

A close-up photograph of a child's hand holding a single, vibrant green heart-shaped leaf. The child's face is blurred in the background, looking towards the camera. The background is a soft-focus green, suggesting an outdoor setting.

*Taking care  
of our world*

Growing  
Good Business



*Musgrave*



“Every child *deserves* to grow up  
in a world that is *vibrant, healthy,*  
*abundant and prosperous.*”



# Caring for *People, Planet and Prosperity*

*Introduction from our CEO*

Our world is changing. Today, more than ever we are acutely aware of the enormous challenges facing our *fragile planet* – from climate change, population growth, resource depletion, water scarcity and loss of biodiversity to human rights, poverty and health.

As a sixth-generation family business with a 140-year heritage and a strong set of values that guide our actions, Musgrave genuinely cares for people and for the planet.

This is why we became one of the first companies worldwide to embed the UN Sustainability Goals in our strategy. It's why our purpose is **Growing Good Business** – because we believe growth should not come at the expense of doing the right thing.

**“ We recognise that if we want to make a real impact on the planet then we must *work in partnership with others to create a movement of large scale positive change.*”**

We believe that everyone has a responsibility to leave a positive impact on the world around them and to influence others to do likewise. This makes doing the right thing by the planet integral to doing the right thing for our people, our communities and our business.

We have four areas of focus:

1. Inspiring healthier lives
2. Building sustainable communities
3. Sourcing responsibly
4. Caring for our world

For Musgrave this means taking real actions in areas where we can directly make an impact.

It also means working with hard targets and robust reporting – just as we would with any other part of the business.

Over the past 15 years we have done a lot but now we want to push on and move to the next level. We recognise that if we want to make a real impact on the planet then we must work in partnership with others to create a movement of large scale positive change.

And big changes don't come easily. The commitments captured in this document are measured over years, which means they must become fully embedded into our business to be sustainable. Furthermore, different parts of our business work in different ways – so a one-size-fits-all approach just won't work. We need to work with our retailers to focus on where we can be most effective and gain most traction.

Our retail partnership brands come to life through the innovation and hard work of thousands of entrepreneurs with deep roots in their communities. Leveraging the passion and focus of this network of local business leaders gives us a unique ability to build momentum and make every Irish community a sustainable community.

We are committed to playing this leadership role, to working hard to meet the challenges of managing our own impacts, to sharing our expertise and supporting our partners, communities and government in any way we can to bring about positive change.

**Growing a network of positive change** is a sustainability agenda that will come to life through collaboration – with our retailer and supplier partners, with charities and NGOs,

with local authorities and government, with communities and with shoppers.

It proposes challenging targets and an ambitious agenda for change.

We believe that making these changes is the right thing to do and will leave a positive and lasting legacy for future generations. Join the movement, help us make every Irish community a sustainable community.

A handwritten signature in black ink, reading "Chris Martin". The signature is stylized with a long, sweeping horizontal line extending from the end of the name.

**Chris Martin**  
CEO, Musgrave



# Who we are – *the Musgrave difference*

Leaving a *positive legacy* is at the core of what we do and a key driver for the way we work. For 140 years, we have been championing a better way of doing business, with *strong values*, *bold ideas* and a good track record for *balancing profitability* with doing the right thing. We want to build a more prosperous Musgrave and support a more *prosperous society*.

Today, at the heart of the Musgrave brand is a simple, inspiring purpose that clearly defines what we do and why we do it – **Growing Good Business**. As a central tenet that informs all that we do, we want this purpose not just to inspire but to stand up to scrutiny. 'Growing' is important because ultimately growth is what drives a living, breathing organisation. But 'good business' matters just as much, because we believe growth should not be achieved at the expense of doing the right thing.

Musgrave remains a people business centred on human connection.

Throughout our history, we've always given meaningful employment to committed people who love what they do. And now, more than ever, as a diverse team united by a passion for good food, our people feel a genuine connection to our purpose and to our ambition to feed the island of Ireland.

We are a family firm and this means we can look at business in a different way – what Musgrave looks like to future generations matters as much to us as our activities today.

This is why sustainability has always been in our DNA, and remains at the heart of what we do.





“Our people feel a *genuine connection* to our purpose and to our ambition to feed the island of Ireland.”

We see the future of Musgrave as that of a dynamic and trusted brand that’s ambitious about driving substantive change.

Today, we make it possible for communities to thrive, for entrepreneurs to succeed and for people to access quality, healthy and inspiring food – and we do it following principles that are as relevant today as they were to our founders. Moving forward, we are leveraging our local networks and long term relationships to deliver our sustainability agenda to people and communities across the country.

We do this through our unique network of retail and food partners

who have a presence in every city, town and village throughout the island of Ireland. We want to use this scale and breadth so that the impact of our work not only benefits the communities we serve, but also does so sustainably, so that we positively impact the planet.

We will continue to think for the long term and remain committed to enterprise that has the potential for financial growth and to positively impact everyday lives.

That’s why we are in the business of **Growing Good Business.**

# *Growing a Network for Positive Change*

Our overarching ambition is to be the most trusted and most sustainable brand in Ireland; *making a real difference* to people's lives and creating *a positive impact* on the planet by working with our partners to *make every community a sustainable community*.

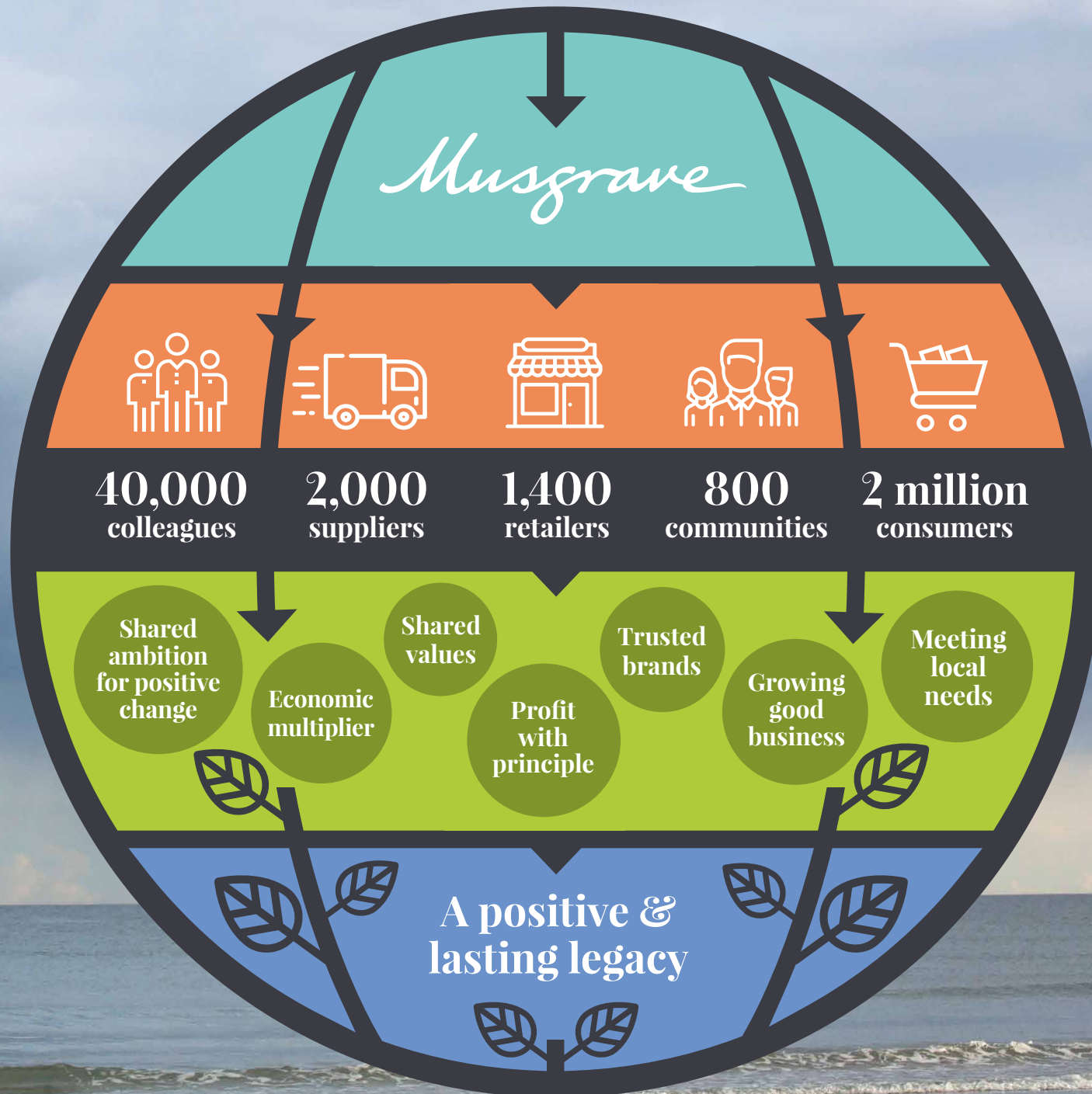
Musgrave has a unique network of retailers and suppliers – local entrepreneurs who are passionate about their communities and being part of a better more sustainable Ireland. Leveraging this network can make every Irish community a sustainable community.

The Musgrave  
*effect*

A network of  
*positive change*

Inspiring  
*possibilities*

*A positive & lasting  
legacy for future  
generations*





# Our *Commitments*

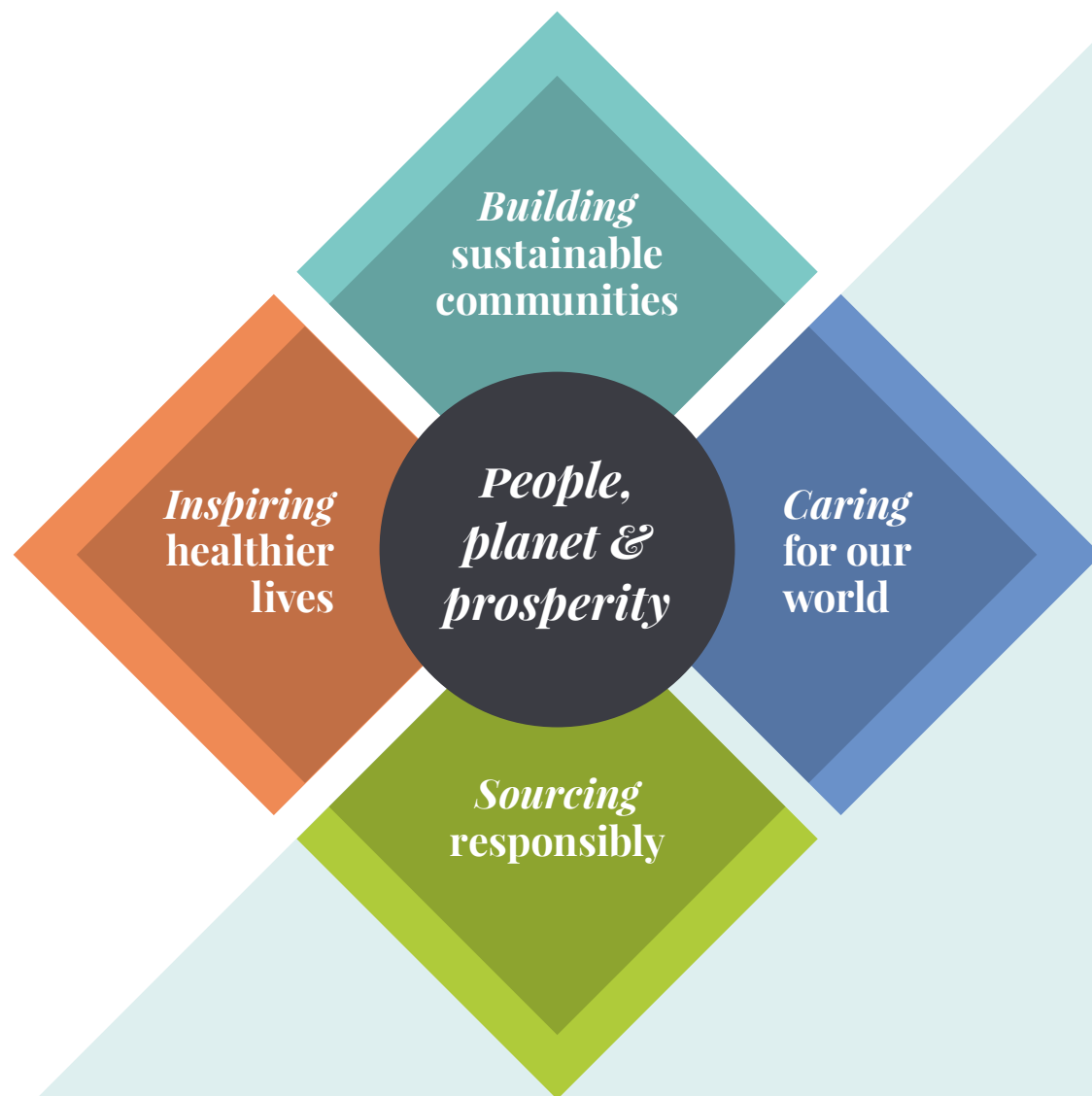
As a trusted brand we recognise that we have a unique role in the everyday lives of people across Ireland.

We feed 1 in 3 people on the island of Ireland and through our network of retailers we have a presence in every city, town and village throughout the country. This scale and breadth gives us the opportunity and the responsibility to make a positive contribution to people's lives every day.

In line with the UN Sustainable Development Goals, we describe our activities under four focus areas that we call our Commitments. These are:

1. Inspiring healthier lives
2. Building sustainable communities
3. Sourcing responsibly
4. Caring for our world

“Taking care of *people, the planet and prosperity*”



# Our Sustainability *Commitments*

Children are the future of our country, and every year around 90,000 children are born in Ireland. They have their whole lives ahead of them and we have the responsibility to ensure they grow up in a world that is healthy, clean and sustainable. One that is alive with promise, prospects and vibrant communities.



“What will our *world* look like in 30 years’ time? Let’s build a *lasting legacy* that *preserves* our planet and natural resources for *future generations*.”



1

## *Inspiring* healthier lives

We will improve the health of 2 million consumers across the island of Ireland.

2

## *Building* sustainable communities

We will make a positive impact on the planet by enabling our partners to make every local community in Ireland a sustainable community.

3

## *Sourcing* responsibly

We will be the most trusted food operator across the island of Ireland, known for the integrity of our supply chain from farm to fork.

4

## *Caring* for our world

We will minimise the impact of our operations on the world around us and use our network to influence others to do likewise.

A close-up photograph of several children's hands, some with freckles, holding small blackberries. The hands are cupped together, and the berries are being shared. The image is overlaid with large, semi-transparent orange and white geometric shapes. In the bottom left corner, there is a quote in white serif font.

*“Prosperity starts with **good health**, and every child deserves a long, happy and healthy life.”*

1

## *Inspiring healthier lives*

*We will improve the health of 2 million consumers across the island of Ireland.*

- ◇ By 2020 we will grow our sales of healthier products in SuperValu and Centra by 25%
- ◇ By 2020 we will support colleagues to make Musgrave one of the healthiest workplaces in Ireland
- ◇ By 2020, 40% of food promotions in SuperValu and Centra will be on healthier products
- ◇ By 2020 we will reduce fat, salt and sugar in our own brand products by 10%
- ◇ By 2020 we will increase our healthy own brand ranges by 20%
- ◇ By 2020 we will support over 2,000 foodservice customers to create healthier menus
- ◇ By 2020 we will support over 300 symbol operators to create a healthier food offer

## 1

# *Inspiring* healthier lives

*At Musgrave, we recognise that we have an important role to play to encourage, support and inspire people to live healthier, more active lives.*

As a food business, we understand that nutrition fuels healthy lives and recognise our responsibility to lead the promotion of health and wellbeing with colleagues, customers, partners and consumers. This means working with suppliers on new, healthier products, as well as reformulating existing ones; educating and supporting colleagues on healthier food and active lifestyles; and inspiring consumers to make their own changes, by providing a healthier, more nutritious and affordable food offer.

And we want to do more. Working with partners, using technology and through our network of local stores and organisations, we want to improve the health and wellbeing of more than 2 million people across the island of Ireland.

## **A network for positive change...**

With our stores at the heart of towns and cities across Ireland, we feed many thousands of people every day. We

understand that we have a wider role to play and take our responsibilities seriously.

We are building a network for positive change, working hard to inspire healthier lifestyles by helping customers improve their understanding of the relationship between their health, the food they eat and the lifestyles they lead.

From individuals making decisions about the food they feed their family, to organisations creating healthier working environments, to chefs developing menus for people in their care, we want people to make better choices, to cook from scratch at home, and enjoy using fresh, seasonal produce.

The decisions we make about the suppliers we use, the products we promote and the messages we share with our customers; all have a role in driving positive change.

We believe the way to inspire better eating



and exercise habits is to reach out to people of all ages, working with partners to create initiatives that really make a difference.

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***“Our focus to date has been on ensuring our nutritious food options are inspiring and delicious, whilst remaining affordable and accessible to everyone.”***

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***“In 2016, as part of a programme to reduce the levels of salt and sugar in our own brand ranges, we reformulated our own brand cooking sauces. Our approach was to gradually reduce the levels of salt and added sugar, without impacting the taste, texture and overall performance of the product. On average, we reduced salt by 21% and sugar by 33% across the range. The new recipes were very well received by our shoppers and we are now replicating this approach across other own brand ranges. As part of our commitment to making our overall range healthier, we will continue to improve the ingredient and nutritional profile of own brand ranges.”***

**Sharon Buckley**  
Commercial Director, Musgrave





“We have the *opportunity* to ensure *vibrant* communities still exist and *thrive* to support Ireland’s *future generations*.”

2

## *Building sustainable communities*

*We will make a positive impact on the planet by enabling our partners to make every local community in Ireland a sustainable community.*

- ◇ Working with our retail partners, we will improve the prosperity and vibrancy of communities across the island of Ireland
- ◇ By 2020 we will increase our support for local suppliers by 25%
- ◇ By 2020 we will expand the award-winning Tidy Towns programme to encompass 25% more communities, enhancing local and built environments across Ireland
- ◇ We will foster inclusive, diverse and healthy workplaces that encourage, challenge, support and respect colleagues; helping them to grow and develop
- ◇ By 2020 we will support Musgrave colleagues to complete 10,000 hours of community volunteering annually
- ◇ We will work with Business in the Community to embed sustainable business practices in Irish SMEs

## 2

## ***Building sustainable communities***

*With a network of local food entrepreneurs in every town and village across the island of Ireland, we want to harness their creative energy to make every community a vibrant one for generations to come.*

In an era of unprecedented social and cultural change, communities today need to constantly shift and change to survive. We know that despite the changes communities need to make, Ireland has an enduring passion for local life and that our retail partners play a big part in bringing people together.

To create vibrant communities with a sense of social cohesion, we need to consider their social, environmental and economic need. By leveraging our network of retailers, suppliers and food entrepreneurs, we can help bring communities to life and build a sustainable society.

### **A network for positive change...**

We are committed to working in partnership with others, to lead and support initiatives that will prevent social isolation and keep local communities alive. We are a family

business with family values, the same values that bind communities and cement relations, and this is what drives our business every day. As a single force for good, each store supports the livelihoods of many other local families through sustainable, local employment. Together with our retail partners we employ almost 40,000 people across the island of Ireland. If we multiply this by the thousands of people across our broader network – from producer to consumer – we can start to see the vast resource we have. People who can help us to prevent social isolation, build local economies and protect the environment, wherever they may live.

Every year our retail partners seek out and support hundreds of local sporting, social, cultural and charitable causes. This support comes in many guises from cash and product donations, to providing space and time



in-store to the hundreds of hours of volunteer time. Sometimes it's just about doing a good turn for a neighbour.

We can harness the unique position of our independent retail partners and their understanding of their communities, to deliver initiatives that actively improve the everyday lives of people in villages, towns and cities across Ireland.

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***“Our brands are embedded in the heart of local communities – the vast majority of stores are owned and operated by local people.”***

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**“At Musgrave, building vibrant communities is at the heart of our vision. As a member of Business in the Community Ireland (BITCI), our participation in the annual BITCI Business Impact Map enables us to quantify our impacts on local communities across Ireland. The mapping exercise allows us to record the range and spread of the many community activities Musgrave supports directly or through the work of our employees. In 2016 Musgrave made direct contributions of more than €1 million to over 150 community causes while colleagues gave over 2,600 volunteer hours in support of vital initiatives such as the Musgrave Triathlon which supported Breakthrough Cancer Research, Irish Autism Action, Our Lady's Children's Hospital Crumlin, the Simon Communities of Ireland and the Irish Cancer Society's Action Breast Cancer Programme. The BITCI Business Impact map allows us to communicate what we are doing, and also helps us to identify where we can do more to achieve a positive network for change.”**

**Edel Clancy**  
Communications Director, Musgrave



A child's hand is visible holding a piece of food, possibly a slice of watermelon or a similar fruit, which is partially obscured by large, abstract, semi-transparent geometric shapes in shades of green and yellow. The background is blurred, showing what appears to be a child's face and clothing.

“Every child deserves to grow up in a country where *traditional farms* still thrive and where *nature* lives in *harmony* with our food production to create a *healthy ecosystem*.”

3

## Sourcing responsibly

*We will be the most trusted food operator across the island of Ireland known for the integrity of our supply chain from farm to fork.*

- ◆ We will set leading standards for sourcing; continuously raising the bar on transparency across our entire supply chain
- ◆ We will collaborate with government agencies, Bord Bia and Origin Green to ensure that 100% of our Irish meat, dairy and eggs are always in compliance with the highest standards of animal welfare
- ◆ By 2020, 100% of our Irish meat and fresh produce will be certified Origin Green
- ◆ By 2018, we will establish a system to audit and validate that the human and labour rights of all workers in our fresh and own brand supply chains are fully respected
- ◆ By 2020 we will increase by 25% the number of small suppliers we support in our retail and foodservice businesses through our Food Academy programmes
- ◆ We will continuously improve the sustainability standards of our meat, fish and produce, taking account of environmental, biodiversity and livelihood factors

## 3

## Sourcing responsibly

*As an Irish family business with a 140-year heritage, Musgrave has built its reputation and that of its brands on the strong, long term relationships we have with our supplier partners.*

As populations grow, we need to produce more food. On our small island, the same land space must continue to feed ever more people – and, over recent years, satisfy more demand for greater variety and quality of food.

As a leading food business, we are aware of the need to retain the trust shoppers have that the food we sell is of the highest quality and has been produced and sourced to strict ethical, animal welfare and food safety standards. We are working to increase the transparency of the supply chain and to constantly and consistently improve sustainability standards, making it easier for consumers to trust the provenance and the quality of their food.

We only work with suppliers who take due care of their people and the environment in which they operate. Through our sourcing policies and supplier partnerships we deliver inspiring and innovative ranges to Irish

consumers and support a thriving network of local producers and food businesses that are the bedrock of local economies.

### **A network for positive change...**

As a leading food business, we have the ability and responsibility to positively impact the whole Irish food chain, from the prosperity of farming and traditional food production, to the quality of produce and the economic wealth of the industry.

We can only do this by mobilising our whole network, from the large suppliers to the small artisan producers, from our retail partners to their store employees and the local people they serve.

We seek out and promote Irish suppliers, but we need all producers to commit to continually raising their environmental, ethical and animal welfare standards to meet the expectations of today's shoppers. Their



commitment to building a thriving eco-system that is sustainable for the long term will benefit businesses and consumers alike for generations to come.

However, this hard work will be wasted if we do not drive home the message to shoppers and create consumer demand for locally produced, high quality food. Our retail stores play a pivotal role in supporting shoppers to make informed choices by showcasing the best of Irish produce on their shelves. Meanwhile employees and communities can play their part by choosing products that support independent food producers in Ireland.

We will continue to support enterprise and innovation. Year on year, we commit to increasing the number of micro suppliers we support in our retail and foodservice businesses.

“*Musgrave Food Academy was established in 2013 as a joint initiative between Musgrave, Bord Bia and the Local Enterprise Network, to harness the energy and passion of entrepreneurial food producers from all over Ireland. Today over 350 small food producers are a part of Food Academy; supplying our SuperValu network. These producers share with us an ambition for local sourcing, local business and local success. They are important partners for us in achieving our ambition for supporting a thriving network of local producers and food businesses that are the bedrock of local economies. In 2016, we expanded Food Academy to create Foodservice Academy, a new programme run by our Musgrave MarketPlace division. This has seen the first 10 small food and drink producers join a programme to harness their passion and talent to bring great local Irish food to the foodservice sector. Supporting local suppliers is a core part of our sustainability commitments for 2020.*”

**Martin Kelleher**  
Managing Director, SuperValu & Centra



A young girl with curly hair is shown from the chest up, holding a piece of dark, leafy seaweed up to the light. She is wearing a dark jacket. The background is a bright blue sky with soft, white clouds. The image is overlaid with large, abstract, semi-transparent geometric shapes in shades of blue and white, creating a modern, layered effect.

“We cannot leave our children to right the wrongs of previous generations. Let’s start *caring for our world* now, and leave a *cleaner, greener planet for everyone.*”

4

## *Caring for our world*

**We will minimise the impact of our operations on the world around us and use our network to influence others to do likewise.**

- ◇ By 2020 we will ensure that no food that is fit for human consumption is wasted, but is used to alleviate food poverty through our support for food re-distribution charities
- ◇ By 2020 all of our retail and foodservice operations will have access to food re-distribution charities
- ◇ By 2030 we will halve our food surplus in line with UN Sustainable Development Goal 12.3
- ◇ Through product and packaging initiatives, we will help consumers to reduce food waste in the home
- ◇ By 2020 we will implement three major collaboration projects with suppliers aimed at enhancing bio-diversity
- ◇ By 2025 we will reduce the carbon intensity of our operations across the island of Ireland by 70%\*
- ◇ By 2025 we will reduce the climate impacts of our refrigeration systems by 80%

\*from our 2006 baseline

## 4

# Caring for our world

*More than ever, we all need to take responsibility for our impact on the world about us to protect and preserve our environment for future generations.*

Our world faces a range of environmental challenges driven by a combination of factors that include population growth, increased demand for natural resources, greater intensification of agriculture, rapid industrial development and expansion of transport systems. These factors result in higher emissions of Greenhouse Gases (GHGs) linked to climate change and other pollutants that impact air quality and human health.

At Musgrave, our strategies are designed to minimise the environmental and climate change impacts of our operations. We set ambitious annual energy and waste reduction targets and use renewable and alternative energy to cut our emissions of greenhouse gases and other pollutants. We want to share our knowledge and experience with our wider network so that together we can positively impact the planet.

## **A network for positive change...**

For over 10 years we have operated an energy monitoring and targeting system across our building estate and have supplied our facilities with 100% green electricity. We have also extended the supply agreement to make green power available to our retail partners across Ireland, reducing GHG emissions.

We focus on preventing waste at source and on maximising recycling by sending zero recoverable waste to landfill. We also leverage our expertise to help our retail partners and their customers to minimise their waste too.

We continue to minimise food waste through better handling and stock management procedures, as well as by designing our own brand packaging to prevent product damage or loss and extend shelf life. At the same time we work with suppliers to optimise our own brand packaging so that it is fit-for-purpose,



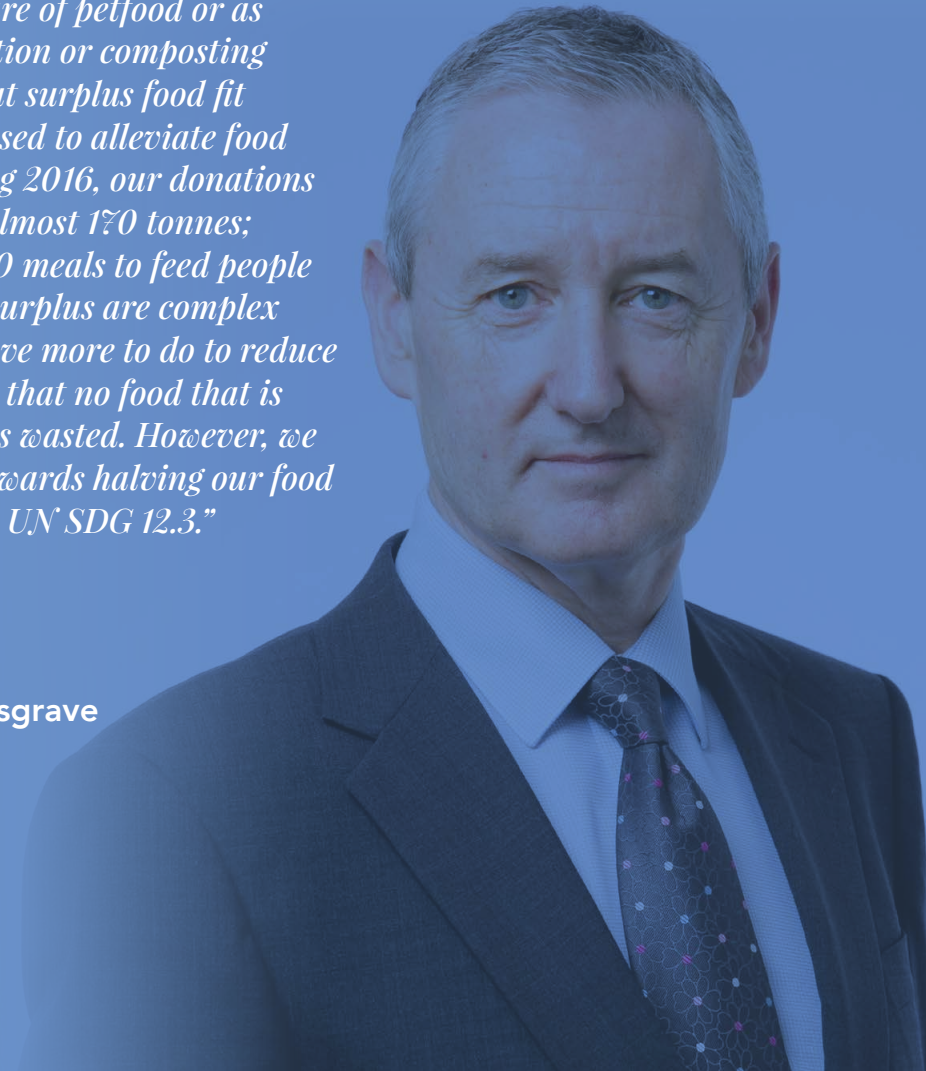
but minimal from a materials and energy-inputs perspective. We are also making sure that we harmonise the date labels we place on own brand and fresh produce, in line with international best practice, to avoid confusing consumers and creating more food waste.

We do not want our promotional offers to lead indirectly to food surplus. Suitable short-dated food is diverted to food charities for their use, with other treatment solutions such as anaerobic digestion or composting used for food we can't pass on. We are also working on new initiatives to help consumers minimise their food waste in the home.

Collaborating with suppliers, farmers and growers, we are also working hard to reduce the water footprint of our supply chain.

“*Managing surplus is a challenge for the food industry. At Musgrave, we have operated a zero tolerance on food waste to landfill for the past 10 years. By quantifying our waste and identifying the root causes of surpluses, we have been able to develop standard operating procedures and practices that focus, first, on prevention, then re-distribution to charitable causes and, thereafter, on using the remainder in the manufacture of petfood or as feedstock in anaerobic digestion or composting systems. We are ensuring that surplus food fit for human consumption is used to alleviate food poverty, which is why, during 2016, our donations to FoodCloud amounted to almost 170 tonnes; contributing to over 350,000 meals to feed people in need. The causes of food surplus are complex and we know that we still have more to do to reduce it further and to ensure that that no food that is fit for human consumption is wasted. However, we are committed to working towards halving our food surplus by 2030 in line with UN SDG 12.3.*”

**John Curran**  
**Head of Sustainability, Musgrave**



# Aligning *our sustainability* with the UN's Sustainable Development Goals



In 2015, the UN Sustainable Development Goals (SDGs) were published, presenting businesses with a new framework to inform the design, delivery and communication of their sustainability ambitions. Musgrave became one of the first companies globally to embed the principles in its sustainability strategy, placing them at the core of our day-to-day business activities. With this alignment we will contribute to the advancement of the global sustainable development agenda, through the commitment of our people, colleagues and our retail partners to the delivery of the SDG goals and in becoming a truly sustainable business.

# Our journey *continues*

**We have grown up in an age of plenty, but also one in which we've often enjoyed the planet's abundance without thinking about the generations to come.**

At Musgrave, we have made significant changes to the way we operate to become a more sustainable business. Some of the changes have been transformational, but we can do more. That's why we are starting this new journey.

It's a journey we don't want to go on alone. We want to take our retail partners, suppliers, employees and shoppers with us. Help us to bring sustainability to life, to make every community a vibrant one, to reduce our impact on the environment and make every child's future in Ireland a healthy, prosperous and happy one.



Taking care of *people*,  
the *planet* & *prosperity*

Growing  
Good Business



*Musgrave*

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**SuperValu**

**Centra**

**Dialprix**

**MACE**

**Dialsur**  
tu cash & carry

**Daybreak**

MUSGRAVE  
**MarketPlace**

  
**FRANK AND HONEST**  
GOURMET COFFEE COMPANY

  
**CHIPMONGERS**  
FOR CHIP LOVERS