

News Release

Hitachi Digital Services and OneThird Fight Supermarket Food Waste With First-of-its-Kind Digital Solution

Sustainability-focused digital solution designed to reduce food waste by at least 25% and improve retailer fresh food supply chain management

LONDON and SANTA CLARA, Calif. January 22, 2024 – <u>Hitachi Digital Services</u>, the digital consultancy and technology services subsidiary of Hitachi Ltd. (TSE: 6501), is supporting food waste prevention specialists <u>OneThird</u> in the development of a breakthrough solution tackling the global food waste crisis. OneThird selected Digital Services from Hitachi Vantara, now a new entity known as <u>Hitachi Digital Services</u>, to combine its Azure cloud and application expertise with their in-depth understanding of sensing and Al technology and together they created a real-time data insights platform to enable a smarter and more flexible food supply chain. The solution enables fresh produce supply chains to prevent significant waste of produce – 25% at least – while also saving on the associated cost of those losses.

For more information about Hitachi Digital Services efforts in sustainability, visit: https://hitachids.com/service/sustainability/

Currently about 1/3 of food production is lost and wasted globally, despite unprecedented levels of human consumption, courtesy of a growing global population that is set to increase by nearly 2 billion people in the next 30 years. The financial costs of food wastage are substantial and amount to about USD 1 trillion each year. It is imperative that solutions are created to ensure there is enough food for everyone, which also includes reducing the current food waste crisis.

OneThird has developed a portable scanner that is able to scan produce on a molecular level – analyzing their water, sugar, and starch content – using a non-destructive, near-infrared sensing technology and AI algorithms to predict the shelf-life of fresh produce. Leveraging Hitachi Digital Services' cloud development capabilities, the estimated shelf-life data becomes available in real-time, enabling all parties involved to decide on the final retail destinations of the fresh produce or redirect to alternative purposes like dry freezing or processing into soups and sauces.

Marco Snikkers, CEO and founder of OneThird said, "The astronomical volume of food that goes to waste each year is heartbreaking, particularly since so much is wasted in affluent countries. We've worked closely with Hitachi Vantara to create technology that helps to address this persistent, global challenge which directly impacts food scarcity. We are proud to have built the first cloud-based and connected product that accurately and objectively predicts the shelf life of fresh produce. The interest has been overwhelming, and we aim to accelerate the deployment of our technology globally."

The insights obtained from the scanning data enable retailers to:

- Consider the best distribution routes based on produce shelf life and customer specifications;
- Repurpose items to food banks or processing instead of having produce rejected by shoppers due to short shelf life;
- Provide best before and expiration dates based on actual shelf life rather than default values; and,

 Apply discounts in-store if produce shelf life is near expiration and better manage stock by placing items with a longer shelf life towards the back.

To help drive OneThird's digital strategy and journey, Hitachi Digital Services co-created the data and analytics integration platform and interfaces to interact with different external platforms in real-time.

"Currently able to predict the shelf life of tomatoes, strawberries, blueberries and avocados, the technology will extend to a range of further produce including grapes, bananas, mangoes, and raspberries by 2024. Notably, the solution solves the 'avocado problem,' with shoppers no longer needing to squeeze avocadoes in-store to test for their ripeness, which can damage them," said **Roger Lvin, CEO of Hitachi Digital Services**. "As the food waste crisis continues, retailers must be equipped with the insights needed to reduce food waste in a truly impactful way. It's exciting that our data-driven solutions are playing a role in helping to achieve this. We're proud to have collaborated with OneThird on this initiative, which not only supports sustainable practices but also has huge growth potential, as new product developments are currently in the works. We are incredibly excited to see what this solution will go on to achieve."

The technology is already available for use by those working across the food supply chain, from growers to distributors. In addition, multiple European retailers are currently in talks to install the technology in-store, while all are already using the scanning devices within their supply chains.

This co-created digital solution is the latest example showcasing Hitachi's expertise in helping customers to drive their sustainability goals, having recently worked with <u>Golden Grove</u> to improve the nursery's irrigation practices by 30% and <u>Blechwarenfabrik Limburg</u> to reduce energy costs by half a million Euros annually.

Additional Resources

- Insight: Bringing the Environmental Fight to Food Waste
- Video: OneThird solution used in the fresh supply chain of a large Dutch retailer: https://youtu.be/dJjub2ECXD8
- Press Release: Global reorganization to strengthen synergies leveraging OT and IT.com

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About Hitachi Digital Services

Hitachi Digital Services, a wholly owned subsidiary of Hitachi, Ltd., is an edge-to-core digital consultancy and technology services provider helping organizations realize the full potential of Al-driven digital transformation. Through a technology-unified operating model for cloud, data and IoT, Hitachi Digital Services' end-to-end value creation for clients is established through innovation in digital engineering, implementation services, products, and solutions.

Built on Hitachi Group's more than 110 years of innovation across industries, Hitachi Digital Services helps to improve people's lives today and build a sustainable society tomorrow. To learn more, visit https://hitachids.com.

About OneThird

OneThird is on a mission to address a \$1 trillion annual problem — reducing the loss of one-third of all food produced worldwide. OneThird's food tech solutions for growers, distributors and grocery retailers allow for high-accuracy shelf life prediction of produce at any stage of the supply chain — ensuring the right product gets to the right place at the right time. Using passion and creativity, OneThird delivers meaningful solutions to improve sustainability efforts, feed those in need, and save customers money.

Founded in 2019 in a digital incubator for FTSE 100 company Halma plc [LON:HLMA], and based in Enschede, The Netherlands, OneThird is a privately held company backed by impact investors Pymwymic, SHIFT Invest and Oost NL. Follow OneThird on <u>LinkedIn</u>, <u>YouTube</u>, Twitter, Facebook and Instagram or learn more at https://onethird.io.

About Hitachi, Ltd.

Hitachi drives Social Innovation Business, creating a sustainable society through the use of data and technology. We solve customers' and society's challenges with Lumada solutions leveraging IT, OT (Operational Technology) and products. Hitachi operates under the business structure of "Digital Systems & Services" - supporting our customers' digital transformation; "Green Energy & Mobility" - contributing to a decarbonized society through energy and railway systems, and "Connective Industries" - connecting products through digital technology to provide solutions in various industries. Driven by Digital, Green, and Innovation, we aim for growth through co-creation with our customers. The company's consolidated revenues for fiscal year 2022 (ended March 31, 2023) totaled 10,881.1 billion yen, with 696 consolidated subsidiaries and approximately 320,000 employees worldwide. For more information on Hitachi, please visit the company's website at https://www.hitachi.com.

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