

Food loss and waste reduction target

Performance

GRI306-DMA
 GRI306-2

The Ajinomoto Group aims to reduce food loss and waste in fiscal 2016 over the entire product lifecycle, from raw materials to customers use and disposal, by half by 2050. As its first initiative, the Group is targeting reduction of food loss and waste in fiscal 2016 generated by the Group, from accepting raw materials until delivery to customers, by half by fiscal 2025.

In fiscal 2018, the Group posted a 28% increase to 33 kilo tons against the 10% reduction target. The major reasons for the increase are due to the disposal of discontinued products and more accurate aggregations at overseas Group company plants.

Target for food loss and waste reduction

	Result		Target		
	FY2017	FY2018	FY2019	FY2020	FY2025
Reduction rate of food loss from receipt of raw materials through to customer delivery (vs. FY2016)	4% increase	28% increase	15%	20%	50%

The major food losses and wastes generated by the Group are as follows:

1. Raw materials and materials in process: Disposal due to product revisions, production item changes, expired use-by dates, production incidents, etc.
2. Products: Inventory caused by expiration due to product revisions or production/sales management errors, product returns due to erroneous shipment, damaged goods at warehouse or at time of delivery, disposal of sample items
3. Loss from standard factory operations: Waste generated by standard operations, such as line cleaning for product switching and sampling inspection

Reduction through Manufacturing, Distribution and Sales Collaboration

Food loss and waste in Japan is about 6.43 million tons annually (Ministry of Agriculture, Forestry and Fisheries of Japan [MAFF] estimate for fiscal 2016), which is around twice the amount of global food aid of about 3.2 million tons (2016 United Nations World Food Programme survey). Since 2011, Ajinomoto Co., Inc. has been collaborating with Japanese government and all manufacturing, distributing and sales sectors to study changing the best-before date label to month-year, extending best-before dates, and optimizing delivery dates.

Ajinomoto Co., Inc. and Ajinomoto AGF, Inc. extended best-before dates and completed the turnover from day-month-year to month-year labels for major products for home use in August 2018.

The Ajinomoto Group will continue to collaborate with government agencies and all manufacturing, distribution and sales sectors to further reduce food loss and waste throughout the supply chain.

Advantages of changing the best-before date label to month-year for the entire supply chain

- Reduction of number of lots to be managed
- Minimization of storage space
- Simplification of warehouse and store operations