

## Why food waste is becoming a revolution?

### Putting the bin out of business could be good for business

November 2017

This article was written by Léonore Perrin from “We are Phenix” a successful French social company born in 2014 who helps businesses to turn waste into wealth by unleashing the potential of surplus products.

L’Institut du Commerce asked “We are Phenix” to explain to the ECR Community the current waste initiatives’ landscape in France.

Since 2017, l’Institut du Commerce embodies the Efficient Consumer Response in France.

The association supports its members (manufacturers, retailers and service providers) to work together to better fulfill the consumers’ needs. More precisely, it provides them with the perfect framework to build collectively tomorrow’s businesses thanks to a better understanding of the deep changes occurring for the shopper, the supply chain and the retail (data, environment, technology...).

There is an urge to eradicate waste in our societies. The circular economy is a basic yet revolutionary approach that could transform tomorrow’s production and consumption. L’Institut du Commerce is proud to announce the launch in December 2017 of a new working group entitled « Circular Economy: How can retail have a positive impact »?

Each year, an estimated 1.3 billion tons of food is lost or wasted globally. That’s over a third of the world’s food production which is thrown away, somewhere between farm to fork. In the European Union it is estimated that 11% of food losses and waste occurs at the production level, while 17% at the distribution level.

From food banks to food aid organizations, food redistribution is not a new thing. Yet we’re seeing a rise in the number of these initiatives and of public commitments and goals to reduce food waste. The E.U. has set the goal to reducing food waste by 50% by 2030.

Ambitious? Maybe not as much as you may think.

On the contrary, in France, a powerful movement of more than 500 organizations, start-ups and social entrepreneurs have taken on the fight against food waste. [PHENIX](#), a startup launched in 2014, by Jean Moreau and Baptiste Corval, is an intricate part of this new grid. The secret? By injecting a dose of innovation and efficiency in the management of unsold products, we manage to create economic value from waste.

#### **When the stars align for waste reduction**

Much more than a fashion craze, these new professional activities are true models of the future, at the junction of several fundamental trends:

- First, consumer expectations have changed. Overproduction is less and less tolerable. On the supermarket shelves, discerning and demanding customers pay attention to the social and environmental commitments of the brands they purchase.
- This awareness has spread to producers. One's surplus or waste becomes a raw material for another, thus converting the economy into what's called the circular economy. By transforming waste, these new economic players have turned a sector far from attractive into something sexy.
- The political and regulatory setting has largely contributed to the success of these new activities, with both a favorable tax system and a law against food waste that has placed France as a European leader on the subject. Food donations were not invented by the French law of 2016, which forces supermarkets to give their unsold food to food redistribution organizations but the upcoming of the law has put the issue in the spotlight.
- Coincidentally, the media played a big part in raising awareness, largely covering this issue in recent years.
- Generation Y's search for a job that makes sense, and the desire to partake in a worthwhile cause, has made it possible to recruit creative talents, spearheads of any innovative entrepreneurial project.
- Finally, the big bang of the "start-up" trend (the #FrenchTech boom, incubators, hackathons and other start-up collaborations) facilitated the rise of this army of anti-waste professionals. Among them, social entrepreneurs have managed to bridge the gap between traditional market structures and community-based organizations. Convinced of the relevance of these hybrid models, we are very proud to embody them on a daily basis.

### **An economic model where everyone is a winner**

The anti-waste business is as beneficial for retailers as it is for charities or the State. All three have an interest in reinforcing solidarity and the fight against waste.

Thanks to the array of new solutions, retailers benefit from several layers of expertise in their product management mechanisms. Pioneers such as the *Zéro Gâchis* team accompany retailers in their sales of short shelf-life products at discounted prices. The *TooGoodToGo* app offers the day's surplus at low prices at closing hours. Finally, businesses like [PHENIX](#) are working to consolidate the entire ecosystem by offering turnkey solutions to regive value to unsold products and waste. Thereby, every day more than 40 000 kg of food are saved from the bin by PHENIX' team, which is about 80 000 meals served by the company's charity partners. PHENIX' 600 clients are major companies of mass-distribution (*E.Leclerc, Auchan, Carrefour, Intermarché, Franprix...*), but also manufacturers, wholesalers, caterers, museums and festivals.

For all retailers, the significant reduction in the amount of waste thrown to the bin is sustained by an important economic gain. A recent study shows that every euro invested by companies in the fight against food waste generates 14€ in returns. For example, anti-waste activities can increase turnover thanks to the increase in sales or in margins of promotions on food approaching its *best-by* and *sell-by* dates. The French tax cut system also makes it possible to actively participate in the fight against insecurity by donating to charity organizations. At the same time, this gives an encouraging and unifying mission to the staff, and it's a good public image (showing a tangible enforcement of CSR policies, otherwise sometimes labeled as greenwashing).

Beyond the social impact, the state benefits as well. A study conducted in 2016 by the Food Bank of Gironde calculated the economic gains of the fight against waste for the public sector. Comparing

[PHENIX](#)' activities with the results of this study shows that local authorities have saved in waste management costs (3500 tons) and in the amount equivalent to the meals distributed thanks to unsold products (4.2 million meals). Thus, in 2016 the company generated 15.5 million euros of social impact for the French government, considering employment and social costs related to the company's payroll (50 employees). The investment made through tax cuts gives back to civil society and places France as a stellar reference on a subject of world order.

Indeed, with 143 billion euros of food annually wasted in Europe, [PHENIX](#) is on the forefront of those who have uncovered the goldmine in this new market. In September 2016, after 2 years on the French market, we launched our offices in Spain, Portugal and Denmark.

The new and promising anti-waste army, which we're honored to be a part of, embodies the ambition of a generation that aspires to move the lines: to tackle issues of public interest by doing business differently. Today, we hope that our collective trajectory will inspire other initiatives. There is still so much to invent to reduce waste. We call out to the highly publicized civil society, which seems more than ever determined to play a key role serving public interest, to join us in the revolution.

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About [PHENIX](#): [PHENIX](#) helps businesses turn waste into wealth by unleashing the potential of surplus products. At [PHENIX](#), we aim to find new uses for our clients' end-of-life products (E.Leclerc, Auchan, Carrefour, Intermarché, Franprix...). Every day, 40 tons of food is repurposed to charities, allowing them to distribute 80 000 fresh meals. [PHENIX](#) is deployed in 21 cities and employs 55 people full-time.

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