

# Corporate Responsibility

Social and Environmental Progress Report



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# Introduction

Year over year, associates throughout SpartanNash join forces to continue to drive greater social and environmental impact throughout the communities we serve.

With a nine-state retail footprint, 50-state wholesale distribution network and global military distribution channel, we recognize we have the ability to influence millions of store guests, independent retail customers, suppliers, vendors, shareholders and community partners. Our daily actions have consequences, and therefore we set clear, realistic priorities based on our corporate responsibility dashboard and three-year strategic plan to hold ourselves accountable, striving to be a best-in-class company that feels local, where relationships matter. It's our vision, and our marching orders.

This report outlines our progress along this journey, as well as a look ahead.

In full transparency, data collection from our 19 distribution centers, four service centers and more than 155 corporate-owned grocery stores takes time, resources and change management. Consequently, we invested in multiple management systems and team leaders to drive

universal processes and productivity, as well as provide management tools and success metrics to exceed performance objectives.

To ensure we are engaging our nearly 19,000 associates along this journey, SpartanNash leadership has modeled our core values, working as ONE TEAM, TOTALLY ALIGNED to SPEAK UP, EMBRACE CHANGE and DRIVE INNOVATION to OWN our corporate responsibility goals.

We are excited for the positive changes—from investing nearly \$3 million and more than 56,000 volunteer hours annually into the success of our community partners; to building a diverse and inclusive workforce with opportunities for advancement; to reducing waste, energy and our carbon footprint.

Our work is far from done—in fact, there is no finish line. We will continue to hold ourselves accountable to drive social, environment and governance (ESG) sustainable practices that best serve our communities, environment and company performance.

We welcome your input and partnership along this journey.

*— Our SpartanNash family*

# Who We Are

As of December 31, 2019

**FORTUNE 400**

**MORE THAN \$8 BILLION IN SALES**

**A LEADING DISTRIBUTOR OF GROCERY PRODUCTS TO U.S. MILITARY COMMISSARIES**

**SIXTH LARGEST FOOD DISTRIBUTOR IN U.S.**

**NEARLY 19,000 ASSOCIATES**

**134 YEARS OF HISTORY**



## OUR FAMILY OF COMPANIES



## 19 DISTRIBUTION CENTERS

## OUR FAMILY OF RETAIL STORES



# CR Dashboard

Corporate responsibility is a journey—and our CR dashboard provides us with a roadmap of how we as a company can sustain and scale our commitments; predict and respond to emerging needs; and engage our associates and communities in socially responsible, environmentally sustainable ways.

Our SpartanNash CR dashboard is made up of five components—local development, volunteering, diversity and inclusion, waste reduction and energy reduction.



*SpartanNash has been honored as one of the Best and Brightest Companies to Work For® Top 101 in the Nation, as well as one of America's Best Employers by State. In 2019, Forbes ranked SpartanNash #37 in Michigan.*

[Learn more.](#)

## Notable Highlights



### Local Development

- Granted \$1.4 million annually in corporate funds and \$1.5 million through the SpartanNash Foundation to build stronger communities.
- Distributed \$1.7 million in tax savings to SpartanNash non-management associates through a discretionary cash bonus in 2018.
- Raised minimum wage to at least \$10 per hour at corporate retail stores, as part of our commitment to providing fair and equitable wages. Pay is adjusted annually to ensure competitive wages for associates throughout the company.
- Introduced the Clean Ingredient Initiative for Our Family®, Open Acres® and Freedom's Choice® products as a way to simplify our ingredient lists and make it easier for store guests and U.S. commissary patrons to make informed purchasing decisions.
- More than 14,000 associates took part in mandatory dignity and respect training in 2018, with all new hires thereafter taking part in education and awareness as part of the onboarding process.



### Volunteering

- In 2018 and 2019, associates volunteered more than 56,000 hours annually, making an economic impact of more than \$1.3 million each year.
- 176 associates joined the 100 Club by self-reporting more than 100 volunteer hours in 2019—an 11 percent increase from the year before.



### Diversity & Inclusion

- Named a Military Friendly® Employer by VIQTORY and silver-level Veteran-Friendly Employer by the Michigan Veterans Affairs Agency.
- In 2019, 439 leadership positions were filled by internal candidates, with 41 percent filled by female associates, 15 percent filled by people of color and 5 percent filled by veterans.



### Waste Reduction

- Merged waste tracking into a single-source companywide dashboard to empower associates to drive waste reduction and efficiencies.
- Diverted more than 5 million pounds of food annually to food banks and pantries, animal feed and composting.
- In 2018 and 2019, Earth Week celebrations generated 235,000 hours of workforce development through donations to 19 Goodwill partners in 15 states.



### Energy Reduction

- The SpartanNash fleet's average miles per gallon improved 12 percent over our 2013 baseline—resulting in 107,938 fewer gallons of diesel consumed in 2018.
- Since we began tracking our energy efficiency projects in 2007, SpartanNash has saved a total of 52.2 million kilowatt hours as of year end 2018.



## Local Development

We are committed to expanding our diverse, local product offerings in our retail stores and to independent customers, which in turn fuels local economies while reducing food miles and meeting our customers' growing appetite for close-to-home products.

Our local efforts also align with one of our key strategic initiatives to improve associate engagement. Associate-driven initiatives have included career development; health, wellness and safety initiatives; and robust Total Rewards to advance physical, financial, emotional, community and career wellbeing. Local development also includes building stronger communities, working alongside our community partners through our corporate giving and SpartanNash Foundation grants.

# Partnering with Local Growers and Producers

SpartanNash is committed to partnering with local farmers and entrepreneurs in the communities we serve. We understand when consumers see the label “local” on a product, they expect to use their purchasing power to support products and businesses right in their own backyards. For this reason, we define local as:

## Locally Grown

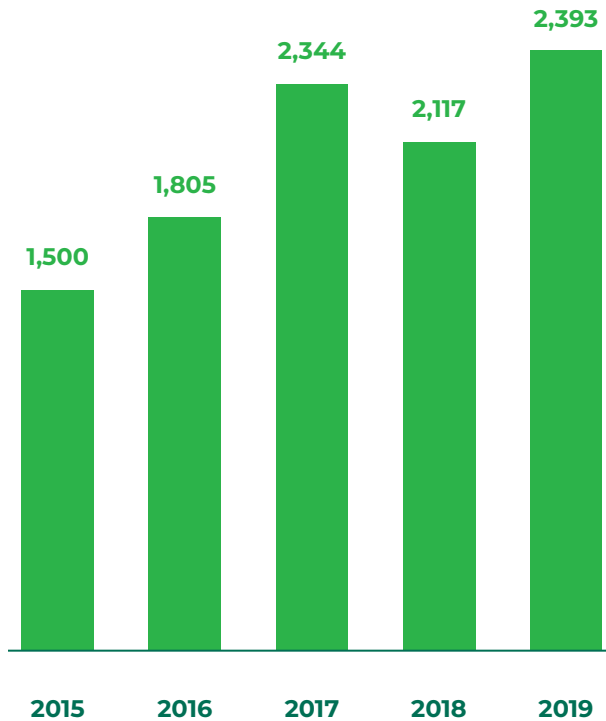
Any farm-grown or farm-raised product must come from a farm located within the same state as the retail store, or within 100 miles of the store if it crosses over the border into another state.

## Locally Made

Any food product only produced within the same state as the retail store, or within 100 miles of the store if it crosses over the border into another state.

## Local Items

(Includes number of local products in Grocery, Frozen and Dairy only)



SpartanNash was the first food distributor and retailer in Michigan to sign Migrant Legal Aid's Fair Food Pledge in 2016, affirming our commitment to fair labor practices for the state's migrant and seasonal farmworkers and their families. More than 40 SpartanNash independent retailers have joined us in signing the Fair Food Pledge.



[Learn more about our commitment to fair treatment and safe working conditions.](#)



In 2018, SpartanNash began partnering with Revolution Farms—an aquaponics farm located just a few miles up the road from SpartanNash's headquarters in Grand Rapids, Mich.—to provide fresh, sustainable lettuce and greens for store guests throughout Michigan. Sold exclusively in Family Fare, D&W Fresh Market, Forest Hills Foods and VG's Grocery stores, Revolution Farms lettuce goes from farm to store in one or two days.



# Investing in Our Local Communities

## Corporate Giving

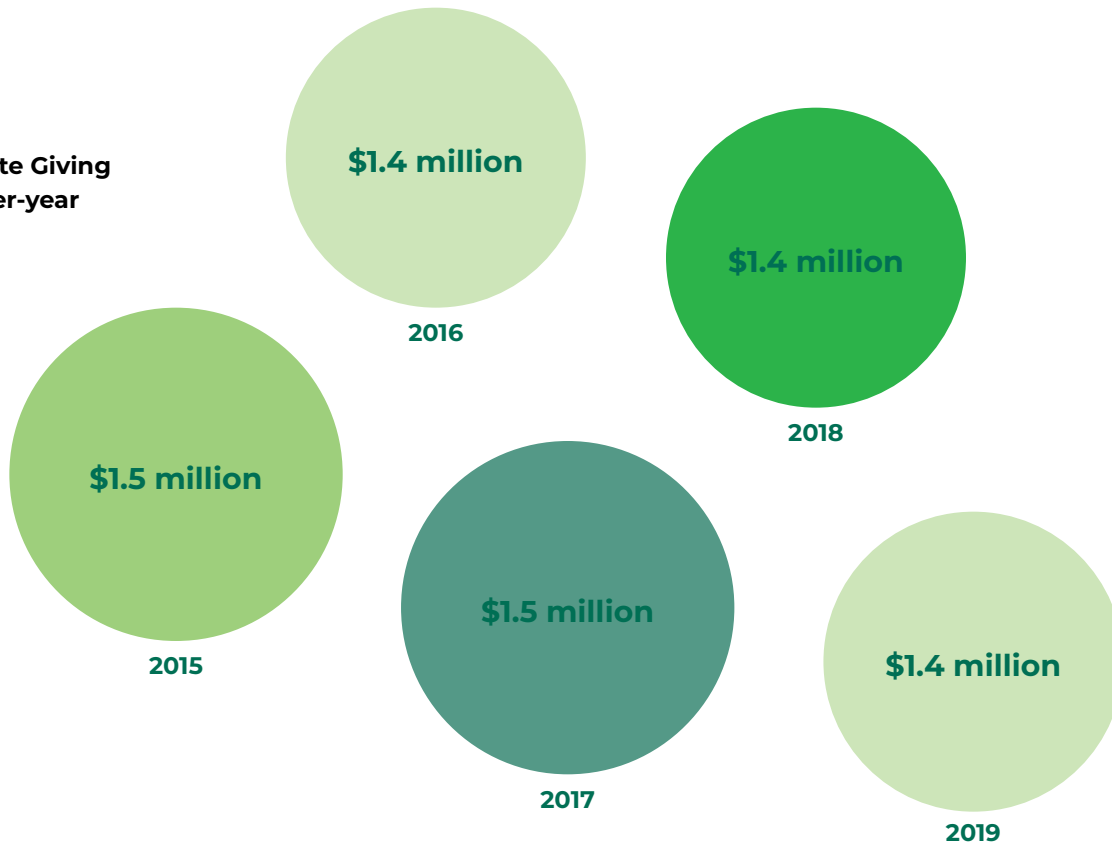
In 2019, SpartanNash contributed \$1.4 million in financial support and in-kind donations, funding 2,704 local sponsorships, events and product donations. This included \$851,000 in sponsorships, \$120,000 in fundraising support and \$451,500 granted through the Direct Your Dollars™ program.

Through Direct Your Dollars, 501(c)(3) nonprofit organizations can earn \$1,000 from SpartanNash by collecting eligible receipts from any company-owned retail store, using the dollars for band and sports equipment, class field trips, mission trips and much more.

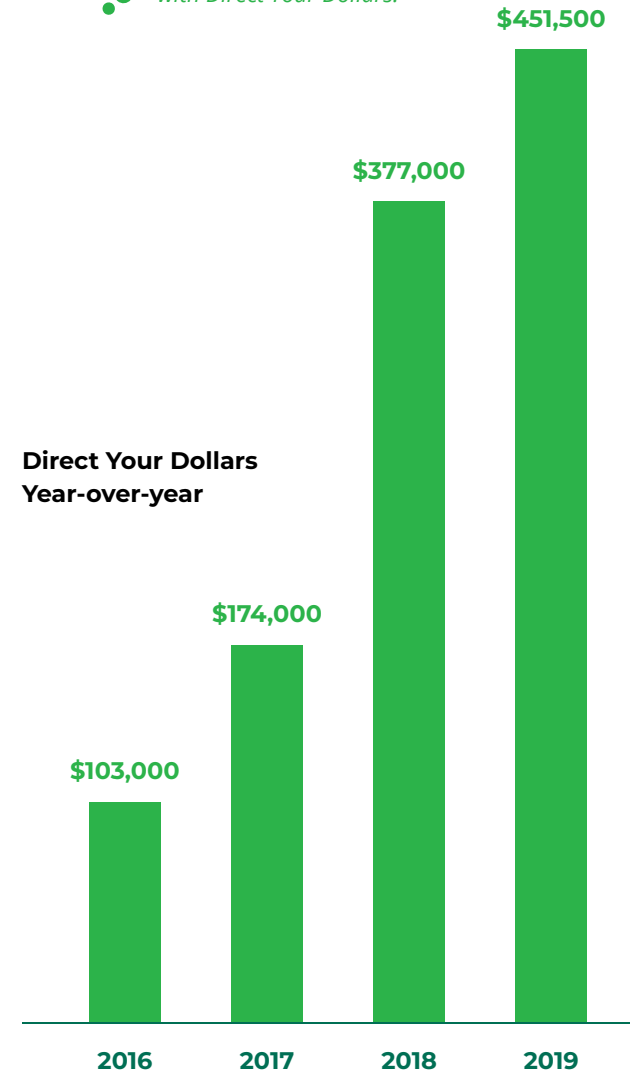


Learn how to get involved with Direct Your Dollars.

Corporate Giving  
Year-over-year



Direct Your Dollars  
Year-over-year





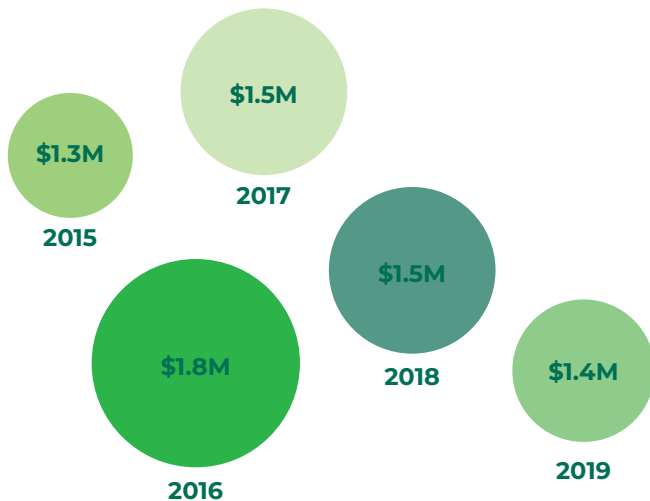
# SpartanNash Foundation

The SpartanNash Foundation is committed to supporting 501(c)(3) organizations that focus on hunger relief, securing shelter and supporting our military heroes in the communities we serve. In 2019, the SpartanNash Foundation granted \$1.4 million to more than 210 community partners in 16 states.

The SpartanNash Foundation is funded by the company, with support from our associates. Foundation grants are awarded through a quarterly review process. Associates volunteer time to evaluate grants, visit applicant sites' and make recommendations to the Foundation trustees on whether to fund grant requests.

The Foundation also raises funds—and significant awareness for community partners—through a series of fundraising campaigns in our company-owned stores.

## SpartanNash Foundation Year-over-year



**For over a decade, SpartanNash associates have given their time to help food insecure Minnesotans by volunteering in our dining sites and at our farm. Helping Hands Day makes a big difference in the lives of so many people, while the SpartanNash Foundation's monetary support helped us surpass 1 million meals in 2018 and helped us launch the HUB, a new meal program that helps small nonprofits provide healthy meals. Loaves and Fishes is thankful for SpartanNash's support!**

*Cathy Maes*  
Executive Director, Loaves and Fishes



*The SpartanNash Foundation was honored in PR Daily's 2018 Corporate Social Responsibility Awards, receiving top honors in the Fundraising or Philanthropic Initiative category for our SpartanNash Foundation. The Foundation was also awarded honorable mention in the Employee Volunteer Program category and our Earth Week initiatives earned honorable mention in the Green and Environmental Stewardship category.*

[Learn more.](#)

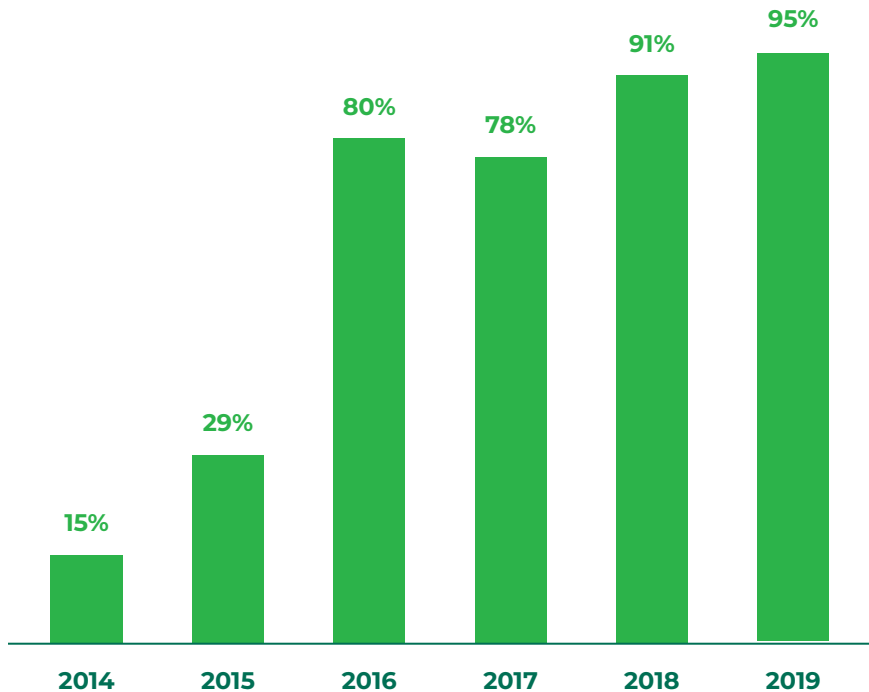


*See our 2018 SpartanNash Foundation impact.*

# Double Up Food Bucks

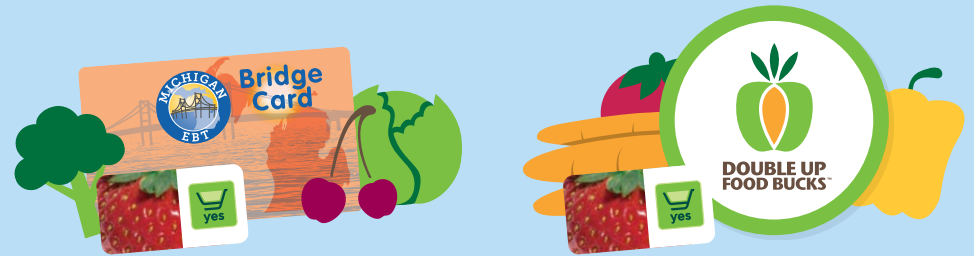
For store guests subsidizing their food budget with federal assistance, 46 SpartanNash stores offer the Double Up Food Bucks™ program. Administered by the Fair Food Network, the program enables SNAP customers to increase their access to fresh fruits and vegetables by earning points for free produce.

**Double Up Food Bucks**  
Year-over-year point redemption percentage



# HAVE A BRIDGE CARD?

Get **FREE** fruits & veggies  
with **DOUBLE UP FOOD BUCKS**



**BUY \$1** ▶ **GET \$1**



**USE DOUBLE UP HERE!**

[ShopFamilyFare.com/DUFB](http://ShopFamilyFare.com/DUFB) and [ShopVGs.com/DUFB](http://ShopVGs.com/DUFB)  
Questions? Call 866-586-2796.



**FAMILY FARE.** *VG's*  
grocery

## Living Well

Focused on helping others live healthier lives, SpartanNash's team of health and wellness specialists supports our store guests on their wellness journey, working with local partners to provide nutrition education through grocery store tours, cooking classes and healthy food samplings.

In 2018, wellness specialists built and grew partnerships with 35 community partners, in addition to offering store guests online resources, including Fresh Thinking blogs and food and nutrition tips for special diets, food safety and more.



[Check out the Family Fare Fresh Thinking blog.](#)

## Free Fresh Fruit for Kids

To encourage healthy eating choices for children, SpartanNash launched its "Free Fresh Fruit for Kids" program in 2018. Using designated bins located near the front of produce sections in SpartanNash retail stores, the Free Fresh Fruit for Kids program encourages children to grab a banana or clementine to snack on while their parents shop the store.

## Growth in Organics

Organic, living well and "better for you" options are available in every aisle of our stores as well as through our wholesale food distribution network—and as our customers' appetites for these products grow, so does the number of organic products we offer.

In total, 2.2 percent of total dollars spent at SpartanNash stores can be attributed to organics, in line with the industry standard of 2.3 percent.

## Timely Meds™

In 2018, SpartanNash introduced the Timely Meds prescription packaging program at its D&W Fresh Market, Family Fare, Forest Hills Foods and VG's stores throughout Michigan. The 28-day set of personalized pill punch packs—offered for no additional charge—makes taking multiple medications easier and more organized.



*According to the Journal of the American Medical Association, those who use personalized pill packs to administer their medication are more than 90 percent adherent in taking their medications on time and as prescribed. Those who take their medications directly out of the bottle are only 65 percent adherent.*



# Clean Ingredient Initiative

In 2018, SpartanNash embarked on a Clean Ingredient Initiative for the company's exclusive Our Family®, Open Acres® and Freedom's Choice® private brands. The initiative focuses on providing simpler products, reduced ingredient lists and clean, easy-to-read labels for store guests.

Through the Clean Ingredient Initiative, Our Family, Open Acres and Freedom's Choice products underwent reformulation, with a focus on removing partially hydrogenated oils, monosodium glutamate and trans-fat. More than 575 products underwent reformulation, with a plan to add 280 additional products in 2019 and continue to remove MSG as well as synthetic colors, artificial flavors and preservatives.

Based on availability and cost factors, a further focus will be placed on sustainable packaging and delivering the best sustainable options available in each category.

Products that have undergone reformulation or packaging redesigns as part of the Clean Ingredient Initiatives now feature clean labels with key attributes listed on the front of the packaging. These key attributes make it simpler and more transparent for store guests to quickly identify Our Family and Open Acres products—and for military families shopping in Defense Commissary Agency (DeCA) commissaries to select Freedom's Choice private brand products. For the Our Family brand, clean labels are highlighted with leaf icons and for Open Acres, a circular swoosh is used. Green stars call out the attributes on the Freedom's Choice military private brand.

- **Gluten Free**
- **No Nitrates Or Nitrites Added**
- **No Phosphates Added**



- **No Preservatives**
- **High in Vitamin C**
- **High in Fiber**

- **Low Fat**
- **Good Source of Fiber**
- **Cholesterol Free**



Freedom's Choice and HomeBase products, along with other private label brands available in DeCA commissaries, are exclusively supplied by SpartanNash and its MDV military division. In 2017, DeCA selected SpartanNash as its exclusive supplier of private label products, marking the first time private brands were offered in U.S. military commissaries.

## Eternal Oceans

Through our Eternal Oceans initiative, Open Acres brand seafood is committed to providing consumers with high quality seafood that is sourced from suppliers utilizing responsible practices including a focus on sustainability, traceability, food safety and social responsibility.

We are committed to partnering with suppliers utilizing fisheries that are certified by the Marine Stewardship Council (MSC) for wild-caught species or the Global Aquaculture Alliance Best Aquaculture Practices (BAP) and Aquaculture Stewardship Council (ASC) for farm-raised species. Our suppliers maintain close relationships with seafood industry leaders such as the Sustainable Fisheries, which allows for continual improvement in sourcing.



[Learn more about our commitment.](#)

## Animal Welfare

SpartanNash takes animal welfare very seriously. We do not own or operate any farms or animal processing facilities, but we believe animals should and can be raised, handled, transported and processed in ways that ensure they are clean, safe and free from cruelty, abuse or neglect.

Animal welfare has been important to us for many years. In November 2015, the SpartanNash Animal Welfare committee initially formalized our commitment in an Animal Welfare Policy, and we continue to update it accordingly.

We currently have four formalized animal welfare commitments:

- **Cage-free eggs:** We have set a goal to work with our suppliers to develop a sustainable and affordable 100 percent cage-free egg supply chain by 2025 or sooner, based on available supply, affordability and consumer demand. SpartanNash currently offers a variety of cage-free, certified organic, free range and pasture raised eggs in our corporate stores and to our independent retail customers through our Full Circle™, Green Meadows and Pete and Gerry's Organic eggs, as well as some of Eggland's Best eggs.
- **Milk with no artificial growth hormones:** Our Family® brand milk has no artificial growth hormones (rBST/rBGH).
- **Genetically modified seafood:** We have no intention of ever selling any genetically modified seafood.
- **Polled genetics:** We support the use of polled genetics breeding programs for dairy cows, which, if successful, will ultimately eliminate the need for dehorning.



# Keeping Our Associates and Customers (and Their Data) Safe

Safety has always been critically important at SpartanNash—from ensuring the products we distribute, sell and produce are safe for consumption to supporting the health and wellness of nearly 19,000 associates every day.

## Food Safety

### **Auditing Our Vendors and Manufacturers**

SpartanNash audits all new vendors that supply our exclusive private brands and requires them to be certified in the Global Food Safety Initiative (GFSI)—the leading auditing program in the industry. Vendors are also audited by SpartanNash Quality Assurance.

In an effort to continue to streamline processes, our team launched a new program to improve the way we track manufacturer, product, consumer feedback and product auditing data. The quality management system modules were custom built for SpartanNash's needs, offering built-in best practices and powerful flexibility to drive business excellence.

Every new manufacturer must complete a comprehensive questionnaire, which collects data on the manufacturer's food safety and quality programs. In moving the program from paper-based to automated, SpartanNash also expanded the number of questions and requirements, creating an even more robust food safety program.

### **Internal Audit of Our Family and Open Acres**

In 2018, SpartanNash Quality Assurance also transitioned a product auditing program from a third-party vendor to an internal function. The goal is to audit 1,000 products annually to ensure they are performing at the level SpartanNash expects. Depending on the product, it undergoes an analytical review, focusing on organoleptics (taste, odor, color, texture and appearance), pH, total solids, viscosity, color, particle size and other factors. The analytical review ensures that SpartanNash is delivering quality products to our customers consistently.

If a concern is found, SpartanNash Quality Assurance has implemented a rigorous investigation tool within the new program, which tracks communication between SpartanNash and our supplier and logs the final corrective action.

### **Internal Audit of Our Corporate-Owned Retail Stores**

SpartanNash's Food Safety team continues its standard practice of auditing each of our corporate-owned stores every 10 weeks. Additionally, in 2018, the team started preliminary work to provide auditing and other Food Safety services to our independent retail customers and others within the food industry. The full program launched in 2019, giving SpartanNash the opportunity to provide Food Safety and Compliance information and guidance to its independent retail customers.

### **Responding to Food Safety Concerns**

In addition to SpartanNash's auditing process, the company also responds to food safety concerns for all private brands and national brands that are distributed through a SpartanNash distribution center as well as products produced at the store level. When notified by a supplier of a potential food safety concern, SpartanNash discloses the item description; UPC; pack, lot and DC codes, as well as disposition directions. In instances of a food recall, the Quality Assurance team also works with all regulatory bodies to record the issue and impact.

Depending on the circumstances of the recall, SpartanNash may also communicate directly to store guests with in-store signage and emails to customers who participate in our loyalty programs, letting them know the above information, actions taken to mitigate the situation, steps to take to dispose of the product and ways to reach out to our Customer Service team with questions.

# Occupational Health and Safety

## Safety Scorecard

In our retail and distribution centers, we use Safety Scorecards to track overall safety scores based on incident and severity rates, internal and self-audits and recognition of associates who promote safe work behaviors. The scorecards also provide a roadmap so that each location can continue to improve its safety scores.

The Safety Scorecard also provides “Lagging” and “Leading” indicators. “Lagging” measures past performance, where “Leading” predicts future success. The Safety Scorecard is made up of seven metrics:

**Incident Rate**—Measured by the number of OSHA-recordable injuries divided by the total hours worked at the facility multiplied by 200,000 (based on 100 full-time workers).

**Severity Rate**—Measured by the number of days away from work due to OSHA-recordable injuries, divided by the total hours worked at the facility multiplied by 200,000 (based on 100 full-time workers).

**Safety Audits**—Performed annually or more often as needed by SpartanNash’s Safety team.

**Self-Audits**—Performed in all distribution center, retail and service center locations on a quarterly basis.

**Safety Improvement Team Meetings**—Held each period in all stores and distribution centers, allowing for open communication and discussion on a variety of safety topics, best practices and ideas.

**Safety Calls**—Performed by SpartanNash’s Safety team and attended by associates throughout the company via conference call.

**Safety Recognition Program**—Each period, good safety habits are recognized at all company locations and associates have the chance to suggest additional ideas for a strong safety program.

In 2018, more than 83 percent of retail and Quick Stop fuel centers scored either an “A” or “B” on their overall Safety Scorecards—with incident rates dropping from 4.3 to 3.9 (an 8.5 percent decrease).

To continue to drive improvements in Safety Scorecards, the SpartanNash Safety team continues its practice of reviewing past performance, fostering and strengthening “Leading” indicators in order to reduce injuries and building a strong culture of safety.

## Improved Reporting Leads to Better Safety Metrics

Prior to 2018, work-related incidents and injury statistics were tracked manually. With the help of the Risk Management team, the Safety team implemented a new program within the claims database to reduce risk, increase efficiency and continue to improve safety metrics.



# Investing in Our Associates' Safety

In 2018, SpartanNash continued to invest in training designed to strengthen our commitment to health and safety initiatives. The trainings included a focus on Labeling Compliance, Food Safety and USDA and FDA Standards, as well as additional training for emergency situations.

# 47,680

**Associates completed  
47,680 food safety  
and associate safety  
training sessions  
in 2018.**

## Active Shooter Training

SpartanNash's Asset Protection and Talent Development teams created an Active Shooter Awareness Training course, with more than 2,000 associates in retail, distribution and service centers completing the training and sharing the information at their locations. Today, the course is available to all associates and every leader of people in retail and distribution centers as part of the onboarding process.

## Emergency Procedures Flip Chart

All SpartanNash locations are also equipped with an Emergency Procedures Flip Chart, which contains tabs for potential emergency situations, along with a description of how to best prepare and respond to each situation. The active shooter information is a critical part of the flip chart, with additional details that support the active shooter training.

## Medical Emergency Response Teams

Trained to assist in emergency situations, Medical Emergency Response Teams (MERT) are comprised of volunteer associates able to provide AED defibrillator, first aid and CPR assistance in times of crisis. Over the years, MERTs have responded to many emergencies and can be credited with saving lives. Teams at each company location meet monthly to discuss emergencies they have assisted with, share learnings and work through practice emergency scenarios.

## Security Control

The SpartanNash Security Control Center operates 24/7 and provides a number of services including, but not limited to, remote video and alarm monitoring, access control administration and crisis response communication. The SpartanNash Security Control Center is staffed with highly trained operators and supports business continuity by quickly notifying key leaders who can respond and react appropriately to emergencies and potential business disruptions. SpartanNash includes the Security Control Center services as an additional value-added offering to its independent retail customers.





# Protecting and Securing Sensitive Data

## Information Security

In order to increase awareness of cybersecurity issues and integrate data security best practices into SpartanNash's culture, the IT Security & Compliance team updated all policies in 2018, introducing a Security Awareness program as part of those efforts.

The information that resides on our computer systems and networks is of great value to SpartanNash—and is critical to ensuring our customers' trust. Due to the increasing value of information we collect, store, process and share with our partners, SpartanNash has established a high priority to protect this critical information. The foundation of an effective information security program is built on strong information security policies that are in balance with business operations. Information security policies define a concise set of behaviors that provide a secure and enabling environment in which SpartanNash may use and manage its information resources with protection from data loss, service disruption, misuse or unauthorized access.

To comply with business standards and industry regulations, SpartanNash IT Security & Compliance also enabled Data Loss Prevention in Office 365 to prevent loss of credit cards, bank account numbers and Social Security numbers, in addition to establishing PCI Security Awareness training for higher compliance.

Focus areas in 2019 and beyond include phishing training, as well as simulated cyber-attack events, static learning and interactive training—all with the goal of reducing cyber risk and protecting sensitive information.

## Privacy Policy

In addition to protecting our own data, we value the privacy of our website visitors and do not sell or share individually identifiable information with any organization outside of SpartanNash and its affiliates, except under certain conditions.

On spartannash.com and our banner websites, we internally analyze and disclose the information we collect for the following purposes:

- to provide requested services or products;
- to help us improve our website, understand our customers and their preferences, and to market our products and services;
- to align with our contractors who provide supporting services so that they can access information needed for such services, but only on terms consistent with SpartanNash's privacy policy; and/or
- to protect our business interests or the rights of others, when required by law, to cooperate with law enforcement, or in connection with the sale or merger of all or part of our business.



[Learn more about our Privacy Policy.](#)



# Attracting and Retaining Talent

In 2018, SpartanNash expanded its Total Rewards benefits offerings, which include both monetary and non-monetary rewards. At SpartanNash, we recognize our associates are our greatest asset, and we want to ensure we provide robust, diverse, affordable benefit options to attract and retain top talent, while driving work-life balance.



**At SpartanNash, we measure associate engagement through an annual survey. In 2018, a record-high 91 percent of our associates participated, with 73 percent of participants reporting favorable engagement scores. In 2019, 85 percent of associates participated in the survey, which is well above the national average of between 30 and 40 percent participation.**

## Total Rewards

As a result of our Total Rewards program, SpartanNash expanded its benefits offerings to include:

- A new medical plan option to provide flexibility, with four programs to choose from
- Lower-cost, convenient online doctor visits
- A pharmacist-led diabetes care management program
- A dedicated nurse program for chronic conditions or serious illness management
- An associate perks/discount program
- A more robust employee assistance program (EAP) to focus on emotional health
- A new and improved wellness program, making it easier for associates to participate and earn rewards through healthy behaviors
- An improved retirement savings plan, increasing the company's 401(k) matching formula and providing immediate vesting

## Pay Equity

SpartanNash conducted a compensation parity equity analysis, with the results affirming our pay practices are in substantial compliance with federal requirements for equitable pay.

## Competitive Pay and Benefits

To attract and retain top talent, we consistently evaluate market rates to ensure we offer competitive wages for all full- and part-time hourly and salaried positions. As a result, SpartanNash increased the starting rate to at least \$10 per hour for retail positions. Companywide, pay is adjusted annually to ensure competitive wages for all associates.

As a result of the 2018 Tax Reform Act, SpartanNash also paid a one-time discretionary cash bonus to more than 8,000 associates, including hourly and salaried union and non-union associates throughout the company. In total, \$1.7 million was distributed to associates, with additional tax savings reinvested into wage increases.



# Investing in Leadership and Associate Development

SpartanNash has redesigned its leadership curriculum, with courses aligned to support business objectives and needs.

In 2019, 439 leadership positions were filled by internal candidates, with 41 percent filled by female associates, 15 percent filled by people of color and 5 percent filled by veterans.

## 1,700 managers and above



689 women



121 people of color



68 veterans



353 millennials or younger

### Creating Inspirational Leaders

The SpartanNash Talent Development team launched an "Inspirational Leadership" series in 2018, which was taken by more than 600 service center, Supply Chain and retail leaders. Topics focused on connecting and inspiring associates, holding people accountable for results in a positive way and fostering associate development.

### Equipping New Leaders to Excel in Their New Roles

A new manager course, "Excelling as a New Leader," launched as a required leadership development program for newly promoted supervisors and managers to help them hone the skills needed to make an effective transition from individual contributor to leader of people.

### Encouraging All Associates to Achieve Their Potential

"Achieving Your Potential" was launched on our learning management system for associates, making it easy for them to own their career and take the lead in their development and career opportunities. The initiative allows associates to take self-assessments, explore careers, review the Leadership Readiness Checklist and set goals within their talent profile to identify specific milestones and clear objectives toward their development and career objectives.

Associates are also encouraged to complete leadership development courses based on their career interests and areas of the business. In 2018, associates completed 6,582 leadership development courses for a total of 10,142 hours of training. The following year, associates completed 8,793 leadership development courses for a total of 12,480 hours of training.

### Providing the Tools to Explore Career Paths

SpartanNash also launched a way for associates to explore career paths and job descriptions, compare their current job profile to other jobs, create a talent profile and internal resume, identify short-term and long-term career goals, map a career path toward their goals, and create development plans to achieve them. This initiative supports our culture of transparency and encourages associates to grow their career at SpartanNash, if that is their goal.

### Fostering a Culture of Continuous Feedback

In 2018, changes were made to our performance management process, replacing an annual performance review with shorter, quarterly check-ins. The process continues our development-focused culture and provides associates with regular, ongoing feedback and a "look forward" mentality of goals and development, while also reviewing the past quarter's performance. Associates are now encouraged to have a development plan to use as an ongoing discussion with their manager within the performance check-ins.

### Dignity and Respect Training

In 2018, every associate was required to review and acknowledge the Dignity and Respect and Anti-Harassment and Discrimination Policy. In total, more than 14,000 associates took part in dignity and respect training. Today, every new associate is required to take part in education and awareness training and acknowledge the policies as part of the onboarding process. Leaders of people also completed courses on Leading Diverse and Inclusive Teams and Recognizing and Preventing Harassing Behavior.

# 103,000+ hours

**In total, SpartanNash associates completed 103,461 hours of course training in 2019, for an average of 5.1 hours per associate. These numbers do not include the thousands of hours on on-the-job training required for retail and distribution specific jobs.**

# Ethics and Our Culture of Compliance

## Code of Conduct

To ensure associates act ethically and comply with our company policies, laws and regulations, the SpartanNash Code of Conduct reflects how we conduct business with our coworkers, customers, communities, shareholders, suppliers, vendors, regulatory agencies and competitors. It includes fair employment practices, guidelines for a harassment- and intimidation-free workplace and the requirement to follow laws to ensure we remain in compliance when conducting our business.



## Reporting Misconduct and Our Ethics Line

All associates are responsible to help ensure that SpartanNash maintains a work environment that is free from unlawful and unethical behavior. SpartanNash requires reporting of all such conduct regardless of the associate's identity or position. If an associate believes they have been subject to conduct prohibited by this policy or witnessed such conduct, they are encouraged to discuss concerns with their immediate supervisor or Human Resources representative. Supervisors are required to report all instances of unlawful and unethical behavior, including conflicts of interest, harassment, discrimination or retaliation (either observed or reported) to the Human Resources Department for internal investigation.

For serious concerns—or when associates wish to remain anonymous—reports can also be filed through the SpartanNash Ethics Line by calling 800-710-4848 or visiting [spartannash-ethics.com](http://spartannash-ethics.com).

SpartanNash also prohibits taking negative action against any associate for reporting workplace violations or for cooperating in an investigation.

On a quarterly basis, our Legal team compiles and analyzes all reports that come in to the SpartanNash Ethics Line. This data is also shared quarterly with the SpartanNash Board of Directors.



*Read the SpartanNash Code of Conduct.*

## Sarbanes-Oxley

As a publicly traded company, SpartanNash is required to be compliant with the Sarbanes Oxley Act of 2002 (SOX). SOX requires that the company maintain a system of effective internal control over financial reporting. The company, as well as an external auditor, performs assessments of the design and operation of internal control on an annual basis. Additionally, members of the company's executive management team are required to certify that financial statements and disclosures are complete and accurate and that the system of effective control remains in place at the end of a reporting period.

# A Culture of Empowerment

## Project ONE TEAM

At the end of 2018, SpartanNash launched Project ONE TEAM, where we invited every associate to participate and offer ideas to improve how we work in order to improve profitability and efficiencies companywide. The goal is to realize more than \$20 million in savings by the end of 2020 as a result of implementing Project ONE TEAM initiatives.

Since beginning Project ONE TEAM, associates from across the company have generated more than 4,500 ideas to improve SpartanNash— ranging from simple ideas to eliminate frustrating work to complex ideas that address processes that touch many areas of the company.

But our work isn't done—and associates are empowered to continue to submit ideas to improve the customer experience, reduce expenses or increase revenues.





# Volunteering

Volunteering helps build stronger communities, while enhancing relationships, camaraderie, teamwork and a sense of pride and purpose in our service to others. SpartanNash has continued to expand its volunteering efforts and celebrate the associates who give back with gifts of time and talent.

# Volunteering

In both 2018 and 2019, SpartanNash Community Captains and platoon members located throughout our company challenged associates to collectively contribute as many volunteer hours as possible – and each year, SpartanNash associates responded by recording more than 56,000 annually and making an economic impact of more than \$1.3 million each year.

Since reporting is voluntary and much of it was done manually before launching a digital solution in October 2018, we believe there may be even more associates giving back to their communities without submitting their hours.

## 100 Club

SpartanNash associates who record more than 100 volunteer hours in a calendar year join the 100 Club. Members then select their favorite 501(c)(3) nonprofit organization to receive a \$100 donation in their name.

# 11%

**In 2019, 176 associates joined the 100 Club— an 11 percent increase from the year before.**



# Community Captains

SpartanNash Community Captains serve as associate engagement ambassadors, supporting and driving the company's commitment to support and engage with our local communities and fellow associates. Community Captains support our corporate responsibility initiatives by leading community and associate engagement initiatives as well as volunteering efforts. Together, they foster a culture of fun and celebration—and create a purpose beyond the paycheck for themselves and others at their locations.

In total, 36 Community Captains serve across all business units, and each is selected by senior leadership as a way to recognize and develop leadership skills. They create platoons of associates to support companywide and location-specific initiatives.

In 2018, Community Captains led initiatives that resulted in:

**57,364**  
volunteer hours

**100+**

More than 100 associate engagement opportunities and events

Helping to promote SpartanNash Foundation retail scans, which raised

**\$1 Million**

**25%**

of associates donating to the SpartanNash Foundation associate pledge campaign—in addition to a 30 percent increase in dollars raised





# Diversity & Inclusion

At SpartanNash, we embrace the unique talents and backgrounds of our associates, and we strive to build a team as diverse as the customers and communities we serve. In fact, one of our key strategic initiatives is to drive associate engagement—and by cultivating relationships based on our company’s core values of respect, integrity and teamwork, we drive innovation, build a winning culture and make SpartanNash a great place to work.

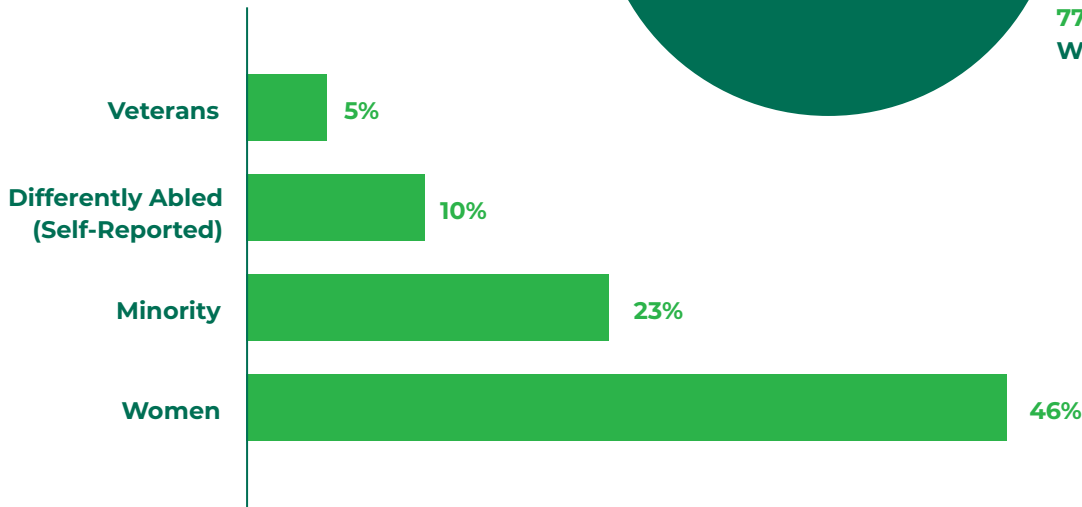
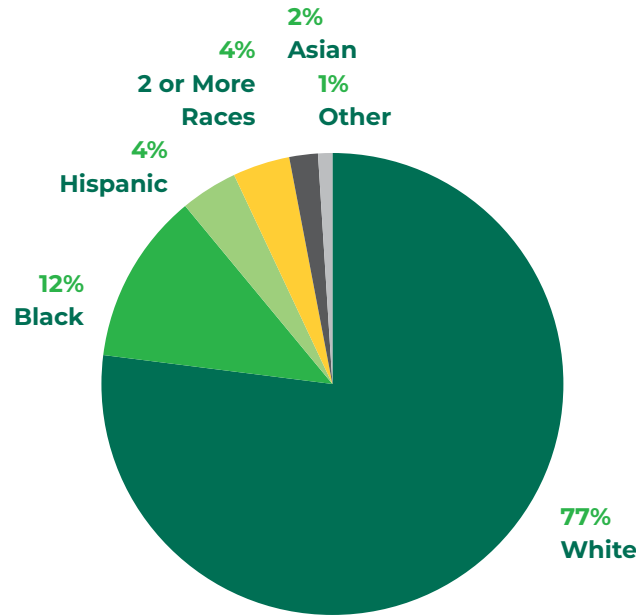
In 2018 and 2019, our diversity and inclusion efforts continued to focus on two areas—recruiting, developing and retaining women and veterans.

# Diversity & Inclusion

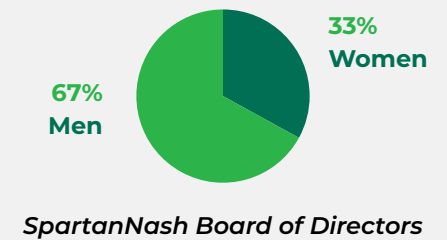
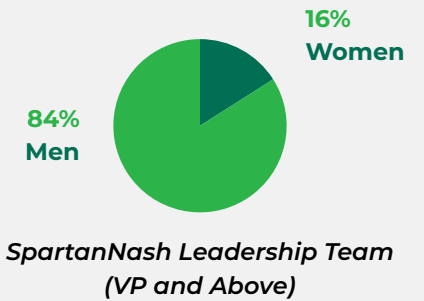
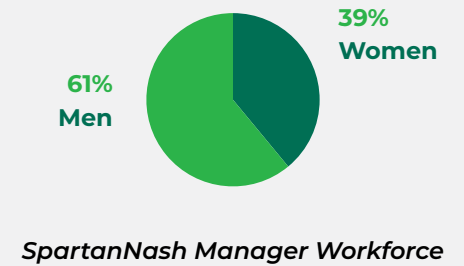
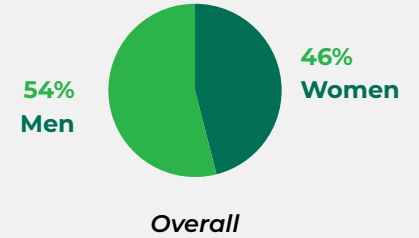
## Workforce Diversity 2019 Profile

**13,927**  
associates

*Does not include  
Martin's Super Markets associates*



## Gender Diversity



# Diversity & Inclusion

SpartanNash's goal is to increase representation of veterans, women and diverse associates across the organization. In 2019, 47% of new hires and 41% of all promotions were women. SpartanNash has also been recognized as a leader among Michigan's 77 public companies, with three women serving on its corporate board of directors (33 percent) and three C-suite female leaders (30 percent) serving respectively as Chief Legal Officer, Chief Merchandising and Marketing Officer and Chief Human Resources Officer.

## SNVETS

The launch of the SNVETS Associate Resource Group was spearheaded by SpartanNash associates representing multiple locations throughout the company. SNVETS provides a forum for team-building and developing leadership skills—working toward the goal of **Supporting, Networking, Volunteering, Educating, Training and Serving** military associates, their families and veterans in the communities we serve.



*SpartanNash is recognized as a GI Jobs Designated Military Friendly® Employer and a silver-level Veteran-Friendly Employer by the Michigan Veterans Affairs Agency.*

Welcome Home celebrations for associates, spearheading the Christmas gift drive for veterans and presenting SpartanNash challenge coins to more than 700 veteran associates are just a few examples of SNVETS outreach efforts.

## Network of Executive Women

Through our partnership with the Network of Executive Women (NEW), women and men across the organization are invited to become more actively engaged in efforts to empower and promote the growth and development of our female associates. Associates took advantage of the many learning and developmental opportunities offered through NEW, with approximately 1,000 hours of training and educational workshops logged in 2018.



*SpartanNash has been named a Winning Company by 2020 Women on Boards since 2011. The designation recognizes SpartanNash for championing board diversity by having 20 percent or more of its board seats held by women.*



**Thank you for helping make the Military Welcome Center at the Grand Rapids airport! We are thankful for the support and are thrilled with this addition.**

*Abby, proud Army wife*



*SpartanNash is the title sponsor of the Military Welcome Center, located in the Gerald R. Ford International Airport in Grand Rapids. The Military Welcome Center is open to military members, veterans and their families 24 hours a day. The center offers refreshments, charging stations and an interactive map where military personnel and veterans can pinpoint where they have been stationed or deployed.*



# Waste Reduction

Our commitment includes expanding our reduce, reuse and recycle practices for multiple materials and products throughout our entire footprint.



# Waste Reduction

## Food Diversion and Donations

Each year—in addition to our distribution and retail initiatives to reduce food loss through improved forecasting, procurement, inventory control and food handling—SpartanNash partners with local food banks and food pantries throughout our company's footprint to fight hunger and reduce food waste. Our corporate retail locations and distribution centers support local food banks with donations of pantry staples and shelf-stable products as well as highly sought after fresh dairy, meat and produce. We also donate display products from our annual food shows.

Through our distribution centers, these donations totaled 5,078,845 million pounds, providing the equivalent of more than 4,232,000 meals to families—in addition to the food donations made through our retail stores.

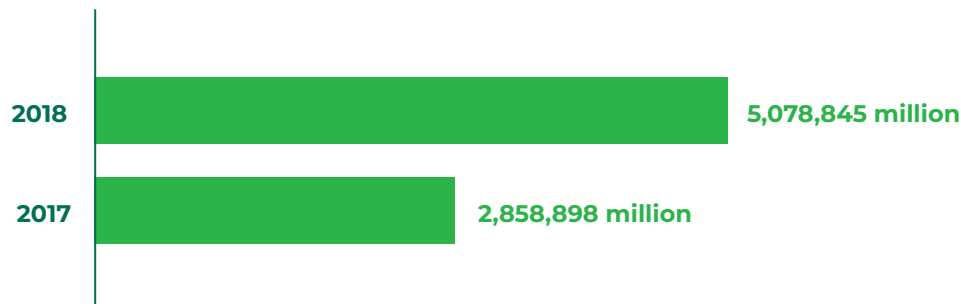
In 2018, a cross-functional team was tasked with evaluating food safety and ways we can increase the amount of fresh products we can donate, meeting one of the most critical needs for produce, dairy and other items. The team met with food pantry partners to determine how to automate the donation process to reduce food waste, ensure food safety for perishable products and increase donations, while striving to deliver healthier options to our food pantry partners.

Going forward, SpartanNash is on track to establish a one-way food donation process for both our retail and distribution operations, with a goal of reducing food waste by diverting food to pantries and food banks.

## Repurposing Product Through Innovative Partnerships

In addition to feeding families, we also divert food at select locations for livestock feed and other purposes. Through a partnership with nearby farmers and livestock producers, our Indianapolis-based Caito Foods operations divert the rinds, husks and other excess from its Fresh Cut operations, repurposing the diverted product into feed for animals. In 2018, 13,093 tons of product from Caito Foods was recycled into animal feed, diverting the food waste from landfills in order to help local farmers.

**DC Food Donations (in pounds)**  
Year-over-year



# Reducing and Recycling

In 2018, we made great strides with our data collection and quality management systems. One area for improvement in the future is how we record and report our vast recycling initiatives. Our retail stores and distribution centers have partnered with hundreds of recycling companies and composters to maximize our recycling efforts and automate the tracking process.

## Cardboard and Paper

Across our company footprint, SpartanNash recycles paper, mixed paper and cardboard. In 2018, these efforts resulted in 41.5 million pounds of cardboard and 331,018 pounds of paper recycled. This is equivalent to nearly 1,100 cubic yards of landfill saved.

## Plastic Film

In 2018, SpartanNash recycled a total of 1.1 million pounds of plastic film at select distribution centers—a 14 percent increase from the year prior. We also work with recycling vendors across our footprint to recycle plastic bags and to promote sustainable packaging initiatives.

## Plastic, Metal and Electronics

In addition to our plastic film efforts, SpartanNash also recycled 79,799 pounds of other plastic items as well as 1,670 pounds of metal. SpartanNash is also committed to the safe disposal of electronic waste, recycling 50,717 pounds of electronics at its corporate headquarters in Grand Rapids, Mich. in 2018.

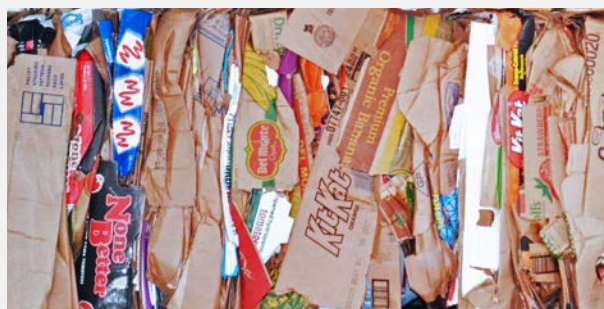
## Waste

Recently, SpartanNash moved to a single source hauler for its waste management, allowing the company to analyze its waste data. In total, SpartanNash produced 20,609 tons of waste in 2018. Future initiatives will focus on setting waste-reduction goals at each SpartanNash location to further reduce our environmental impact.

# Sustainability Champions

In October of 2018, SpartanNash created Sustainability Champions in each of its distribution centers to help track waste, recycling, energy and food donations.

Sustainability Champions serve as volunteer leaders within their respective facilities, driving awareness for and support of sustainable efforts. Longer term, Champions will utilize their baseline data to create goals for waste and energy reduction, as well as expand the tracking of water usage, and carbon and greenhouse gas emissions.



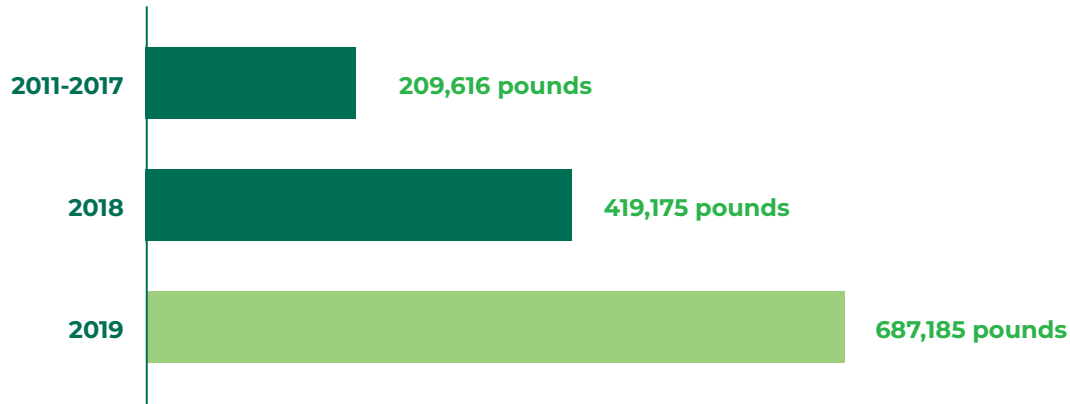
# Earth Week

To add some fun and engagement to our waste reduction efforts, SpartanNash holds an annual Earth Week donation drive, keeping unused clothes, electronics and household goods out of landfills—and, in partnership with Goodwill Industries, converting them into workforce development training.

In 2019, our Earth Week efforts resulted in 687,185 pounds of materials collected and diverted from landfills—a 64 percent increase from 2018! Since 2011, SpartanNash's Earth Week Goodwill donation drives have diverted 1,317,925 pounds of materials from landfills, and Goodwill has converted these donations into more than 282,400 hours of workforce development training in the communities it serves.



**Earth Week Goodwill donations (in pounds)  
Year-over-year**



**We are very fortunate to have had this relationship with SpartanNash over the years and share the message and mission of Goodwill with their store guests and associates. Thank you, SpartanNash associates and our many Earth Week donors for supporting our job training and placement services.**

*Jill Wallace  
Chief Marketing and Communications Officer  
Goodwill of Greater Grand Rapids*



# Energy Reduction

As we continue to invest in energy-saving technology and equipment and renewable resources, our goal is to minimize our carbon footprint in our retail, distribution, corporate and food processing segments.





# Energy Reduction

## Energy Efficiency

Our current energy efficiency efforts are focused on refrigeration, heating and cooling and interior and exterior lighting. Across the entire company, we reduced our electricity consumption by 1.4 million kilowatt hours in 2018.

Since we began tracking our energy efficiency projects in 2007, SpartanNash has saved a total of 52.2 million kilowatt hours.

Going forward, our initiative to outfit our retail stores with LED lighting will continue, upgrading more than 80 stores with LED lights in 2019 and 2020. Three distribution centers will also be outfitted with LED lights for a total investment of \$2 million.

## Sustainability Efforts in our Retail Stores

As we remodeled and rebranded 18 Family Fare stores, we replaced or retrofitted more than 320 feet of cases in our produce, frozen food and dairy departments. These new cases are 20 percent more energy efficient.

In addition to the refrigerated cases, we also upgraded the general lighting at 15 Family Fare stores with LED lights, which will result in an 8 percent annual reduction in total energy consumption for those stores.

## Natural Gas and Water

In addition to reducing our energy consumption, we also want to reduce the amount of natural gas and water we consume companywide. In 2018, our natural gas usage increased by 9 percent due in large part to colder temperatures; however, our water usage went down by 2.4 percent overall. This was driven in large part by our wholesale distribution centers, where water consumption decreased by 11.3 percent.

## Renewable Energy

Working with our utility providers, SpartanNash is also committed to increasing the amount of electricity derived from renewable sources. In 2018, 8.2 percent of electricity used in our retail stores came from renewable sources on average, as well as 4.1 percent in our wholesale distribution centers and 9.6 percent in our MDV military DCs. At our service centers, 18.1 percent of electricity used comes from renewable sources, on average.



**By saving 1.4 million KWHs with lighting and refrigeration upgrades, SpartanNash reduced its energy usage by the equivalent of more than 130 homes in 2018.**

 Equals ten homes.

# Fleet Efficiency

As the sixth largest food distributor in the country, our fleet of tractors and trailers travel more than 51 million miles a year.

Beyond our SpartanNash fleet of tractors and trailers, our BRT managed freight business has been nationally recognized as a SmartWay partner by the U.S. Environmental Protection Agency as well as a Top Green Provider by Food Logistics.

## Enhancements in Transportation Equipment

Since 2017, all trailers have been equipped with satellite tracking and remote temperature monitoring and alert technology for improved utilization of trailers. These efforts also result in enhanced food safety and quality control on in-transit trailer temperatures.

Solar panel technology was also added to trailers, which charge the temperature control units and extend the battery life of the temperature monitoring system. All new trailers are also equipped with electric standby—giving them the ability to run the temperature control units with electricity instead of diesel to improve fuel efficiency.

**6,000**  
gallons

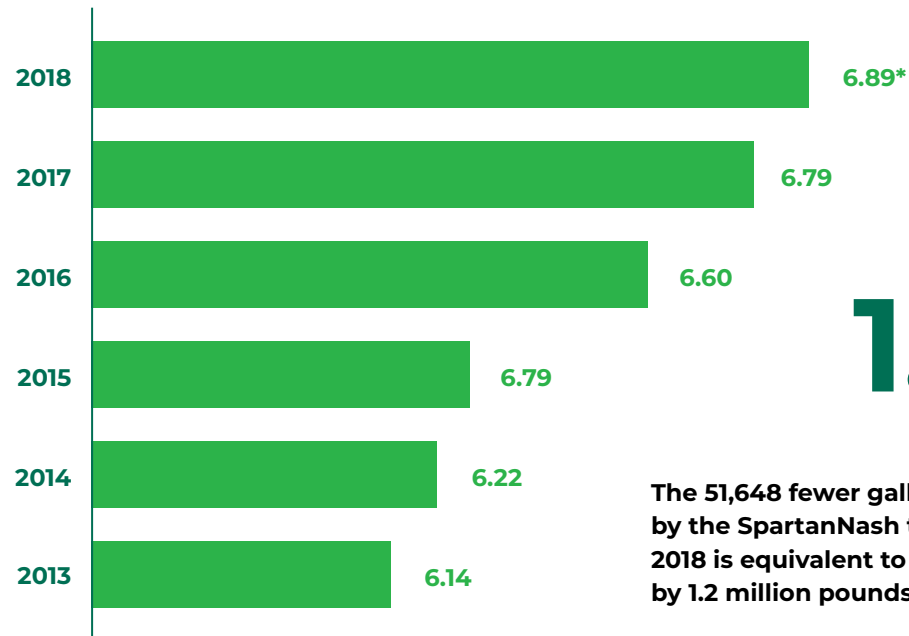
**In 2018, SpartanNash's transportation fleet used 6,000 fewer gallons of oil as a result of its sustainability practices.**

## Extending the Life of Tires and Oil for Improved Efficiency

The SpartanNash Transportation team also made adjustments to its oil change and tire disposal schedules, both of which reduced waste and optimized fuel economy. By switching to semi-synthetic oils and extending oil change intervals, the SpartanNash fleet can maximize oil usage and reduce waste oil, filters and labor—as well as reducing its overall oil consumption by 6,000 gallons per year.

All new tractors are also equipped with fuel-efficient tires with a seven-year lifespan, which optimize fuel economy and reduce tire disposal rates. SpartanNash then partners with recycling vendors, and all tires are repurposed into playground and landscape mulch, tracks and athletic fields and more.

## Fleet MPG Year-over-year



*\*Compared to industry average of approximately 6.5 miles per gallon.*

**1.2**  
million

## Maximizing Fuel Efficiency

As a result of these efforts, our fleet's average miles per gallon improved 12 percent over our 2013 baseline—resulting in 107,938 fewer gallons of diesel consumed in 2018.

## Fleet Optimization

The SpartanNash Transportation team continued its network optimization efforts in 2018, making each delivery route more efficient by ensuring trailers remain as full as possible on inbound and outbound routes and independent retail customers are assigned to the distribution center closest to their base of operations. These efforts resulted in a reduction of 350,497 miles in 2018—in addition to 51,649 fewer gallons of diesel consumed.

**The 51,648 fewer gallons of diesel consumed by the SpartanNash transportation fleet in 2018 is equivalent to reducing fuel emissions by 1.2 million pounds of carbon dioxide.**

# Look Forward

As we continue on this journey, we ask ourselves the question: What positive changes can we drive when ‘taking food places?’

Clearly every action has a reaction, and at SpartanNash we are mindful that our business and personal decisions impact our family of associates, customers, communities, suppliers, shareholders—and certainly the environment.

We also recognize the power of change, beginning with the individual actions of SpartanNash associates throughout the company. As mentioned, we launched Project ONE TEAM, whereby our empowered associates spoke up and submitted more than 4,500 ideas to make us a better, more efficient, more sustainable company.

We believe positive change can be made by each of us individually, and collectively, to build stronger communities where we live, work and serve.

A simple example is our 2019 ‘think before you print’ challenge, whereby associates across the company are embracing digital alternatives to ‘printing and posting’ (an age old go-to for retail and distribution team members who have limited

access to email while working). The impact: in 2019 alone, associates reduced their printing on our copy machines by 15 percent (equivalent to more than 380 trees), not to mention toner, equipment and repair travel/hours.

We also recognize the power of working collectively to harness, sustain and grow our investment in the communities we serve. In 2020, we will be forming a Corporate Responsibility Task Force sponsored by executive leaders who oversee wholesale distribution, military distribution, retail and all supporting centers of excellence to further embrace and differentiate through our corporate responsibility initiatives. The Task Force will be supported by key stakeholders to formalize SpartanNash’s labor and human rights policy, expand compliance with the company’s Code of Code to suppliers and vendors, and further our strategic plans for an environmental management policy, sustainable sourcing and packaging and supplier diversity. The Task Force will also collaborate to develop efficiencies in data collection for measurable, metric-driven management and continue food diversion and energy and waste reduction initiatives.

And while these goals in and of themselves may appear daunting given SpartanNash’s large footprint, we will remain committed to transparency and governance. In addition to our annual report and public facing updates throughout the year, we will launch an interactive Q&A on [spartannash.com/corp-responsibility](http://spartannash.com/corp-responsibility) website. This will enable us to provide updates throughout the year.

We invite you to engage in our journey.



