comparison with	Primary reason for	Five-year	Primary reason	Identification tool	Please explain
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	from areas with water stress	wn from areas with water stress	previous reporting year	comparison with previous reporting year	foreca st	for forecast		
Row 1	Yes	76-99	About the same	Increase/decrease in business activity	Higher	Mergers and acquisitions	WRI Aqueduct	We have 2,908 stores all around Türkiye and 58 other types of facilities such as regional directorates, distribution centers (DCs), meat processing centers, warehouses and head office. As we mentioned before in W1.2, most of our withdrawal is from municipality sources (93.29% in FY22) which is monitored through invoices and the

								<p>remainder (6.71% in FY22) is monitored through supply wells meters. Since 2019, we are using WRI Aqueduct Water Risk Atlas Tool to assess our withdrawals from water-stressed areas. We chose this tool because of its strong reputation and credibility for measuring, mapping and analyzing various water-related risks around the globe. While performing the WRI</p>
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								<p>Aqueduct Risk Mapping, we focus on two indicators:</p> <p>1. Baseline Water Stress</p> <p>2. Riverine Flood Risk</p> <p>We implement this tool annually, as the number and location of our stores change each year. We first assess the risk levels in all of the cities we operate and eliminate the cities with Low or Medium-Low risk on both indicators. For the cities that have a High (40-</p>
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							80%) or Extremely high (>80%) baseline water stress, we identify the number of stores and their withdrawal volumes. 92.77% of our withdrawals by volume are from water-stressed areas. In 2021 92.43% of our withdrawals by volume were from water-stressed areas. This represents 0.37% increase in % of volume withdrawn from water-stressed areas. When we compare
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								<p>the volume withdrawn , it has increased from 921.85 ML in 2021 to 944.49 ML in 2022, which is an increase of 2.46% which is also classified as “about the same”. In the 5-year forecast, we expect the withdrawal volumes from water-stressed areas to be higher as we have plans to acquire the fish sales operations in all of our stores in 3 years. When we assess</p>
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								the riverine flow risks, 8% of our operations by number are in extremely high (4-5) risk, and 21% of our operations are in high (3-4) risk areas.
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## W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant				We do not use fresh surface water in any of our facilities. For the reporting year, 93.29% of our water is withdrawn from 3rd party sources (municipal water) and the remaining 6.71% is withdrawn from renewable groundwater.

Brackish surface water/Seawater	Not relevant				We do not use brackish surface water in any of our facilities. For the reporting year, 93.29% of our water is withdrawn from 3rd party sources (municipal water) and the. remaining 6.71% is withdrawn from renewable groundwater.
Groundwater – renewable	Relevant	68.35	About the same	Increase/decrease in business activity	In 2022, 6.71% of our withdrawals are from renewable groundwater resources. In 2021 we have withdrawn 65.56 ML of water from groundwater resources. This volume was reported as 47.67ML in our previous CDP report due to an erroneous reading in one of the locations that use renewable groundwater.



					<p>This year we have corrected the reading for 2021 as 65.56 ML, and the amount withdrawn from renewable groundwater is 68.35 ML for 2022. Our withdrawal volume has increased by 4.25%.</p> <p>The reason behind this increase is the increase in our operation volumes. When we assess the magnitude of change from the previous year, we consider the change up to +/- 5% as "about the same", 5% to 25% as "higher/lower", and above 25% as "much higher/lower". An increase by 4.25% is classified as</p>
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					about the same.
Groundwater – non-renewable	Not relevant				We do not use non-renewable ground water in any of our facilities. For the reporting year 93.29% of our water is withdrawn from 3rd party sources (municipal water) and the. remaining 6.71% is withdrawn from renewable groundwater.
Produced/Entrained water	Not relevant				We do not use produced water in any of our facilities. For the reporting year 93.29% of our water is withdrawn from 3rd party sources (municipal water) and the remaining 6.71% is withdrawn from renewable groundwater.
Third party sources	Relevant	949.78	About the same	Increase/decrease in business activity	We withdraw water from 3rd parties in almost all of

					<p>our operations. For the reporting year 93.29% of our withdrawals by volume are from 3rd party sources (municipal water).</p> <p>The amount of water withdrawn from 3rd parties has increased by 1.93% from 931.80 ML in 2021. When we assess the magnitude of change from previous year, we consider the change up to +/- 5% as "about the same", 5% to 25% as "higher/lower, and above 25% as much higher/lower. 1.93% increase is assessed as about the same.</p> <p>The reason for this slight increase is the increase in the number</p>
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					of stores. Although the number of stores has increased considerably, our withdrawal volumes increased very slightly due to the water efficiency projects we have implemented in the reporting year.
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## W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Relevant	5.9	Much lower	Facility closure	We discharge to fresh surface water in only 1 location, Kemalpaşa DC wastewater is discharged to Nif stream In 2021 the volume discharged to fresh surface water was 18.41 ML. The discharge volume has

					<p>decreased by 67.95% as the treatment plant in Golbasi distribution center was closed and this facility started discharging to 3rd parties instead of fresh surface water.</p> <p>We consider the magnitude of change from the previous year, up to +/- 5% as "about the same", 5% to 25% as "higher/lower, and above 25% as much higher/lower. We classify the decrease in discharge volume as "much lower". We expect this volume to remain about the same in the future.</p>
Brackish surface water/seawater	Not relevant				<p>We do not discharge to brackish surface water in any of our facilities, therefore this discharge destination is not relevant for our operations.</p>

					99.41% of our wastewater by volume is discharged to 3rd parties and the remaining 0.59% is discharged to fresh surface water.
Groundwater	Not relevant				We do not discharge to groundwater in any of our operations, therefore this discharge destination is not relevant. 99.41% of our wastewater by volume is discharged to 3rd parties and the remaining 0.59% is discharged to fresh surface water.
Third-party destinations	Relevant	986.78	About the same	Increase/decrease in business activity	99.41% of our wastewater by volume is discharged to 3rd parties in the reporting year. Migros does not discharge to other organizations for further use. In 2021 the discharge volume was 954.02 ML.

					<p>When compared to the previous year there is a very slight increase (3.43%) in discharge to 3rd parties. The primary reason for this increase is the 13.4% increase in the number of stores. The secondary reason is the change in discharge destination in one of our facilities (Gölbaşı Distribution Center). To assess the change, we classify 0-5% as "About the same", 5% to 25% as "higher/lower" and above 25% as "Much higher/lower". As the change in discharge volume is 3.43%, it is classified as "About the same"</p> <p>We anticipate an increase in the discharge volumes as we</p>
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					are planning to acquire all fish sale operations in our stores which is a water intensive operation.
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## W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant					As we are not an industrial producer, we only use water for hygiene purposes that's why we are not responsible for tertiary treatment according to regulations.
Secondary treatment	Relevant	101.04	Lower	Facility closure	Less than 1%	Rationale for the level of treatment: We have secondary



						<p>treatment in our MIGET meat processing center, Gebze, Torbali, and Kemalpas a distribution centers due to requirements from local regulations .</p> <p>Compliance with regulatory standards: In these plants the water is treated according to legal requirements and the pollution burden of the discharged water is reduced far below the legal limits. Wastewater from the Gebze Distribution Center,</p>
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						<p>Torbali Distributio n Center, Gölbaşı Distributio n Center and MIGET is discharged into municipal sewage (3rd parties), Kemalpas a Distributio n Center's wastewate r is discharged into the Nif stream.</p> <p>When we assess the magnitude of change from the previous year, we consider the change up to +/- 5% as "about the same", 5% to 25% as "higher/low er, and above 25% as much higher/low er.</p>
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						<p>Last year, 121.69 megaliters were discharged from these facilities after secondary treatment (16.97% decrease).</p> <p>Therefore, the secondary treatment amount is classified as “lower” this year. The decrease in discharge volume is due to the closure of secondary treatment plant in Golbasi distribution center. In the end of 2021, this facility was connected to the local sewage system and started discharging to 3rd parties</p>
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						instead of fresh surface water.
Primary treatment only	Not relevant					We only have secondary treatment in 4 of our facilities. Other facilities and stores discharge directly to 3rd parties (municipal sewage system) without any treatment. As the water in our other facilities are classified as domestic wastewater, we are not required by regulation to treat the waste water before it is discharged.
Discharge to the natural	Not relevant					None of our facilities

environm ent without treatment						discharge water to the natural environme nt without treatment.
Discharg e to a third party without treatment	Relevant	891.64	About the same	Increase/decre ase in business activity	91-99	In almost all of our operations (99.41% by volume), we discharge to 3rd parties and 89.82% of our discharges by volume are discharges to 3rd parties without treatment. Only 4 facilities have wastewate r treatment plants, namely MIGET meat processing center, Gebze, Torballi, and Kemalpas a distribution centers.

						<p>Remaining plants and stores discharge to the municipal sewage system without treatment.</p> <p>Rationale for the level of treatment &amp; compliance with regulatory standards: According to local regulations the water we discharge to municipal sewage systems is classified as "domestic wastewater" and it doesn't need to be treated as it is only used for domestic purposes like cleaning, WASH services</p>
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						<p>etc. Third parties and municipality sewage systems reduce to the level of pollution burden below the legal limits in the treatment plants and discharge water to the sea.</p> <p>The amount of water discharged to 3rd parties was 850.74 ML in 2021, the amount of discharge has increased very slightly %4.81, which is classified as “about the same”. The primary reason for this increase is</p>
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						<p>the 13.4% increase in the number of stores. The secondary reason is the change in discharge destination in one of our facilities (Gölbaşı Distribution Center was connected to the local sewage system at the end of 2021) When we assess the magnitude of change from the previous year, we consider the change up to +/- 5% as “about the same”, 5% to 25% as “higher/lower, and above 25% as much</p>
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						higher/lower.
Other	Not relevant					We have no other discharges.

### W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	74,501,977,000	1,018.13	73,175,308.6541011	As the revenue will be increasing in the upcoming years, and the withdrawal amounts are expected to stay about the same, the withdrawal efficiency is also expected to increase.

### W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	No	

### W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement
Suppliers	Yes
Other value chain partners (e.g., customers)	Yes

### W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

#### Assessment of supplier impact

Yes, we assess the impact of our suppliers

#### Considered in assessment

Basin status (e.g., water stress or access to WASH services)  
 Supplier dependence on water  
 Supplier impacts on water availability  
 Supplier impacts on water quality  
 Procurement spend

**Number of suppliers identified as having a substantive impact**

198

**% of total suppliers identified as having a substantive impact**

1-25

**Please explain**

Description of the approach taken to assess supplier's impact on water security:  
 We launched the 'Sustainable Business Partners Network' platform in 2022 with this platform we monitor the water consumption figures of our suppliers and private label product manufacturers which make up 80% of our turnover. We evaluate the water risks of our suppliers, using the WRI Aqueduct Water Risk Atlas tool, supplier dependence on water is assessed using CDP's Water Watch and impacts on water availability and quality are assessed in our annual supplier audits.

The threshold used to identify a supplier's impact as substantive:  
 If a supplier has operations that are water-intensive (over high impact in water watch) and these operations are located in an area with High (40-80%) or more water-stressed area the supplier is classified as having a substantive impact. In this context, 10% of our suppliers by number were identified as having a substantive impact.

## W1.5b

**(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?**

	Suppliers have to meet specific water-related requirements
Row 1	Yes, water-related requirements are included in our supplier contracts

## W1.5c

**(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.**

**Water-related requirement**

Complying with going beyond water-related regulatory requirements

**% of suppliers with a substantive impact required to comply with this water-related requirement**

100%

**% of suppliers with a substantive impact in compliance with this water-related requirement**

76-99

**Mechanisms for monitoring compliance with this water-related requirement**

Off-site third-party audit

On-site third-party audit

**Response to supplier non-compliance with this water-related requirement**

Retain and engage

**Comment**

Within the framework of the GC Ethics standards audit made to our suppliers; evaluations are made regarding the effects of climate change including CO2 emissions, environmental issues including water use, soil and biodiversity, pollution control, waste management, natural resource use, OHS, communication and training of relevant employees.

If there are any non-conformities (NCs), we share these NCs with our suppliers and carry out awareness-raising activities for areas open to improvement. We give our supplier candidates a certain amount of time to eliminate non-conformities and then perform follow-up audits. We grant a maximum of 3 follow-up inspections to our suppliers whose inspections are not successful. If the expected success is not achieved within the framework of our evaluation system after our follow-up audits, we terminate the commercial relationship with the supplier.

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**Water-related requirement**

Providing fully-functioning, safely managed WASH services to all workers

**% of suppliers with a substantive impact required to comply with this water-related requirement**

100%

**% of suppliers with a substantive impact in compliance with this water-related requirement**

100%

**Mechanisms for monitoring compliance with this water-related requirement**

Off-site third-party audit

On-site third-party audit

**Response to supplier non-compliance with this water-related requirement**

Retain and engage

**Comment**

Within the framework of the GC Ethics standards audit made to our suppliers; evaluations are made regarding the effects of climate change including CO2 emissions, environmental issues including water use, soil and biodiversity, pollution control, waste management, natural resource use, OHS, communication and training of relevant employees.

If there are any non-conformities (NCs), we share these NCs with our suppliers and carry out awareness-raising activities for areas open to improvement. We give our supplier candidates a certain amount of time to eliminate non-conformities and then perform follow-up audits. We grant a maximum of 3 follow-up inspections to our suppliers whose inspections are not successful. If the expected success is not achieved within the framework of our evaluation system after our follow-up audits, we terminate the commercial relationship with the supplier.

## W1.5d

**(W1.5d) Provide details of any other water-related supplier engagement activity.**

---

### Type of engagement

Information collection

### Details of engagement

Collect water management information at least annually from suppliers

Collect water quantity information at least annually from suppliers (e.g., withdrawal and discharge volumes)

### % of suppliers by number

1-25

### % of suppliers with a substantive impact

100%

### Rationale for your engagement

We launched the 'Sustainable Business Partners Network' platform in 2022 with this platform we collect and monitor the water-related data of our suppliers and private label product manufacturers which make up 80% of our turnover. 100% of our suppliers with a substantive impact are requested to be a member of this platform and submit their water-related data.

The water-related data we collect from this platform are:

- Water withdrawal volumes by source
- Amount of rainwater collected and used
- Water withdrawal volume per unit product
- Recycled/reused water volume
- Water consumption volume
- Targets and progress of water-related targets

We select this type of engagement activity to better understand the environmental impacts of our supply chain. This platform also helps us raise the environmental awareness of our supply chain partners, giving them an opportunity to assess and mitigate their environmental impacts.

We organize meetings with supply chain partners that input their data on the platform and their data is audited by 3rd party auditors.

When this platform is fully understood and used by our suppliers, their data will help us prioritize our supply chain engagement in order to minimize our social and environmental impacts including impacts on water and climate change.

### **Impact of the engagement and measures of success**

This is a brand-new engagement activity and the impacts and measure of success can be measured in the long-term.

An example of beneficial water-related outcomes of the engagement activity:

2022 was the first year of implementation of this engagement activity. With this engagement activity, our suppliers that produce the products that make up 80% of our annual turnover are expected to report their water footprint and have targets to reduce their footprint. In the first year, the most beneficial outcome of this engagement activity was to identify the training needs of our suppliers. As all of our suppliers are not at the same maturity level on how to measure, report and reduce their water-related impacts, identification supplier's level of maturity and providing support accordingly will also help us get more reliable data from our suppliers.

Description of the metrics used to measure the success of supplier engagement:

The success of engagement is measured by the success rate of the suppliers that had their data verified by 3rd party auditors. The engagement success threshold is determined to be more than 30% of successfully verified submissions for the initial year. 100% verified data submissions and target setting by the end of 2026.

In 2022, 301 of our suppliers were invited to submit their data and 128 of the suppliers have submitted and got their data verified by a 3rd party. The successfully verified submissions rate for 2022 is 42.5% which is higher than our identified success threshold.

### **Comment**

## **W1.5e**

**(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.**

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### **Type of stakeholder**

Customers

### **Type of engagement**

Innovation & collaboration

### Details of engagement

Collaborate with stakeholders on innovations to reduce water impacts in products and services

### Rationale for your engagement

As a retailer selling vegetable oils, we hold ourselves indirectly responsible for the oil waste that is dumped into the water. In order to reduce our impact, we have an ongoing project to reduce water pollution by collecting waste oils from our customers through our stores and e-commerce channels. We deliver the collected waste oil to companies that are authorized by the Ministry of Environment, Urbanization and Climate Change in order to be processed into BioDiesel.

As an extension of this project, we collaborate with TURMEPA. With support from Migros, TURMEPA D-Marin boat had collected 262,000 liters of wastewater in 2022. With this collaboration, we have ensured 2.1 million liters of seawater were kept clean.

### Impact of the engagement and measures of success

We monitor the amount of waste oil collected and sent to processing as a measure of success. This is a project that is active since 2014 and our initial goal was to increase the amount of waste oils collected between 2014 and 2025 by 80%. In 2014 the amount of waste oils that is collected was 20.73 tons. In 2022, we have collected 36.94 tons of waste oils from our operational units and our customers and delivered them to our licensed company.

Between 2014 and 2022 there was an increase of 78.20% in the amount of waste oils collected. This means we have reached 97.75% of our goal, hence this engagement activity is assessed to be successful.

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### Type of stakeholder

Customers

### Type of engagement

Education / information sharing

### Details of engagement

Run an engagement campaign to educate stakeholders about your water-related performance and strategy

### Rationale for your engagement

In 2022 we have made an interactive social media campaign called "Did you know". We have shared stories informing our customers on topics like waste management, food waste, climate change, plastics, water saving and sustainable agriculture. We have also asked for opinions/suggestions from our customers about these subjects on social media. After receiving suggestions, we have shared the suggestions of our customers from our account.

Our main purpose for this engagement activity is to increase awareness of our customers about water stress and water depletion. We also wanted to offer them practical solutions that can be applied to their everyday lives to reduce their environmental impacts.

### **Impact of the engagement and measures of success**

The engagement impact and success are measured by interaction statistics on social media. With this campaign, our measure of success was to interact with at least 500,000 people. With this awareness-raising campaign in 2022, we have received 706,000 interactions.

## **W2. Business impacts**

### **W2.1**

**(W2.1) Has your organization experienced any detrimental water-related impacts?**

Yes

### **W2.1a**

**(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.**

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#### **Country/Area & River basin**

Turkey

Other, please specify

Various river basins in the country

#### **Type of impact driver & Primary impact driver**

Acute physical

Heavy precipitation (rain, hail, snow/ice)

#### **Primary impact**

Disruption to sales

#### **Description of impact**

Description of primary impact:

In 2022, we experienced detrimental impacts due to heavy precipitation events in Türkiye. 240 stores were impacted because of these heavy precipitation events, resulting in shutdown of operations from a few hours to 4 days.

Quantitative measure of the scale of impact:

The scale of impact is measured as loss of sales. This impact was calculated to be around 12,981,823 TRY.

#### **Primary response**

Develop flood emergency plans

### Total financial impact

12,981,823

### Description of response

Description of how the total financial impact was derived:

The financial impact was calculated by multiplying the average hourly turnover of each store by the number of hours the store was closed due to heavy weather events in 2022.

An explanation of the response strategy:

Our response strategy includes both adaptive and preventive measures with emergency action plans to act quickly to prevent further loss of stock and revenue and insurance coverage to limit the level of damage. Migros stores are insured against all-natural disasters including floods. Emergency action plans are being updated according to the extent of the catastrophic event.

## W2.2

**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

	Water-related regulatory violations	Comment
Row 1	No	

## W3. Procedures

### W3.1

**(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?**

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified
Row 1	Yes, we identify and classify our potential water pollutants	<p>Details of the policies &amp; processes that are used to identify potential water pollutants:</p> <p>99.41% of the water we use is discharged to 3rd parties (municipality sewage systems), the treatment of which lie under the jurisdiction of the municipalities. We have treatment plants in 4 facilities, 1 of which discharges to fresh surface water. The discharge in this facility is closely monitored according to legal requirements.</p> <p>Details of the standard followed:</p>



		<p>We follow the standards depicted in the legal requirements for discharge. According to legal requirements, the discharge water in Kemalpaşa DC is analyzed 3 times per year, the analysis results are also published in our integrated annual report.</p> <p>Description of the metrics used to identify pollutants: The parameters analyzed are: Biochemical Oxygen Demand, Chemical Oxygen Demand, Suspended Solids &amp; pH. All of the analysis results are below legal limits.</p>
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## W3.1a

**(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.**

### Water pollutant category

Other nutrients and oxygen demanding pollutants

### Description of water pollutant and potential impacts

We analyze Chemical Oxygen Demand (COD), Biological Oxygen Demand (BOD), Suspended Solids (SS) and pH in our Kemalpaşa DC discharge water.

Description of potential impacts of the pollutants:

If high COD, BOD, SS parameters are not treated, they cause ecosystem degradation. The potential impact is can be defined as the formation of biological pollutants in the waters and the death of living organisms in the water due to the decrease in the oxygen level of the water. High COD can also cause the food chain to break due to toxic chemicals.

### Value chain stage

Direct operations

### Actions and procedures to minimize adverse impacts

Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

### Please explain

How the procedures selected manage the risks of the potential impacts outlined:  
There are sector-specific regulations that we have to follow to be able to discharge to fresh surface water. These parameters are strictly regulated by the law, and in order to be in line with these parameters, our discharge water is treated in a secondary treatment plant before being discharged to the nearby water stream. The regulatory limits of these parameters are determined by the Ministry of Environment to prevent potential impacts.

According to legal regulations, the discharge water shall be analyzed at least 3 times per year. Spot checks are also made to ensure that the discharged water is in line with the regulation.

How success is measured and evaluated:

The success indicator is 100% compliance with the local regulations.

Another success measure is the efficient operation of the treatment plant.

The efficiency of the wastewater treatment plant is monitored with the parameter values as a result of the wastewater analysis.

## W3.3

### (W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

## W3.3a

### (W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

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#### Value chain stage

Direct operations

Supply chain

Other stages of the value chain

#### Coverage

Full

#### Risk assessment procedure

Water risks are assessed in an environmental risk assessment

#### Frequency of assessment

More than once a year

#### How far into the future are risks considered?

More than 6 years

#### Type of tools and methods used

Tools on the market

International methodologies and standards

Other

#### Tools and methods used

WRI Aqueduct

ISO 14001 Environmental Management Standard

Internal company methods

External consultants

### Contextual issues considered

Water availability at a basin/catchment level  
 Water quality at a basin/catchment level  
 Stakeholder conflicts concerning water resources at a basin/catchment level  
 Impact on human health  
 Implications of water on your key commodities/raw materials  
 Water regulatory frameworks  
 Status of ecosystems and habitats  
 Access to fully-functioning, safely managed WASH services for all employees

### Stakeholders considered

Customers  
 Employees  
 Investors  
 Local communities  
 Regulators  
 Suppliers

### Comment

Water is a strategic assessment focus across our entire business; therefore, it is included within the risk assessment process in the company. We undertake comprehensive company-wide risk assessments more than once a year that covers all our facilities in our direct operations and our supply chain.

Customers are one of our value chain partners. One of the risks that can potentially impact our customers is flood risk to our direct operations. We have several risk assessment processes that consider flood risk, including the enterprise risk assessment and the WRI Aqueduct Tool as mentioned above, as well as ad-hoc flood risk assessments that we undertake for all new sites.

## W3.3b

**(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	We undertake comprehensive company-wide risk assessments that cover all our facilities & our supply chain more than once a year. We also include customers in	In our risk assessment, we implement an all-risk approach and consider every possible contextual issue. Water availability, quality and	Customers are included because we are a retail company and their changing behavior may have a direct impact on our business. Employees are	Description of how the outcomes of the risk assessment are used to inform the internal decision-making process:  All of the information

<p>our risk assessments as they can be impacted by the physical impacts of water-related risks during their time in our stores. We don't include the product use phase as we are a retail company &amp; we sell thousands of different products water impacts of which vary considerably during the use phase.</p> <p>We include all of our operations &amp; our Tier 1 suppliers in our risk assessments to be able to assess our full impact and determine our risks We use WRI Aqueduct because of its strong reputation &amp; credibility for measuring, mapping &amp; analyzing various water risks around the globe. We use the following indicators in WRI:</p> <ul style="list-style-type: none"> <li>- Baseline water stress to identify the water-stress levels of our stores &amp; our supplier's operations</li> <li>- Riverine flood risk to assess the risk of flood in our stores &amp; other facilities</li> </ul> <p>Locations with High &amp; Extremely High water stress &amp; riverine flood risks are identified as risky areas.</p> <p>To prioritize the facilities, we review the facilities according to</p>	<p>stakeholder conflicts are important for our direct operations, especially for our meat processing plants. Water regulatory frameworks are considered for every value chain stage and implications of water on our key commodities, status of ecosystems and habitats are of major importance for our supply chain operations. As we are a food retailer and we have service sections, we give utmost importance to the availability of WASH services to reduce the risk of contamination and also to ensure the well-being of our employees.</p> <p>Impact on human health is another contextual issue we consider. As we are a food retailer, the impacts of our products on human health are an issue that requires the utmost attention from us. As an example, to reduce our risks, we created the "Clean Up" system with the help of IoT and image processing technology in cooperation with ERG Controls to monitor the hygienic</p>	<p>considered because in order to be able to run our operations smoothly, efficient use of water and implementation of hygiene practices by our employees and their access to fully functioning WASH services is of extreme importance.</p> <p>Investors are always considered in risk assessments because we may lose our investors if are not in full compliance with the regulations in terms of water security. We always try to be a good example in international indices.</p> <p>Local communities are considered especially for regions where we use groundwater so that we know our impact on this shared resource and do not impact their lives in a negative manner by depleting a very precious resource. Regulators are always included because we need to be in compliance with the regulation, we also contribute to new regulations with opinion sharing.</p>	<p>collected on contextual and stakeholder issues are used to establish a management plan for the identified risks. Outcomes of the risk assessments are also used to inform strategic decisions in the company. As an example, in our risk analysis, we have identified that there may be supply chain disruptions due to extreme weather events. The feedback from our supply chain (SC) and sales departments also stated that there are logistics and stock issues due to extreme weather events.</p> <p>Taking into consideration the outcomes of the risk assessment and feedback from the SC and Sales departments we have started establishing new warehouses in key locations. In the last 2 years, we have established 6 new DC's and currently, we have 53 DC's all over Türkiye.</p> <p>How decisions are made to mitigate, transfer, accept or control the risks:</p>
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<p>their revenue generation and strategic importance. As a result, 50 locations were identified as high-risk locations in 2022. These high-risk locations are monitored more closely &amp; prioritized for water-related efficiency projects. Except WRI, we also use ISO 14001 EMS, internal company methods &amp; external consultants to enhance our risk assessments.</p>	<p>activities of our employees. The system is implemented in our Migros Cevahir MMM store and Home-Made production facility.</p> <p>Apart from these, we regularly perform hygiene analysis in our stores. At the same time, hygiene practices are included in the product safety inspection criteria we have made for our suppliers.</p>	<p>Suppliers are considered because as a retail company, we have a responsibility for the products we commercialize. Also when they are located in water-stressed areas we have a risk of supply chain disruption.</p>	<p>The decisions are made according to risk type and risk score. If a risk has a very high score all measures are taken first to reduce the impact or probability of the risk, if there are no measures that can be applied risk transfer options are investigated, if there is no probability of transferring the risk the final action is acceptance of the risk.</p>
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## W4. Risks and opportunities

### W4.1

**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, both in direct operations and the rest of our value chain

### W4.1a

**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

Impacts at the corporate level may become substantive depending on the proportion of business units or facilities affected, the size of the impact(s), the results of the impact, and our business' dependency on those business units or facilities (e.g. key distribution center) etc.

The impact level of risk is determined using the risk assessment criteria identified by our risk management department. In order to determine the impact of a risk we use both financial and non-financial criteria. For climate change and water-related risks we use a different impact scale, because although these risks are assessed within the company-wide risk assessment systems, it is not easy to accurately identify the impacts as there are many variables when it comes to climate science.

We identify a water-related risk to have a substantive impact when:

1. Financial:

a. The risk has an impact of more than 1% of our EBITDA. Our EBITDA is 6.29 Billion TRY for the reporting year, so the substantive impact threshold for financial impact is identified as 62,864,230 TRY

b. The risk has an impact of over 0.05% on our revenue. Our revenue is 74.5 Billion TRY for the reporting year, so the substantive impact threshold for financial impact is identified as 37,250,988 TRY

## 2. Strategic Market Position (Market-Share):

a. Risk results in 1% loss in market share, OR

If the risk impact is above any of the given figures, then it is directly classified as substantive regardless of the probability score. Because especially in climate-related risks, the probability of occurrence cannot be identified as a probability to occur in a year. Both transitional and physical climate risks and opportunities have to be assessed in longer periods of time.

## W4.1b

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	12	1-25	<p>To identify overall water risks, baseline water stress, the projected change in water stress, flood occurrence, drought severity etc., we use WRI Aqueduct Water Risk Atlas Tool and assess the water stress risk level for each of our facilities/stores.</p> <p>We revise the assessment every year as the number and location of our stores may vary from year to year. We have 2,908 stores all around Türkiye and 58 other types of facilities such as regional directorates, distribution centers, meat processing centers, warehouses and head offices. 93.29% of our water is withdrawn from 3rd parties and only 6.71% is withdrawn from groundwater.</p> <p>By using the WRI Aqueduct tool, we assessed the water stress risk level for each of our facilities/stores by identifying the cities they are located in. While carrying out our analysis, we categorized the cities where all our facilities are located as having High to Extremely High Water Stress/Flood Risk Levels between 40-80% and more than 80% respectively and we have completed our calculation by proportioning the number of facilities in these cities to the total number of</p>

		<p>facilities.</p> <p>In 2022 we have identified 2,519 facilities of Migros located in water-stress areas and 841 of our facilities located at flood risky areas.</p> <p>The identified group of facilities is then reviewed according to their revenue generation and strategic importance.</p> <p>We have identified 50 facilities (considering stores, distribution centers and our HQ) as key sites that are exposed to water risks with the potential to have a substantive impact on our operations. Among the stores located in the water stress areas, the stores with the highest annual turnover (which could have a more substantive impact on our business) were determined as the riskiest facilities.</p> <p>Also, our headquarters building, which is the center of all administrative affairs, and the distribution centers, which will take a long time to get support from different distribution centers or indispensable in terms of capacity, and our fresh meat processing center are among the facilities that are identified to have a substantive strategic and financial impact. 31.94 % of our water withdrawal comes from these 50 key facilities.</p> <p>The identified facilities are grouped according to their basin where the facilities that are in the same Major and Minor basin according to WRI Aqueduct are gathered in the same group. In 2022 we identified 12 such groups.</p> <p>The first 7 groups and Group 9 include multiple facilities and the rest of the groups are comprised of a single facility/store because there is no other facility that may have a significant impact in that particular river basin.</p>
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## W4.1c

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

**Country/Area & River basin**

Turkey

Other, please specify

Adriatic Sea-Greece-Black Sea Coast Major, Sea of Marmara Coast Minor Basin

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**% company's total global revenue that could be affected**

1-10

**Comment**

Based upon the city-based water risk (flood or water stress) results of the WRI Aqueduct Tool which identifies Extremely High or High risky locations, in 2022 we identified 13 facilities in the Adriatic Sea-Greece-Black Sea Coast Major, Sea of Marmara Coast Minor basin as risky facilities. These 13 facilities are labelled as Group 1, and reported as one facility, under which there are 11 stores and 2 distribution centers, all of which are exposed to water risks with the potential to have a substantive impact on our operations. These 13 facilities represent less than 1% of our facilities by number. These sites are important for us because these stores are among the stores with the highest turnover and the other facilities are key operation centers for our business continuity.

The percentage of our global revenue that could be affected is an estimated value and is affiliated with the magnitude, duration, nature of facility closure (partial or full) and turnaround time of stores in this river basin. The annual revenue of these stores which are considered as having Extremely High Water Stress Levels, has a share of 3.32% in the company's total annual revenue of the operations in Türkiye.

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**Country/Area & River basin**

Turkey

Other, please specify

Black Sea South Coast Major, Kocaeli Minor Basin

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**% company's total global revenue that could be affected**

1-10

**Comment**

Based upon the city-based water risk (flood or water stress) results of the WRI Aqueduct Tool which identifies Extremely High or High risky locations, we have identified 8 facilities in the Black Sea South Coast Major, Kocaeli Minor Basin as risky facilities.



These 8 facilities are labelled as Group 2, and reported as one facility, under which there are 4 stores, 1 distribution center, 1 fruit and vegetable storage facility, Gebze Meat production center, and our headquarters, which are exposed to water risks with the potential to have a substantive impact on our operations.

Although these facilities represent less than 1% of our total facilities by number these sites are important for us because these stores are among the stores with the highest turnover and the other facilities are key operation centers for our business continuity.

The percentage of our global revenue that could be affected is an estimated value and is affiliated with the magnitude, duration, nature of facility closure (partial or full) and turnaround time of stores in this river basin. The annual revenue of these stores which are considered as having High Water Stress/Flood Risk Levels, has a share of 1.12% in the company's total annual revenue of the operations in Türkiye.

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**Country/Area & River basin**

Turkey

Other, please specify

Black Sea South Coast Major, Sakarya River Minor Basin

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Based upon the city-based water risk (flood or water stress) results of the WRI Aqueduct Tool which identifies Extremely High or High risky locations, we have identified 4 facilities in the Black Sea South Coast Major, Sakarya River Minor Basin as risky facilities. These 4 facilities are labelled as Group 3, and reported as one facility, under which there are 3 stores and 1 distribution center, which are exposed to water risks with the potential to have a substantive impact on our operations.

Although these facilities represent less than 1% of our total facilities by number these sites are important for us because they are among the stores with the highest turnover and the distribution center reported within this group is a key operation center for our business continuity. The percentage of our global revenue that could be affected is an estimated value and is affiliated with the magnitude, duration, nature of facility closure (partial or full) and turnaround time of stores in this river basin. The annual revenue of these stores which are considered as having High Water Stress Levels, has a share of 0.98 % in the company's total annual revenue of the operations in Türkiye.

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**Country/Area & River basin**

Turkey

Other, please specify

Mediterranean Sea, East Coast Major, Gediz River Minor Basin

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Based upon the city-based water risk (flood or water stress) results of the WRI Aqueduct Tool which identifies Extremely High or High risky locations, we have identified 10 facilities in the Mediterranean Sea, East Coast Major, Gediz River Minor Basin as risky facilities. These 10 facilities are labelled as Group 4, and reported as one facility, under which there are 5 stores, 2 distribution centers, 1 breeding farm, 1 appetizer production facility and MİGET meat production center, which are exposed to water risks with the potential to have a substantive impact on our operations.

Although these facilities represent less than 1% of our total facilities by number these sites are important for us because they are among the stores with the highest turnover and the other facilities are key operation centers for our business continuity.

The percentage of our global revenue that could be affected is an estimated value and is affiliated with the magnitude, duration, nature of facility closure (partial or full) and turnaround time of stores in this river basin. The annual revenue of these stores, which are considered as having High to Extremely High Water Stress/Flood Risk Levels, has a share of 1.74 % in the company's total annual revenue of the operations in Türkiye.

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**Country/Area & River basin**

Turkey

Other, please specify

Black Sea, South Coast Major, Bursa/Balıkesir Minor Basin

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Based upon the city-based water risk (flood or water stress) results of the WRI Aqueduct Tool which identifies Extremely High or High risky locations, we have identified 2 facilities in the Black Sea, South Coast Major, Bursa/Balikesir Minor Basin as risky facilities.

These 2 facilities are labelled as Group 5, and reported as one facility, under which there is one distribution center and one fruit and vegetable storage facility, which are exposed to water risks with the potential to have a substantive impact on our operations.

Although these facilities represent less than 1% of our total facilities by number these sites are important for us because they are key operational facilities, and if these facilities face any water-related disruption in operations, it may impact many of our stores.

The percentage of our global revenue that could be affected is an estimated value and is affiliated with the magnitude, duration, nature of facility closure (partial or full) and turnaround time of these facilities.

These two facilities do not generate any revenues because our revenues are generated by our stores, however, disruption of operation in these two facilities may have a considerable impact on the sales figures in their affiliated stores.

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**Country/Area & River basin**

Turkey

Other, please specify

Mediterranean Sea, East Coast Major, Göksu River Minor Basin

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Based upon the city-based water risk (flood or water stress) results of the WRI Aqueduct Tool which identifies Extremely High or High risky locations, we have identified 4 facilities in the Mediterranean Sea, East Coast Major, Göksu River Minor Basin as risky facilities.

These 4 facilities are labelled as Group 6, and reported as one facility, under which

there is one distribution center, one fruit and vegetable storage facility, one wholesale store and one store which are exposed to water risks with the potential to have a substantive impact on our operations.

Although these facilities represent less than 1% of our total facilities by number these sites are important for us because the store reported under this group is one of our highest revenue-generating stores and the other facilities are key operational facilities.

The percentage of our global revenue that could be affected is an estimated value and is affiliated with the magnitude, duration, nature of facility closure (partial or full) and turnaround time of these facilities.

The annual revenue of the store in this group, which is considered as having High to Extremely High Water Stress/Flood Risk Levels, has a share of 0.25 % in the company's total annual revenue of the operations in Türkiye.

The remaining 3 facilities do not generate any revenues because our revenues are generated by our stores, however, disruption of operation in these 3 facilities, may have a considerable impact on the sales figures in their affiliated stores.

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#### Country/Area & River basin

Turkey

Other, please specify

Mediterranean Sea, East Coast Major, Mugla Minor Basin

#### Number of facilities exposed to water risk

1

#### % company-wide facilities this represents

Less than 1%

#### % company's total global revenue that could be affected

Less than 1%

#### Comment

Based upon the city-based water risk (flood or water stress) results of the WRI Aqueduct Tool which identifies Extremely High or High risky locations, we have identified 4 facilities in the Mediterranean Sea, East Coast Major, Mugla Minor Basin as risky facilities.

These 4 facilities are labelled as Group 7, and reported as one facility, under which there are 3 stores and one fruit and vegetable storage facility, which are exposed to water risks with the potential to have a substantive impact on our operations.

Although these facilities represent less than 1% of our total facilities by number these sites are important for us because they are among the stores with the highest turnover

and the other facility is a key operation center for our business continuity.

The percentage of our global revenue that could be affected is an estimated value and is affiliated with the magnitude, duration, nature of facility closure (partial or full) and turnaround time of these facilities.

The annual revenue of the stores reported here which is considered as having Extremely High Water Stress Risk Levels, has a share of 0.87 % in the company's total annual revenue of the operations in Türkiye.

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**Country/Area & River basin**

Turkey

Other, please specify

Mediterranean Sea, East Coast Major, Canakkale Minor Basin

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Based upon the city-based water risk (flood or water stress) results of the WRI Aqueduct Tool which identifies Extremely High or High risky locations, we have identified 1 facility in the Mediterranean Sea, East Coast Major, Canakkale Minor Basin as a risky facility.

This facility is exposed to water risks with the potential to have a substantive impact on our operations.

Although this facility represents less than 1% of our total facilities by number this store is important for us because it is one of our highest revenue generating stores.

The percentage of our global revenue that could be affected is an estimated value and is affiliated with the magnitude, duration, nature of facility closure (partial or full) and turnaround time of these facilities.

The annual revenue of the store reported here which is considered as having Extremely High Water Stress Risk Levels, has a share of 0.24 % in the company's total annual revenue of the operations in Türkiye.

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**Country/Area & River basin**

Turkey

Other, please specify

Mediterranean Sea, East Coast Major, Seyhan River Minor Basin

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Based upon the city-based water risk (flood or water stress) results of the WRI Aqueduct Tool which identifies Extremely High or High risky locations, we have identified 2 facilities in the Mediterranean Sea, East Coast Major, Seyhan River Minor Basin as a risky facility.

These two facilities are labelled as Group 9, and reported as one facility, under which there are two distribution centers which are exposed to water risks with the potential to have a substantive impact on our operations.

Although these facilities represent less than 1% of our total facilities by number, they are important for us because it is a key operational facility.

The percentage of our global revenue that could be affected is an estimated value and is affiliated with the magnitude, duration, nature of facility closure (partial or full) and turnaround time of these facilities.

These two facilities don't generate any revenues because our revenues are generated by our stores, however, disruption of operation in these facilities, may have a considerable impact on the sales figures in their affiliated stores.

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**Country/Area & River basin**

Turkey

Other, please specify

Mediterranean Sea, East Coast Major, Buyuk Menderes River Minor Basin

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**% company's total global revenue that could be affected**

Less than 1%

### Comment

Based upon the city-based water risk (flood or water stress) results of the WRI Aqueduct Tool which identifies Extremely High or High risky locations, we have identified 1 facility in the Mediterranean Sea, East Coast Major, Buyuk Menderes River Minor Basin as a risky facility.

This facility is our Mugla Distribution center which is exposed to water risks with the potential to have a substantive impact on our operations.

Although this facility represents less than 1% of our total facilities by number this store is important for us because it is a key operational facility.

The percentage of our global revenue that could be affected is an estimated value and is affiliated with the magnitude, duration, nature of facility closure (partial or full) and turnaround time of these facilities.

This facility does not generate any revenues because our revenues are generated by our stores, however, disruption of operation in this facility, may have a considerable impact on the sales figures in its affiliated stores.

---

### Country/Area & River basin

Turkey

Other, please specify

Black Sea, South Coast Major, Kızılırmak Minor Basin

### Number of facilities exposed to water risk

1

### % company-wide facilities this represents

Less than 1%

### % company's total global revenue that could be affected

Less than 1%

### Comment

Based upon the city-based water risk (flood or water stress) results of the WRI Aqueduct Tool which identifies Extremely High or High risky locations, we have identified 1 facility in the Black Sea, South Coast Major, Kızılırmak Minor Basin as a risky facility.

This facility is exposed to water risks with the potential to have a substantive impact on our operations.

Although this facility represents less than 1% of our total facilities by number this store is important for us because it is one of our highest revenue generating stores.

The percentage of our global revenue that could be affected is an estimated value and

is affiliated with the magnitude, duration, nature of facility closure (partial or full) and turnaround time of these facilities.

The annual revenue of the store reported here which is considered as having High Water Stress Risk Levels, has a share of 0.23 % in company's total annual revenue of the operations in Türkiye.

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**Country/Area & River basin**

Turkey

Other, please specify

Adriatic Sea-Greece-Black Sea South Coast Major, Marista 1 Minor Basin

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Based upon the city-based water risk (flood or water stress) results of the WRI Aqueduct Tool which identifies Extremely High or High risky locations, we have identified 1 facility in the Adriatic Sea-Greece-Black Sea South Coast Major, Marista 1 Minor Basin as a risky facility.

This facility is exposed to water risks with the potential to have a substantive impact on our operations.

Although this facility represents less than 1% of our total facilities by number this store is important for us because it is one of our highest revenue generating stores.

The percentage of our global revenue that could be affected is an estimated value and is affiliated with the magnitude, duration, nature of facility closure (partial or full) and turnaround time of these facilities.

The annual revenue of the store reported here which is considered as having High Water Stress Risk Levels, has a share of 0.27 % in the company's total annual revenue of the operations in Türkiye.

## W4.2

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**



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**Country/Area & River basin**

Turkey

Other, please specify

Various river basins in the country

**Type of risk & Primary risk driver**

Acute physical

Heavy precipitation (rain, hail, snow/ice)

**Primary potential impact**

Disruption to sales

**Company-specific description**

Heavy precipitation events driven by climate change have serious impacts on our business. Depending on the location of the event, there may be several risks on our business:

1. Damage to our property and/or goods that are in stock in our distribution centers
2. Forced temporary shut-down of operations-facilities & stores
3. Health and safety risks for our customers and employees

In 2022 we had disruption to sales in 240 stores due to heavy precipitation-related weather events, which resulted in shutdown of stores from a few hours up to four days. As a result of heavy precipitation events, we have experienced loss of revenue in these 240 stores. In 2021 this figure was much lower where we had disruption in sales in only 13 stores.

Keeping in mind that precipitation regimes will change as a result of climate change, we are expecting to experience more severe weather events much more frequently than ever before experienced. This increase in the number of stores impacted, is an indication that the physical effects of climate change may become much more serious in the future.

**Timeframe**

More than 6 years

**Magnitude of potential impact**

Medium-low

**Likelihood**

Very likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

**Potential financial impact figure - minimum (currency)**

6,203,021

**Potential financial impact figure - maximum (currency)**

99,813,664

**Explanation of financial impact**

The approach used to calculate the figure:

The financial impact of this risk depends on the magnitude, frequency and location of the events; however, the initial impact is the disruption of sales in damaged stores.

In the first quarter of 2022 there was a heavy snow event, and this event alone had a major impact on our operations.

In 2022 we had disruption to sales in 240 stores due to heavy precipitation-related weather events, which resulted in the shutdown of stores from a few hours up to four days.

While calculating the financial impact of the events in 2022, we used the average hourly revenue of each store and multiplied it with the number of hours that the store was forced to shut down due to weather events.

For 2022, the financial impact is calculated as a loss of sales equal to 12,981,823 TRY. However, it wouldn't be a viable assumption that we would have a similar impact every year.

According to the study "Climate Change Projections for Turkey: Three Models and Two Scenarios" precipitation amounts are expected to become more irregular with the impacts of climate change. In both RCP 4.5 and RCP 8.5 Scenarios, an increase in precipitation is expected in winter in the first period (2016-2040).

With the increasing intensity of climate change, it is expected that the severity of these events will also increase.

The impacts are calculated for the year 2032.

**Assumptions:**

For the min. impact it is assumed that there is no heavy snow event (like the one in 2022).

For the max. impact it is assumed that there is a heavy snow event similar to the one in 2022.

It is assumed that we have the same levels of operation, i.e. growth rate is not included in the calculations for simplification purposes.

Both calculations are basically financial projections of the financial impacts of the events in 2022.

Different inflation rates are applied for each year.

**Results:**

The min. financial impact is calculated as 6,203,021 TRY for the year 2032. This is an annual impact figure.

The max. impact is calculated as 99,813,664 TRY for the year 2032. This also is an annual impact figure.

There is also a risk of damage to property, however as our properties are covered by insurance against weather events this impact is not included in our calculations. The final impact is the health and safety risks for our employees and customers, however as human life is priceless, the impacts cannot be expressed in financial terms.

### Primary response to risk

Other, please specify

Flood emergency plans, emergency drills and risk transfer instruments

### Description of response

#### SITUATION:

In 2022 we had a loss of sales in 240 stores due to heavy precipitation events. Heavy weather events also damaged our property.

#### TASK:

To reduce the impacts of heavy weather events on our stores and other key facilities.

#### ACTIONS:

1- We develop flood emergency plans in all of our stores to protect our customers and employees.

2- Emergency drills: In 2022 we have performed 10,800 drills that cover emergency scenarios like earthquakes, fires, floods, heavy winds & storms. A total of 37,656 Migros employees have participated in these drills.

3- Use of risk transfer instruments: The amount of insurance is updated annually according to the size of the individual incidents.

#### TIMELINE:

A total of 10,800 emergency drills performed in 2022. Drills are performed at least once a year within the scope of "Emergency and Disaster Management".

Insurance policy is an ongoing measure which is renewed annually.

#### RESULTS:

As a result of these actions, Migros employees are more prepared for these kinds of heavy weather events.

With the help of the insurance policies, we are able to transfer some of the financial impact of these risks. In 2022 there were 60 events of property damage due to extreme weather events. Our loss from these events would be 8.5 million TRY if there was no active insurance policy.

We will be increasing the number and frequency of our investigations and strengthening efforts in other stores and warehouses going forward in relation to adaptation efforts.

### Cost of response

8,533,000

### Explanation of cost of response

The cost of actions 1 and 2 are taken as zero because their costs are absorbed into our business-as-usual activities.

The cost of Action 3:

Annual Risk premiums/ insurance costs for natural disasters including severe weather events (such as heavy rainfall, flooding, drought etc.) and other accidents/incidents (such as fire, robbery etc.), as well as our efforts to strengthen our distribution centers, added up to TRY 34.13 million in the reporting period.

The given cost is the insurance cost for all of our operations and the premiums for extreme weather events cannot be reported separately.

As the cost of response for weather-related events like heavy rainfall, snow, flooding, etc. we proceeded with the assumption that it would correspond to 25% of total insurance costs. Which equals to 8,533,000 TRY.

This amount is also expected to increase with the increasing number of events in the future.

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**Country/Area & River basin**

Turkey

Other, please specify

Various river basins in the country

**Type of risk & Primary risk driver**

Regulatory

Higher water prices

**Primary potential impact**

Increased operating costs

**Company-specific description**

For the reporting year, 93.29% of our water withdrawals were from 3rd parties, and according to the analysis we have performed using the WRI Aqueduct water risk atlas tool, 92.77% of our withdrawals are from High (40%-80%) to Extremely High (>80%) water-stressed areas.

With the increasing water stress, municipalities may implement higher water prices and/or give priority usage rights to communities. We may be forced to buy water at extremely higher prices which may increase our operational costs considerably.

**Timeframe**

4-6 years

**Magnitude of potential impact**

Medium

**Likelihood**

Very likely

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

71,200,000

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial impact**

The approach used to calculate the figure:

To calculate the financial impact of this risk, we have made an estimation using the inflation projections for 5 years between 2022 and 2027. Taking into consideration the current economic environment in the country, we anticipate unit water prices to increase every year based on the analysis we have made using the last 2 years water price increase data in İstanbul, Ankara, İzmir and Antalya where our stores with the highest revenues are located (Calculated over 12 months of water unit prices).

Assumptions used:

The withdrawal figure we use for the above-mentioned 4 cities is 735,590 m<sup>3</sup> and this is a projected figure in 2027 taking into consideration that our 2030 target of 10% reduction of daily water withdrawals/store m<sup>2</sup> from 2021 levels is right on track in 2027.

The timescale of financial impact projections is 5 years (medium-term), and we expect the additional cost of water prices to reach 71.2 million TRY in 5 years (this is an annual figure)

**Primary response to risk**

Increase investment in new technology

**Description of response**

SITUATION:

Prior to implemented actions, in 2021 our daily water withdrawal volume per store m<sup>2</sup> was 0.001334 m<sup>3</sup>/m<sup>2</sup>.day

TASK:

To reduce daily water withdrawals per store m<sup>2</sup> by increasing our water efficiency, to reduce our vulnerability to increasing water prices.

ACTIONS & TIMELINE:

In order to reduce the impact of this risk, we are constantly working on water efficiency projects.

We implement time-adjusted tap water faucets in all of our newly opened stores. In

addition, our existing stores also install aerators to reduce the flow of water. By using these special aerators, 55% savings can be achieved compared to standard water fixtures. In 2022, we continued to renovate our stores with water-efficient automated fixtures (time-adjusted tap water faucets). Starting from 2023 we have a project of implementing rainwater harvesting systems in our distribution centers.

**RESULTS:**

With the help of the actions taken, our daily water withdrawal by store m2 has dropped by 1.9% to 0.001309 m3/m2.day.

**Cost of response**

4,280,000

**Explanation of cost of response**

In order to increase water efficiency, the use of timed faucets and aerators has been extended to all our stores.

In 2022:

1-We installed 500 efficient water fixtures (time-adjusted water faucets) in 500 stores.

Cost of investment 1,000,000 TRY

2- We changed the water infrastructure in 80 stores installing water storage tanks where water shortages are common. Cost of investment: 3,280,000 TRY

The total cost of these investments was 4.28 million TRY.

## W4.2a

**(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

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**Country/Area & River basin**

Turkey

Other, please specify

Various river basins in the country

**Stage of value chain**

Supply chain

**Type of risk & Primary risk driver**

Acute physical

Heavy precipitation (rain, hail, snow/ice)

**Primary potential impact**

Disruption to sales due to value chain disruption

**Company-specific description**

One of the important risks that may arise during the procurement process is the disruption in harvest and the supply of agricultural products due to severe weather events such as rain, hail, snow, ice, or drought related to climate change, in the locations where agricultural products are grown.

This leads directly to high-trend changes in product prices and negatively impacts sales because of the availability of products.

We use the WRI Aqueduct Food and Country Rating Tools to avoid any problems related to drought and water stress in the production and supply of agricultural products, which constitute 77% of the sales in our stores. In order to avoid a problem in the procurement process of the products that affect our revenues most in agricultural products, we follow the acute physical risks in cities where these products are grown, and the risk of heavy precipitation, drought and seasonal variability on a product basis.

In 2022, the weather conditions affected especially drupes (peaches, nectarine, apricots, plumes) and strawberries.

In some regions, the yield decreased as a result of climate change, while some of them decreased as a result of heavy precipitation events such as hail. The average yield losses of above-mentioned products were 28.1% in 2022. This reflected as a decrease in our revenues from these agricultural products due to their reduced production.

In 2022, we had about 27% loss of sales tonnage for some fruits and vegetables which resulted in a revenue loss of TRY 37.6 million.

**Timeframe**

More than 6 years

**Magnitude of potential impact**

Medium-high

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

**Potential financial impact figure - minimum (currency)**

37,600,000

**Potential financial impact figure - maximum (currency)**

219,000,000

**Explanation of financial impact**

There was a decrease in the expected revenue of these products because of the loss of sales tonnages due to the extreme weather effects in 2021.

The approach used to calculate the impact figure:

For the minimum financial impact, the realized impact of extreme weather events is calculated.

We have analyzed 10 fruits and 10 vegetables, of which our sales are the highest.

For the maximum financial impact, the results of our climate-related scenario analysis is used. According to our analysis there is a very strong possibility that the frequency and severity of extreme weather events will increase, therefore the impact of the events in 2022 may be doubled in the not-so-distant future. For example, as a result of the late arrival of summer temperatures in 2023, it is expected that there will be seasonal shifts in September and October, and all fruits and vegetables may be highly affected by this situation.

Figures used in the calculation:

Average yield loss: 28.1%

Loss of sales tonnage in 2022 for the specified fruits: 27%

In 2022, our revenue loss in 10 vegetables and 10 fruits, was calculated as TRY 37.6 million (min. financial impact figure)

Assumptions:

For the maximum impact, we have assumed we are on the path to the worst-case scenario (RCP 8.5)

According to the Climate Change Projections for Turkey Report, in Turkey within the framework of IPCC's RCP 4.5 and 8.5 scenarios Euphrates -Tigris basin will be impacted the most.

There will also be a significant decrease in precipitation in the Western Mediterranean region where we source some of our products.

For the same 10 fruits and 10 vegetables, the loss of revenue for the year 2030 is calculated as 219,000,000 (max. financial impact figure).

## Primary response to risk

Upstream

Increase supplier diversification

## Description of response

SITUATION:

Agricultural products are extremely vulnerable to climate conditions. There is a risk of increase in extreme weather events, which directly impact agriculture. In 2022 we have lost 27% of the sales tonnage of the products that were impacted by extreme weather events.

TASK:

Monitor climate-conditions and impacts on our suppliers in order to manage an upcoming loss of agricultural products.



**ACTIONS:**

We have local teams that manage the potential climate-related loss of agricultural products in the regions where we source our products from. These local experts are highly experienced in agriculture processes and are able to foresee the amount of loss we may expect when such an extreme weather event happens.

Thanks to our local experts we are able to take an early position and try to diversify the suppliers.

We also use the WRI Aqueduct Food to assess water risks for suppliers, which relies on two different climate-related scenarios for projecting future changes to water supply, seasonal variability, demand, etc. Thanks to this tool, we get information on what water risks and food security risks are, especially regarding agricultural products. In this process, we work with an external consultant to specify other potential procurement locations for products that we experience a revenue loss.

**TIMELINE:**

Since this is an action that is performed continuously and will continue in the future, the timeline for this action can be defined as ONGOING.

**RESULTS:**

Through working with the teams that have the right expertise, the supply chain and the purchasing regions are planned diligently so that the negative consequences of the climate-related risks are minimized.

**Cost of response**

1,200,000

**Explanation of cost of response**

As our response strategy is based solely on the expertise of our employees (i.e. regional experts), the cost of response includes the salaries of Migros experts only for the time period when they work to overcome the impacts of climate-related events.

## W4.3

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

## W4.3a

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

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**Type of opportunity**

Markets

### **Primary water-related opportunity**

Increased brand value

### **Company-specific description & strategy to realize opportunity**

In 2022, a survey on Sustainability Trends was conducted with 405 Migros customers to understand their perspectives on the concept of sustainability and their daily practices in this regard. As a result of the study, 78% of the participants stated that a brand's environmental options are effective in which brand they prefer to purchase. In parallel, 43% of customers stated that they tended more towards sustainable products compared to last year.

We consider this consumer trend as an opportunity and if we are able to seize this opportunity, we can increase the share of sustainable products in our revenue. Therefore, our task is to increase the share of sustainable products in our revenue to a value that is above 10% by 2030.

#### **ACTIONS-TIMELINE & COSTS:**

There are several actions we implement to seize this opportunity.

2022:

- 7.5% of our budget for R&D projects (10.7 Million TRY) invested in sustainability-related projects focusing on meeting our customers' demand for sustainable products
- Through our Better Future Plan we reflect our sustainability vision in many different areas and create shared value for our stakeholders to uphold our reputation. These actions are already included in the marketing budget, so no extra cost is reported.
- We used 25% r-Pet (recycled pet) in the packaging of our 6 private-label products in total. By using 18.10 tons of r-pet 74% energy savings were achieved. There are no extra costs for r-pet application.
- In order to make our efforts more visible, we have a project to tag sustainable products. As a first step of this project, sustainable attributes and certificates were identified for the sustainable products.-No extra cost

2023:

- Through our B2B system, suppliers that have products with the specified attributes and certificates are requested to identify their products in our system

2024:

- By the end of 2024, we plan to tag 80% of the sustainable products and highlight these products on our stores and online channels.

The total cost of the realized actions in 2022 is 10.7 million TRY.

#### **RESULTS:**

With the implementation of the above-mentioned actions, the share of sustainable products in our revenue increased from 3.92% to 7% in 2022.

### **Estimated timeframe for realization**

More than 6 years

### **Magnitude of potential financial impact**

High

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

5,215,138,390

**Potential financial impact figure – maximum (currency)**

7,450,197,700

**Explanation of financial impact**

We determine our sustainable product range in the following areas:

- Sustainable agriculture products with “Good Agricultural Practices (GAP)”,
- Sustainable Private Label products
- Less plastic used and recyclable products
- Organic products
- Vegan products
- Energy efficient electronic products
- Products with certified palm/soy/cacao content

Our sales numbers show us the growing demand for these types of products.

The magnitude of the impact depends on the share of financial impact in our revenue due to this opportunity.

In 2022 share of sustainable products including agricultural products in our revenue was 7% (5.22 billion TRY) which is identified as the minimum potential financial impact for this opportunity.

As this is already a realized impact, the maximum financial impact is calculated by taking into consideration our mid-term and long-term strategies to increase the share of these products in our portfolio.

According to our strategies, we predict the share of these products in our revenue will go up to 10% by 2030. Therefore the max. the financial impact is calculated as 10% of our current revenue (Billion TRY which is an underestimation as our revenues are expected to increase as well). Impacts of inflation and growth are not included in this calculation and the calculation is made using our 2022 revenue.

---

**Type of opportunity**

Efficiency

**Primary water-related opportunity**

Cost savings

**Company-specific description & strategy to realize opportunity**

Migros engages in a variety of efforts both to use water more efficiently and to prevent any waste water generated by its operations from adversely impacting the environment. We implement efficiency measures to reduce our water-related expenses.

**SITUATION:**

Total water withdrawal resulting from all Migros operations in 2022 was 1,018.130 ML.

**TASK:**

Migros tracks fulfillment of its water-withdrawal targets on the basis of its "Daily water withdrawal per m<sup>2</sup> of sales area" metric.

Our target is to reduce this figure by 10% with respect to a 2021 base year by 2030.

**ACTIONS:**

In order to increase water efficiency, we expanded the use of water-efficient automated armatures (time-adjusted tap water faucets) and aerators in whole stores. In 2022, 500 automated armatures (time-adjusted tap water faucet) and aerators were installed.

We are also investing in infrastructure and we have an allocated budget for these investments.

**TIMELINE:**

Each year we will install time-adjusted tap water faucets and aerators in every new store that is opened.

The needs of the old stores will be assessed and their infrastructure investments will be planned annually.

**RESULTS:**

All of these efficiency measures will enable us to use less water, hence reducing our operational expenses. In 2022 with the help of the efficiency measures we have reduced daily water withdrawal per m<sup>2</sup> of sales area by 1.9%, this means we are right on track to achieve our 2030 target.

**Estimated timeframe for realization**

More than 6 years

**Magnitude of potential financial impact**

Low-medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

71,619,439

**Potential financial impact figure – minimum (currency)**

## Potential financial impact figure – maximum (currency)

### Explanation of financial impact

The financial impact of this opportunity is calculated as follows:

Unit water price is calculated per year from 2022 to 2030 based on the annual average inflation expectations.

We have already achieved a reduction of 1.9% between 2021 and 2022. For the remaining time period, it is assumed we will reduce 1% per year to achieve our target of 10% reduction of daily water withdrawals per store m2.

The projection is made using annual sales m2 growth expectations.

The total financial impact calculated is 71,619,439 TRY which is the total financial impact between 2022 and 2030.

## W5. Facility-level water accounting

### W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

---

#### Facility reference number

Facility 1

#### Facility name (optional)

Group 1

#### Country/Area & River basin

Turkey

Other, please specify

Adriatic Sea - Greece - Black Sea Coast Major, Sea of Marmara Coast Minor Basin

#### Latitude

41.005952

#### Longitude

28.893877

#### Located in area with water stress

Yes

**Total water withdrawals at this facility (megaliters/year)**

46.57

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

46.57

**Total water discharges at this facility (megaliters/year)**

45.41

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

45.41

**Total water consumption at this facility (megaliters/year)**

1.16

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

There is a total of 11 stores and 2 distribution centers in this group of facilities which are all located in the same Major and Minor Basin. The coordinates given are the coordinates of the facility with the highest withdrawal volume among the group.

The consumption figure reported is calculated by the formula: Consumption=Withdrawal – Discharge.

The withdrawal, discharge and consumption figures have increased by 15.42% due to the increase in operations. When we assess the magnitude of change from the previous year, we consider the change up to +/- 5% as “about the same”, 5% to 25% as “higher/lower, and above 25% as much higher/lower. Therefore a 15.42% increase is classified as “About the same”. As we revise our assessment each year, the facilities exposed to water risk in each group can change from year to year. In the previous year, there were 15 facilities included in this group. However, in order to transparently reflect the changes the comparisons with the previous year are done within the same group of 13 facilities reported here.

---

**Facility reference number**

Facility 2

**Facility name (optional)**

Group 2

**Country/Area & River basin**

Turkey

Other, please specify

Black Sea South Coast Major, Kocaeli Minor Basin

**Latitude**

40.875783

**Longitude**

29.39626

**Located in area with water stress**

Yes

**Total water withdrawals at this facility (megaliters/year)**

55.03

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

18.1

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

36.93

**Total water discharges at this facility (megaliters/year)**

53.65

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

53.65

**Total water consumption at this facility (megaliters/year)**

1.38

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

This group of facilities consists of 4 stores, 1 distribution center, 1 Meat processing center, 1 warehouse and our HQ. These facilities are grouped together because they are all located in the same Major and Minor Basin. The coordinates given are the coordinates of the facility with the highest withdrawal volume among the group.

The consumption figure reported is calculated by the formula: Consumption=Withdrawal – Discharge.

The withdrawal, discharge and consumption figures have increased by 11.74% due to the increase in operations volumes. When we assess the magnitude of change from the



previous year, we consider the change up to +/- 5% as “about the same”, 5% to 25% as “higher/lower, and above 25% as much higher/lower. Therefore a 11.74% increase is classified as “Higher”.

As we revise our assessment each year, the facilities exposed to water risk in each group can change from year to year. In the previous year, there were 10 facilities included in this group. However, in order to transparently reflect the changes, the comparisons with the previous year are done within the same group of 8 facilities reported here.

---

**Facility reference number**

Facility 3

**Facility name (optional)**

Group 3

**Country/Area & River basin**

Turkey  
Sakarya

**Latitude**

39.6918

**Longitude**

32.824616

**Located in area with water stress**

Yes

**Total water withdrawals at this facility (megaliters/year)**

24.85

**Comparison of total withdrawals with previous reporting year**

About the same

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

13

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

11.85

**Total water discharges at this facility (megaliters/year)**

24.23

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

24.23

**Total water consumption at this facility (megaliters/year)**

0.62

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

This group of facilities consists of 3 stores and a distribution center. These facilities are grouped together because they are all located in the same Major and Minor Basin. The coordinates given are the coordinates of the facility with the highest withdrawal volume among the group.

The consumption figure reported is calculated by the formula: Consumption=Withdrawal – Discharge.

The withdrawal, discharge and consumption figures have decreased by 3.97%.

3.97When we assess the magnitude of change from the previous year, we consider the change up to +/- 5% as “about the same”, 5% to 25% as “higher/lower, and above 25% as much higher/lower. Therefore a % decrease is classified as “About the same”.

As we revise our assessment each year, the facilities exposed to water risk in each group can change from year to year. In the previous year, there were 6 facilities included in this group. However, in order to transparently reflect the changes, the comparisons with the previous year are done within the same group of 4 facilities reported here.

---

**Facility reference number**

Facility 4

**Facility name (optional)**

Group 4

**Country/Area & River basin**

Turkey

Other, please specify

Mediterranean Sea, East Coast Major, Gediz River Minor basin

**Latitude**

38.199372

**Longitude**

27.204198

**Located in area with water stress**

Yes

**Total water withdrawals at this facility (megaliters/year)**

106.8

**Comparison of total withdrawals with previous reporting year**

About the same

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

37.25

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

69.55

**Total water discharges at this facility (megaliters/year)**

104.13

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

5.9

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

98.23

**Total water consumption at this facility (megaliters/year)**

2.67

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

This group of facilities consist of 5 stores, 2 distribution centers, 1 breeding farm, 1 appetizer production facility and a MİGET Meat processing center. These facilities are grouped together because they are all located in the same Major and Minor Basin. The coordinates given are the coordinates of the facility with the highest withdrawal volume among the group.

The consumption figure reported is calculated by the formula: Consumption=Withdrawal – Discharge.

The withdrawal, discharge and consumption figures have decreased by 1.76%. When we assess the magnitude of change from the previous year, we consider the change up to +/- 5% as “about the same”, 5% to 25% as “higher/lower, and above 25% as much higher/lower. Therefore a 1.76% decrease is classified as “About the same”.

As we revise our assessment each year, the facilities exposed to water risk in each group can change from year to year. In the previous year, there were 8 facilities included in this group. However, in order to transparently reflect the changes, the comparisons with the previous year are done within the same group of 10 facilities reported here.

---

**Facility reference number**

Facility 5

**Facility name (optional)**

Group 5

**Country/Area & River basin**

Turkey

Other, please specify

Black Sea, South Coast Major, Bursa/Balikesir Minor Basin

**Latitude**

40.286362

**Longitude**

29.059279

**Located in area with water stress**

Yes

**Total water withdrawals at this facility (megaliters/year)**

8.64

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

8.64

**Total water discharges at this facility (megaliters/year)**

8.42

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

8.42

**Total water consumption at this facility (megaliters/year)**

0.22

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

This group of facilities consists of a distribution center and a fruit and vegetable warehouse. These two facilities are grouped together because they are located in the same Major and Minor Basin.

The coordinates given are the coordinates of the facility with the highest withdrawal volume among the group.

The consumption figure reported is calculated by the formula: Consumption=Withdrawal – Discharge.

The withdrawal, discharge and consumption figures have increased by 10.06%.

When we assess the magnitude of change from the previous year, we consider the change up to +/- 5% as “about the same”, 5% to 25% as “higher/lower, and above 25% as much higher/lower. Therefore a 10.06% increase is classified as “Higher”.

---

**Facility reference number**

Facility 6

**Facility name (optional)**

Group 6

**Country/Area & River basin**

Turkey

Other, please specify

Mediterranean Sea East Coast Major, Goksu River Minor Basin

**Latitude**

36.890438

**Longitude**

31.118026

**Located in area with water stress**

Yes

**Total water withdrawals at this facility (megaliters/year)**

39.1

**Comparison of total withdrawals with previous reporting year**

Much higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

39.1

**Total water discharges at this facility (megaliters/year)**

38.12

**Comparison of total discharges with previous reporting year**

Much higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

38.12

**Total water consumption at this facility (megaliters/year)**

0.19

**Comparison of total consumption with previous reporting year**

Much higher

**Please explain**

This group of facilities consists of 4 facilities, 1 distribution center, 1 fruit and vegetable warehouse, 1 wholesale store and one store. These 4 facilities are grouped together

because they are located in the same Major and Minor Basin. The coordinates given are the coordinates of the facility with the highest withdrawal volume among the group.

The consumption figure reported is calculated by the formula: Consumption=Withdrawal – Discharge.

The withdrawal, discharge and consumption figures have increased by 276.32%.

There are several reasons for this increase. The wholesale facility that is reported under this group is a new facility and 192% of the increase comes from this facility. However, the figures have also increased in other facilities due to increase in the number of employees and the amount of cleaning work. As the water is only used for domestic purposes in these facilities, the increase in number of employees directly impact our water consumption volumes.

When we assess the magnitude of change from the previous year, we consider the change up to +/- 5% as “about the same”, 5% to 25% as “higher/lower, and above 25% as much higher/lower. Therefore a 276.32% increase is classified as “Much Higher”.

---

**Facility reference number**

Facility 7

**Facility name (optional)**

Group 7

**Country/Area & River basin**

Turkey

Other, please specify

Mediterranean Sea East coast Major, Mugla Minor Basin

**Latitude**

36.90939

**Longitude**

30.764633

**Located in area with water stress**

Yes

**Total water withdrawals at this facility (megaliters/year)**

10.22

**Comparison of total withdrawals with previous reporting year**

About the same

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**



0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

10.22

**Total water discharges at this facility (megaliters/year)**

9.96

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

9.96

**Total water consumption at this facility (megaliters/year)**

0.26

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

This group of facilities consist of 3 stores and a fruit and vegetable warehouse. These two facilities are grouped together because they are located in the same Major and Minor Basin. The coordinates given are the coordinates of the facility with the highest withdrawal volume among the group.

The consumption figure reported is calculated by the formula: Consumption=Withdrawal – Discharge.

The withdrawal, discharge and consumption figures have decreased by 0.58%.

When we assess the magnitude of change from previous year, we consider the change up to +/- 5% as “about the same”, 5% to 25% as “higher/lower, and above 25% as much higher/lower. Therefore a 0.58% decrease is classified as “About the same”.

As we revise our assessment each year, the facilities exposed to water risk in each group can change from year to year. In the previous year there were 2 facilities included in this group. However, in order to transparently reflect the changes, the comparisons with the previous year are done within the same group of 4 facilities reported here.

---

**Facility reference number**

Facility 8

**Facility name (optional)**

Group 8

**Country/Area & River basin**

Turkey

Other, please specify

Mediterranean Sea, East Coast Major, Canakkale Minor Basin

**Latitude**

40.114273

**Longitude**

26.408957

**Located in area with water stress**

Yes

**Total water withdrawals at this facility (megaliters/year)**

4.12

**Comparison of total withdrawals with previous reporting year**

Much lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

4.12

**Total water discharges at this facility (megaliters/year)**

4.02

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

4.02

**Total water consumption at this facility (megaliters/year)**

0.1

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

In this store, we use municipal water (third party sources) and have access to third-party sources for discharging the wastewater. The wastewater is discharged to and is treated at municipal wastewater treatment facilities.

The consumption figure reported is calculated by the formula: Consumption=Withdrawal – Discharge.

The withdrawal, discharge and consumption figures have decreased by 26.56% in this store due to efficiency measures taken.

When we assess the magnitude of change from previous year, we consider the change up to +/- 5% as “about the same”, 5% to 25% as “higher/lower, and above 25% as much higher/lower. Therefore a 26.56% decrease is classified as “Much Lower”.

---

**Facility reference number**

Facility 9

**Facility name (optional)**

Group 9

**Country/Area & River basin**

Turkey

Other, please specify

Mediterranean Sea, East Coast Major, Seyhan River Minor Basin

**Latitude**

39.969232

**Longitude**

35.59257

**Located in area with water stress**

Yes

**Total water withdrawals at this facility (megaliters/year)**

10.64

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

10.64

**Total water discharges at this facility (megaliters/year)**

10.37

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

10.37

**Total water consumption at this facility (megaliters/year)**

0.27

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

This year we have opened a new distribution center in Adana, therefore this group now consists of 2 distribution centers in Adana. In both distribution centers, we use municipal water (third-party sources) and have access to third-party sources for discharging the wastewater. The wastewater is discharged to and is treated at municipal wastewater treatment facilities.

The consumption figure reported is calculated by the formula: Consumption=Withdrawal – Discharge.

The withdrawal, discharge and consumption figures have increased by 17.57% due to the inclusion of the new DC.

When we assess the magnitude of change from previous year, we consider the change up to +/- 5% as “about the same”, 5% to 25% as “higher/lower, and above 25% as much higher/lower. Therefore a 17.57% increase is classified as “Higher”.

---

**Facility reference number**

Facility 10

**Facility name (optional)**

MUĞLA DISTRIBUTION CENTER

**Country/Area & River basin**

Turkey

Other, please specify

Mediterranean Sea, East Coast Major, Büyük Menderes River Minor Basin

**Latitude**

37.258615

**Longitude**

28.228654

**Located in area with water stress**

Yes

**Total water withdrawals at this facility (megaliters/year)**

4.02

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

4.02

**Total water discharges at this facility (megaliters/year)**

3.92

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

3.92

**Total water consumption at this facility (megaliters/year)**

0.1

**Comparison of total consumption with previous reporting year**

Lower

**Please explain**

In this distribution center (DC), we use municipal water (third-party sources) and have access to third-party sources for discharging the wastewater. The wastewater is discharged to and is treated at municipal wastewater treatment facilities.

The consumption figure reported is calculated by the formula: Consumption=Withdrawal – Discharge.

The withdrawal, discharge and consumption figures have decreased by 11.65% in this distribution center due to the efficiency projects implemented in this DC.

When we assess the magnitude of change from previous year, we consider the change up to +/- 5% as “about the same”, 5% to 25% as “higher/lower, and above 25% as much higher/lower. Therefore a 11.65% decrease is classified as “Lower”.

---

**Facility reference number**

Facility 11

**Facility name (optional)**

Group 11

**Country/Area & River basin**

Turkey  
Kizilirmak

**Latitude**

38.722819

**Longitude**

35.496262

**Located in area with water stress**

Yes

**Total water withdrawals at this facility (megaliters/year)**

1.2

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

1.2

**Total water discharges at this facility (megaliters/year)**

1.17

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

1.17

**Total water consumption at this facility (megaliters/year)**

0.03

**Comparison of total consumption with previous reporting year**

Lower

**Please explain**

In this distribution center (DC), we use municipal water (third-party sources) and have access to third-party sources for discharging the wastewater. The wastewater is discharged to and is treated at municipal wastewater treatment facilities.

The consumption figure reported is calculated by the formula: Consumption=Withdrawal – Discharge.

The withdrawal, discharge and consumption figures have decreased by 14.29% in this distribution center due to the efficiency projects implemented in this DC.

When we assess the magnitude of change from previous year, we consider the change up to +/- 5% as "about the same", 5% to 25% as "higher/lower, and above 25% as much higher/lower. Therefore a 14.29% decrease is classified as "Lower".



---

**Facility reference number**

Facility 12

**Facility name (optional)**

Group 12

**Country/Area & River basin**

Turkey

Maritsa

**Latitude**

41.654976

**Longitude**

26.586074

**Located in area with water stress**

Yes

**Total water withdrawals at this facility (megaliters/year)**

3.15

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

3.15

**Total water discharges at this facility (megaliters/year)**

3.07

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

3.07

**Total water consumption at this facility (megaliters/year)**

0.08

**Comparison of total consumption with previous reporting year**

Lower

**Please explain**

In this distribution center (DC), we use municipal water (third-party sources) and have access to third-party sources for discharging the wastewater. The wastewater is discharged to and is treated at municipal wastewater treatment facilities.

The consumption figure reported is calculated by the formula: Consumption=Withdrawal – Discharge.

The withdrawal, discharge and consumption figures have decreased by 22.22% in this distribution center due to the efficiency projects implemented in this DC.

When we assess the magnitude of change from previous year, we consider the change up to +/- 5% as “about the same”, 5% to 25% as “higher/lower, and above 25% as much higher/lower. Therefore a 22.22% decrease is classified as “Lower”.

## W5.1a

**(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?**

**Water withdrawals – total volumes**

---

**% verified**

Not verified

**Please explain**

We are planning to verify the data within the next two years.

**Water withdrawals – volume by source**

---

**% verified**

Not verified

**Please explain**

We are planning to verify the data within the next two years.

**Water withdrawals – quality by standard water quality parameters**

---

**% verified**

Not verified

**Please explain**

We are planning to verify the data within the next two years.

**Water discharges – total volumes**

---

**% verified**

Not verified

**Please explain**

We are planning to verify the data within the next two years.

**Water discharges – volume by destination**

---

**% verified**

Not verified

**Please explain**

We are planning to verify the data within the next two years.

**Water discharges – volume by final treatment level**

---

**% verified**

Not verified

**Please explain**

We are planning to verify the data within the next two years.

**Water discharges – quality by standard water quality parameters**

---

**% verified**

Not verified

**Please explain**

We are planning to verify the data within the next two years.

**Water consumption – total volume**

---

**% verified**

Not verified

**Please explain**

We are planning to verify the data within the next two years.

## W6. Governance

### W6.1

#### (W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

#### W6.1a

#### (W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	<p>Description of the scope (including value chain stages) covered by the policy</p> <p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Commitment to prevent, minimize, and control pollution</p> <p>Commitment to reduce or phase-out hazardous substances</p> <p>Commitment to reduce water withdrawal and/or consumption volumes in direct operations</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</p> <p>Commitment to safely managed Water, Sanitation and</p>	<p>One of the main goals of our operations is to ensure environmental sustainability. Migros has an ISO 14001 Environmental Management Systems (EMS) Certificate. Our environmental management vision includes the continuous management of environmental impacts, establishing energy and water efficiency, establishing cooperation with suppliers to manage impacts throughout the value chain and conducting a variety of projects and campaigns to increase public awareness.</p> <p>We consider water management as a company-wide issue and we have a policy which is publicly available within our Environmental Policy. The Policy states that we will move forward together with our stakeholders to develop environmental awareness, to protect the environment and keep the needs of future generations a priority in order to leave them a clean environment. Our business dependency, impact, company-wide targets and goals, all our water-related commitments and other strategical approaches are documented in this policy document.</p> <p>We contribute to the protection of natural vegetation, wildlife and biodiversity while efficiently using soil and water resources in production, which is carried out in line with agricultural sustainability, labor and human rights.</p> <p>We are aware of the critical importance of water for human health &amp; we place great importance on providing clean water to our employees and all of our stakeholders in line with our commitment to human rights.</p> <p>Our policy can be reached at</p>

	<p>Hygiene (WASH) in local communities</p> <p>Commitment to stakeholder education and capacity building on water security</p> <p>Commitment to water stewardship and/or collective action</p> <p>Commitment to the conservation of freshwater ecosystems</p> <p>Commitments beyond regulatory compliance</p> <p>Reference to company water-related targets</p> <p>Acknowledgement of the human right to water and sanitation</p> <p>Recognition of environmental linkages, for example, due to climate change</p>	<p><a href="https://www.migroskurumsal.com/en/about-us/our-policies">https://www.migroskurumsal.com/en/about-us/our-policies</a> . Besides, in order to make our sustainability vision more inclusive, we implemented the Migros Better Future Plan (MBFP). With this strategic plan, we refer directly to water management and efficiency for the main purpose of combating climate change. Below you can find information on strategic goals directly related to water.</p> <p>Within the framework of MBFP we aim to:</p> <ul style="list-style-type: none"> <li>• Reduce our water footprint</li> <li>• Use water and energy sources efficiently;</li> <li>• Manage our waste; and transform back into the economy;</li> <li>• Protect biodiversity and eliminate our negative impacts;</li> <li>• Launch innovative applications which increase our productivity and make the lives of our stakeholders quicker and easier.</li> </ul> <p>The sustainability approach of our company within the scope of water management and efficiency is detailed in our 2022 Integrated Annual Report Pages (104,105,106,315)</p> <p>📎<sup>1</sup></p>
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📎<sup>1</sup>MigrosIntegratedAnnualReport2022.pdf

## W6.2

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

## W6.2a

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual or committee	Responsibilities for water-related issues
Chief Executive Officer (CEO)	<p>Our Board of Directors (BoD) is responsible for determining our strategic approach to sustainability including water-related issues such as sustainable growth, responsible sourcing, waste &amp; water management.</p> <p>Our CEO, as a member of the BoD and head of execution, has the highest</p>

	<p>responsibility about water-related issues in Migros.</p> <p>CEO is responsible for the execution &amp; implementation of the water-related strategies determined by the BoD &amp; fulfills this responsibility together with the Senior Management team.</p> <p>Our Sustainability Committee (SC) was appointed by the CEO to carry out the management, implementation, monitoring &amp; measurement of our water-related efforts. In the SC, all the main functions of our company are represented &amp; a discussion environment is offered that offers equal participation &amp; voice to all departments.</p> <p>In other words, the sustainability management approach is handled at the board level by the CEO and managed on the operational level by the SC. Through the Committee, in line with our Environmental Policy &amp; Migros Better Future Plan, we determine our short, medium and long-term actions and set qualitative &amp; quantitative development targets.</p> <p>Departments and working groups working on environmental management, report monthly to their C-Suite Officers who report highlighted issues to the CEO. SC consolidates data from the related persons and provides quarterly detailed reporting to the CEO who reports these issues to the BoD also on a quarterly basis.</p> <p>Some examples of water-related decisions of our CEO:</p> <ul style="list-style-type: none"> <li>- In 2021 our CEO has approved our target to reduce our water withdrawal per store m2 by 10% until 2030 with respect to a 2021 base year.</li> <li>- Our CEO has also approved a short-term annual target of 1% reduction per store m2 at the beginning of 2022 and we were able to exceed this target by reducing 1.9%.</li> <li>- Installation of rainwater harvesting systems in Bursa and Diyarbakır.</li> </ul>
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## W6.2b

**(W6.2b) Provide further details on the board's oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Monitoring progress towards corporate targets	Our Board of Directors (BoD) is responsible for determining the overall strategic approach to sustainability including water and climate-related issues such as sustainable growth, responsible sourcing, climate change, waste and water management.

	<p>Overseeing and guiding public policy engagement</p> <p>Overseeing major capital expenditures</p> <p>Overseeing the setting of corporate targets</p> <p>Overseeing value chain engagement</p> <p>Providing employee incentives</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Reviewing and guiding corporate responsibility strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding strategy</p> <p>Reviewing innovation/R&amp;D priorities</p> <p>Setting performance objectives</p>	<p>We always try to implement water-related issues in our governance mechanisms so that our BoD have access to broader information when they are working on the company strategy.</p> <p>In 2022, 5 BoD meetings were held, and in some of these meetings the following water-related issues were scheduled agenda items:</p> <ul style="list-style-type: none"> <li>- Sustainability strategy including water-related issues</li> <li>- Water-related targets</li> <li>- Water-related investments and major plans of action</li> <li>- Water-related risks and opportunities</li> </ul> <p>Our CEO, as a member of the BoD is the head of execution and he is responsible for briefing the board on water-related issues.</p> <p>The implementation of the water and climate-related strategies are also the CEO's responsibility and he fulfils this responsibility together with the senior management team.</p>
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## W6.2d

**(W6.2d) Does your organization have at least one board member with competence on water-related issues?**

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues
Row 1	Yes	The competence of the Board Members on water-related issues are assessed by reviewing their water-related previous experiences, responsibilities, representations, national/international publications etc.

	Currently, we have 3 Board Members who are competent on both climate and water-related issues.
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## W6.3

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

### **Name of the position(s) and/or committee(s)**

Other C-Suite Officer, please specify

Our Corporate Communications Group Director and Head of Sustainability

Committee reports directly to our CEO. This title is accepted as a C-Level position in Migros as it reports directly to the CEO.

### **Water-related responsibilities of this position**

Assessing future trends in water demand

Assessing water-related risks and opportunities

Managing water-related risks and opportunities

Setting water-related corporate targets

Monitoring progress against water-related corporate targets

Managing public policy engagement that may impact water security

Managing value chain engagement on water-related issues

Integrating water-related issues into business strategy

### **Frequency of reporting to the board on water-related issues**

Quarterly

### **Please explain**

Being the head of our Sustainability Committee, our Corporate Communications Group Director (CCD) has the highest responsibility on water-related issues right after our CEO.

The main water-related responsibilities of the CCD include: leading the SC to assess future trends in water demand, and also to assess and manage water-related risks and opportunities while setting and monitoring our water-related targets.

Being the highest-level position in corporate communications, our CCD is also responsible for integrating water-related issues into our strategy and making sure that our sustainability strategies are in line with our corporate strategy.

With the leadership of our CCD, the SC conducts the management, implementation and measurement of our activities in the field of sustainability.

Developments and results of these studies, risks, opportunities and future trends, are reported to the CEO and to the BoD through our CEO quarterly.



## W6.4

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Our Chief Expansion, Property and Construction Officer (CPO) has targets on sustainability issues which affect his annual bonuses.

## W6.4a

**(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Other C-suite Officer Chief Expansion, Property and Construction Officer	Reduction of water withdrawals – direct operations Improvements in water efficiency – direct operations Improvements in wastewater quality – direct operations Reduction of water pollution incidents Reduction or phase-out of hazardous substances	Our Expansion, Property and Construction Officer (CPO) makes the maintenance, repair and improvement decisions in line with our targets for the management and reduction of water consumption. In this direction, the decisions to evaluate and implement new methods such as installing water tanks in facilities, stores and DMs, renewing the installations, installing aerators and rainwater harvesting are also taken by the CPO. Decisions on the establishment of treatment plants for pollution and the	Our Expansion, Property and Construction Officer (CPO) has a target on efficient use of resources like energy and water. Therefore, reduction of withdrawals and improvements in efficiency are included in his KPI's, which is reflected to the CPO's salary as a bonus. In terms of water efficiency, our company's target is to reduce water withdrawals per sales m2 by 10% until 2030. In order to keep track of this target we also have an annual target of 1% reduction/ year achievement of which is reflected to our CPO's KPI's.

			<p>installation of grease trap equipment in stores with service aisles are also taken by the CPO.</p> <p>Performance indicators related to withdrawal efficiency contribute to the achievement of Migros's water commitments as it is directly related to our short (annual) and long-term (2030) targets to reduce water withdrawals per store m2 (Target 1 given under section W8.1b).</p> <p>Performance indicators related to water pollution contribute to our targets to increase investment related to reducing water pollution (Target 2 given under section W8.1b).</p>	
Non-monetary reward				

## W6.5

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

- Yes, direct engagement with policy makers
- Yes, trade associations
- Yes, funding research organizations

## W6.5a

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

Our Water Policy, which is a part of our Environmental Policy and Commitments, is shared with our employees via e-mail and circulars and with the public via our corporate website.

Our guidebook for our employees, explains all our corporate policies & Migros Code of Ethics with transparency & in detail. This guide is shared with all of our employees via e-mail when they start their new job & the guide is also available on the internet.

Our online training, where we present our policy content, is offered to our employees in order to ensure that our corporate policies are understood & adopted by all of our employees. All our employees are expected to complete this training. Our employees who cannot pass the exam at the end of the training must take the training again.

Also, only a select number of executives are authorized for official engagement with policy makers and they have extensive knowledge about our policies and commitments.

If an employee of Migros is detected to be involved in an engagement activity that directly violates our water policy & commitments, the detected inconsistency is reported to our Industrial Relations department for further evaluation. The employee may be referred to the disciplinary committee in line with the evidence. After the evaluation of the disciplinary committee, s/he may receive a penalty in the form of a warning, an aggravated warning or his/her employment contract may be terminated.

## W6.6

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

Yes (you may attach the report - this is optional)

## W7. Business strategy

### W7.1

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	16-20	The main water-related issue that is integrated in our long-term business objectives is the water-stress. According to the analysis we made using WRI Aqueduct, 92.77% of our withdrawals are from High to Extremely High water-stressed areas. And the water stress is expected to increase with the changing climate in the long-term (2040: 16-20 years) Because of this issue, we have integrated water efficiency into our long-term business plan. To this end,

			<p>we set short and long-term targets and take actions to realize them.</p> <p>Some examples of actions taken to integrate the water-related issues identified into our long-term business objectives are as follows:</p> <p>In order to make our sustainability vision that addresses many different areas more inclusive, we implemented the Migros Better Future Plan (MBFP).</p> <p>We maintain practices &amp; objectives of our about combating climate change, transition to a low carbon economy, water efficiency &amp; sustainability within the framework of international norms, national legal requirements, UN SDGs and the principles of the Consumer Goods Forum (CGF).</p> <p>Water-related objectives within the framework of MBFP are as follows;</p> <ul style="list-style-type: none"> <li>• Use water and energy sources efficiently;</li> <li>• Manage our waste; food and plastic in particular, and recover into the economy;</li> <li>• Protect biodiversity and eliminate our negative impacts.</li> </ul> <p>Our short and long-term water reduction targets are monitored as daily water withdrawal per square meter of sales.</p>
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	16-20	<p>As water stress is identified as the main water-related issue that Migros will be facing in the long term (2030-2040), we have also integrated issues related to water stress to achieve our long-term objectives.</p> <p>Apart from the target of decreasing water withdrawal in our stores, one of the long-term strategic plans of our Company is to help achieve the UN SDGs by 2030 as set out in our Integrated annual report in accordance with GRI Standards; particularly, SDG 6: Clean Water and Sanitation.</p> <p>Accordingly, we plan to do the best we can to contribute.</p> <p>Some examples of actions taken to integrate the water-related issues identified into our strategy for achieving our long-term business objectives are as follows:</p> <p>We are carrying out studies to ensure the efficient use of water, which is one of the most important natural resources, and to prevent the environmental impacts of wastewater generated by our activities. In this context,</p>

			<p>we monitor our water withdrawals monthly in all of our facilities report to the Senior Management and aim to reduce our water consumption by using efficient equipment. Our water withdrawal is monitored as the cubic meter of water withdrawn from the water meters of stores and warehouses.</p> <p>In all operational units, we monitor our water withdrawals on a monthly basis and aim to reduce our water withdrawals by using efficient equipment.</p>
Financial planning	Yes, water-related issues are integrated	16-20	<p>We include water-stress related data in our long-term financial planning. As we mentioned before, we determine water-related risks according to the WRI Aqueduct Tool. We check water stress and water depletion projections for 2040 for the locations we operate in using WRI water Risk Atlas Tool. According to these projections, we include expense items that may arise due to water stress in our long-term financial planning.</p> <p>Some examples of actions taken to integrate the water-related issues identified into our long-term financial planning are as follows:</p> <p>Although the measures we take on the basis of the risks we mentioned vary by years, we have a budget allocated (insurance, flood, OHS training costs etc.) and water-related issues, especially water stress is included in our short-medium and long-term financial planning.</p> <p>On the supply chain side, climate change driven water scarcity is one of the main issues that we consider, and include this risk in our long-term financial planning.</p> <p>On the operational side to implement the efficiency measures that were identified we have a dedicated budget.</p>

## W7.2

**(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

Row 1

**Water-related CAPEX (+/- % change)**

163

**Anticipated forward trend for CAPEX (+/- % change)**

103

**Water-related OPEX (+/- % change)**

118

**Anticipated forward trend for OPEX (+/- % change)**

216

**Please explain**

Change in OPEX is calculated using water bills. For the anticipated trend, water bills for the first half of 2023 are taken & a projection is made for the whole year.

The 118.70% increase in OPEX is due to the high inflation rates in Türkiye and also due to the increase in the number of stores. We also project our OPEX to increase 216.18% because of the same reason.

CAPEX made in 2022 was for water efficiency equipment, installation of new generation tools to prevent waste oil from being mixed into the sewer in our stores.

163% increase in CAPEX is due to the 35% increase in the number of stores where water-related infrastructure was installed and also due to the 100% increase in investment for faucets with timers.

Hence, our CAPEX has increased by 163% with respect to the previous year.

For the 2023 projection in CAPEX we will keep investing in water efficiency equipment as we did in 2022, therefore an increase of 103% is projected for the next reporting period.

## W7.3

**(W7.3) Does your organization use scenario analysis to inform its business strategy?**

	Use of scenario analysis	Comment
Row 1	Yes	<p>We use the WRI Aqueduct Tool to assess water risk for facilities within our operational control and for suppliers, which relies on two different climate-related scenarios for projecting future changes to water supply, seasonal variability, demand, etc.</p> <p>Thanks to the Tool, we get information on what water risks and food security risks are, especially regarding agricultural products, by 2030 and 2040. Water risks include risks such as water stress, drought risk, seasonal variability. In this</p>

		way, we have established a vital tracking mechanism for agricultural products that make up 77% of the sales in our stores. We indicated that this tracking mechanism is vital because by identifying which agricultural products have higher/much higher risk related to seasonal variability or any other water issue, we have an opportunity to engage with our suppliers and plan diversification of suppliers for most risky products.
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## W7.3a

**(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.**

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related Socioeconomic	<p>The Water Risk Atlas provides water risk data for 2020, 2030, and 2040 time horizons.</p> <p>The tool uses two climate scenarios, RCP 4.5 and RCP 8.5, and two shared socioeconomic pathways, SSP2 and SSP3.</p> <p>The implemented scenario analysis is qualitative only.</p>	<p>We use the WRI Aqueduct Country Ranking and Aqueduct Food Tool to assess water risk for facilities within our operational control and for suppliers, which relies on two different climate-related scenarios for projecting future changes to water supply, seasonal variability, demand, etc. The identified possible water-related impacts associated with the future scenarios are as follows:</p> <p>For our supply chain: Thanks to these tools, we get information on what water risks and food security risks are, especially regarding agricultural products, by 2030 and 2040. Water risks include risks such as water stress, drought risk, seasonal variability.</p>	<p>Description of the operational response to water related outcomes:</p> <p>For our supply chain: We have established a tracking mechanism for agricultural products that make up 77% of the sales in our stores. This tracking mechanism is vital because by identifying which agricultural products have higher/much higher risk related to seasonal variability or any other water issue, we have an opportunity to engage with our suppliers and plan diversification of suppliers for the most risky products. WRI helps us determine the most risky facilities and agricultural products. After this determination, apart from our suppliers, we engage with our employees in the most risky stores/distribution centers to design preliminary precautions for mitigation and/or adaptation to overcome water-</p>

			<p>In this way, we have established a vital tracking mechanism for agricultural products that make up 77% of the sales in our stores.</p> <p>We may face issues related to the supply of some products. Products that are extremely dependent on water may no longer be feasible to produce. For our direct operations:</p> <p>According to our analysis, 92.77% of our withdrawals by volume are from areas with High (40%-80%) and Extremely High (&gt;80%) baseline water stress areas.</p> <p>Most of the water we use is in our stores for hygiene purposes. If there are water shortages, we risk the hygiene of our employees and as our employees are dealing with our products, especially in service aisles we may face product safety risks.</p>	<p>related risks.</p> <p>Timescale of response: The tracking mechanism is already operational. Engagement with suppliers and employees is an ongoing process.</p> <p>For direct operations: We are developing projects to reduce our water consumption in our operations. We install aerators on the water faucets in our stores. We also install water storage systems in our stores and distribution centers. We conducted feasibility studies to implement rainwater harvesting systems in our distribution centers and decided to install them. The timescale of response: All the actions have been implemented in 2022. The rainwater harvesting system will be operational in 2023.</p>
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## W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

Yes

Please explain



We use an internal water price to assess the financial impact of water-related risks. We also use the internal water price in decision-making processes for water-related investments.

We revise the water price annually according to WRI water stress predictions and anticipated inflation rates.

## W7.5

**(W7.5) Do you classify any of your current products and/or services as low water impact?**

	Products and/or services classified as low water impact	Definition used to classify low water impact	Please explain
Row 1	Yes	<p>Criteria used to classify our products as low/water impact:</p> <p>Criteria for certified agricultural products:  Certification of agricultural practices.  Products that are certified as Good Agricultural Practices (GAP) can be traced and the water consumption during the production of these products is carried out within the scope of certain requirements.  Certified organic products use organic fertilizers and organic approved pesticides, hence they have less impact on groundwater pollution.  In addition, products such as rainforest alliance certified cocoa, tea and hazelnuts in our sale are considered within this scope.  This year, we launched Turkey's first rainforest alliance certified PL product, raw hazelnuts.  We identify our products with sustainable aquaculture certificates such as ASC as low water impact. Products with GAP, RA, Ecolabel and Global GAP certification are also identified as low-water impact.  This criterion applies to our upstream value chain, as certain standards are applied, the production processes either require less water or cause less pollution as they do not</p>	<p>As a part of our sustainable product portfolio, we sell ecological and sustainable detergents. During the use of these products, they have less environmental impacts, especially less impact on water bodies.</p> <p>Certified organic or agricultural products also use less water and cause less water pollution during production processes.</p>

	<p>use excessive amounts of pesticides and fertilizers. Therefore the products are classified as low water impact.</p> <p>As the classification is made using certificates and/or labels given by a third party, we only check for the certificates and labels and we do not use any thresholds.</p> <p>Criteria for certified detergents:</p> <p>As a part of our sustainable product portfolio, we sell ecological and sustainable detergents. These products have much less impact on the environment. These products rely on natural-based ingredients rather than non-renewable petroleum-based chemicals. Petroleum-based chemicals, especially surfactants are highly toxic to aquatic life and ultimately everything we put down the drain, flows into local water sources, polluting one of our most precious resources.</p> <p>Ecological and sustainable detergents are biodegradable and contain no optical brighteners, dyes or artificial fragrances. They are mostly plant based and plant-based detergents have different concentrations of plant-derived surfactants and stain-removing enzymes.</p> <p>As these detergents are biodegradable, they reduce water pollution and preserve aquatic life, therefore they are classified as low water impact.</p> <p>This criteria applies to our downstream value chain, the impact of the sold products during use is reduced, hence the products are classified as low water impact during use.</p> <p>As the classification is made using certificates and/or labels given by a third party, we only check for the certificates and labels and we do not use any thresholds.</p>	
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## W8. Targets

### W8.1

(W8.1) Do you have any water-related targets?

Yes

## W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	Yes	
Water withdrawals	Yes	
Water, Sanitation, and Hygiene (WASH) services	Yes	
Other	No, and we do not plan to within the next two years	We don't have any other water-related targets and currently we don't have plans to set new targets.

## W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

### Target reference number

Target 1

### Category of target

Water withdrawals

### Target coverage

Company-wide (direct operations only)

### Quantitative metric

Reduction in withdrawals per business unit

### Year target was set

2021

### Base year

2021

### Base year figure

1.33

### Target year

2030

### Target year figure

1.2

**Reporting year figure**

1.31

**% of target achieved relative to base year**

15.3846153846

**Target status in reporting year**

Underway

**Please explain**

We have a target to reduce our daily water withdrawals per store square meter by 10% with respect to 2021 levels by the year 2030.

In 2021 our daily water withdrawal per sales area was 0.001334 m<sup>3</sup>/m<sup>2</sup>. As the online response system does not allow for more than two decimal places in the base year figure is multiplied by 1000 and given in daily liters/m<sup>2</sup> as 1.33 liters/m<sup>2</sup>. In 2022 daily withdrawals per store m<sup>2</sup> went down by 1.9% to 0.001309 m<sup>3</sup>/m<sup>2</sup> which is also converted to liters /m<sup>2</sup> as 1.31 l/m<sup>2</sup>.

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**Target reference number**

Target 2

**Category of target**

Water pollution

**Target coverage**

Company-wide (direct operations only)

**Quantitative metric**

Increase in investment related to reducing water pollution

**Year target was set**

2022

**Base year**

2022

**Base year figure**

234

**Target year**

2030

**Target year figure**

500

**Reporting year figure**

234

**% of target achieved relative to base year**

0

**Target status in reporting year**

New

**Please explain**

This is a new target that is set in 2022. Within the scope of this target, we aim to increase the investment related to reducing water pollution. Our target is to increase the number of stores with installed oil traps from 234 in 2022 to 500 in 2030.

In our stores with fish aisles and hot food production areas, we replace the equipment we use with new-generation tools to prevent waste oils from mixing into the sewage system, which helps us prevent water pollution.

Migros considers the functionality of the equipment used in its stores. Additionally, we are trying to make our equipment more functional with the help of new generation tools in order to prevent waste oil generated in our stores from being mixed into the sewage.

In 2022, we installed the oil trap and strainer apparatus in 20 stores and the number of stores that have oil traps have reached 234.

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**Target reference number**

Target 3

**Category of target**

Water, Sanitation and Hygiene (WASH) services

**Target coverage**

Company-wide (direct operations only)

**Quantitative metric**

Increase in the proportion of employees using safely managed sanitation services, including a hand-washing facility with soap and water

**Year target was set**

2022

**Base year**

2022

**Base year figure**

70

**Target year**

2025

**Target year figure**

75

**Reporting year figure**

70

**% of target achieved relative to base year**

0

**Target status in reporting year**

New

**Please explain**

This is a new target set in 2022, we aim to increase the percentage of employees that have received the hygiene training.

We provide mandatory hygiene training to all our store employees on the way to employment, and thus we touch all of our employees in this area. Apart from this, we have online trainings for everyone, including our administrative units, in order to raise awareness about general hygiene, hand washing and cleaning. In 2022, 37,240 people, corresponding to 70% of the employees, were reported to have completed these supportive hygiene trainings. Our goal is to increase this rate to at least 75% by 2025.

All our stores and distribution centers have hygiene facilities, including water and soap, disinfectant, and paper towels. SWAB analyzes are also carried out so that proper hygiene for our employees can be ensured.

Correct hand washing trainings are given to the employees in order to increase the compliance rates (SWAB Results) and to monitor the hygiene awareness of the employees. While increasing these rates, we are also working through a digital project to increase the handwashing frequency of our employees.

## W9. Verification

### W9.1

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

No, but we are actively considering verifying within the next two years

## W10. Plastics

### W10.1

**(W10.1) Have you mapped where in your value chain plastics are used and/or produced?**

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations	<p>As of 2020, we had a partial mapping study for the commitment we made within the scope of Business Plastic Initiative (IPG). A mapping study was carried out in order to monitor and reduce the kg amount of plastic bags sold in our stores and to determine whether the packaging used in our PL products is recyclable. Likewise, studies have been carried out to see how much plastic is used in service departments and consumables in our operational units.</p> <p>As Migros, we do not produce plastic, so calculations concerning production are out of scope. In addition to the plastics used in our operations, products containing various types of plastic are also sold in our stores. HDPE, PET, PE, PP, PS, LDPE plastic types are generally used in all our operation units.</p> <p>In order to expand our action plan, mapping studies will be carried out in other operations in the coming years.</p>

## W10.2

**(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?**

	Impact assessment	Value chain stage	Please explain
Row 1	Yes	Direct operations	<p>Studies are carried out to evaluate the environmental effects of plastic use and the risks that may affect human health. It can be said that the evaluation made covers all our operation units. Within the scope of the evaluation, any type of plastic that may endanger human health is not used in the packaging of our private-label products, which are in contact with the food we sell.</p> <p>As part of our waste management, we try to reduce the packaging waste collected separately at the source and prevent the environmental hazards of plastics. Within the scope of the Zero Waste Regulation, our practices continue in all our stores, distribution centers and production facilities.</p> <p>Studies are carried out for stretch films containing LDPE in service departments.</p>

## W10.3

**(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.**

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Yes	Direct operations	Physical	<p>We evaluate the risks posed by our plastic bags and work to reduce them.</p> <p>One of our major actions to reduce the use of plastic bags is our work on bag-free shopping movement. In addition, we determine the recyclability rate by indexing our PL products and we are planning studies to increase this rate. We are also working on the use and reduction of plastic packaging with our suppliers.</p>

## W10.4

**(W10.4) Do you have plastics-related targets, and if so what type?**

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic packaging Plastic goods Waste management	<p>Reduce the total weight of plastic packaging used and/or produced</p> <p>Eliminate problematic and unnecessary plastic packaging</p> <p>Reduce the total weight of virgin content in plastic packaging</p> <p>Increase the proportion of renewable content from responsibly managed sources in plastic packaging</p> <p>Increase the proportion of plastic packaging that is</p>	<p>As a Business Plastic Initiative (IPG) signatory, we have a commitment to reduce 493 tons of plastic by the end of 2023. With the process improvements and collaborations made in this context, 463 tons of plastic waste has been prevented since 2021. Among our efforts to reduce the amount of plastic use; Our projects such as reducing the plastic weight of bags, switching to reusable cases in some shipments in our supply chain, conducting analyzes to monitor the recyclability of private label product packages, reducing the use of foam plates, switching to 100% recyclable PET plates in the fruits and vegetables in our Macrocenter stores can be cited as examples. In addition to these efforts, steps have been taken to benefit the circular economy thanks to our EKO-ASKI project, which is achieved by recycling non-food products collected from our stores. Thanks to the cooperation with OMO, refilling units were</p>



			<p>recyclable in practice and at scale</p> <p>Eliminate single-use plastic goods</p> <p>Reduce the total weight of plastics in our goods</p> <p>Eliminate problematic and unnecessary plastics within our goods</p> <p>Increase the proportion of renewable content from responsibly managed sources in plastic goods</p> <p>Increase the proportion of our goods that are recyclable in practice and at scale</p> <p>Increase the proportion of recyclable plastic waste that we collect, sort, and recycle</p> <p>Increase the proportion of recyclable plastic waste that is collected, sorted, and recycled in the community</p>	<p>placed in stores. Improvements are being made in the nut aisles to prevent single-use plastics. With the Refill unit project in cooperation with OMO, the amount of single-use plastics was reduced and awareness was created on reuse issues by contributing to the circular economy.</p> <p>For post-industrial recycled content, 2 more products belonging to the detergent category were added in 2022, and 25% r-pet was used in the packaging of our 6 private label products. It is among our goals to increase the number of products we use r-Pet to 10 in 2025.</p> <p>For post-consumer recycled content, 40 tons of plastic has been improved by switching to 100% recyclable PET plates in packaged fruits and vegetables in Macrocenter.</p>
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## W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	We don't produce any plastic polymers.
Production of durable plastic components	No	We don't produce durable plastic components.

Production / commercialization of durable plastic goods (including mixed materials)	Yes	White goods, large and small household appliances are sold in our large format stores. These products, which can be categorized as durable goods, may contain plastic.  Plastic kitchen appliances and storage containers are also sold.
Production / commercialization of plastic packaging	Yes	Migros shopping bags, refrigerator-garbage bags can be given as examples.
Production of goods packaged in plastics	Yes	Most of our Private Label products are packaged in plastics.
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	Yes	Being in the retail industry, we commercialize many products that use plastic packaging. We also use plastics in our service aisles.

## W10.7

**(W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.**

### Row 1

**Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)**

26,491.21

**Raw material content percentages available to report**

None

**Please explain**

Approximate tonnage of the domestic appliances sold during the reporting year.

## W10.8

**(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.**

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% post-consumer recycled content	Please explain

Plastic packaging sold	13,392.17	% post-consumer recycled content	2.4	The total weight includes the plastic packaging materials that were sold during the reporting period. We were only able to reach the post-consumer recycled content percentage for the plastic bags we sell at the counters.
Plastic packaging used	6,924.9	% post-consumer recycled content	0.26	Plastic packaging that is used in PL products, consumables, Macrocenters Home Made and MİGET. We used 18.5 tons of r pet in 6 of our private label products.

## W10.8a

**(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.**

	Percentages available to report for circularity potential	% of plastic packaging that is reusable	% of plastic packaging that is technically recyclable	% of plastic packaging that is recyclable in practice at scale	Please explain
Plastic packaging sold	% reusable % technically recyclable	24	30		Within the scope of the national waste management action plan, 30% of the shopping bags and other plastic packaging we put on the market are recycled by the relevant institutions and organizations after customer use and brought to the economy. We also implement our waste management plans in accordance with this regulation. Also, all of Migros shopping bags are reusable and technically recyclable.
Plastic packaging used	% technically recyclable		83	0.58	Within the scope of the Packaging Index Project, packaging analyzes were

	% recyclable in practice and at scale				made in a total of 585 private label products and information was obtained about the recyclable packaging rates. Our products have been analyzed as packages that are very easy to recycle, layered packages that cannot be recycled in Turkey's processes, and packages that can be recycled when the parts are separated. In our project, which has an important place in ensuring the traceability of our products, the information that the packaging is produced from recyclable materials is added to the description section of the Migros Sanal Market application, and our customers are encouraged to shop consciously.
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## W11. Sign off

### W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

### W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

**Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.**

Yes, CDP may share our Main User contact details with the Pacific Institute

**Please confirm below**

I have read and accept the applicable Terms