

Environment, Food and Rural Affairs

Oral evidence: Food waste, HC 429

Wednesday 18 January 2017

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Members present: Jim Fitzpatrick (Chair); Chris Davies; Simon Hart; Kerry McCarthy; Dr Paul Monaghan; Ms Margaret Ritchie; David Simpson; Angela Smith.

Questions 162-296

Witnesses

I: Tim Smith, Group Quality Director, Tesco, Louise Evans, Director of Corporate Affairs, Sainsbury's, Victoria Harris, Head of Sustainability and Responsible Resourcing, Waitrose, and Steven Butts, Head of Corporate Responsibility, Morrisons.

II: Tony Sophocliides, Director of Communications, Association of Licensed Multiple retailers, and David Bellamy, Environment Policy Manager, Food and Drink Federation.

Examination of witnesses

Witnesses: Tim Smith, Louise Evans, Victoria Harris and Steven Butts.

Chair: Welcome to our witnesses this afternoon. If you could state your name, organisation and position for the record, that would be helpful. I will start with you, Mr Smith.

Tim Smith: Good afternoon. My name is Tim Smith. I am the group quality director for Tesco.

Louise Evans: I am Louise Evans, director of corporate affairs for Sainsbury's.

Steven Butts: Hello, I am Steve Butts, head of corporate responsibility for Morrisons.

Victoria Harris: Good afternoon. I am Victoria Harris, head of sustainability and responsible sourcing at Waitrose.

Q163 **Chair:** Splendid. Thank you very much for being here promptly. We will



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be relatively informal, which I hope is not uncomfortable for you at all. My first question is to you, Mr Smith, and is very straightforward. Tesco publishes its food waste data. Can you tell us about how you capture that data? The supplementary question to our other guests will be why they are not doing the same as Tesco.

Tim Smith: You are quite right. Since 2012, we decided that setting targets depended on measuring the food waste that we incur in our own operations. We do it by category, starting with bakery and working our way through every single category within the store. It is done very much at a store level, so it is built from the ground upwards. By using a very simple metric in store, we calculate each day's waste and each store's waste. Then, because we thought and our external advisers told us that this was the best way to do it, we have those numbers checked and verified by KPMG. Rather than just do it ourselves and hope that we are doing it the same way as other people, KPMG recommended that we use the World Resources Institute's metrics. It is their design, we implement it and KPMG checks it.

Louise Evans: We do something slightly different from Tesco. We measure waste in tonnage, which is a different approach. We also do not go down to category level, although it is something we are working on this year. I think probably what that highlights is a difference in approach across measurement generally, but I support the point that if you do not measure, and publish what you measure, you then cannot address the problem. That is the approach that we take.

Steven Butts: We do produce general waste figures, which we publish and have done since 2007, for all store waste. It was largely driven at the time by our zero waste to landfill policy, because we were part of the initial wave of Courtauld signatories. Now it is in full phase.

At a store level, we capture our information financially as a percentage of sales. The reason why we do this is because it is very granular by category. That information goes down to store level and is shared at store level with managers. Therefore, we use it as a metric to make sure that our stores are driving down waste at a very local level.

Victoria Harris: We measure our total organic waste by taking an average bin weight across our estate and multiplying that by the number of bins collected. The challenge is that that is the total organic matter, so it will include things that would never have been edible anyway, like horticulture waste, fish bones from counters and things like that, as well as packaging weight.

What we are looking at doing with the new waste contractor we appointed at the back end of last year is getting much more accurate measurement and compositional analysis, so that we can really tell how much of the content of those bins would actually have been edible and is edible food surplus that we need to avoid, and how much is inedible. We have been reporting our total organic matter to WRAP for the last three years, and

that has been in our annual report and accounts on our website for the last year.

Q164 Chair: So the data is published by all the supermarkets, but in different forms, so it is not as easily identifiable as Tesco's, which is fully published. What do you do with the data? Do you set yourselves targets for the next year, or do you just monitor what is going through to be more efficient? Is there not a good reason for you all to publish it in the same format, so that comparisons are easier? Do you have a view on that?

Tim Smith: I think the reason why we found this the most useful set of metrics is that it identifies for us where the hotspots are in food waste. If you start with our biggest number, it is in-store bakery waste. You can concentrate the minds of the experts within the retail and bakery set-up and say, "Okay. In a league table setting, you are contributing the largest proportion of our food waste, so we will devote the most of our attention to solving that specific problem."

When we aggregate all those numbers there are two important parts. There are the parts where we caused the problem ourselves by damaging the food. The other half is effectively about durability, as the product is getting close to the end of its life.

We took the decision last year that by the end of this year no edible food that is safe for consumption will go to any source other than human consumption. By redistributing that waste our primary objective in measuring is to be able to take the action that I have mentioned. That means that we can do our level best to eliminate all of that edible waste.

Louise Evans: Any food waste in the business is a cost to the business, so it is in our logical interest to reduce that cost, and therefore it is a big priority and focus for us. That is other than the environmental and societal impact of reducing it. It is definitely a priority for the business.

Through our measurement—albeit different from everyone else's—we are able to measure down to category level as well. You will not be surprised to know that our lead products that go to waste are the same as Tesco's. That enables us to focus on the problem and where the pinch points are with store managers. It is reported at the highest level on a weekly basis internally, so it is in sharp focus in our business.

Steven Butts: On the point about collective collation of data, I am sure you are aware that we all—I'm pretty sure—provide information to WRAP and have done for quite a long time as part of the Courtauld commitment.

A number of retailers also provide information that is then verified by WRAP to the British Retail Consortium. I want to declare a slight interest in that I am chair of the BRC's environmental member group; we had a meeting in London yesterday. A lot of the members of that group are food retailers, so food waste is a topic of conversation, as well as wider environmental issues that come up all the time.



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Three years ago we looked at how we could collectively publish more information and make it more public and accessible. Through the BRC we publish "A Better Retailing Climate", which produced a figure for food waste of 200,000 tonnes for the seven signatories. WRAP extrapolated that and took it up to 240,000 tonnes of actual waste, as opposed to edible food waste, for the industry.

So there has been a move to provide information that is collective for the industry. The view has been that that information informs stakeholders about the sector as a whole. I think the UK's is the only supermarket sector to do that. In effect, we have taken a bit of a lead in trying to get information and making it public.

Victoria Harris: On how we measure progress against a target, we set a target in 2014 to reduce our food waste by 15%, and that is the total organic matter figure. Between 2014 and 2015, we reduced that by 11%, which we were really pleased with. We are in the process of collating the data for the next year, which needs to be externally assured before we can release that, but that is showing a downward trend as well. We are pleased with that progress.

Q165 **Chair:** Okay. Most of you have mentioned WRAP in your comments so far. They have called for a food surplus and waste management plan for businesses, which I assume they have had dialogue with you about. Do you think that would help businesses identify the source of food surplus and waste?

Victoria Harris: Absolutely. As I hope you have seen in the written evidence, which we can elaborate on now, we have got a very comprehensive plan in place around reducing that surplus through a number of different channels. One particular strand of that for us is around strengthening our food donation policy to charity. That is something that we have done since 2012 on a local basis with our branches. We recently announced a partnership with FareShare FoodCloud that will enable us to do that much more consistently across the piece. So yes, we are very supportive.

Q166 **Chair:** We will come on to the charitable dimension in more depth in a wee minute, but Steven, can you talk about engagement with WRAP and offer suggestions? Have you spoken with them recently?

Steven Butts: Yes, absolutely. I also sit on the steering committee for Courtauld 2025. I have had a lot of personal involvement with WRAP for a number of years. The real benefit to us as retailers working with WRAP is, first, the breadth and depth of their knowledge, and secondly that it provides fairly neutral, non-competitive territory where we can collaborate. The view that we take, both through WRAP and the BRC and as individual retailers, is that to tackle this issue there has to be a whole chain approach. It has to be something that goes from farm to fork.

You can look at the figures that we can give you for waste, post-farm gate, which is at 2% for the retail industry. Critics will say, "Well, that's fine, but what about all the other potential causes going all the way back



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to farm?" Our answer to that would be, "Yes, of course it is of interest for all of us to drive down waste through the supply chain", because ultimately any waste adds cost through the supply chain, and from our point of view that is the last thing that we want to stack up for customers.

So, yes, there has been lots of engagement with WRAP for a number of years. For example, we also sit on various sub-committees that they have. The food waste redistribution group is a good example. You will have seen that it made a public statement this week about doubling waste through that particular forum.

Louise Evans: WRAP has been a force for good across the supply chain in bringing different parts of it together. Like everyone else here, we have partnered with WRAP in the way Steven describes for many years.

On your question whether it makes sense, everyone sitting in front of you has a waste management plan. If you do not have a plan or any data, you do not know what you are measuring or how to reduce it or identify where the problems are. I speak for Sainsbury's, but we do that well and we are making good progress. There is always more to do. I think there is a broader challenge across the food industry per se. If you look at WRAP's data on manufacturing food waste or out-of-home takeaway-type food waste, there are big challenges there. They could probably help with some best practice going into some of those other areas.

Tim Smith: I will not repeat what my colleagues have said—I agree with all of that. I think WRAP has been a catalyst and a great force for good within the food sector. It has helped us concentrate on what matters most and get to where customers and suppliers need us to be, which is recognising our responsibility within the total supply chain. As has been mentioned, we might only account for 1% or 2% of the waste, but we recognise that our responsibility goes from where the product is originally conceived all the way through to consumption and beyond. It forces us—and rightly so—to take our responsibility seriously.

Q167 **Ms Ritchie:** Can you give us examples of how you are working together to deal with food waste and to share best practice?

Tim Smith: Do you mean with competitor colleagues?

Ms Ritchie: Yes.

Tim Smith: The bodies have been mentioned a couple of times. The BRC is very capable of co-ordinating these actions. Different retailers will take the lead in different areas. I think this comes across—hopefully it does—as not really a competitive issue. It is not one where we all want to be vying for attention. The actions we take are appropriate for our customers, our supply base and our businesses, but, generally speaking, if one of us has a really good idea—you have just heard that Waitrose is using FoodCloud for its connection with charities, which is something that we have been doing for a couple of years—we don't mind. That is great. If we come up with some new idea for minimising food waste, we are happy to open the doors

or share it with our competitors, their suppliers or our suppliers. I know the same thing would happen in reverse.

Louise Evans: I mentioned that we are running a pilot project up in Derbyshire, which is addressing household food waste, the biggest area of food waste across the UK. If you look at WRAP's data, about 70% of food waste comes from households. We know that that is a big challenge, and we have a responsibility to try to help customers.

We have been running the project for a year now. We are investing £10 million over five years. The first phase is to work with the town—the council, the store, the schools—to test some interventions, to see what can work and what we can change. They can be very simple things, from testing fridge temperatures and giving away thermometers to testing apps like Winnow, which some of you may have seen, which weighs waste food and gives financial value to it so that a family can understand what the financial impact of food waste is.

The purpose of the project overall is obviously to reduce food waste but also to develop, in an open-source way, ways we can share with other colleagues here or people across the industry, councils and schools what are the things that work, so that we collectively get to the heart of the problem.

Chair: We have a specific question on Swadlincote later on.

Louise Evans: Right. But, going to your point, it is not a competitive thing. If we can all address it and share best practice, that is a good thing for everybody.

Ms Ritchie: Thank you. Steven?

Steven Butts: Margaret, perhaps I would say this because I am chair of the BRC committee, but that is a good example of retailers coming together and sharing ideas. One of the things we did last year, you might be interested to hear, was that the BRC helped us set up a roundtable meeting with the NFU and the Agriculture and Horticulture Development Board down at NFU HQ. Most of us—in fact, a number of colleagues sitting in the room—sat around a table to look at what we could do for the retail sector to start opening that dialogue, particularly with the farmers unions and the growers, to look again at the whole chain approach.

That is a really good example of our sector—but not just our sector—reaching out and trying to work with other sectors. That is something that we will follow up this year, and it is really positive. It is interesting because you might get the impression that there is quite a lot of tension in the system, but actually in those meetings it feels anything but. There is a lot of genuine interest from everyone in the supply chain to work through solutions. That is very often how it feels to us from those meetings.

Victoria Harris: I would reiterate the importance of WRAP in facilitating that collaboration and providing the space to do that. It has been hugely effective. One of the things that we are finding particularly useful is the



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benchmarking process that they are starting, which is reviewing where we are versus our competitors and then helping to identify where are the areas that we need to focus on improving and how we can learn from our peers in doing that. That is the main forum through which we have been collaborating.

Q168 Simon Hart: This will come up in more detail later, but as part of that rather worthy sounding attempt to help householders waste less food, presumably that means that some of your marketing techniques—two-for-ones, three-for-twos: the uber-discounted products that tempt us all into buying far more than we actually need and then we throw it away—will be a target as well. Will we see the end of that as a result of this process?

Louise Evans: You will in Sainsbury's, because across all of our food products we have removed multibuys. I think there are a couple of things here. First, the way people are shopping is changing. Households are different shapes and sizes, and customers have told us that having multibuys creates waste and storage problems. It does not really fit with their lifestyles now. People are still doing big shops, but they are doing lots of top-up shopping, going to convenience stores, so it does not really fit any more. We had not done that on fresh produce for a long time, but we took them out across all of our food products within the stores.

So, in response to customer feedback, that has gone. That has a beneficial impact on our forecasting as well, because then you do not get peaks and troughs when things go on to promotion; it smooths out that demand curve of when you need products. So we have taken action on that already in Sainsbury's.

Tim Smith: To echo that, yes, the market has shifted, but partly in response to finding out what irritated customers most about the food waste they were incurring—top of our list a couple of years ago was bagged salads. We did some great deals—buy one, get one free on bagged salads—but we do not do that any more. We have stopped all fruit and veg buy one, get one free, and we are 80% down on all fresh promotions that have a volume link. That satisfies our need to help reduce food waste, but it also means that customers feel that they have received some help from us, because—you are quite right, Simon—they do resent being sold something they did not know they needed.

Q169 Ms Ritchie: Can I move on to the Courtauld commitment, a voluntary commitment from organisations? Does the commitment signify a desire within the industry to better manage food waste? The supplementary is: what changes have your businesses made as a result of being signatories to the Courtauld commitment?

Tim Smith: I see this as a sort of platform for us and others to work from, but it would be pretty disappointing if the businesses in front of you had only taken their being a signatory to Courtauld as their plan. When we set out to measure our food waste and specifically to act on all the components within it and then to build that back into our arrangements



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with our suppliers, we were not thinking about Courtauld or the way that was framed. We were thinking about what the right thing to do was. Yes, it has an economic benefit—we all recognise that—but the underlying point was that customers, colleagues and suppliers rightly need help in reducing the amount of food that goes to waste. When you set that in the context of a fair and more sustainable healthy diet, reducing food waste adds to that.

Courtauld is important, but less important, I suspect, to most of the people in front of you, simply because we were doing it and we will continue to do it.

Louise Evans: I don't want to be boring, but I echo what Tim said. We have a long history going back to 1994, when we established FareShare with Crisis to try to address the problem. Clearly, it is not one that is easily solved, but we have been on a journey to try to address it. It has always been prevalent in our business to drive food waste down.

Although not binding, what Courtauld does, and SDG 12.3, is to spur other people on to do more and provide an aspirational target, which moves people on in the right direction. A really good outcome of Courtauld would be if it went beyond the grocery retailers you see here and there were more signatories in other areas: food manufacturing, hospitality and other areas where there is food waste. It is a good goal to have in mind, but our business is doing it anyway and we just need to do more.

Steven Butts: Tim might have made the point, but the great thing about Courtauld, particularly Courtauld 2025, which is a 10-year plan, is that it has a number of separate working streams. That enables us to take leadership in areas where we are strongest and then share that knowledge. For example, I am not sure how aware of this you are, but Morrisons is very different from other UK retailers because we are also a major UK fresh food manufacturer. In fact, if you look at it statistically, we are about the second largest fresh food manufacturer in the UK. We have 15 manufacturing sites up and down the country. We run and manage our own abattoirs, our own bakeries, our own packhouses and our own fish processing plants. That is unique. It means we have a shorter supply chain and take responsibility for waste at an earlier stage. For example, we do not buy cuts of beef; we buy whole animals from British farmers direct from the farm.

The numbers are significant. We buy around 2.3 million animals from UK farmers, with 4,000 separate suppliers. If you look at what Courtauld is trying to do, that focuses not just on retail, but on whole supply chain sectors, so that we can look at specific pieces of work in either manufacturing or, for example, supply chains in particular, where we have expertise and where we can gain something and learn something from what WRAP does. Last year, for example, we had a supply chain project with WRAP on the pork supply chain. It makes sense because we buy 1.5 million pigs, so that is an area where we can take some leadership and demonstrate to retailers what we are able to do.



Victoria Harris: I echo Tim's and Louise's point that reducing food waste is a commercial imperative as well as an environmental and moral one. It is something we have been working on for a very long time, and Courtauld is a target that helps us to continue driving that forward and to bring the rest of the industry along with us.

Q170 **Ms Ritchie:** So there is no existing imperative to prevent supermarkets from selling vegetables, particularly, straight from the ground, which could add to food waste, as opposed to having them washed.

Steven Butts: Morrisons does buy whole crops. The way that our business is structured enables us to do that. I had an interesting conversation with one of my senior manufacturing colleagues last week. He talked about the fact that we are more and more going direct to farmers, who do not just turn up and sell us stuff; they literally turn up with trailers with mud and stones in the back, and deposit them in our manufacturing sites. We are able to take the whole product—the whole crop—grade it, and use it in different ways. We can slice and dice it in our manufacturing. What we also do, which is quite unique, is combine categories and particular products. For example, if we buy a whole block cheese, which we do, when we cut it, the cuttings can be used for gratings—grated cheese—and we can use that in our quiche lines and cheese and onion pasty lines, because we produce them in the same factory.

In our business, a lot of what we do is about efficiencies in our own direct supply chain. That gives us quite a degree of flexibility, which is unusual. I am not saying it is the only model, but it is clearly one that really benefits us. Everybody else will do it in different ways.

Q171 **Kerry McCarthy:** The problem with Courtauld is that it only reports an aggregate figure for everyone who signs up, so there is nothing to show who the good guys are and who the bad guys are, or who is pulling their weight and who isn't. Do you not think that it ought to be broken down, or that each supermarket and each signatory ought to show what contribution they are making towards those targets?

Tim Smith: Transparency means more than anything in this area. All of us who are prepared to publish at a category level will ask the others to do the same thing, not necessarily because we want to be compared, but so that we can make sure that if we have different hotspots in different retailers, we approach it in the same way. If we found that there was a disproportionate amount of wastage in one part of the product category, it would be nice to know if everybody had the same problem; we might be able to come to a common purpose to solve the problem, so I agree with you; yes, we could.

Louise Evans: We publish our waste data; waste was down nearly 10% this year. It goes back to this: if you do not publish it, you cannot see what you are eliminating from the business and how you are driving that number down. So, yes, I think transparency is key. Tesco's are doing it;

we are publishing it; I don't know about my colleagues here, but I think there is momentum within our industry to be open and transparent. That is a good signal that we all want to address this problem.

Steven Butts: I don't think there is any strong feeling in the industry not to do that. There are some questions about which bits of the data are used—there are different measures—and the way that you compile them.

Q172 **Kerry McCarthy:** But Morrisons doesn't at the moment.

Steven Butts: No, we produce a general figure for waste in store. We have used the Courtauld mechanism. We get that comparison, because it is normalised through the reporting process that WRAP operates. That means we are trying to compare like with like. If I take you back to my explanation about Morrisons' business being very different, the whole operation of our business is very different from that of my colleagues sitting here round the table. There is a question about the way that that information is collated for the industry, and which bits should be reporting and to what extent. Don't get me wrong: I don't think that being transparent is a bad thing—it is a good thing to encourage—but for me, it is about which information, and then what do you do with it? Tesco produce food waste figures, which is fantastic, but what happens if those figures go up? Does it mean they are doing a less good job? I don't think it does, actually. What it means is that they are just providing information, and you take from that what you will.

What is interesting from all the forums that I have been on, and from talking to WRAP and looking at this in fairly great detail, is that signatories to Courtauld and people round the table have very similar performance, particularly when you look at store waste.

Q173 **Kerry McCarthy:** How can we know that if we do not get those figures?

Steven Butts: I think you know that because you have the benefit of an independent and neutral body in the middle of it telling the industry and the wider stakeholders, and the public, MPs and customers, that that is what we do. It is not a question of saying that we are not trying to provide information, because I think we are; we have tried really hard to provide information. The question for me is: what information are you providing, and for what purpose? Transparency is important, but this should be about recognising, as Tim said, the hotspots, and then driving action collaboratively to tackle those particular areas you can tackle.

Louise Evans: May I add something to that? With regard to one of the earlier questions, there may be a point to look at around the consistency in measurement that might help you to do that comparison. You could probably, using the data from Tesco and Sainsbury's, compare ours, if you looked at our market size and the numbers, but everyone is doing something slightly different, and there may be a case for consistency in how it is reported.

Victoria Harris: That is exactly the point I was going to make. I think the real sticking point is around the consistency of measurement, and that is something that we have recognised with WRAP.

Q174 **Kerry McCarthy:** Did you say that Waitrose was just measuring organic waste?

Victoria Harris: Yes.

Q175 **Kerry McCarthy:** That wouldn't be anything that comes in a carton or tin; it is just the fresh produce.

Victoria Harris: No, it is all food waste, which gets sent off to anaerobic digestion, but all that waste will go into the bin, including the packaging, including waste from our horticulture offer—including things that would never be eaten, basically. What we are trying to do with WRAP and with our peers is to try to get to a much more consistent measurement, so that we can have a bit more like-for-like comparison.

Q176 **David Simpson:** I refer the Committee to my entry in the Register of Members' Financial Interests in relation to my involvement in the agri-food sector.¹ Do you believe that if the Government introduced a national target, that would focus businesses better on dealing with food waste?

Chair: Shall we start with Victoria this time? Otherwise, Tim is in pole position every time, which I am not sure is fair on him or Victoria, who has to think, "Do I have anything to add to these answers?"

Victoria Harris: Thank you, Chair; I am happy to take my share. I think that through the Courtauld commitment, we already have a national target for the food industry, which we are all committed to working towards. In our view, we already have that. I think the challenge is about how we encourage more businesses in the food sector to sign up to that as well.

Q177 **David Simpson:** Are all the major supermarkets signed up to the Courtauld agreement? I know that Asda are not here today, but are they signed up to it as well?

Steven Butts: Yes, they are.

Louise Evans: And Aldi and Lidl?

Steven Butts: I'm not sure, but I think so.

Q178 **David Simpson:** Well, as long as you are, that's the main thing. Steve, I'll go to you now.

Steven Butts: At the risk of repeating what has been said, I agree there is a target that we adhere to through Courtauld. I suppose you could say, "Yes, but it's a voluntary arrangement." We don't treat it like a voluntary arrangement. If you sat in on one of the working groups and heard the level of detail that we get into in those discussions, you would see that it is not treated in any way, shape or form like that. I do think, to come back

¹ <http://www.publications.parliament.uk/pa/cm/cmregmem/170109/170109.pdf>



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to the whole-chain approach, that is really important, and Government can really help with it, because if you look at post-farm-gate waste, there are—actually, let me start at the beginning. It is important to look at what happens on the farm, and we don't have the data for that. That is certainly something that Courtauld 2025 hopes to address. That is really important, both in the UK and overseas; I think we all agree that that is critical.

It is important to recognise that the food sector is pretty wide and varied. The manufacturing side and food, hospitality and service are really important, as well as household. I think where we can really add value is in looking at areas outside our own sector, and reaching out to those sectors to be joined up in our approach. The issue of whether that food waste target looks at the sector as a whole is probably the right place to start.

The other thing that I would say is that in, for example, our meeting of the BRC yesterday, we had two colleagues from Defra come and present to us. We routinely talk to Government and Government offices about developments to make sure that we are aligned. One thing of real interest was the renewed interest in the 25-year plan, which Defra are keen to go out to consultation with this year, to look at the future. There is a really fantastic ambition for the UK to be leading in this area. Those are the kinds of things where we should tie in both to Government policy and across the sector, and we do that; we are interested in doing that.

Louise Evans: Sainsbury's takes this extremely seriously, and as you would expect, it is a key priority for us. It is part of our sustainability plan, which is very deep and broad, and published. Everyone in the business works towards delivering all those KPIs.

The difference between our model and Morrisons' is that we don't have the same infrastructure that Morrisons does. We work with farmers. Increasingly, we are sourcing more directly, in order to drive down food waste, so we have better relationships with farmers and don't use intermediaries. We try to employ the best technologies, so that we can help with forecasting. Also, as I mentioned earlier, we have taken out multibuys, so that we don't get these spikes in production. There is an imperative on us to do that as a business, because there is a cost imperative as well as the environmental one that I have mentioned. We consider it to be binding, and you will see a lot more work by us on this.

Tim Smith: We are unusual around the table, I guess, in that we're an international business, so a national guide or measure wouldn't be that relevant to us, anyway.

The second part of that is that we looked at the UN sustainable development goals, and our chief executive officer now is the chairman of Champions 12.3, which encourages manufacturers, retailers and others in the food chain to join a commitment, which we think is probably the boldest it can be, to halve food waste in the retail and processing sectors by 2030. It is great to have that aspiration, but every one of us will have a set of building blocks that we are working up, to make sure that this work



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is happening not only in the retail part of our business but back in the supply chains. We are addressing that as if we were a single economic entity. I would stand in a field with our iceberg lettuce supplier and ask him, "If we were the same business, how would we best eliminate waste from start to finish?" Like Morrisons, we take that perspective, even though we don't actually own the organisation that is providing that product.

Q179 **David Simpson:** For clarification, may I check something? I think it was either Steve or Victoria who said that you are currently working on a target figure. Now, excuse my naivety, but what is that target? You say you are working to a target. Is that a Courtauld target?

Victoria Harris: I think that was me. Yes, I was referring to the Courtauld 2025 target.

Q180 **David Simpson:** Right, and what is that?

Victoria Harris: Reduce food waste by 20% by 2025.

Louise Evans: Then the SDG is 50% by 2030.

Q181 **David Simpson:** Okay. Next question. We have been told that retail practices such as order cancellations, last-minute changes to the forecast and retrospective changes to supply agreements lead to food waste, with the processors, the overruns and all the rest of it. What's your response to that? Louise, we'll start with you.

Louise Evans: I guess that we are going into the territory of GSCOP—the groceries supply code of practice. I am not an expert on it, so I would probably need to ask one of my colleagues to give you a written response on GSCOP, but it is there to protect producers as well. It is a hugely complex area.

It is often levelled at retailers that we cancel orders and things like that. GSCOP actually protects and compensates for order changes, as far as I am aware, so there are protections in place, and we do everything we can to improve all our forecasting, to get pinpoint forecasting for different parts of the country, so that we can make sure that we are buying what we say we're buying. As I mentioned, we have tried to smooth out the demand curve, so that we are more consistent when we are working with farmers.

The fact that we are sourcing more from farmers directly now enables us to build relationships that are much better. We share a lot of best practice across farms. One of our development groups works on water, for example, and on reducing water waste. It becomes a case of building those relationships and building the trust, but as Tim mentioned, if you were to treat it as your own business end to end, that has a benefit for everybody, if you all work together. Without getting into GSCOP, which, as I say, I'm not an expert on—

Q182 **Chair:** Can you just explain what GSCOP is, please, Louise?

Louise Evans: One of my colleagues might be able to articulate this better than I, but it is the code that protects or enforces the regulation between the retailer and the supplier.

Q183 **Chair:** Thank you. We received previous evidence about international suppliers, in particular, being disadvantaged as a result of cancellations. Could you incorporate that into your explanation of GSCOP, please?

Steven Butts: On the GSCOP bit, I should declare another interest, if you like: I am Morrisons' code compliance officer for the groceries code, which means that I regularly meet the Groceries Code Adjudicator. All of us, as retailers, are governed by the groceries code and—this is public information—meet with Christine Tacon at least every three months to go through developments, but also to update and to take feedback from her. Please stop me, because otherwise I will get on to my hobby-horse; it is an area I am very familiar with.

If it is helpful to the Committee, in essence the groceries code is a key area of competition law. It was created out of some very in-depth reports undertaken by the Competition Commission, starting way back as far as 2003 or 2006. It introduced new legislation—an order—that led to the groceries code, and in 2013 the Groceries Code Adjudicator came on board. Louise was referring to a particular provision within the groceries code that deals specifically with forecasting. It says that retailers must take due care to work collaboratively with their suppliers to make sure that forecasts are prepared carefully, so that they don't mislead. At the end of the day, a forecast—not just in the retail industry but in any industry—is an attempt to tell your suppliers what you might want to buy off them.

The best example is in produce. Fresh produce forecasting is notoriously difficult, because what customers want to buy at any given time is affected in quite a significant way by things as simple as the weather. Even before GSCOP, the industry has a number of mechanisms to deal with that in a practical way. Let me give you one example: if you are a produce supplier and are working with a retailer, generally speaking you will set up a joint business plan or an arrangement for sale of produce over the period of a growing season. The retailer will then call on the supplier—certainly, that is the way it operates here; correct me if it is different for any of my colleagues on the table—during the course of the season. By the end of the year, you will basically buy what you set out to buy at the beginning of the year, but it is a question of when.

It is really important, from a food waste perspective, particularly with fresh produce where this issue is most acute, to ideally leave stuff in the ground until the last minute, because you then maintain freshness and reduce waste. Because of our manufacturing capability and the way that we operate, we talk to our growers routinely—probably at least every day during a particular growing season.

To answer your specific question, you would ordinarily agree a forecast and you would talk to the supplier right up until the point the produce is



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picked or taken out of the ground. What suppliers typically do is pick and pack, which is what they ordinarily do, ready to be delivered into the supply chain. What they will not do is pick everything, because they know that orders can change. We find that the feedback that we routinely get from our producer groups and our direct producers is that that system works well, particularly when there is a continual ongoing dialogue, because you can work the peaks and the troughs. Farmers know better than anybody what the weather is going to be and what the forecasts are likely to be. What we do as an industry is give the best information that we can about customer ordering patterns.

Chair: We are familiar with the adjudicator and the code; we have been following that for years. It was GSCOP that I was certainly not familiar with.

Louise Evans: Sorry.

Q184 **Chair:** No, no, not at all. David's question was about information we had received from previous witnesses saying that they are aware of complete cancellations, and people being devastated because they've got a whole crop that they have nothing to do with. The question was whether you recognise those kinds of complaints, and obviously from your answer, Steven, you don't. Victoria, do you?

Victoria Harris: We have very long-term relationships with our suppliers and work really closely with them on—

Q185 **Chair:** Internationally as well as domestic?

Victoria Harris: Yes, internationally as well. We work really closely with them on forecasting and trying to get that as accurate as possible, and on ordering. We will work with them on the promotional plans that we put in place through the year, to make sure that those align with seasonal fluctuations in produce.

We also carry out something called the Waitrose farm assessment, which is a survey that takes place on all our fresh produce farms across the world looking at five key environmental factors, one of which is waste. With the Waitrose farm assessment in 2011, we started by understanding the baseline of what those farms were doing around measuring and putting waste management plans in place. By 2013, we had seen some improvement in the numbers of our growers that were doing that, and in the next iteration of the survey, we are hoping to understand a bit more detail around some of the drivers of that and how we can better work with them to address some of the challenges.

Q186 **David Simpson:** In relation to what Louise said about farmers or suppliers being compensated, the Chairman has said that we have received evidence that whole orders have perhaps been cancelled. Are they fully compensated? The manufacturer is possibly compensated, but is the primary producer—back to the vegetable grower or whatever? If the thing is cancelled—crops not taken out—are they compensated, or are they left hanging?



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Louise Evans: Could I get you written evidence from a colleague, because as I mentioned, I am not an expert on GSCOP?

Chair: Of course.

Louise Evans: My understanding is that the farmers—I think you mean the farmers—would be compensated if an order was cancelled under GSCOP. I would need to clarify that with one of my colleagues.

Q187 **David Simpson:** Is that the experience of others?

Steven Butts: The groceries code applies only to direct suppliers—in other words, the first line down, in terms of the supply chain. If you are buying through multiple companies, organisations, businesses or whatever, is the ultimate grower, who could be on the other side of the world, going to get compensation under the groceries code? Probably not, no.

Chair: That is very helpful.

Tim Smith: The piece of evidence that you refer to jumped out at me when I read it, and I do not recognise it. I do not recognise it either from my 30 years as a supplier to my colleagues on my left and Tesco before I was a retailer. It assumes that there is an adversarial relationship between the buyer and the farmer, the grower or the processor, and that is almost never true. Something has to have gone wrong if that happens. We have to be able to trust each other, and part of that is the forecasting, because it is not just to do with the product itself; it is to do with labour, packaging waste and everything else that goes with it. It serves no one any good purpose to get your forecasting wrong, so there is always a shared responsibility. Over the last three or four years, the trust between processors, packers and retailers has grown to a level that I cannot recollect. It is very strong. When I saw that piece of evidence, I was almost incensed, certainly on behalf of Tesco.

It is also worth saying that technology—most of which I would not claim to understand—now plays a phenomenal part. The models that our guys use and the communication that they have with their growers, farmers and packers means that they are working off better information and they are not having to guess as much. As Louise mentioned, there is a lot less of the promotional swings, which basically leaves us with the weather to contend with. If there is a weather impact, we all have contingency plans to deal with that. If the weather has resulted in a glut, we will all be doing our level best to continue to buy the whole crop and find ways of bringing that to customers that meet their expectations and the suppliers' expectations. It is fundamentally about communication and trust.

Chair: Thank you; that is very helpful. Louise, if you do want to submit anything from colleagues, that would be very welcome too. I am just checking the time. We are drifting a little, so could we move on to the next question?

Q188 **Chris Davies:** Can I just have clarity on that last point?

Chair: Of course.

Chris Davies: David made a very important point: we have had witnesses in front of us telling us very different things from what you have just told us. Either someone is not telling the truth or someone has misunderstood the truth, or shall I just say that this Committee has not been given correct evidence by one panel or another? As you can see, this Committee is being broadcast and will be top viewing for the vast majority of the general public out there. I am sure that we will have lots of people writing to us after this, saying that either the previous panel weren't telling the truth or you aren't. Can we be assured that you are giving us the facts, and we are not going to have suppliers and producers writing to us after this to say, "That wasn't correct"?

Chair: Forgive me, Chris; I am sure we are getting honest evidence. I think Steven indicated that the initial compensation goes to the first line of supply, but second, third and fourth down the line, the money is not getting to the people we heard about earlier. We will get officials to follow up on the comparison between answers, to identify exactly what has gone wrong and why there is a contradiction before we reach our conclusions. I can assure you that we will get to that. Is that okay?

Q189 **Chris Davies:** Thank you for that clarity, Chair.

Following a previous comment, when you have fresh products in store and those products are not sold and have to go to recycling or wherever, who actually loses out? Is it your companies, or is the producer?

Tim Smith: Once we have made a deal with a supplier, that is the deal.

Q190 **Chris Davies:** And it is you—Tesco—that loses out.

Tim Smith: Yes. Everything we buy is paid for at the price that was agreed.

Q191 **Chris Davies:** That is fine; thank you very much.

On a point of clarity, Steven, I am not quite sure how much time you spend at Morrisons, because you seem to be on so many different panels and organisations, but well done to you.

Steven Butts: I am here today.

Q192 **Chris Davies:** You said that you buy the whole animal, and that you buy 1.5 million—I cannot remember the exact figures. 1.5 million chickens is very different from 1.5 million head of cattle, so is it spread right across the spectrum? It was a good statistic.

Steven Butts: We do not process chickens through our abattoirs. We do process pigs—the figure is 1.5 million. Cattle is 188,000, and lambs is 650,000 a year; I wrote this down, as you can tell. That is how I get to my total.

Chris Davies: Very good figures. Thank you very much for the clarity.



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Victoria Harris: That is also an approach that we have. We will commit to buying the whole animal from our dedicated farmers, and it is then imperative on us to make sure that we use all of that animal. We make sure that the trimmings will go into our pet food, and we introduced a forgotten cuts range to try to encourage customers to use less popular cuts of the animal. That is an approach that we take as well, although I cannot quote the number of head of cattle, I am afraid.

Q193 **Chris Davies:** Okay, thank you very much. I will not go round all of you, but that is very useful.

The questions that I have been given are to do with cosmetic matters regarding fruit and vegetables. We like to blame Europe for not allowing us to use bent bananas and everything else, but we tend to understand that vegetables and fruit are rejected by supermarkets on cosmetic grounds. What is your position on that point?

Tim Smith: In 2013, when we last gave evidence, the market was probably in a slightly different place, and we were too. It was partly in response to the Committee's interventions that we said, "If we are going to bring a range of what we call perfectly imperfect produce to customers, what is the pricing and the marketing message that enables us to utilise all of the crop whenever we can in such a way that customers can access a product that might look a bit different, but eats exactly the same way?"

What we have typically done—I know others have done the same—is widened our specification to the point where that still perfectly edible food can be sold, usually at a discount. It takes account of the whole crop idea, so that when we get a glut or a flush of a specific product, we can then move extra product that would not normally make our specification into this perfectly imperfect world. Pretty much every customer who has ever bought one of those products has come back and bought another, so on that basis it works as a concept.

Where product is still outside the specification, in our world—you will hear a slightly different story from Morrisons because of its vertical integration—we facilitate, for example, potatoes that are too big or too small going to make our recipe dishes. Potato-topped products made by one of our manufacturers are supplied with potatoes that we could not possibly sell within the stores, because they might be enormous or very tiny. They utilise that bit of the crop—165 tonnes or so of spuds so far this year. The same thing happens with onions and other crops.

We facilitate the relationship between two parties that would not normally speak to each other, because we have identified a hotspot in our measurement. So we have said, "What do we do with onions that are misshapen or that might not necessarily meet our specification, even when we have widened it? Let's put them into manufacture." Because we can make those connections and act as a bit of a marriage broker, we are gradually working through that whole list of produce in that way. It is really important that we bring it to customers first, but if it cannot be

used, it goes into food. It has been grown to be food, not to be otherwise used.

Louise Evans: Sainsbury's takes a slightly different approach. We do not market a perfectly imperfect range, a wonky veg box or any of those things. We take the manufacturing approach, so anything that is the wrong shape or that we cannot sell goes into juices, smoothies, soups—we sell a lot of soup, so that is a really big category—and ready meals. So we try to do the same thing, but in a slightly different way, I guess. We do not sell it in store unless it is in our basics range—we have ranging, from basics up to the top tier. Some of that veg may go into basics, but largely it goes into manufacture of other foods.

Steven Butts: This is a good example of the public debate driving some really interesting consumer behaviour. We do have a wonky veg range; we used to call it the savers range. Because of our vertical integration, we could use differently graded fruit and vegetables and sell them in a different way, but actually what we did in 2015 was look at how, because of customer interest, we could vamp that up slightly. I checked the figures: in 2016, we sold 25,000 tonnes of wonky veg, marketed as wonky veg. As of this year, we will be selling 13 different types of fruit and vegetable that are out of normal spec.

We are selling more because customers like it. Customers are more interested in the whole agenda, and they want to buy more; they can buy it at a lower price or in a bigger bag. Particularly because we have taken that extra step to really market it, it has driven that interest from customers and is therefore—pardon the pun—feeding their interest and our sales.

Q194 **Chris Davies:** Is that purely a marketing exercise for you, because you can sell more that way, rather than normalising the misshapen veg by lumping it into the same category?

Steven Butts: I think it is a bit of both. Most of the work we have done on this has been around vertical integration. It would have been done in-factory, where we are slicing and dicing or using the fruit and veg that we are buying in a different way. Clearly there is interest, and clearly this is another way of utilising the crop in a different way. Does it mean, from our point of view, that we are making absolutely tons of money on the back of wonky fruit and veg? No, it doesn't really. But what it is doing is making our customers think about their food and interested in buying it. As a retailer, we are clearly trying to meet customer need. It also gives us more flexibility in what we can do around relaxing specification, which is something that we actually do all the time.

Victoria Harris: We take a similar approach to the one at Tesco that Tim outlined: we try to flex our specifications as much as we can, according to the crop that is available. Our objective is to sell as much of the growers' produce as we possibly can, and we work quite closely with them in order to do that.



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We introduced the little less than perfect range last year for wonky vegetables. That builds on something that we have been doing for many years: we have sold weather-blemished apples for nearly 10 years now. When there has been a weather event that means that we have a particular glut, we have always tried to sell those through our shops. What we want to do is try to sell as much grade 1 produce as grade 1 produce as we can, but give our customers the choice to buy the lower-specification product if they want to and if it is available from suppliers.

Chair: Could I ask you all to be a little more concise, if at all possible? I know you have a lot to say, but we have a lot of ground to cover, so can I be impolite enough to ask you to answer the questions as quickly as possible?

Q195 **Simon Hart:** Just as an aside, I wonder why you call these vegetables “wonky”, “misshapen” or “less than perfect”. They are perfect; they are just a different shape. I wonder if you are contributing to the problem by referring to them as some kind of weird by-product. Wouldn’t it be better simply to sell them as they are, because that is what they are? They are perfectly good nutritionally. Why don’t you do that?

Steven Butts: I think it helps our customers to work out what they are buying in store. By designating in a particular way, it is clear. For example, if you buy onions from our “wonky” range, they may be more dirty; the sizes may be different. If the customer is not aware that they are buying something slightly different from what they ordinarily buy, typically they will come back and say, “Well, is it the same product?” and start to question what we are selling them.

One of the things we are trying to do for customers is to be clearer about what they’re buying and then provide a choice. In fact, what we are trying to do, particularly with the way the packaging is designed, is to talk about it in a very positive way. It’s not about saying that it is something we don’t like. It may not be perfect, but I don’t think anybody around the table is suggesting through the way they market these products that the fruit and veg is anything other than perfectly good to eat.

Chair: Tim, do you want to make a brief additional comment?

Tim Smith: Steven hit it—it is choice. Most of us have a range that usually has three tiers or two tiers. If you introduce another part of the range and do not signal to customers in some way what the purpose of that is, they find it pretty unhelpful and confusing. We are adding to the choice; we are not just making it wider. The marketeers have found this way, and in different supermarkets you will see different responses. It is the same.

Q196 **Simon Hart:** We won’t dwell on that. People will reach their own conclusions, I think.

The question I wanted to ask is how you strike the balance between maximising your efforts to reduce in-store waste and ensuring that whatever time of day or night a customer comes into your store, there is



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always a full array of food material to buy and no such thing as an empty shelf. I have been into Inverness Tesco at 3 am and been amazed that every shelf is full. Apart from Paul, I'm probably the only one who's ever done that. I wonder how you strike that balance.

Tim Smith: The replenishment process is constant. There will be material in the back of the store that is constantly refreshing that which is on display. The balance between having the right quality and availability and food waste is the tightrope we are always walking. A lot of technology is involved now in working out the rate of sale and what it will do, to do with the weather, the seasons and where people are in the working week and annual cycle. We use all that information and try to factor in what the best balance is. We will not always be fully available on all products when there is a significant risk of waste.

Another hierarchy will then kick in, which is that as the product is nearer the end of its likely sale period, you will start to see reductions in price. We are trying to give customers a better deal and recognise in the best possible labelling that the reduction in life also means a reduction in price. We gradually work through a hierarchy until we reach the point at which we have to take it off sale. By then, there will have been some replenishment to put fresher stock into the system. It is good that you see it's there. It is sometimes not as overt as you might think that it is full. You won't find a depth that is inappropriate and leads to food waste. I suspect most of our store managers are also incentivised not to let that happen, so they make judgments—the produce counter guys themselves will make individual judgments: "Have I got too many apples on display?"

Q197 **Simon Hart:** Is that common across the panel? Are there any variations?

Victoria Harris: Yes. I would just add to the stock rotation point that, from a management point of view, after sales, the balance between availability and wastage is the next most important thing that we look at as a business every day of the week, because it costs us money.

Q198 **Simon Hart:** Finally, I noticed earlier Steven's comment about the groceries code adjudicator. I wonder whether, as a panel, you would be sympathetic to the idea of the reach of the adjudicator being increased to cover more than just producers. It sounded to me like you were rather enthusiastic about that. If a suggestion was made that it should cover packers and processors, for example, do you all agree that that would be a good way forward?

Chair: One word answers, please.

Tim Smith: No.

Louise Evans: I am not going to comment.

Steven Butts: No.

Q199 **Angela Smith:** I apologise for my late arrival, Chair; you know the reasons why. Moving on to the redistribution of surplus food, can I ask Victoria from Waitrose—I will then ask all of you to comment briefly—



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what the challenges are in redistributing surplus food to charities?

Victoria Harris: We have been redistributing food to charities since 2012, and we have given each of our branches the freedom to develop a local relationship with a local charity. We have done that at a local level and we have learned a lot over the last few years about it.

One of the biggest challenges is that the waste coming from each of our shops is extremely erratic and unpredictable—if it were predictable, it would not be happening, because we would be correcting the forecast—so a lot of the charities have said that it is not necessarily worth their while coming every day to collect, and trying to have regular collections has been a challenge. The volunteer time required for charities to come in and collect food at the end of the trading day, which can be quite late in the evening, is also a challenge. I think those are the main issues that we have encountered.

That is why we are now partnering with FareShare FoodCloud, because the technology platform that they now have enables much better communication with charities about what surplus is available and makes it much less resource-intensive. They will get a message—Tim has been working on this for a long time, so he will know better than me—alerting them to what food waste is available. They can then decide whether they want to come collect it. If they do not want to collect it, another charity can. It makes the process much more efficient.

Q200 **Angela Smith:** It is an interesting point that another charity can collect the waste that is not wanted via FareShare. Presumably, each of your branches has a hierarchy of charities that it can go to.

Victoria Harris: At the moment, our branches will be partnered with a number of charities; they can also be not-for-profit organisations as well, not necessarily just registered charities. They will develop an arrangement that works best with each of those, involving regularity of collections and things like that. In the new thing that we are about to trial with FareShare FoodCloud, there will be a hierarchy: there is the first charity, then it can go to the second charity and so on. The key thing about the arrangement with them is that they will honour all the existing relationships that we already have between branches and charities, so those charities will still be involved as they are now.

Q201 **Angela Smith:** I assume that Waitrose managers in each store are monitoring the success of the approach, in terms of the amount of food waste reduced.

Victoria Harris: Yes.

Q202 **Angela Smith:** Is that monitoring demonstrating that the approach is working?

Victoria Harris: We will have donated just over £1 million worth of food last year from all our branches.

Q203 **Angela Smith:** That's not the question, is it? The question is whether it is



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significantly reducing the waste, rather than what the value is.

Victoria Harris: It varies, because of the reasons that I have just explained. Where it works well, it works really well and it is a really effective way of reducing waste. In other branches, because of their trading patterns or because of the availability of local charities, it doesn't work so well. It is inconsistent, but where it does work well, it is very effective.

Q204 **Angela Smith:** What is Waitrose doing to make it consistent?

Victoria Harris: We are launching the trial with FareShare FoodCloud. We will start that with 25 branches, and if that is successful we will roll it out across the whole estate, which will mean that we have a consistent approach across all our shops.

Louise Evans: We take a similar approach to food surplus donation, and we probably have very similar challenges. Can charities commit to a time to pick up? They do not necessarily know what they are going to pick up when they come. Can they get it to the people who need it within the life cycle of that product?

We have done some work in London this year with a new charity called the Felix Project, an intermediary. We are trying to explore with them how they can work on behalf of the charities, in the middle. For example, a charity will need transport to get the food from the store to where it needs to go, but they may not have it. The Felix Project has transport. The charity may not have refrigeration, but the Felix Project have it in their trucks. They are exploring things like whether they can freeze the product, for example, so it lasts longer and they can then get it to someone. I think there is a new potential role in the middle with intermediaries. People like City Harvest and the Felix Project are working in that area. We are trying to test how we can work with those partners as well as charities. Having more than one partner per store is also helpful. If a couple of charities can commit to a store, it is helpful because through the combination of numbers you can reach more people.

Q205 **Angela Smith:** Again, on my point about consistency, monitoring and developing a consistent approach, are you up to 90%?

Louise Evans: A consistent approach in?

Angela Smith: In terms of making sure that every Sainsbury's store is performing as effectively as possible in reducing food waste by passing it on to local charities.

Louise Evans: Absolutely, so 80% of our supermarkets have one or more partners and, going back to the commercial imperative also, we monitor all food waste and where it goes.

Q206 **Angela Smith:** But the monitoring must demonstrate that there are different levels of performance. Waitrose seems to be trying to address that at least. Is Sainsbury's trying to do that too?

Louise Evans: Do you mean between stores?

Angela Smith: Trying to ensure all stores are performing at the highest possible level of efficiency and getting waste to charities.

Louise Evans: Yes. We have someone in our community team who is responsible for food donation partnerships, and the management and communication to stores around best practice and what processes they should follow in managing a relationship with a charity.

Q207 **Angela Smith:** Have you thought about setting targets?

Louise Evans: It is not something that has come up so far. This year we have focused on increasing the number of partnerships, and we have increased them by 145%. Rather than have just one partner, we would rather have more than one. Our focus has been on the intermediary because of the blockers in the system that we have already found.

Angela Smith: Morrisons? Tesco?

Tim Smith: I am very keen to talk about this. I think you missed me saying our objective is that by end of 2017 no food that is safe for human consumption will go to waste. The really important part of that is redistribution through our community food connection. From a standing start 900 stores are doing what Waitrose is trialling through the FoodCloud app. It is the transformational bit that means that stores and charities—3,300 charities—now benefit from this daily. By the end of 2017, all our stores will be using the system. We are doing that because it works so well. To date, 5 million meals or the equivalent have been created because that food waste generated from stores, instead of going anywhere else through the hierarchy, is going off to form those meals whenever that is appropriate.

Why could we not go even faster? Because of the local issue: every single store uses FareShare to check the credentials of the charitable partner and then sets up a quality system to make sure it is working on both sides. If you get distortions in the system, FareShare is the honest broker that can call that out and say, "It's not working quite as it should." The technology that allows a charity to just look at an app and say, "I want that," because you have put it up on the system means we have got to those 5 million meals so quickly. We think that, broadly speaking, of our 56,000 or 57,000 tonnes of food waste last year, half of it was edible. We want the vast majority of it to go down that channel.

Q208 **Angela Smith:** Before we move on to Steven and Morrisons, Tesco seems to be quite well advanced with this approach. Do you think from your experience so far at Tesco that there is a maximum level of performance—say, 80% of the edible surplus or 90% of it? Is there a natural limit or do you think it is possible to redistribute all the edible surplus?

Tim Smith: Our goal is to redistribute all of it. When we can't, we will be working on alternatives.

Q209 **Angela Smith:** What are the alternatives?



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Tim Smith: The alternatives then get into utilisation for non-human consumption, which means we have failed. If we get to that stage, we have not succeeded in our objective to stop all edible, safe food that can be consumed from being consumed.

Q210 **Angela Smith:** Okay. It might be a good idea, Chair, to have Mr Smith inform the Committee how they performed to their target at the end of the year.

Tim Smith: It is a very challenging target.

Angela Smith: It is a challenging target—but a worthy one. Mr Butts?

Steven Butts: Last year—I can tell you roughly—we donated 2.2 million individual items from our stores; 80% of our stores have a redistribution partner. Each store has a community champion, so it is their role to build relationships. We don't rely on apps and we don't rely on clouds. We rely on—slightly old-fashioned—people talking to people. I gather you are going for a meal with FoodCycle next week.

Chair: Tomorrow.

Steven Butts: Ask Mary McGrath about her experience of dealing with Morrisons, because they are one of our longstanding partners, and I am sure she will share with you the good, the bad and the ugly. In some ways what you have to do is get down to the nitty-gritty and talk to individual community organisations about what they do and how they do it, because it is quite localised. In terms of the target, this week WRAP, through the food waste redistribution group, suggested a target for the industry to double the amount of food redistributed by 2020, I think. I am sure all of us—Tim has already said it—would be keen to work to that target and push the boundaries even further.

Chair: Thank you. Has that covered both the points you wanted to raise?

Q211 **Angela Smith:** There was another question I wanted to ask. Those are very different approaches, particularly between Morrisons and the others, and it would be good to get up-to-date information as time goes on in terms of how the different approaches work: one not using technology, effectively, and relying on local relationships; and the others increasingly using technology.

I wanted to ask, though, about a different level in the supply chain that you have, which is warehouse level. What do you do about food waste at warehouse level—just briefly going further back in the supply chain?

Louise Evans: We have a new facility in Bromley-by-Bow, which is an online distribution warehouse. We have a charity linked directly to that one who collect anything that they want to take from that warehouse; so there is a one-to-one relationship in that area with the Felix Project and they distribute across east London.

Q212 **Angela Smith:** So the food waste at your wholesale level is effectively nil.

Louise Evans: Yes, it goes through the Felix Project across east London.

Q213 **Angela Smith:** And the other three?

Louise Evans: We only have one facility.

Tim Smith: A diminishingly tiny fraction of our waste—so if our waste is 100% it is 1% of the 100%—is through distribution centres, and that gets treated exactly the same way. As you would expect, we are concentrating most of our efforts on product that is coming to the end of its life in a store, because that is where you can be most effective and make the most of a contribution to the local communities. So it is there; it is not as important to us as the 99% in the store.

Q214 **Angela Smith:** But how do you deal with the surplus at the warehouse?

Tim Smith: In the same way; it just isn't as salient to all the charitable groups. If you are a charity near one of our distribution centres you can participate in the same process, but the vast majority of our benefits come to the community from being near a store.

Steven Butts: I suppose we have a strategic partner for this, which is Company Shop, which is a business.

Angela Smith: It is based in my constituency.

Steven Butts: We have worked with Company Shop—they are down the road from where we are—for a number of years now. In essence we work with them because they are very efficient at supply-chain level in being able to take food quickly and sell it through the Company Shop network, and also because they have a social element in what they do with Community Shop; that has always been an interest to us. So the first Community Shop social supermarket, for example, was something supported by retailers, which is strange, because it is a small supermarket selling product. If you go into them you find probably products from all of us around the table.

Victoria Harris: Similarly, we work with Company Shop from a couple of our distribution centres, and then from others we have links with charities, including Esther Community Enterprise, who have been linked with our DCs for several years.

Chair: Okay, thank you. We must make progress and I must ask you for shorter answers, please.

Q215 **Dr Monaghan:** Good afternoon. The Committee has heard some concerns from charities that retailers often use distribution charities as dumping grounds for food that they cannot sell. The charities have told us that they feel they are unable to decline offers of food that are perhaps too close to their sell-by date or not easy to distribute without fear of damaging the donation relationship. Starting with you, Victoria—how would you respond to that allegation?



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Victoria Harris: First, I am very surprised to hear that; it is not something I have heard through the various partners we work with. I would hope that our branches have a good enough relationship with the charities that are collecting from them to be able to deal with that pragmatically.

Steven Butts: I agree. Clearly, it has to be based on trust and, frankly, if we were to offer that kind of service, charities simply would not come back. We monitor and measure what our stores are doing to make sure that they are involved in our programme, so it doesn't really make sense to me. Do I think that every relationship with every store and every local community organisation is perfect? Probably not, but I think there is a willingness to try to improve and to continue to develop that relationship.

For example, we were working with the Real Junk Food Project, who are very happy to call me up and tell me if they have a problem with a local store and, if we can, we will help.

Louise Evans: I would like to look into that, because I am sorry to hear that. I know from my experience of working with the Felix Project that these things are quite challenging to set up. You are dealing with food coming out of a store at a difficult time of day. There might not be someone to collect it. There is lots of complexity, but we talk to each other. I got some feedback this week from their chairman that an element wasn't working right. If we talk to each other, we can try to fix it. That is something to look into.

Tim Smith: It sounds like it's got a historical reference. When FareShare was getting going and doing a fantastic job, it used to happen a lot to them. It was their problem but it was caused by others. Because of the way the interactions work, whether it is people or the app, the feedback is coming at you the whole time about how great it would be if there were more fresh produce and less of something else. Most of our waste is pretty consistent in its flow these days, because we're bearing down on it. If we can have a bit more detail we might be able to help.

Q216 **Dr Monaghan:** So each of you would be very happy to receive direct communication from any charity that felt they were in that position?

Tim Smith: Yes.

Louise Evans: Yes.

Steven Butts: Yes.

Victoria Harris: Yes.

Q217 **Dr Monaghan:** Okay. Steven, you talked earlier about the importance that you place on human interaction, in terms of dealing with waste and all of that sort of thing. Tim, you talked about an app. I have a specific question to all of you: do you have an individual in each of your stores who takes the lead in reducing food waste, and managing food distribution and collection with charities?



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Louise Evans: Yes, the store manager is the first person who is in charge of the whole process; he is the manager. In most stores, we have a green champion, who will do charity donation and other green schemes that we run for colleagues in-store, which might be reducing energy use or those sorts of things. They are the champion in store.

Q218 **Dr Monaghan:** Specifically on the food side of it? For the managing of distribution and collections and reducing waste, do you have somebody in the store? Or is that the store manager's role?

Louise Evans: It is the store manager. It would depend on the size of the store as well. In a convenience store, which can be very small, it would be the store manager. In a larger store there may be a green champion and a store manager who would work together.

Tim Smith: It is almost exactly the same for us, except we might not give them the same names. There is the store manager and, if it is a big store, somebody will be specifically challenged to do that, to make sure the relationship is working and that food is getting to the right place.

Victoria Harris: The same.

Steven Butts: The same—store manager and community champion.

Q219 **Kerry McCarthy:** Tim, can I just ask you to clarify something you said a moment ago? You said that only 1% of your food waste is at distribution centre level. My understanding—by all means, contradict me—was that quite a small proportion of supermarket-related or retail food waste was what you would call back-of-store waste, meaning stuff that has been on the shelves but not sold. Most of that doesn't make it as far as the supermarket. You then get into the complicated situation in which there are often things in the distribution centres that get sent back to the manufactures, which supermarkets don't take responsibility for. Could you just clarify at what stage you take responsibility and class it as your food waste?

Tim Smith: As soon as it arrives at any of our stores or distribution centres it is our responsibility, and it stays our responsibility throughout.

Q220 **Kerry McCarthy:** So you own it as soon as you have purchased it from the suppliers? Some people don't do that.

Louise Evans: Ours is the same.

Steven Butts: Yes.

Victoria Harris: Yes.

Tim Smith: It is a really interesting statistic for me that all of our food waste, bar that 1%, happens in shops. Some of it might happen and the food never gets on the shelf—then you have got a particular problem—but the vast majority, the leading cause, is in-store bakery volumes being wrong.

Q221 **Kerry McCarthy:** If you go to FareShare's huge depot down in south



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London, there are big pallets where, because one item on the pallet is damaged, the whole thing gets rejected and it goes to FareShare. Clearly that is not taking items out of the pallets and putting them on the shelves.

Tim Smith: Most of our suppliers would not present food that had been damaged or was unlikely to pass the depot's specification check. They do not present it to us. Please, come and have a look at a depot, because you will see the quality checks being done and the very tiny amount—as I said, less than 1% of our total—that occurs at that point because it is misplaced, gets lost in the system somewhere and it turns up on the wrong vehicle. That is what I am talking about.

Q222 **Kerry McCarthy:** So if it doesn't meet the quality checks, what happens?

Tim Smith: It is rejected.

Q223 **Kerry McCarthy:** Where does it go?

Tim Smith: It goes back to the manufacturer. If somebody sends us meat that is three or four degrees beyond the specification—the vehicle has got too warm—that is their responsibility. We do not accept it at the back door of our stores.

Q224 **Kerry McCarthy:** I understand that for meat. You have all been talking about in-store waste. To what extent do you look backwards and take responsibility for waste within the supply chain? We have had discussions about what you could do to assist consumers in reducing their food waste, which is all good stuff, and you have talked about what you can do in-store either to prevent waste occurring or to donate it to charities. But, looking backwards—we have talked a bit about farmers and wonky vegetables and that sort of thing—I am interested in the distribution chain. Are there things you could do?

Tim Smith: Suppliers have really clear specifications and standards from all of us—this is our product; this is product we put our name to—and they will not typically dispatch it with any sort of risk. If they are saying, "I'm a bit concerned that this latest batch of parsnips might not meet your spec," there is a conversation with the buyer about whether or not we are likely to want to take them. Most times, we will. It is only if there is a consistent problem that you cannot sort.

Q225 **Kerry McCarthy:** I know you already covered the vegetable point, but again if you go to somewhere like the big FareShare depot, they will have a lot of items that are not anywhere near their best-before or use-by date—whatever date is on there. They are ending up there because something has gone wrong in the system. You will see huge quantities of fruit juice, for example—we are not talking about immediately perishable goods—and I have seen long-life milk that has got months and months to run but the shops know they will not be able to sell it so it has gone to FareShare. What is going wrong that FareShare manage to get their hands on so much stuff?



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Tim Smith: I would argue that is fairly unlikely in a Tesco set-up, because the quantities and the quality are so well known between the two parties—the supplier and us—that they would not create volume that we do not require. Having been a manufacturer as well, I know there are things that go wrong in manufacturing which we would not present to a retailer.

Let's take your UHT milk example. If that had been underfilled by 6 ml and was therefore illegal, it could still form a perfectly useful part of the FareShare offer, but it could not be sold legally in any shops, and no responsible dairy would send it to a retailer. The vast majority of the examples you have seen will have been stopped by the manufacturer at their gate rather than been rejected at ours.

Chair: Can we combine questions 12 and 13, please, because they cover similar territory?

Q226 **Kerry McCarthy:** Voluntary action gets us only so far. If you look at the commitments in, say, the sustainable development goals and some of those that were doing the rounds during the circular economy discussions at EU level, you can see we are not going to meet those goals with the current level of progress being made. Do you see a case for legislation to try to push things along? How would you respond if there was legislation on the French model requiring you to have these arrangements with charities, which you all seem to be trying to do, anyway? If there was legislation that requires you to reveal the level of food waste—transparency in the food waste audits and the things that Tesco and the others are doing to a lesser extent—and a requirement for all companies to do that across the board, what would your response be?

Louise Evans: It would need to be across the board. If you look at the French legislation, a lot of that is happening in the UK anyway, so there is transparency; the will is there. Listening today, there is definitely momentum in this sector to address a lot of these issues, be it charity partnerships or the element you have just described at FareShare. Speaking for Sainsbury's, I know there is the will and the determination to do it and commitment from the most senior levels down to our colleagues, who do not like seeing waste either. If there is legislation, there is legislation, but it needs to be across the sectors that are not represented and who you are hearing from, particularly manufacturing and out of home, which is a huge sector.

Q227 **Chair:** Does anybody think there should be legislation? Is there a unified response from all four of you?

Louise Evans: What I am saying is that if there is legislation, there is legislation.

Q228 **Kerry McCarthy:** There is the carrot and there is the stick. One requires action from companies that are not redistributing or trying to reduce food waste; the other is where there is an incentive. In France, you have tax breaks. On the cost to you of trying to divert food from AD, have you looked into that? Is that something you would ask the Government for?



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Tim Smith: I don't think we collectively need that to be doing the things we are doing without that as an incentive or with the threat of legislation. Legislation implies a market failure. The evidence from those of us representing our retailers today is far from that. We are actually making significant progress at a faster timescale than we would have anticipated.

Louise Evans: AD costs us much more money than donating food. So it is in our interests to move that food up the chain and invert that pyramid so you have less going to AD and more going to donation.

Q229 **Dr Monaghan:** Scotland has placed a clear legal requirement on businesses to separate out food waste. What would the introduction of such a scheme and such a legal requirement cost your business in England?

Louise Evans: We do that already.

Q230 **Dr Monaghan:** What was the cost of implementing that?

Louise Evans: I don't know the cost of implementing it. We went through the process of having it all checked. We already separate out food and all other recyclables in our business.

Q231 **Dr Monaghan:** Could you send us some written information on that?

Louise Evans: Yes.

Dr Monaghan: Steven?

Steven Butts: There is some cost. I don't think it is significant—certainly not at a store level as far as I am aware. We are fully compliant with the legislation in Scotland and it does not seem to have caused us a major headache.

Q232 **Dr Monaghan:** Do you do it in England?

Steven Butts: No.

Q233 **Dr Monaghan:** What would the cost of implementing that in England be?

Steven Butts: I don't know.

Q234 **Dr Monaghan:** Could you send us some information on that?

Steven Butts: Yes.

Q235 **Dr Monaghan:** Is it something that you are looking at?

Steven Butts: It is not, but largely because of the way we manage waste through contractors, which tends to be a relatively straightforward relationship, but certainly we can try and get some information if that helps.

Dr Monaghan: Victoria?

Victoria Harris: We already do that in England. I cannot tell you what the cost of doing it was, but I am happy to try to provide some evidence afterwards.



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Tim Smith: Four out of four. Same answer. I know we measure it, but I don't know what the number is. I am happy to provide it.

Q236 **Kerry McCarthy:** You said that the cost of sending to AD was more than redistribution—

Louise Evans: Donation to charity.

Kerry McCarthy: Sorry, that's what I meant. *The Grocer* recently analysed the costs—I don't know whether you saw it—and made the case for tax breaks. It said that once you factor in labour, storage and transport costs, there is quite a significant cost to redistribution, so why do you say that AD is more costly?

Louise Evans: Because we know what the haulage costs and gate prices will be and we can compare those with what the labour costs might be in store. So we know that AD costs us more than would the labour costs in the store.

Q237 **Kerry McCarthy:** Do you know how much it would cost you per tonne, for AD?

Louise Evans: I can get the number.

Q238 **Kerry McCarthy:** I think *The Grocer* is saying that the cost of redistributing food is about £100 per tonne. It would be interesting to know how it compares. We have had evidence to suggest that there is a disincentive to move up the waste hierarchy because AD is the easy option. Does anyone else think that AD is the cheap option?

Louise Evans: I am very happy to give you that number.

Steven Butts: Whether it is or it isn't, there is a social imperative to use food in the way intended. We have all bought into that very much. Tim touched on this earlier. If you have gone to that stage, particularly where there is edible food waste, you have not done what you set out to—particularly for those of us with redistribution programmes, not least because it is something that store colleagues really want to do.

Q239 **Kerry McCarthy:** But some of your competitors and people in slightly different sectors are not doing it. I suppose it comes down to this: to what extent do you have to use either the carrot or the stick for the bad guys when the good guys are showing that it can be done? Do you not feel you need incentives or the stick either?

Louise Evans: No.

Steven Butts: No.

Tim Smith: We will probably go a bit further. We already characterise food waste as including that which goes to animal feed, because food is being used for a purpose it was not originally intended for. You stretch the hierarchy a bit. We would like others to do the same, because it works better if you regard food that is produced for human consumption as for human consumption and not for animal feed or AD.



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Q240 **Ms Ritchie:** Helping customers to reduce food waste is always a challenge. Witnesses agree that the current use by and best before dates can be misleading. That brings us back to the issue of labelling. Why are they still being used, and how could they be improved? I will start with Victoria.

Victoria Harris: I think it is fair to say that some consumers find the labelling confusing or do not understand what the different marks mean. From our point of view, they are a really important part of ensuring we are giving good-quality product to our customers. We use best before dates on our fresh produce, but they are an important part of making sure we can manage stock rotation properly and give the best product to customers.

Q241 **Ms Ritchie:** So you have not had any opportunity or seen the need to make representations to Government about the need to change such labelling?

Victoria Harris: No. I don't believe so.

Ms Ritchie: Thank you. Steven?

Steven Butts: It is a legal requirement from a safety point of view—particularly with reference to use-by dates—or it is a quality indication for customers, to try to help them manage the food they buy.

Q242 **Ms Ritchie:** In your wider role, has there been any particular view within the British Retail Consortium?

Steven Butts: It is an issue that has been looked at in huge depth by WRAP. I think the overall consensus was that there is a framework we have to operate in, and we do, but the best thing we can do as retailers is reinforce the message and explain what it is. Any help from Government is gratefully received. Where customers are making an informed choice at the point they buy the food, they need to get accurate information. On WRAP, the other point is that we simplify information on packs to either use-by or best before.

Louise Evans: We use exactly what Steven said—use by and best before, the first being more a health and safety indicator and the second being a quality indicator that the customer can use their judgment on. It would be interesting—I might take this away—to do some customer research in this area, to find out the level of confusion. That could be addressed through better information and education.

Q243 **Ms Ritchie:** Have you taken that up in any format?

Louise Evans: No, but it is something we could do through the project we are doing in Swadlincote.

Q244 **Ms Ritchie:** So you are contemplating that?

Louise Evans: Yes.

Q245 **Ms Ritchie:** Maybe if you do it within the timeframe of this inquiry, you could come back to us with possible results.

Louise Evans: Yes. I could try.

Ms Ritchie: And Tim? Tesco?

Tim Smith: Given my background, you would expect me to say that use by is an important part of the food safety system. Food safety is not fixed by any means. It is critical to keep that in place. I have two thoughts about best before. First, to agree with most of my colleagues, the quality aspect of the Tesco brand is at risk if we get the best before wrong. Secondly, there is a generational problem, which most of us recognise, in that there is almost a generation of people who only trust the durability code and do not use their own thought processes in deciding what to do with a specific item. So if best before becomes a surrogate for use by, our thought is: is there a way of giving customers better information to help them to make a decision about whether something that is reaching the end of a best before period can be used safely? We know that the answer is generally yes, but it becomes difficult when you are trying to give that message in a very generic way, so education needs to be improved. We all have a responsibility to help with that, and Government probably have, too.

Q246 **Ms Ritchie:** Have you done any particular work, research or surveys with your customer base?

Tim Smith: We are doing that, yes.

Q247 **Ms Ritchie:** When will it be completed? What is the timeframe?

Tim Smith: It might be as long as six months simply because best before and the quality implications of that are significant. We wouldn't touch use by.

Q248 **Ms Ritchie:** You say six months. Is that definite or just a projection?

Tim Smith: We will know within six months what advice we would give others who were asking for help, in terms of what the labelling regime would best be changed to, but this is an industry-wide issue. We will probably all be giving roughly the same sort of best before advice, for quality reasons, on products that only have a best before code.

Q249 **Ms Ritchie:** Bearing in mind the Committee's interest in this issue, could you come back with the results of that?

Tim Smith: Of course.

Q250 **Chair:** There are two questions left. The last one, which Simon will take, will be on Swadlincote. Do you think that retailers have any role, any responsibility for the wastage by consumers? Do you have a role to play in getting consumers to cut their waste, or is that entirely a personal responsibility that they have, notwithstanding the Swadlincote experiment? Is that something that you look at, Victoria?

Victoria Harris: We certainly have a role to play in helping our customers to do that. We do that in a number of different ways: through business as usual, changes to packaging, portion size recommendations—those kinds



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of things—and through our communication channels, with recipe ideas for leftovers and things like that. We are looking to do much more of that, too.

Q251 **Chair:** Morrisons and Sainsbury's, you all mentioned earlier that "buy one, get one free" has gone, but on your websites volume offers are still on offer. Is that not for food produce, or are volume offers still part of your efforts to persuade the consumer to purchase?

Steven Butts: Generally, across the sector there is a move away from any kind of multibuy offers, for exactly the reasons already given: customers say that they don't really want them. The focus is on getting to regular low prices, which is what customers tell us they want.

Q252 **Chair:** But your websites have volume offers. Is that something completely different, then? I am talking about the websites for Sainsbury's and Morrisons.

Steven Butts: What sort of offers?

Louise Evans: I don't know what the volume offer is.

Q253 **Simon Hart:** I just had a look, and there's five quid off and free delivery for grocery orders over 80 quid and 75 quid, encouraging people who are shopping just to nudge up to a higher figure than they were perhaps intending to spend in order to qualify for a Morrisons offer. There is a three items for 10 quid offer on selected meat—this is Sainsbury's. For milk, it's three for £2. That is the sort of stuff we were told earlier doesn't happen, yet I think some of it is happening while the Committee is meeting.

Steven Butts: I think what we said was that, certainly in store, things like "buy one, get one free" have gone, but from a delivery point of view delivery tends to be, for most people who use it—I don't—they are buying in volume because you are getting it delivered to you. For example, one of the things that we do when we deliver is also provide a very detailed itemised bill that tells you exactly when your food should and could be used by, to help customers with storage. There are a number of mechanisms that you can use online that are different from the way you might purchase if you are purchasing stuff in store.

Q254 **Chair:** Thank you; that has cleared that up. Do you have anything to add, Louise?

Louise Evans: No, I don't think so.

Q255 **Chair:** Tim, do you have anything to add in respect of responsibility for consumers?

Tim Smith: I think I said at the beginning that we think this is principally our responsibility because we are the pivot in the whole process. We might regard it as business as usual to give customers more shelf life and to take legs out of the supply chain, but when you have those supply chains and you can give customers an extra two days, that contributes to their food waste activities almost without their realising it. The same is true of some



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of the packaging innovations, such as chicken breasts packed in two packs so that only one gets used at a time and one is still completely protected, and the use of frozen avocado. We do all those kinds of things now, with the customer's thoughts in mind of, "I don't really want to waste this." We help them in the way that they have asked us to.

Simon Hart: Asking what lessons you have learned—obviously at Sainsbury's—about that is clearly relevant. The Chairman said, "That clears that up," in terms of volume sales. Actually it does not clear it up. I am confused as to why you think that somehow volume sales in an online capacity can be slightly dismissed as not really relevant but your instore policies are different. The fact is that people who are shopping are being encouraged in the increasing market online to spend more on groceries in order to qualify for special offers, which is contrary to what we were told earlier is the direction of travel for at least two of the four panel members.

It seems odd that, on the one hand, we are being sold this as a "good news" story, yet while we are talking people are being artificially pushed to shop and spend more in your stores on volume sales. I cannot square that, just because one is an online method of shopping and one is not; that does not clear it up as far as I am concerned.

Chair: I did not suggest that it was satisfactory. I did think it clarified exactly that it was a different way of selling and that there was an explanation.

Simon Hart: I just wanted to try one more roll of the dice to see if you were really determined to do away with that kind of pressure on consumers to spend more than they intended to and, therefore, end up wasting food, or whether that was for our benefit.

Steven Butts: I can see what you are getting at and the sense of it but what I would say again is that we are retailers offering our customers a choice. In choosing to buy online, customers are buying in a different way. If you go into one of our stores you can speak to someone in our Market Street who will sell you one sausage. We can do that because we have a whole mechanism in stores to give customers exactly what they want at very low levels of food. Fundamentally, we are trying to provide customers with what they tell us they want and need. If customers were finding that they were buying food at volume and then not using it, they would not come back and use the service.

Louise Evans: In an online environment people buy different things. You will find people buying things that they do not want to or cannot carry, for example. Wine in volume might be one thing or washing powders and all of those sorts of things. It may not be food that is driving the incremental spend; it could be non-food.

Q256 **Angela Smith:** That did not really answer the question that Simon raised. I am on the Ocado website. Waitrose Scottish oak-smoked salmon: buy two for £7. There is a whole stack of food here. BerryWorld blueberries: buy one, add one free. Ocado two salmon fillets: buy two for £8. I know



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Ocado is not here but they do have Waitrose products online.

I don't see the difference between saying, "buy two" or "buy one, get one free" of perishables, edible food online and that practice in a supermarket. This is not about buying one of a product or one sausage. This is about saying to people, "Spend £7 and you will get two of the product rather than one," when most people know they do not need two, I suspect. Along with Simon, I do not accept the explanation.

Chair: Anything to say, colleagues? A comment on Waitrose, Victoria?

Victoria Harris: Can I just clarify that Ocado is a separate business and we supply them with products?

Chair: It is not Waitrose, it is their own offer but they are making the offer.

Angela Smith: They are selling your products. The point is that this practice is across the online platform.

Chair: Okay. This is obviously something we are going to have explore continuously.

Q257 **Simon Hart:** The question was about the lessons that have been learned from the investment you are making in terms of helping people cut down on their household food waste. My quite contrary question was: that's all and well and good but you are doing that at the same time as you are encouraging people to spend more than they would perhaps otherwise. On Swadlincote, to be more precise, what are the key findings?

Louise Evans: We are just about to start annualising the project. It is a really exciting project because we are working with the council, the school, the store, just to try different things to see what works. We are about to annualise. Our ambition is to reduce food waste among the 50 families we are working with by 50%. We started at the beginning of last year—literally going through people's bins to see what they waste—and we will do the same again, this month actually. One of the most interesting findings is that some of the interventions are actually quite simple. People have lost the tendency to make lists and think about what they are going to cook in the week ahead. There were simple things about engaging customers on planning food and then preparing it. The last piece is how you deal with leftovers—what you can do with leftover food.

The other fascinating element has been on the children we work with. Their levels of engagement in school are extremely high. When you start talking to the children about the amount of food wasted and engaging them—there are projects in schools where they reduce the food waste in the school kitchen—they tend to become more interested in health as well. So they are more interested in what they are cooking, why they are cooking it and what they are wasting, and they take that message home. The whole family then become engaged and there is a really nice virtuous circle that we are beginning to see, which I think has some really interesting potential asks in terms of life skills.



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We are testing some technology, some of which has worked and some has not. We tested smart fridges, which are fridges with a camera in. You have an app and when you go into a store, you can see what is in your fridge. People didn't really enjoy that, so we won't be doing that. Winnow, which I mentioned, is technology to weigh food waste, so then you know exactly how much you waste. For the average family that is about £700-worth a year, which is a lot of money, so once people see it in their homes, they can begin to make behavioural changes. The downside of that is that it is quite expensive, so we may need to find a different way of doing it.

Our next stage is to take what we have learnt from those interventions and put them into another 150 discovery towns. In essence, they all entered to do the project in the first place—there were really high-quality entries—so the really good ones are tested to see if you therefore get scale. If you give them to councils, you scale it, and if you can scale it to 150, you can scale it nationally.

Simon Hart: It was a rather specific question. I think we are probably done, Chairman.

Louise Evans: But I emphasise that anything we learn is completely open source for anybody to take and use.

Chair: Super. Ladies and gentlemen, thank you very much. I am sorry to have been pressing you for quicker answers in the second half of your evidence session, but there is so much that we want to hear about and learn. You have all, at some point, said that you would send us a note on something or other. If you could have a look specifically at the volume offers and deliveries and give us some more information, that would be welcome. We are very appreciative of your attendance, co-operation and evidence. I hope you are looking forward to seeing some of the things you have been talking about reflected in our report, which will be published in due course. Thank you very much.

Examination of witnesses

Witnesses: Tony Sophocliides and David Bellamy.

Q258 **Chair:** Gentlemen, I am sorry to have kept you waiting. You will have heard that we are under some time pressure, so the briefest answers would be very welcome. We have 10 questions to get through. Hopefully we can get there by 17:00; that should give us enough time to explore all 10 questions.

First, where are the greatest levels of food waste in your industries? And could you just introduce yourselves for the record?

David Bellamy: I am David Bellamy, the environment policy manager at the Food and Drink Federation. I am delighted to have the opportunity to

come here today and give evidence to your inquiry. I have prepared a few opening lines, if we have time.

Chair: Yes please; feel free.

David Bellamy: We fully recognise that the UK food and drink industry is a major national asset. It covers some of the most loved brands and some of the more innovative companies, all united by a desire to produce safe, nutritious and affordable food for UK consumers. That ranges from things like breakfast cereals to frozen fish, so we are quite a diverse organisation. We are the largest manufacturing sector, employing over 400,000 people, and we contribute just under £22 billion to the UK economy, so growing a sustainable food and drink industry is critical to the UK's future success.

Last autumn we were very pleased to announce a new sustainability ambition: "Ambition 2025—Shaping Sustainable Value Chains". It covers our undertaking to reduce environmental impacts, protect natural capital and develop more sustainable food systems into the future. Tackling food waste is a key part of that new ambition. That is food waste wherever it occurs in the supply chain, including at the household level. Our members' first priority is to drive out inefficiency in their supply chains, as far as preventing waste is concerned, and surpluses. Where that cannot be achieved, redistributing food for human consumption should be a first consideration going forward. We are a signatory to the WRAP Courtauld 2025 commitment as a federation, and several of our members are also direct members themselves. We were the first trade body in the grocery sector to introduce a target of zero food waste to landfill back in 2007.

I should also point out that the profile of the food and drink manufacturing industry is somewhat different from that of retailing, as I am sure Members already realise. Our members are essentially processing raw materials, or intermediate raw materials; they are not necessarily handling finished products. So there is a significant difference in the profile of materials that are generated through food and drink manufacturing, compared to retail. A lot of the materials that are generated are effectively considered by-products or residues from production, and are treated as non-waste items. Where waste does occur, the most common causes are things like clean-downs within plant, product changeovers, residues in ingredient packaging, spillages and inaccurate forecasting.

Q259 **Chair:** Thank you Mr Bellamy. Mr Sophocliides, will you introduce yourself, Sir, and then we will get back to the question?

Tony Sophocliides: I am Tony Sophocliides, director of communications for the Association of Licensed Multiple Retailers. We represent 90% of managed pubs, branded casual dining restaurants and bars and nightclubs. Between us, our members have about 23,000 outlets. Briefly, because I think that I can probably put everything else into answers and, again, against the backdrop of the last panel, it is important to make the point at the very top that the reason our members take waste seriously is because we have a very constrained, if you like, offer in terms of food and

drink, and the experience. There is very little way of absorbing waste through other products, and therefore it is a very direct bottom-line hit. I will leave it at that for the moment.

Q260 Chair: The question was, where are the greatest levels of waste in your respective businesses?

David Bellamy: We have, since 2006, been surveying our members on their food waste—back-door food waste arisings—and have published that information periodically through reports that we have done. We have about three or four years' worth of data so far. We are about to publish a new set of food waste statistics from our members.

The process we follow is based on a collective approach to reducing food waste. We don't go down the route of publishing individual company results. We fear that would probably result in less participation in our work going forward, and we feel that we get much wider buy-in by actually going through the collective approach. That approach underpinned our very successful "Five-fold Environmental Ambition" based on working to collective goals within the industry on a range of environmental criteria, including food waste reduction. Also, because we are such a diverse industry, publishing data company by company, or even sub-sector by sub-sector, would have the effect of inviting comparisons that are not necessarily valid. There are quite a few differences within the industry between waste levels, depending on whether a company is processing a primary raw ingredient or something that is more refined, if you like. There are some significant differences. Also, it may turn out to make the whole thing much more competitive than it needs to be and mean losing focus on actually getting on and reducing waste across the sector.

Q261 Chair: The problem, then, given that you describe your sector as representing 400,000 employees—and therefore thousands of companies, I guess—is how you get transparency into the system and how those companies measure their success or performance year on year. If they are doing it year on year, what is the problem with the federation publishing the figures, so that they can be assessed on whether or not there has been progress?

David Bellamy: We do publish the figures in aggregate form. We publish that and, within the aggregate number, we cover a number of breakdowns of where waste is going, in terms of treatment, and how much is going to redistribution, for example. We do all that, but we do not publish it on a sub-sector basis. That was a deliberate policy that we reached with our members' consent. That is the position.

Having said that, we look to other bodies such as WRAP that do carry out more detailed surveys and provide more granular information. A report was published in May last year that did that very thing: it went through the grocery supply chain and looked at some of the sub-sectors of the manufacturing industry, in terms of the quantities of waste that were arising. We look to bodies like WRAP to provide that kind of information.



Tony Sophocliides: A vital thing to add on this question is that our members vary so much in size, model and offer that it is very difficult to come up with a measure. You would have to go to some granularity to different parts of our sector in order to give that. For the sake of ease, I would probably point to the figures from the hospitality and food service agreement, which identify that 45% from our part of the sector comes from food prep, 34% from consumer plates and about a fifth from spoilage. There are other areas that we know about and are trying to address. That can be achieved through local sourcing, disposal methods and redistributing, which I am sure we will talk about.

Q262 **Ms Ritchie:** The hospitality and food service sector's target was met for the Courtauld commitment, phase 3. How will you meet the commitment for Courtauld 2025?

David Bellamy: I assume you are referring to the food waste target.

Ms Ritchie: Yes.

David Bellamy: I was going to mention first that it is important to note the success that there has been so far with Courtauld commitment 3, and the recent announcement of the results of the industry target to reduce supply chain waste by 3%. That target was met. I think it is important that we acknowledge the success that has been achieved so far. That has taken out several hundred thousand tonnes of waste from the supply chain.

You are right to point out that, going forward into 2025, we have a very challenging target to reduce food waste by 20% per capita over the 10 years. Clearly, there will need to be a continued focus on reducing food waste—by no means can we be complacent about that. That includes all parts of the supply chain, but particularly the household, where we know that there seems to be concern about levels of food waste stagnating at best, or perhaps even slightly increasing. We need to maintain a very strong focus on that.

That is partly why our recently launched sustainability ambition, which I mentioned at the beginning, reaffirms our members' commitment to reducing food waste across the whole supply chain, and particularly to contributing to that 20% target. Our members are very much focused on that, whether they are direct members of Courtauld—some have signed up directly—or members of FDF. We are an engagement partner within the whole Courtauld set-up, and we have an outreach role with our membership more generally. We are very much focused on that.

We continue, as a trade association, to urge our members to follow the food waste hierarchy and to avoid waste and surpluses wherever they can. Striving for lean and efficient supply chains is the key. Where surpluses and waste do arise, if they can be kept within the human part of the food chain—redistributed for human consumption—that is the first consideration that we urge members to follow. We work on various tools and best practice initiatives with organisations such as WRAP or our European



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association, FoodDrinkEurope, which has been working on some redistribution guidance that came out last year and that provides some very practical help to companies with the sort of measures that they need to take to anticipate and prepare for surpluses that may arise. These are often unplanned events; it is not that companies deliberately set out to produce a surplus. It is all about having a system in place where things can be authorised quickly and where they already have a relationship with an organisation that can receive the material. Those are the sort of things that we have done.

We have worked on guidance and encouraged members to follow those procedures. We will have a continuing role with the Courtauld commitment, in terms of outreach to our members who are not signed up directly. Within the consumer sphere, we are strong supporters of the Love Food Hate Waste campaign. We were one of the founding organisations of the initiative Fresher for Longer, which was launched a few years ago and explains to consumers how they can use products in their home, particularly in terms of how they are packaged and the information that that packaging carries, in order to keep foods fresher for longer and not to allow them to become waste. That is one of the main causes of food waste in the home. We will continue to work on such measures.

Q263 Ms Ritchie: Tony, what is the perspective from your organisation, the Association of Licensed Multiple Retailers?

Tony Sophocliides: I start the same way: by saying how much Courtauld 3 achieved. The reduction target was more than doubled from 5% to 11%. It has over-achieved, as it were, although you can never get over-achievement in terms of waste. Between 2012 and 2015, UK businesses in the Hospitality and Food Service Agreement saved an estimated £67 million, which is a lot of meals. The direct answer to your question is, frankly, "By sticking to the four principles of Courtauld '25". They seem to be exactly where we ought to be as an industry, or where we should be looking to make more progress. We welcome the fact that the timeline is reasonable; it allows for industry to focus on the four principles, and enough time for technology and innovation to be in place and picked up, and, hopefully, for incentives from elsewhere to kick in.

On specifics, we will be looking to improve food miles and local sourcing. We also have pressure for reasons not just of waste but of public health to reduce portion sizes and to consider product reformulation. Anyone who has been out for a meal in the past 10 years will not be a stranger to the "light bite" version; if you want a Caesar salad, you can have that as a starter, and many will have that as their main course. Such choice is now the norm, and we hope that other things will become so. For example, a kids' menu might be divided into one for young children and one for juniors, so that you are not putting a big plate fit for a nine-year-old in front of a three-year-old. Or it may be a simple thing: when you order a steak and chips, you could be asked whether you want grilled mushrooms and tomatoes with that, rather than putting them on the plate, assuming that they are wanted. We want to make such things the norm.



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One thing that I think is specific to our industry, or certainly applies to our industry, is that we face a massive skills shortage, especially of chefs. We think that there is a big opportunity to achieve waste reduction through good training of a whole new generation of chefs, who will know the nose to tail principles of using as much of a product as possible—meat in this case, but it could be anything. The incentive is to achieve an acknowledgement of the breadth of skill in our industry, which makes it more attractive to join. We will do that by continuing to do what we do—publishing newsletters, running workshops, running food tech course and encouraging members to sign up if they have not already done so.

Q264 **David Simpson:** I think, Tony, you have touched on my question—

Tony Sophocliides: Sorry.

David Simpson: Don't worry about it; we have killed two birds with one stone. On portion sizes, can you briefly elaborate on the discussions you have had with the industry about that?

Tony Sophocliides: Discussions are ongoing. If you don't mind, it might be more illustrative to talk about some of the things that have arisen from that. For example, you may have seen some examples that happen to have come from our members on WRAP's website. One idea that I like and that people respond to very well is that when you get a plate of food and it comes with a side salad, chips or whatever, you get a small portion, but you get the offer, "If you need any more, we'll top that up." That fits in very well with other initiatives about short batch prep, so you don't make a stack of carrots this high in the morning, only to have this much left; you do it as the orders come in. Again, I should say that these are not reasonable expectations for all our sizes and types of member, but where applicable, this is where we are making the progress and reductions that we have been trying to make.

Q265 **Dr Monaghan:** This is another question for you, Tony, picking up on a similar issue to the one that David asked you about. Have you had a look at the success of the "Good to Go" scheme in Scotland? If you have, how are you encouraging newer members to adopt similar schemes and implement them in England?

Tony Sophocliides: I suppose the simple answer is through education and information about it. Some of our members will have been party to the scheme. I think the vehicle by which we can do that is showing that voluntary programmes like that exist and work for certain models of business. I hate to sound like a scratched record by going back to the model thing, but if there is something else we can learn—I do not mean this to sound negative—it is that it does not suit every model of business. It is not a panacea for all.

This is part of the argument that we have around why voluntary programmes and incentives are the way to allow operators to move into the areas that suit them the best. "Good to Go" was a great one. It will not fit everybody. For example, if you go to a restaurant and have rice, and you take it away or have it through "Good to Go", we all know that there



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are certain requirements when reheating rice to make it safe. Restaurateurs take a great deal of pride, time and effort in making their meals the best that they can be; a lot of pride goes into it. They would not want anybody taking it home, reheating it and thinking the next day, "My stomach's bad. It must have been because of the restaurant I went to last night." So it does not fit in all those things.

There is also a cost. "Good to Go" estimated themselves that each container with a paper bag and sticker was about 36p. I think that works for some people, but to make the point about the different models and types of offer, if "Good to Go" applied to one in 10 meals and there are 20 million meals a week across the UK, that is £720,000 in a week, which would accumulate to a hell of a lot. We really welcome it, and we are committed to supporting schemes like that that suit other models as well. It is a really good starting point.

Q266 Dr Monaghan: Maybe you would be kind enough to give us some written information on the range of schemes that are out there. That would be quite helpful, I think.

Tony Sophocliides: We can certainly do that. I am glad you asked me to write, because I couldn't tell you off the top of my head.

Q267 Dr Monaghan: Perhaps you might also know the answer to this question. Can you give the Committee an indication of what the relative uptake is across the industry of schemes like "Good to Go", and what potential there might be to take things even further forward? Is that something that you have a handle on?

Tony Sophocliides: I cannot say I have. We could survey members, certainly, to find out. I imagine that we would probably find that there is more of an urban uptake, because local collection is more likely. I imagine—this is slightly veering from your question, but is relevant to it—that the types of customer who use it are likely to be young, and probably come through social media, because it is an app advertised via Twitter and other things. The younger generation tend to have a far better awareness and, if you like, a better ethical approach to food waste.

Q268 Dr Monaghan: We might be surprised.

Tony Sophocliides: Maybe. We will find out, and I will certainly come back with any information that we can find.

Chair: That would be very helpful—super.

Q269 Kerry McCarthy: David, I think you have already spoken about what you are doing to urge your members to move up the food waste hierarchy, so I will direct this particularly at Tony. There is a real issue with restaurants, takeaways and hotels, when they have the big buffets, being too scared to donate to charity because of health and safety laws. I think Nando's entered into a scheme in the last year or so where they freeze everything, and some pizza chains do it. Are you aware of good initiatives?



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Tony Sophocliides: I should start by saying I cannot talk on behalf of hotels. They are signatories to the HaFSa, and I would not want to mislead you.

Q270 **Kerry McCarthy:** But you do sometimes get restaurants that have the big buffets. We have a huge one in Bristol where you just go up. I took my nephews there and they had 15 courses. I had two. I don't know what they do with their food at the end of the day. So, that sort of set-up.

Tony Sophocliides: Many of those, more likely in urban areas, will be in schemes that would work locally. It is very different, as I am sure you will appreciate, from a packaged sandwich that can be transported a long way. We have to deal on a local level because of the fact that prepared food for a plate will not go far without spoiling or without reducing the quality of what has been prepared by a professional chef. I think we would have to go down to a fairly low level to be able to tell you how many different schemes there are. I would struggle to do that. Having said that, some of the surveying that we do will probably draw some of that out.

You can take plate-size action at buffets, so that people are not stacking them so high. They have to return to the buffet once they have eaten what they have eaten, and are therefore still hungry for more. That is instead of giving them two plates, so that they can pile their sides high on one of them. They have to keep going back. I am not saying that the exercise in between is necessarily making a difference, but people will serve themselves as they are eating it, rather than having an eyes-bigger-than-their-bellies situation.

Q271 **Kerry McCarthy:** The Food Donation Connection, which is based in New York, has a scheme that is operating in the UK now. It gives freezer bags to companies, so if a company makes the wrong pizza, or there is a misorder, they can freeze them and then take them to homeless hostels a couple of times a week. At Nando's, the chicken is pre-cooked and then sort of cooked again when people order it, so there is a lot of cooked chicken; they do something similar. There are some good schemes, but there is a lot of fear within the industry. It would be good if you could take that away.

Tony Sophocliides: I hate to go back to the different models, different sizes and different offers, but it is relevant. If you are a national pub chain, you have the economies of scale that allow you to cut waste from the very beginning, because you are buying en masse and you are very specific and central, in terms of your distribution and things like that. What we call casual dining has been better at waste reduction than pubs. There are two or three reasons for that. If they are a community pub, a local pub, they are likely to change the menu often. That is what draws people to your pub. There is less of a process in place, so they tend to distribute their food locally. They have more waste, whereas national chains tend to have less waste per plate.

Q272 **Angela Smith:** How do you make members aware of the ability to donate



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surplus food? What do you do to make sure they engage in this very good practice?

David Bellamy: From the Food and Drink Federation's perspective, it comes down to our role as a trade association and giving members leadership in the guidance that we work on jointly. We were part of the group that developed the WRAP guidance a year or so ago regarding the need to have effective partnerships with redistribution organisations, and setting out a protocol approach to make sure you are offering the right kind of food for the redistribution partner. It is about forming effective partnerships and following a rigorous checklist procedure between what you have to offer and what the recipient wants to receive in terms of the charity or redistribution organisation.

We are supportive of that sort of approach. We embellish it in the document I referred to earlier—the European guidelines we worked on with FoodDrinkEurope—with practical guidelines for donations. It incorporates this protocol approach and goes through a stepwise process by which you should first look at what is surplus in your organisation and define in total what it means in your organisation and where it can occur. You build structures around that to make sure it can be dealt with effectively when it arises. That is the sort of thing we have worked on internally with members going forward.

Tony Sophocliides: Similarly, we work with HOTREC, our European hospitality trade body, which is very good at assisting us in learning best practice, bringing it to the UK and sharing it. Beyond that, in all our output, food, because of the way the ALMR has grown in the last few years, to represent casual dining in a much bigger way alongside pubs, bars and nightclubs, food has become a much larger part of our communications output. We have retail members, but we also have supplier members who are people who can sell software training and all sorts of things to the big pub and casual dining chains. We engage them in our events, so it might be Kitchen CUT—I don't even know whether it makes software. Software encourages good food waste reduction practices front of house and back of house in sourcing things. I am not here as an advert for it, but there are organisations like that that we help to put in touch with the same forums as the operators. Again, that is more likely to be more frequent as we go ahead with skills training for chefs and other aspects.

Q273 **Angela Smith:** What are the challenges your members face in redistributing food? They are going to be very different from the challenges faced by the supermarket.

David Bellamy: Yes. I think there will be some common elements. First and foremost, we must always emphasise the fact that our members do not set out to produce surplus food so it is an unplanned activity. The challenges come down to one of the reasons we worked on the guidance I referred to—the fact that there is sometimes a lack of internal preparedness for a surplus. One thing you can do is ensure you have an

effective internal system and know who needs to authorise clearance and such so that things can be readily utilised when they arise as a surplus.

There are issues around logistics. In manufacturing, we are very reliant on the big charity organisations and the other non-profit organisations like company shops. We obviously cannot have local charities coming on site and picking up products. It is a different scenario from the retail environment. Often, the cost of transporting the surplus falls on the manufacturer and that can be an issue, particularly when there may be only one or two pallets of something. Getting an artic into some of the inner city locations for some depots can also be a challenge. There are challenges with logistics.

There are quality issues. Obviously there is concern about the perception that if something is close to its best-before date or perhaps over its best-before date consumers who receive it through a charity are not getting the product at its optimum quality and that may be perceived to be receiving a substandard product. There are some issues there and that is linked with some differences of interpretation with the enforcement community and the legality of doing that in the first place. There are some issues there that need to be clarified.

On traceability, members obviously fear that things will get into the wrong hands and end up on a black market somewhere rather than going through a charity. That is obviously a concern when your brand is on the product. Those are the sort of barriers that we have identified.

Q274 Angela Smith: Are there two types of surplus? This is a genuine question because I am slightly unclear. Do you get raw material surplus as well as finished product surplus?

David Bellamy: Yes, there can be. Organisations such as FareShare say they can take both types. That is obviously subject to the individual item being consumable. If it is a bag of flour or something like that, although it may be a 25 kg bag, it could be utilised in one of their larger community operations.

Q275 Angela Smith: Bags of sugar and things like that?

David Bellamy: That sort of thing can be utilised.

Q276 Angela Smith: Is it easier to pass on the surplus of finished products to the charity sector than some of the raw materials? Is there a difference in terms of acceptability?

David Bellamy: There is in the sense that you obviously have more options with the finished products because they are packaged and protected. Therefore, there are more potential outlets by which they could be used, not only in the charity sector; the non-profit sector such as community shops can use those products. Whereas with looser products you cannot do that.

Q277 Angela Smith: Are there any data to indicate how much of the surplus in relation to raw materials and raw product actually gets passed on



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successfully?

David Bellamy: I am not aware of any data that give that kind of split. I am happy to look into that and come back to the Committee.

Chair: Drop us a line.

Q278 **Angela Smith:** That would be really helpful. Thank you.

Tony Sophocliides: I go back to what I said earlier about the difficulty of distributing food over any distance where it is prepared food on the night. That is probably the challenge that is the most thorny for us. Not thorny, but because it is happening at a very local scale it is difficult for us to know exactly the extent that it is happening, other than the fact that it is happening.

Q279 **Angela Smith:** Do you think the Food Standards Agency could help with better guidance on redistribution, for instance, in relation to the cooling procedures we referred to earlier—the freezing, acceptability or capability of freezing food?

Tony Sophocliides: Guidance is always welcome.

Q280 **Angela Smith:** But do you think it needs improving?

Tony Sophocliides: I don't think when we are talking about waste that we can ever say that things cannot be improved. I know that sounds slightly hollow but I don't mean it like that.

Q281 **Angela Smith:** No, I understand that.

Tony Sophocliides: I don't mean to be sanctimonious about that but guidance is always great and we want anything that helps. Food waste is pretty much bottom line stuff for our members, so they are always going to be keen to reduce it, because they are already working on very tight margins, especially pubs.

We have business rate pressures, apprenticeship levy pressures and national living wage pressures coming with the national minimum wage. Where we can make these gains, we will always take good advice. It needs to be, as with all the things that I am saying, not one size fits all. It needs to be something that will take into account the differences between the small scale, national scale, regional scale and the different types of offer.

David Bellamy: The European Commission has just started work on a guidance document on trying to get clarity on how food safety legislation should apply to redistribution generally, to get more consistency of approach across member states.

Angela Smith: That is really useful to know. Again, Chair, I would love to know how the House of Commons manages its food waste on its own hospitality.

Chair: Okay. We're going to look at that.

Angela Smith: They would be a very good witness, I believe.



Q282 Kerry McCarthy: I will do the carrot and stick stuff together. You will have heard me asking before about whether this would help. You talked about Courtauld and, yes, the previous tranches were successful and the targets were met, but they were really unambitious targets when you look at the sheer scale of food waste. If we carry on that pace, we are not going to meet the SDG targets or anything more ambitious.

Would tax breaks help for companies and organisations that donate so that people can eat the food? Also, at the moment you are discouraged from sending food to landfill, but AD is an attractive option for quite a lot of people, so are there things the Treasury should be looking at to move this agenda along? I am glad you are nodding, because the supermarkets weren't that enthusiastic.

David Bellamy: In principle we have nothing against the idea of trying to level the playing field around redistribution versus AD; that is our position on that. Having said that, anything that is done—obviously, the devil is in the detail of what is going to be proposed, but the incentives for redistribution would need to be relative and fair vis-à-vis anaerobic digestion, because there are some materials that are not suitable for redistribution and AD is actually quite a good option for those types of materials. They are things generated in the food industry—residues from production processes, and particularly primary processing, like sugar beet processing and such—that are only suitable for things like AD anyway. We wouldn't want the thing to go the other way, where AD was actually the poor relation.

Q283 Kerry McCarthy: You wouldn't want to be penalised for sending stuff to AD that you can't do anything else with?

David Bellamy: Yes, but if it was balanced and fair we would be happy to look at that proposal, certainly.

Tony Sopocliides: I will nod until my head falls off on this one, because it is preferable to legislation and regulation, for the reasons that I have said about the diversity within our part of the sector, and because incentives tend to be more easily devised to be flexible to different types of operations, I think. I think in the previous panel you talked about the French model, and things like that—that is down to incentives to distribute food, which is fine. Where there is an incentive there is progress to be made, and you are right that progress has been made, but it is not everything.

We have still got a long way to go. I think, particularly in our part of the sector, business rates, as I mentioned, are a massive burden at the moment. They are pretty much our top issue. They penalise investment. If you refurb, or make capital investment, that means your rateable value goes up and therefore your rates go up. What is the incentive there to invest in AD, for example, which has different waste reductions outside the remit here, like taking trucks off roads and allowing outlets better to measure the types of waste they are doing, and how much waste they have, and their reductions thereafter?



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Again, briefly, it would be great if the incentives were in some way linked with training because of the shortage in chef training—chef training could help reduce waste. It has to recognise that there is a front-of-house waiting staff, and there is a back of house—the kitchens, the porters and the supply chain. It could even be that there are tax incentives outside of my members' remit that would help my members. For most small operators or small outlets, it is very difficult to house and run an AD unit, because they are large. The technology is getting smaller, as technology always does, so if that happens more quickly, we can act more quickly and make more progress more rapidly.

Q284 Kerry McCarthy: What about mandatory food waste collections?

Tony Sophocliides: Again, it has got to be something that is workable. I would like to be proven wrong, but I fear that, because it is local authority-led—you are probably ahead of me here—inefficiencies outside our members' control would end up as a financial burden on them. That is, if you like, the exact opposite of the incentives we need. It is more of a bit of a stick rather than the carrot. When many of our members are working on extraordinarily tight margins, that can be the straw that breaks the back. A full pub or a full restaurant does not necessarily, by the way, mean a successful one, because the margins are that tight. You can be full and it shuts down the next week.

Q285 Dr Monaghan: Scotland and Northern Ireland have placed a clear legal requirement on businesses to separate food waste for, perhaps, composting or anaerobic digestion. I will maybe start with you, David. Would you welcome such a policy for application in England?

David Bellamy: Is this the separate collection requirement that exists in Scotland, or is it slightly different?

Q286 Dr Monaghan: It is the requirements of the Waste (Scotland) Regulations 2012 and, in Northern Ireland, of the Food Waste Regulations (Northern Ireland) 2015. Businesses must separate out food waste.

David Bellamy: As far as the federation is concerned, we would regard most of our members if not all as being ahead of the curve. They would already be having any food waste that they generate taken off-site separately by their waste management contractor. We do not see this being a new issue for our members, and that is how it has worked in Scotland. I have less experience of Northern Ireland, but that is the situation as I understand it from my Scottish colleagues.

All we would say is that if this requirement was introduced—it perhaps makes sense to have a UK-wide approach—it needs to be adequately resourced, in terms of publicising it to companies. It also needs to be enforced in a way that is fair for everyone. Obviously if companies are going to the trouble of doing it, it needs to be enforced so that there is not a free-rider issue.

Q287 Dr Monaghan: So you are saying that you would welcome it as a legal requirement—a compulsory measure—that people have to do and



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businesses have to implement.

David Bellamy: It already applies in Scotland and Northern Ireland, doesn't it?

Q288 **Dr Monaghan:** I am asking about England though.

David Bellamy: We have no issue with the separate collection of food waste, because, as I say, in effect it happens already in practice.

Q289 **Dr Monaghan:** You have nothing to fear from a legal requirement like that being imposed?

David Bellamy: No.

Tony Sophocliides: I would urge against it being a legal requirement, to be honest, because of—you are going to be sick of me saying this—the diversity within the industry, and therefore the different ways in which places operate. I think it would be far more suited to the operations of our members—the majority of the casual dining sector and pub operators—if there were incentives. We have seen within those operations already that, through good communication, good information, a bit of friendly harrying and pointing out how it benefits them, we can make progress.

Q290 **Dr Monaghan:** What would you like to see implemented, if not a legal requirement?

Tony Sophocliides: It being more easy to understand, and therefore for us to be able to communicate to our members, how what might be seen as the burden of separation can actually be a very easy thing. Sorry to go back to AD again, but if you have cocktail sticks in your packaging and you take them out, people realise that they can live with that and it is not breaking their business. Some of this is about perception, but most of it is about education—the to and fro of information. It is about understanding the workings of a kitchen, which most of us probably do not very well, and working out exactly what is needed to be done from the waste processing side.

Q291 **Dr Monaghan:** So you would prefer it to stay at a voluntary level, so there is an element of flexibility. Is that right?

Tony Sophocliides: Yes.

Q292 **Dr Monaghan:** What about businesses that might dogmatically refuse to get involved in recycling or to consider their food waste? I take your earlier point about it being important for their profits, but there might still be some that disregard that.

Tony Sophocliides: If it is evidenced that there is a level of that, I think that could warrant a low-bar approach—first, to bring them into line with what we are trying to achieve and get them on board with the big-picture side of things; and secondly because if they start doing that, they start to realise what the vast majority of the industry realises, which is that this is very achievable and worth doing because it is about your profits.

Q293 **Dr Monaghan:** Do you think the flexibility and compulsion could be



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combined if there were a legal requirement that perhaps applied only to businesses that produced food waste over a certain weight per month or per week, or something like that?

Tony Sophocliides: I am aware of the 5 kg and 50 kg barrier. Again, it is about how that is measured and who it is measured by, and whether it is easy to bypass, which I obviously would not want to happen.

Q294 **Dr Monaghan:** But there is some potential there, you think?

Tony Sophocliides: Anything that helps cut waste will end up, on the bottom line, helping people. I would not rule anything out. We just want things to work and operators and customers to profit.

David Bellamy: The caveat to our support for a legal approach is whether it would mean a pragmatic approach not being taken towards commingled, where, for example, you have food waste but with some packaging entwined with it. I understand that that situation does not apply in Scotland—that a reasonable approach is taken.

Q295 **Dr Monaghan:** Indeed. Unfortunately, the legal requirements are not always pragmatic. To follow up, what do you think such a legal requirement would cost your industry to implement?

David Bellamy: Most of our members are pretty much there with zero waste to landfill. They are already treating their food waste, where it cannot be prevented, through some option within the waste hierarchy. I do not see any immediate additional large cost, but I guess there would be an administrative cost to demonstrating that you had met the requirement.

Q296 **Dr Monaghan:** So it is relatively small—we are not looking at huge capital expenditure.

David Bellamy: I would not have thought so, no. But it depends on the nitty-gritty of what we have just discussed: the pragmatic principle around mixed stream.

Tony Sophocliides: I would not be able to put a figure on what it might cost. I would hope that it would be very low, because evidence would suggest that we are making great inroads. We could therefore turn it back and say, "Is it in the spirit of incentivising and encouraging good practice?" I could use examples from licensing. When things are in place and are moving the right way, the worst thing we can do is introduce a blunt instrument, because it tends to diminish the good will among operators. I am not saying that that would necessarily be the case here, because this is very different from licensing, but I would be reluctant to see that approach taken for fear that that might be the outcome. This is too important an issue to make enemies over—I am taking it a bit far there, but you understand.

Q297 **Dr Monaghan:** So, like David, you anticipate that the cost of addressing this important issue in a realistic and pragmatic way, using existing systems and all the rest of it, would probably be quite low. We are not



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talking about significant capital expenditure for businesses, but perhaps about a change in systems and in management processes to minimise waste in the first place, so that whatever is left can be used in a more productive way.

Tony Sophocliides: How could one argue against that? We are probably drawing fairly close to the end, but a point that I really wanted to make and that I hope I have made is that our approach is that there is a risk of stifling innovation in food production practices—I say that from my point of view and that of our operators—and in the technologies that can be applied. We do not want one size fits all, because stifling innovation will constrain the offer that our members can make. The offer that they have is everything. You want to stand out from your competitors. You want to be able to change your menus if you want to, if that is the way you operate, or keep your menus the same if that is the familiarity that your customers like. One of the real aims for us is to make sure that our operators can continue to provide a really good offer.

Dr Monaghan: A good point, well made. Chair, I think we have ended on a high.

Chair: Thanks very much for that, Paul.

Gentlemen, thank you very much for your concise answers. We have covered a lot of ground in just under an hour. If as a result of the discussion and the questions you think “I should have said this” or “I’d like to add that”—you were talking about looking at best practice—please feel free to send us additional written submissions, because they will be read and they will be very welcome.

Thank you for being here today and for your evidence. It has been very helpful to us and it will allow us to incorporate it into our conclusions and recommendations. I thank my colleagues for their co-operation as well.