



Responsible Sourcing Framework

Overview

This framework defines and articulates The Kroger Co.'s commitments, policies, requirements and practices pertaining to responsible sourcing. For Kroger, developing and adhering to responsible procurement practices can have wide-reaching benefits, including higher quality products, protection of workers, increased workforce diversity, improved supply chain transparency and environmental stewardship.

The purpose of responsible sourcing is both to avoid and mitigate risks and negative impacts, as well as to drive positive change where we can. We determine which commitments, policies, protocols and capabilities will allow us to accomplish this in the most effective manner. We do this through our risk management framework; through dialogue and engagement with stakeholders, investors, industry groups and subject matter experts, among others; by staying abreast of emerging trends, regulations and policies; by tracking consumer expectations and preferences; and by consulting with sourcing and other leaders in our business.

This framework requires the leadership, partnership and engagement of multiple stakeholders both within our company and externally. Establishing commitments and policies is done collectively by the multiple internal functions and leaders, including, but not limited to, Ethics and Compliance, Sustainability, Sourcing, Corporate Food Safety, Merchandising and *Our Brands*. We often consult with and leverage external partners and advisors, as well.

To execute on our responsible sourcing commitments and imperatives, we engage our suppliers to communicate our priorities. We use governance, accountability and compliance mechanisms to ensure that suppliers are aligning with our objectives. We use marketing mechanisms to communicate commitments and goals to consumers and, where relevant, use on-product labeling to communicate certifications. And finally, where collaboration is needed to move the needle on an industry-wide issue, we engage with relevant partners, such as non-governmental organizations, industry groups, multi-stakeholder collaboratives, and other subject matter experts, to identify pre-competitive solutions.

Responsible Sourcing Commitments and Policies

We work with thousands of vendors and suppliers to stock our shelves for customers and keep our business running smoothly. Kroger is committed to positively influencing our supply chain, from the growing of commodities to the distribution and sale of products in our stores. We have in place, and continue to develop, comprehensive programs to address the many aspects of a complex and dynamic supply chain.

More and more, our customers and stakeholders care about how we manage our supply chain. First and foremost, we set high quality and performance standards for all *Our Brands* products, whether we make them ourselves or use a third-party supplier. We also maintain governance and risk management programs to help ensure Kroger's facilities – and those of our vendors and suppliers who produce *Our Brands* products – comply with all relevant regulations and meet our expectations for an ethical, responsible supply chain that protects workers, customers and the environment.

Our responsible sourcing commitments, policies and requirements are listed below and can be found on <https://www.thekrogerco.com/newsroom/statements-policies/>; <https://www.thekrogerco.com/vendors-suppliers/corporate-social-responsibility/>; <https://www.thekrogerco.com/vendors-suppliers/general-merchandise-compliance/> and <https://www.thekrogerco.com/vendors-suppliers/supplier-diversity/>.

- Statement on Human Rights
- Vendor Code of Conduct
- Social Compliance Program Requirements
- Social Compliance Audit Content
- Animal Welfare Policy
- Sustainable Seafood Policy
- Palm Oil Policy Statement
- No-Deforestation Commitment
- Bisphenol A Commitment
- Pollinator Protection Statement
- Conflict Minerals Policy
- General Merchandise Compliance and Quality Requirements
- Supplier Diversity Commitment

Implementation Approach

To maintain the integrity of our sourcing commitments, policies and requirements, we leverage programs and processes that provide oversight and tracking of our vendors and supply chain. We continuously improve the way we assess vendors, suppliers and products for compliance so that we can ensure that Kroger and *Our Brands* are worthy of our customers' trust.

Key components of how we accomplish supplier accountability are summarized below.

- The **Supplier Hub** is a technology solution that automates the vendor onboarding process. The Supplier Hub also enables the collection and storage of supplier compliance data, which allows for a more consistent approach to the identification and verification of compliance of our vendors and suppliers. This, in turn, helps us procure safe, ethically-sourced products for our stores and facilities. We also work to improve the traceability of *Our Brands* products over time through use of new tools.
- A robust **Social Compliance Program** to assess compliance with our Vendor Code of Conduct. Kroger is committed to holding our suppliers accountable for protecting human rights in our supply chain (including preventing forced labor, child labor, human trafficking, and violations of the rights of migrant workers).
- Our **animal welfare audit requirements** require our suppliers to provide evidence of annual third-party animal welfare audits that align with the relevant nationally recognized standards for each animal species, including beef, pork, chicken, eggs and turkey. We also require our dairy suppliers to participate in the National Dairy FARM Program: Farmers Assuring Responsible Management™.
- Our **regulatory compliance and quality assurance programs** define product and supplier requirements, such as quality specifications, testing protocols and reporting and label requirements to ensure safe, high-quality products for our customers.

We also leverage industry-level working groups, product certification schemes, and partner organizations to gain increased visibility into our supply chain and to align our work with other ongoing initiatives.

And finally, we use direct engagement and close working relationships with many of our suppliers to communicate our priorities, to assess their alignment with our commitments, to identify any issues and to work with them to make improvements.

Several groups and individuals within Kroger maintain oversight of our sourcing commitments and accountability with these commitments, such as the Chief Ethics and Compliance Officer, our Regulatory Compliance teams, our Sustainability function and our Merchandising and Sourcing leaders.