

**Dansk
Supermarked
Group**

THE BUSINESS OF FOOD WASTE

2017
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Group Director, Responsibility & Engagement

Our purpos

**We a
impro
every**

- for our cu
and in our c





Department store

Established in 1906

2 stores in Denmark



Supermarket

Established in 1960

100 stores in Denmark



Hypermarket

Established in 1970

19 stores in Denmark



Discount store

Established in 1981

1,370 stores in Denmark, Sweden, Poland and Germany



**Coffee
shop**

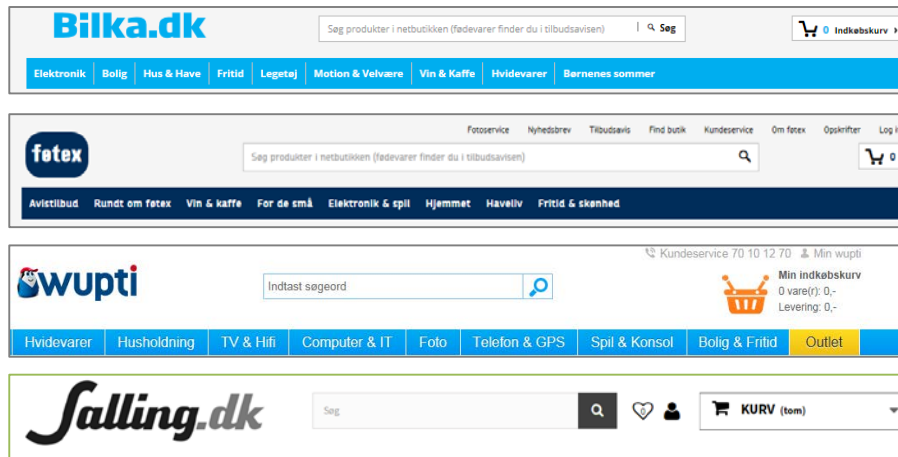
15 stores
in Denmark



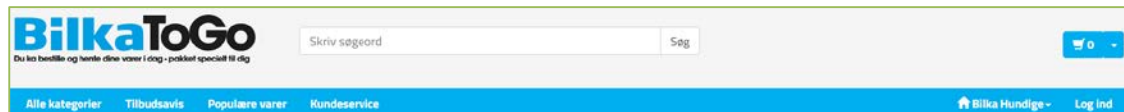
**Burger
chain**

6 stores
in Denmark

Non
food



Click &
collect



Meal
boxes



Flowers



Electronic
insurance



WE ACCOMMODATE 9 MILLION SHOPPING VISITS EVERY WEEK



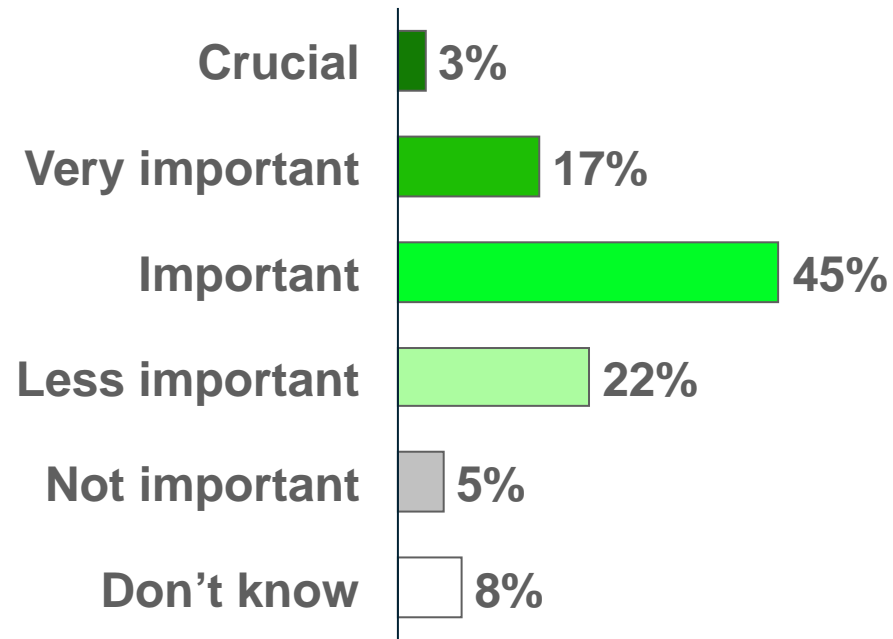


What takes place
before this moment?



How important is CSR for your choice of store?

(% of customers)



CSR is most important for young people (under 30 yrs) and seniors (over 60 yrs)

Location, price and selection
are still the most important decision factors

What our customers are looking for



Easier meal solutions



Sustainability and health

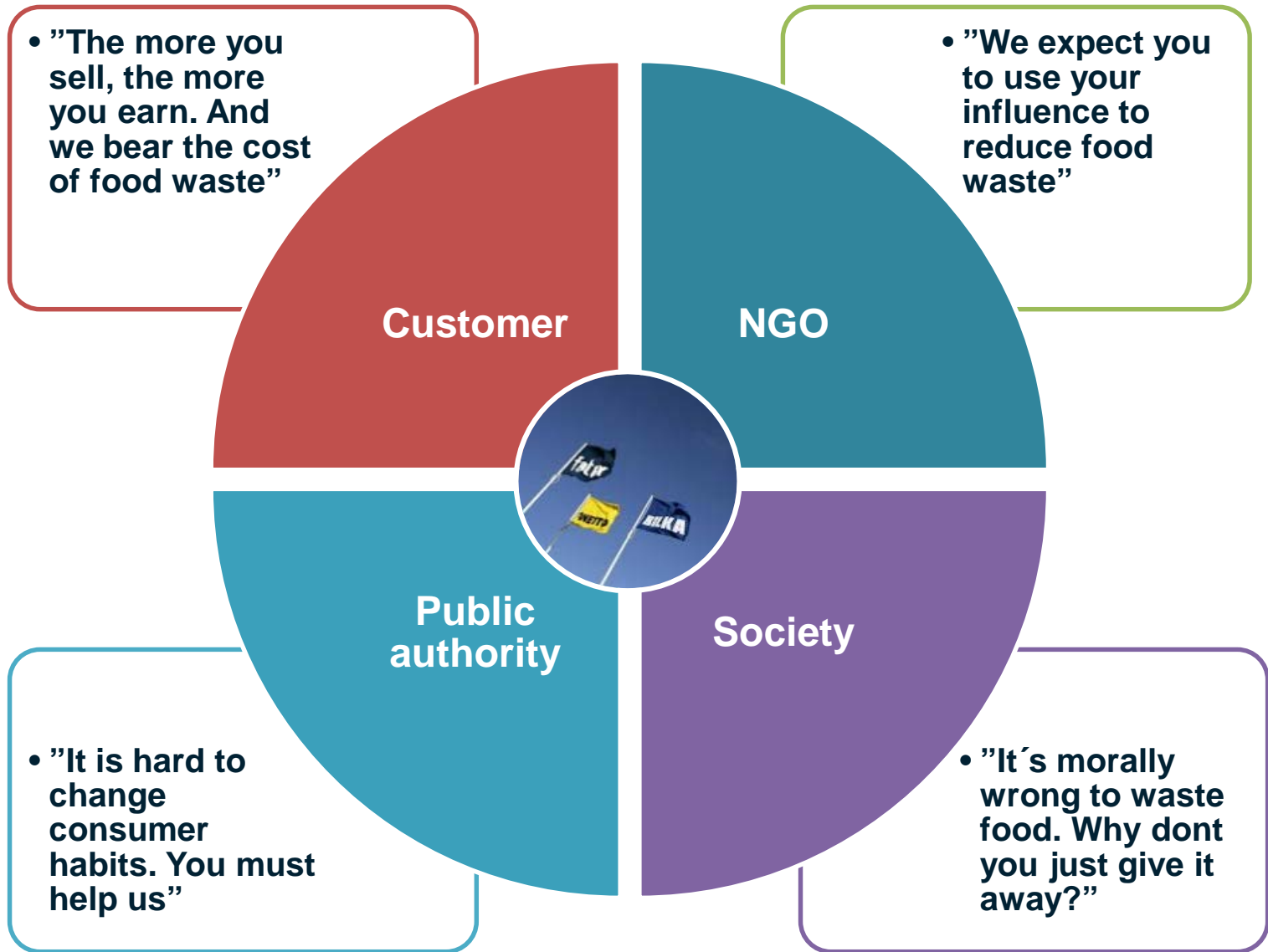


Price *and* quality



Value, events and inspiration

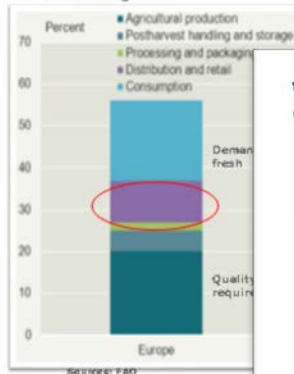
What is said about food waste and retail?



Analysis of food waste and causes

Where is food wasted and why?

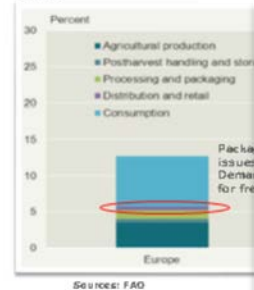
Waste in % of what was intended for human consumption
Fruit and Veg



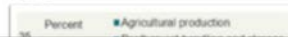
Where is food wasted and why?

Waste in % of what was intended for human consumption

Dairy

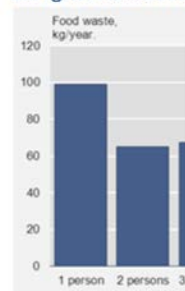


Meat



Food waste in the household

Single households = more waste



Closer to the food waste challenge and causes

Værdikæde	Udfordring	Påvirkning i DS
Landbrug & produktion	<ul style="list-style-type: none"> Spild skabes pga kvalitetskrav Affald ikke ønsket som ressource At reducere spild er en omkostning 	<ul style="list-style-type: none"> Højere priser Enkelte skæbener, der kan sælges enkeltvis/leveret i små portioner
Emballage & forpakning	<ul style="list-style-type: none"> Emballage kost Emballage påv. 	
Planlægning & distribution	<ul style="list-style-type: none"> Øget krav om Øget krav om 	
Salg	<ul style="list-style-type: none"> Discount priser Længere åbningstider Større udvalg Kunderne vil have Kunderne vil have 	
Forbrug i husholdning	<ul style="list-style-type: none"> Større købskraft Det altid søder Mindre produkt Mange små husholdninger 	
Affald (Kun detail)	<ul style="list-style-type: none"> Donation er svært For meget affald Ikke nok bage 	

Mange fordomme og åbne spørgsmål

And even closer to food waste causes



Private households waste more, but....

In 2017 we were the first retailer in the Nordic Countries to publish our amount of food waste made up in tonnes

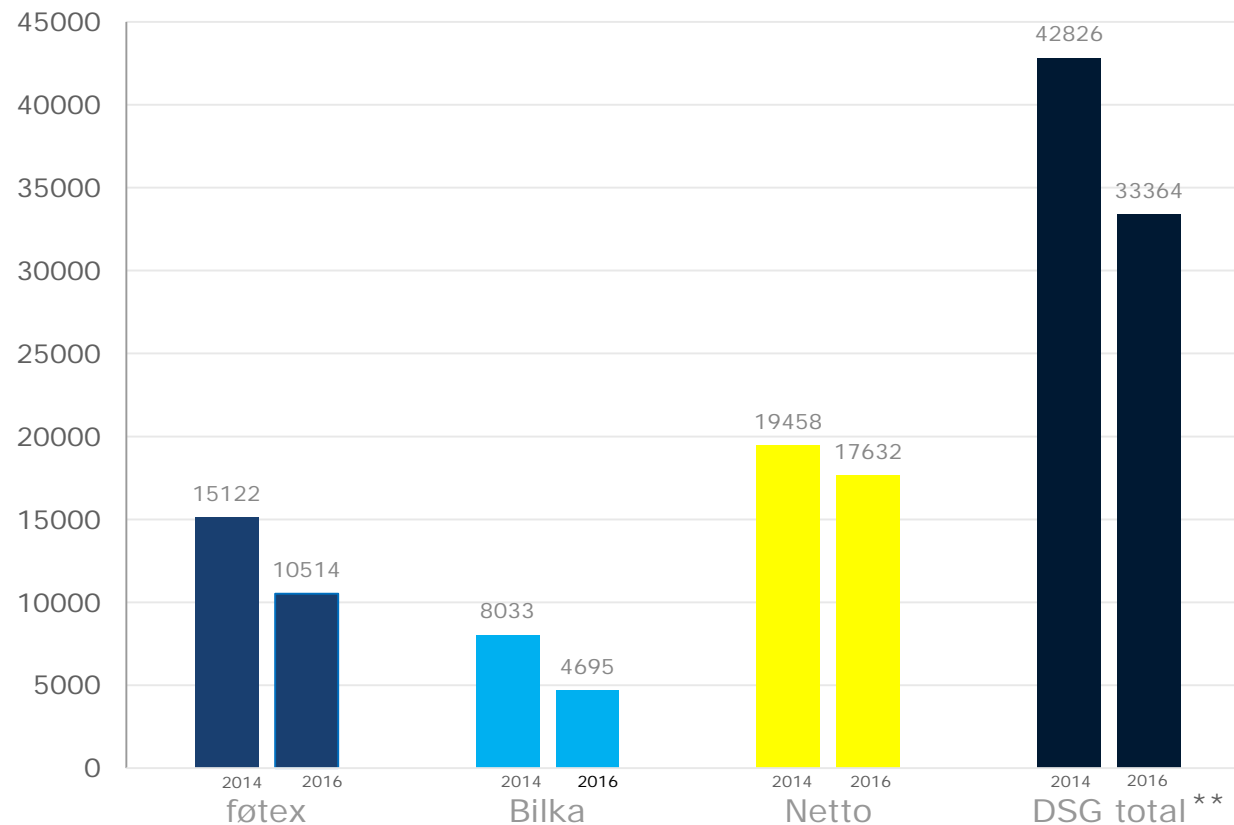
2014: 42,826 tonnes

2015: 35,205 tonnes

2016: 33,364 tonnes

2017: xx,xxx tonnes

Food waste in formats in 2016 compared to official 2014 numbers



* 2014 numbers based on "fair share" of official retail food waste (Kortlægning af madaffald i servicesektoren, 2014 Ministry of Environment)

** Incl. Salling and DCs

Method (simplified)

Masterdata (net weight)



Key figures on wasted units



Category mix and average, if no weight

$$\frac{7 + 4 + 1}{3} = 4$$

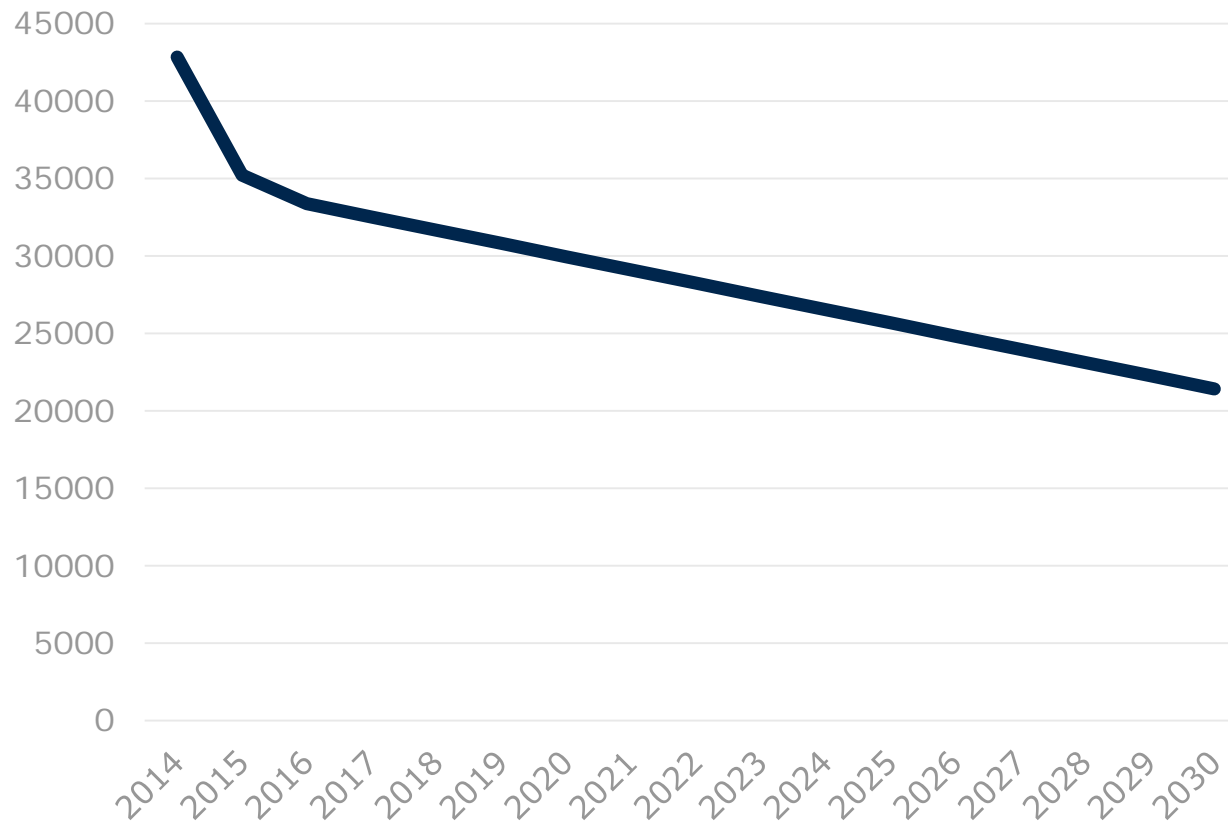
Total estimates account for 4 % of which F&V make up 3,8 %

Physical weighing



We have decided to go for a 50% reduction of food waste by 2030

- Based on official numbers and our own measuring we have reduced food waste by 9,400 tonnes from 2014-2016
- The ambition is to reduce by further 12,000 tonnes by 2030
- The goal is fully aligned with the UN Sustainable Development Goal 12.3



Examples of Large Areas of Impact

- **Investment in new IT / production planning:**
 - Ex: More accurate forecasting has reduced waste in butchery by 27 % and waste in bakery production by 24 % (1H16-1H17).
- **Optimizing our value chain:**
 - Ex: Reduced assortment in prepacked white and dark bread in Netto by 25 % = decreased sales by 2 %, but increased earnings due to a 67 % waste reduction.
 - Ex: Fruit & vegetables: Increased engagement in buying directly from the farms = more fresh products, increased market sales and minimized waste.
- **Food waste = Food surplus:**
 - Some is donated to relevant partners
 - Some is made into biogas (food waste, yes – but energy)
 - Some is made into animal feed (food waste, yes – but not spilt)

So what else do we do?



- We have helped fødevareBanken to expand their business to Aarhus
- We have helped DanChurchAid start up WeeFood supermarkets
- Our distribution centres donate food to fødevareBanken and WeFood and so do some of our larger stores
- Almost all stores have designated areas for marked down products that are close to expiry or best before date
- More than 75 % of actual food waste is recycled as biogas – in Netto it is just above 90 %
- Many Netto and føtex stores donate bags of food up to holidays like Easter and Christmas. The bags are packed late night by voluntary employees and handed out to less privileged citizens
- Netto has made a catalogue with the 10 best food saving ideas for retailers, households and society respectively – 30 ideas altogether
- Netto has created an App that helps citizens find the nearest food store (no matter which) where to find marked down food close to expiry or best before

Don't throw away the entire content

Right now Netto is testing a concept where blemished fruits and vegetables, however still edible, is removed, placed in a designated box and sold at half price.

The test will run in November, December and January in three selected stores, and if successful the concept will be rolled out to all Netto stores.



Netto sætter nyt, banebrydende forsøg i gang for at mindske madspild

Hver gang Netto kasserer et stykke dårligt frugt og grønt, ryger der i gennemsnit sets - syv stykker gode, lækre og solgbare stykker med i skraldespanden. Årsagen er regler, der i praksis gør det meget svært at sortere og pakke færdigvarer om. Netto forsøger, at forårsagningen kan reducere madspildet i butikkerne frugt- og grøntafdeling med 50-60%.

Hver dag omder Netto omkring 34 ton frugt og grønt ud. Størstedelen af værem er der intet i vejen med, men hvis for eksempel en pose æbler indeholder et enkelt råddent æble, er butikken ofte nødt til at kassere hele posen, og derfor ender tonsvis af spiseligt mad i skraldespanden i stedet for på tallerkenen. Brian Seemann Brose, landedsrektor i Netto, siger: "Alle de varer, vi sælger, skal leve op til skrappe krav om sporbarhed. I praksis gør det det utryk: svaret for os i detalhandelen at sortere enkelte stykker beskadiget frugt og grønt fra og sælge de gode stykker i pakningerne videre. Konsekvensen er et ekstremt ressourcepild - men det giver ingen mening at smide mad ud, som ingenting fejler. Derfor har vi valgt at sætte en forårsagning i gang, hvor vi vil sortere, pakke om og sælge det frugt og grønt, som ellers pr. automatik ville blive smidt ud, selv om der intet er i vejen med det. Vi er den første dagligvarekæde, der vil udnytte de muligheder, der ligger for at pakke om for at se, om det kan reducere madspildet i butikkerne".

Madspildet i frugt- og grøntafdelingen kan reduceres med 50-60%

Forsøgningen varer fortløb i en periode på tre måneder i tre butikker i Odense, Århus og København. Sammenlagt smider de tre butikker omkring fem et halvt ton frugt og grønt ud om måneden. Netto's egen vurdering er, at det kun er 40% procent af det, der kasseres, som ikke er egnet til at sælge videre. Alt andet lever ti fude op til kravene om førsteklases varer.

I bedste fald regner Netto med, at ordningen kan nedbringe madspildet i frugt- og grøntafdelingen med 50 til 60 procent. Når forsøget er færdigt, vil Netto evaluere resultaterne og afgøre, om ideen er effektiv nok til at blive udført i alle Netto-butikker.

Alt grønt bliver gennemgået og pakket om

Konkret betyder ordningen, at medarbejderne i Netto løbende gennemgår alle de varer, der er sorteret fra, fordi der er enkelte stykker med fejl. Herefter bliver de stykker frugt og grønt, som ikke er egnede til at blive solgt, smidt ud, mens de resterende, gode varer pakkes om i en sælgende pose. De sorterede varer bliver fremover solgt til meget lavere pris under brandet "Mad skal spises" og kan findes sammen med de øvrige varer i frugt- og grøntafdelingen.

Brian Seemann Brose, landedsrektor i Netto, siger: "Det gør jo ondt, når man står og skal smide en bække æbler eller en pose bagkartofler ud, bare fordi der er et enkelt stykke, der ikke lever op til kravene. Det er set fra et etisk synspunkt helt forkert, og rent økonomisk giver det heller ingen mening for os at smide varer ud, som vi tror, kunderne gerne vil købe. Vi ved, at vores kunder både ønsker at hjælpe med at nedbringe madspild og få nogle ekstra gode tilbud, så vi tror på, at denne ordning kan være med til at løfte begge formål".

Thank you!

