

Objectives, Actions & Performance

Factsheet Food Waste



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1 Introduction

Approximately one-third of the world's food production, equivalent to 1.3 billion metric tons, is currently wasted. Reducing food waste can significantly contribute to reducing the environmental impact of agricultural systems, preventing hunger and promoting social justice worldwide. Food waste drives economic loss, global hunger, and increases greenhouse gas emissions, while also depleting critical resources like water and energy that were used in producing the food in the first place.

The ALDI SOUTH Group is committed to supporting the United Nations Sustainable Development Goal 12.3, which aims to halve global food waste per capita worldwide by 2030.

Food loss and waste is generated throughout our food value chain:

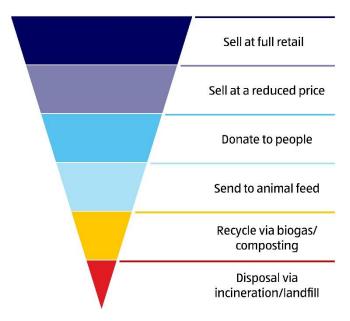
- During harvest, processing, storage, and transportation due to poor storage, and lack of market access, issues with the cold chain network, and human errors.
- Household waste can be caused by excessive purchasing, lack of knowledge about freshness, or unclear safety labels.
- Waste generated at the retail level makes up the smallest share and can be caused by poor handling, over-ordering, or quality expectations.

In 2023, food waste within the ALDI SOUTH Group's own operations represented around 1% of all food sold. While we aim to halve this amount, studies indicate that the total amount of food waste related to our products throughout the value chain, including agriculture, processing, and our customers' households, is much higher.

To address these challenges, we are working hard to prevent waste in our operations, while also working with our suppliers to minimise waste in their operations and supporting a range of industry initiatives aimed at optimising our operations, fostering supplier collaboration and improving customer engagement.

The ALDI SOUTH Group aims to distribute surplus food to charitable organisations whenever possible. If this is not possible, we aim to use food surplus as animal feed or convert it to biogas, based on the food waste hierarchy. This is an international approach to finding the best option for dealing with food surplus that prioritises human consumption over animal feed and animal feed over biogas.

Material hierarchy of food waste:





2 ALDI's Food Waste Ambitions

For the ALDI SOUTH Group, we have set the following overarching international goals:

We aim to halve food waste within our operations by 2030

Our goal is to contribute to the achievement of Sustainable Development Goal 12.3, which aims to reduce food waste by 50% per capita. We calculate food waste relative to the total weight of food we handle (food waste intensity). This also allows us to benchmark our performance against other retailers.

We will divert >90% of food and operational waste within our operations from landfill and incineration by 2030

Our aim is to find the most sustainable option for the food that cannot be sold to our customers on a regular basis. Our first priority is to donate to people in need or put the surplus in Too Good To Go bags where donation is not possible. If neither option is available, we will feed the surplus to animals, or in the future, potentially insects. Finally, we divert food and operational waste to biogas and composting facilities.

We support our suppliers and customers to reduce food waste

As most food waste occurs outside our operations, we want to significantly reduce food waste not only in our own facilities, but also by helping our customers and suppliers throughout our value chain to reduce their own food waste. To achieve this, we are actively engaging with our suppliers and providing our customers with awareness and information on effective ways to reduce food waste at home.

ALDI's Food Waste Targets



>90% diversion of food and operational waste within our operations from landfill and incineration by 2030



Halve food waste by 2030

The baseline for halfing food waste varies across the ALDI SOUTH Group countries



Support suppliers and customers to reduce food waste

Some markets are making significant progress in the fight against food waste. ALDI UK has achieved a nearly 60% reduction in food waste as a percentage of total sales by weight since 2017, surpassing its 2030 target of a 50% reduction in food waste by eight years. This milestone highlights ALDI SOUTH Group's commitment to making a social and environmental contribution without compromising on quality or affordability. ALDI UK initially targeted a 20% reduction by 2025 but has now set a more ambitious target of a 90% reduction by 2030. Collaborations with organisations such as Company Shop Group and Too Good To Go demonstrate ALDI's proactive approach to waste prevention and redistribution.

For more information, please refer to <u>ALDI slashes food waste by almost 60% and sets new 2030 target</u> and <u>Food Waste - ALDI UK</u>



3 Facts about Food Waste

57%

of food waste has already been reduced in the UK since 2017 (based on food waste intensity)

Across all ALDI countries, approximately

100 million

kilograms of food have been donated to charities since 2022 Globally, more than 1/3 of food gets wasted

--- 56,000

tonnes of our food waste were used for generating biogas and/or composting in 2023

61%

of our food waste is already diverted from landfill and incineration, thats more than 120,000 tonnes

4 Projects and Initiatives

To tackle food waste, it is essential to have multiple projects and initiatives due to its complex nature and multiple causes. Involving various stakeholders allows for solutions that address different challenges and promote behaviour change. These efforts span from production to consumption and target systemic issues and specific challenges. By implementing a range of interventions, we can effectively reduce food waste and create a more sustainable food system.

4.1 Charitable Donations

Our overall goal in all ALDI SOUTH Group countries is to maximise food donations and ensure surplus food reaches those in need. We work closely with food banks in each country, working hand-in-hand to minimise food waste and alleviate hunger in our communities.

Similarly, almost all ALDI SÜD stores in Germany are involved in charitable donations, particularly through partnerships with local food banks (Tafel) and other non-profit organisations. Our employees prepare a variety of food that is suitable for consumption but has minor imperfections, such as small blemishes or nearly expired best-before dates, to ensure that these items get to those who need them most.

In Australia, we work with food rescue organisations such as <u>Foodbank</u>, <u>OzHarvest</u> and <u>SecondBite</u>, as well as many local charities, to redistribute quality surplus food to those facing food insecurity. Our efforts in 2023 alone resulted in the donation of over 11 million meals and the diversion of over 335 tonnes of non-food items from landfill.



ALDI UK has been collaborating with <u>Neighbourly</u> since 2019 to donate surplus food, including fruit, vegetables, bakery, long-life products, and flowers to local groups. Our partnership facilitated the donation of over 40 million meals since the partnership began to those in need in 2021 and 2022. We have also extended our redistribution efforts to weekends and trialled the donation of chilled food, further increasing our support for local groups. This initiative reflects our commitment to combat food waste and contribute to communities across the UK.

4.2 Too Good To Go

In 2022, we expanded our commitment to reducing food waste by implementing the Too Good To Go initiative across all our stores in AT and 2023 in the UK and Ireland. This initiative improves our value proposition to our customers while aligning with our sustainability goals. Through Too Good To Go Surprise Bags, we offer ALDI's surplus food that would otherwise go unsold or uncollected by charities. These surprise bags offer customers the chance to enjoy quality food at a reduced price, helping to combat food waste.



Too Good To Go champions the mission of actively combating food waste on a broader scale. Customers can conveniently purchase surplus food and dishes from various partner establishments, including restaurants, bakeries and supermarkets, using the user-friendly Too Good To Go app. The app provides visibility of available portions from partner businesses and streamlines the ordering and payment process for users. You can join us in our efforts to make a positive impact on our communities and the environment through the Too Good To Go initiative.

4.3 Rettenswert

There are several reasons for food waste in the supply chain, including overproduction due to yield changes, planning, and aesthetic and size requirements. Unfortunately, many of these surpluses are hard for our suppliers to market or donate.

HOFER AUSTRIA has developed the brand Rettenswert to repurpose surplus products and upcycle them into something more valuable and delicious, in cooperation with <u>Unverschwendet</u>. The brand was trialled in our Austrian stores in 2022, and a new range of products was introduced in 2023. Since the launch of HOFER's sustainable brand around 529 tonnes of food have already been saved.

Examples of the products include pumpkin pesto made from imperfect pumpkins sourced directly from the farm, antipasti made from inconsistently-sized courgettes, and a spread made from carrots that were damaged during the washing process after harvest. In 2023, Austria experienced a tremendous surplus of seasonal tomatoes, which led to the creation of the Rettenswert ketchup in Austria which is the only ketchup to be 100% grown and produced locally.









4.4 Krumme Dinger/Wonky Veggies

ALDI SÜD Germany recognises the diversity of nature and the unnecessary waste caused by superficial imperfections in food. Rejecting items based solely on appearance contributes to significant food loss. Hundreds of thousands of tons of food are discarded annually in Germany due to aesthetic reasons, despite their excellent taste and quality. ALDI SÜD advocates for appreciating Krumme Dinger – imperfect yet delicious produce. Statistics show that a significant proportion of fruit and vegetables are sorted based on appearance alone, with only a fraction meeting the criteria for Class 2 retail standards.



ALDI SÜD encourages consumers to embrace Class 2 products. ALDI SÜD also collaborates with Acker e.V. to promote an appreciation of fresh produce among schoolchildren through school projects. The aim is to raise awareness and encourage responsible consumption. In some stores, ALDI SÜD offers Krumme Dinger apples from farmers transitioning to organic cultivation, supporting their transition by paying higher prices during the conversion phase. The aim is to incentivise orchard owners to adopt organic farming practices and contribute to a more sustainable food system.

4.5 Expiry Dates, Use-by Dates (Mindesthaltbarkeitsdatum)

The ALDI SOUTH Group emphasises that the best-by date on packaged foods is not a strict disposal deadline but rather a guideline for optimal quality. To reduce waste, additional labels such as *Smell me! Taste me! I'm often good for longer* have been introduced on products like Milfina fresh milk and Alpenmark cream cheese, encouraging customers to assess freshness before discarding.

The ALDI SOUTH Group also offers tips on planning your purchases, proper refrigeration, keeping bread airy and creative cooking to prolong the life of food. Not all items need to be refrigerated. Citrus fruits tend to lose their flavour in cold temperatures, and bread can dry out. It is advisable to freeze excess food, but caution should be taken to ensure suitability and to use airtight containers to prevent freezer burn. The ALDI SOUTH Group also promotes community sharing initiatives such as Foodsharing to collectively minimise food waste.



5 Stakeholder Dialogue

As a food retailer, we recognise the importance of collaborating with other stakeholders to combat food waste. By working with producers, distributors, government agencies and community organisations, we can leverage diverse perspectives and resources to implement effective solutions at every stage of the supply chain. This collaboration helps us identify inefficiencies, streamline processes and develop innovative strategies to minimise waste. Furthermore, through partnerships, we can increase our impact, create meaningful change and help build a more sustainable food system that benefits both our business and society as a whole.

5.1 Consumer Goods Forum Food Waste Coalition of Action

In June 2023, the ALDI SOUTH Group joined the <u>Consumer Goods Forum's Food Waste Coalition of Action</u>, which includes major brands such as Ahold Delhaize, Carrefour, Tesco, Kroger, and Walmart. This coalition brings together global manufacturers and retailers to collectively combat the urgent problem of food loss and waste by leveraging collective expertise and implementing effective solutions.

As a part of the coalition, the ALDI SOUTH Group and other members are committed to a number of activities, including measuring and reducing waste in our operations, fostering partnerships with suppliers and technology partners, and working with coalition partners to implement innovative strategies. Additionally, we aim to empower our customers by providing resources and guidance to minimise food waste at home.



The Coalition of Action on Food Waste, established by the Consumer Goods Forum, is dedicated to transparency and innovation in raising awareness and developing technologies to reduce food waste at local, regional and global levels. We pledge to make meaningful progress towards a more sustainable future where food waste is minimised and resources are used efficiently.

5.2 WRAP's UK Food Waste Reduction Roadmap

We support WRAP's UK Food Waste Reduction Roadmap, a comprehensive programme to help businesses identify, measure and tackle food waste. We actively promote WRAP's *Love Food Hate Waste* campaign through various channels, including our stores, social media, and in-store leaflets, while providing practical tips to our customers on how to reduce food waste. ALDI has supported WRAP's Food Waste Action Week in 2021, 2022, and 2023, demonstrating our commitment to combating consumer waste and its detrimental impact on climate change.







5.3 Pacific Coast Food Waste Commitment

In the United States, we have partnered with the Pacific Coast Food Waste Commitment (PCFWC) to reduce food waste on the West Coast by 50% by 2030. This partnership highlights our commitment to joining forces with industry peers to share insights and best practices. By supporting PCFWC's mission, we are not only reducing waste within our own operations but also influencing our suppliers and partners throughout the value chain.



This initiative reflects our belief that collaboration is the key to making meaningful progress in reducing food waste. Joan Kavanaugh, our Vice President of US National Buying, emphasises how our business model inherently promotes efficiency and waste reduction. Partnering with PCFWC and other signatories accelerates our progress and has a significant impact across the industry.

Through PCFWC, we gain valuable insights, collaborate with peers, and contribute to broader sustainability efforts. This partnership sets a precedent for collective action, inspiring others to join in the fight against food waste.

5.4 Pakt gegen Lebensmittleverschwendung



We have partnered with ALDI Nord and other food retailers to join the Pact against Food Waste, initiated by the German Federal Ministry of Food and Agriculture. We have committed to five mandatory goals:

- Reduce food waste by 30% by 2025 and by 50% by 2030
- Expand food donations
- Follow the principle of waste avoidance, donate surplus food, and dispose of as little as possible
- Handle returns responsible
- Train personnel in relevant goods handling

In addition, the ALDI SOUTH Group and ALDI Nord will implement at minimum eight optional measures per calendar year within their own areas of responsibility or at the interfaces with suppliers, customers, and donation partners. This dedication to the goals reflects a firm commitment to combat food waste and foster a more sustainable food system for the benefit of the environment and society as a whole.











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Please visit <u>sustainability.aldisouthgroup.com</u> for more information on our international corporate responsibility activities.