



Surplus Indonesia Impact Report 2022

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Message from JICA

As Japanese Government's Official Development Assistance (ODA) implementing agency, Japan International Cooperation Agency (JICA) implements various projects with developing country governments. Indonesia is one of Japan's important partner countries and 2023 will mark the 65th anniversary of the establishment of diplomatic relations between Japan and Indonesia.

This report was prepared as part of JICA's project NINJA in Indonesia in 2022. Project NINJA, which stands for Next Innovation with Japan, is JICA's accelerator programme to support start-ups that solve social problems in the seed phase.

Surplus Indonesia was one of three companies selected for the programme from more than 250 applicants. The business model creates positive commercial value and social impact for all stakeholders by reducing food loss, combating climate change, increasing retail and restaurant sales, and enabling buyers to eat at a lower price.

We hope that this report will deepen readers' understanding of Surplus Indonesia and encourage more partners to work together to create and increase social impact.

Founder's Message

Hi, everyone! The reason why Surplus Indonesia started is we don't want to see a lot of people suffering the food insecurities since Indonesia population is still growing meanwhile we are the 2nd largest food waster in the world. I have experienced the food scarcity since I was raised in remote area in Papua for more than 10 years. Thus, we started Surplus Indonesia to make sure that food security is more accessible for everyone in the following years!

Also, we've got exciting plans coming ahead and we want you to come to support us. Thus, if it's something that you're excited about, something that you care about or something that you think should exist, then we'd love if you could share about Surplus Indonesia movement to your friend or family through your social media. Thank you!

Agung Saputra

Founder & CEO of Surplus Indonesia



The Journey



About Surplus Indonesia

We are Surplus Indonesia. We are a company founded on the principle that there is a solution to achieve a mutually beneficial outcome for both profitability and environmental impact.

Inspired by the founder's experience with food that became waste at the end of buffets, we started this original concept to tackle food waste at the consumer level, working with retail and food service providers such as restaurants and cafes, bakeries, and hotels.

As we are committed to supporting the SDGs no. 2 (Zero Hunger), no. 12 (Responsible Consumption & Production), and no. 13 (Climate Action), every one meal rescued through our app means preventing some financial loss for business owners and avoiding GHGs emissions from the landfill.

Our mission is to halve the food waste & food loss by year 2030 in Indonesia to create an environment without food waste & food loss in Indonesia.



Our Mission

Reducing food waste by half in Indonesia by 2030.

Our Vision

Creating an environment without food waste.

Core Values



Profit



People



Planet

The Problem

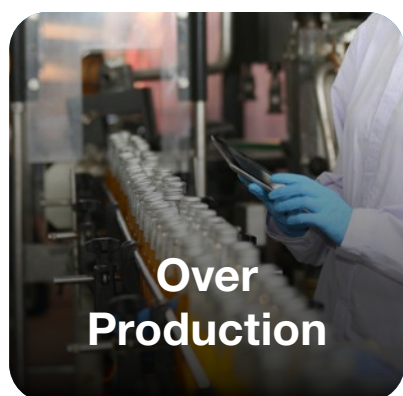
What is food surplus?

$$\text{Surplus} = \text{Supply} > \text{Demand}$$

Food surplus occurs when the availability of food supply exceeds the demand for it. It occurs in every stage of the food supply chain, at farms, manufacturers, retail outlets, hospitality providers, and individual households.



While food surplus occurs due to various reasons, **here are three reasons most relevant to the problem Surplus Indonesia is solving.**



Difficult to correctly estimate the quantity of food to produce, particularly taking into account seasonal demand. This poor demand forecasting results in unsold stocks.



Many food items may be discarded because they are visually imperfect (color, shape, or size) or not as attractive in demand as others. This visual imperfection results in unsold stocks.



Many food items that are nearing the “Best before date” are often discarded, not knowing that this relates to quality, and not safety.

Why is food surplus such a big deal?

Food surplus is a step before food waste, that is when left unsold or unconsumed, eventually results in food waste.

Food waste carry a huge environmental burden.

Wasted resources

Food waste means all the resources, such as water, soil, and energy, that go into making the food item itself are wasted.

Emissions from end-of-life treatments

Food waste produce methane, the second most important greenhouse gas contributor to climate change following carbon dioxide. Even if they are recycled, composted, digested, or sent down the sewer or fed to animals, some emissions are still generated. Globally, 8 - 10% of total greenhouse gas emissions (GHG) are generated by food waste, versus 2-3% GHG produced by the aviation industry.

Food waste in Indonesia

Indonesia is the **largest food waste producer** in SEA.

23-48

million tonnes of food waste produced per year in Indonesia.

43-91

million tonnes of emission of CO₂e* (kg) are generated.

Source: UN Food Waste Index Report 2021



*CO₂e is abbreviation of CO₂ equivalent.

The Solution

We tackle food waste via prevention mean.

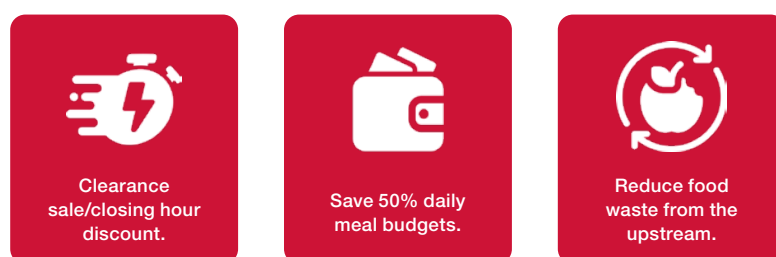
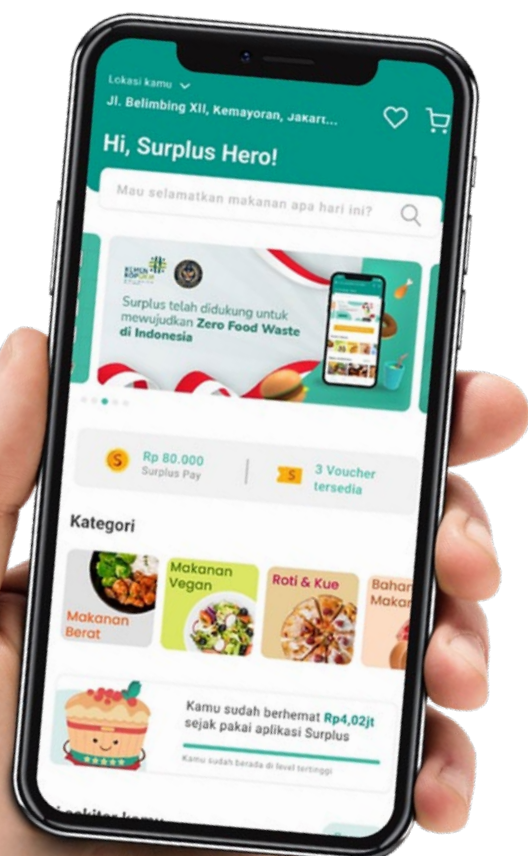
We prevent food surplus from becoming food waste and ending up in landfills, starting in retail outlets and food service-hospitality providers. Our mobile app connects food businesses with unsold food inventory at the end of the day with customers.



The Surplus Mobile App

The Surplus mobile application allows retail outlets and food service-hospitality providers to list surplus food items that won't be able to be sold before the end of the day - for a lower price via the app.

Surplus mobile app is a marketplace for MSME; hotels and farms to sell their overstock and imperfect products at the window time to the customer with a minimal 50% off.



For retail outlets and food service-hospitality providers, joining Surplus as merchants brings several benefits:

- ✓ Reduce unsold and wasted inventory at the end of the day.
- ✓ Recouping sunk costs that go into making the food products.
- ✓ Reduce waste disposal expenses.
- ✓ Build reputation as a green business.

Key Milestones

We began our journey in 2020.

2020

- The **Surplus Indonesia Community** was **formed** and did the first offline campaign in Car Free Day Jakarta.



- We launched our **MVP (Minimum Viable Product) app**.



- Starting to do the online campaign due to the pandemic.
- Prevented the first **20 tonnes of food surplus** from becoming waste.

And over the last two years, we celebrated several significant milestones.

2021

- The **Surplus mobile app full version** was launched.
- Selected as the **1st Winner of ASEAN Social Enterprise Seed Grants 2021**.
- Onboarded **2,000+ merchant partners** in 10 cities in Indonesia.



- We began to do **workshops for SME business owners** to prevent food waste by managing their food stocks, maximizing their overstock product sales through Surplus App, and being more creative by creating menus from leftovers. Most of the participants are housewives who try to get extra income for their families while doing good for society and the environment through their business activities.

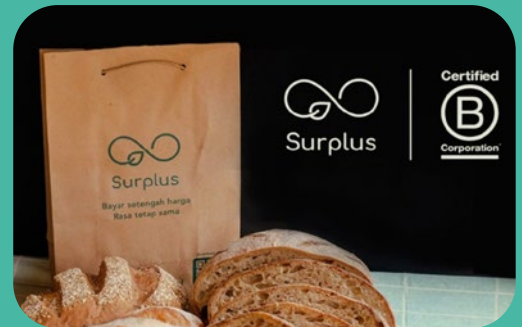


2022 Recap

2022 has been a year of growth for us at Surplus Indonesia. A lot of things happened and here are some highlights.

— Surplus Indonesia is now a certified B-Corporation

Surplus Indonesia is pleased to receive a B Corporation certification! As an early stage but growing company, we are beyond thrilled to have met the highest standards for social and environmental performance, with an impact score of 109.3.



— Partnership with Sarinah Mall, Jakarta

Surplus Indonesia formed a partnership with Sarinah Mall, National Food Agency (NFA), and the Indonesian Shopping Center Retailers & Tenants Association (HIPPINDO). The partnership with Sarinah Mall marked first mall in Jakarta to run Zero Food Waste campaign. The partnership with Surplus Indonesia would allow around 40 tenants in food and beverages to distribute their unsold inventory through the Surplus app.



— The 3rd place awardee of SDGs Action Awards 2022

SDGs Action Awards was organised by the Ministry of National Development Planning (Bappenas) as a form of appreciation to various stakeholders who have shown their best performance in supporting the achievement of Sustainable Development Goals in Indonesia! Surplus Indonesia was the 3rd place awardee in the small and medium enterprises category.



— Selected as one of JICA NINJA Accelerator 2022 Cohorts

NINJA (Next Innovation with Japan) accelerator program 2022 powered by JICA (Japan International Cooperation Agency) partnered with ANGIN, is a highly selective initiative aims to support and equip impactful Indonesian startups to face curated investor lists, expand partnership opportunities, and achieve financial support. Surplus Indonesia was selected as one of the 3 selected Indonesian startups as NINJA Accelerator 2022 Cohorts among 256 applicants.



— The Most Impactful Enterprise in Asia Pacific 2022 by IIX (Impact Investment Exchange Singapore)

Surplus Indonesia won “Most Impactful Enterprise” predicate by IIX Global with a score 7.1 out of 10. Based on the scoring, the intention of Surplus Indonesia to do good is translated into its activities, which has contributed significantly to impact creation. IIX is the pioneer in impact investing and the global leader in sustainability.

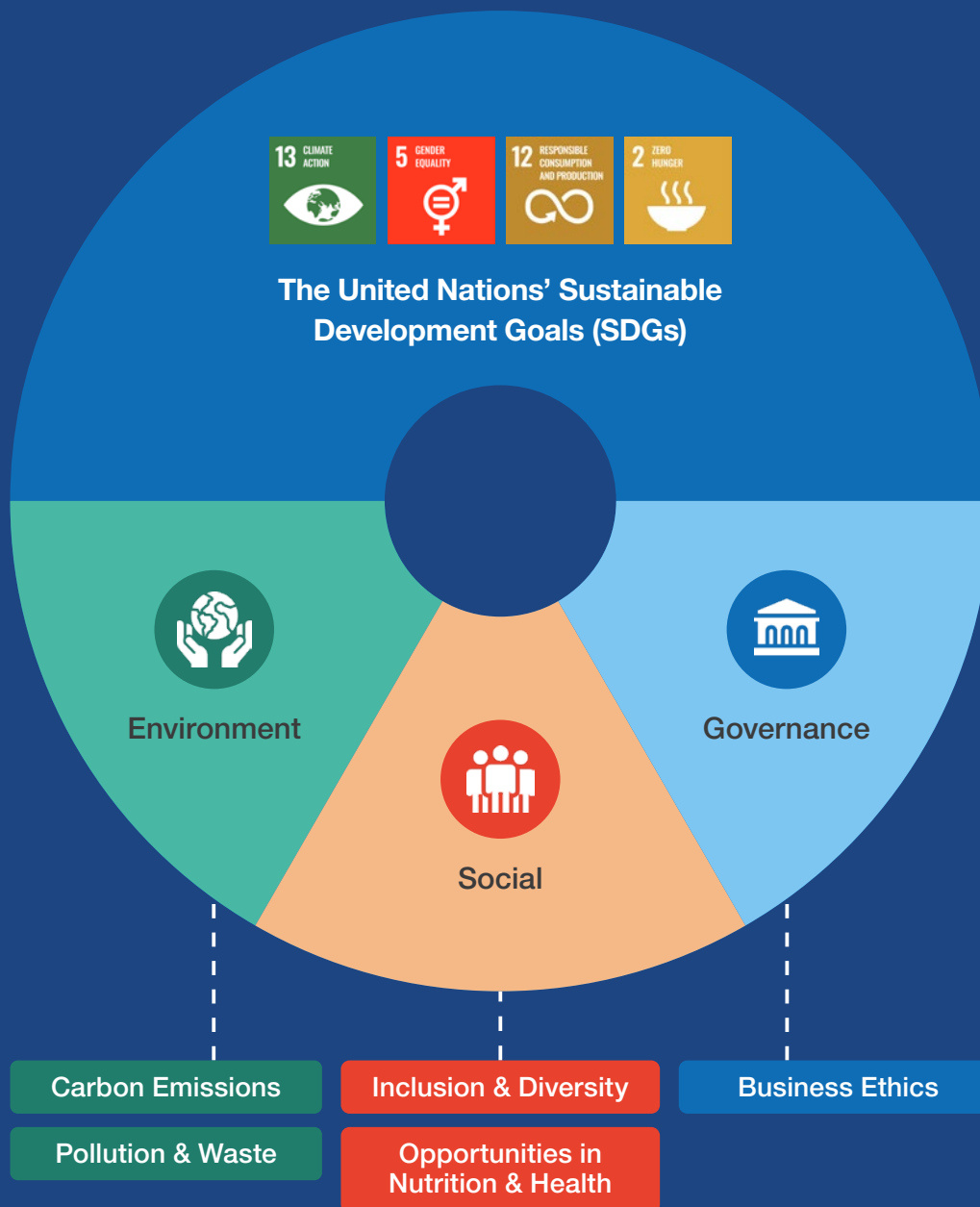
A promotional banner for Surplus Indonesia. On the left, a smartphone displays the Surplus app interface, showing a greeting "Hi, Surplus Hero!", a mission statement, and food categories. In the center, the Surplus logo is above the text "Save Food Save Budget Save Planet" and "PT. Ekonomi Sirkular Indonesia". Below this are the website "www.surplus.id" and the LinkedIn profile "Surplus Indonesia". On the right, the IIX Pitchfest Series 2022 logo is at the top, and a laurel wreath encircles the text "WINNER MOST IMPACTFUL ENTERPRISE".

Impact & ESG

The following section discloses our impact progress and sustainability efforts to improve business practices related to environmental, social, and governance (ESG) topics.

Our efforts are aimed at driving positive change not only for our company, but also for the environment and all stakeholders involved.

Impact Summary



Food waste has substantial environmental, social, and economic impacts. Preventing surplus food from becoming waste is crucial to mitigate the climate crisis because food waste contributes significantly to greenhouse gas emissions. These environmental damages are exacerbated by the resources used in food production, distribution, and packaging, such as water, energy, and fertilizers.

Therefore, food waste prevention not only helps mitigate irreparable environmental damage, but it also helps businesses recoup some of their sunk costs invested in food production. Additionally, preventing food waste can have positive social impacts by redirecting food that would otherwise be wasted to those in need, thereby helping to address food insecurity and hunger.

Impact Target



Why food waste prevention matters?

Food waste occurs in each stage of the supply chain, but an estimated of 17% of total food available to customers went into the waste bins of retailers, restaurants, other food services, and households. When food is wasted, ends up in landfills and rots, it produces about 6%-8% of all human-caused greenhouse gas emissions, which means that food waste carry not only economic or humanitarian costs, but a huge environmental burden.

Primary Impact Target

Environment & The Planet

We strive to reduce environmental and climate impacts associated with surplus food by preventing them from ending up in landfills as food waste, starting downstream at consumer-facing businesses.

Secondary Impact Target

Businesses & People

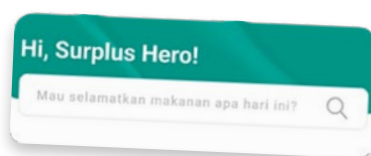
We believe that there is a win-win solution for everyone, not only preventing surplus food from ending up as food waste and reducing its impacts on the environment, but also preventing economic loss of food businesses.

Retail outlets, food service & hospitality providers



Our mobile app allows any food business, such as hotels, restaurants, cafes, bakeries, and any food businesses regardless of size or category to redistribute their surplus food products. We help businesses to recover some of the sunk costs that go into producing the food and open up a new revenue stream.

Value-driven everyday people (Surplus Heroes)



The app combines two of Indonesian greatest loves - food and bargains. We offers a simple way for consumers to do good for the environment without compromising on lifestyle, by providing access to delicious-tasting surplus food at lower price (50% discounts). Our regulars include students, housewives, value-driven individuals, frugal people, and other consumer groups.

Manufacturers

We understand that waste in Indonesia also happen further up the supply chain. Our upcoming initiative in 2023 is to tackle food waste at the center of the food value chain by engaging manufacturers.

Impact Framework

We are a triple bottom line company*

We believe that a company can both run profitably, while at the same time create positive environment and economic impact. We incorporate the United Nations' Sustainable Development Goals (SDGs) to our impact framework to shape, steer, and communicate our activities, strategies, and goals of achieving our vision of a planet without food waste.

** Triple bottom line company commits to focusing as much on social and environmental concerns as they do on profits.*

Goals



Ensure sustainable consumption and production patterns.

Targets

By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Surplus' Initiatives

We collect and analyse data on surplus food, helping to provide insight into the scale of the food waste problem in the retail level.

We provide a tech-based solution for food services and retailers to measure food waste and generate strong evidence to guide a national strategy on food waste prevention.



End hunger, achieve food security and improved nutrition and promote sustainable agriculture

By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious, and sufficient food all year round.

We have Surplus Peduli Pangan Foundation that redistribute surplus food from our merchants to those in needs, i.e. orphanages / nursing home / homeless etc for fighting hunger issue.



Goals

Targets

Surplus' Initiatives

5 GENDER
EQUALITY



Achieve gender equality & empower all women and girls.

End all forms of discrimination against all women and girls everywhere.

Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic, and public life.

We have a hiring policy that eliminates gender, race, and religion as our recruitment criteria.

We organise targeted campaigns that directly reaches out and speaks to the woman users on a regular basis (12x per year). One of our buyer personas is housewives and young mother communities.

13 CLIMATE
ACTION



Take urgent action to combat climate change and its impacts.

Improve education, awareness-raising and human, and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.

The Surplus app directly mitigate the generation of GHG by preventing food surplus from ending up as food waste.

We hold workshops to raise awareness and educate F&B businesses and schools in partnerships with various city councils, such as Jakarta, Bekasi, and Bandung city councils.

Impact in Numbers

Primary Metrics

50
tonnes

Total food surplus prevented from becoming food waste.

80%

Reduction of food waste by merchant partners before and after joining surplus.

1,000+
tonnes

CO2 prevented to be produced in landfills.

Secondary Metrics

50%

Increase of merchant partners (HoReCa, small and medium sized food businesses) that became our partners and started to save surplus food in 2022.

3,000+

Total number of merchants partners (HoReCa, small and medium sized food businesses).

80%

Decrease in waste disposal fees paid by merchant partners before and after joining Surplus.

USD 100,000+

Merchant economic loss avoided.

80%

Number of Surplus Heros (app users) who are coming from lower socio-economic background.

200,000+

Number of Surplus Heros (app users) who downloaded our apps.

Impact Deep Dive: Businesses

The Surplus app is a hassle-free way to prevent food waste, while recovering sunk costs, and reaching new customer base.

Retail outlets, food service, and hospitality providers waste food daily for several reasons, such as frequent restocking of products, displaying large quantities of products, the difficulty in predicting demand, and the availability of fresh and perishable food items with a short shelf life.

Hotel and Restaurant Buffets

In many hotel or restaurant buffets, providing customers with an adequate selection and variety of food options during lunch and dinner services is crucial for customer satisfaction. However, it can be challenging to accurately forecast the number of customers who will visit the restaurant and how much food they will consume. As a result, a significant amount of food waste is produced at the end of the day. Hotel or restaurant buffets with overstocks can simply sell vouchers that's only valid to be redeemed at a specific time through the Surplus app.



Some of our merchant partners:

MARRIOTT
BONVOY™


ann's
BAKESHOP & CREAMERY


swiss-belhotel
INTERNATIONAL
HOTELS & RESORTS

ART+OTEL

FLASH  **COFFEE**

favehotel

“With surplus app, our breakfast can be sold out immediately before we close at 10 am. Thus, we have new Fave Hotel’s image as a zero food waste hotel & also gain financial recovery from the overstock food. Win-win solutions during this pandemic.”

 **F&B Manager at Fave Hotel**


Delchi Patisserie
デルチ・パティスリー

“Surplus app has extraordinary value, they help us to reduce the financial loss of food waste up to 80%. What a win-win solution for people, profit & planet during pandemic.”

 **CEO of Delchie Patisserie**

Impact Partners

We partner with governments & other stakeholders to bring together diverse expertise, resources, & networks to address complex challenges in battling food waste prevention.



Ministry of Tourism and Creative Economy Kementerian Pariwisata dan Ekonomi Kreatif

We partnered with the Ministry of Tourism and Creative Economy for the Sustainable Food Tourism program. The program serves as a starting point to assist hotel chains in meeting the Cleanliness, Health, Safety and Environment Sustainability certification. By preventing potential food waste from the source, the program aims to reduce the costs of losses that arise from food waste.



Dinas PPKUKM
Perindustrian Perdagangan Koperasi
Usaha Kecil dan Menengah

Jakarta Food Smart City

We partnered with DKI Jakarta Department of Industry, Trade, Cooperatives, Small and Medium Enterprises (PPKUKM) in an effort to make Jakarta the City of Collaboration in reducing waste, especially food waste. Under the program, our collaborations with Jakpreneur businesses aim provide educational workshops and trainings in the management of excess food creations.



DIY Government Tourism Office Dinas Pariwisata (DISPAR) DIY

Surplus Indonesia cooperates with the DIY Government Tourism Office (Dinas Pariwisata / Dispar DIY) to minimize food waste in the tourism industry to be continued by Surplus Indonesia team. A total of 57 SMEs assisted by DISPAR DIY joined this program from Yogyakarta, Kulon Progo, Bantul, Gunung Kidul, and Sleman Area.



ESG Overview



We understand that there are critical factors of Environmental, Social, and Governance (ESG) that have an impact on our business and the communities we operate in. In this report, while provide an overview of our ESG performance, please note that **our deep dive highlights specifically on social dimension.**



Environment



Social



Governance

Current Initiatives

- We minimise the use of paper for any reports or invoices produces.
- Avoid unnecessary travels.

- We attract, hire, and retain diverse talent.
- We create inclusive employee experience.

- Founders' compensation are reasonable and aligned with the interests of shareholders.
- Regular & comprehensive disclosure of financial and non-financial information.

Ways we will explore to increase our impact even further

- To understand our carbon impact from business operations across all three emission scopes.

- Developing & implement diversity, equity & inclusion (DEI) strategy in hiring.

- Training on ethics, anti-harassment and create a mechanism for employees to raise issues to management safely.

ESG Deep Dive: Social Inclusion & Diversity

We recognise the need to create an inclusive and equitable workplace by improving our Diversity, Equity, and Inclusion at Surplus.

Our hiring policy ensures there is no unconscious bias during the hiring process and all candidates feel treated equally, regardless of race and religions.

47% < **15%**

of our employees
are women

employee
turnover rate



Surplus Indonesia is a company where each individual is highly valued & appreciated

“As one of the female staff at Surplus Indonesia. Surplus Indonesia has given me the opportunity to grow as a professional in a work environment that always provides an atmosphere of both working and learning for employees.

Surplus Indonesia is a company where each individual is highly valued & appreciated. Our core values are not only written on paper, but actually implemented every day.

Surplus Indonesia is also trying to balance the female worker ratio by opening some specific roles that can only be occupied by female gender (ex: HR, Finance etc).”

— Surplus HR Generalist

What we want to do better

- ✓ Places greater emphasis on enhancing workforce representation through the implementation of recruitment strategies and improving accessibility.
- ✓ Focuses on employees experience by developing a systematic employee satisfaction review.



The Certification

We are thrilled to announce that we have officially received B-Corporation certification!



This is a huge achievement for our company, and a testament to our unwavering commitment to creating positive social and environmental impact.

Receiving B-Corp certification is an incredible validation of our efforts. It shows that we are not only dedicated to our mission and vision, but that we are also committed to being a responsible business that uses our resources to create positive impact. We couldn't be more proud to be part of a global community of B-Corp certified companies that are using business as a force for good.

Our overall
B Impact Score

109.3



Governance

Governance evaluates a company's overall mission, engagement around its social / environmental impact, ethics, and transparency.



Workers

Workers evaluates a company's contributions to its employees' financial security, health & safety, wellness, career development, and engagement and satisfaction.



Community

Community evaluates a company's engagement with and impact on the communities in which it operates, hires from, and sources from.

50.9

Median score of
ordinary business

80.0

Qualification
standard for
B-Corp certification

109.3

Surplus overall B
Impact Score



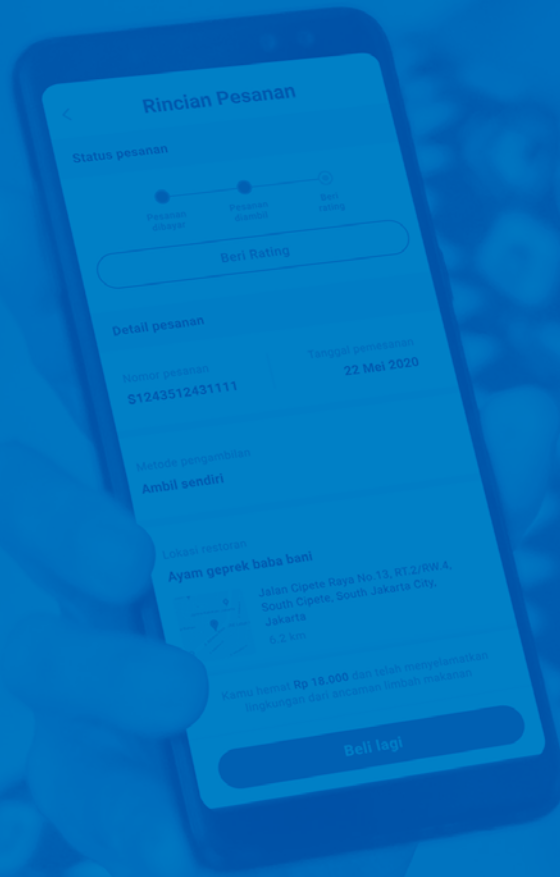
Environment

Environment evaluates a company's overall environmental management practices as well as its impact on the air, climate, water, land, and biodiversity.



Customers

Customers evaluates a company's stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels.



What's Next?

What's Next for Surplus Indonesia?

In 2023, our target is triple our impact by rescuing 150 tonnes of food through Surplus app meanwhile preventing potential USD 500,000 financial loss for 5,000 merchants that have joined our movement.

In addition, we aim to prevent 10,000 ton of CO2 gas emission from the landfill. This target is planned to be achieved by expanding to more tier 1 and 2 cities in Indonesia.

Speaking about another collaboration opportunity, we are delighted to work with the Indonesia Government to accelerate the food waste policy! It is going to be strongly aligned with our solutions to optimally fill the gap by providing a solution to the food waste issue which is not regulated yet by the Government through the technology.





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