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**The why** There is a great diversity of foods in Japan. Each region has its own specific food culture which makes Japanese food and produce attractive to both tourists and locals.

As a result, the Japanese food industry is comprised of a small number of big enterprises and a huge number of SMEs (small and medium enterprises). Hosting the large-scale sports events in Tokyo in 2020 has triggered a movement of shifting AEON's procurement standard from an in-house standard to a global standard. With that said, however, there are a huge number of local certification programmes, operated by government, local authorities, industry groups, and individual buying companies. These have different levels of requirements when it comes to food safety standards.

GFSI's Japan Local Group has encouraged suppliers' adoption of the GFSI approach since its foundation.

We have fostered our unique food culture with careful and sensitive hygiene control. Amidst the globalization of food procurement, we believe it is important for Japan to proceed with global harmonization for food safety management systems while preserving our unique food culture.

Setting a goal of 2020, when Tokyo will host large-scale sports events, GFSI's Japan Local Group aims to pioneer the harmonization of Japan's domestic food industries with global practices and standards.

“This year, Aeon has announced our Sustainable Procurement Goals for 2020 in which we will achieve sustainability based on GFSI-recognized certification programmes for all PB items in fresh foods. Aeon will continue to deliver safe foods to all customers as a leading company in Japan and Asian countries”

## The How

The predecessor of AEON Co., Ltd. - then called JUSCO Co., Ltd. - unified its private brands to "Topvalu" in 1994, on its 25th anniversary. AEON established original factory inspection processes, having started with food production factories in the previous year, while improving the in-house standard system. All factories manufacturing products for AEON were required to pass the factory inspection. In order to avoid duplication of inspections by different buying companies and to save time in the factories, AEON revised the system in 2016 and waived factory inspection for factories certified to a GFSI-recognised certification programme. As a result, 30% of AEON's suppliers have waived conventional factory inspections, and the other 70% of them utilize modified AEON factory inspection standards which is based on GFSI's Global Market Programme.

We have a successfully-managed primary production. Established as an Aeon Group company in 2009, Aeon

Agri Create currently operates 19 farms across Japan. The company was started by people with little experience in farming. Applying Information and Communication Technology to farming beginning with visualizing various tasks at the agricultural production sites. Sensors are installed in the field at the Ushiku farm in Ibaragi Prefecture. The collected data is then sent to the Fujitsu's Akisai Food and Agriculture Cloud.

Aeon Agri Create implements strict quality control procedures according to GLOBALG.A.P. and all their directly-managed farms have obtained this certification. The merits of obtaining the GLOBALG.A.P. certification is to confirm compliance with laws, expansion of sales route, and improvement of productivity. Especially for the use of agricultural chemicals, the company maintains a stringent monitoring system to control its spraying schedule using accumulated data. In order to enhance business efficiency by utilizing the standardization of certifications, AEON continues our commitment to ensure food safety.

## The Benefits

We have confirmed 3 major benefits from this activity. The first benefit is that more than 30% of food factories which manufacture products for AEON no longer have to duplicate factory inspections for each purchasing company. Initially, each factory was required to undertake duplicated factory audits to sell their products to each buying company. Now, they can save time and human resources by reducing factory inspections. The second benefit is that AEON can also reduce its time

and cost spent undertaking factory inspections. Finally, the Global Markets Programme includes requirements of Codex HACCP; and as a result, these factories can take advantage of its management elements without requiring any extra instruction or in-house factory inspections.

We expect to share factory inspection results with other buying companies in the future, which would reduce duplicated factory inspections, and this will be of benefit both to selling and buying parties.



## Figures

### Concurrence on Numerous Food Safety Certification Programmes

At present, only a few large companies use certification to any GFSI-recognized CPO (certification programme owner) as a tool to ensure food safety.

Other companies, including small businesses, rely on one of many food safety standards and Government guidelines.

