



2018
IMPACT
REPORT

YOUR SUPPORT IN ACTION

FOOD RESCUED FOR

12.3

MILLION MEALS

SERVES

373

**RECIPIENT
ORGANIZATIONS**

330,190

PEOPLE

Canada's largest food rescue organization

A YEAR OF INNOVATION & GROWTH

BOARD CHAIR & CEO MESSAGE



Barry Telford



Lori Nikkel

We are pleased to bring you the 2018 Impact Report, the first in our roles as Second Harvest's Board Chair and CEO. Second Harvest's unique dual mission, serving both the social service sector and the environment, has deep meaning for both of us and we are excited to advance the work of Second Harvest in the years ahead.

As Canada's largest food rescue organization, we can create change. Second Harvest continues to be essential to the fabric of Toronto and beyond, rescuing mostly perishable food and delivering 12.3 million pounds, last year. Produce, protein and dairy products make up 70% of our food recovery which is critical, since healthy food is the hardest for low-income families to access.

After 34 years rescuing surplus food with our fleet of refrigerated trucks, we have added FoodRescue.ca to our model, an innovative online solution that promotes local food rescues, providing edible, excess food to more non-profit organizations. We developed this Canadian-made system with funding from the Walmart Foundation and expanded across Ontario with additional funding from the Ontario Ministry of Environment, Conservation and Parks.

In addition to supporting community social service organizations, 2018 was the first year we've focused on supporting children and youth in schools. Through FoodRescue.ca and our trucks' deliveries, we were able to provide nourishment to students at more than 60 schools in Toronto. Universal food access is vital to healthy development, equity and success. A nutritious meal can level the playing field for kids at all socio-economic levels.

We are also united in a sense of urgency to reduce the impact that wasted food has on our environment when it decomposes in landfills. The recent United Nations Intergovernmental Panel on Climate Change report says that we have just 12 years to make significant changes in eradicating the causes of global warming – changes which are required at all levels of society. Last year, Second Harvest prevented over 58 million pounds of greenhouse gases from entering the atmosphere, but much more can be achieved.

This coming year, we will need your support more than ever before. We know there is enough food produced in the world, so that no one ever needs to go hungry. While we've worked diligently to access healthy food and get it to the people who need it, we have outgrown the services we can provide from our current location. To increase the number of organizations and schools we can support, we are preparing to move to a new home.

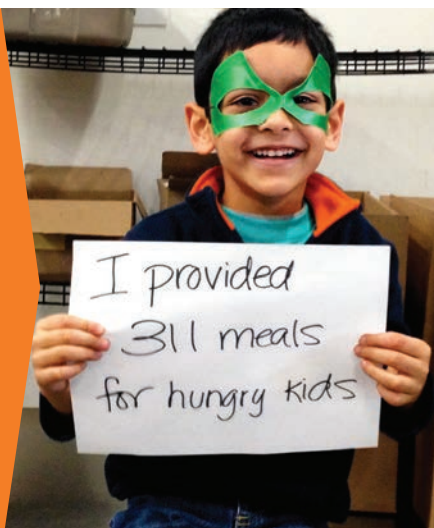
We are committed to finding solutions to the inequities and inefficiencies of Canada's food system and becoming a Centre for Food Rescue Excellence. 2019 is going to be an incredible year and we are grateful and proud to be your partners.

– **Barry Telford and Lori Nikkel**

Before becoming president of Sodexo, Barry was a farmer and his hands-on understanding of food systems has enriched the leadership of the Board of Directors and Second Harvest's knowledge base. Lori's two decades of work in the food security sector and personal history as a low-income parent have made her keenly aware of the social and economic issues underlying hunger and a strong advocate for change.

All we do is made possible by the generosity of so many.

11,608
FINANCIAL
DONORS



742
FOOD
DONORS



NO WASTE.



NO HUNGER.

SEEDING THE FUTURE 2020: STRATEGIC PLAN YEAR 2



Throughout the past year, we continued to **increase awareness** in the food industry through 1:1 relationship building with farmers, manufacturers, processors, distributors, grocers and their associations. We have grown our influence at the policy-making level with our involvement in the National Zero Waste Council, Student Nutrition Ontario, the Ministry of Environment, Conservation and Parks Food and Organics working group and the Toronto Food Policy Council. Awareness of our expertise resulted in invitations to advise on A Food Policy for Canada, the Provincial Poverty Reduction Roundtable, Recycling Council of Ontario Food Waste Pilot, City of Toronto Social Supermarket, as well as speaking at the Maple Leaf Food Security Institute Conference, the Arrell Food Summit, the Canadian Roundtable for Sustainable Beef, the Discount Grocers Dealers Association and EDIT: Expo of Design and Technology.



Thanks to our donors, we've been able to **grow responsibly** and have already surpassed our Year 4 goals for the number of organizations and people we serve! The introduction of our online food recovery system, FoodRescue.ca, has offered a simple and safe way for Ontario food businesses to donate directly to local social service organizations, which has increased the number of recipients accessing rescued food. More meals per day have been provided because of our record-breaking 12.3 million lbs of food recovered. This tremendous success also means that we have reached the physical limitations of our current premises and we are excited for our next steps.



We've identified that to meaningfully increase service by 2020, we will need a larger facility to position Second Harvest for a long, **sustainable future**. We're thrilled that in 2018, two loyal and generous donors stepped forward to launch the creation of Second Harvest's new home. We look forward to sharing our plans as they develop for our expanded future.



1 LB FOOD RESCUED
=
1 MEAL SERVED

\$32 MILLION
VALUE OF RESCUED FOOD IN 2018



OUR 2018 ENVIRONMENTAL IMPACT

58 MILLION LBS OF GHGs AVERTED = REMOVING 5,000 CARS OFF THE ROAD FOR 1 YEAR



10.7+ BILLION LITRES OF WATER HAVE NOT BEEN WASTED



94% OF THE FOOD WE RESCUE IS PERISHABLE

44% PRODUCE

14% DAIRY

12% MEAT / PROTEIN

9% BEVERAGES

7% PREPARED FOODS

5% BREAD / GRAIN

5% SNACKS / BAKED GOODS

4% CONDIMENTS

THE IMPACT OF GOOD FOOD ACCESS

Mentoring Juniors Kids Organization provides free fitness and leadership classes to thousands of young people across Toronto from all backgrounds, ethnic groups, athletic abilities and socio-economic levels. Empowering children ages 6 to 18, MJKO uses non-contact boxing to promote positive and healthy lifestyle choices, while building community. Fridays are dedicated to programs that promote girls being active and boost confidence. The healthy snacks Second Harvest delivers each week are crucial, especially the fresh produce and nutritious dairy products.

“Before Second Harvest began donating food to us, food was very limited. Now, kids feel nourished. They are incredibly excited when they see a full fridge and they try fruits they don’t normally eat. The quality of food is amazing.”

Miranda Kamal, Executive Director, MJKO



Photo: Bill Leontaritis

OUR LEADERSHIP IN FOOD RESCUE

We know food. As the largest food rescuer in Canada, Second Harvest has a unique understanding of surplus food and the logistics required to recover food safely. We are considered innovators and are invited participants in global conversations.

Food Loss and Waste Study – The first of its kind in the world, Second Harvest initiated this ground-breaking research project to determine food loss and waste from the entirety of the Canadian food supply chain. Funded by the generous support of The Walmart Foundation, Second Harvest partnered with Value Chain Management International (VCMI) to create a road map from primary production to consumer to determine volumes lost and where waste occurs. This report will educate and activate Canadian businesses in prevention and redistribution, which is critical to eliminating waste in our food system.

FoodRescue Symposiums – Second Harvest saw a need to bring communities together to recover good food. As part of our pilot of FoodRescue.ca, we held events in Kingston, Sudbury, Toronto, and the Niagara region to discuss what food recovery means to businesses and social service organizations. Attendees from restaurants and retailers sat with representatives from local non-profit groups for an open discussion about their respective needs in a food rescue process. Everyone walked away more educated in safe food recovery and enthusiastic about ensuring our environment and Canadians remain healthy and strong.

Our Expertise – We are extremely proud that dozens of organizations and community groups from around the world have reached out to us to learn about our model of food recovery. Most recently, we’ve shared our knowledge with London Harvest in the UK, Fodevarebanken in Denmark, Hands for Hunger in The Bahamas and Leket Israel, helping to lessen the negative impact of food loss around the globe.



FOODRESCUE.CA



“The food donors that we’ve been working with are so excited to see us and really happy to hear their food donation is going to a school and to feed children’s bellies.”

Thanks to Kelly (Blake St. Public School) and Aidan (Longo’s)

SECOND HARVEST FOOD SUPPORT COMMITTEE

To the Members,

Second Harvest Food Support Committee

The accompanying summary financial statements, which comprise the statement of financial position as at August 31, 2018, and the statement of operations for the year then ended, and the related note, are derived from the audited financial statements of Second Harvest Food Support Committee for the year ended August 31, 2018. We expressed a qualified audit opinion on those financial statements in our report dated November 12, 2018. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements on the basis described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Second Harvest Food Support Committee for the year ended August 31, 2018 are a fair summary of those financial statements, on the basis described in Note 1.

Our qualified opinion is based on the fact that, in common with many not-for-profit organizations, the organization derives revenue from donation and fundraising revenue, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the organization, and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenue over expenses for the year, assets and net assets. Our qualified opinion states that, except for the possible effects of the described matter, those financial statements present fairly, in all material respects, the financial position of Second Harvest Food Support Committee as at August 31, 2018, and the results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Cowperthwaite Mehta

Chartered Professional Accountants
Licensed Public Accountants
November 12, 2018
Toronto, Ontario

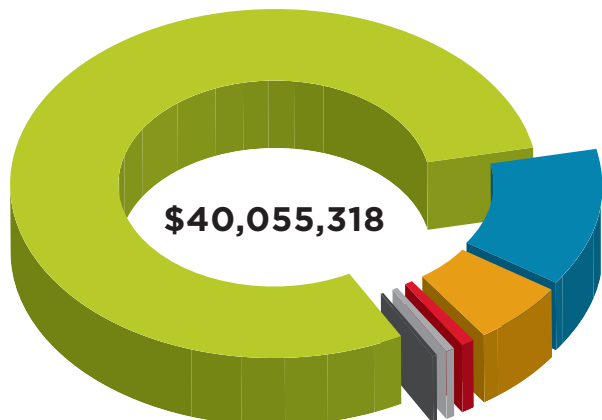
Note 1.

The criteria applied by management in the preparation of these summary financial statements are as follows:

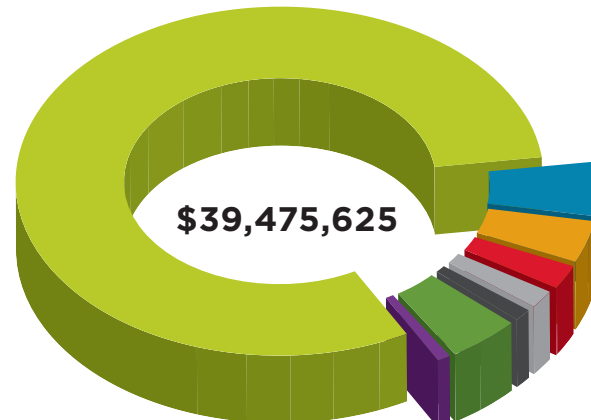
- the information in the summarized financial statements is in agreement with the related information in the complete financial statements; and
- the summarized financial statements contain all the information necessary to avoid distorting or obscuring matters disclosed in the complete financial statements, including the notes therein.

Management determined that the statement of changes in net assets and the statement of cash flows do not provide additional, useful information, and as such have not included them as part of the summary financial statements.

REVENUE



EXPENSES



SUMMARY STATEMENT OF FINANCIAL POSITION

AS AT AUGUST 31, 2018

	2018	2017
ASSETS		
Current Assets		
Cash & short term investments	\$ 4,490,922	\$ 2,856,095
Accounts receivable	178,342	100,893
Prepaid expenses	73,743	33,355
	<hr/>	<hr/>
	4,743,007	2,990,343
Capital assets, net of amortization	547,752	611,151
Deposit on purchase of real property	350,000	
TOTAL ASSETS	<hr/> \$ 5,640,759	<hr/> \$ 3,601,494
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	\$ 466,695	\$ 230,227
Deferred contributions	994,819	1,836,544
Deferred capital asset contributions	2,751,600	686,771
	<hr/>	<hr/>
	4,213,114	2,753,542
Net assets	<hr/> 1,427,645	<hr/> 847,952
TOTAL LIABILITIES AND NET ASSETS	<hr/> \$ 5,640,759	<hr/> \$ 3,601,494

SUMMARY STATEMENT OF OPERATIONS

FOR THE YEAR ENDED AUGUST 31, 2018

	2018	2017
REVENUE		
Food donations	\$ 31,980,000	\$ 26,875,000
Fundraising	5,181,976	3,984,890
Grants	2,291,725	190,888
Harvest Kitchens grants	284,858	284,734
Capital assets grant amortization	269,671	251,151
Other	47,088	22,030
	<hr/>	<hr/>
	40,055,318	31,608,693
EXPENSES		
Food recovery and delivery		
Food donations delivered to agencies	31,980,000	26,875,000
Other food delivery related costs	1,931,015	1,706,597
Distribution platform development and pilot tests	1,717,896	188,042
Communications and fundraising	1,529,325	1,286,843
Administration	951,495	753,282
Food waste reduction research	594,271	
Harvest Kitchens	487,422	418,664
Amortization	284,201	251,203
	<hr/>	<hr/>
	39,475,625	31,479,631
EXCESS DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR	<hr/> \$ 579,693	<hr/> \$ 129,062

