

Case 4. Migros' 35-year History of Social (Sustainability) Audits

(the following text is from the webpage of the website of Migros-Genossenschaftsbund, the giant Swiss food manufacturing and retailing cooperative:

<http://m10.migros.ch/en/unsere-verantwortung-en/grundsaeetze-en/nachhaltigkeitspolitik-en.>)

(It is also available in French, German and Italian)

The original Migros social audit was done in 1978 and its development is detailed in the professor's casebook, *Responsive Capitalism: Case Studies in Corporate Social Conflict*.

Please go to the website for a detailed look at the current social audit, which now is framed more as a "sustainability audit" than a social audit, although the topics covered and the metrics used are similar to that used 35 years ago.

"Set for Sustainability from Top to Toe"

Migros is committed to sustainable development. And delivers on its promise. Efficient management tools ensure that the retailer achieves continuous social and environmental progress. In 2010 it strengthened its position on sustainability.

Migros has a long-standing tradition of being committed to social and corporate issues, animal welfare and environmental protection. For example, it created Culture Percentage more than 50 years ago and started saving energy 30 years ago. This means that Migros was one of the first to consider the initial principles of sustainable development. Meanwhile, the retailer has placed the principles of sustainability – as a concept to secure long-term business success – at the heart of the Group's strategy.

By joining the Global Compact of the UN, Migros has also committed itself to working towards international principles of human rights and labour law, while promoting environmental protection and fighting corruption and ensuring that this is observed in its area of influence. Migros is also involved in the regional Swiss network of signatory companies to the Global Compact, which serves primarily as a platform for exchanging information and launching joint activities.

Sustainability implemented consistently

To implement its principles, Migros has expanded its management tools as regards sustainability services over the past years. For example, it defined key values (KPI, key performance indicators), which control not only business, but also social and environment-related company achievements, such as the level of fulfilment of the BSCI Code of Conduct and CO2 emissions. The Executive Board can thus consider equally aspects of profitability, the environment and social issues in its decisions.

Migros has also adjusted its structures to pursue and process sustainability topics. For instance, in 2007 it set up a so-called issue management and an issue and stakeholder forum. Due to the significance of environmental and social topics, last year Migros further expanded the position for issue management to create the Issue Management & Sustainability Department, which reports directly to the Chief Executive Officer. The team is the central platform for the sustainability policy of the Migros Group and cooperates with the relevant departments of FMC, the cooperatives and Migros Industry.

For responsible consumption

The Migros cooperatives are aware of their responsibility at the meeting point between demand and supply. For this reason, shelves are stocked with products that are produced with respect for people, animals and the environment: for instance, coffee from sustainable production, or the procurement of sustainable raw materials, such as palm oil and soya. The retailer demands from suppliers that they comply with international minimum standards – even if the products do not bear a corresponding label. As well as the high standard of its normal range, Migros also stocks a growing range of label products that offer particular ecological or social added value. In doing so, the company generated total sales of CHF 2.15 billion, which represents an increase of 6.5 per cent on the previous year. Sustainable label products today account for 14 per cent of overall sales.

Exemplary corporate environmental protection

Migros operates a comprehensive, corporate environmental management system. Three enterprises are also certified by ISO 14001. About 10 employees in FMC work full time on identifying how and where the company can save even more water and energy, reduce waste or protect the climate. They are supported by environment managers at the regional cooperatives and industrial enterprises, who implement numerous environmental measures year on year (see Section Environment). Migros won the EHI Award for this long-standing commitment to the environment in 2010.

In all important areas of environmental protection, Migros has binding targets – for example, in relation to energy consumption, CO2 emissions, water consumption, the use of refrigerants and waste. Each year Migros carries out an audit to ensure that operating units are on track and implements corrections, where applicable. Migros continues to focus on climate protection in particular, where it is pursuing Group-wide measures until the end of 2012.

In dialogue with people and society

Migros's commitment focuses clearly on people within its broad range: not only are the concerns of its customers taken seriously, the retailer also offers its employees progressive and responsible working conditions. Aware of its social responsibility,

Migros also stands for unrivalled services to society, education and culture; for instance, it gives more than CHF 100 million annually to the Migros Culture Percentage and supports numerous charitable projects conducted by the Aid Fund. Migros maintains a consistent, constructive and open dialogue with numerous stakeholders. To achieve joint targets, Migros seeks to cooperate with business partners and organisations, and enters into partnerships – for instance, with the WWF in the area of environmental protection.

UNGRADED ASSIGNMENT #4. What measure would you use to measure the contribution to “sustainability” of your home university? Send your answer to Professor Molander (emolander@yahoo.com) (**maximum length**: 150 words)

(Be sure to review the Migros website before answering this question.)