



The ultimate guide

Guide to preventing food waste in the retail sector



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We can help you prevent food waste

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1. Food waste in the retail sector

Approximately 988,000 tonnes of food is wasted in Scotland each year, a carbon impact of 3.7 million tonnes CO₂eq (nearly 5% of Scotland's total carbon footprint)¹.

The Scottish retail sector has been estimated to generate approximately 31,000 tonnes of food waste annually. Efforts to reduce this waste present opportunities to save retailers money whilst reducing Scotland's food waste and carbon footprint².

Making retail sector improvements on food waste prevention will help achieve the Scottish Government's target to reduce food waste in Scotland by 33% by 2025.

This guide highlights the key areas of food waste generation within the Scottish retail sector and identifies the key steps that organisations can take to limit their environmental impact and improve their resource and cost efficiencies.

¹Source: Zero Waste Scotland, How much food and drink waste is there in Scotland? ²Zero Waste Scotland.



2. Waste Scotland Regulations

Waste producers have a 'duty of care' to ensure their waste is managed effectively as per the Waste (Scotland) Regulations 2012³. The Regulations stipulate that food businesses (except in rural areas) producing over 5 kg of food waste per week present their food waste for separate collection.

The Scottish Environment Protection Agency (SEPA) defines a food business as 'an undertaking, whether for profit or not and whether public or private, carrying out any activity related to the processing, distribution, preparation or sale of food'⁴. Examples of food businesses include; retailers, food and drink manufacturers, restaurants, cafes and hotels.

Food waste segregation is integral to retailer environmental performance and compliance with the legislation. Failure to comply with the legislation may lead to fixed penalty notices, prosecution and a potential fine of up to £10,000, in addition to reputational damage to your business.

³Waste (Scotland) Regulations ⁴Source: SEPA



3. Identifying sources of food waste

The true cost of food waste is often much higher than typically perceived. Not only do businesses pay for the uplift of waste, but they also pay for the cost of purchasing the food, the associated labour costs, transport costs and packaging costs. Gaining an understanding of how much you waste and what this waste is costing the business is the first step to addressing the problem.

In order for Scotland to achieve national food waste reduction targets the internationally recognised 'Target, Measure and Act' (TMA) approach should be adopted by all food and drink businesses. TMA calls such businesses to:

- **Target.** Set a food waste reduction target for your own UK operations, aligned with or contributing to Sustainable Development Goal 12.3.
- **Measure** in a consistent way and share what you've learnt.
- **Act** to reduce your own food waste, to work in partnership with suppliers and to help your consumers reduce food waste.

Measuring and Targeting (M&T) is key to understanding where and why losses occur in the process and allow you to set your targets for reducing losses and food waste.

Monitoring and measurement is invaluable to identifying waste 'hot spots'. It provides useful data and can be chosen to be as basic or as complex as needed for the scale of your retail store. Our detailed [Measuring Food Waste Guide](#) can help to guide you through this process. Potential measuring and targeting systems could involve:

- Using containers and weighing equipment for each type of food wasted
- Completing analysis to pinpoint costs and reasons for food waste
- Completing visual inspections or utilising existing employee checks to identify areas of increased waste generation, and
- Installing automatic monitoring and measuring equipment where appropriate

Common reasons for food waste generation in retail are listed below. Considering these different sources of waste may help to set up a suitable measuring system.

- Food approaching its sell-by-date
- Damaged products
- End of promotion lines
- Over-ordered products, and
- End of line clearances

Once 'hot spots' have been identified, actions for improvement can be prioritised and targeted. Sticking to ongoing measuring programmes also provides data to demonstrate the effectiveness of food waste prevention actions in terms of quantities and cost savings.



4. Waste prevention solutions

Once you know where your food waste is coming from, you're in a better position to tackle it. Over the next few pages, we've listed some of the key actions you can take to target common causes of food waste.

Sales forecasting

There have been significant improvements in inventory management by major retailers over the past decade, but many systems are costly and are often not easily applicable to food waste produced in-store.

In order to reduce food waste by improving the accuracy of ingredients and stock ordering, retailers should consider a number of factors:

- Historical sales data (i.e. how much product was ordered on previous/similar days and subsequent sales waste volumes)
- Events (i.e. could sales be impacted by public holidays or events such as football matches?)

- Seasonal changes and weather conditions (i.e. are any items currently on offer or likely to sell better at different periods? e.g. Easter and Christmas); likelihood of soup vs salad sales in colder or warmer weather, and
- Changes in market trends

Effective gathering and analysis of this data may:

- Avoid overstocking
- Avoid stock shortages
- Accurately calculate volumes of fresh food to prepare (sandwiches, pies etc.)
- Allow retailers to implement price changes according to current stock and sales forecasts, i.e. sell excess supply rather than risk it going to waste and generating no return, and
- Improve communication with customers by upselling and cross selling

Sales patterns may vary depending on geographical location. The more detailed your data collection, the greater the potential to identify trends, reduce waste and generate savings.



4. Waste prevention solutions

Savings can be achieved from buying less stock, buying more of the correct stock (to match more closely with customer needs) and also reducing waste disposal costs.

There are many software applications available, such as SAGE accounting software. For smaller outlets, free apps such as 'Zoho' or 'Inflow' may be sufficient. These apps can be downloaded and accessed on smart phones or mobile devices. These apps facilitate:

- End to end tracking of batches and items
- Analysis of sales data
- Management of orders, and
- Effective reporting performance tools e.g. dashboards

Some retailers may have an existing Electronic Point Of Sale (EPOS) system for processing sales. Make sure you are using any available reporting tools to collect and analyse sales data to inform your decisions. Contact the supplier for advice on improving your EPOS system or to request training if required.



4. Waste prevention solutions

Supply chain collaboration

Ineffective relationships with suppliers can lead to late deliveries or delivery of the wrong items. This increases waste and can have a major financial impact on smaller businesses.

Effective relationships between you and your suppliers is mutually beneficial in a number of areas such as improved collaboration on product life-span extension and flexible ordering systems which allow late orders to be processed or last-minute changes.

To improve supplier communications, the following actions can help:

- Create channels for consistent communication
- Maintain regular communications
- Regularly review performance
- Identify and manage risks, and
- Create a fair trading environment



4. Waste prevention solutions

Merchandising

Consumers have come to expect 24 hour a day, 7 day a week accessibility to grocery shopping, but this comes at an environmental cost. Keeping shelves fully stocked at all times of day will ultimately result in waste. Retailers worry that an understocked display will look less appealing and result in reduced sales, so they restock right up to late in the day. This is a particular issue for bakery items. So, what can you do to avoid this problem? Consider:

- Moving items closer together to remove gaps
- Bringing items to the front of shelves throughout the day
- Installing a display system that can be reduced in size, for example shelves that can be made narrower or a set of baskets that can be removed as they empty

- Filling out the display with props
- Moving other types of product into the empty display areas

These steps can equate to less waste, increased sales and improved profitability.

Selling 'wonky' fruit and vegetables

A study from the University of Edinburgh in 2018 suggested that more than one-third of farmed fruit and vegetables never reaches supermarket shelves because it is misshapen or the wrong size⁵. This leads to large quantities of avoidable food waste.

If your retail operation is able to accept 'wonky' fruit and vegetables, inform your suppliers that you would be happy to receive it. Selling 'wonky' produce can be achieved in a variety of ways, e.g. at a reduced price, as special offers or within a 'make your own'

pack such as for soup or stew. Consumers are becoming more aware of environmental issues such as food waste, and in many supermarkets, wonky veg ranges are proving popular.

⁵The University of Edinburgh [2018] A third of fruit and veg crop too ugly to sell. Available at: <https://www.ed.ac.uk/research/latest-research-news/a-third-of-fruit-and-veg-crop-too-ugly-to-sell>



4. Waste prevention solutions

Date labelling

Correct food labelling is a requirement to ensure essential information is available for consumers. Examples include nutritional values, allergens and date labelling. However there is frequently a lack of understanding around date labels.

Rather than disposing of food which has passed the 'best before' date, some major retailers have opted to sell this food at

a reduced rate. This reduces waste and allows some costs to be recouped. This may also lead to a reduction in household waste with increased awareness of date labelling among consumers. Consider implementing this in your retail store, but make sure you effectively communicate the reason for the price reduction with your customers, so they know what to expect and so that they have a better understanding of date labelling.

Commonly used date labels and their meanings, include:

Best Before: This does not relate to food safety, as after this date the food is still safe for consumption, however the quality may be reduced.

Use By: This relates to the date after which food is not safe for consumption.

Display Until/Sell By: This information is provided for stock control for retailers. This is not related to food safety.



4. Waste prevention solutions

Staff awareness and training

Engage your staff in food waste prevention opportunities to motivate the team to achieve and sustain savings.

Awareness training and promotion of why food waste prevention is important should be included in induction training, as well ongoing training and communication to ensure that waste reduction stays on the agenda.

Training should explain the real cost of food waste, and what staff responsibilities exist to ensure effective food waste prevention. Highlight key performance indicators (such as percentage of food purchased that becomes waste) and reduction targets to drive improvements. Be clear about what actions are expected to contribute to these targets.

Maintain regular communication and feedback to show how the store has successfully reduced food waste. This will help to encourage sustained engagement and

achieve greater reduction. Include food waste data in weekly meetings and make sure that any issues are highlighted and addressed quickly. Consider appointing a 'Green Champion' or 'Food Waste Superhero' to have a nominated staff member to lead on waste issues. Your Green Champion can develop posters and signage to raise environmental awareness with other members of staff, keep performance trackers up to date, and encourage further ideas for waste reduction.

Bin signage is a good way to remind staff about the requirement to keep food waste separate, and to reduce it. Over time, being able to reduce the size of the bin for food waste will be a measure of the success of the food waste prevention programme. Before and after photographs are also great ways to show staff the difference they have made. Energy Efficient Scotland has a range of free tools to help with staff engagement and training:

- Our free Recycle for Scotland poster creator enables you to develop all the signage you need to ensure your employees understand what and where to recycle.
- Our [free staff engagement planner](#) gives you step-by-step actions for motivating staff in your business.
- [Green Champions Training](#) is a free CPD Certified online training course for Scottish organisations. The course has been designed to give staff new skills and tools so that they can successfully improve the resource efficiency and environmental performance of their organisation.



4. Waste prevention solutions

Redistribution of food

In some cases, food waste is unavoidable. When this surplus food occurs, a good option is to redistribute it for human consumption. Redistribution is the process whereby surplus food that would otherwise have ended up as waste is, instead, made available for people to eat. Companies, charities and individuals can all benefit from the redistribution of surplus food. There are many organisations that will help match your surplus food with people or businesses in your community that can make use of it - read more about the different platforms [here](#).

We have also developed a [Food Redistribution Guidance Document](#) in conjunction with Food Standards Scotland

to tell you all you need to know about how to redistribute surplus food. From food safety considerations through to how to identify surplus food, this guide will lead you through the process. Typically, surplus food items that can be redistributed include:

- Meat, fish, eggs and dairy products
- Fruit and vegetables
- Chilled food, such as ready meals or drinks
- Frozen food, or chilled food that has been blast frozen, and
- Ambient goods, such as pasta, tins and cereals.



4. Waste prevention solutions

Food unsuitable for redistribution includes:

- Food that has been warmed or prepared;
- Food that has exceeded its use-by date.

Food redistribution can offer many environmental, social and economic benefits, including:

- Saving on your waste disposal costs
- Providing food directly to people in need
- Impacting positively on staff morale
- Enhancing your reputation with your customers
- Helping achieve your business's environmental targets

Results in brief:

- £12,278 in cost savings
- 9.4 tonnes of food waste avoided
- 20.6 tonnes of carbon dioxide equivalent emissions prevented

Case Study

Locavore

Locavore is a community interest company based in Glasgow that grows and sells organic food products. The organisation's goal is to build a more sustainable food network and to reduce unnecessary single-use packaging.

Locavore run a market garden, have established a veg box scheme and have developed a grocery store as a viable alternative to supermarkets. In keeping with the ethos of the company, profits are used to further benefit the local community.

Locavore engaged with Zero Waste Scotland to identify new opportunities to prevent food waste. Solutions included extending the shelf-life of their products by using methods such as cold storage and blast freezing.

Other solutions included the use of perishable goods that were reaching the end of their use-by date to make and sell soups or smoothies. Purchase of food processing equipment, such as a blender, have made food waste prevention easier to achieve.

The company has also positively influenced the community by employing a 'Waste Champion' to engage and educate customers on both food waste and wider packaging reduction initiatives. Reuben Chesters of Locavore said, "The benefits of Locavore's waste minimisation ideas have been confirmed by the analysis performed by the waste specialist from Resource Efficient Scotland. We are delighted with the results".

We can help your business to cut costs and improve your profits.

If you would like to find additional ways you can reduce food waste and save money, why not contact our Food Waste Reduction Business Support service to discuss our free food and drink opportunity assessments.

We're here to help.

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