

# Our Journey to Make Sustainability Affordable

2023 Highlights



# Our Momentum is Stronger Than Ever

With more than a quarter of U.S. households shopping at ALDI stores, demand for our quality, affordable groceries is at an all-time high, and it's why we're adding more than 800 stores nationwide over the next five years.

Expanding our footprint and serving shoppers in more communities means we have an even greater responsibility to reduce our environmental impact and implement sustainable practices. We want the millions of customers who trust ALDI every day to feel good about shopping with us, from the products they bring home to their families to the ways we support their local communities.

**Our ambition is to be the most sustainable grocer in the country.** We believe people shouldn't have to choose between shopping responsibly and saving money, so we're working hard to make sustainability affordable and accessible to all.

While this is a big ambition, our business model sets us up for success. ALDI stores are generally half the size of the average

supermarket, which makes them inherently more efficient. And because they are stocked with 90% private label products, we work closely with suppliers who share our mission to responsibly source, produce and package what's on our shelves.

We take this responsibility seriously. In 2023, we were recognized as a leading grocer in sustainability\* and made progress in five critical areas that serve our mission to protect the planet and support the causes our communities care about:

- **Reducing Emissions:** ALDI made an industry-leading commitment to transition all our stores to natural refrigerants by 2035. Using environmentally friendly refrigerants in more than 700 stores is helping ALDI save 60% of potential carbon emissions each year.
- **Improving Packaging:** We eliminated all plastic shopping bags at check out from our stores, preventing nearly 9 million pounds of plastic from going into circulation every year. We're incredibly proud to be the first major U.S. retailer to take this step.

- **Minimizing Waste:** We diverted 76% of our operational waste from landfills.
- **Sourcing Products Responsibly:** In line with our industry, we accelerated our timeline to eliminate deforestation in high-priority supply chains to help protect biodiversity and reduce global warming.
- **Supporting Communities:** We deepened our partnerships with leading organizations like Feeding America and Boys & Girls Club to combat food insecurity and support children's health & wellness.

**As one of the fastest-growing grocers in the country, we can make a real difference for our customers, communities and the planet.** While we're proud of the progress we've made, we aren't stopping here. We're committed to working together with our shoppers, partners and communities to deliver on our ambition to become the most sustainable grocer.



**Jason Hart**  
Chief Executive Officer, ALDI USA

## About This Report

This report covers ALDI USA and refers to progress made in the 2023 calendar year (January 1 - December 31, 2023).

# What Sets Us Apart

ALDI offers customers a quicker, easier shopping experience with high-quality products at the lowest possible prices.

dunnhumby

#1 in Everyday Low Price by dunnhumby



Progressive Grocer Top 10 Most Sustainable Grocer



EPA GreenChill Certified



Progressive Grocer Impact Award Winner

2,400+ stores across 38 states



46,000+ employees



Over 90% of our products are ALDI-exclusive brands



1 in 3 ALDI-exclusive products are award-winning<sup>1</sup>



Carefully select and stock ~2,000 products including our rotating selection of 250-300 seasonal and ALDI Finds items, compared to 10,000+ at a traditional grocer



Customers save 40% on a basket of groceries compared to traditional grocery stores<sup>2</sup>



One-quarter of U.S. households shop at ALDI, up 2x from six years ago

<sup>1</sup>Circana Panel Quarterly Data | ALDI Loyals (>30% ALDI SOW); ALDI Occasionals (5-30% ALDI SOW); ALDI Prospects (<5% ALDI SOW); ALDI New (Has not purchased within the past 52 weeks). <sup>2</sup>If you purchased all ALDI's exclusive grocery brands instead of the competitors' comparable items. Prices checked weekly and monthly. Your savings may vary. Competitors may offer lower priced branded/private label items. Savings per basket 16%-40%.

# Reducing Our Greenhouse Gas Emissions

In 2020, ALDI set an ambitious target to reduce absolute Scope 1 and 2 emissions by 26% by 2025 compared to a 2016 baseline. We not only met, but exceeded that goal, achieving a 49% reduction! As such, we revised our short-term 2025 goal to reflect reductions made to date and a 2021 baseline.

To further reduce our emissions, we are focused on purchasing renewable energy, reducing our energy consumption and investing in energy efficient systems in our stores, regional distribution centers and offices. We are also working closely with our suppliers and partners to help them find new opportunities and technology to reduce their own carbon footprints.

In 2023, we submitted net-zero emissions targets to the Science Based Targets initiative (SBTi) for validation to demonstrate our commitment to reducing our impact on the planet.

## How ALDI Defines Our Scope 1, 2 and 3 Emissions:

### Scope 1

Direct emissions from our stores, regional distribution centers and offices.

### Scope 2

Indirect emissions from purchased energy for operating our stores, regional distribution centers and offices.

### Scope 3

Indirect logistics emissions from external partners, suppliers, customers and third parties throughout the ALDI value chain.

## Goals

- **Reduce Scope 1 & 2 emissions by 4%** by 2025 compared to 2021 baseline.
- **Transition all US stores to natural refrigerants** by end of 2035.

## 2023 Progress\*

**703 stores using natural refrigerants**, representing **30%** of our total store footprint.

**Piloted the installation of doors on deli sections in 55 stores** which helped reduce energy usage by up to **25%** per store.

**185 ALDI stores and 14 distribution centers powered** in part **by solar or wind energy**.

**Tested new technology to recover waste heat from other systems**, like refrigeration units, to reuse the heat for HVAC equipment, driving energy efficiency. This keeps the store more comfortable for our employees and customers, while using less energy.

Set a baseline to understand the embodied carbon (the carbon emissions associated with the production, procurement and lifecycle of store construction materials) of our stores, so we can **incorporate more sustainable materials** moving forward.

**Partnered with suppliers to find opportunities to reduce their own greenhouse gas emissions;** in 2023, we visited dairy farms in our supply chain to learn directly from farmers and inform our long-term strategy.

*\*ALDI US emissions reduction data for the year ending 2023 will be available in November 2024. This report will be updated with the data once available.*

# Reducing Our Greenhouse Gas Emissions

## A Leader in EPA's GreenChill Program



In 2023, ALDI once again received the **EPA's GreenChill Store Certification Excellence recognition** and achieved the most certifications at the platinum level out of all participating U.S. grocery retailers. Through this program, GreenChill food retailers like ALDI maintain emission rates that are approximately half the industry average, resulting in a significant benefit to the environment.

ALDI prioritizes using natural refrigerants to keep its products fresh while supporting a healthier planet.

*“ALDI continually shows its commitment to the environment by minimizing refrigerant emissions at stores, including the 109 stores that have been recertified in 2023 for the fifth year in a row at the platinum level. ALDI is leading the way with GreenChill certified stores.”*



**-Cindy Newberg,**  
Stratospheric Protection Division Director at the EPA



## Piloting new technology to drive energy savings

Throughout our stores, we have automated heating, cooling and lighting systems to ensure energy is used only when it's needed, and conserved when it isn't.

In 2021-23, we piloted a refrigeration system in 128 stores, allowing us to more accurately sense when our coolers are not running at ideal temperatures, which creates risk for food spoilage.

The new system brings smart controls so our team can better understand the source of the problem and help resolve issues more effectively.

The early pilot has resulted in a significant reduction in food spoilage and refrigerant leakage, an important achievement as we seek to reduce our emissions. Because of this pilot's success, we are rolling this technology out nationally to all ALDI store locations.

# Advancing Sustainable Packaging

Whether it's fresh blueberries, artisanal pasta or Fair Trade coffee, many of the nearly 2,000 products in our stores are packaged in some way.

That makes packaging an essential part of our business. In addition to keeping our products fresh and safe, packaging presents a strong opportunity to reduce unnecessary waste and identify alternative materials that can advance our sustainability goals.

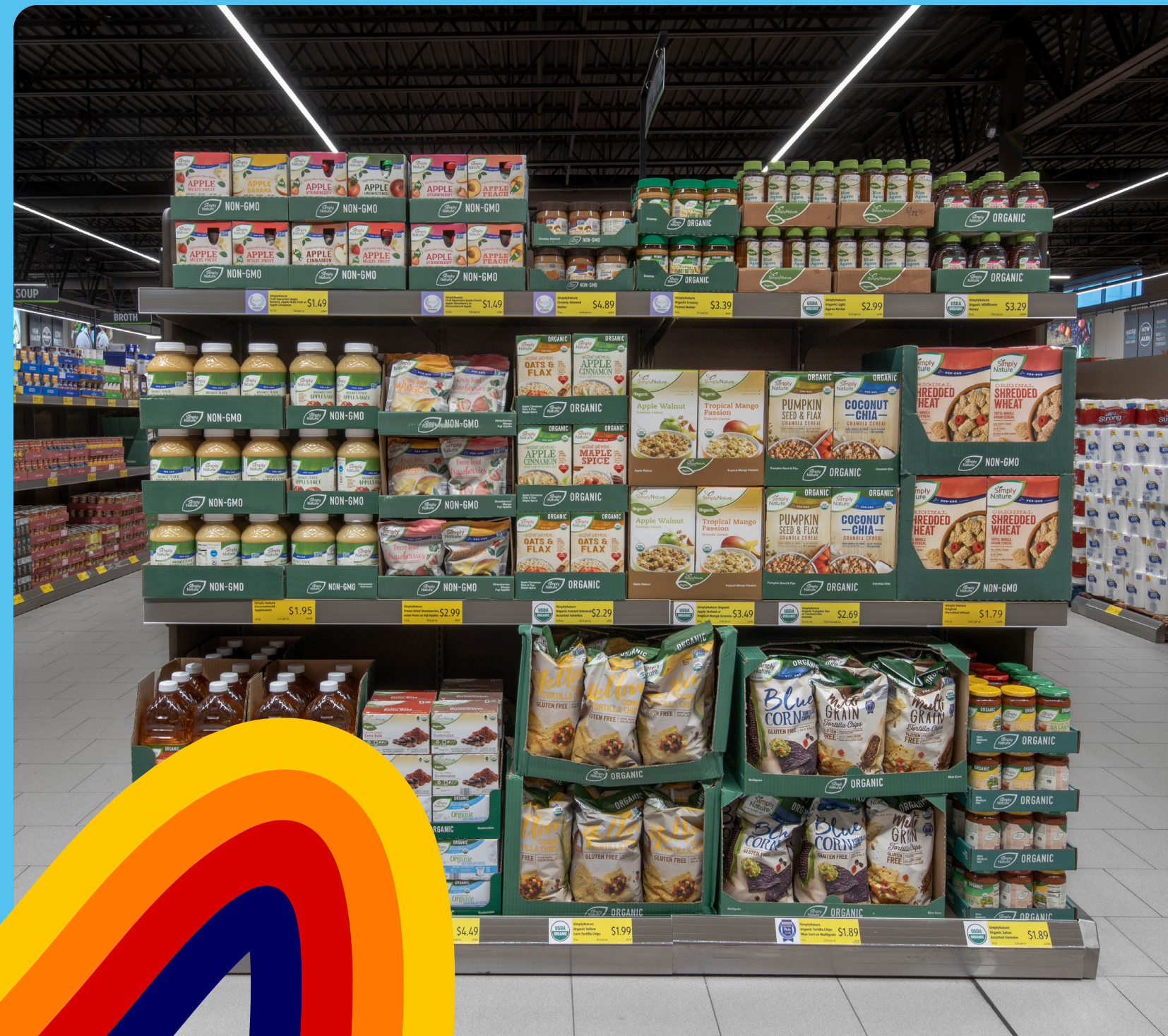
With more than 13,000 packaging components across ALDI products, working closely with suppliers, buyers, third party organizations and the broader industry is critical to advancing progress on our sustainable packaging ambitions.

In 2023, we continued our journey on how we assess the recyclability of packaging components. We will continue to work with our suppliers and service providers to improve data collection and reporting.

## Goals

- **Make 100% of ALDI-exclusive primary\* packaging reusable, recyclable or compostable** by the end of 2025.
- **Use 20% post-consumer recycled (PCR) content**—material that has already been tossed into the recycling bin by consumers—on average in our ALDI-exclusive plastic primary packaging by the end of 2025.
- **Reduce ALDI-exclusive primary packaging materials 15%** by the end of 2025.

*While we remain committed to making progress on sustainable packaging, industry-wide challenges, including material availability, innovations and recycling infrastructure, must be addressed in order to meet our goals. We will continue to focus on taking action within and beyond our supply chain as we recognize that these challenges require collaboration and partnership.*



# Advancing Sustainable Packaging

## 2023 Progress

**76%** of ALDI exclusive packaging is recyclable, reusable or compostable, by weight.\*

**Eliminated plastic shopping bags at check out from all U.S. stores**, preventing nearly **9 million pounds of plastic** from circulation every year.

**Continued to innovate our packaging to reduce waste, eliminate harmful materials and use more recycled content.** As a few examples:

- Reduced plastic packaging for grapes by approximately **19%** with new top-seal punnet packaging.
- Reduced the packaging of our Yogurt Bites by nearly **10%** by reducing the pouch and zipper size.
- Transitioned over **13 tons** of Styrofoam used to package gardening and houseware ALDI Finds to fiber-based recyclable alternatives like paper board and honeycomb board.
- Removed the non-recyclable shrink sleeve from our Vista Bay Hard Seltzers, and switched to pre-printed aluminum cans, saving more than **2 tons** of plastic.
- With one of our suppliers, we added **25%** post-consumer recycled content in two of our hummus containers, which will increase our use of recycled materials by more than **80 tons** annually.



## Collaborating toward a circular economy

ALDI is engaged in several coalitions and alliances working toward a more circular economy for packaging.



### US Plastics Pact

As outlined by the Ellen MacArthur Foundation's New Plastics Economy Initiative, the US Plastics Pact brings together business, nonprofit organizations, government agencies and research institutions to work toward the common vision for a circular economy for plastics.



### Sustainable Packaging Coalition

The Sustainable Packaging Coalition believes in the power of industry to make packaging more sustainable. As a coalition member, ALDI can advance its impact through education, collaboration and action; this includes using the **How2Recycle** standardized labeling system to clearly communicate recycling and disposal instructions to our shoppers.



### FMI - the Food Industry Association

On its mission to advance a safer, healthier and more efficient consumer food supply, FMI - the Food Industry Association develops sustainability tools and resources to help the grocery industry reduce waste, understand consumer priorities, increase recycling rates, improve packaging and continue progress toward long term sustainability goals.



### Retail Industry Leaders Association (RILA)

In bringing together leading retailers, RILA helps advance sustainability within the industry by sharing best practices to promote innovation in packaging across the industry.

\*Recyclability is currently assessed at the component level referencing guidance from the Association of Plastics Recyclers and the ALDI International Recyclability Guideline. We are working to improve data collection and recyclability assessments through our valued partnerships, such as the US Plastics Pact and Lorax EPI. Data is from products sold within 2023 and represents 87% of US items by sales.

# Minimizing Our Waste

As a retailer of groceries, household essentials and more, we always strive to minimize waste and manage it responsibly.

We've optimized our ordering protocols and technology to minimize over-ordering from the start, and we maintain strong community partnerships with organizations like Feeding America to help ensure food and goods find a second home when they need one. And when it comes to the end of a product's lifecycle, we work hard to find ways to reuse and recycle materials like wood pallets, cardboard and plastic film.

## Goals

- **Achieve zero waste** in our operations by the end of 2025 by diverting 90% of our waste\* from landfills through recycling, donation and organics recycling programs.
- Aim to **reduce our food waste by 50%** by the end of 2030.

## 2023 Progress

**Diverted 76% of operational waste** companywide.

**Removed all bottled water and disposable dishware** at our corporate and divisional offices.

**Sent 2,013 tons of food to compost and anaerobic digestion facilities**, a **22.4%** increase year over year.

**Donated 39 million pounds of food**, equivalent to **32.5 million meals**, to Feeding America and other donation partners. Of that, nearly 1 million pounds of food were donated to independent food banks in the communities ALDI serves nationwide.

**Expanded our non-food donation program to 25 divisions**, increasing our donations of apparel, home goods, pet products and more to community members in need, helping nearly **1,500 tons** of product find a new purpose.

**Recycled or reused over 382,000 tons of cardboard, wood pallets and plastic film** that would have otherwise gone to landfill. This weight is equivalent to over **85,000 forklifts!**



# Minimizing Our Waste

## Working toward shared goals

ALDI is a key partner of leading food waste initiatives, including:



### U.S. Food Waste Pact

The U.S. Food Waste Pact is a national voluntary agreement to help food businesses accelerate progress toward their food waste reduction targets. It's designed to drive meaningful action through pre-competitive collaboration and data-driven strategy across the supply chain.



### U.S. Food Loss & Waste 2030 Champion

U.S. Food Loss and Waste 2030 Champions are businesses and organizations that have made a public commitment to reduce food loss and waste in their own operations by 50% by the year 2030.



### ReFED

ReFED is a national nonprofit dedicated to ending food loss and waste by advancing data-driven solutions.

## Addressing multiple challenges with on-farm innovations

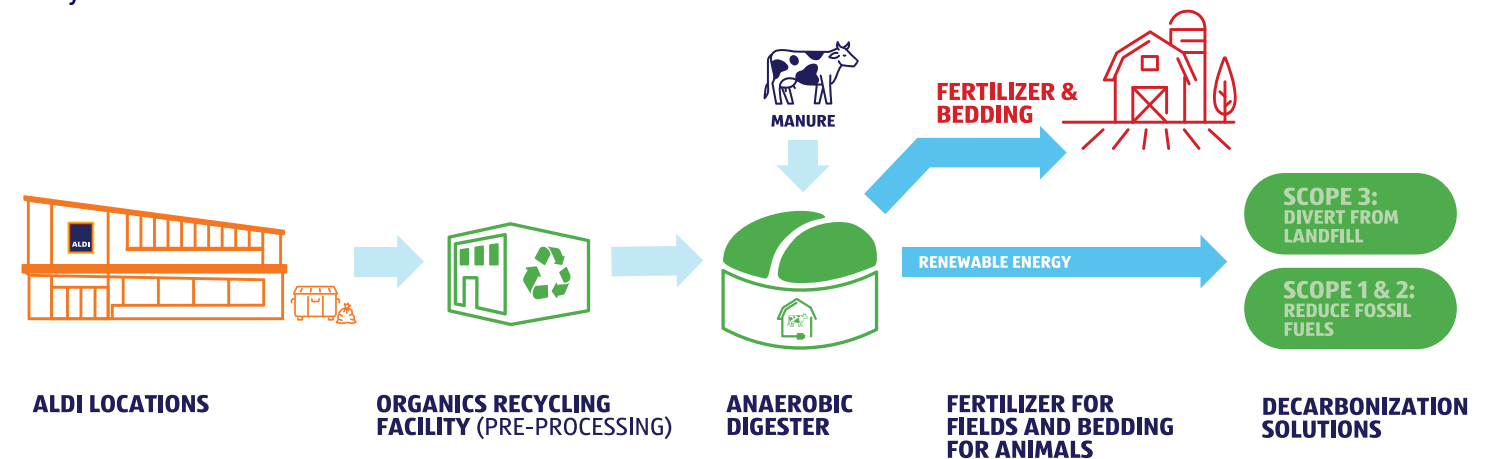
Recognizing the potential to turn food waste into valuable outputs, in 2023, we piloted an anaerobic digestion program in 20 stores in Massachusetts.

Anaerobic digestion uses bacteria in tanks to break down organic matter, such as food waste, and turn it into biogas and digestate. The biogas can be used to generate electricity or natural gas; digestate can be used as nutrient-rich fertilizer to support soil health and even turned into bedding for farm animals.

What's more, digesters can help further decarbonize the food system, particularly when they're hosted on farms.

For this pilot, an ALDI service provider worked with farmers to help them better manage manure and recycle food with the digester, and apply the nutrient-rich digestate to farmland in place of fossil fuel-based fertilizers.

This pilot helped reduce our waste sent to landfill by 50% for participating stores. We are expanding this program even further in 2024.



# Sourcing Products Responsibly

As one of America's fastest-growing grocers, we work hard to offer products our shoppers can feel good about. We know our customers are looking for high-quality products that also benefit farmers, workers, communities and the environment; because we're focused on offering a better selection, not a bigger one, we can curate the best products in terms of both quality and sourcing.

Our approach to responsible sourcing entails working with suppliers to ensure they uphold our high environmental and social standards. Wherever possible, we seek out industry certifications that validate our responsible sourcing efforts.

## Goals

- **NEW: Certify 100% of private label coffee as responsibly sourced** by the end of 2025 through Fair Trade USA, Fairtrade America and Rainforest Alliance.
- **Achieve deforestation/conversion-free high-priority supply chains** for palm oil, cocoa, coffee, beef, wood and wood fibre-based products.
- Continue to strengthen our requirements to **source all fresh, frozen, farmed and wild-caught seafood from fisheries that are Global Sustainable Seafood Initiative (GSSI) benchmarked third-party certified or from Fishery Improvement Projects (FIPs)** by the end of 2025.
- **Convert to Roundtable on Sustainable Palm Oil (RSPO)-certified palm oil derivatives and fractions** for all nonfood products by the end of 2024.
- **Use recycled or certified cotton** to produce ALDI-exclusive apparel and home textile products by 2025.
- Transition to a shell **egg supply chain that is 100% cage free** by 2025 based on available supply, regulatory and consumer demand.

*Due to challenges and constraints in the US market, including available supply and consumer demand for affordability, we do not expect to meet this target. To advance progress, we will continue to work closely with our suppliers and partners to confront these challenges and advance animal welfare within our supply chain.*



# Sourcing Products Responsibly

## 2023 Progress

**99%** of ALDI fresh and frozen beef comes from sources that are at low risk of deforestation.

**100%** of everyday items made of wood or pulp are certified as sustainably sourced from well-managed forests.

**97%** of our private label chocolate and seasonal confectionary items\* were certified as responsibly sourced through Fairtrade, Fair Trade USA or Rainforest Alliance.

**51%** of our private label coffee is certified as responsibly sourced through Fair Trade USA, Fairtrade America and Rainforest Alliance.

**96%** of nonfood products use RSPO-certified palm oil derivatives and fractions.

**100%** of the palm oil and palm kernel oil used in private label products is certified sustainable by the RSPO as mass balance or higher.

**78%** of the cotton used in ALDI-exclusive apparel and **22%** of the cotton used in home textile products is certified Organic Cotton, Cotton in Conversion, Cotton made in Africa, Better Cotton, Recycled Cotton or Fairtrade.

Generated **\$2.4 million** with Fair Trade USA in community development funds for farm workers and their families, through certified product and ingredient purchases.

## Goods you can feel good about

We want our customers to feel good every time they shop our aisles, which is why we offer responsibly sourced products at the lowest possible prices, including:



## Our responsible sourcing certifications include:



\*Items with a total product weight containing at least 40% cocoa.

# Supporting Our Communities

We strive to make the towns, cities and neighborhoods we call home a little bit better every day. We achieve this by investing in programs that drive long-term change for our communities and employees across five strategic pillars: Children's Health & Wellness, Food Insecurity, Disaster Relief, Diversity, Equity & Inclusion and Employee Programs.

## 2023 Progress

### Children's Health & Wellness

- **Raised more than \$1.4M for Alex's Lemonade Stand Foundation (ALSF)**, the most funds raised in a single year since the partnership's inception. In addition to a \$1M donation from ALDI, suppliers and employees amplified their fundraising efforts through lemonade stands, the ALSF Million Mile and employee giving. At the end of 2023, ALDI had contributed more than \$6M to ALSF, more than 60% towards our goal to raise \$10M by 2027. This year we were honored with a Progressive Grocer Impact Award for our partnership with ALSF.



### Food Insecurity

- **Donated 32.5 million meals to Feeding America.**
- **Gave \$400,000** to the organization and its Food Security Equity Impact Fund to help with food insecurity and disaster relief efforts.



### Disaster Relief

- **Packed more than 11,500 boxes of food for Feeding America**, equivalent to over 200,000 meals to help support people impacted by natural disasters, like the Maui wildfires.

### Diversity, Equity and Inclusion

- **Launched a four-year \$1M partnership with Hope Chicago** providing funding for Chicago's only two-generation scholarship program.
- **Granted \$750,000 to Boys & Girls Clubs of America** to support youth development and healthy and active lifestyles.
- **Provided \$250,000 to support Big Brothers Big Sisters (BBBS).**
- **Granted \$50,000 to the Hispanic Scholarship Fund** to help create scholarship awards for youth around the country.

### Employee Programs

- **2,921 ALDI employees logged 5,320 volunteer hours**, and ALDI employees contributed to **257 charities**, with ALDI matching over **\$60,000 in donations.**
- **Supported 168 employees** through the ALDI Employee Relief Fund by distributing **\$287,326 in grants.**

# Supporting Our Communities

## Deepening our partnerships to drive greater impact



### Boys and Girls Club

ALDI supported 20 Clubs across the country, reaching 200,000 kids. With increased financial support and through employee volunteerism, ALDI helped clubs implement new programs to better support club youth, and increased access to help kids live healthy lifestyles and address food insecurity.



### Hope Chicago

ALDI knows how important it is to support our hometown; that's why we became a founding partner of this economic mobility program providing debt-free college and workforce opportunities for Chicago youth and a parent or guardian. In just a few short years, Hope Chicago has seen college enrollment rates rise from 57% to 74% in the schools where it operates. ALDI understands the potential for long-term economic impact for thousands of Chicago families and is proud to support Hope Chicago.

*"Hope Chicago is grateful for ALDI's support in breaking down barriers to postsecondary access for our scholars, families, and communities on the south and west sides of Chicago. ALDI knows that long-term change doesn't happen overnight and their work in doubling down on equitable postsecondary opportunities exemplifies their commitment to that change."*



- Dr. Janice K. Jackson,  
CEO, Hope Chicago

## ALDI employees driving impact

ALDI employees are passionate about making their neighborhoods better places and play a significant role in helping us build healthier, happier communities.



### Heidi Strieber, Warehouse Manager in Loxley, Alabama

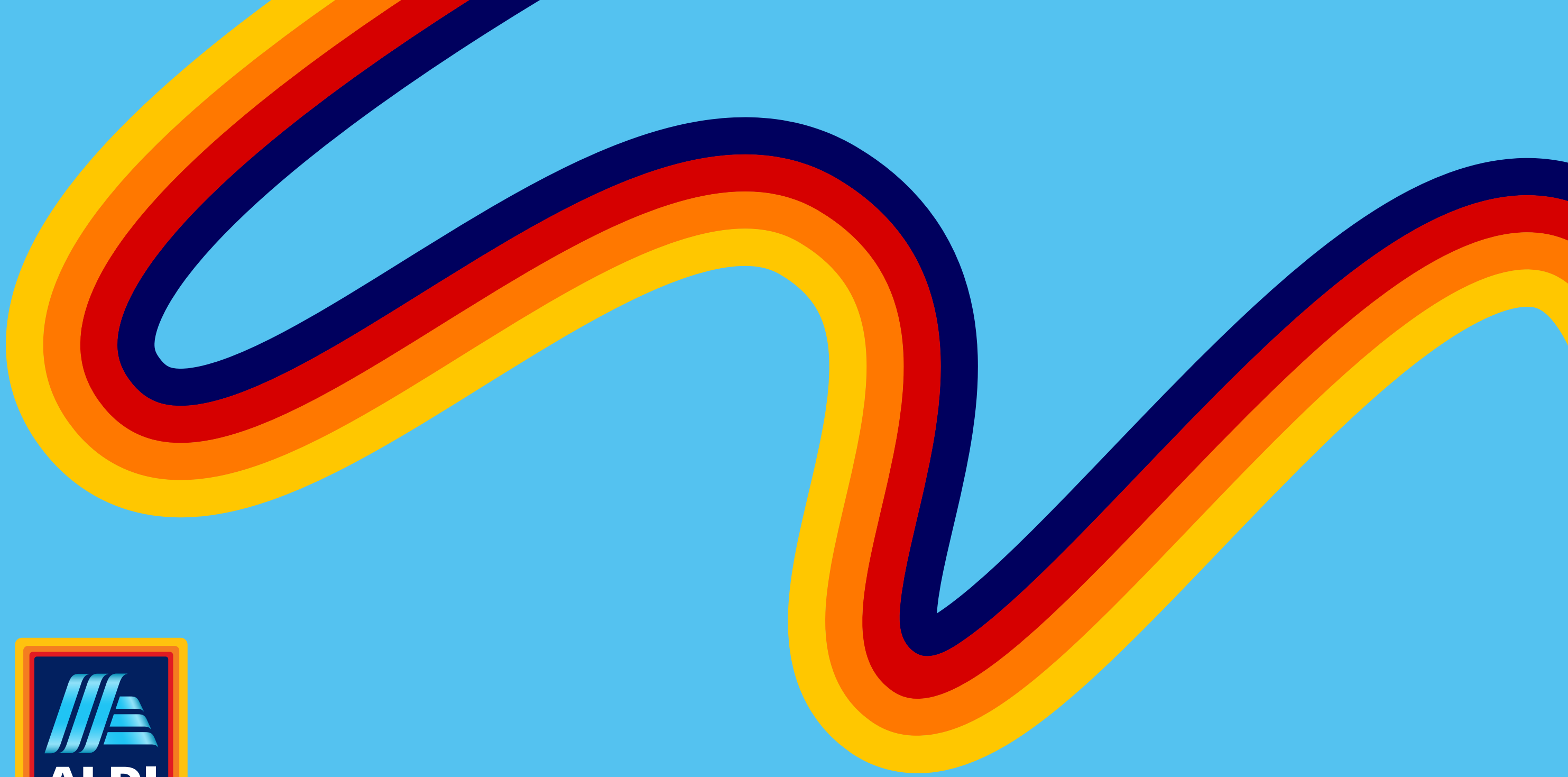
Every day in the month of June, in support of Alex's Lemonade Stand Foundation (ALSF), Heidi hosted a bake sale at the Loxley warehouse with her own lemon-themed baked goodies like lemon bars, cookies, and cake pops, raising \$1,200 for ALSF.



### Richard Hassett, Warehouse Operations Manager in Haines City, Florida

Richard oversees the entire division's annual disaster relief packing event, where employees come together to pack boxes stocked with food and essential goods for families impacted by wildfires, tornadoes and hurricanes.

Year after year, Richard has gotten hundreds of ALDI team members involved to make this event the same size as the national event! Since 2019, he has helped volunteers pack over 6,000 disaster relief boxes.



For more information visit the [ALDI South Group website](#)