

# Contribution to reducing food loss and waste

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## Food loss and waste: definition and scope

The Ajinomoto Group defines food loss and waste as food (edible portions) that is treated or disposed of in waste water treatment, landfill, or incineration. This definition excludes food ultimately used for feed or fertilizer. Food waste turned into feed and fertilizer is not regarded as food loss and waste, since it is returned to nature through the biocycle and leads to the reproduction of more food.

## Food loss and waste reduction targets

The Ajinomoto Group is committed to a long-term vision to halve food loss and waste generated throughout the entire product lifecycle by fiscal 2050 as compared to fiscal 2018. Our first target is to reduce food loss and waste between the acceptance of raw materials and the delivery of products to customers by 50% by fiscal 2025 (compared to fiscal 2018).

Food loss and waste in fiscal 2019 increased by 2% compared with fiscal 2016 (base year of 17-19 MTP) and increased by 6% compared with fiscal 2018 (base year of 20-25 MTP). We are currently conducting a detailed analysis of the underlying causes of food loss and waste as we plan initiatives to reduce food loss and waste in the future.

Our 17-19 MTP referenced fiscal 2016 as the base year for food loss and waste reduction measurement; however, our figures prior to fiscal 2017 were not sufficiently accurate. Therefore, our 20-25 MTP uses fiscal 2018 as our base year.

### Targets and results for food loss and waste reduction (17-19 MTP)

|  | FY2017 Result | FY2018 Result               | FY2019 Target | FY2019 Result |
|--|---------------|-----------------------------|---------------|---------------|
| Food loss and waste reduction rate from the acceptance of raw materials to delivery to customers (amount generated <sup>[1]</sup> ) (vs. FY2016) | 4% increase   | 17% increase <sup>[2]</sup> | 15% decrease  | 2% increase   |

[1] In 17-19 MTP, the amount included those used for feed and fertilizer.

[2] Updated with the data for companies newly added to the Ajinomoto Group.

### Targets and results for food loss and waste reduction (20-25 MTP)

|  | FY2019 Result | FY2020 Target | FY2025 Target |
|--|---------------|---------------|---------------|
| Food loss and waste reduction rate from the acceptance of raw materials to delivery to customers (per production volume unit) (vs. FY2018) | 6% increase   | 20% decrease  | 50% decrease  |

The major food loss and waste categories 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: Expired inventory caused by product revisions or production/sales management errors, product returns due to erroneous shipment, goods damaged at warehouse or at the time of delivery, disposal of sample items
3. Loss due to standard factory operations: Waste generated by standard operations, including line cleaning to switch products and sample inspections

See Integrated Report 2020 for more on our roadmap for reducing food loss and waste.

## Reduction of Food Loss and Waste

Performance

### Reducing food loss and waste through manufacturing, distribution, and sales collaboration

Food loss and waste in Japan amounts to roughly 6.12 million tons annually (Ministry of Agriculture, Forestry and Fisheries of Japan estimate for fiscal 2017). This level of food loss and waste is about 1.6 times the 3.9 million tons of global food aid provided (2018 United Nations World Food Programme survey). Since 2011, Ajinomoto Co., Inc. has been collaborating with the Japanese government and all manufacturing, distribution, and sales sectors to study changing best-before date labels to a month-year format, extending best-before dates, and optimizing delivery dates. In August 2018, the Company and Ajinomoto AGF, Inc. extended best-before dates and switched from day-month-year to month-year labels for major home-use products.

- Advantages of changing the best-before label to a month-year format across the entire supply chain
  - Fewer lots to manage
  - Minimizes storage space
  - Simplifies warehouse and store operations

We participated in the Japanese project for the *10x20x30 Food Loss and Waste Reduction Initiative*, proposed by the World Resources Institute of the United States in December 2019. In this way and more, the Ajinomoto Group will continue to collaborate with government agencies and all manufacturing, distribution and sales sectors, reducing food loss and waste throughout the supply chain.

### Unique technology to address food loss and waste

Food loss and waste from the food service industry and retail stores are now a major concern as dining out and home meal replacement (food purchased for home consumption) become more commonplace.

Using enzyme technology and proprietary formulas, Ajinomoto Co., Inc. offers the food service and home meal replacement industries in Japan a number of products to help reduce food loss and waste at our customers. These products include *Okome Fukkura Choriyo* (retains the texture of freshly cooked rice for an extend period of time), *Kara-Age/Oniku Juicy Choriyo* (retains the flavor of deep-fried chicken and other meat dishes even after cooling), *Koku no Chikara*® (retains the flavor of meat dishes, even after an extended period of time), and *Knorr® Beef Kaoritatsu Demiglace Sauce* (use in only the amount necessary; adjust to desired flavor intensity and thickness).



*Okome Fukkura Choriyo*



*Kara-Age/Oniku Juicy Choriyo*



*Koku no Chikara*®



*Knorr® Beef Kaoritatsu Demiglace Sauce*