

Iceland
Doing it Right

FOOD

WASTE

2020/21

At Iceland we hate the idea of wasting food

Whether that's in our supply chain, our stores, or our customers' homes. For 50 years we have been the UK's leading frozen food specialist, championing great quality frozen food as a way to help people save money, maintain a tasty and balanced diet, and reduce food waste.

2020 was a challenging year for everyone. Normally bustling high streets became empty spaces. The pandemic brought about changes in shopping patterns, with panic buying, a huge shift to online ordering, and a move away from 'top-up' shopping. These changes made forecasting demand very difficult and meant that some of the ways in which we avoid food waste, like in-store price reductions, became less effective because there were fewer people in our stores. This resulted in an increase in the amount of food waste produced, up by 1,603 tonnes against 2019/20 – a difference of 10.5%.

The impact of Covid in terms of surplus food presented a particular challenge as Iceland stores do not generate enough waste to support a local redistribution network. We now have ambitious plans to redistribute surplus food in new ways and our aim for 2021/22 is to redistribute one million meals, through existing and new food waste projects.

our aim for

2021/22

is to redistribute
one million meals

Our targets

We don't send any unsold (surplus) food to landfill. We put it to good use in the community, offer it free of charge to our store colleagues, convert it into animal feed, or as a last resort have it processed into energy through anaerobic digestion.

We are proud signatories to the Courtauld Commitment 2030, which has brought together organisations across the food industry to reduce the environmental impact of food and drink, with the shared target of reducing the UK's food and drink waste by 50% by 2030.

Iceland is also a signatory to the WRAP/IGD Food Waste Roadmap, and we signed the Government's 'Step Up To The Plate' pledge in May 2019.

In line with the UN's Sustainable Development Goal SDG 12.3, we have set ourselves a target to achieve a 50% reduction of food waste in our own operations by 2030, with 2017/18 as our baseline year.



How we measure food waste

This report measures food waste in our UK stores and depots, for the full Iceland financial year 2020/21 (28th March 2020 to 26th March 2021 inclusive).

The calculations cover operations in all Iceland and The Food Warehouse stores and depots in the UK. The report does not measure any food waste generated by our suppliers. More details on our methodology can be found in the appendix.



Our Progress

In 2020/21, we sold 1,501,925 tonnes of food to customers. We sent 9,555 tonnes of food waste for anaerobic digestion. This equates to 0.63% of the total weight of products sold by Iceland. This is a 19.3% reduction against our baseline of 2017/18.

This represents an increase in surplus food from 0.57% of sales in the previous year, due to the impact of the Covid-19 pandemic on our store operations. It represents an increase in food waste of 10.5%.

Our specialism in frozen food, small store size and our popular price reduction policies mean we have relatively small amounts of surplus food available at the end of each day in stores. This means at a store level we are not a big enough producer of food waste to put in place a national food redistribution network like those operated by larger supermarkets.

As a result of the Covid-19 pandemic we saw an increase in the production of food waste. Our sales increased significantly during this period, alongside a huge change in shopping patterns leading to a 27% reduction in the number of customers coming to store, where they usually take advantage of price reductions on products nearing their end of shelf life.

These factors combined to result in an absolute 20.1% increase in food waste volume during the Covid-19 pandemic.

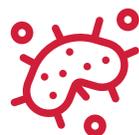
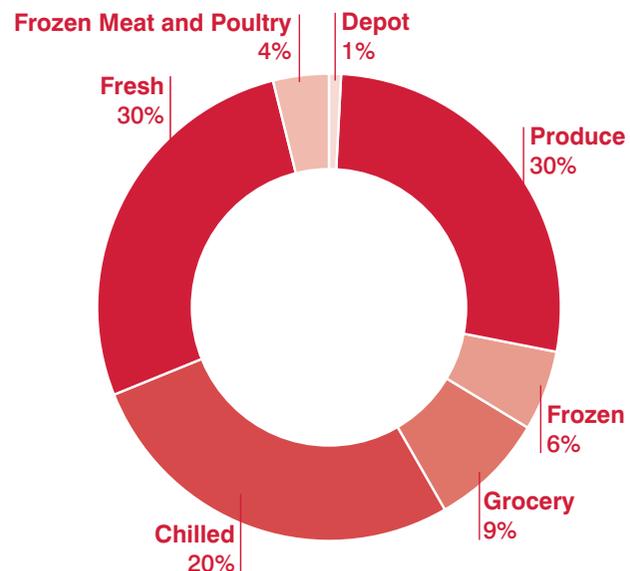
However, despite these challenges we have still been able to achieve a 19.3% reduction in food waste measured against sales since the baseline of 2017/18.

Many of our stores donated surplus food to good causes during the pandemic but the amounts were not recorded formally and do not appear in our reported data.



¹ We incorrectly reported 23% last year by using FY18/19 figures instead of our baseline of FY17/18

Iceland's food waste by category 2020/21



9,555 tonnes of food waste was sent for **anaerobic digestion**



263.9 tonnes of surplus food was redistributed to people in need, representing **624,389 meals**



1,274.9 tonnes of surplus bread was converted into **animal feed**

by SugaRich, the UK leader in reprocessing surplus food products



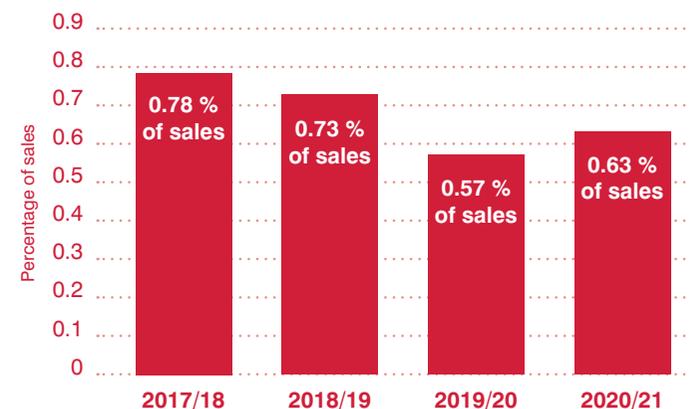
105 tonnes of surplus food was redistributed to store colleagues through our **Hello Taste, Goodbye Waste** scheme representing **233,333 meals**

In 2017/18, we recorded **10,354** tonnes of food waste in our operations, equivalent to 0.78% of the total food sold in that year. Our 2020/21 data shows that we have achieved a **19.3%** reduction in food waste in three years.²

Iceland's Food Waste Levels by Year (in tonnes)



Iceland's Food Waste Levels by Year (% of sales)



² Our baseline year of 2017/18 does not include waste from our depots. We improved our reporting in 2018/19 to include food waste from our depots.

How we're taking action to reduce food waste...

The Power of Frozen

Our focus on frozen food helps to cut waste throughout the supply chain, in stores, and in customers' homes.

As well as saving customers money, research by Manchester Metropolitan University found that British families could reduce food waste by nearly half (47.5%) by eating frozen food.³ We continue to use these insights to inform our ongoing marketing and buying strategies to help our customers to plan, prepare and store food effectively.

As Iceland specialises in frozen foods, the shelf life of most of our products is up to two years. We continue to work with suppliers across our supply chain to develop new packaging, transportation and storage approaches to keep products safer and fresher for longer. To avoid waste, we are also improving our forecasting and ordering system.

³The Food Centre, Manchester Metropolitan University, March 2018.
<https://www2.mmu.ac.uk/news-and-events/news/story/7421/>



Reduced... still fresh

We apply a 50 per cent discount on fresh, chilled and bakery goods on their 'last day of life'. This includes products such as milk, bread, eggs and fresh fruit and vegetables, giving our customers more choice when doing their top-up shops.

**British families
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waste by nearly half
(47.5%)
by eating frozen food**

Iceland suppliers begin redistributing surplus products direct to company shop

2014

Supplier surplus stock redistributed to Company Shop



2018/19

2019/20

2020/21

Decreasing food surplus by Iceland suppliers

Iceland surplus stock redistributed from depot to Community Shop



2018/19

2019/20

2020/21

Increasing Iceland food donations



Community Shop

We donate all surplus food from our depots. We work with our suppliers to help them redistribute surplus food from our depots to Company Shop. We also donate all of Iceland's surplus own label food from our depots to social enterprise Community Shop, part of the Company Shop Group.

Community Shop operates in some of the most deprived areas of the UK and brings together great value surplus food and personal development to build stronger individuals and more confident communities. In 2020/21, we donated **252 tonnes** of surplus food to Community Shop, the equivalent of **598,674 meals**. For the third year running, Iceland also sponsored Community Shop's Christmas Lunch in December 2020. Due to Covid-19 it was run differently this year, with cook-along Christmas dinner kits being donated, complete with step-by-step video instructions to allow everyone to enjoy a Christmas dinner.

"We've worked in partnership with Iceland for several years, helping them and their suppliers to redistribute their surplus stock. Iceland has also been a key supporter of Community Shop over the last few years, helping to make Christmas a special and enjoyable time for our members. Due to the Covid-19 pandemic, we weren't able to offer our usual Christmas dinners in the Community Kitchen this year but, thanks to the amazing donations from Iceland, our members were able to make their own Christmas dinner at home, with some top tips and video guides from Iceland's head chef. For some of our members this was the first time they had cooked their own Christmas dinner, learning new skills and creating lasting memories for them and their families. Thank you to everyone at Iceland for making this possible."

John Marren,
Founder and Chairman, Community Shop



FRUIT & VEGETABLES

DELIVERED FRESH DAILY



2020/21

Hello Taste, Goodbye Waste

Following a successful trial in 2019, we rolled out the Hello Taste, Goodbye Waste scheme to all stores in October 2020.

The scheme allows store colleagues to take home, free of charge, surplus food (food reaching its best before or use by date) at store closing time each day. 105 tonnes of surplus food, equivalent to **233,333 meals** was redirected through this scheme between October 2020 and March 2021, although not all stores measured distribution. This scheme has not been reported on formally this year; however, going forward, all stores have been equipped to monitor take-up to enable accurate reporting in 2021/22.

“Hello Taste, Goodbye Waste is a great idea and works very well in our store, it reduces food waste drastically at the end of the day. Surplus food is still perfectly good to eat so there is no need for it to be wasted, especially when the staff are more than happy to take home and use.”

Helen Shaw,
General Assistant, Hyndburn Food Warehouse





Partnering with Business in the Community

We donated more than 40 surplus chest freezers to food banks and community groups providing emergency food supplies to people affected by the Covid-19 pandemic. Through BiTC's National Business Response Network, Iceland worked with Relief Aid Logistics and Brakes Foodservice, who delivered many of the freezers to food banks up and down the country.

These were stocked with Iceland food on delivery, but also gave the recipients extra capacity to use surplus food donations and put them to good use in the community.

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— 2020/21 —

The Bread and Butter Thing

For the second year running, we partnered with The Bread and Butter Thing (TBBT) to redistribute surplus food from our online pick centre in Hyde, Greater Manchester.

The pick centre is not open to the public, and as online orders require longer 'use by' dates, this generates higher levels of surplus food than our standard stores. The Bread and Butter Thing is a registered charity that redistributes surplus food to families in need in Greater Manchester.

"Iceland is one of our most valued food partners. 2020 was a challenging year for everyone yet Iceland's commitment to TBBT increased – supplying an enormous 10.8 tonnes of food, representing 25,715 meals - which helped to support our expansion across the north of England, enabling our 14,000 members to access quality, affordable food to feed their families. Iceland also donated vital financial support to enable TBBT to fund Free School Meal provision during the October half term, supporting low-income families who were additionally struggling with the impacts of the pandemic. Our sincere thanks to Iceland for really helping us make a difference this year."

Mark Game,
CEO, The Bread and Butter Thing

Future plans

We aim to donate surplus food equivalent to one million meals to our communities during 2021/22.

We are always looking for ways to further reduce food surplus, such as improving existing schemes, forming new partnerships and engaging in new business models to reduce food waste.

FOLDOL (Free on last day of life)

Plans are underway to trial a new approach to our online delivery date policy.

Currently items delivered have a shelf life of at least two days. To reduce waste, we are going to trial giving products to customers free of charge on their last day of shelf life, when longer life products are unavailable. This trial is expected to go live for 14 stores in summer 2021.

Food Labelling

In line with WRAP guidance, we will also be reviewing and amending our food labelling dates and home storage guidance to reduce unnecessary food waste for customers.

This includes moving away from 'display until' food labelling on more products, as well as increased flexibility in freezing and storage guidance.



Fridgeable

Fridgeable will launch in July 2021, initially on 15 products. This initiative aims to demonstrate to customers that they do not need to put frozen produce in the freezer.

Fridgeable storage information explains to customers which frozen food products can be put in the fridge and how long they can be kept there. Our aim is to make frozen food more accessible to more people as we know that choosing frozen food helps families save money and reduce food waste.



Hello Taste, Goodbye Waste

In 2020/21 we launched our new scheme to give surplus food to colleagues on its last day of shelf life.

Although the launch of **Hello Taste, Goodbye Waste** was welcomed by store colleagues, not all stores measured distribution. Going forward, all stores have been equipped to monitor take-up to enable accurate reporting in 2021/22.

Shrub Hub

For 2021/22 Iceland have partnered with Shrub Hub Coop to redistribute food surplus from our Portobello Road dark store.

Shrub Hub Co-op is a community led organisation based in Edinburgh who redistribute food through their Food Sharing Hub and café.

in 2020/21

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Methodology

Our food waste strategy and reporting follow best practice outlined in The Food Waste Reduction Roadmap developed by IGD and WRAP.

The methodologies outlined below have been used to calculate the total tonnes of food waste in all UK Iceland and The Food Warehouse stores and depots, for the full Iceland financial year 2020/21 (28th March 2020 to 26th March 2021 inclusive).

The calculation only covers Iceland operations. The calculations do not cover any waste generated by our suppliers, by Iceland Manufacturing Ltd, or at Iceland's head office.

Iceland's food waste is sent for anaerobic digestion only; we do not send any food waste to landfill.

Our definition of 'food waste' excludes any material that is redistributed by third parties for human consumption or sent to produce animal feed. Any food that is repurposed for human or animal consumption is defined as 'surplus food'.

All non-food items are removed from our waste data. Packaging waste is also excluded.

0%
of Iceland food waste goes to landfill



Our stores

We use a bottom up approach; all store-level waste products are scanned out as individual units on our internal systems. We then use an average unit weight by category (calculated via our Supply Chain database) and multiply together to deduce a total waste figure, measured in tonnes. Our sales data is generated in the same way with units sold multiplied by the average category weight. The weight of any surplus food is measured by third-party sources (detailed below). We use this combined external data to calculate our actual 'food waste' by subtracting it from the food waste tonnage measured by our internal systems.



Our depots

We record the units wasted and then multiply this by an actual case weight from our Supply Chain database.



Animal Feed

Data is taken directly from SugaRich's reporting spreadsheet. Information on tonnage and number of loads is based on the weight of container when entering their processing site.



Community Shop

Data is provided by Company Shop Group who calculate weight data by item on their internal system.



The Bread and Butter Thing

Data is provided by The Bread and Butter Thing who weigh products on receipt.

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Food Waste 2020/21

www.sustainability.iceland.co.uk