

# THE STORY OF Too Good To Go

ZERO WASTE CONSUMPTION & PRODUCTION

## # 7

3,5 years after saving its first meal in Copenhagen, the company Too Good To Go has now saved 29 million meals and avoided the equivalent of more than 72,000 tonnes of greenhouse gas emissions, the equivalent of 15,000 vehicles driven for one year. Through a community of 18 million users called "waste warriors" and 38,000 restaurants, supermarkets and cafes in 14 countries, the company is managing to save one meal per second and is continuing to expand year after year.



## CONTEXT

One third of all food produced today ends up in a bin, where it is at best fed to animals or recycled, and at worst it is sent to landfill or incineration. Not only does this issue pose serious ethical and social questions, but it also deeply threatens the environment. Food waste is responsible for 10% of all global greenhouse gas emissions and 28% of agricultural lands worldwide are used to produce food that's destined to be ultimately wasted. **At the European level, the average citizen wastes around 92kg of food every year, contributing to one third of the yearly waste generation per capita**<sup>1</sup>. Furthermore, there is the financial cost of food waste, estimated to be 143 billion euros per year in Europe.

Therefore, if food waste has an economic cost, preventing it has economic benefits. That is the bet the Too Good To Go founders took. By creating a system where food surplus from restaurants, hotels, supermarkets and

bakeries is sold at a lower price, the goal was to generate revenue from food that would have otherwise been wasted. By doing so, the company effectively acts on around 17% of the total food waste in Europe by providing beneficial solutions at the food service, wholesale and retail levels.

## HOW DID IT ALL BEGIN?

Founded in 2015, Too Good To Go saved its first meal in Copenhagen in March 2016. The initial idea of the founders was to focus on food that became waste at the end of buffets. Whilst developing this concept, they quickly realised that it could be extended to all kinds of food service providers such as restaurants and cafes, bakeries and hotels.

**The vision behind Too Good To Go has remained the same since the beginning: fighting food waste by inspiring and empowering everyone to fight food waste together.**

From Denmark's capital, the idea quickly spread, with users and entrepreneurs alike seeing the appeal of it. This was especially true in France, Norway, and the UK, where the model was quickly replicated. The company then quickly expanded into many European countries such as Poland, Austria, Switzerland, Portugal, Belgium and the Netherlands.

The rationale behind Too Good to Go is simple; to **connect consumers with businesses whose products would otherwise have gone unsold and been disposed of**. Now, after four years, its success can be measured in having moved from one city to 14 countries, 29 million meals being saved through the mobile application, and its more than 18 million users.

1. FUSIONS. "Estimates of European Food Waste Levels." European Commission, 2016.



## ABOUT THE COMPANY

The company is still headquartered where it all began, in Copenhagen, with local offices in 14 countries now<sup>2</sup>. Sweden became the most recent country to join in January 2020. Although it is present in many countries, Too Good To Go remains one entity, with everything gathered under one global holding. This means that the company has no franchises and that all local entities are part of the global structure. Each entity has a country manager coordinating operations with a local team.

The company generates revenue from two main streams, the business partners active on the platform:

1. pay a yearly subscription to Too Good To Go
2. pay a small commission fee to Too Good To Go for each meal sold.

## WHAT DOES IT DO?

Too Good To Go's primary goal is to fight the growing issue of food waste. To do so, it provides a solution for food service providers to sell their food surplus which otherwise would have been wasted at the end of the business day. However, the app is just one way the company fights food waste, as it also directly encourages households, schools and policy-makers to change their behaviour and aims to influence legislation that will reduce food waste further.

### The Business to Consumer (B2C) Platform

After four years, **Too Good To Go is now the world's largest Business To Consumer Platform aiming to fight food waste.** This is via a mobile app where businesses can add the food surplus they have, and consumers can view the offer available. The application

is mostly for restaurants, bakeries, supermarkets, hotels and canteens. For Too Good To Go, this is a "win-win-win solution" allowing businesses to make money out of food which would be otherwise wasted whilst reaching new customers, and consumers to access food at affordable prices to reduce food waste, all parties having a positive impact on the environment.

<sup>2</sup> Netherlands, France, Denmark, Portugal, Belgium, Poland, Switzerland, Austria, Spain, Sweden, Norway, Germany, Italy and the United Kingdom.



## The Movement Against Food Waste

The company's overall vision is "a planet with no food waste". To achieve this, it is actively empowering and inspiring everyone to fight food waste together by building a movement comprised of four pillars. On top of its direct impact, achieved through the app, it also has an indirect impact through the four pillars, each with different targets to be met at the end of 2020.

### 1st pillar:

It specifically targets **households**, as almost half the food wasted in Europe happens at this stage. The pillar provides educational messages with tips and tricks that can reduce food waste on a daily basis by better buying,

storing and cooking. The overall goal is also for citizens to regain an understanding of the value of food, and to make the issue more visible.

### 2nd pillar:

It targets **businesses**, with the aim of going beyond just retail and food services to address food waste and losses happening further upstream in the food value chain. It contains plans to improve the sustainability agendas of the 38,000 businesses partners the company already works with.

### 3rd pillar:

The 3rd pillar focuses on **schools**, targeting younger generations with the creation of educational toolkits that contain exercises and guides for teachers.

### 4th pillar:

It focuses on **public affairs**. The company wants to engage with policy-makers to make sure the right regulatory framework is adopted to reduce food waste and enable change to make food systems more sustainable.



## TOO GOOD TO GO MOBILE APPLICATION

After downloading the app, users have access to a range of meals available nearby. They can either view what's close by or search for specific meals with different options, such as collection time, location or type of food, for instance vegan or vegetarian. Once they select their option, users receive a receipt which needs to be presented to the shop in order to receive the food bag. **Typically, consumers will have access to a 3 to 5 euro "magic bag" with an original value of 10 to 15 euro,** being able to buy food that's worth three times the amount they paid.

The app is now available for more than 38,000 restaurants, supermarkets, hotels, bakeries and canteens using it every month in 14 European countries. There are two ways for businesses to become part of the Too Good To Go system. In the first instance, the company receives spontaneous requests, currently from around 3,000 businesses every month.

In addition, Too Good To Go has a team dedicated to market analysis, identifying stores which would most benefit from joining the platform and helping those stores to better optimise and avoid potential food waste. For those businesses, the motivations behind joining the platform are different, ranging from the environmental impacts of food

waste to optimising the general functioning costs or corporate social responsibility guidelines. When businesses pre estimate the amount of surplus food available, they do it according to their general planning, as offers appear the day before. In cases the store in fact sells every meal and is left without surplus, the customer's order is cancelled, and a reimbursement is issued.

Regarding other types of waste, such as the packaging used to contain the food, **the company encourages its partners to allow consumers to bring their own containers as much as possible.** On the mobile application, consumers can easily access information, store by store, as to whether they can do this. For some stores, it is not possible to do so either because the food has to be packaged well beforehand – the case for most supermarkets – or because national or local regulations do not allow it. In these cases, Too Good To Go offers to provide the store with packaging made of FSC<sup>3</sup> and/or kraft paper.

All businesses joining the platform are in direct communication with Too Good To Go staff and benefit from an onboarding session with the company's team. To maintain the quality of food and experience on the app, Too Good To Go also works with partners who have received below-expectation user reviews to improve the experience for both parties.

Additionally, the app keeps evolving and adding more functionalities, such as the vegetarian option or the possibility to bookmark your favourite stores.

3. Forest Stewardship Council standards



## WHAT ARE THE RESULTS SO FAR?

The assumption behind Too Good To Go is that there is a way to turn an environmental issue such as food waste into a winning situation for everyone, by creating jobs, generating revenue, reducing food waste and diminishing its impacts on the environment.

### Is this profitable for the company?

Too Good To Go is a hyper-growth company. Its outreach has grown exponentially whilst revenues have increased 200% Y-O-Y in 2019 compared to 2018, reaching almost 38,000 partners, and more than 18 million users. The company turns a positive gross profit

and a positive operating profit in most mature markets. In 2019 it expects its net profit to be negative due to planned reinvestments and new country launches.

### Is this profitable regarding job creation?

At the end of 2019, the company was employing close to 500 people across Europe. At the end of 2018, Too Good To Go was employing 200 people, meaning employee growth over the past year has been at 150%.

### Is this profitable for the environment?

After 3,5 years, Too Good To Go has saved 29 million meals from the bin, resulting in 66,000 tonnes of greenhouse gas

emissions avoided<sup>4</sup>.

**In February 2019 they reached a milestone of 10 million meals saved, already an impressive figure, but by October 2019 they doubled this reaching 20 million** showing just how fast the company is growing.

4. 1 meal equals 1 kilogram of food on average, which corresponds to 2.5 kilogram of GHG emissions.



## WHAT'S NEXT?

The company's goal is to continue developing the app and extend its outreach to other countries. But looking beyond that, **Too Good To Go also has the ambition to tackle food waste all along the supply chain with the Movement Against Food Waste.** With this, the company intends to address food waste with upstream and systemic solutions for food systems. The key element in the movement is the advocacy, which intends to change the regulatory framework to enable food waste prevention measures at the national level and within food manufacturers.

The company has already started working at the national level in Switzerland, France, Germany and Denmark, where campaigns and petitions were launched to change the "use by" labels, the misconception of which account for 10% of food wasted across the whole supply chain<sup>5</sup>. The company also wants to develop an advocacy strategy at the European level.

5. "Market study on date marking and other information provided on food labels and food waste prevention". European Commission, 2018.

## GOING FURTHER

Too Good To Go is the perfect example of an innovative win-win solution which is also helping to solve environmental issues. However, as well as the app, Too Good To Go is working on further solutions that can change those systems that allow this food to go to waste in the first place.

**With the Movement Against Food Waste, the company shows systemic ambitions within the EU's framework to enable true sustainability within the food system.** Food redistribution allows for an impact on the reduction of food waste within an established framework. In the long run, the established framework needs to be shifted towards an integrated food policy containing sustainable and fair measures for each stage of the supply chain.

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Too Good To Go

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Zero Waste Europe is the European network of communities, local leaders, businesses, experts, and change agents working towards the elimination of waste in our society.

We empower communities to redesign their relationship with resources, and to adopt smarter lifestyles and sustainable consumption patterns in line with a circular economy.

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