



The Green Advantage: Leveraging Sustainability Reporting for Better Business

City Harvest:
Value of Food Redistribution to the Planet

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Anti-Greenwashing By Transparent Reporting

In securing a safe and habitable planet, the world—including the UK—is at a critical juncture. Climate change is already disrupting our economies: as of 2022, climate change-related losses for businesses have exceeded £86.5 billion in damages.¹ Companies therefore face a clear incentive to take appropriate action to reduce their carbon footprint and improve their sustainability measures. With the announcement of the new anti-greenwashing rule, it is imperative that companies are honest and transparent in their reporting communications, particularly in the face of the current deteriorating climate situation.



In a survey with City Harvest's food donors, extreme weather patterns due to climate change were identified as the number one reason for food shortages.

Climate change and its consequential extreme weather events are damaging to crop production and pose a great risk to the United Kingdom's (UK) food security. By 2050, there will be a 70% reduction of the most versatile farmland in the UK due to climate change.² At a time when approximately 1 in 5 UK households are already food insecure and food prices are ten-fold higher than two years ago, addressing the climate issue now is critical.³

If food waste was a country, it would be the third largest greenhouse gas (GHG) emitter, after China and the United States.⁴

With robust data production, City Harvest provides companies with accurate figures to reflect their carbon reductions, helping them avoid greenwashing claims. This is particularly important now as the UK Financial Conduct Authority's new anti-greenwashing rule requires any claims about sustainability to be clearly communicated and accurate, in order to prevent misleading communications by companies.^{5,7} With the rule taking effect by the 31st of May 2024, navigating the new anti-greenwashing rule works to the advantage of City Harvest's partners.

Greenhouse gas (GHG) emissions, a contributing factor to climate change, is exacerbated by the production of food waste and it currently accounts for approximately 8% of the UK's GHG emissions.⁵ Food redistribution charities like City Harvest offer a solution to this conundrum: by redistributing surplus food, they fight food insecurity whilst protecting the planet by diverting surplus food from landfill, thereby avoiding greenhouse gas emissions. By supporting or partnering with these charities, both food and non-food companies can contribute to carbon reduction—and report the impact they are making in their environmental reports.

81% of City Harvest's food donors donated to City Harvest to reduce the environmental impact of their business operations.

To understand the importance of sustainability reporting and the role of food redistribution charities in them, City Harvest conducted interviews with sustainability professionals from across the financial, education, and food sectors. This report presents two main findings:

- Sustainability reporting not only allows companies to reduce their climate risk, but also to gain financial and recruitment benefits.
- Companies partnering with City Harvest can leverage the charity's transparent and comprehensive data reporting to demonstrate their own environmental impact, as well as to make significant local impact thanks to City Harvest's service in local communities.

Case Study

Artemis Fund Managers

Artemis is an investment management company and a City Harvest partner based in London. The following case study reviews the benefits of the partnership, particularly with regards to environmental reporting.¹⁹

Growing importance of ESG elements

ESG elements in Requests for Proposals that Artemis responds to have been much greater and much more important in the last 12 months compared to 18–24 months ago when the main focus was on investment outcome.

Client-driven green investments

Artemis looks closely at the companies listed on the main stock exchanges of the world in terms of their sustainability reporting which can be the reason behind investing or not investing. These are the insights that their clients, such as pension funds, are looking to Artemis to do on their behalf.

Employee satisfaction at the company

Artemis scores highly—at 85-90%—on staff engagement in their annual surveys (this is likely due to the volunteering opportunities working with City Harvest provides, which Artemis said are always oversubscribed).

Impact at a local scale and ability to make an impactful difference

Working with smaller organisations allows people to see the impact they are making as individuals. Artemis further stated that this is what most corporates are looking for—to have an impact and make a real difference.

Importance of City Harvest's data

When Artemis looks at charities, they look at clear impact measurements provided to them by the charity as they do not want to be accused of self-reporting and want reliable information. The information City Harvest can provide is very strong and goes beyond the criteria the company sets out. More importantly, thanks to City Harvest's environmental data, Artemis can use their support of City Harvest to demonstrate their environmental impact in responses to Requests for Proposals.

Cultivating Company Success Through Sustainability Reporting

To thrive in a rapidly changing world, firms must prioritise sustainability and embrace it as a core aspect of their operations. At the same time, sustainability is not something businesses merely have to comply with—in fact, it can benefit them in their business viability, access to financial products as well as recruitment and employee retention.

Supporting business viability:

- In the UK, ESG is playing an increasing role in public procurement—all procurement from the UK central government now must be evaluated based on ESG-related themes.⁸
- Around 90% of millennial investors (who will comprise 75% of the workforce by 2025) are interested in pursuing investments that more closely align with their ESG values.⁹
- The food sector can save £14 for every £1 that they invest in food loss and waste reduction activities.¹⁰ In the case of food redistribution, businesses save on waste disposal costs—including landfill, compost and incineration costs—when their food is collected by charities.

65% of consumers look for products that can help them live a more sustainable and socially responsible life, particularly when it comes to food options.¹¹

The SR Group noted that having access to the kind of data City Harvest produce is useful for demonstrating quantifiable action to clients and investors. "As part of our carbon reduction programme, we work with our investors to identify a range of targets across different areas. We have agreed financial incentives with our investors that trigger if we make clear annual progress towards those targets."

Lowering premiums for insurance policies and bank loans:

- Financing for green loans surged to more than an equivalent of £2.04 trillion in the past year, increasing by 55%.¹²
- Nearly 80% of insurers believe a positive ESG profile could result in increased insurance capacity and premiums reduced to half.¹³
- Banks will provide lower interest rates for green loans (a form of financing that enables borrowers to use the proceeds to fund an environmental objective), particularly to businesses with strong environmental reporting frameworks.¹⁴

75% of British insurers in 2023 had an ESG underwriting framework in place — double that of the previous year.¹⁵

When discussing the link between sustainability and insurance, a lecturer from Harper Adams University noted that "if companies can demonstrate that they are mitigating their risk, they are likely to be either easier to insure or be able to reduce their premiums."



3/4

Amongst surveyed food donors, more than 3/4 report having donated to support their own CSR and ESG commitments.

Improving recruitment and employee retention:

- One-fifth of the UK workforce has rejected job offers due to the company's ESG values being misaligned with their own.¹⁶
- Amongst those aged between 18 and 24, up to one third have rejected an offer based on ESG concerns.¹⁷
- 70% of employees define their sense of purpose through work and want to work for companies whose values align with their own.¹⁸

More than 1 in 4 food donors engage with food redistribution charities to improve employee satisfaction.



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19 An interview was conducted with Artemis Funds' Head of Communications and PR.

Transparency You Can Trust

Between 2019 and 2022, the amount of surplus redistributed by the food industry increased by 133%, an increase of 72,000 tonnes.²⁰ Yet, there is still an estimated 165,000 tonnes of food that is being wasted, despite being suitable for redistribution.²¹ City Harvest works with its food donors to improve efficiency and maximise the impact out of every kg redistributed.

City Harvest's carbon calculator provides food donors with an accurate report of GHG emissions diverted from landfill. City Harvest separates their carbon calculations into ten categories of food, ensuring accurate calculations of how different redistributed food products (i.e., fruits and vegetables, dairy and meat) divert GHG emissions from landfills.

City Harvest's rigorous data also converts businesses' financial donations and volunteering hours into avoided GHG emissions to reflect how support to City Harvest translates into positive environmental impact. City Harvest's data is used to help companies with their B-Corp certifications, including Charlie Bigham's.

Simply Sustainable emphasises that working with smaller, local charities allows people to see the difference they are making. City Harvest has the "scale to make their work impactful" (especially as they can provide data) but they are "small enough to feel like you are making a genuine difference."










On a similar note, Covent Garden Market Authority stated that a key benefit from a City Harvest partnership is the ability for its "tenants to leverage the impact data they hold and how it can be submitted in their own ESG reporting metrics."

In 2022/23, the per kg cost of City Harvest's food delivered was ~£0.62, whereas, in 2018, it was ~£1.15. The cost to deliver food has therefore almost halved, while the weight of food delivered by City Harvest has increased from ~460 tonnes to ~5,700 tonnes over the same period, indicating how City Harvest is maximising operational efficiency and environmental impact with the food and financial donations it receives.²²

Charlie Bigham's Partnership with City Harvest

"The greatest advantage of working with City Harvest is their flexibility, which allows more food to be regularly rescued, particularly hard-to-redistribute items such as surplus ingredients." Charlie Bigham's relies on City Harvest's impact data for their impact report and to understand the savings they are making by avoiding AD processing. In the 2023 financial year, Charlie Bigham's donation of 50 tonnes of food to City Harvest saved them £2,042.50 on AD costs.

By maximising its efficiency, City Harvest is maximising its impact in London:

Every Action	Number of Meals Provided	Diverted GHG Emissions from Landfill	Impact
 Every 1 tonne of produce that a food donor redistributes through City Harvest	 2,380 Meals for people in need	 2.58 tonnes	313,838 smartphones charged ²³
 Every 2 hours of volunteering	 1,100 Meals for people in need	 1.19 tonnes	3,051 miles driven by an average gasoline-powered car ²⁴
 Every £10,000 donated allows 16.80 tonnes of food to be rescued	 40,000 Meals for people in need	 43.30 tonnes	1,546 cooked full roast dinners ²⁵

Recommendations

Every actor has a role to play to encourage companies to adopt comprehensive and robust environmental reporting frameworks. As a starting point, City Harvest recommends the following:

All Stakeholders:

- Engage on sustainability objectives:** Work within your stakeholder ecosystem to share knowledge on the benefits to charitable and sustainable giving, particularly with food redistribution charities. This is particularly important as an average of 1 in 4 Londoners are hungry and food redistribution is an active service that helps facilitate their access to food.
- Adopt sustainability frameworks:** Subscribe to and work with sustainability-oriented frameworks and certifications, such as the Better Business Act, B Corporation or the Science Based Targets initiative, to help your company generate robust reporting structures and positive environmental impact.

Food Donors:

- Showcase your support in environmental reporting frameworks:** Highlight your charity support in environmental reports to showcase your commitment to environmental and social responsibility.

- Implement comprehensive, early positive release redistribution policies:** By implementing these policies throughout your supply chain, you can significantly improve your ability to redistribute surplus food, which will not only maximise your environmental and social impact, but it will also help you save money. When partnering with City Harvest, the service is free of charge and for every 1 metric tonne redistributed, City Harvest delivers an estimated £3,550 of positive impact for food recipients and food donors.

Financial Donors:

- Incorporate sustainability into strategic decision-making plans:** Develop policies that promote charitable giving by requiring financial decisions to factor in levels of sustainability and environmental reporting in potential investments.

Governments:

- Incentivise charity partnerships:** City Harvest's operations are transformed from an emergency responder to a long-term service. As such, the government needs to explore potential tax benefits and incentives to promote donations to food redistribution charities. These policies would be implemented in tandem with government interventions that address the root causes of food insecurity and food waste.

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