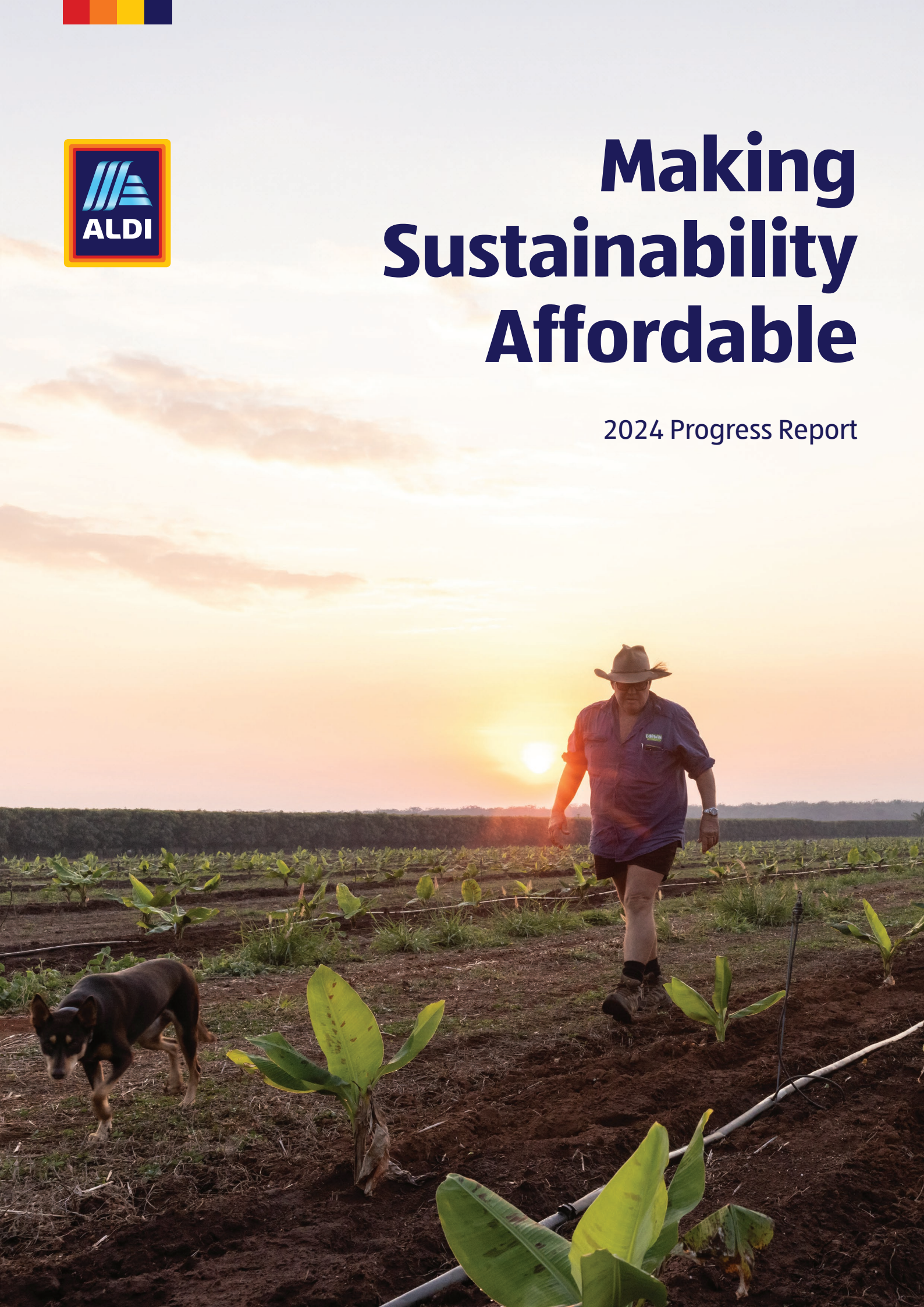




Making Sustainability Affordable

2024 Progress Report



Introduction

This year's Making Sustainability Affordable report documents ALDI's recent progress against our ambitious sustainability goals, as we strive to make the difference that we all want to see.

ALDI has an impact on the environment and the communities we operate in. Along every step of the supply chain, the scale of our business means that we play a critical role in driving sustainable change.

ALDI's commitment to Making a Good Difference is about working in partnership with our Business Partners, employees and customers to have a positive impact on the sustainability of the world around us. While our strategy centres around being Australia's most affordable supermarket, we also want our customers to be confident in knowing that shopping with ALDI doesn't come at the expense of the planet. That's why I'm proud of the progress shown in this report.

We have reached significant milestones in reducing plastic across our product packaging and transitioning to a lower emissions operating model in 2023. This is thanks to the ambitious and transparent targets we set out for our people and Business Partners. Ensuring they feel empowered and supported to deliver on our commitments is essential for our continued success. Our strong supply base, together with the benefit of global scale, means ALDI is in a great position to steward sustainability across our range of exclusive products. This responsibility continues to influence our buying choices and how we work with our Business Partners. This focus will only increase, because being a sustainable business is an imperative, not a choice.

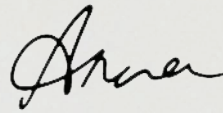


Our key business values of simplicity, consistency, and responsibility guide our sustainability goals and achievements.

As we evolve how we are Making a Good Difference, now and into the future, we are proudly aligning as a global business to implement the ALDI SOUTH Group's recently announced Global Sustainability Strategy (GSS). You can read more about it at the end of this report.

While we're always focused on how we can drive positive change here in Australia, we are also proud to be part of a global organisation who can set the standard and drive change so that we can take care of our planet on a larger scale.

It's a shining example of how collaboration and co-operation will help us achieve our long-term ambitions.



Anna McGrath

Chief Executive Officer





Acknowledgment of Country

ALDI Australia acknowledges and respects Australia's First Nations (Aboriginal and Torres Strait Islander) peoples as the Traditional Custodians of the land on which we operate our stores, distribution centres, regional offices and the national office. We also extend our respect to First Nations ALDI team members, contractors, Business Partners and customers.

The artwork on the left is called 'Tracking' and was commissioned by ALDI and created by First Nations artist Amy Kilby, a proud Wiradjuri woman from the Riverina region in NSW.

Making a Good Difference



At ALDI, our approach to sustainability is all about Making a Good Difference. It's one of the most important aspects of our business and our brand.

This approach acknowledges our responsibility to deliver the highest quality products that are good for our customers as well as the planet. In collaboration with our Business Partners, we constantly strive to reduce our environmental impact and drive positive change.

All of our sustainability initiatives are categorised into four pillars:

1. **Good Planet**
2. **Good Community**
3. **Good Business**
4. **Good Health**



Good Planet

Because sustainable living shouldn't cost the earth.



Good Community

Because helping our mates is what we do.



Good Business

We love supporting locals because after all, we're locals too.



Good Health

Keeping Aussies happy and healthy for generations to come.

Our business structure and operations

ALDI Australia is part of the ALDI SOUTH Group, with a rapidly growing network of over **7,000 stores in 11 countries, serving millions of people across four continents.**

ALDI Australia operates its business locally in line with consumer tastes and market expectations. We have an Australia-first sourcing approach, working with **more than 1,000 Australian Business Partners.**

ALDI is Australia's most affordable supermarket, providing customers with the highest quality groceries at permanently low prices. We do this by offering a limited but carefully selected product range, working closely with Business Partners to maximise efficiencies in delivering quality and value to customers.

Data independently audited by PwC shows that ALDI had an average price gap of 15-20% in 2023, with ALDI shoppers **saving \$3.4 billion on their grocery bills.** An average family shopping at ALDI can **save up to \$2,538 a year.**

Transparency

ALDI is transparent in everything we do. This helps customers make informed and sustainable shopping choices without ever compromising on their expectation for quality products at the lowest prices.

595
stores in six states and territories

>16,700
employees

>1,000
Australian Business Partners

5 million
households' shop with us every month



A snapshot of ALDI's Sustainability Progress




ALDI Australia was recognised as the 2023 'Green Supermarket of the Year' at the Finder Green Awards.

First
Australian Supermarket to



Power our operations with **100%** renewable electricity (2021).
Find more information on [page 7](#).


 Implement a **national battery recycling** program for customers. (2013)

 **Remove plastic straws** from juice cartons. (2021)

 **Remove artificial colours** from our exclusive brand food products. (2011)

ALDI Sourcing

 Sustainably certified **100% cocoa and tea, 80% coffee.**

 Responsibly sourced **fish and seafood products.**

 **Eggs, fresh milk and fresh salmon** exclusively from Australian farmers.

 **RSPCA Approved or Free-Range Egg and Poultry Australia (FREPA)** certified **fresh and frozen chicken.**

 Paper and pulp-based products that are certified sustainable or are made from **100% recycled materials.**

 Paper and pulp-based packaging across our exclusive everyday range that is certified **FSC, or PEFC, or made with a minimum of 70% recycled materials.**

ALDI in the Community



>\$6.7 million donated to Australian children's cancer charity [Camp Quality](#) since 2020.



11.8 million meals provided through [Food Rescue Programs](#) in 2023.



87% total [waste diversion](#) rate in 2023.

Good Planet



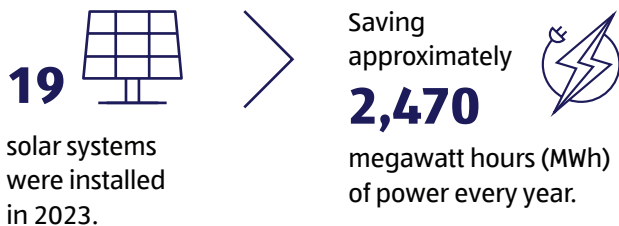
As a major retailer in Australia, we recognise that we have an important role to play in creating a more sustainable future.

Renewable electricity

All ALDI Australia stores and warehouses have been powered by 100% renewable electricity since July 2021. As the first and only Australian supermarket to have achieved this commitment, we're continuing to invest in renewables.

- **On-site generation** - 92% of our freehold stores now have a solar system in place, reducing emissions equivalent to powering over 5,000 Aussie homes.
- **Off-site generation** - we have entered into Power Purchase Agreements (PPA) with wind farm operators in Western Victoria and the Southern Tablelands of New South Wales to purchase electricity directly from renewable energy generators.
- **Acquisition of Large-Scale Generation Certificates (LGCs)** - through a LGC supply-only PPA, with Waubra Wind Farm in Victoria.

ALDI remains connected to the grid with onsite solar providing a share of electricity (16% in 2023) to our stores and distribution centres. We acquire LGCs equivalent to the balance of our energy needs from wind farms and work with the Clean Energy Regulator to verify that our 100% renewable electricity commitment is correct and transparent.

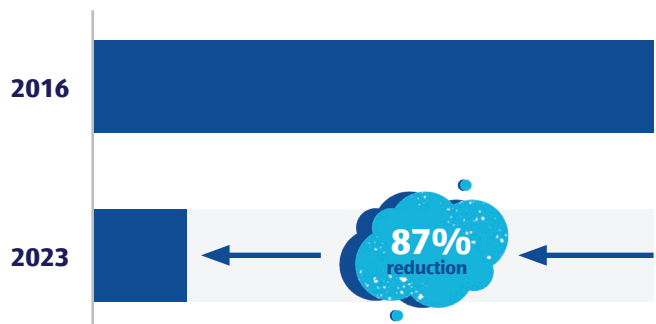


Since 2023, our commitment to 100% renewable electricity has been reviewed and verified under the Federal Government's Corporate Emissions Reduction Transparency (CERT) framework.¹ This ensures that our commitment can be reported to the public in a clear and consistent way.

Reducing emissions

We recognise that our responsibility goes beyond our own operations, extending to the impacts of our supply chain and those we do business with. ALDI has set ambitious climate targets as part of its commitment to reducing carbon emissions across our business and supply chains.

ALDI Australia reduced its absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions by 87% as at the end of 2023, from a 2016 base year.



1. Corporate Emissions Reduction Transparency Report

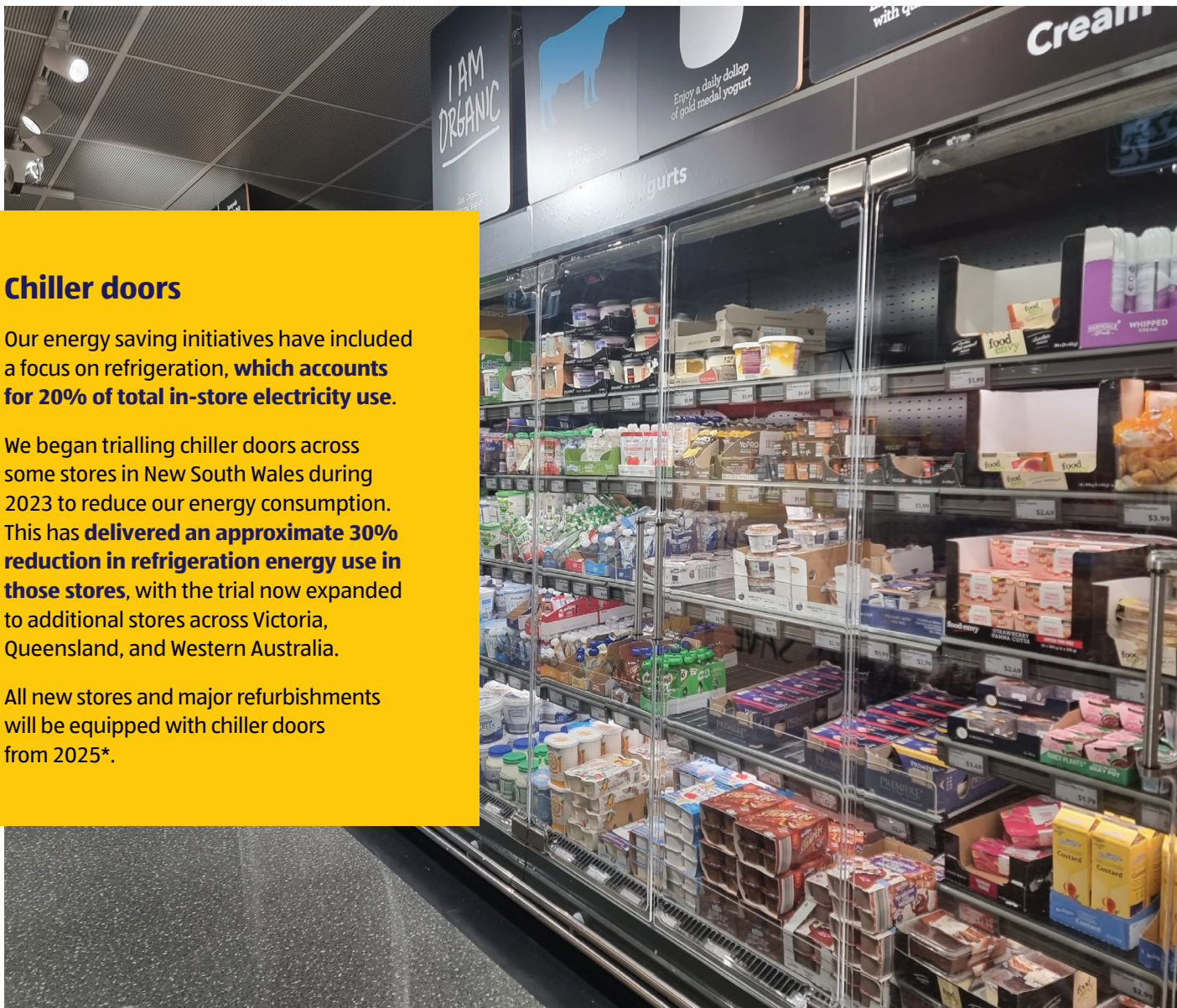
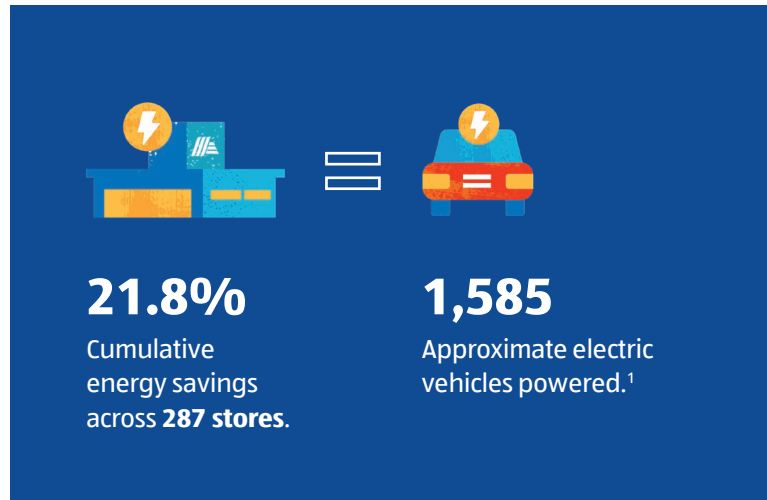
Reducing in-store energy consumption

As part of our ongoing commitment to reducing energy consumption in our stores, we continued to roll out our Building Management and Control System (BMCS), installing 256 units across our network in 2023.

The BMCS has two main components:

1. Remote access smart controllers manage systems ensuring optimal energy use across refrigeration, lighting and air conditioning.
2. A customisable online portal provides data analysis and reporting.

Our BMCS has achieved a 21.8% cumulative energy saving since a successful pilot in 2021, which is equal to 3.16 GWh per annum across 287 stores.



Chiller doors

Our energy saving initiatives have included a focus on refrigeration, **which accounts for 20% of total in-store electricity use.**

We began trialling chiller doors across some stores in New South Wales during 2023 to reduce our energy consumption. This has **delivered an approximate 30% reduction in refrigeration energy use in those stores**, with the trial now expanded to additional stores across Victoria, Queensland, and Western Australia.

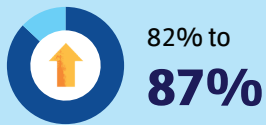
All new stores and major refurbishments will be equipped with chiller doors from 2025*.

*Where aisle width permits installation.

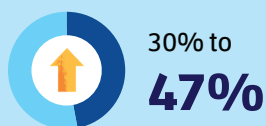
1. [Electric Vehicle Council of Australia Ltd](#): Charging Infrastructure - How much electricity does charging an electric vehicle consume compared to typical household usage?

Zeroing in on waste

2023 Progress



We **increased our total waste diversion rate to 87%** (compared to 82% in 2022) and we continue to implement new waste diversion programs and initiatives.



Additionally, we **increased our food waste diversion from landfill to 47%**, up from 30% in 2022.

This has been largely achieved through food rescue, and the introduction of packaged food recycling bins (organics) in **approximately 78% of our stores**, ensuring inedible food is being diverted from landfill. Food recovered from the organics service is re-purposed into a variety of applications across the country including nutrient-rich potting soils and compost.

In 2020, we set ambitious goals to send zero waste to landfill by 2025 and zero food waste to landfill by 2023. Since embarking on the journey to achieve these targets, we and our waste industry partners identified numerous challenges that have delayed the achievement of these goals. We remain committed to working towards zero waste and will work with our partners to address challenges such as access to packaged food organics recycling in regional areas.



ALDI Store Manager Jem Dow and OzHarvest Newcastle driver Lance Young.

Building closer relationships with food rescue partners OzHarvest, Foodbank, and local community food relief organisations has improved our food waste avoidance.

11.8 million meals were donated through ALDI's food rescue efforts in 2023 - 3 million more than 2022.

All our stores are connected to a food rescue organisation, with 89% collecting from our stores 5 days or more per week.

Circular packaging

Making our packaging more sustainable has always been important to us. As part of our ongoing sustainability journey, ALDI has made a commitment to change our packaging for the better.

We have been improving the use of plastic and packaging across our exclusive brand product range through improved packaging design and optimisation since 2019.

Packaging helps us to deliver quality products, keeps food fresh, makes it easier to handle, and prevents food waste. Despite our desire to remove plastics, the quality and integrity of our products cannot be compromised. The full environmental impact and sustainable alternatives must also be considered.

During this process, the need to take an end-to-end view that supports a circular economy has emerged as a core focus and priority. Being an exclusive brand retailer means that we can directly influence the design of our products so we have set ambitious goals to increase the circularity of our product packaging. We continue to make progress on these goals, working closely with our producers and manufacturers to include more recycled materials and improve the sustainability of our packaging.

As of the end of 2023:



84.1% of ALDI's exclusive brand packaging is now recyclable, reusable or compostable (up from 83% in 2022).



We use an average of **34.1% recycled materials across our packaging** (up from 32% in 2022).



We continue to work towards including 30% recycled materials in our plastic packaging, **achieving 10.3% in 2023** (up from 8.6% in 2022).



The **Australasian Recycling Label (ARL) is displayed on 85.8%** of all ALDI exclusive brand packaging (up from 78% in 2022).



Sustainability just got sweeter

We are always looking for opportunities to innovate and provide sustainable packaging solutions. While the cardboard outer packaging of our exclusive Choceur chocolate has always been kerbside recyclable, it now features a recyclable inner foil around the chocolate.

The Australasian Recycling Label (ARL) provides directions on how the foil should be recycled, by simply scrunching it into a 20mm ball before placing it into a yellow recycling bin. The ARL helps people to recycle correctly by providing simple, clear instructions. At the end of 2023, the ARL was displayed on 85.8% of our product range. We are working towards having it on 100% of product packaging.



In 2023 we also continued:



Phasing out problematic and unnecessary single use plastics*, **removing 90.9% of identified items for elimination** (up from 77.3% in 2022).



Prioritising the reduction or replacement of difficult-to-recycle black plastic packaging, achieving a **64.2 % reduction with a goal to eliminate all by end of 2025** (up from 55.3% in 2022).



Reducing packaging where possible, including plastic packaging in our fresh produce range where possible without increasing food waste or impacting product quality.



Partnering with industry to establish a soft plastics recycling solution

ALDI is a member of the **Soft Plastics Taskforce**, which is chaired by the **Department of Climate Change, Energy, the Environment and Water**. The Taskforce provides regular activity reports to the Australian Competition and Consumer Commission.

The Taskforce has been exploring how household soft plastics might be recycled in future, with soft plastic recycling trials starting in 2024. **The initiative aims to help Australians recycle household soft plastics and reduce packaging waste.**

Responsible sourcing

We work with a range of third-party certifiers to conduct ongoing evaluations and provide certainty around the responsible sourcing of our coffee, tea, cocoa, forestry products, palm oil, fish and seafood.

By working with independent and internationally recognised certification bodies, ALDI gives customers the confidence to make informed and responsible decisions about the products they purchase in our stores.

Certified coffee, tea and cocoa

ALDI is committed to fostering fair working conditions and environmentally friendly production in the cultivation of our coffee, tea and cocoa. Working with our certification partners, we strive to positively impact farmers, their families and communities, while providing our customers with responsibly sourced products to enjoy.

Protecting forests

ALDI Australia works towards minimising our impact on forests and safeguarding essential ecosystems for the future.

- ALDI exclusive brand products made of wood or paper, as well as our catalogue, are certified by the **Forest Stewardship Council (FSC)**, or the **Programme for the Endorsement of Forest Certification (PEFC)** or made from **100% recycled content**.
- 100% of the packaging across our everyday range containing wood or paper material is certified or made of at least 70% recycled material.
- All palm oil in ALDI exclusive brand products supports sustainable production through the **Roundtable on Sustainable Palm Oil (RSPO)**.



100% of our ALDI exclusive brand tea and 80% of our ALDI exclusive brand coffee is independently certified by either the Rainforest Alliance, Fairtrade or Organic certification schemes which improve the livelihoods and working conditions for farmers and their families as well as develop more efficient farming practices. The cocoa used in all ALDI exclusive brand products is independently certified according to Rainforest Alliance, Cocoa Horizons or Fairtrade standards.





Looking after our oceans

At ALDI, we are committed to continuously improving the sourcing of fish and seafood, and work closely with certification bodies to ensure our products meet their standards. These include:

- Certified sustainable by certification bodies such as **Marine Stewardship Council (MSC)**, **Aquaculture Stewardship Council (ASC)**, **Best Aquaculture Practices** or **GLOBALG.A.P.**
- Sourced from a healthy fish population as assessed by the **Sustainable Fisheries Partnership**.
- Sourced from a fishery or farm that is participating in a fishery or aquaculture improvement project.

We continuously improve the traceability and transparency of our wild caught fish and seafood range. Sourcing information is publicly disclosed through the Ocean Disclosure Project (ODP).

*Excluding egg derivatives, additives and processing aids.

†We recognise there may be national market challenges related to the availability of cage-free egg supply and increasing consumer demand that may impact our ability to achieve our targeted cage-free egg transition. We remain committed to our target and are working closely with our Business Partners to achieve this outcome.



ALDI was awarded the MSC Best Sustainable Seafood Supermarket at the 2023 MSC and ASC Sustainable Seafood Awards. This recognised our wide range of everyday affordable and accessible MSC-labelled products, and our continued commitment to ocean health. We were also awarded **ASC's Best Responsible Retailer** for our overall approach to responsible reporting and policies. In addition, our Specially Selected canned Smoked Trout was awarded the **ASC Award for Best Product**.

Better living standards for chickens

Our transition to achieving **100% cage-free shell eggs** across all brands sold and **100% cage-free eggs as ingredients*** across ALDI exclusive brands is on track to be completed by the end of 2025†.



100% of ALDI-branded fresh and frozen chicken is either **RSPCA Approved** or **Free-Range Egg and Poultry Australia (FREPA)** certified.

Good Business



ALDI stocks a tightly curated range of just 1,800 exclusively branded everyday items across food and non-food categories. Those that make the cut are truly top shelf.

This is proven by the countless awards we continue to win.



Taking out the top spot in **Canstar Blue's Most Satisfied Customers Award** for 2023, ALDI shoppers have been recognised as Australia's most satisfied when it comes to the weekly supermarket shop.



ALDI has been named **Supermarket of the Year** seven times in **Roy Morgan's Customer Satisfaction Awards**.

These accolades are a testament to the hard work and dedication of our employees and Business Partners, and we could not have won these awards without their support.

Mutually beneficial business partnerships

ALDI has many longstanding relationships with Business Partners whose operations have grown with us over the years. We recognise that our ability to provide value to customers is directly related to supporting a strong and sustainable Australian food manufacturing industry.

ALDI has always placed a high value on dealing fairly and transparently with our Business Partners. We periodically undertake independent Business Partner surveys to benchmark ourselves against the industry and identify opportunities to further strengthen our supply partner relationships.



ALDI Group Buying Director of Fresh Produce, Matt Atley, is visiting supplier partner Matthew Palise from Red Rich Fruits in Victoria's Yarra Valley.



Treating suppliers with respect

ALDI performed the best in the supplier survey within the Food and Grocery Code's 2022-23 Annual Report, with the highest percentage of Business Partners indicating that ALDI treated them fairly and respectfully. We take feedback from suppliers very seriously and always take prompt action when areas of improvement are identified.

Independent Reviewer, Chris Leptos, commented:



“ALDI ranked the best across the board against other Signatories, particularly outperforming in questions on ‘supplier experience’.”

Australian-first sourcing policy

Although we are a retailer with a global supply chain, we strongly believe in supporting Australian Made products and produce.

ALDI works with over 1,000 Australian Business Partners sourcing 100% of our fresh meat, eggs, milk, fresh salmon and fresh poultry from Australian farmers, as well as 97% of our fresh produce.

Upholding human rights across our operations and supply chain

We acknowledge our wide-reaching impact on all those who have a hand in bringing exceptional products to our shelves. We remain vigilant and proactive in our efforts to minimise the risks of modern slavery in our operations and supply chains.

We reviewed third-party social audits for 108 Australian sites in 2023 as part of our Fresh Produce Social Monitoring Program, identifying 65 risks that required further investigation. All cases were reviewed and, where required, remediated as soon as possible.

Details of our Modern Slavery Statements and ALDI Stores Supplier Standards are available on our [website](#).



Stocking 100% Australian avocados in Summer

ALDI was the first supermarket to range 100% Australian avocados across all our stores during the Summer season in 2023. Our Australian-first sourcing policy means we will continue supporting local farmers and regional communities when seasonal conditions allow.



Good Health



Our Price Promise – that we won't be beaten on the cost of your weekly shop – is our ongoing commitment to Aussie customers. This means nutritious food choices are both accessible and affordable.



A Deakin University “Inside our Supermarkets¹” report evaluated Australia’s four largest supermarket retailers and assigned a rating out of 100 based on nutritional policies and practices.

The research found ALDI had improved its ranking from third to second since the 2018 analysis.

ALDI continues to be the only major Australian supermarket that avoids price promotions* on unhealthy foods and drinks.

Clear nutritional labelling to help customers make healthy choices

Australia has one of the highest rates of obesity in the world. The Health Star Rating is a front-of-pack labelling system that rates the overall nutritional profile of packaged food and assigns it a rating from ½ a star to 5 stars. This provides a quick and easy way to compare similar packaged foods. The more stars, the healthier the choice.

The Australia and New Zealand Ministerial Forum on Food Regulation agreed to interim targets around displaying Health Star Rating on intended products in 2020, with the first target of 50% uptake by November 2023. ALDI achieved the 2023 target with **61% uptake** on relevant ALDI exclusive brand products. The industry recorded **36% uptake**².



45.6% of ALDI's products achieved a Health Star Rating of 3.5 or above.

*Where 'price promotions' refer to short term discounts of 4 weeks or less.

1. Sacks G, Chan J, Gaucher-Holm A, Sievert K, Cameron A, Vanderlee L., [Inside our Supermarkets](#): assessing company policies and practices for supporting healthier food environments and improving population nutrition, Australia 2024 (Report, Deakin University, 2024) 26.

2. The George Institute, [FoodSwitch](#): State of the Food Supply. A Five Year Review, Australian 2023 (Report, 2023) 7.

Good Community



ALDI is passionate about supporting the community. We connect and work with charity partners through a range of employee, Business Partner and customer initiatives.



Camp Quality

ALDI Australia is proud to partner with Camp Quality, a not-for-profit charity organisation that supports the wellbeing of Australian children and their families who have been impacted by a cancer diagnosis.

Since launching our national partnership in 2020, ALDI has raised funds and provided memorable experiences with the support of our employees, Business Partners and customers. Together, we have:

Donated more than

\$6.7 million

Enabled more than

7,000 kids

impacted by cancer to attend a Camp Quality recreation program, where they get the chance to be kids again and create positive memories.





Our People

More than 800 ALDI team members participated in various fundraising events to support Camp Quality, contributing to a **total of \$1.7million donated and raised in 2023.**

ALDI team members in QLD, VIC, WA and NSW cycled over 3,000kms and **raised \$10,000** as part of Camp Quality's Big Ride for Little Kids.

Our team members pounded the pavement as the main supporter of the Big Walk for Little Kids campaign, **fundraising as well as hosting their own Big Walk events** around the country.



Our Business Partners

To mark National Banana Day, ALDI worked with our Business Partners to **raise more than \$180,000** for Camp Quality by donating 20 cents for every kilogram of bananas sold during the week.

Our Customers

September is Childhood Cancer Awareness month and Camp Quality Month at ALDI. For the whole month, ALDI matched all employee and customer donations made to Camp Quality at the register or online.

ALDI's Camp Quality Special Buys range landed in the middle aisle. A portion of all sales from each item was donated to Camp Quality. **A total of \$660,000 was donated and raised during this campaign.**

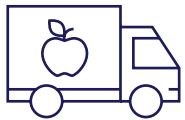


Rescuing food to reduce waste and feed Australians in need

ALDI continues to enhance food rescue efforts, positively impacting our community and the environment. We are continually improving our processes to maximise the amount of food we are able to rescue. Our stores partner with one or more food rescue organisations to donate these products to those in our community who need them most.

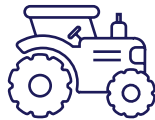
ALDI improved the handling and storage of food surplus in 2023 to increase the availability of donations to food rescue organisations. Where surplus food could not be donated to food rescue organisations, it was donated to farmers for animal feed or recycled in organics bins.

Through this project we now work with:



340

Food Rescue Organisations



160

Farmer Partners

This resulted in ALDI donating **11.8 million meals** (a 34.7% increase from 2022) to food rescue organisations like Foodbank and OzHarvest, helping to put nutritious food on the tables of Australians doing it tough.

ALDI supported Foodbank Australia to provide an additional **2.33 million meals** to Australians in need through our food procurement program.



Celebrating fresh produce while donating meals to Australians in need.

ALDI's fundraising efforts supported Foodbank Australia by providing more than 38,000 meals to Australians in need during 2023. We did this by spotlighting several Produce Partners while contributing targeted donation days through the sale of tomatoes, strawberries and cherries. Fundraising was promoted through a national television and social media campaign across several days.



ALDI Producer Partner Stephen Riseborough from CherryHill Orchards in Coldstream, Victoria.

Looking forward: Introducing the Global Sustainability Strategy



ALDI Australia is part of the ALDI SOUTH Group, and it is with this international approach that we operate with shared purpose. Together with our international colleagues we aim to shape and drive ALDI's sustainability goals and outcomes further into the future.

In 2024, the ALDI SOUTH Group published its [Global Sustainability Strategy \(GSS\)](#). **The Strategy defines our long-term aspirations and specific actions across six dimensions:**



With the implementation of the GSS, it is necessary to regularly evaluate how to improve and strengthen our approach to addressing human rights and environmental issues, which includes conducting periodical reviews of our standards, targets, and policies.

We recognise that strong governance is essential for delivering effective performance. Throughout 2024, some of our governance was updated. To support the delivery of the GSS, working groups have been established for each of the six dimensions. The working groups consist of representatives from both international and national sustainability departments.

Each national operation, including ALDI Australia, supports the delivery of the Strategy through activities implemented at an international level as well as further initiatives that are specific to Australia. From 2024 these pillars will form the basis of our reporting.

ALDI has ambitious sustainability goals, many of which we have already achieved or are close to achieving. Some are less developed, and you will see us increasing our focus in these areas in the coming months and years.



Daniel Baker
Director -
National Sustainability



Good Different

[Learn more](#)