

Carbon Credits: what are they and can they work for Food Banks?

Balázs Cseh
Hungarian Food Bank Association



The environmental mission of food banks

- Global need for sustainability is increasing (SDGs, EU Green Deal, ESG, etc)
- The importance of the environmental mission of food banks is increasing
- Our environmental impact is usually communicated simply on the basis of global average values (1 kg saved food = 2-3 kg saved CO₂) – we need more than that



Why is it important?

- Communication purposes – showing better the impact we have
 - Externally – increasing brand reputation
 - Internally – motivation + better understanding of action/impact
- Strengthening donor relations (by serving their PR/CSR/ESG/CSRD needs)
- Potentially monetize it in order to get (corporate) funding for our activities
 - Direct – via corporate fundraising
 - Indirect - via the voluntary carbon market (VCM)



What is the Voluntary Carbon Market?

- The VCM gives companies, non-profit organizations, governments, and individuals the opportunity to buy and sell carbon offset credits.
- Companies that are unable to reach their greenhouse gas (GHG) emission targets can purchase carbon offset credits by investing in environmental projects that can avoid, reduce, or remove carbon emissions.



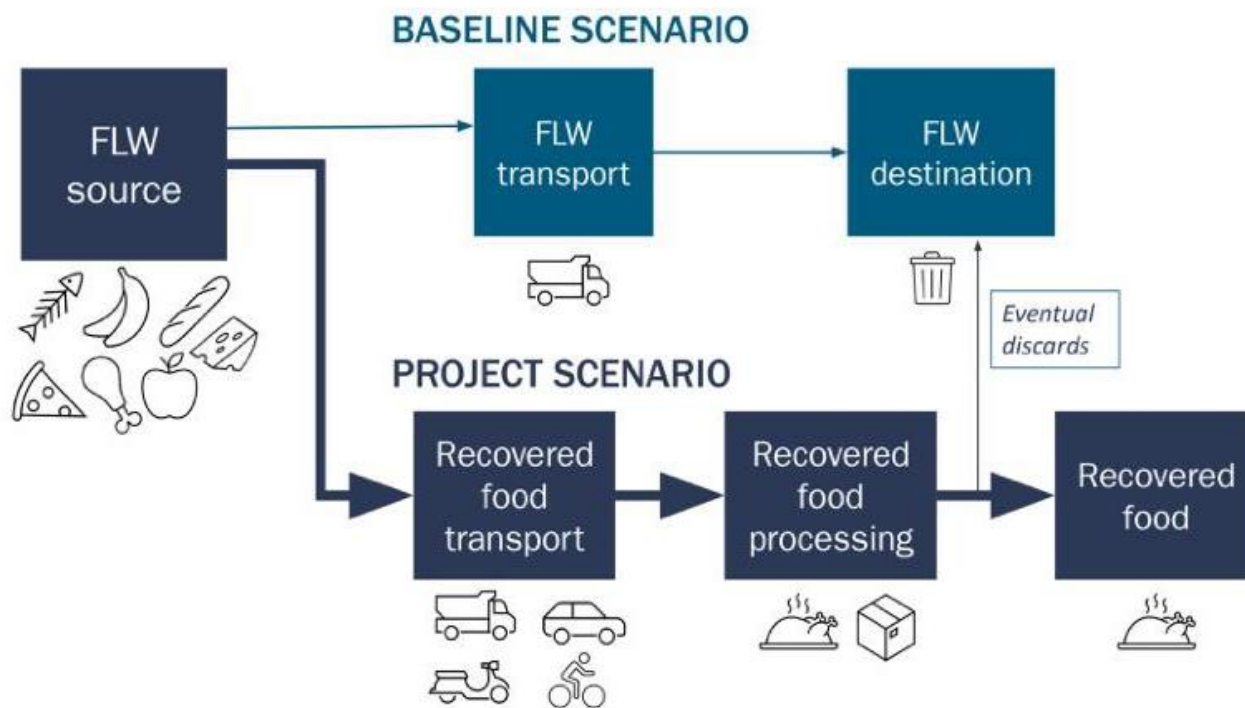
Verra standard

- VM0046 Methodology for Reducing Food Loss and Waste, v1.0 (released in July 2023)
- Limitation 1 – only additional activities
 - The project activity must reduce the amount of food lost or wasted compared to the baseline scenario



Verra standard

- Limitation 2 – only the end-of-life phase



Key issues & consequences

- Certification is costly
- Expected ROI currently is expected to be negative – this may change if
 - Methodology changes
 - Market prices are increasing
- In the short term we should focus on the „soft market” – driven by ESG/CSRD/ESRS



Measuring/reporting is not easy...

- Footprint (carbon, water, CH₄, etc) measurement is very complex
 - Life Cycle Assessment (LCA) depends on many aspects (type of food, way of cultivation, transport, packaging, etc)
- We have little data for measurement
 - Usually no information on „product history”
 - Food banks often don't even have an itemised list of products (e.g mixed bakery, fruit&veg)
 - Data at national/European level mostly only available in aggregated formats (by product categories)



Creation of our own calculation method

- Calculation of „total” saved footprint („farm to fork” <--> Verra methodology)
- Using (saved food) data we already have
- Matching with „best available” LCA database
- Finding the „best compromise” in „calculation deepness”
- Creation of a model (calculation method) to be available for all food banks



The „best available” LCA database

- Criteria
 - Specialized for food
 - Maintained (not project based)
 - European
 - Possibly free (or not very expensive)
- Potential solutions:
 - Agribalyse (agribalyse.fr - free)
 - Agri-footprint (blonksustainability.nl – fees apply)

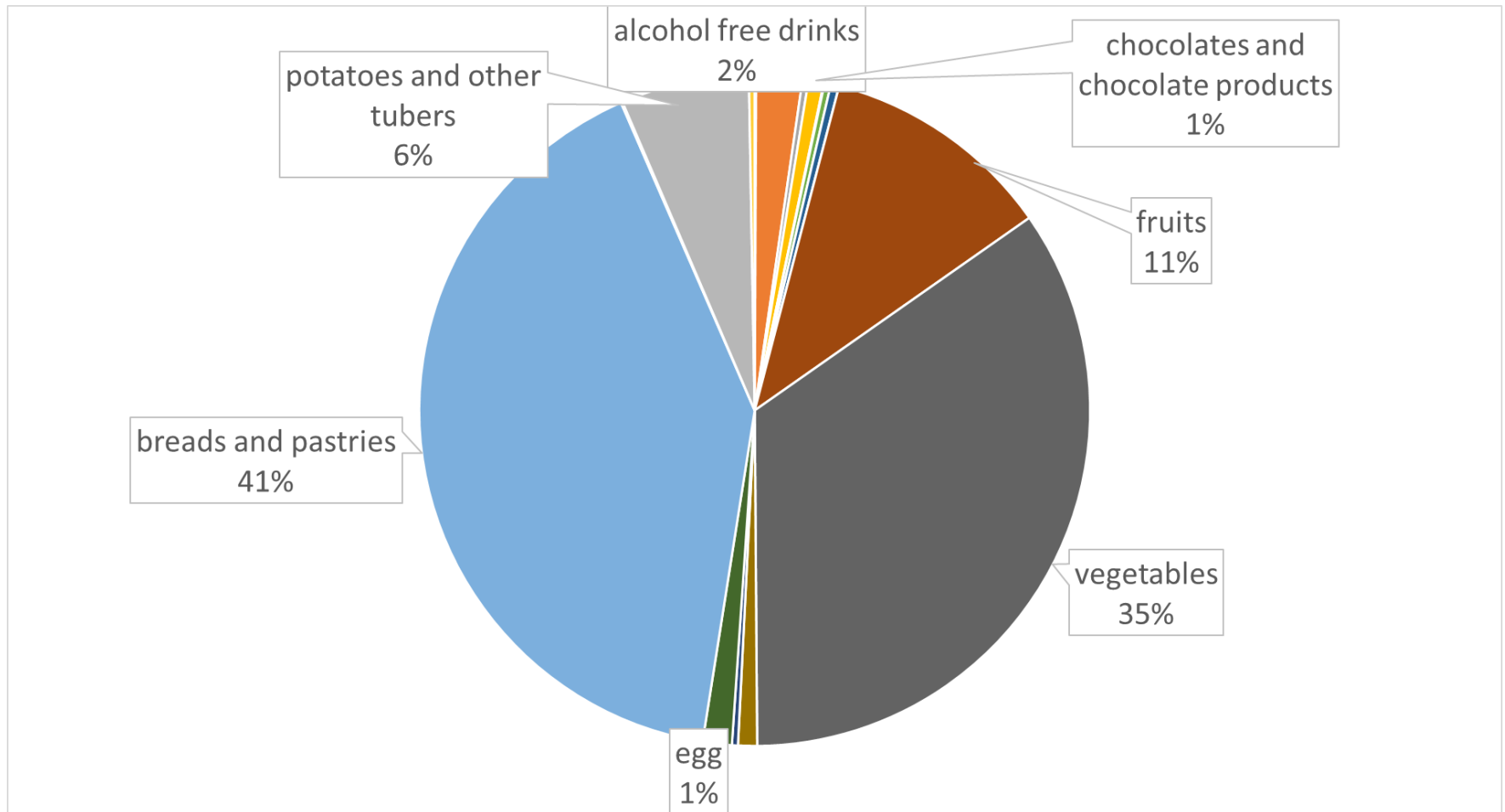


Example – Hungarian Food Bank

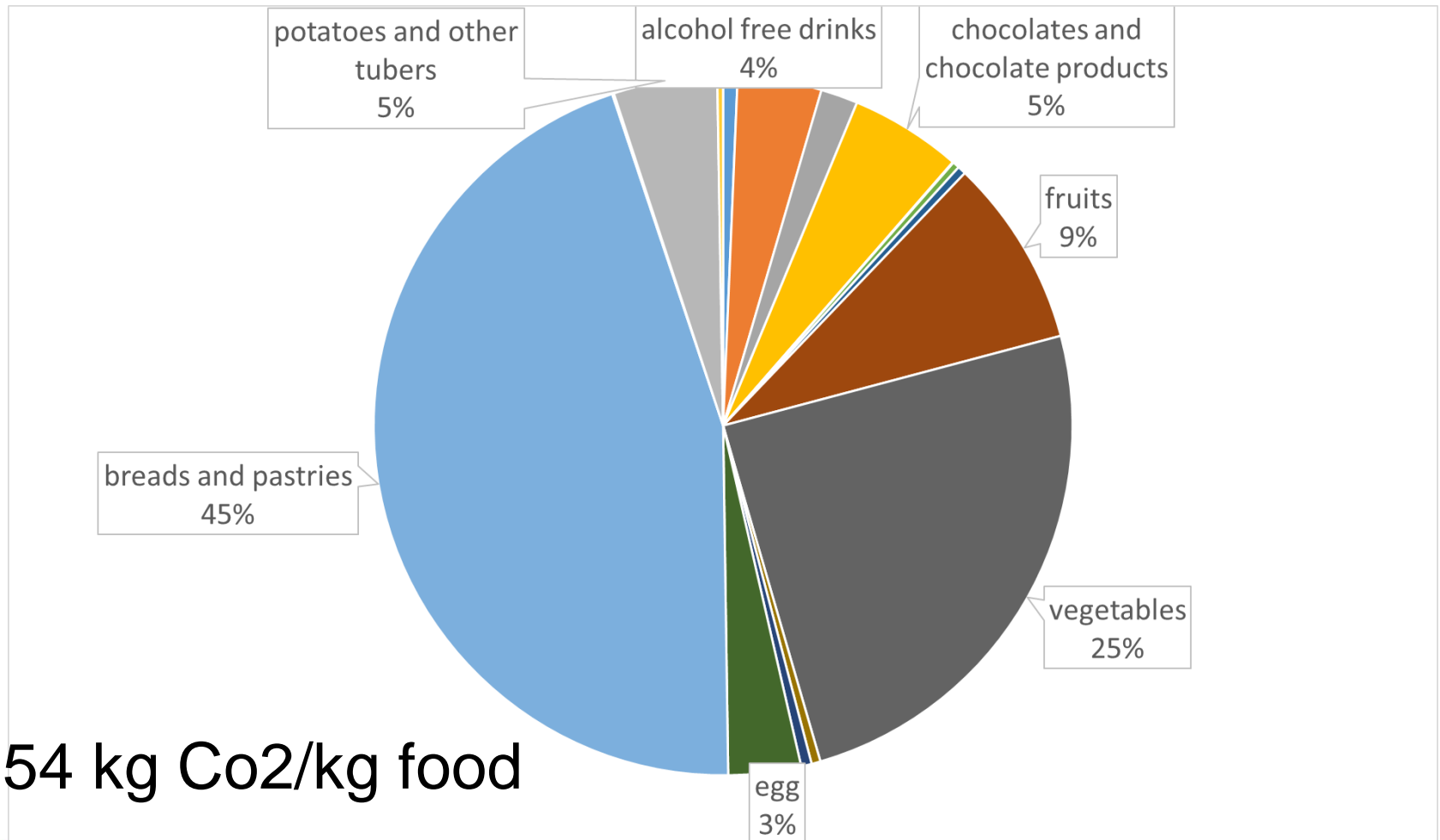
- Sampling
 - Central warehouse data (7 month)
 - Direct delivery (one chain, one month)
- Matching
 - Food Bank products with AGB subcategories
- Result: ratio of FB data by AGB subcategories
 - Pre-assumption: ratio doesn't change in the short term (sampling has to be repeated regularly – e.g. yearly)
- For the calculation we have used average footprint values of AGB subcategories



Saved food (2023 jan-jul): 5636 tonnes



Saved CO2 (2023 jan-jul): 8709 tonnes



1,54 kg Co2/kg food



Next steps

- Understand/assess corporate partner needs (especially CSRD/ESRS)
 - Do we need to be audited? If so, to what level / by whom?
- Validate/modify/finish/publish calculation method
 - Need changes in food bank data collection?
- Follow the development of the VCM methodology/market



Thank you for your attention!

cseh.balazs@elelmiszerbank.hu

www.elelmiszerbank.hu

