Objectives, Actions and Performance

FOOD R WASTE

FACTSHEET

2025





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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, incorrect storage 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 2024, food waste within the ALDI SOUTH Group's own operations represented around 0,6% of all food sold. While we aim to halve food waste between our baseline years and 2030, 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. Where this is not possible, we aim to sell surplus food through resale partners such as Too Good To Go, use it 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 surplus food, prioritising 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 redistribute 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 waste to biogas and composting facilities. We divert operational waste from landfill and incineration via donations, reuse and recycling.

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 in own operations 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. As an example, ALDI UK and Ireland has achieved a nearly 70% 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 Food Waste - ALDI UK

3 | FACTS ABOUT FOOD WASTE



^{*} Approximately 195,350 tonnes donated (includes 2022: 42,213 tonnes, 2023: 74,572 tonnes, 2024: 78,565 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 and 100 % of our Austrian HOFER stores 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 2024 alone resulted in the donation of over 16.8 million meals and the diversion of approximately 674 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 Austria, followed by launches in the UK and Ireland in 2023. This initiative strengthens our customer value proposition while supporting our broader 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 give customers the opportunity to enjoy quality food at a reduced price, all while helping to combat food waste.



Too Good To Go is a global social impact company on a mission to fight food waste by connecting users with businesses that have surplus food. With over 120 million registered users and 180,000 active partners across 19 countries in Europe, Australia, and North America, Too Good To Go is proud to be a certified B Corp and the world's largest marketplace for surplus food. Join us in making a positive impact for both the planet and our communities by downloading the Too Good To Go app and rescue an ALDI Surprise Bag.

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 its own brand, Rettenswert, to repurpose surplus products from its supply chain. It is upcycled into new products in cooperation with <u>Unverschwendet</u>. The brand Rettenswert started in our Austrian stores in 2022. Since the launch of HOFER's sustainable brand, around 1.200 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.

4.4 KRUMME DINGER/WONKY VEGGIES



ALDI 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 tonnes of food are thrown away every year for aesthetic reasons, despite their excellent taste and quality. To encourage change, we are selling these fruits and vegetables in our ALDI stores in Germany, AT and UK . ALDI <u>Germany</u> and <u>AT</u> are also promoting the appreciation of <u>Krumme Dinger</u> – imperfect but delicious produce, ALDI UK sells the wonky fruit and vegetables under the brand 'Aldi's

Everyday Essentials'. 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 encourages consumers to embrace Class 2 products. ALDI Germany also collaborates with Acker <u>e.V.</u> to promote an appreciation of fresh produce among schoolchildren through school projects. The aim is to raise awareness and encourage responsible consumption.

4.5 | HOUSEHOLD FOOD WASTE

According to the UNEP Food Waste Index Report, the average person throws away 47kg of food per year, and this figure applies to individuals who live in both lower-middle income and high-income countries. Given that nearly 30% of the world's population has limited or uncertain access to nutritious food, we believe it is our responsibility as a food retailer to encourage our customers to minimize food waste at home and raise awareness about the importance of this issue.

One measure we have implemented to tackle household waste is emphasizing that the use-by date on packaged foods is not a strict disposal deadline but rather a guideline for optimal quality. To achieve that, we introduced labels (e.g. Smell me! Taste me! I'm often good for longer) 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. ALDI SÜD 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. ALDI UK 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 yearly Food Waste Action Week since 2021, 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.