

The Future of Food is Waste



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Special Thanks

divert

ReFED

Children's Hospital of Philadelphia

Harvard Law School and Food Law and Policy Clinic

PARTNERSHIP FOR A HEALTHIER AMERICA

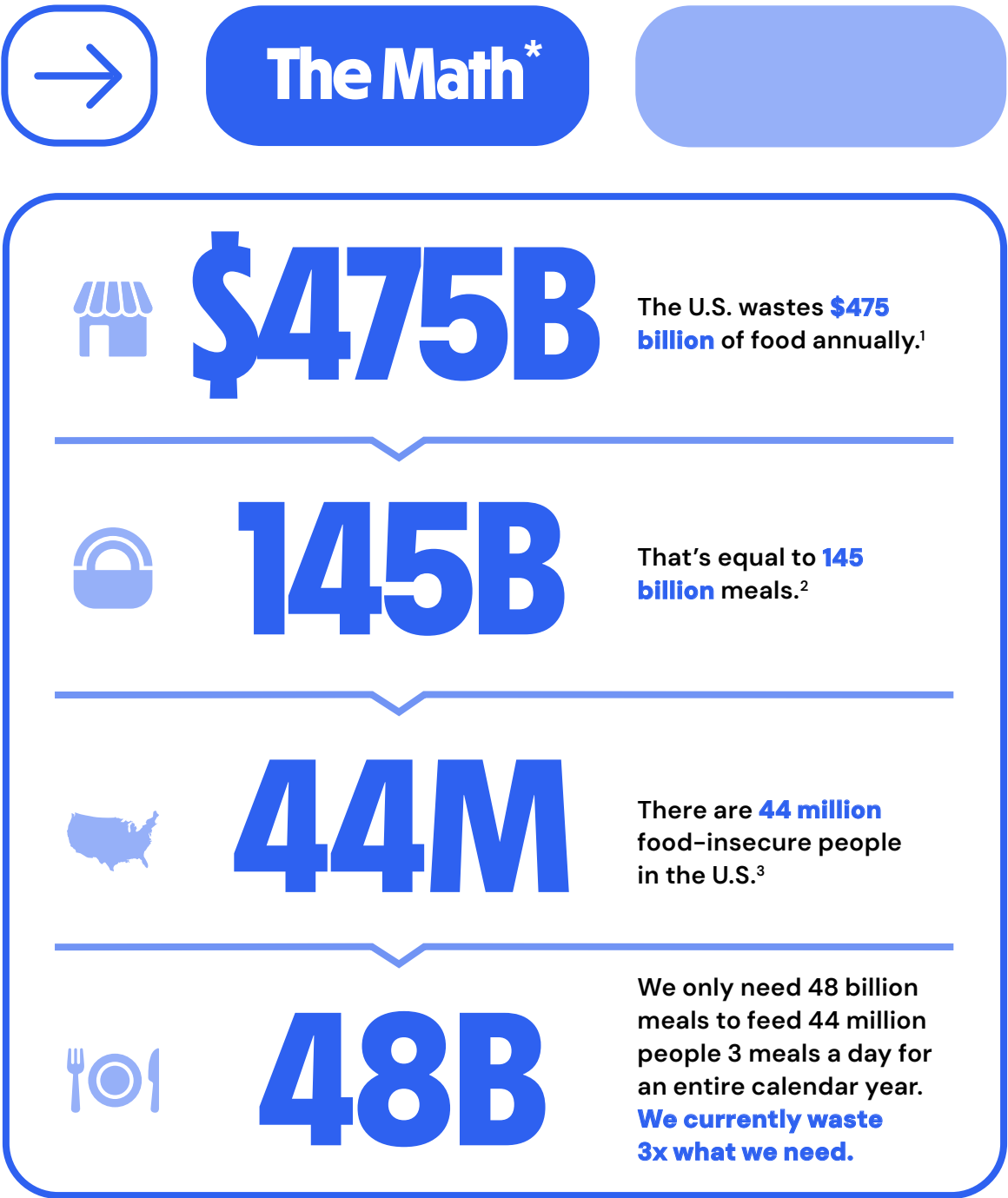
MIT

forage

Our food system doesn’t need more food, it needs less waste.

The world has begun to understand that food waste exists and that it’s connected at least in some way to food insecurity. Throwing away food while people are going hungry just doesn’t make sense.

We’ve done the math*, and the reality is this: if we could redistribute all the food that goes to waste in the US, we could feed every food-insecure person 3 meals per day, 365 days a year, 3 times over.



All this to say, if we could redistribute **even one-third** of all the food wasted, we could *still* feed every food-insecure person 3 meals a day every day of the year.

This is a statistic we find hopeful: this vast amount of food waste sets the table for a substantial opportunity. There are billions of dollars pouring into food system innovation these days, but we don’t need to reinvent the wheel (of cheese) or manufacture a new meat, we simply need to stop wasting the food we have.

That’s what we, Flashfood, are here for: to help solve this problem, and we’re doing it.

In this report, we’ll share a little bit of research about the industry; some interesting but not groundbreaking takes on how this problem is manifesting for our shoppers; some takes from really smart people in the industry; and, last but not least, an update on what we got up to in 2023.

1. & 2. ReFED
3. USDA

A Letter From Our CEO



On a mission to feed families not landfills.

To the Fellow Optimist,

I genuinely believe that the best days of humanity are ahead of us, not behind us. And over the last year my conviction for this has gotten stronger, even as the world around us has become more tumultuous. My enduring optimism is stronger because in the midst of that chaos are the amazing teammates who have built something special here at Flashfood; who have enabled families to eat delicious, healthful food. We’ve brought in grocers who were hungry for a change in the status quo, who were sick of trucking food off to landfills instead of feeding their communities. In the Flashfood ecosystem, we’ve made an impact together and that builds my optimism. As it turns out, it really is possible to do good and do well.

My role leading Flashfood has introduced me to these people. I’ve heard deeply personal stories from the front porch of a home on Long Island and I’ve watched a Meat Manager well up with pride 1,500 miles away in Detroit. I’ve seen a Chief Digital Officer in California declare that communities would no longer go without food and a federal employee in Ontario go out of their way to help solve problems for rural, independent grocers struggling to be part of the solution. The common denominator from coast to coast – in 10 provinces and 21 states – is the passionate teammates I get to work with.

In 2023, it wasn’t the 37 million pounds of food we diverted from landfills, the Fast Company award, or even the Good Morning America appearance that proved

we made an impact; it was the joy on the faces of our shoppers, the handshake of a store manager as I visited their operations, and the confidence I saw in our team as they chased down yet another opportunity to make the world a better place. This impact report is about people, not numbers. And those people and everyone they love deserve our very best, which all of us at Flashfood promise to give.

Towards the Opportunity,

Nicholas Bertram

Nicholas Bertram
Chief Executive Officer
Flashfood Inc.

Looking Out

Understanding the Landscape

To set the stage for this report, we reached out to folks in the industry whose work and mission we deeply respect. We asked each of them to share their perspective in response to a set of prompts on food waste, food insecurity and the intersection between these crises.

These contributions from organizations across academia, nonprofit, tech and food-equity demonstrate the complexity of food access and food waste and offer insight into the various approaches in the ecosystem.



“PHA was founded on the idea of partnership and collaboration. One sector or organization alone is not going to solve food insecurity, food inequity or food waste. It’s going to take all of us coming together and committing to this. When we do that, we have a shot at achieving real change in the way people eat, how their health outcomes improve and ultimately addressing the crisis of climate change for the health of our planet.”



Tori Oto
Clinical Fellow,
Harvard Law School
and Food Law
and Policy Clinic



“I think food waste exists because we don’t disincentivize it. We don’t see it, and we don’t manage it well.”



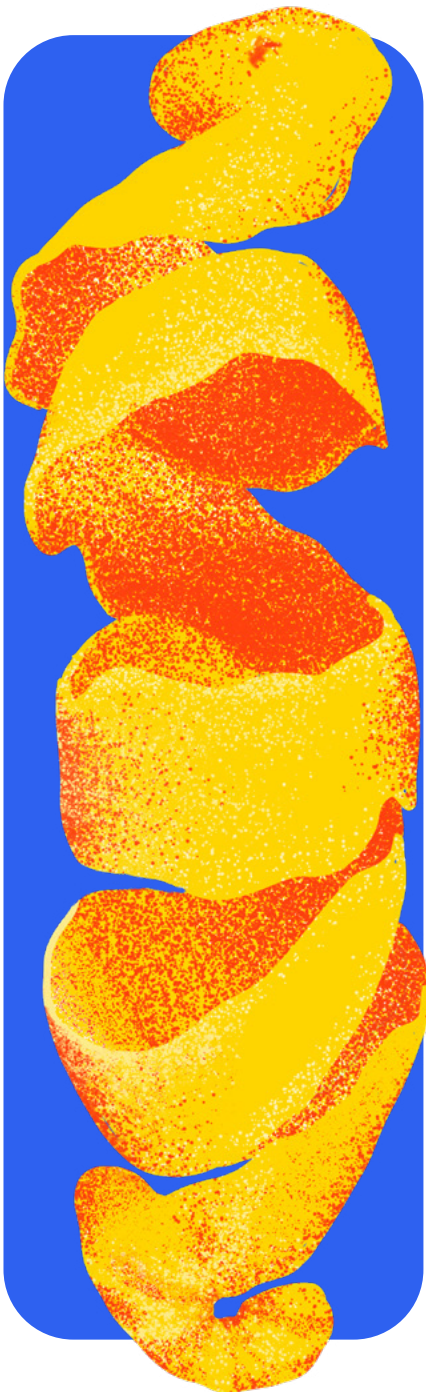
Dana Gunders
Executive Director
ReFED



“We have been trying to food bank our way out of hunger for more than 50 years. It’s time to recognize that people facing food insecurity deserve more than calories. They need long lasting access to healthy food instead. That food needs to be affordable and available in all neighborhoods – where people live, shop and eat. The same can be said for tackling food waste.”



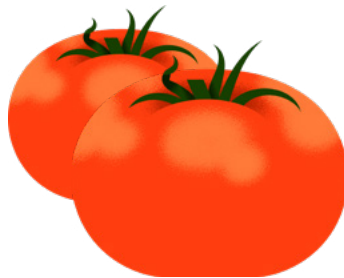
Noreen Springstead
President and CEO
Partnership for a Healthier America



“We recognize that systemic change is necessary [because] food loss and waste happen all across the supply chain and in all the little different niches of our food system. We need solutions for each of those niches. We need someone fixing the transportation food loss piece of it, we need someone fixing the farm piece of it.”



Noreen Springstead
President and CEO
Partnership for a Healthier America



“When we throw away food, we’re not just wasting that item or the item that you saw in the price tag... There’s this inherent value and external values to it that most people don’t account for... When we waste food we’re really wasting all of the time, energy and resources that went into

producing that food, and I think that’s something a lot of us don’t recognize and it’s something that we don’t have to see on a daily basis. Really thinking about that total cost can help us reframe how we value food and that will reshape as individuals having that collective impact.”



Ben Kuethe Oaks
Vice President of Customer Solutions and Success
Divert



“Food waste is not one problem. It’s very different if you’re looking at produce that’s left unharvested on a farm, or too much served on a restaurant plate. I don’t think there’s one solution – I think that it’s going to take a whole ecosystem of solutions to really make a difference, so it’s really about fostering that ecosystem and about turning people’s attention to it.”



Dana Gunders
Executive Director
ReFED

Looking Out

The Nutrition Compromise

“Food insecurity is not just the inability to access food in general, but the inability to access *nutritious* food *affordably*.”

– Dr. Saba Khan
Medical Director of Food Pharmacies
Children’s Hospital of Philadelphia

In November 2023, our CEO Nicholas Bertram hosted a fireside chat at Reuters’ Transform Food with Dr. Saba Khan, Medical Director of Food Pharmacies at the Children’s Hospital of Philadelphia. Dr. Saba’s career has had a massive impact on food equity, access to nutrition, and the food-as-medicine industry. During their conversation, Nick and Saba discussed the role that nutrition – or lack thereof – plays in our food insecurity crisis.

People with limited means sacrifice healthy food choices. This is the reality. Research indicates that a reduction in the prices of healthier food options can



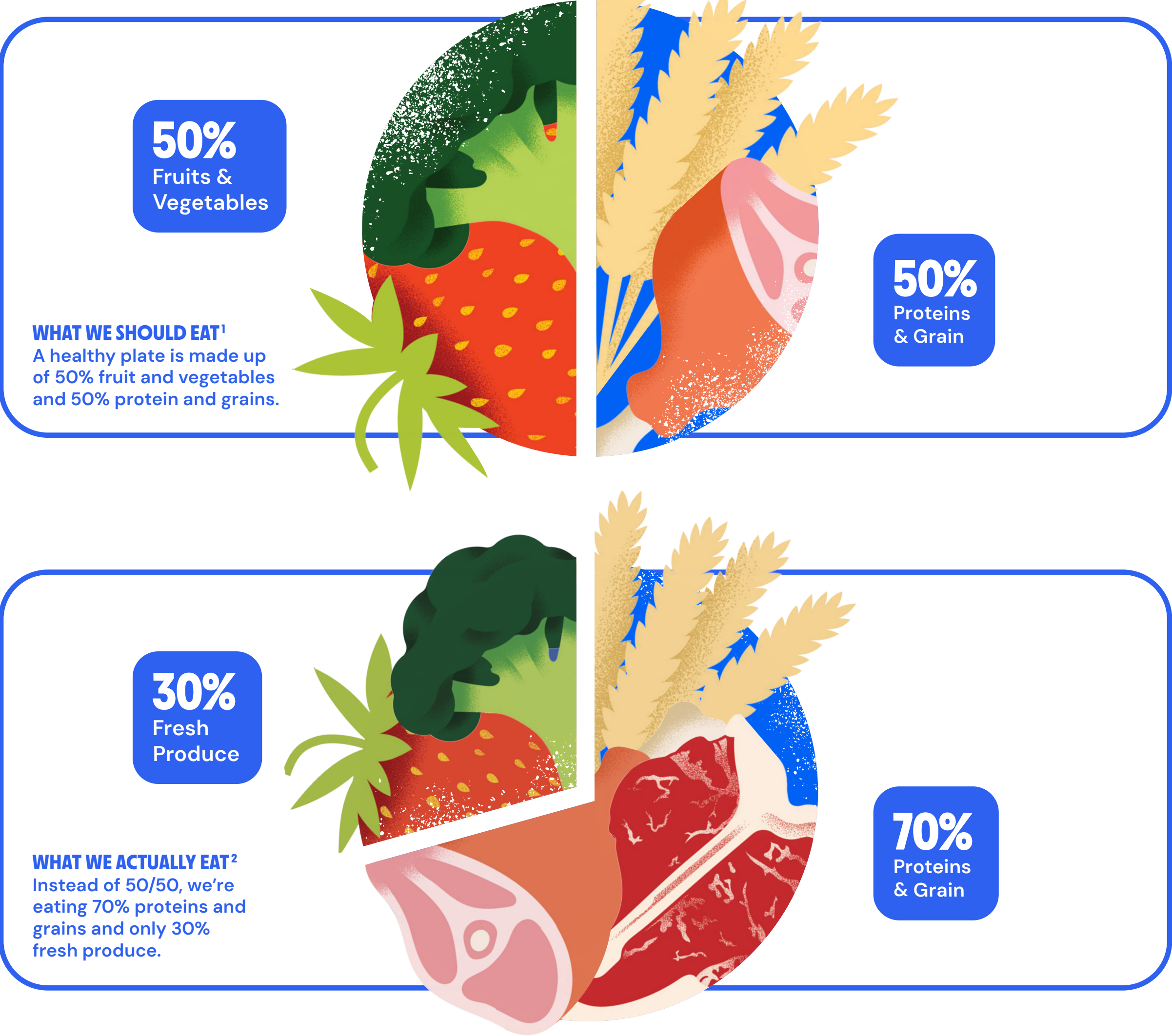
“When we all start to see access to nutritious food as a human right and fighting for food and health equity as our imperative, then we can make good food for all a reality.”

– Noreen Springstead
President and CEO
Partnership for a Healthier America

lead to an increase in their purchase.¹ But today, eating healthily costs an additional \$1.50 a day (Partnership for a Healthier America). For some people, this means choosing a frozen packaged meal instead of the whole ingredients to make the same meal from scratch or choosing a canned vegetable instead of a fresh one.

1. Access to Foods That Support Healthy Dietary Patterns – Healthy People 2030 | health.gov.

The Broken Plate



1. Dietary Guidelines for Americans – USDA MyPlate
2. Juul, Filippa, et al. “Ultra-processed Food Consumption Among US Adults From 2001 to 2018.” The American Journal of Clinical Nutrition, vol. 115, no. 1, Jan. 2022, pp. 211–21.

Looking Out

The Produce Crisis

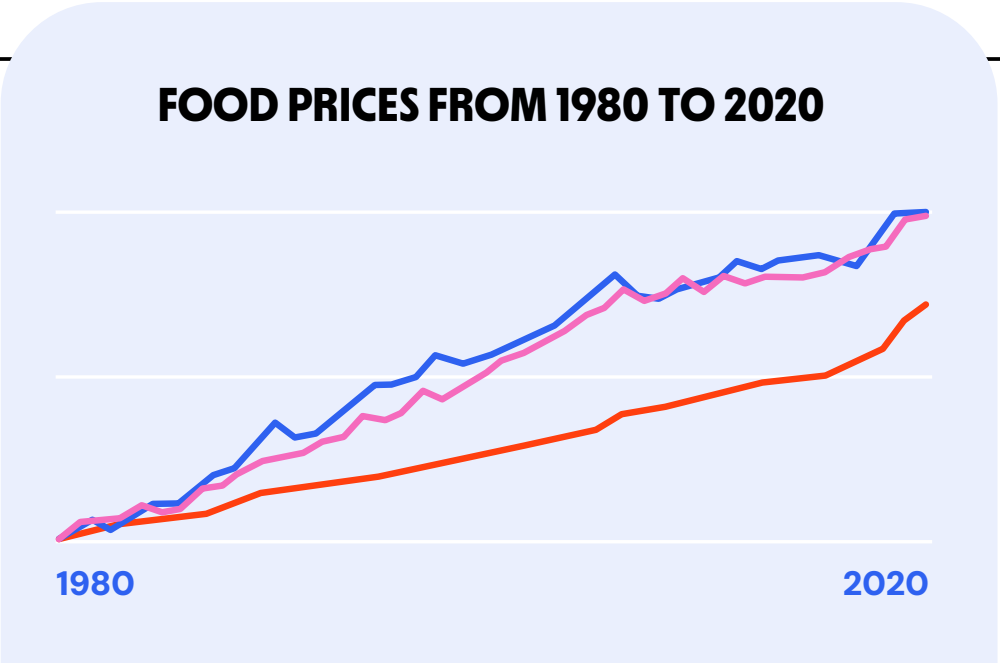
We’re throwing away too much produce and, at the same time, not eating enough of it.

Produce is the real food waste culprit. Fruits and vegetables make up a massive portion of our food waste: 35% of all surplus food, and we’re throwing away over 30 million tons per year in the US.¹ Meanwhile, fewer than 1 in 10 people in the US eat the recommended amount of fruit and vegetables.²

It’s the most difficult staple to get from stores to households because it’s fragile, consumers have high appearance standards, it’s hard to inventory, and it’s overstocked.

Produce is also expensive. **For the last 40 years, we’ve seen the price of produce drastically outpacing the cost increase of other foods.**³ This upsurge in pricing has rendered produce out of reach for more and more people.

Access to good food is critical for our health and well-being. But according to Partnership for a Healthier America, “for 1 in 6 people, good food is either too far, too expensive, or both.”



The price of fresh fruit and vegetables have been increasing at a faster rate than other foods over the long term.⁴

● Fresh Fruit ● Fresh Vegetables ● Food



30 million tons of produce is equal to 2.5 million garbage trucks full. End to end, those trucks would stretch halfway around the circumference of the earth.

1. ReFed Insights-engine
2. Partnership for a Healthier America
3. & 4. USDA, Economic Research Service using data from U.S Department of Labor, Bureau of Labor Statistics, Customer Expenditure Survey

We throw away 30 million tons of produce every year.



Looking Out

The Solution

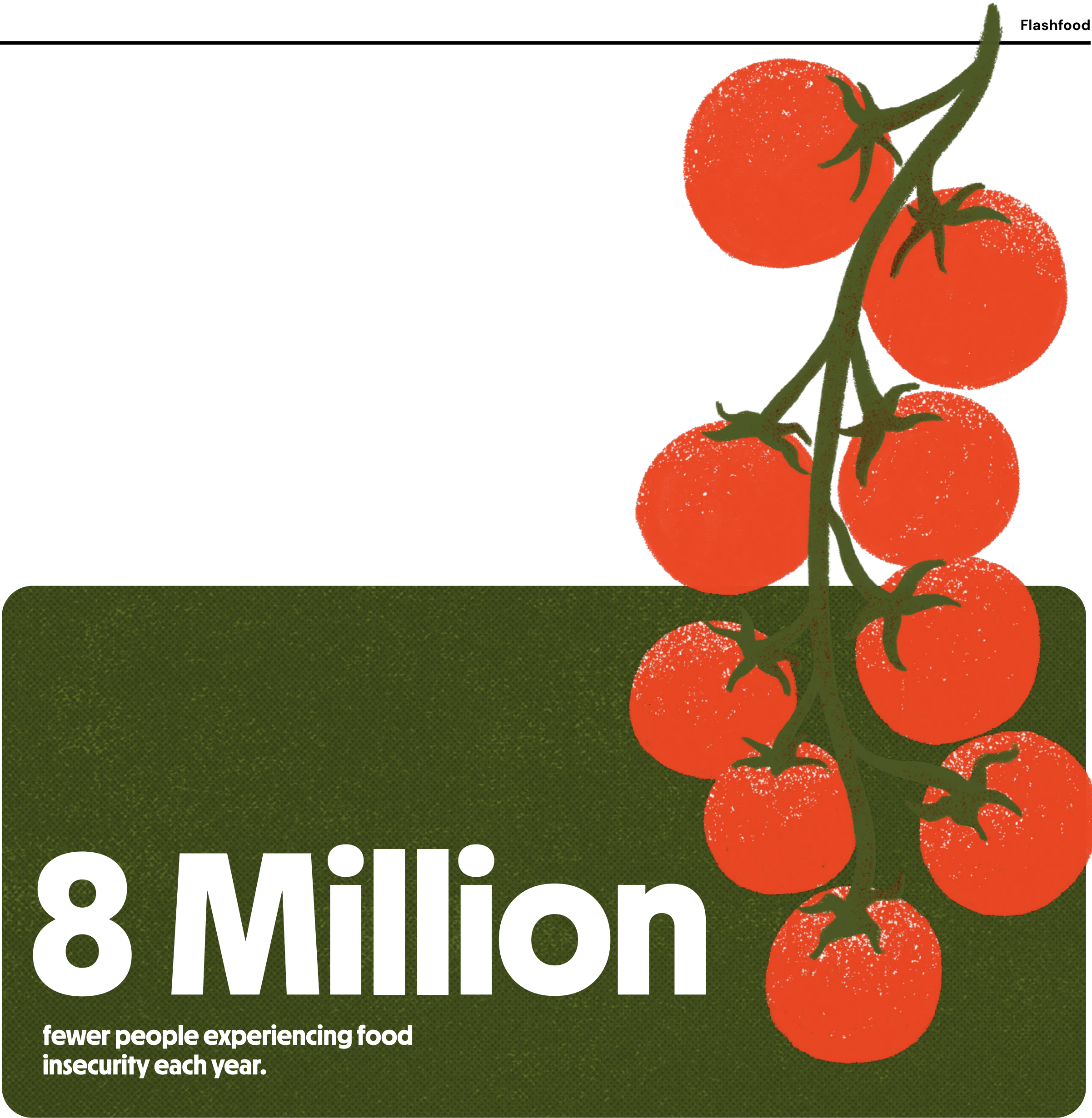
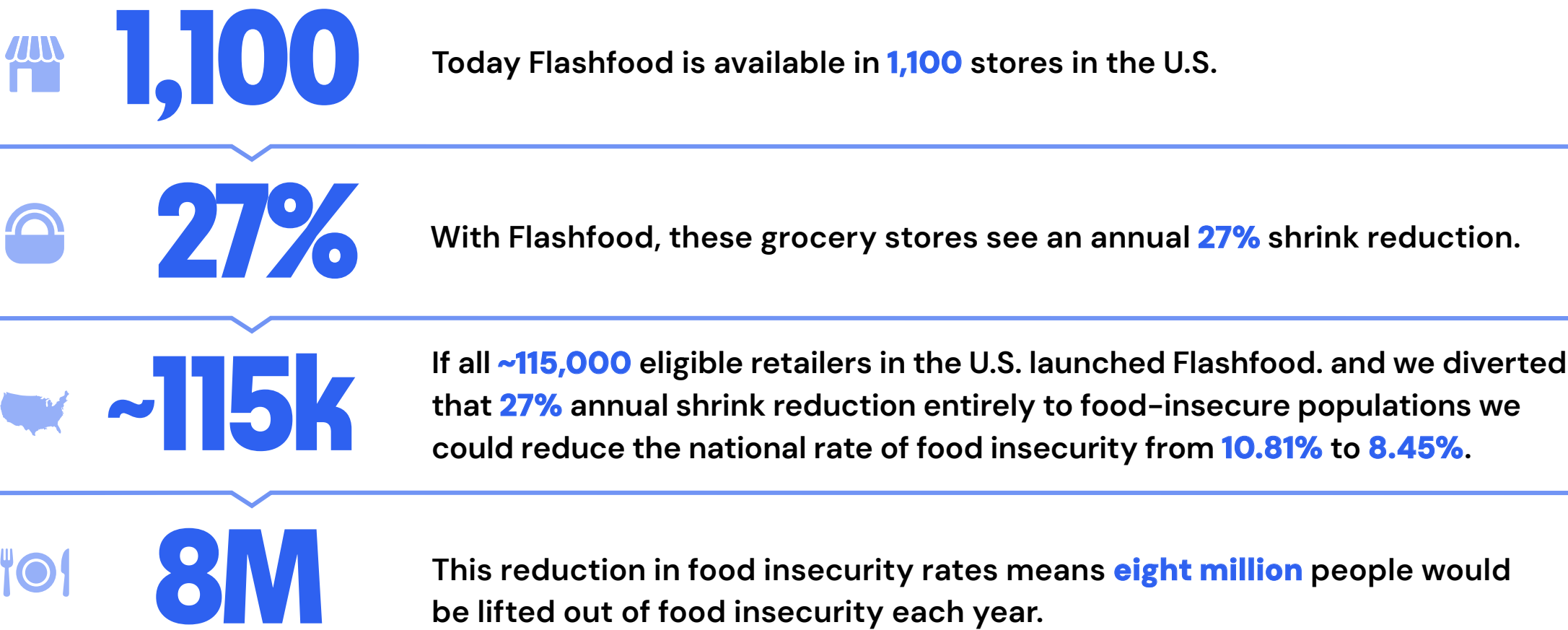
We believe every family deserves to eat well, without compromise.

This is the part of the report where we visualize our success. As we said upfront, we’re hopeful!

Earlier this year, we partnered with a graduate student at the Massachusetts Institute of Technology (MIT) on a data project to map a not-too-distant future – a future

where Flashfood is available nationwide. Using our impact data from the stores where we’re already operating, we extrapolate how the future might look with Flashfood available at every retailer in the US.

The Math¹



1. Rebecca Sandercock, Impact Measurement Consultant, MIT Sloan School of Management, April 2024 research project.

Looking In

Our Impact in 2023

By the Numbers



For the World

In 2023, COP28 featured on its agenda the first-ever dedicated Food and Agriculture Day. On this day, for the first time, the Food and Agriculture Organization (FAO) of the United Nations connected food insecurity and nutrition access to climate change.¹ **This was the single most important shift in the FAO’s perspective to come out of the annual climate conference.**

While the Flashfood mission has long aligned with several of the United Nations’ Sustainable Development Goals – the world’s roadmap for ending poverty,

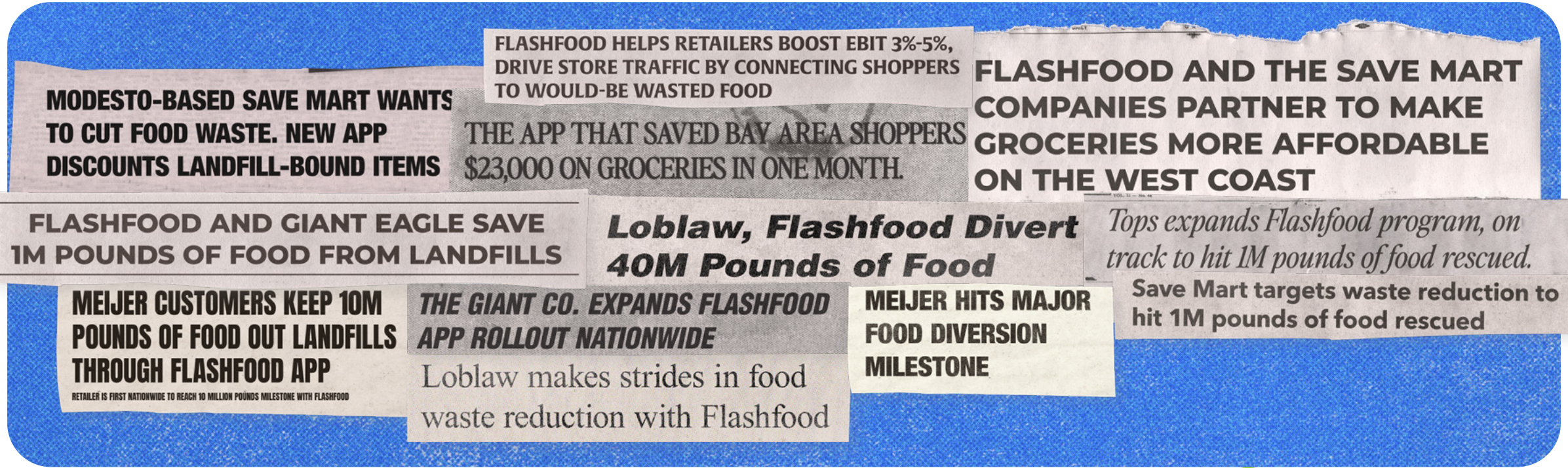
protecting the planet, and tackling inequality – we’re encouraged to see food waste named explicitly in the scope. The FAO is now recognizing our agrifood systems as more than sustenance providers, and acknowledging they are the key to assuring nutrition as a human right and the one with the most room for improvement in terms of reducing the burden to our climate. We are aligned with the UN’s key vision to end global food waste by 2045 and believe it is achievable.

1. “Achieving SDG 2 without breaching the 1.5 °C threshold: FAO’s global roadmap.

Looking In

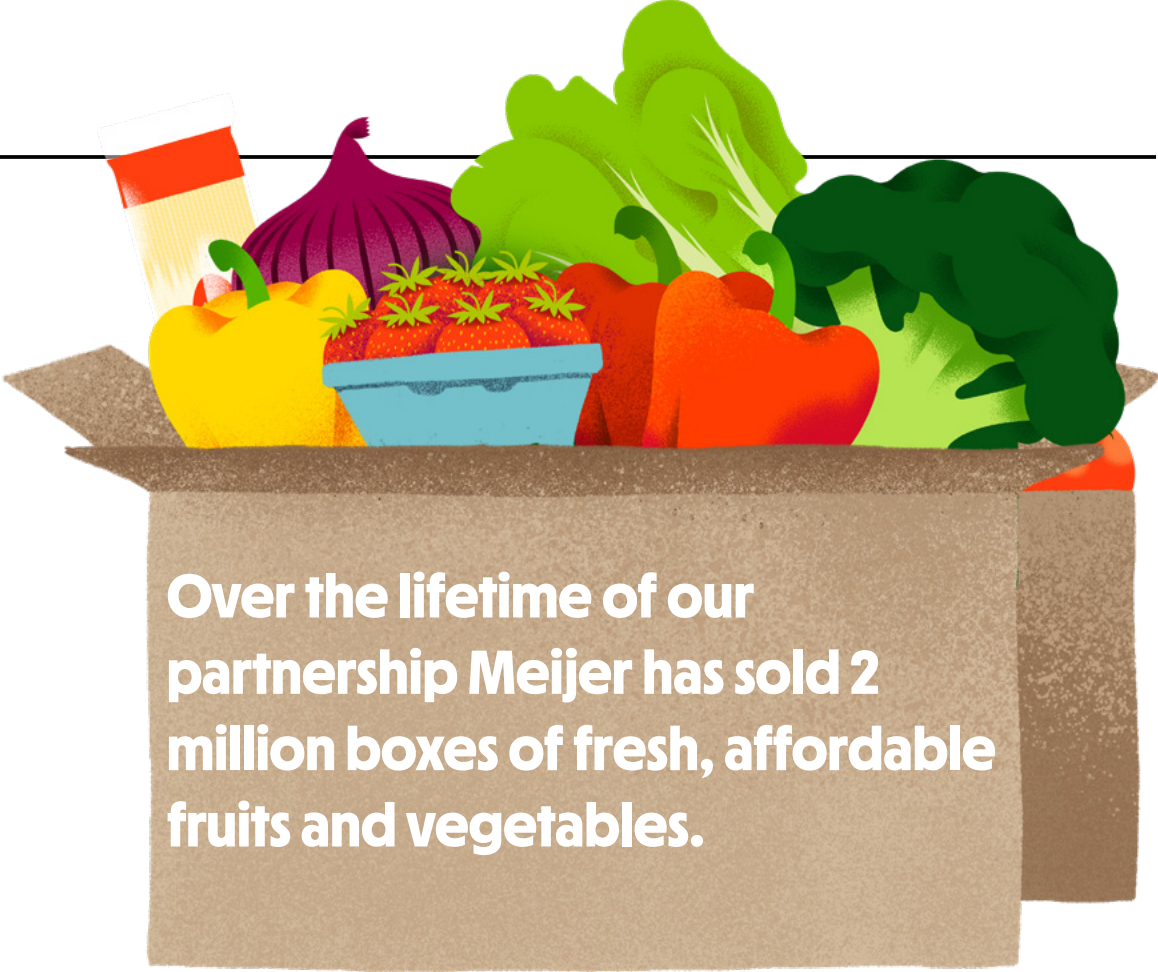
Celebrating Our Partners

Every year, our impact report will celebrate the retail partners that bring us to their stores and to their communities. Our wins are their wins, too.



Our first US partner, Meijer, hit 10 million lifetime pounds diverted. Zooming in — over the lifetime of our partnership Meijer has sold 2 million boxes of produce. This means they made available 2 million boxes of fresh, affordable fruits and vegetables to their local communities.

Stop & Shop expanded to 301 stores (from 38 at the start of 2023), and invited us to participate in their first-ever Wellness Week held at the Grove Hall store. We were delighted to deepen our engagement in Stop & Shop’s industry-leading nutrition program and to celebrate an event dedicated to promoting wellness in all forms.



Looking In

Flashfood saved SNAP EBT shoppers at Meijer almost \$400,000

Rolling out EBT to new retailers

In 2023, Flashfood rolled out EBT to two new retailers: Meijer and Tops. We plan to expand SNAP EBT availability to all US partners by the end of 2024.

A Meijer case study:

Meijer is a 200+ store grocery retailer that operates in the US Midwest. They were our first US partner and became our first partner to launch SNAP EBT as a payment method. This feature is possible through our partnership with Forage, a mission-driven company that enables SNAP EBT payments for merchants both online and in-store. In 2023, we launched SNAP EBT as a payment method on our platform in all 234 Meijer stores across the Midwest.

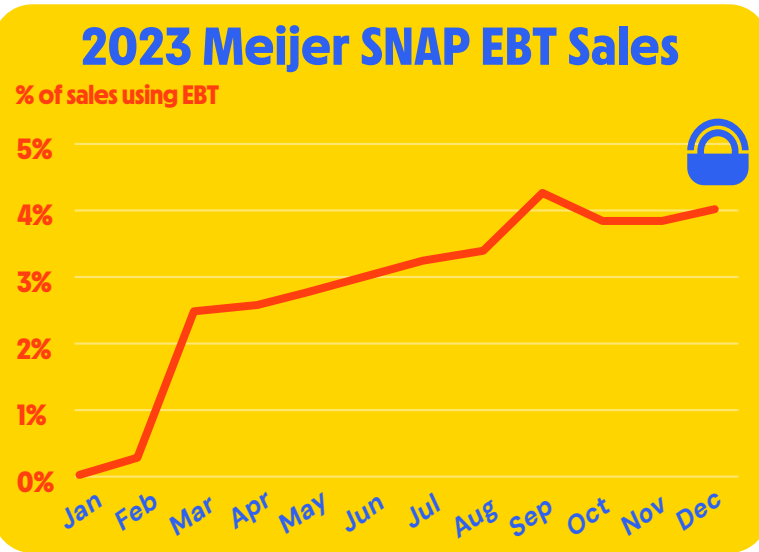
It went well! Throughout 2023, there was a steady increase in usage of EBT on Flashfood. By the end of the year, 4% of all sales on the platform at Meijer used SNAP EBT as a payment method. As a result of that

collaboration, Meijer became our first US partner to hit 10 million pounds diverted from landfills.

In total, more than 16,000 Meijer shoppers used their SNAP EBT card to pay for groceries on Flashfood, saving almost \$400,000 on their groceries.

What do EBT shoppers buy?

At Meijer, 69% was spent on produce and meat, with another 5% on fish and dairy. Bringing SNAP onto our platform has allowed these shoppers to stretch their dollars further on fresh food.



What is SNAP EBT and who uses it?

SNAP provides food benefits to lower-income families to supplement their grocery budget so they can afford the nutritious food essential to health and wellbeing. In 2023, over 22 million households in the US – 1 in 8 Americans – participated in SNAP EBT. This number has been gradually increasing since 2019.¹

What happened in SNAP EBT in 2023?

SNAP benefits reduced: The temporary boost to SNAP benefits known as emergency allotments that were put in place during the COVID-19 pandemic ended after the Feb 2023 issuance, meaning that all EBT SNAP users’ benefits returned to their normal levels by March 2023. The average person received \$90 a month less after this change.²

SNAP participants increased: Since 2019, the number of households who participate in SNAP has increased to over 22 million in 2023.³

1. SNAP Data Tables | Food and Nutrition Service.
2. Rosenbaum, Dottie, et al. “Temporary Pandemic SNAP Benefits Will End in Remaining 35 States in March 2023.” Center on Budget and Policy Priorities, Feb. 2023
3. USDA



74% of SNAP EBT spend on Flashfood went to produce, meat, fish and dairy.*

*At Meijer in 2023

Looking In



Investing in Our People

In 2023, we made huge improvements to our health and medical benefits as an organization, including:

- Introducing health benefits for our growing team in the US.
- Introducing a 401K (US) and GRRSP (Canada) retirement benefits, with a company contribution to each.
- Increasing our time off allowance to 4 weeks of vacation for all team members, including a company-wide celebration of all North American holidays (cheers to two Thanksgivings), plus 10 flexible days off.

And last but not least, we held our first annual company offsite in Pittsburgh, Pennsylvania, the first time many of our employees met in person. Highlights included a tour

of a local Waste Management landfill to learn about the bigger picture of waste and the technology involved in a modern landfill (see image above). Coupled with visits to our local partner Giant Eagle’s Pittsburgh stores, our trip was a well-rounded, in-person experience of both sides of the Flashfood mission: an important discovery as a remote-first organization.

During Innovation Day, we featured a series of Flashfood speakers and introduced our new brand and company vision to the organization prior to its public launch in January 2024. We also hosted a company-wide hackathon – a cross-functional morning brainstorming on how we can improve as an organization to scale and better serve our customers.

Looking In

Thank You to Our Partners

Atlantic Superstore

GIANT

Loblaws

NOFRILLS

Rex's Pets

Tops Friendly Markets

Zehrs

Dominion

giant eagle

MARTIN'S

piggly wiggly

Martin's Count On Us!

VG's grocery

Kroger ZERO HUNGER WASTE

FAMILY FARE

HyVee

maxi

Provigo

SpartanNash

wholesale club

Market DISTRICT

Mt. IGA Plymouth Fresh Market

meijer

REAL CANADIAN SUPERSTORE

STOP&SHOP

Independent

Looking Ahead

What’s to come in 2024

The Flashfood purpose is bigger than our mission to feed families, not landfills. We’re deeply committed to continued investment in spaces outside of what we achieve with our direct business impact.

In the year ahead, we’re pursuing more avenues to demonstrate that commitment. In 2023, we joined Food Tank’s CSO Group and signed on to the Zero Food Waste Coalition. In next year’s report we’ll discuss securing B Corp certification and impact milestone reporting, including the mark of 100 million pounds of food diverted from landfills.

In 2024 we'll put forth an impact strategy outlining how and when we'll measure and report our Scope 1, 2 and 3 emissions and carbon impact. We'll begin

to measure more comprehensive DEI metrics, create targets and share annual progress.

We share our milestones not because we’re satisfied with our achievements, but to hold ourselves accountable to push ourselves further and share our progress. As an early-stage advocate we’re grateful to the organizations who lead our industry with this ethos and demonstrate a collaborative approach to solving these important problems.

At Flashfood, our goal is to help each other to see what’s possible, not what’s practical. We believe it’s okay to encourage achieving big things, holding ourselves and others accountable to their part and to things up along the way.



The Future of Waste is Zero

