

Single Use

From: [REDACTED]@musgrave.ie> on behalf of [REDACTED]
[REDACTED]@musgrave.ie>
Sent: Wednesday 23 November 2022 14:52
To: SingleUse
Subject: Musgrave Response to the Disposable Cup Levy Consultation
Attachments: Musgrave Disposable Cup Levy Submission.pdf

To whom it may concern,

Please see attached Musgrave's Response to the Disposable Cup Levy Consultation.

We are happy to meet with you to discuss our response at any time that is convenient to you.

All the best,

[REDACTED]
Group Director of Corporate Affairs
Musgrave

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Musgrave Response to the Disposable Cup Levy Consultation - Retailers

Name: [REDACTED]

Organisation (if applicable): Musgrave

Telephone Number: [REDACTED]

Email [REDACTED] [@musgrave.ie](mailto:[REDACTED]@musgrave.ie)

Please indicate if this submission is made in a personal/employee capacity, an employer capacity or on behalf of your institution, organisation or group: This submission is made on behalf of Musgrave.

Name of company, institution, organisation or group covered by this submission: Musgrave



Introduction

Musgrave, which is Ireland's leading food retail, wholesale and foodservice company, has a unique model. We work in partnership with SME entrepreneurs, who own their own SuperValu, Centra and Daybreak stores in their local communities, together employing more than 35,000 people across Ireland. Many of these stores have been in their families for generations.

These local family-owned businesses are often the largest employer in a community and provide a variety of types of flexible employment. The average SuperValu employs 73 people, while the average Centra employs 26 people and Daybreak stores employ an average of 5 people. Our retailers are huge supporters of their communities, and provide unrivalled support to local sporting organisations, charities, and services. In recent years, they stepped up to the challenge of COVID-19, ensuring that their doors remained open so that their local towns and villages had access to food. The past 12 months has brought its own challenges, with rising energy costs and inflation pressures. At all times, our retailers have been focused on offering their customers high quality products at fair prices, including increasing their own-brand offering significantly.

However, as well as surging energy costs and inflation pressures, small businesses are facing a range of Government initiatives which will make running a business and employing staff very difficult. These include statutory sick pay, pension auto enrolment, and the living wage, as well as the levy on disposable cups.

The below sets out Musgrave's recommendations, on behalf of our retailers, in response to the consultation on the Disposable Cup Levy. This submission represents those hundreds of family businesses with whom Musgrave works in communities across the country.

Musgrave's Recommendations on the Disposable Cup Levy

1. Exempt Compostable Cups from the levy
2. If compostable cups are not exempt, then we request government further engage with industry

1. Exempt Compostable Cups from the Levy

Sustainability has been a priority for Musgrave and our retailers for decades now. Our credentials in this area speak for themselves:

- Musgrave has been measuring and managing its emissions for almost 20 years.
- In 2004, Musgrave was the first Irish business to join the UN Global Compact.
- In 2014, Musgrave was the first retailer to be certified under Business in the Community Ireland's Business Working Responsibly Mark.
- In 2016, Musgrave became the first food retail and wholesale group in Ireland to become a verified member of the Origin Green sustainability programme – Ireland's national sustainability programme for the food and drink industry.
- We are one of the government's Sustainable Development Goals (SDG) Champions since 2019 in recognition of our ongoing commitment to operating as a sustainable business and the achievements made as part of our sustainability strategy.

- Our independent retailers are continuously implementing energy efficiency initiatives in store. In 2020, we successfully hit our target of reducing stores energy consumption by 20 per cent when compared to 2014 levels and have kept this momentum going.
- Earlier this year Musgrave announced a €25 million investment in SuperValu and Centra stores across the island of Ireland as part of a new sustainability fund aimed at empowering retailers to achieve net zero carbon by 2040. This fund is now being used by retailers across the country to implement a range of energy saving and sustainability initiatives which will help to deliver a 12 per cent carbon emissions reduction by the end of 2023.

While Musgrave has been working on sustainability for a long time, we have re-doubled our efforts since the energy crisis emerged in Europe this year. Musgrave has undertaken a wide-reaching review of its energy usage and that of its retailers. Actions Musgrave and individual retailers are taking to reduce energy consumption this winter include completing our rollout of LED lighting to all stores, upgrading refrigeration units including adding doors, and fitting solar panels. In store, energy champions have been appointed with ownership in promoting sustainability and the reduction of energy consumption. Individual retailers have been conducting a detailed analysis of their stores' energy consumption with targeted actions on how to reduce it where possible. Across Musgrave and our retailers, we have accelerated the roll out of solar panels resulting in over 8,000 solar panels being installed in the period August to December 2022, marking more installations this year than in the past four years combined.

Compostable Coffee Cups

As part of our commitment to sustainability, in 2018 our coffee brand, Frank and Honest, became the first national coffee brand to commit to exclusively using compostable cups and lids.

These compostable cups are produced by Clare-based company Cup Print, a Guaranteed Irish company supporting 200 Irish jobs. These compostable paper cups are certified to the standards of EN13432, which sets out European Bioplastics requirements, and Cré, the Composting and Anaerobic Digestion Association of Ireland.

Customers can dispose of their Frank and Honest cups in domestic brown bins without any need of cleaning or segregation. These cups biodegrade with food waste in less than 12 weeks.

When we announced the introduction of our compostable cups and lids, it was endorsed by then Minister for Communications, Climate Action and Environment Denis Naughten TD, who said:

"I would like to commend SuperValu and Centra for making this important commitment. The decision to introduce compostable cups is a significant move that will lead to millions of single-use non-recyclable cups being diverted from landfill annually.

"Today's announcement is a significant step that supports my policy priorities in the waste area which includes my desire to work with industry to ensure single-use plastics are eliminated."

Speaking in the Dáil Éireann in 2018, Minister Naughten said that his department did not plan to introduce a levy on compostable coffee cups. He said: "In order to support the elimination of single-use plastic cups by industry, I do not intend to introduce a levy on compostable cups."

Despite receiving this endorsement, now both compostable and oil-based plastic cups are all treated in the same manner with regards to the Disposable Cup Levy. There are no facilities for the recycling of oil-



based plastic cups in Ireland. Instead, they go to landfill. In comparison, compostable cups and lids can be commercially composted and repurposed in Ireland once collected in the correct manner.

We recommend that the Government reverts to its previous position on this matter and exempts compostable cups from the Disposable Cup Levy.

Since our Frank and Honest brand introduced compostable cups in 2018, an estimated 40 million cups have been diverted from landfill to date. We have plans to increase this figure substantially by introducing compostable cup collection points in all SuperValu and Centra stores. We ask that the government now steps up and provides composting waste infrastructure and education on composting for the public. By acting now, Ireland could become a leader in compostable infrastructure and engagement.

2. If compostable cups are not exempt, then we request government further engage with industry

The consultation period for the introduction of the Disposable Cup Levy as currently set out is very limited.

While the introduction of the Disposable Cup Levy has been compared to the introduction of the Plastic Bag Levy, in reality the operation of the new levy will be very complex. These operational complexities around the levy must be dealt with before it is introduced. Government need to ensure that this levy can be effectively operated by the businesses impacted. This will require further consultation with industry, as the current consultation period is very limited. At Musgrave, we are happy to discuss this in further detail with Government and officials.

We ask that the Government further engage with industry on the operational complexities around the levy before it is introduced.

Conclusion

To reflect previous commitments from Government and the major strides Irish businesses have made to act in a more sustainable way, compostable cups must be exempt from this levy. Climate action is a priority for Government, Musgrave and our retailers, and compostable cups that biodegrade within 12 weeks provide a sustainable and fair option for Ireland.

If compostable cups are not exempt from the levy, despite the reasons outlined above, we ask that the disposable cup levy is introduced following detailed consultation with industry to avoid additional pressure on business at what is a very difficult time.

We are available to meet to discuss this issue at any time.