



# GUIDELINE FOR THE PREVENTION OF FOOD LOSSES AND FOOD WASTE





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## 1 Our demand

Sustainable economic success can only be achieved if responsibility for people, nature and the environment is taken. Through our actions in the companies of the ALDI Nord Group ('ALDI Nord'), we have continuously aimed to contribute to a sustainable development wherever we operate.

As leading retailers, we publicly acknowledge our responsibility in the global supply chains and the use of resources. Along the entire supply chains, from the procurement of raw materials to the final production process, we ensure that ecological and social sustainability criteria are taken into account.

We communicate our requirements and goals clearly to our business partners. If our targets are not met, we pay strict attention to a future implementation and development of concrete measures to improve production processes together with our partners. We only cooperate with business partners who work in accordance with our purchasing policies. In certain cases, we reserve the right to impose appropriate sanctions, even if this results in the termination of the business relationship.

The responsible handling of food is particularly important to us. The production of food requires valuable resources and generates climate damaging greenhouse gases. Thus, food losses and waste are an unnecessary consumption of these resources and cause a negative impact on the climate. Our goal is therefore to *prevent food losses and waste within our own business operations, throughout the whole supply chain to our customers' homes.*

By implementing this guideline, we commit once again to the Sustainable Development Goal 12.3 to halve global per capita food waste at retail and consumer level and to reduce food losses along the production and supply chains until 2030 and stand clearly against food losses and waste. To make sure we translate our engagement in effective actions, food waste is included as a focus topic on the international Corporate Responsibility and Quality Assurance (CRQA) agenda. Its high relevance will be reflected appropriately in concrete actions in each ALDI country.

## 2 Scope

This guideline applies to all food articles, which are sold by ALDI Nord. It defines the handling and/or processing of surplus food and is binding for the ALDI companies and their business partners.

The validity of this guideline ends with the publication of a more recent version.

### 3 Food losses and waste – background and challenges

Food losses and food waste occur in all parts of the food supply chain: during production and processing, transport and storage, in retail stores and consumers' homes. One third of all food produced is wasted along the value chain while about 33 million people in the EU cannot afford a quality meal every two days. In the EU, around 88 million tonnes of food waste (about 180 kg per person) is generated every year, at an estimated cost of 143 billion euros.<sup>1</sup>

The waste of food is not only an ethical and economical issue, but also leads to an unnecessary use of resources needed for production and climate pollution through resulting greenhouse gas emissions. Resources such as soil, water, fertilizer, energy for harvest, processing and transport are wasted. This means that food waste has direct impact on the climate: After China and the USA, food waste has the largest carbon footprint in the world<sup>2</sup>. Private households generate over 50 per cent of the food waste in industrialised countries, while processing accounts for 19 per cent and retailers – like ALDI Nord – for 5 per cent.<sup>3</sup>

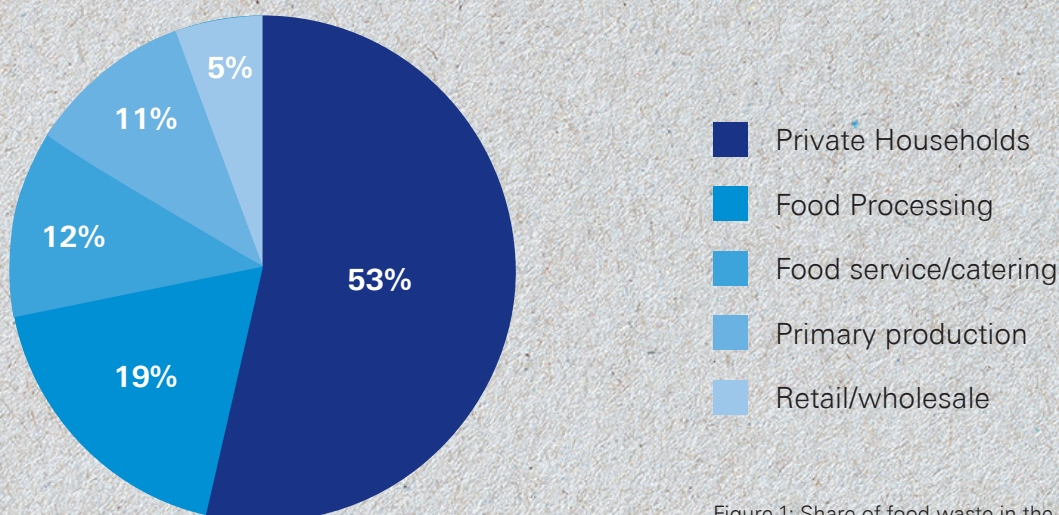


Figure 1: Share of food waste in the value chain<sup>3</sup>

Food waste is partly generated due to existing legislation to protect public health and consumers. Food that is not suitable for consumption (e.g. product recalls, spoilage, mould) taken off the shelves is a waste of resources, but it is also a preventive measure necessary to protect human health. Other reasons of food waste are for example the incorrect storage of food or the lack of knowledge about the best-before dates on consumers' side. Food is often thrown away shortly after the best-before date, even though it is still edible. However, the problem begins earlier than this. Food is discarded even on the fields if it does not satisfy certain requirements. Also, meeting consumer expectations (e.g. with regard to a wide selection and full shelves or aesthetics) can lead to food waste in retail.<sup>4</sup>

<sup>1</sup> European Commission: [https://ec.europa.eu/food/safety/food\\_waste\\_en](https://ec.europa.eu/food/safety/food_waste_en)

<sup>2</sup> FAO: <http://www.fao.org/3/a-bb144e.pdf>

<sup>3</sup> European Parliament (2017): <https://www.europarl.europa.eu/news/en/headlines/society/20170505STO73528/food-waste-the-problem-in-the-eu-in-numbers-infographic>

<sup>4</sup> European Environment Agency (2019): <https://www.eea.europa.eu/signals/signals-2014/articles/from-production-to-waste-food-system>



## 4 Definitions

### What is food?

According to the EU food law Regulation (EC) No 178/2002, food is defined as any substance or product that is intended to be or may reasonably be expected to be ingested by humans whether processed, partially processed or unprocessed. Plants are considered only after harvest and animals only after slaughter as food.

### What is food waste/loss?

Any food intended for human consumption that is lost, discarded or degraded at any stage of the food chain is considered food loss or waste. Food losses occur along the food supply chain from harvest/slaughter/catch up to the retail level, but not including it. Food waste occurs at the retail and consumption level.<sup>5</sup> For the retail sector, food waste is considered as food products that are not sold or distributed anymore because they became unsellable (e.g. insufficient appearance to meet customers' need) or unsafe in terms of food safety requirements (e.g. insufficient product life) after they have been intended to be or may reasonably be expected to be ingested by humans. Food waste also comprises inedible parts, where those were not separated from the edible parts during production (e.g. bones attached to meat destined for human consumption).<sup>6</sup>

### What is surplus food?

Surplus foods are finished food products (including fresh meat, fruit and vegetables), partly formulated products or food ingredients which are still edible but can no longer be commercialized due to manufacturer and/or consumer demand (e.g. variations in product colour, size, shape, etc.). Also, production and labelling errors can generate surplus in the agricultural and manufacturing sectors for instance.<sup>6</sup>

### What is food redistribution?

Food redistribution is a process whereby surplus food that might otherwise be wasted is recovered, collected and provided to people. Food business operators (e.g. farmers, food manufacturers and retailers) may redistribute surplus food through organisations (such as food banks), gleaning networks and other food business operators or directly to consumers themselves.<sup>7</sup>

## 5 Goals and measures to reduce or valorise food losses and waste

ALDI Nord has been implementing numerous measures against food loss and waste for many years. Our goal is an *optimal supply of each product on the shelves while minimising surplus food*. We have defined several international targets that aim to keep food loss and waste as low as possible or, at best, to avoid it.

In all goals, we consider the food waste hierarchy as the basis for measures' prioritisation. Thus, we prefer to sell, donate or re-use surplus food for human consumption before redirecting food to livestock or recycling for non-food products. Recovering food waste as compost or renewable energy is to consider before the simple disposal as landfill or incineration. The last mentioned measures are considered as food loss and waste management and not as „reducing or valorising food loss and waste“<sup>9</sup>. Main international goals are *to launch products made from surplus food (Food Recycling) and to integrate 100% of all stores of ALDI Nord in cooperation with partner organizations to reduce food waste by 2021* (e.g. food banks or Too Good To Go)<sup>10</sup>. These partnerships focus on reducing and valorising food waste for human consumption, animal consumption and non-food, food waste management partnerships (recovery and disposal) do not contribute to this objective.

<sup>5</sup> FAO 2019: <http://www.fao.org/3/ca6030en/ca6030en.pdf>

<sup>6</sup> Based on Directive (EU) 2019/1597 of the European Parliament and of the Council of May 2019 supplementing Directive 2008/98/EC on waste, Article 9 (8)

<sup>7</sup> Based on EU guidelines on food donation (2017/C 361/01), 2. SCOPE

<sup>8</sup> Based on EU guidelines on food donation (2017/C 361/01), 2.2 What is surplus food?

<sup>9</sup> When reporting or communicating on „food waste reduction and valorisation“, the types of measures (hierarchy) need to be mentioned concretely.

<sup>10</sup> ALDI Nord Sustainability Report 2019: [https://www.aldi-nord.de/content/dam/aldi/corporate-responsibility/de/nachhaltigkeitsbericht/2017/sonstige/downloads-und-archiv/en/ALDI\\_Nord\\_Sustainability\\_Report\\_2019\\_EN.pdf.res/1595354504436/ALDI\\_Nord\\_Sustainability\\_Report\\_2019\\_EN.pdf](https://www.aldi-nord.de/content/dam/aldi/corporate-responsibility/de/nachhaltigkeitsbericht/2017/sonstige/downloads-und-archiv/en/ALDI_Nord_Sustainability_Report_2019_EN.pdf.res/1595354504436/ALDI_Nord_Sustainability_Report_2019_EN.pdf)

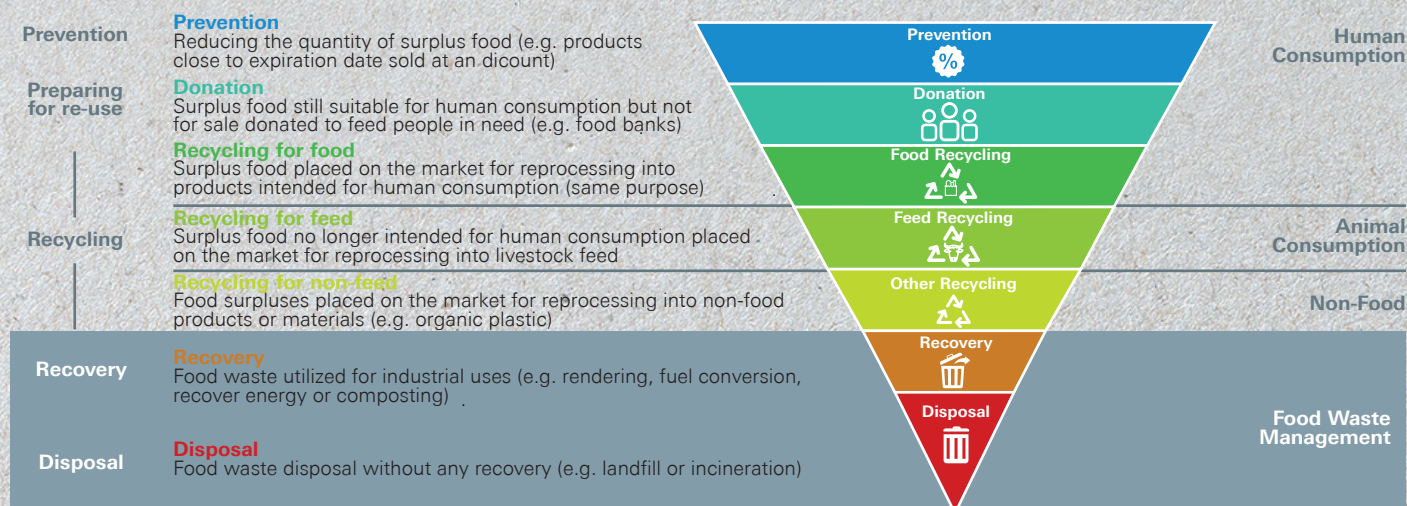


Figure 2: ALDI Food Waste Hierarchy<sup>11</sup>

## 5.1 Preventing food losses and food waste

'Prevention' refers to all measures taken before food becomes waste in order to minimize the amount of surplus food as far as possible or to avoid surplus food in the best case.

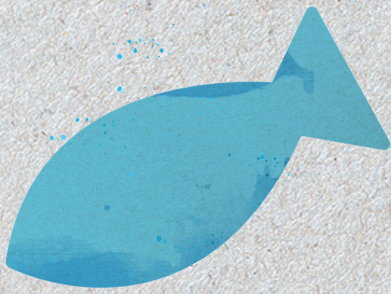
### Planning

Our commitment against food loss and waste starts with accurate planning and daily orders. The employees in the stores of the ALDI companies in Belgium, Denmark, Germany and the Netherlands, for example, use an intelligent ordering system for this purpose: it automatically records which goods are required and adjusts the order quantity individually for each store. This ordering system will also be implemented in the other ALDI countries in the future. Other departments, such as logistics and purchasing, provide the stores with additional information to ensure that the system makes reliable ordering suggestions. This way, we ensure that all products are always available in sufficient quantities and at the same time, we prevent large quantities of goods from being left over at the end of the day and possibly having to be disposed of.

In some countries, the ALDI companies offer more than 40 different types of bake-off bread and baked goods, including sweet pastries and savoury snacks, fresh several times a day in our stores. In the end, we prepare an individual forecast of how much baked goods are likely to be sold based on demand at each store. We adapt the respective baking plans for each store that suit the circumstances. In this way, we ensure that there is always enough fresh produce on the bakery counter and not too much left over at the end of the day.



<sup>11</sup> There is currently no EU legislation or specific guidance on how to apply the EU waste hierarchy to food. The image in Figure 1 is based on FEBA (Federation of European Food Banks) food waste hierarchy, FEVIA's (Fédération de l'Industrie Alimentaire/Federatie Voedingsindustrie) food waste hierarchy, US Environmental Protection Agency's food waste hierarchy, Directive 2008/98/EC of the European Parliament and of the Council of November 2008 on waste and repealing certain directives and European Court of Auditors (2017): <https://op.europa.eu/webpub/eca/special-reports/foodwaste-34-2016/>



### **Price reduction**

If products are not sold on time despite good planning, we reduce the prices of food with a short shelf life as well as food which is close to its best before date. These are marked with coloured discount stickers and placed clearly visible on our shelves. This motivates customers to make a conscious decision for food with a short remaining shelf life. Goods with a printed use by or best before date are generally sold until the day of the printed date. In Belgium and Germany, fresh breads are packed separately and sold the next day for a reduced price (30% or 50% discount). Customers will find our bread from the previous day right next to our baking station.

### **Logistics**

Depending on national conditions, we make sure that the transport routes are as short as possible in our logistics processes. This prevents food waste due to quality losses. We, therefore, supply our stores with fruits and vegetables on a daily basis. For fruits and vegetables with short shelf lives, we prefer – when possible – regional sourcing before long distances. Due to the agricultural structures in some countries, regional sourcing is not always feasible for fruits and vegetables. By doing that and supplying bread and bakery products from bakeries directly to our stores (except of ALDI Denmark and ALDI Spain), we extend the shelf lives of these products for our customers.

### **Storage management**

In our distribution centres as well as in our stores we always work according to the First In-First Out (FIFO) principle, which means that the articles that are stored first are also removed first again. Especially in our stores, this means that the ALDI employees always rotate the goods when putting them on the shelves and place the new goods in the back of the shelves.

### **Maintaining the cold chain**

The volume of surplus food can be further reduced by optimizing transport and storage temperatures and avoiding ruptures in the cold chain. In Germany, the Netherlands and in some stores in Denmark and Spain, the ALDI companies have implemented a monitoring system for the refrigeration equipment, which enables us to quickly detect and eliminate leaks. Also, in the other ALDI countries, this topic is identified as relevant and will be mentioned in future. Furthermore, we use loggers to track the temperature during transports and have special insulated containers for fresh meat.

### **Packaging**

Packaging fulfils various functions. It protects food, ensures quality for a longer time and thereby contributes to a longer shelf life. We are constantly working to use optimal product packaging for our food products in order to keep loss rates as low as possible.

At the same time, our international goal is *to have at least 40% of fruit and vegetable products unpackaged in the stores of all ALDI companies by end of 2025*. In this way, we want to achieve, among other things, that customers can purchase according to their needs and that less food waste is produced by our customers as a result of too large packaging units.

### **Offering imperfect fruits**

To reduce surplus food in the upstream supply chain, we offer fruits and vegetables with blemishes that would otherwise not reach the retail market. Since 2019, many ALDI companies in Germany have been offering the so-called „Wetteräpfel“ (weather apples) from the region that have suffered from extreme weather conditions, such as too much sun or hail. We do not limit this approach only to apples but try to respond to the needs of production and our suppliers, regardless of the type of fruit or vegetable. In this way we can support local producers, increase the appreciation of food and reduce possible economic losses for our suppliers caused by environmental influences.





### **Cooperation and dialogue with NGOs, science, research and ministries**

In Germany, the ALDI companies joined the EU initiative REFRESH (Resource Efficient Food and Drink for the Entire Supply Chain) from 2017 until the end of the project in mid-2019. This project focused on reducing and reusing of surplus food throughout the supply chain. ALDI France and ALDI Netherlands joined this initiative in 2017 and 2018. One result of this project is the price reduction of food close to the best before date that really contributes to food waste reduction.

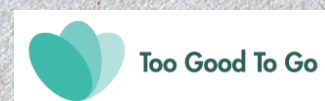


In September 2020, ALDI Nord Germany took part in the first nationwide action week „Deutschland rettet Lebensmittel“ (Germany saves food) for more food appreciation. Ideas were gathered from all federal states and sectors along the food supply chain and were used to inform and promote mutual exchange. The action week was organized by the Federal Ministry of Food and Agriculture (BMEL) in cooperation with the federal states and engaged local partners. It was part of the National Strategy to Reduce Food Waste. A survey commissioned by ALDI showed that Germans are concerned about avoiding food waste. According to the results close to everyone (95 percent) takes care to throw away as little food as possible<sup>12</sup>. Against this backdrop, we are looking across the entire supply chain for solutions to reduce food loss and waste.



### **Cooperation with Too Good To Go**

Otherwise, ALDI Denmark tested 'Too Good To Go' to reduce the volume of surplus food. Customers can use an app to buy a mixed bag of fruits and vegetables, which would otherwise have been discarded. In this way, we can at a time provide customers with food that is still edible for a reduced price and reduce food waste. We are continually verifying expanding this cooperation.



### **Raising awareness of consumer and employees**

In order to inform our customers about the correct handling and storage of food, the product packaging of sensitive products is often accompanied with instructions for proper storage or information about consumption. We want to encourage our customers' creativity in processing food and raise awareness of the value of food. In ALDI customer brochures as well as on websites or on social media channels, we also provide customers with shopping tips, advice on the correct storage and processing of food and a wide selection of recipes. In March 2019, ALDI Portugal participated in a national wide information campaign of the Portuguese Retailer Association about best before dates.

It is also particularly important to us that ALDI employees receive regular training in handling sensitive and fresh products, regular checks on best before dates and product quality, food surpluses and donations. The onboarding for new employees includes among others the FIFO principle, ordering on demand and the correct handling of goods. ALDI Denmark, for example, operates with video training and ALDI Spain uses platforms of external service providers.

<sup>12</sup>ALDI Nord (2020): <https://www.aldi-nord.de/unternehmen/pressemitteilungen/wie-wichtig-ist-den-deutschen-das-thema-lebensmittel-verschwendung-aldi-umfrage-gibt-antworten.html>



## 5.2 Donation of surplus food

Despite our multiple measures to prevent surplus food, it still may occur. We choose to redistribute our surplus products to people in need. Legislation on food waste already exists in various countries. In France and Poland, for example, the donation of food surpluses is required by law. However, our commitment is not limited to these countries or the frame of these legislations: In all ALDI countries, we donate food that is no longer sellable but still fit for consumption.

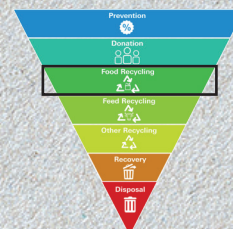
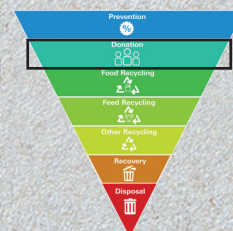
For example, every single store of the ALDI companies in Belgium, Luxembourg and Portugal donates food. The ALDI companies have been working with local food banks, in some regions already for many years. ALDI Netherlands works closely with Voedselbanken Nederland. In Germany, 99% of all stores of the ALDI companies donate food that is no longer for sale but still edible to charitable organisations such as local food banks and foodsharing. However, not all locations have access to partners that accept food donations. We are working on expanding and improving cooperation with competent partners, as well as on creating new solutions looking across the entire supply chain.

ALDI Belgium strengthened its collaboration with foodbanks in 2019 by freezing food surpluses prior to donation so that the best before date is no longer an issue. With these strategies, the ALDI companies enable redistribution of food over a longer period to those in need.

## 5.3 Recycling for food

Surplus food which couldn't be prevented or donated will be then re-used. We strive to reprocess this food into new products for human consumption. Our goal is *to develop products made from food surplus and the introduction of at least one product in defined product groups by the end of 2021*.<sup>13</sup>

With these products, we aim to strengthen the appreciation of food and to show the various possibilities for re-using food surpluses and thus reducing and valorising food waste or, in the best case, avoiding it. This is also particularly intended to raise consumer awareness and inspire customers to use food surpluses creatively and not simply dispose of them.



<sup>13</sup>ALDI Nord Sustainability Report 2019: [https://www.aldi-nord.de/content/dam/aldi/corporate-responsibility/de/nachhaltigkeitsbericht/2017/sonstige/downloads-und-archiv/en/ALDI\\_Nord\\_Sustainability\\_Report\\_2019\\_EN.pdf.res/1595354504436/ALDI\\_Nord\\_Sustainability\\_Report\\_2019\\_EN.pdf](https://www.aldi-nord.de/content/dam/aldi/corporate-responsibility/de/nachhaltigkeitsbericht/2017/sonstige/downloads-und-archiv/en/ALDI_Nord_Sustainability_Report_2019_EN.pdf.res/1595354504436/ALDI_Nord_Sustainability_Report_2019_EN.pdf)



#### 5.4 Recycling for feed

In the case of food surpluses that are no longer suitable for human consumption, we aim to use them for animal feed. For this purpose, the stores of ALDI Nord Germany cooperate with our bread suppliers, who take back leftover breads on the next delivery and direct them to the animal feed production. In this way, we valorise food waste and work toward a circular economy.

#### 5.5 Recycling for non-food

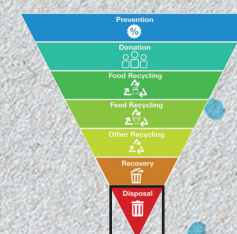
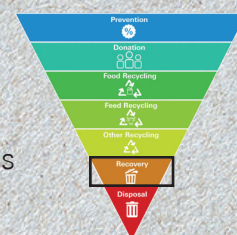
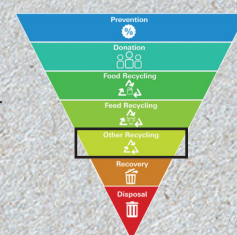
If surplus food cannot be used for either food or feed recycling, there is a possibility to recycle it into non-food products or materials like bioplastics or cosmetics. We currently do not carry out this type of recycling.

#### 5.6 Recovery of food waste

Despite our effective systems and early volume planning, we may have to write off and dispose of food. We cooperate with waste disposal service providers in Belgium, Denmark, Germany, the Netherlands and Spain who recycle our organic residues from the stores in biogas plants to produce environmentally friendly energy. The fermentation substrates are also used as fertiliser in agriculture and as animal feed, thus contributing to the new production of food.

#### 5.7 Disposal

If all the above-mentioned options are not possible, the only remaining option is the correct disposal of food waste. We always strive to avoid this option. In the case of waste disposal, we work together with our waste disposal service providers and observe the legal requirements.





## 6 Conclusion

We value food and aim to share this appreciation with our customers. Every day the ALDI companies supply millions of people in several European countries with affordable food. Our suppliers manufacture the products at great expense. It is therefore our desire and responsibility as food retailers to avoid food losses and waste.

We have already achieved a lot in the prevention, reduction and valorisation of food losses and food waste. We see our success as an incentive to continue the search for sustainable and innovative solutions, both within the ALDI Nord Group and together with our business partners. We will therefore continuously develop and expand the measures mentioned in this document. The guideline will be reviewed regularly and updated in case of changes.

Simply acting responsibly is part of our daily business.





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## **STATUS**

March 2021

Further information on our corporate responsibility activities can be found at  
<https://www.aldi-nord.de/en/sustainability-report/2019.html>

## **CONTACT**

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## **Language of the guideline**

The guideline is available as a PDF document in English and further languages. In case of deviations between the versions, the English document will prevail. In the interest of readability, the legal structure of companies is not specified.