



Impact Report 2022



Resilient Supply Chains for a More Sustainable Future

Spoiler Alert Impact Report 2022

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Introduction

Letter from our Co-Founders

We are thrilled to share the impact that Spoiler Alert has made this past year in the CPG industry, and the positive change that we continue to strive for.

As Co-Founders of Spoiler Alert, we are proud of the progress we have made towards our mission of reducing waste and creating more sustainable supply chains for food and CPG products. This past year saw us take our impact to new heights, by connecting a growing portfolio of leading manufacturers with purchasers of surplus and opportunistic inventory. In so doing and together with our partners, we have saved hundreds of millions of pounds of product from going to waste.

In this report, you will learn about the progress we have made, the impact we have had with our customers, the growth of our buyer network, the honors we have received, the volunteering events in which we have participated, and our ongoing sustainability initiatives.

We are grateful for the support of our customers, partners, and investors who have believed in our vision and helped us to make a difference. We are excited to continue working towards our goal of creating more sustainable, efficient and profitable supply chains, and we hope that this report will inspire you to join us in achieving our vision of a waste-free economy.

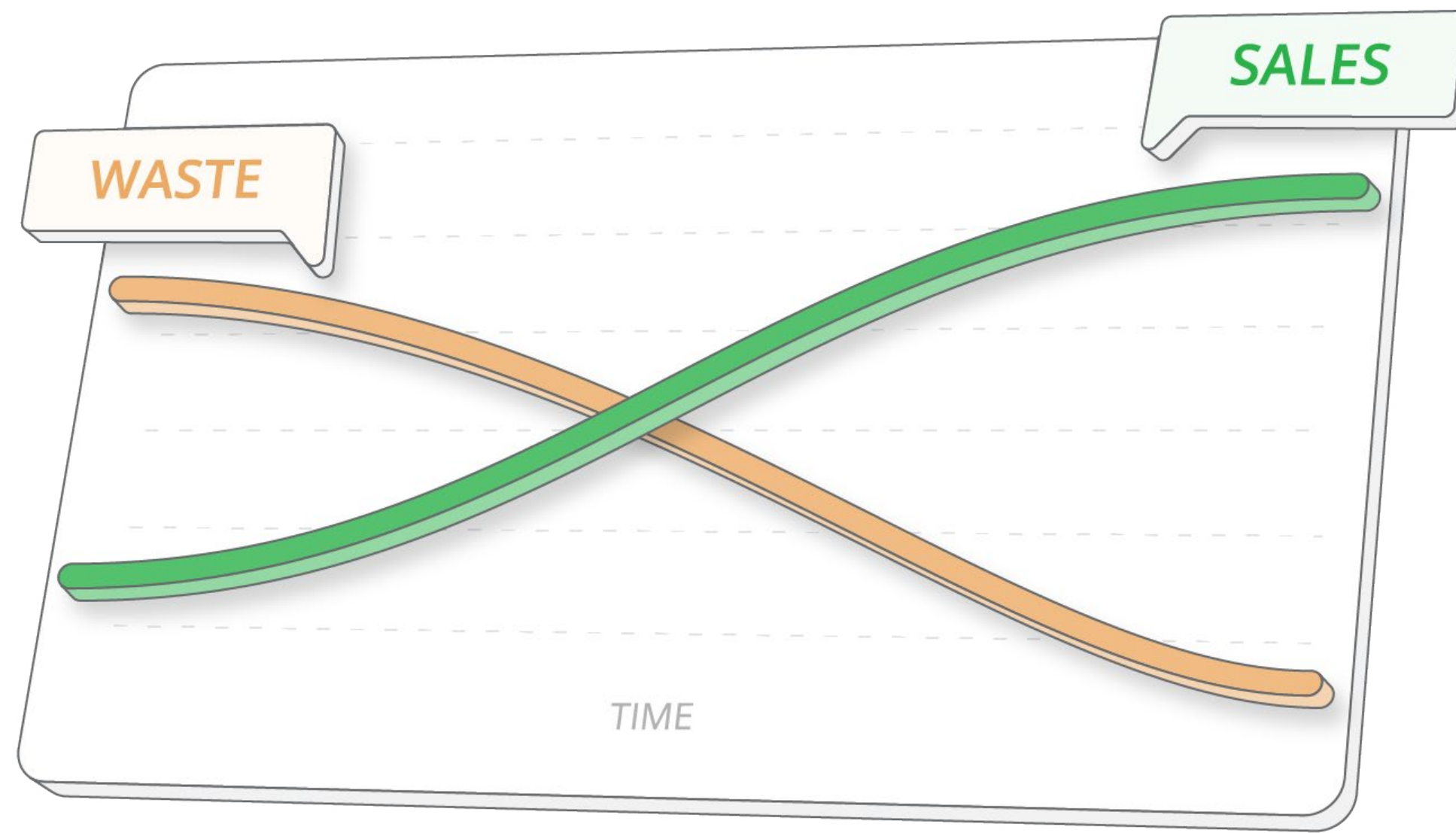
Thank you for your interest in Spoiler Alert and we hope you enjoy reading our 2022 Impact Report.

Sincerely,
Emily Malina and Ricky Ashenfelter
Co-founders, Spoiler Alert



“Waste drives us crazy. We started Spoiler Alert to help companies sell more, waste less, and solve some of the most important environmental and social challenges of our time.”

RICKY ASHENFELTER & EMILY MALINA
CO-FOUNDERS



In 2022, Spoiler Alert’s customers sold over **325 million pounds** of food that would otherwise have gone to waste.

*That’s the equivalent of **271 million meals** recovered or taking close to **13,000 passenger vehicles** off the road for a year.*

What is Spoiler Alert?

Spoiler Alert is the CPG industry’s leading B2B software solution for managing excess and short-dated inventory. By connecting a growing list of multinational CPG manufacturers (including Nestle, Mondelez, and Kraft Heinz) with a large network of discount retailers and non profit organizations committed to affordable access, we’re able to effectively improve discounting and donation processes as part of our partners’ waste-free efforts.

Our goal is to help manufacturers recover more value for products that otherwise would be wasted, allowing them to minimize write offs, strengthen customer relationships, and reinvest time in other value-add activities. In doing so, we prevent global warming emissions from hitting the atmosphere (as well as preserve billions

of gallons of water and tons of fertilizer) by limiting the amount of perfectly edible food that is unnecessarily wasted.

Excess is inevitable. But that doesn’t mean it has to go to waste. We’re seeking to revolutionize how companies handle distressed inventory and get it into markets and organizations committed to affordable nutrition and access.

It’s time to stop treating waste as a necessary cost of doing business in the CPG industry.

Our Mission

Spoiler Alert is focused on both the societal and environmental impacts of waste and the digital transformation of one of the most critical verticals of our economy. We seek to empower businesses with global supply chains to maximize sustainability, efficiency, and profitability.

We believe that the waste issue is more important than ever in today's world, where the rising cost of food and the economic recession have made access to healthy, affordable food a critical challenge for many people.

Food waste is a major problem in our society, with an estimated **one-third of all food produced globally being lost or wasted**. This not only has a significant environmental impact, but it also has social and economic consequences, as food is a basic human need.

In times of economic recession and inflation, access to affordable food and personal care products becomes even more critical. Many families are struggling to afford basic necessities, and food insecurity is on the rise. At the same time, food prices are increasing, making it even harder for people to make ends meet.

By giving a second life to products experiencing packaging changes and discontinuations or that simply don't have the shelf life to meet many retailers' rigid dating requirements, we can make more products available to the millions of Americans that need to stretch their limited dollars further. We believe that by working together, we can create a more equitable, sustainable food system for all and one where CPG products are increasingly accessible and affordable.



Sustainability

Reducing food waste is #1 on [Project Drawdown's](#) most impactful solutions for addressing the climate crisis



Food insecurity

About 40 million Americans struggle with consistent access to healthy and affordable nutrition



Resource Efficiency

Organic waste is the largest contributor to landfills by volume and a major drain on profitability

Our Core Values



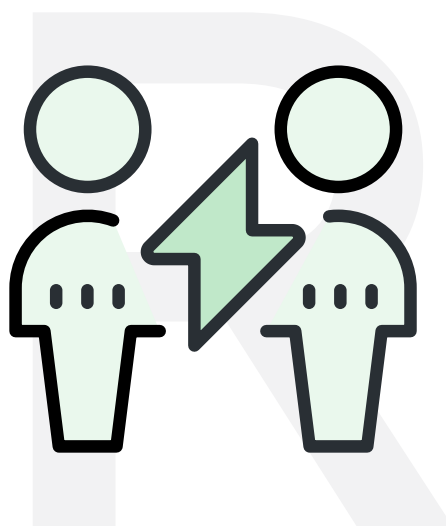
Champion the greater good

- ✓ We have a material impact on our food system, communities, and planet
- ✓ We do what is best for our customers, teammates, and company
- ✓ We further justice, equity, diversity, and inclusion
- ✓ We build solutions that benefit our customers and their customers



Own the outcomes

- ✓ We are accountable to our teammates and customers
- ✓ We take initiative to make the change we want to see
- ✓ We use data and experience to drive results
- ✓ We are action-oriented and celebrate iteration



Rise to the challenge

- ✓ We collaborate eagerly and win as a team
- ✓ We aim high and set ambitious goals for ourselves and our customers
- ✓ We elevate our work through diligence, creativity, and perseverance
- ✓ We are resourceful and find clever ways to simplify and solve problems



Embrace a learner's mindset

- ✓ We are relentlessly curious and question assumptions
- ✓ We see unknowns, challenges, and failures as opportunities to grow
- ✓ We take on opportunities that extend beyond our comfort zone
- ✓ We crave and deliver candid and helpful feedback

The Spoiler Alert Network

Customers

As of the end of 2022, Spoiler Alert powers excess inventory management at over 400 manufacturing plants and distribution centers across the US and is trusted by a growing portfolio of CPG manufacturers representing more than 300 of the country's most iconic brands.

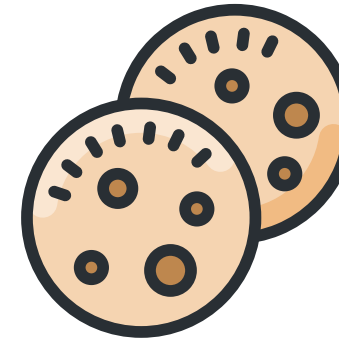


Categories

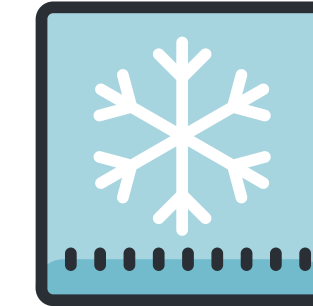
Throughout the year, Spoiler Alert customers have transacted in various product categories, ranging from beverages and dairy products to frozen meals and personal care items.



Ready-to-drink Beverages



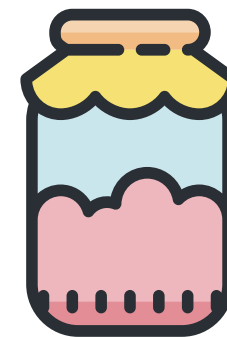
Cookies



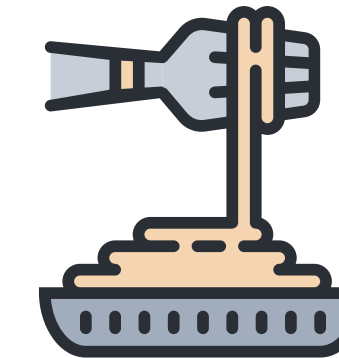
Frozen Meals



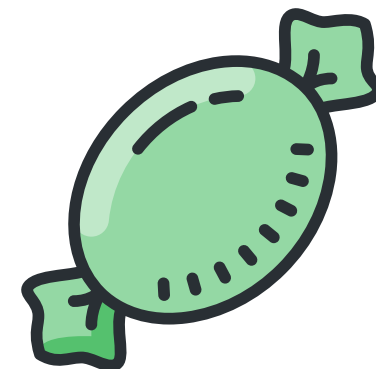
Canned Soups



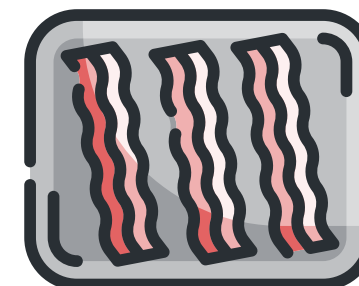
Condiments



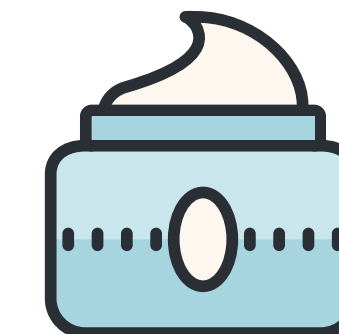
Pasta



Candy



Bacon



Personal Care

LEARN HOW OUR CUSTOMERS LEVERAGE SPOILER ALERT



Spoiler Alert digitizes Danone North America's U.S. markdown program

[Read More](#)



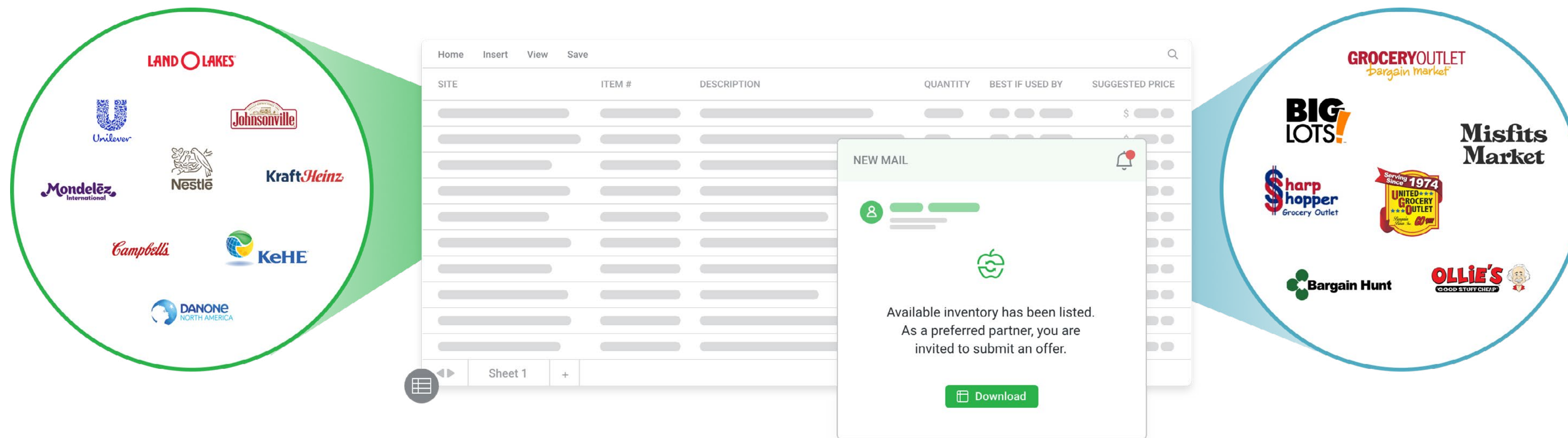
Campbell Soup Co. partners with Spoiler Alert

[Read More](#)



Spoiler Alert partners with KeHe

[Read More](#)



Buyer Network

The secondary market of retailers and wholesalers specializing in the purchase of opportunistic inventory is a critical force in the battle against waste and fight to improve affordable access. In 2022, we saw a dramatic increase in American households' dependence on discount retailers in light of the recession and inflation.

We expect [demand to continue to increase](#) throughout 2023 as discount retailers such as Ollie's Bargain Outlet and Grocery Outlet expand their store counts and double down on their consumables offerings in response to market demand.

Spoiler Alert's dedicated buyer engagement team works collaboratively with our CPG partners to strengthen key existing

customer relationships while making connections to new outlets when gaps are identified. These enhancements are informed by deep expertise in the secondary market, which comes from years of experience in the field and through ongoing independent research into current trends and dynamics that influence buyer behavior.

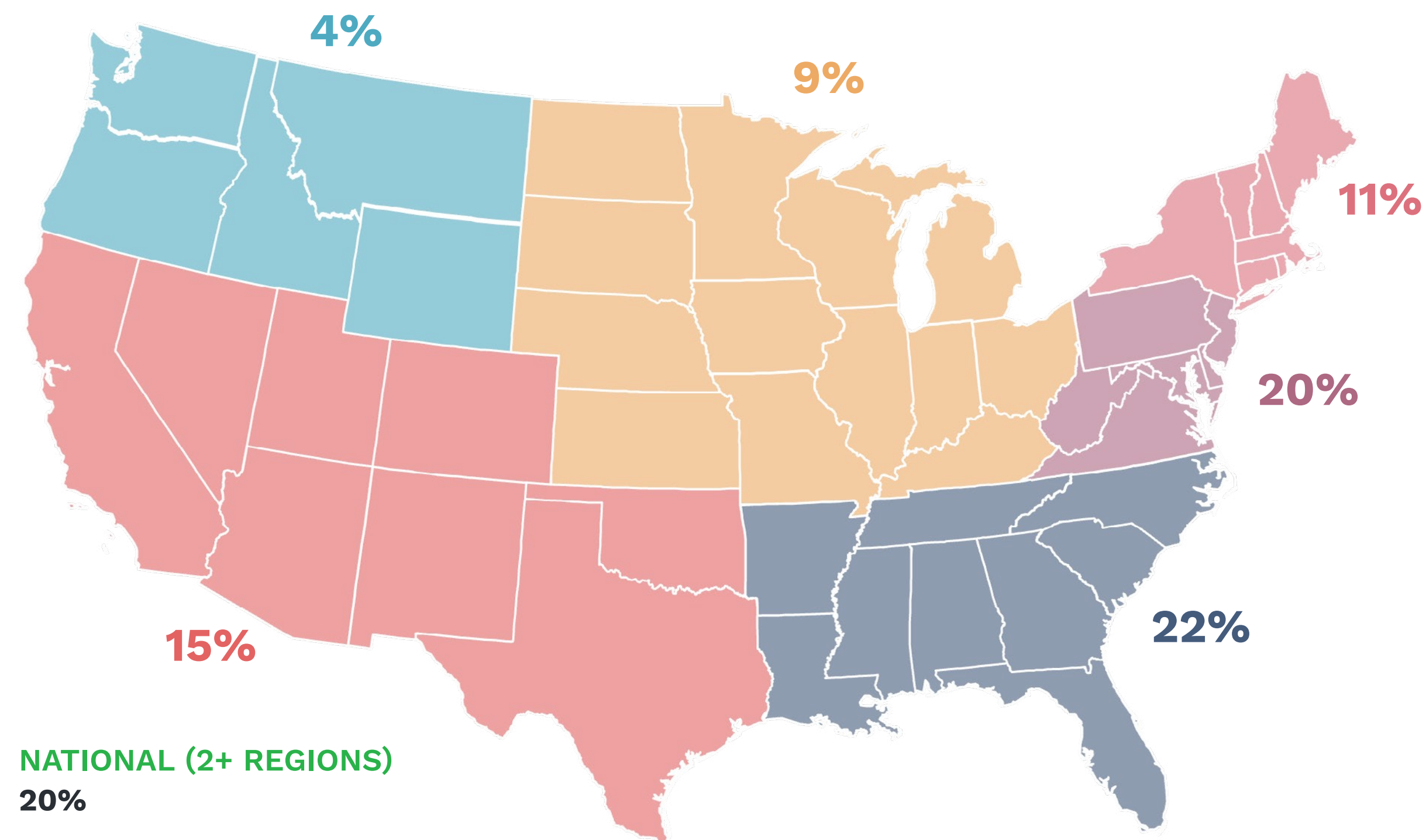
By the end of 2022, Spoiler Alert had successfully enabled more seamless purchasing experiences for hundreds of the nation's leading buyers of opportunistic inventory, including national and regional grocery chains that collectively represent more than 10,000 retail locations.

BUYER INTELLIGENCE

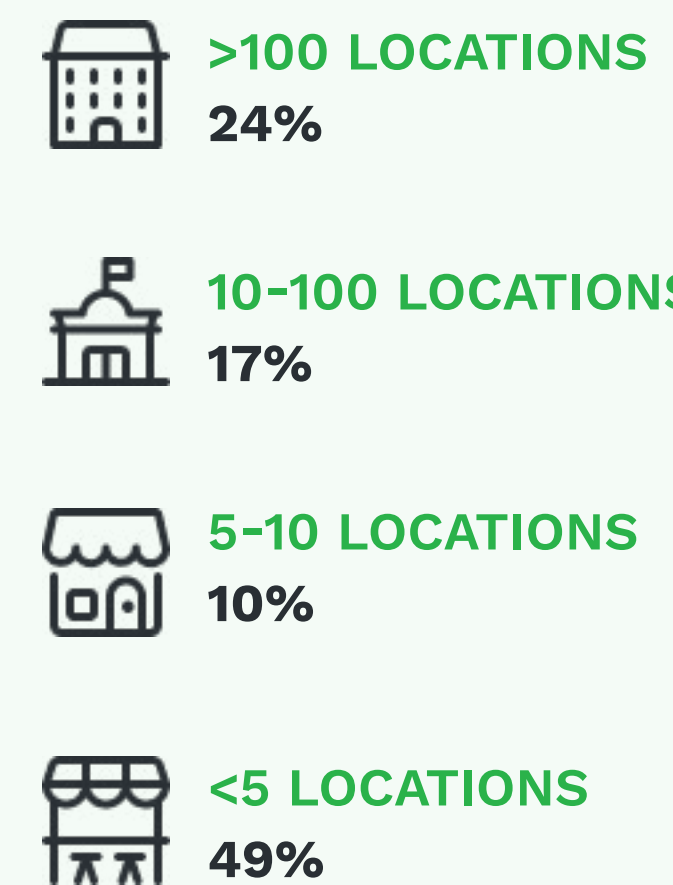
We have unrivaled insights into buyer capabilities and performance across many suppliers and categories.

Nationwide

Our buyer network spans across the nation, ranging from small buyers with fewer than 5 retail locations, to buyers with more than 100 brick-and-mortar locations. Additionally, our network is able to handle a diverse range of product categories and temperature classes - with frozen and refrigerated products being increasingly attractive for end customers seeking affordable nutrition.



By Format



Top #5 national dairy manufacturer increases buyer network

The Customer

- Top-five national dairy manufacturer
- Products require refrigeration at every stage of the supply chain
- Averages 29 days of shelf life remaining
- Requires customer pickup for all discounted orders

The Challenge

- Customer only had two active buyers – one retailer and one wholesaler
- Faced challenges finding buyers who could pick up orders and provide cold logistics
- Were over reliant on the single retail buyer in their network

The Solution

- Introduced eight new buyers – six retailers and two wholesalers
- All new buyers offered pickup, allowing the supplier to maintain their pickup requirement
- All new buyers had cold chain capabilities
- Five new buyers transacted in the first four months
- Removed one existing buyer with low cost recovery
- Decreased dependency on a single retailer, increasing competition and buyer diversity



Network expansion

200% increase in transacted buyers



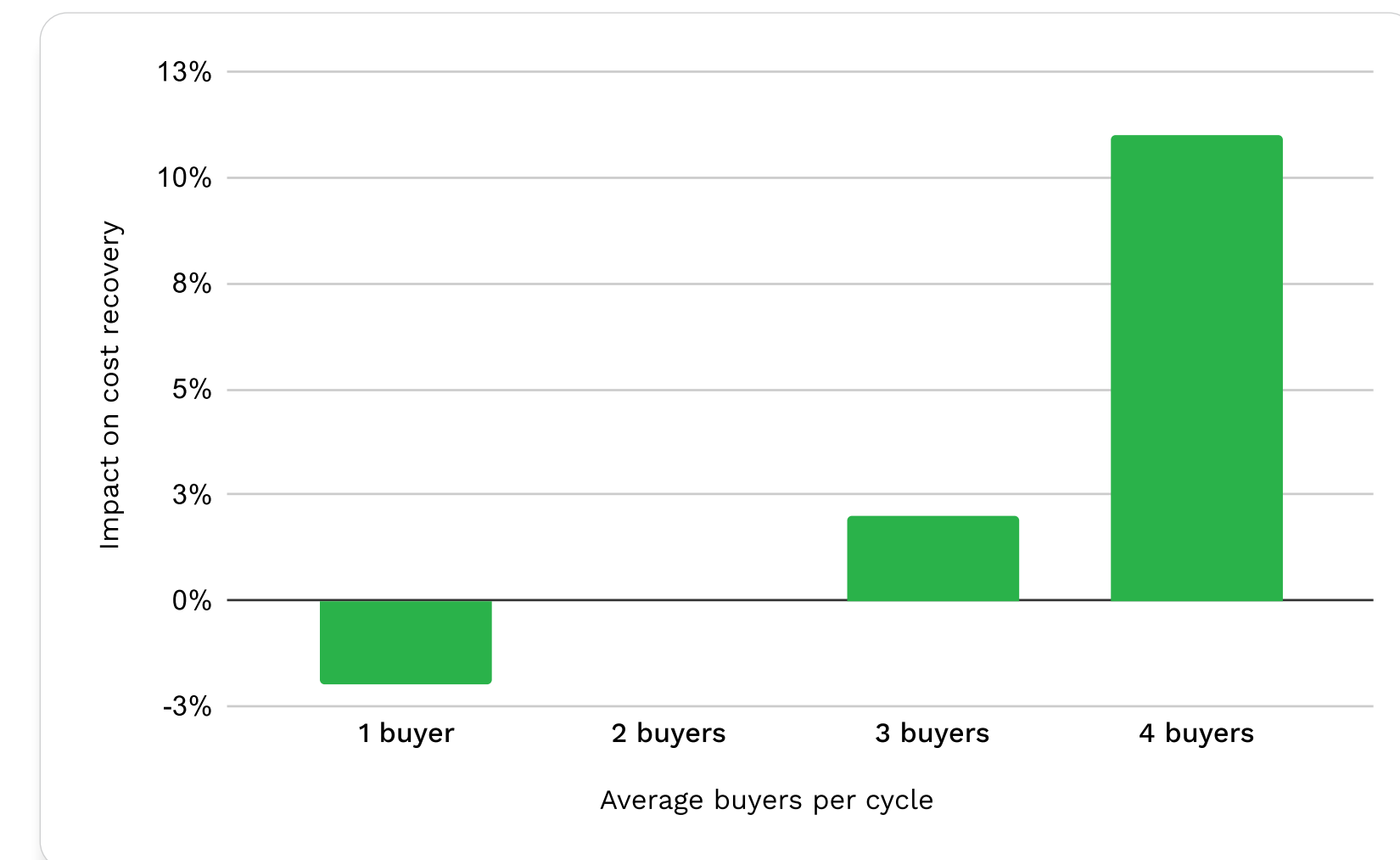
Immediate impact

New buyers accounted for 36% of transaction value in first four months



Higher cost recovery

11% increase in listed cost recovery



More buyers, greater cost recovery

A Spoiler Alert Network Webinar

In July of 2022, Spoiler Alert customer, Johnsonville, together with one of the industry's leading purchasers of opportunistic inventory, Natural Choice Foods, joined us for a webinar to provide best practices and tips to improve buyer-supplier relationships in order to have an effective and successful discounting program.

Watch the [full webinar here](#) to learn more about how Spoiler Alert's platform and team streamlines relationships.



Brian Jones
President and COO



Jeremy Gabrielson
Inventory Control Manager



Kai Mitchell
Buyer Engagement Specialist



Ari Hopkinson
Director of Customer Success

Waste & Sustainability

Our Environmental Impact

Spoiler Alert has come a long way since its start in 2015, and our impact continues to grow at an exciting rate.

In January of 2022, Spoiler Alert started the year off strong by reaching the milestone of selling over 2 million cases of excess inventory in a single month. Across the full year, this amounted to 25 million cases and more than 300,000 pallets of product.

FY 2022
25,000,000+ CASES

Jan 2022
2,207,397 CASES

MAY 2020
398,721 CASES

IN 2022

Spoiler Alert customers sold **325+ MILLION POUNDS** of food that would otherwise have gone to waste.

THAT'S ABOUT EQUAL TO



58,984.98
tons of Co2



12,767
passenger vehicles
driven for one year



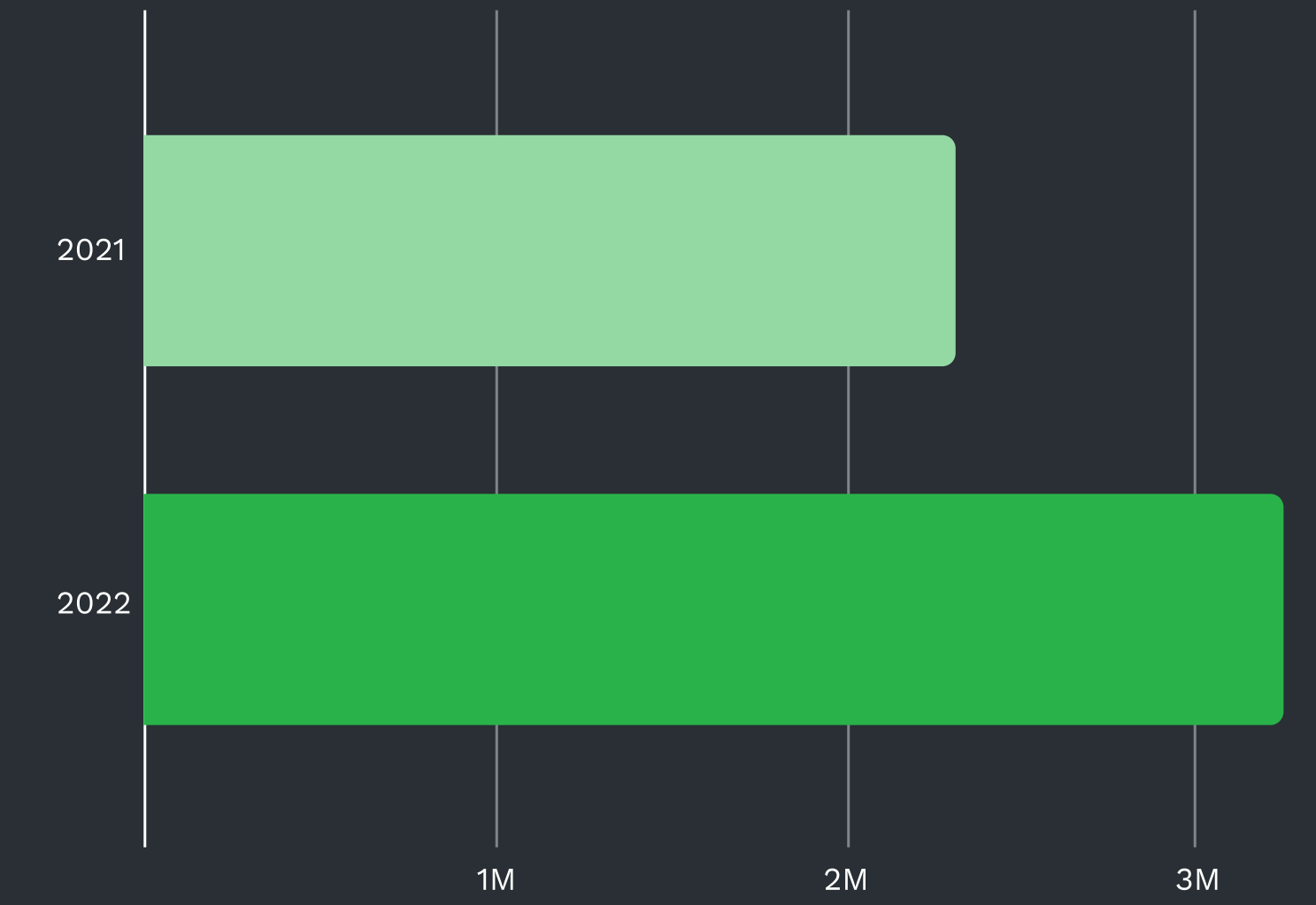
270,830,000
meals recovered



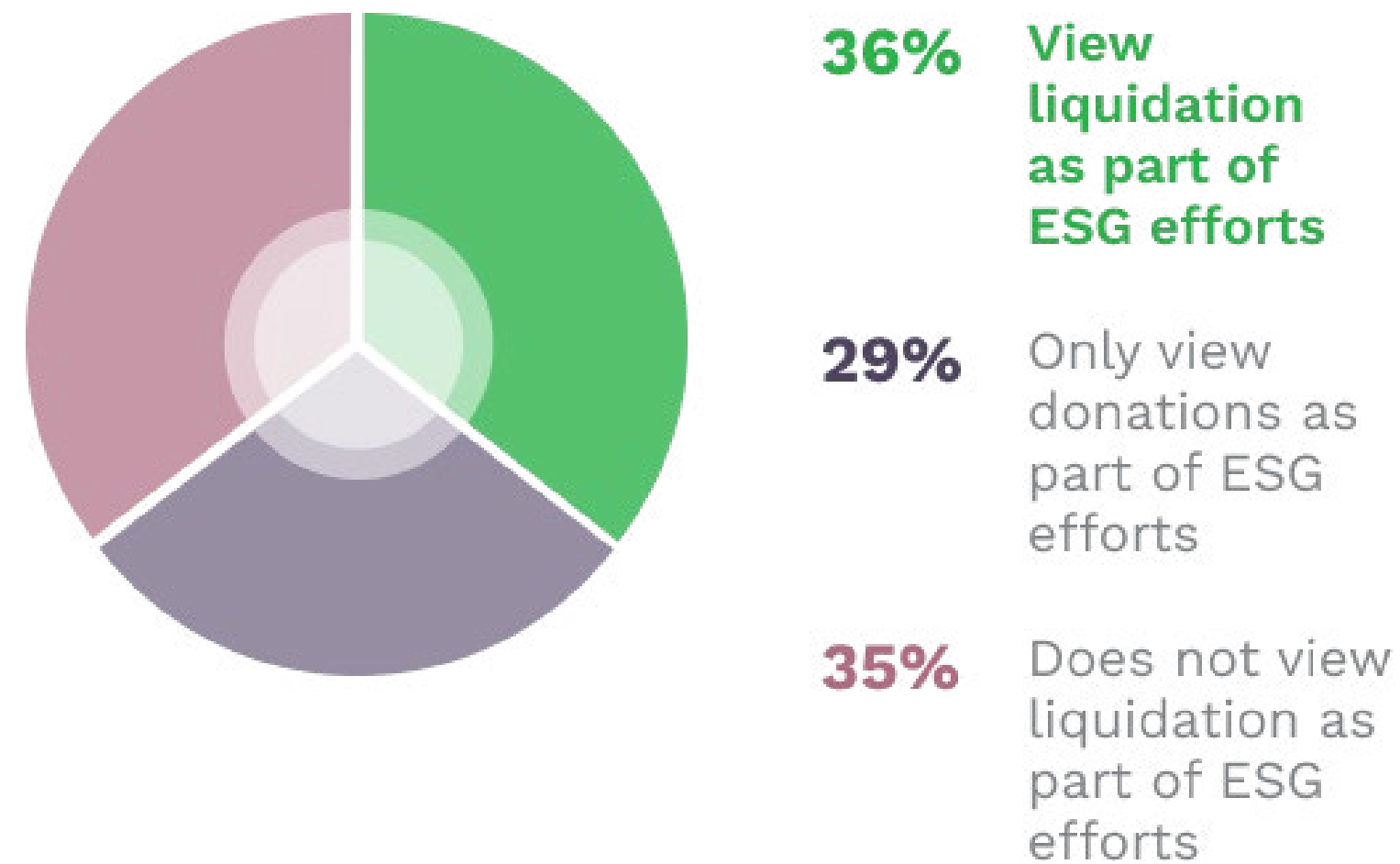
975,000,000
apples

Over the last year, we've seen our customers' impact and landfill diversion increase by 40% saving a total of over 325 million pounds of food.

By contrast in 2021 we saved 231.5 million pounds of food. This is about a 40% increase in food saved YoY.



Only 36% of companies see their liquidation program as part of their ESG efforts



Strengthening ESG Initiatives

No one loves waste, especially when it's costing you money. While Spoiler Alert helps companies reduce waste and save money, we're also on a mission to strengthen companies' ESG (Environmental, Social, and Governance) initiatives.

In 2022, Spoiler Alert issued its report, "Technological Maturity in the Secondary CPG Market" to discover how CPG manufacturers are currently managing their closeout processes. In the report, we found that only 36% of companies view their liquidation process as a pillar of their waste reduction and ESG commitments. This illustrates that the majority of companies are not yet leveraging the opportunity to bolster their ESG

initiatives through a program that already exists within their organization, especially as excess inventory will remain inevitable in a linear supply chain.

Linking discounting and donation programs with ESG initiatives allows companies to take a more holistic approach to sustainability and see the full impact of their actions on the environment and society. Additionally, it can help CPG manufacturers to communicate their sustainability efforts to consumers, investors, and other stakeholders which can increase trust and credibility in the company.

Pledge 1% Partnership



Spoiler Alert is proud to join Pledge 1%, a global movement creating a new normal where companies of all sizes integrate giving back into their culture and values. We're excited to join Pledge 1%'s network of founders, entrepreneurs and companies around the globe that have committed to giving back.

As our partnership with Pledge 1% aligns with our mission and values, and Spoiler Alert is committed to donating monetary contribution and volunteer time to charities that support:

- Environmental protection and climate change
- Hunger relief and food access
- Diversity, equity, and inclusion

Other Partners in Sustainability

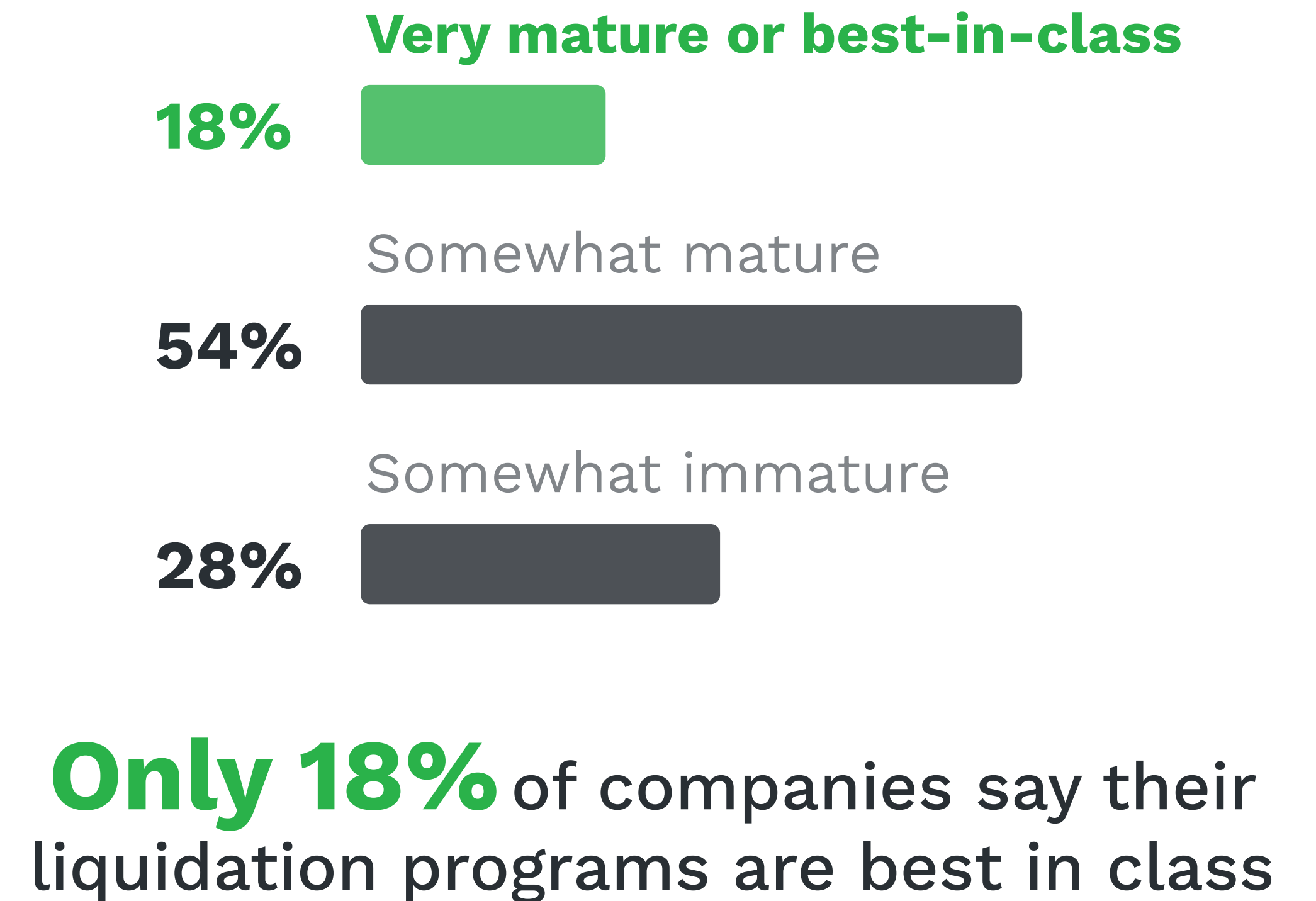


Tech & Product

Technological Maturity in the Secondary CPG Market

Spoiler Alert's report with [Worldwide Business Research Insights](#) also found that the majority of CPG companies lack technological maturity when it comes to current processes for managing excess inventory. In fact, only 18% of CPG companies ranked their current process as "very mature or best-in-class." This provides a unique opportunity for manufacturers to move away from outdated and manual processes to ones that are more automated, intelligent, and digitized.

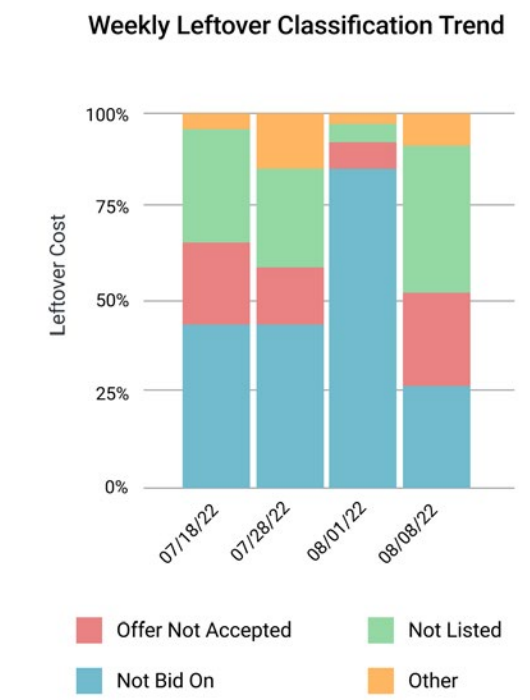
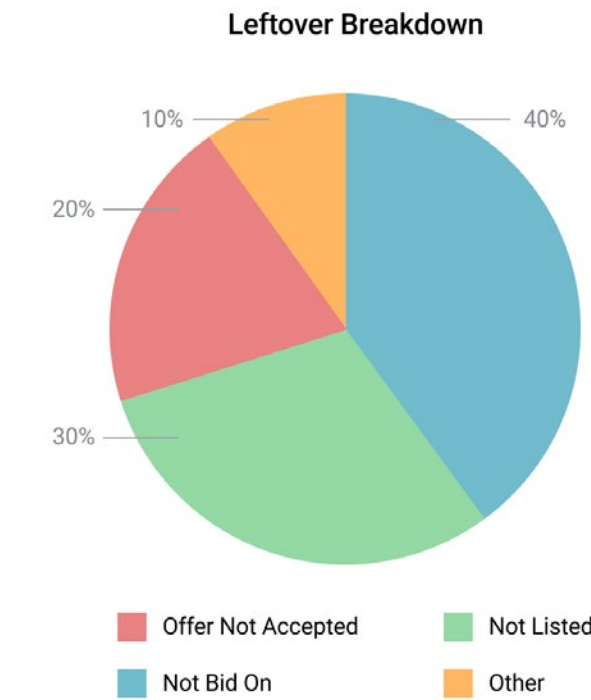
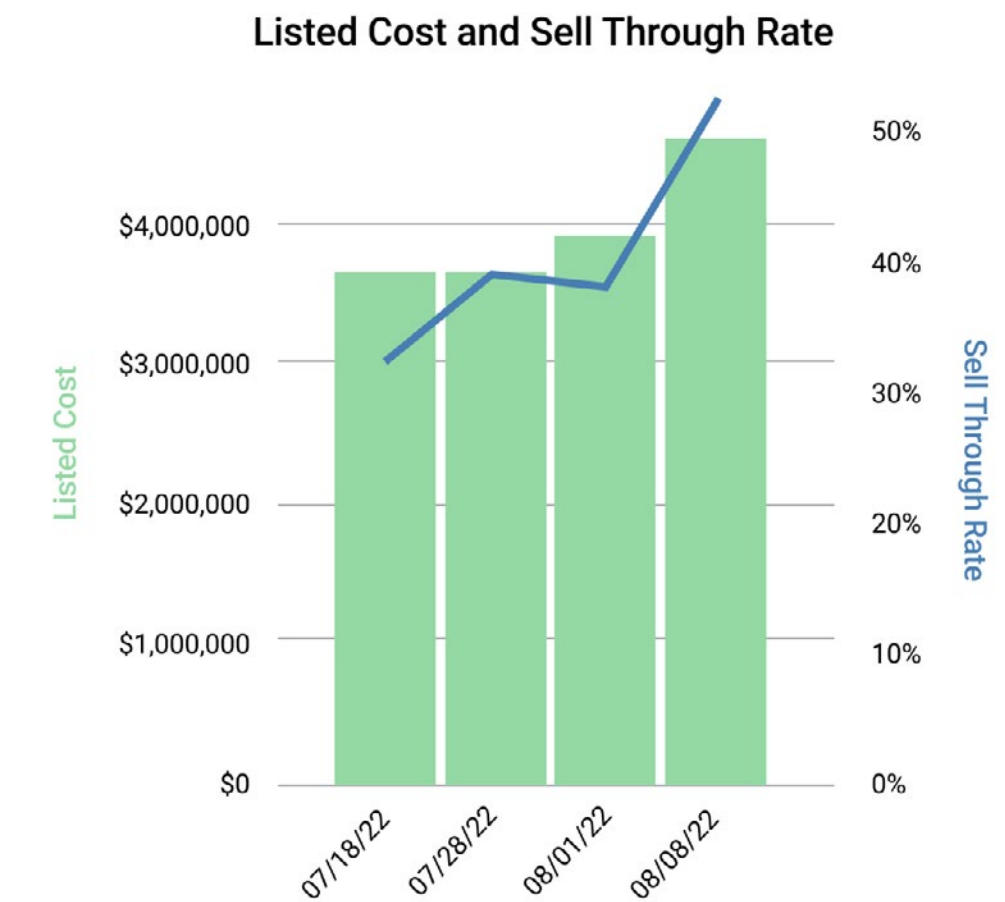
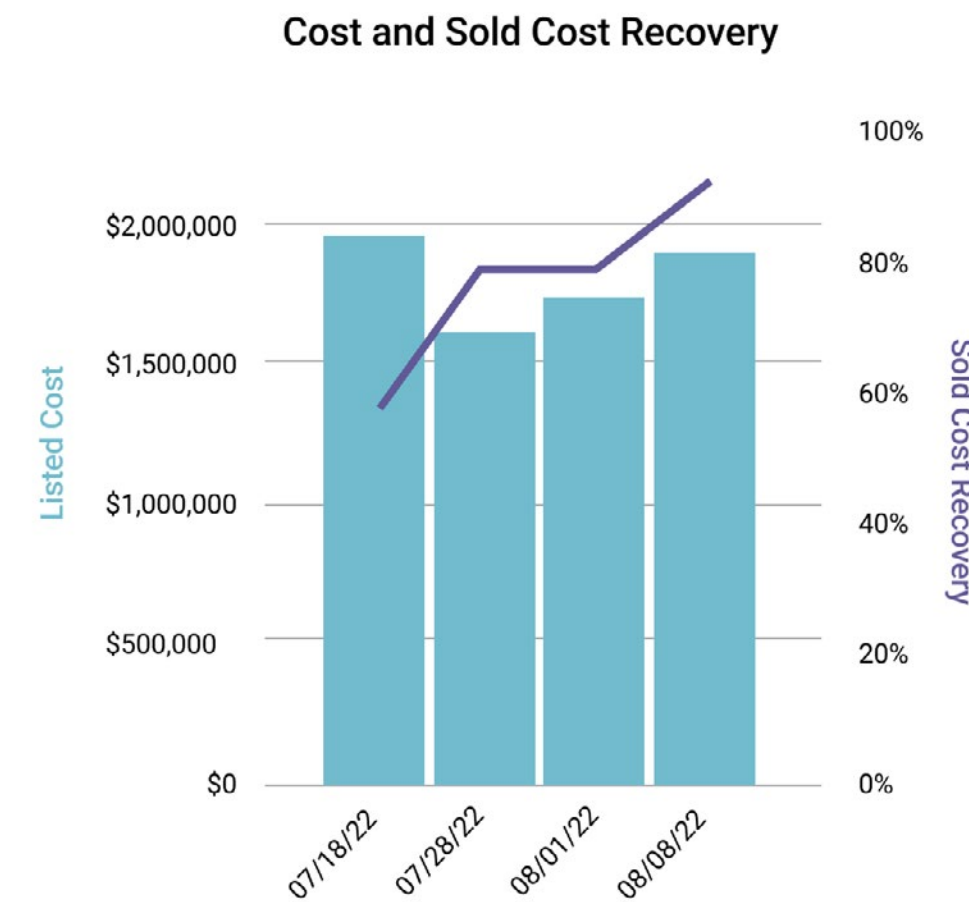
[Download the full report](#) to learn how CPG manufacturers can generate value from ainventory write offs.



Platform Enhancements

- New **Embedded Reporting** to strengthen waste trend visibility
- More effective **Inventory Filtering** to increase speed to market
- Enhancements to **Negotiations** to drive easier collaboration
- Enablement of **Single Sign-On** to boost security and productivity

2022-10-03 Cycle Start Date		2022-10-10 Cycle End Date	
\$1,480,000 Total Sales	1,670,000 Cost Sold	\$3,280,000 Cost Available	82.7% Sold Cost Recovery
48.4% Sell Through Rate	37.8% Listed Cost Recovery	37.4% % Competitive	4.85 Competitive Buyers



How Customers Benefit from our Product

Fortune 500 company minimizes loss through negotiations



Increased Counteroffers

Negotiated nearly 10,000 offers in 15 months



High receptivity

50% of offers were modified after counteroffer



Recovered revenue

Negotiations increased revenue by over \$550,000



Greater efficiency

26% of offers negotiated with no changes to team resourcing

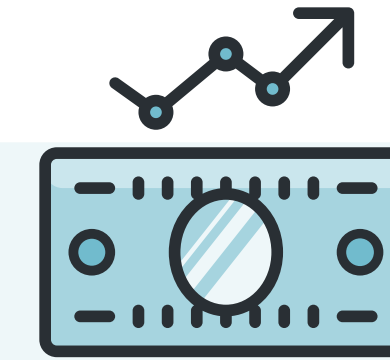
The screenshot displays the 'Smart Awarding' interface. At the top right, there is a green 'Award' button with a star icon. Below it is a table with columns: DESTINATION, CASES, RECOVERY RATE, and REVENUE. The table lists several offers, some with checkboxes and numbers (1, 2, 3) in the first column. Two offer cards are shown in the foreground:

- Offer 1 (AWARDED):** CASES 1,000/1,000, PRICE / CASE \$8.00, TOTAL OFFER \$8,000.00. Includes icons for a truck, a bag, and a factory.
- Offer 2:** CASES 850/850, PRICE / CASE \$6.50, TOTAL OFFER \$5,525.00. Includes icons for a truck, a bag, and a factory. A 'Negotiate' button is visible over this offer.

Top #10 CPG manufacturer streamlines discounting processes



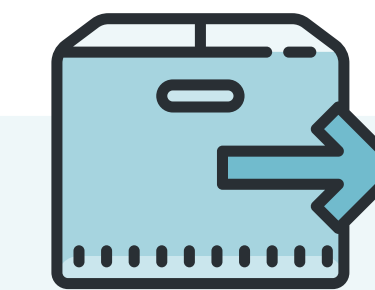
71%
reduction in time



35%
increase in revenue



400%
increase in purchasing buyers



7%
increase in sell-through rate

Company & Culture

Our Team

We're excited that our mighty team continued to grow in 2022, with new team members joining us from across the country as we embrace a remote-first approach to company building.



In addition to new team members, industry experts [Lou Shipley](#) and [Scott Tassani](#) joined Spoiler Alert's advisory board in the summer of 2022 to support go-to-market acceleration.



Lou Shipley



Scott Tassani

Spoiler Alert Benefits

Over the past three years, we evolved our comprehensive compensation and benefits program and embraced a remote-first approach to hiring and collaboration. This includes progressive stipends for wellness, professional development, and remote work, as well as expanded PTO and parental leave programs to encourage balance.

We're Hiring!

Check out open roles at spoileralert.com/careers



Competitive salary and stock option packages



Subsidized health, dental and vision insurance



Flexible spending and dependent care accounts



Pre-tax 401(k) and post-tax Roth 401(k) options



Learning & career development stipends



Health & wellness reimbursements



Remote first work environment



20 vacation days and 10 sick days per year



Life insurance and paid family and medical leave



Paid volunteer outings and civic engagement leave



Environmentally-friendly 401k fund option



Up to 16 weeks of paid parental leave



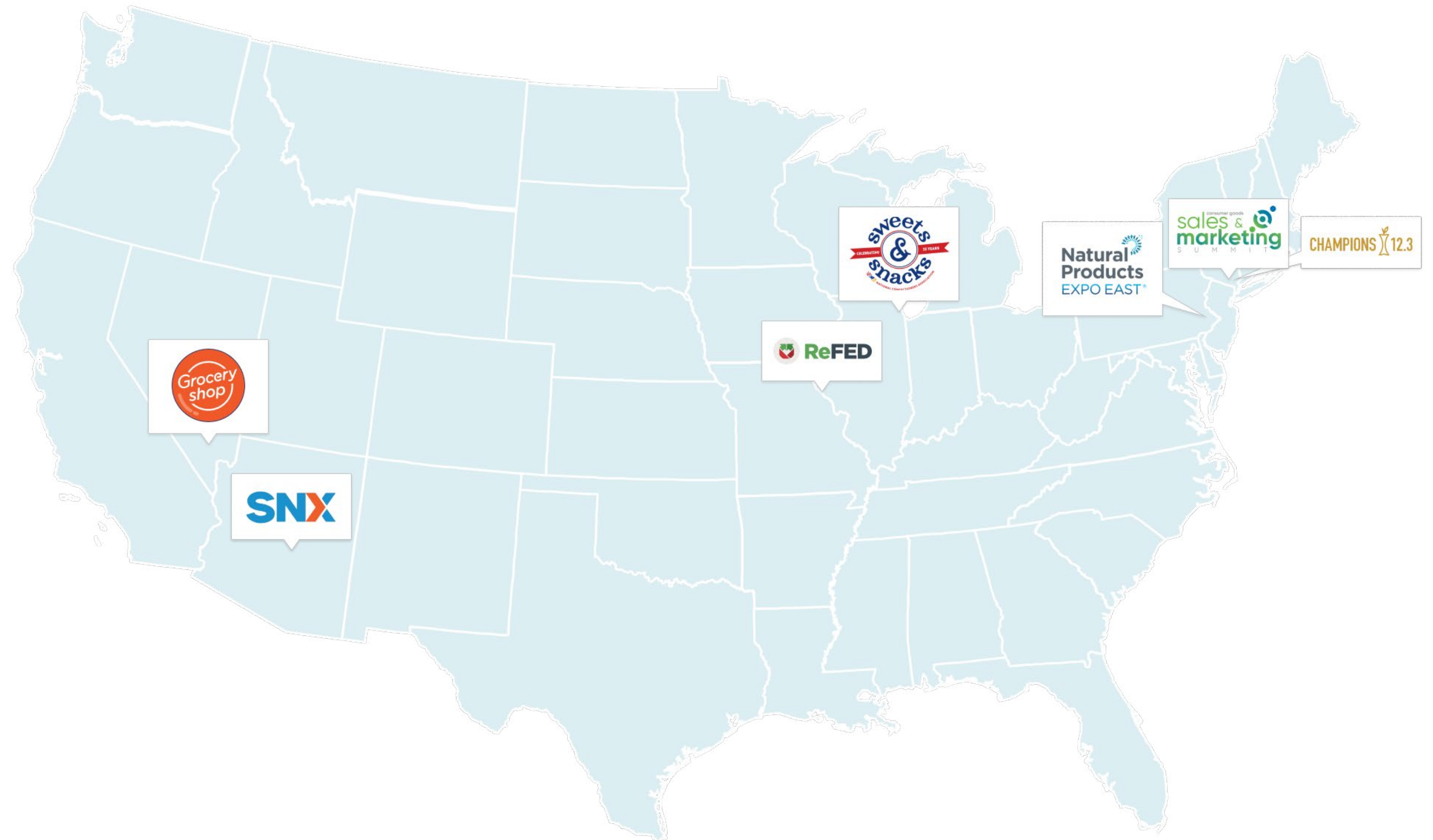
17 company holidays, including an EOY rest week



17 company holidays, including an EOY rest week

Conferences Attended

- ReFED Food Waste Solutions Summit - St. Louis, MO
- Sweets & Snacks Expo - Chicago, IL
- Groceryshop - Las Vegas, NV
- Natural Products Expo East - Philadelphia, PA
- SNX - Phoenix, AZ
- Champions 12.3 Reducing Food and Waste Summit - New York NY
- CGT CPG Sales & Marketing - New York, NY



Volunteer Events

The Spoiler Alert team spent over 230 hours throughout the year volunteering at various non profit organizations across the country. Here are some of the organizations our team volunteered at across the country:

- Food for Free
- Gods Love We Deliver
- Community Servings
- Philabundance
- Waltham Fields Community Farm
- Metro Caring
- Meals on Wheels
- Greater Chicago Food Depository
- Community Food Bank
- Kids Coalition Against Hunger
- Forgotten Harvest





Awards

As we look into the future, we are confident that Spoiler Alert will continue to make a positive impact on the food waste and supply chain space. Together, we can create a more sustainable food system for all.



Additional Resources


Download some of our e-books to learn more about Spoiler Alert and managing excess inventory

Contact Us & Learn More


 sales@spoileralert.com

 [/foodspoileralert](https://www.facebook.com/foodspoileralert)

 [/spoileralert_hq](https://www.instagram.com/spoileralert_hq)


 [/company/spoiler-alert](https://www.linkedin.com/company/spoiler-alert)

 [@SpoilerAlert](https://twitter.com/SpoilerAlert)



INFOGRAPHIC

6 liquidation KPIs you should be tracking




E-BOOK

7 Truths about excess inventory in CPG



E-BOOK

The state of the food supply chain



E-BOOK

Prioritizing buyer relationships to increase ROI on distressed inventory



REPORT

Technological maturity in the secondary CPG market



E-BOOK

A beginner's guide to food waste