



# Welcome to Our Report

We are pleased to share the Kroger Family of Companies' latest progress on sustainability and community impact for the 2023 reporting period with our stakeholders.

Kroger's *Thriving Together* strategy reflects how our company supports and serves our associates and customers every day, lifting up our neighbors and creating stronger communities.

Our strategy includes a wide range of topics affecting people and our planet. Informed by a double materiality assessment and ongoing engagement with leaders inside and outside our company, these insights help shape our approach and progress as outlined in this report.

Our *Thriving Together* strategy continues to evolve over time to complement and integrate with Kroger's core business and go-to-market strategy. We believe a strong, thriving company means stronger, thriving communities wherever we operate.

## Strategic Oversight

The Board of Directors oversees Kroger's management approach to our environmental, social and governance (ESG) strategy and topics. A dedicated Public Responsibilities Committee of the board—established in 1977—engages leaders and reviews progress on the company's sustainability and social impact goals, including our Zero Hunger | Zero Waste plan.

Kroger's executive leadership team is accountable for operationalizing and driving performance to achieve goals. Sustainability and social impact priorities are developed and managed by a centralized team, led by Kroger's group vice president of Corporate Affairs, who serves as chief sustainability officer, and in collaboration with an internal network of business leaders and subject matter experts across many disciplines.

## Report Scope

This report covers Kroger's 2023 fiscal year from January 29, 2023, to February 3, 2024. Unless otherwise noted, data included in the report reflects this period. The report incorporates most of our operations, except for certain datasets related to integrating banners from mergers into our tracking systems. Where appropriate, we note the scope of specific performance tracking in the relevant report section.

## Reporting Approach

The content in this report reflects leading reporting practices with modifications, as noted above and in the pages that follow. Our approach to defining content reflects insights from our double materiality assessment in 2023.

We continue to monitor and contribute to developments in reporting standards and best practices. We provide a Sustainability Accounting Standards Board (SASB) Index at the end of this report to provide additional disclosures in alignment with the SASB Food Retailers & Distributors Standard.

We will comply with any applicable federal and state laws, including future reporting requirements of the U.S. Securities and Exchange Commission (SEC) and the state of California. We continue to align with the Task Force on Climate-related Financial Disclosures (TCFD) framework, and we are monitoring developments in other emerging frameworks like the Task Force on Nature-related Financial Disclosures (TNFD).



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# Message from Rodney McMullen



**We are determined to continue growing so we can feed more people, create a cleaner, healthier planet, and strengthen communities together.”**

**Rodney McMullen,**  
Kroger Chairman and CEO

I’m so inspired by what Kroger and our associates accomplished in 2023 and optimistic about our future.

When Barney Kroger opened his first store on the banks of the Ohio River in 1883, he could not have imagined what the company would become today. While the way our customers shop is ever-changing, one thing remains the same—Kroger’s commitment to taking care of our customers, our associates and our communities. And this commitment is grounded in Our Purpose—To Feed the Human Spirit™.

### Serving Our Communities

Kroger has a long-standing history of striving to be deeply connected to the communities we serve. We see this coming to life by including more local products on our shelves, donating surplus food to food banks and finding new ways to run our business that ensure our food system and supply chain is secure for years to come.

Our store teams know our communities better than anyone, and we work to give back in big and small ways. We are among the first to provide food and essentials after a natural disaster. We work with leaders to expand access to fresh food and provide pathways for associates to improve their future through a career at Kroger. We have the products we know families want, need and love, and our friendly associates are always available to help make dinnertime a little easier.

We also consider how our work impacts communities around the world. To do this, we manage a wide range of important topics affecting people, nature and our global supply chain.

### Our Impact Plan

In 2023, the Kroger team achieved progress on important goals for sustainability and social impact, maintained high operating standards, and engaged suppliers and others to advance positive impact.

Kroger’s Zero Hunger | Zero Waste impact plan sits at the center of our strategy. It expresses our mission to end hunger and waste in our communities. With a clear call to action, our associates across the company continue to drive progress on our impact plan year after year. We remain focused on a core set of ambitious goals to create a better future.

This work is complex, challenging and incredibly rewarding. We are determined to continue growing so we can feed more people, create a cleaner, healthier planet, and power thriving communities together.



# About Kroger

Since Kroger’s earliest days, we have prioritized offering convenience and value to our customers. We remain focused on our purpose-driven strategy to increase access to quality, affordable fresh food for everyone.



## Our Values

In fulfilling Our Purpose—To Feed the Human Spirit—we live by Our Values:



### Honesty

We insist on truthfulness with each other, with our customers, with our vendors and in our business records. We expect and value openness.



### Inclusion

We encourage and expect collaboration, teamwork and the active involvement of all associates.



### Integrity

We act in accordance with Our Values, even when it’s difficult.



### Diversity

We seek and embrace differences in the backgrounds, cultures and ethnicities of all associates, customers and vendors.



### Safety

We protect our customers and each other from injury with a safe and secure workplace and shopping environment.



### Respect

We treat all with dignity and value the opinions and perspectives of others.

## Our Family of Companies





# Our Business



## \$150B

total 2023 sales



## 62M

loyal households served annually



## 2,722

grocery and multi-department stores in 35 states and the District of Columbia



## 8

Kroger Delivery fulfillment centers



## 44

distribution centers



## 420K

associates company-wide



## 33

Kroger-owned food production plants




## 2,257

pharmacies



# Key Highlights

Kroger makes grocery shopping easy, convenient and affordable for our customers every day. Dedicated associates across the country live Our Purpose and Zero Hunger | Zero Waste mission, giving back meaningfully to make a difference in our communities.



**\$5B**  
invested in lower prices for our customers since 2003

**\$2.3B**  
in charitable giving to our communities since 2017



**3.4B**  
meals donated to our communities since 2017



**100%**  
of retail stores actively donating surplus fresh food



**\$2.4B**  
invested in our associates' wages and comprehensive benefits since 2018



**-12%**  
cumulative reduction in Scope 1 & 2 greenhouse gas emissions since 2018




**25%**  
increase in food waste recycling rate in stores, from 27% (2017) to 52% (2023)




**700M**  
pounds of surplus fresh food donated to our communities since 2017



**65**  
total number of fishery improvement projects to improve seafood sustainability supported by Kroger since 2009



**\$3.6B**  
in sourcing with diverse suppliers to expand product assortment for our customers



# Our Value Chain

Kroger serves our communities with a combination of local neighborhood grocery stores and online grocery solutions to meet our customers' needs—anything, anytime, anywhere. Working with our suppliers and others, we aim to responsibly buy,

make, move and sell a wide range of food and other essentials for individuals and families on any budget. We focus on offering affordable products that meet our customers' wide-ranging tastes and preferences.



## Our Supply Chain

### Sourcing

We procure raw materials and ingredients for food processing that meet food safety, quality and sustainability specifications; fresh items from farmers, fishers and other producers; and finished goods from manufacturers in our global supply chain.

Kroger also manages indirect sourcing for the services, technology and supplies needed to run our business. We use a centralized team and Supplier Hub to manage supplier engagement and compliance with established policies.

## 60K+

vendors and suppliers work with us

### Manufacturing

We manufacture 30% of *Our Brands* units at 33 Kroger-owned food processing plants across the country. The remaining *Our Brands* items are produced to our strict specifications by outside manufacturers.

Our food production plants include 14 dairies, nine deli or bakery plants, five grocery product plants, two beverage plants, one meat plant and two cheese plants.

We have four \$1 billion+ brands in our portfolio: Kroger®, Private Selection®, Simple Truth® and Home Chef®.

## 30%

of total *Our Brands* units sold and 43% of food items manufactured by Kroger

## Our Operations

### Distribution

A Kroger-operated fleet and third-party operators move our products from food processing plants to warehouses for transport to our stores, or to dedicated fulfillment centers for delivery to our customers' homes. Consumer packaged goods companies also deliver *Our Brands* products and national brand products to warehouses or directly to our stores.

*Our Brands* products play an important role in our merchandising strategy and represented over \$31 billion in sales in 2023. Our supermarkets, on average, stock over 12,600 private-label items.

## 15K+

private-label items in the *Our Brands* portfolio

## Our Customers

### Retail

Customers shop with us at neighborhood stores and online through our seamless ecosystem that fulfills orders through curbside pickup; direct-to-home delivery through fulfillment centers and Instacart; and ship-to-home services.

In-store pharmacies and health clinics offer convenient access to medications, health services and dietitian support. We also operate 1,665 fuel centers and an expanding network of electric vehicle (EV) charging stations.

## 35 states + District of Columbia

with Kroger-operated retail stores

### Households

Providing affordable, high-quality fresh food for more than 62 million households is Kroger's highest priority. Our insights team at 84.51° combines customer transaction information and publicly available data to provide personalized offers that drive higher-than-average redemption, loyalty and trust among shoppers.

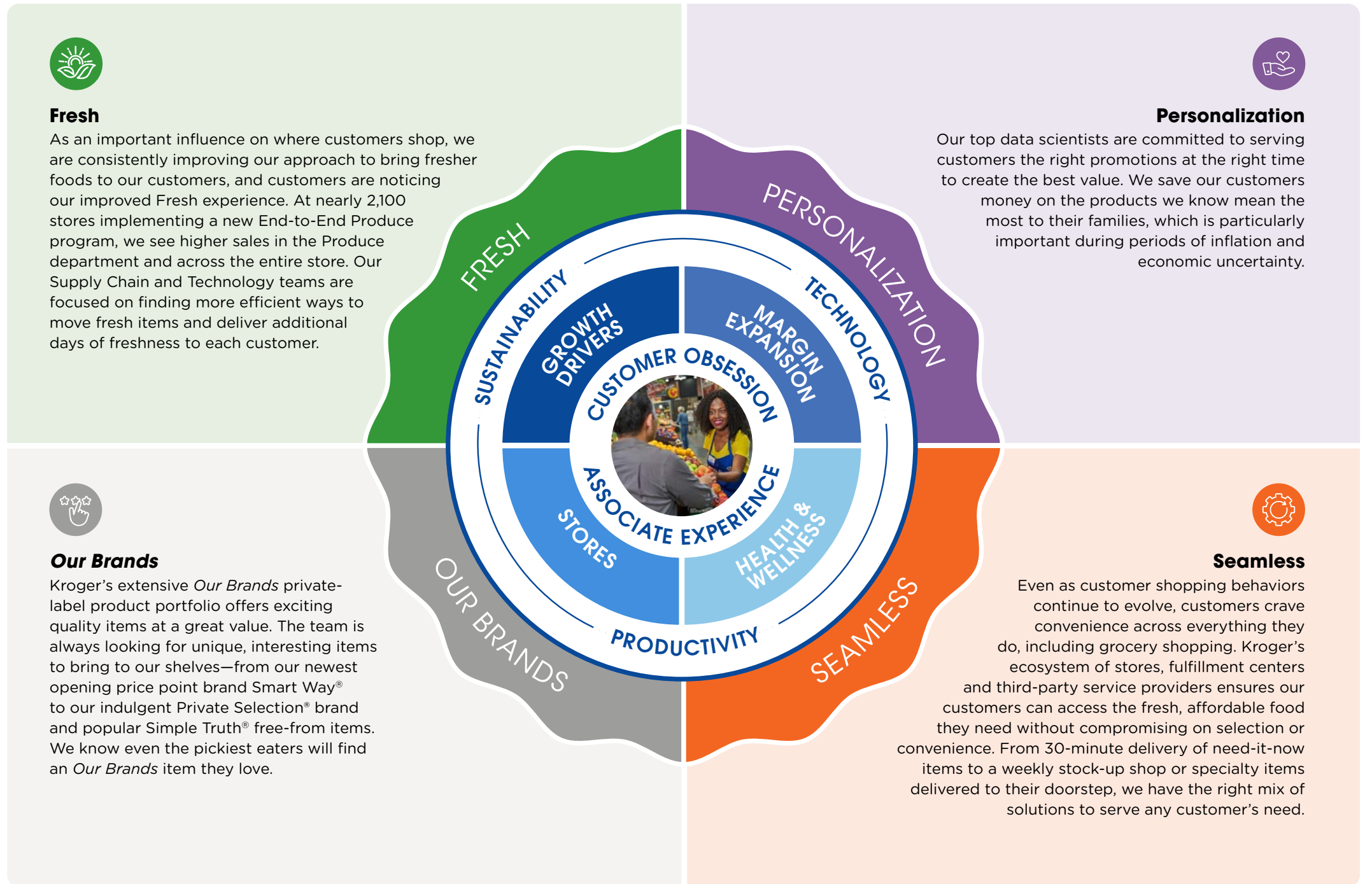
We aim to provide easy ways for our customers to live healthier and more sustainable lifestyles. We seek customer feedback through in-store service counters, surveys, focus groups, websites and social media, as well as Kroger Customer Connect, our live call center.

## 4B

digital offers clipped by customers last year

# Our Go-to-Market Strategy

Kroger’s go-to-market strategy is built on a foundation of four key concepts: fresh, *Our Brands*, seamless and personalization—with customers at the core.





# Our Approach

Kroger has a long history of operating responsibly and growing in ways that serve our associates, customers and communities. Today, Kroger's operating model and *Thriving Together* sustainability and social impact strategy aim to advance positive impacts for people and our planet.

## In This Section

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# Material Topics

We completed Kroger's latest materiality assessment in 2023 in alignment with principles of double materiality. Valuable insights from this process and ongoing engagement with our stakeholders continue to inform our *Thriving Together* strategy.

## Double Materiality Assessment

Double materiality, the leading methodology for assessments, evaluates topics relevant to companies and is increasingly included in reporting guidelines and frameworks. This approach contemplates two different lenses through which material sustainability and social topics can be viewed and disclosed, including:

- **Outward impact:** The potential impact of a company's activities on people, the environment and the economy. For example, managing greenhouse gas (GHG) emissions has an impact on our planet.
- **Inward impact:** Topics or matters that may affect a company's ability to operate and deliver business value in the future. For example, changing weather patterns and temperatures may pose potential risks to the company's business operations over time.

This is Kroger's third formal materiality assessment and the first aligned with double materiality principles. We completed two previous materiality assessments in 2018 and 2020, with findings shared publicly in Kroger's annual ESG reports and online resources. We will consider updating our latest materiality assessment in 2026.



## Determining Material Topics

We determined relevant topics by reviewing the priorities of key stakeholders through ongoing dialogue, sustainability reports, sustainability ratings and rankings, reporting frameworks, industry reports, consumer surveys and media scans. The result was a list of 26 topics identified for further assessment. We identified boundaries for each topic based on stakeholder expectations and our management practices.

To prioritize these topics and apply the Stakeholder Inclusiveness Principle outlined in the GRI Standards, consultant Environmental Resources Management (ERM) conducted in-depth interviews with 32 internal and external stakeholders. We invited approximately 60 additional subject matter experts and stakeholders to complete a quantitative online survey. Based on these insights, we prioritized eight topics as most "material," or foundational to our business or presenting higher levels of risk or opportunity.

High-priority topics were discussed and validated through a series of meetings with internal leaders and the Public Responsibilities Committee of the board. The validated topics shaped the content of this report, detailing our management approach, goals and performance. Topic placement on the matrix and changes over time also may inform the company's management approach.

## Double Materiality Assessment Process

### Discovery

Source review, trends analysis, defined topic list

### Assess inward impact

Internal & external stakeholder engagement

### Assess outward impact

Value chain mapping, external stakeholder engagement

### Topic prioritization

Topic ranking, summary report

### Validation

Leadership engagement & review, validation workshop



**About the Results**

The output of the double materiality assessment can be characterized in a few main takeaways. Highest priority topics—in the Tier 1 segment in the matrix at right—extend across all three pillars of Kroger’s *Thriving Together* strategy:

- **Topics affecting people:** Food & product access & affordability; health & nutrition; and talent attraction, engagement & retention
- **Topics affecting our planet:** Energy & GHG emissions, operational waste and food waste
- **Governance topics:** Food safety, data privacy & cybersecurity, and responsible supply chain & sourcing

These findings generally align with the company’s strategic focus areas while providing additional validation and insights.

This year, we removed the classification of topics as specifically environmental, social or governance. This reflects the complexity and interconnectedness of material topics and potential impacts to both people and our planet. We have learned it is difficult to categorize some topics; in fact, many require a more integrated and cross-functional management approach.

Strong and evolving governance is an important part of our approach to managing material topics and operating responsibly.



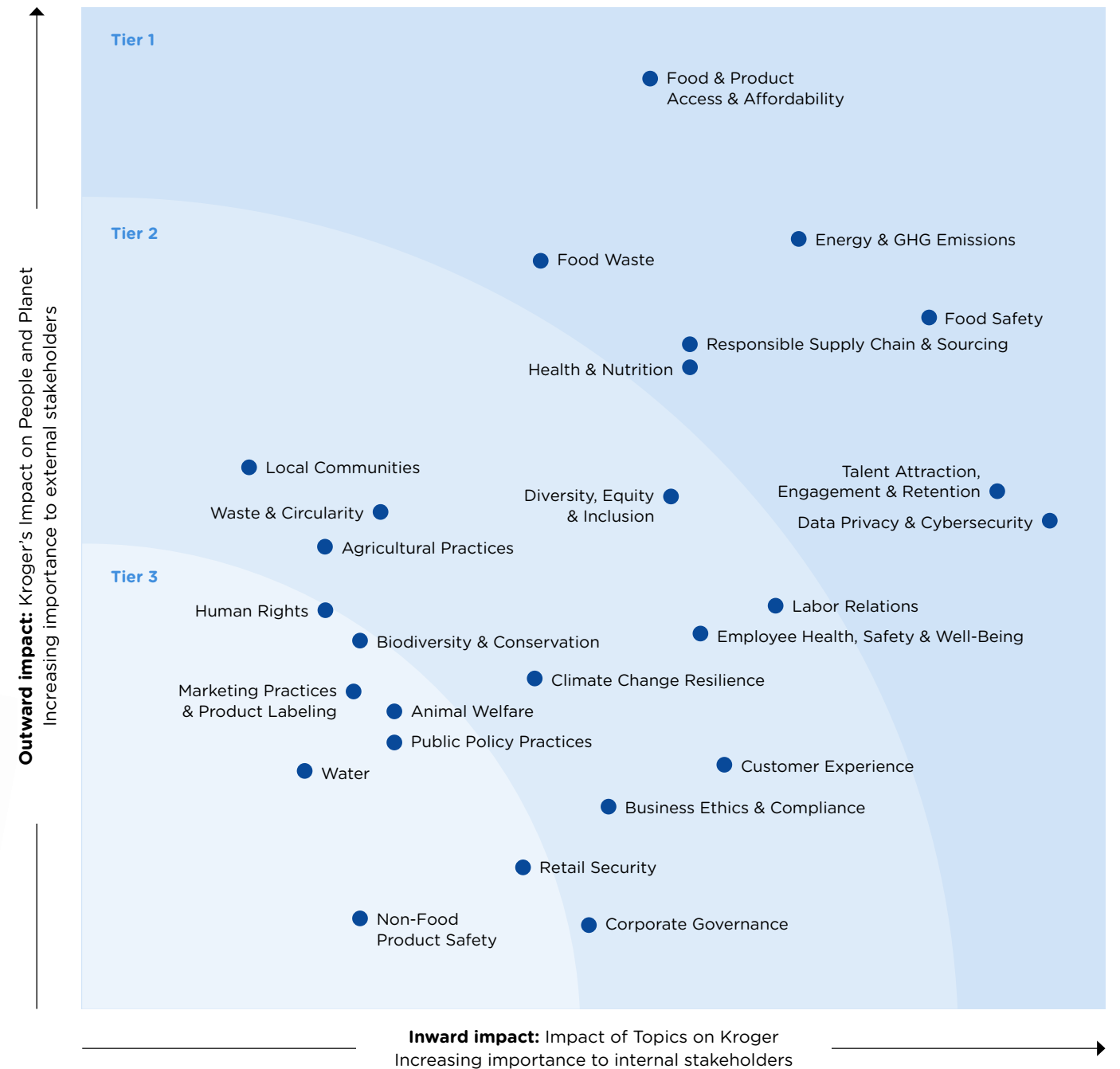
**Topic Placement**

The matrix represents the two types of impact associated with each ESG topic. Topics are positioned on the matrix according to relative degree of impact, which reflects both internal and external perspectives. A high rating on the X axis (inward impact) means a topic may pose a higher degree of risk or opportunity to Kroger and its ability to create value over time. A high rating on the Y axis (outward impact) means that Kroger’s business activities related to a topic may have a higher degree of impact on people and our planet.

Topics at the top right of the matrix have the highest degree of both types of impact and are strategically important. All topics on the matrix are important; however, these insights from both internal and external stakeholders inform and shape Kroger’s management approach, topic prioritization, potential investment of resources and public reporting.

Please see the [Material Topics Summary Table](#) in the Appendix for definitions and a link to the primary narrative discussion for each.

**2023 Material ESG Topics**



# Thriving Together Strategy

We imagine a future where everyone is thriving together. We build stronger communities by growing our business, operating responsibly and advancing sustainability as we grow.

We manage a broad portfolio of material topics as part of our *Thriving Together* strategy, which focuses on advancing positive changes for people and our planet.

Kroger’s purpose-driven Zero Hunger | Zero Waste impact plan sits at the center of our strategy and expresses our mission to end hunger and waste in our communities. We believe everyone should have access to affordable, healthy and sustainably produced food for a brighter future.

We outline our primary focus areas for Zero Hunger | Zero Waste here, and we share our latest 2023 progress on the following pages.



## People

### Impact Plan



## Planet

#### Our Associates

We value our associates because they are the foundation of our success. We create a brighter future for our associates by investing in wages, industry-leading benefits and opportunities to learn, grow and succeed.

[READ MORE ON PAGE 20](#)

#### Our Customers

We make it easy for our customers to shop for fresh, quality, affordable food and other essentials. Investing in lower grocery prices, weekly promotions, personalized offers and rewards is a key part of Kroger’s business model.

[READ MORE ON PAGE 27](#)

#### Our Communities

We strengthen our communities by offering access to employment and convenient ways to shop, and by giving back generously through Kroger’s Zero Hunger | Zero Waste impact plan to end hunger and waste.

[READ MORE ON PAGE 31](#)

#### Climate Impact

We manage energy use and reduce GHG emissions in our own operations, and we collaborate with others to create a cleaner energy future and a healthier planet.

[READ MORE ON PAGE 37](#)

#### Waste & Circularity

Kroger aims to minimize waste in our operations and achieve our zero waste ambition. We also focus on improving *Our Brands* packaging and encourage our customers to try more sustainable product options.

[READ MORE ON PAGE 42](#)

#### Biodiversity & Resource Conservation

We promote responsible land use and more sustainable production methods to protect pollinators, natural habitats, and life on land and in water.

[READ MORE ON PAGE 48](#)



# Zero Hunger | Zero Waste Impact Plan

Kroger's Zero Hunger | Zero Waste impact plan sits at the center of our *Thriving Together* strategy. It's our mission to end hunger and waste in our communities and make sure more fresh, nutritious food achieves its highest purpose: feeding people.

Our Zero Hunger | Zero Waste plan, introduced in 2017, addresses a fundamental absurdity in our food system: Collectively, we produce more than enough food to feed everyone today, yet one in eight Americans still struggle with hunger. We focus on advancing change through our core business and operating model, strategic charitable giving, and coalitions of action with our communities to improve food and nutrition security, now and in the future.



**Core Grocery Business**

## Affordable Fresh Food

### Nourishing Our Communities

- Offer low grocery prices and feature promotions on fresh, healthy food every day
- Increase food access through our seamless digital platform, available to virtually all customers, and online payment through Electronic Benefits Transfer (EBT)
- Offer affordable Boost by Kroger Plus membership options for more savings on groceries, grocery delivery fees and fuel
- Promote nutritional scoring and Better-for-You options to improve health and well-being

### Food Rescue & Donations

- Use promotions and markdowns as food nears use-by dates to make it even more affordable and promote faster sale
- Safely rescue remaining surplus fresh food for made-in-store items or for donation to local food agencies to improve food security in our communities

### Advocacy

- Support public policy and legislative solutions that improve access to food and food assistance benefits



**Sustainability**

## Resource Conservation

### Climate Impact

- Reduce overall facility energy use and GHG emissions for a cleaner, healthier planet
- Divert unsold organics and food not eligible for donation from landfills to reduce GHG emissions
- Collaborate with others to reduce emissions from agricultural production and our supply chain

### Operational Waste & Food Waste

- Improve facility waste management and recover more recyclables to increase waste diversion
- Maximize food waste recycling programs, including animal feed, composting and anaerobic digestion, and scale food de-packaging solutions

### Product Sustainability

- Advance more sustainable agricultural production methods that conserve resources and protect pollinators, natural habitats and biodiversity
- Support collaboration among food retailers and other buyers to increase positive impact



**Social Impact**

## Meals

### Stronger Communities

- Donate fresh food and funds to support local organizations that feed and nourish our communities
- Strategically align nonprofit foundation donations to Zero Hunger | Zero Waste by prioritizing programs that improve food security
- Support organizations and innovators helping increase access to affordable fresh food
- Invite customers to round up their purchase to the nearest dollar to benefit The Kroger Co. Zero Hunger | Zero Waste Foundation to help feed neighbors in need

### New Solutions

- Direct catalytic funding to entrepreneurs with game-changing ideas to end hunger and waste through the Zero Hunger | Zero Waste Foundation's Innovation Fund
- Convene and join industry and other coalitions of action focused on ending hunger and waste
- Explore practical ways to use new technology solutions to improve food security

# Zero Hunger | Zero Waste Progress

We are grateful to countless community leaders, nonprofit organizations and innovators working with Kroger to achieve our mission. Together, we imagine a future without hunger and waste.

Our Zero Hunger | Zero Waste impact plan is designed to advance positive changes wherever we operate. The persistent problems surrounding hunger and waste are complex and interconnected—at global, national and local levels. We continue to focus on improving our own operations and working with others in our value chain to drive greater positive impacts in our local communities and beyond.

With more than 140 years of experience in the food business, Kroger is uniquely positioned to help solve this big problem. We focus on:

- Making it easy for more people to shop for fresh, affordable food
- Donating surplus fresh food to feed our neighbors
- Achieving zero waste and food waste in our operations to keep waste out of landfills
- Reducing GHG emissions for a healthier planet
- Offering more sustainable *Our Brands* packaging
- Giving our customers easy ways to support our mission and live healthier, more sustainable lifestyles



## Key Highlights

Every day, Kroger associates live Our Purpose by rescuing surplus food in our stores that can no longer be sold and donating it to local hunger relief organizations. Last year, our associates rescued and donated 114 million pounds of food company-wide. Thanks to these efforts and charitable cash donations to hunger relief, we met and exceeded our goal to donate 3 billion meals to our communities more than two years ahead of schedule.

Reducing food waste is a big part of our Zero Hunger | Zero Waste plan. Any surplus food that cannot be safely donated to feed people goes to food waste recycling programs like animal feed, composting or anaerobic digestion. Since 2017, we have reduced total food waste generated in stores by 20% and improved food waste diversion from landfills to 52%.

Reducing waste also means managing energy use, minimizing GHG emissions and improving *Our Brands* packaging to be more recyclable, reusable and compostable.

For more about our [Zero Hunger | Zero Waste impact plan](#), please see our website.

## 2023 highlights

**455M**  
meals donated to our communities

**\$256M**  
in charitable giving to hunger relief organizations in our communities (food & funds)

**114M**  
pounds of surplus fresh food donated

**100%**  
of stores donating surplus fresh food to hunger relief agencies

**82%**  
operational waste diversion from landfill company-wide

## Progress since 2017

**3.4B**  
meals donated to our communities

**\$1.5B**  
in charitable giving to end hunger

**700M**  
pounds of surplus fresh food donated

**95%+**  
of stores participating in food waste recycling programs

**52%**  
retail food waste diversion from landfills



# 2023 Progress Highlights

We recognize the unique role Kroger plays in the future of food. We aim to operate responsibly, live Our Purpose and fulfill our Zero Hunger | Zero Waste impact plan to advance positive changes for people and our planet. Additional details about these and other goals and metrics are shared in the People, Planet and Governance sections of this report.



## People

Goals & Metrics	2023	Status
<b>Social Impact</b>		
<b>Food Access &amp; Affordability</b>		
Invest in lower prices for our customers to make groceries more affordable	\$550M	On track
Introduce new quality affordable <i>Our Brands</i> products	700+	On track
Annual meals donated to our communities—food and charitable donations	455M	On track
Donate 3 billion meals to communities by 2025 (2017 baseline)—food and donations	3.4B meals	Achieved
<b>Food Rescue Donations</b>		
Donate surplus fresh food from stores and facilities to our communities through Kroger’s Zero Hunger   Zero Waste Food Rescue program	114M pounds	On track
100% of retail stores actively donating surplus fresh food by 2025	100%	Achieved
Aim for donations of fresh produce, deli and dairy items to be 45% of total food rescue	45%	Achieved
<b>Charitable Giving</b>		
Total annual charitable giving to our communities	\$329M	On track
Share of total charitable giving donated to national and local organizations helping end hunger	\$256M	On track

## Planet

Goals & Metrics	2023	Status
<b>Environmental Impact</b>		
<b>Climate Impact</b>		
Achieve a 30% cumulative reduction in Scope 1 & 2 GHG emissions from 2018 baseline	12%	On track
<b>Waste &amp; Circularity</b>		
Achieve 90%+ waste diversion from landfill company-wide	82%	Area of focus
Reduce total food waste generated in retail stores by 50% cumulatively (2017 baseline)	20%	Area of focus
Achieve 95% diversion of remaining retail food waste from landfill	52%	Area of focus
95%+ of retail stores participating in food waste recycling programs	95%	Achieved
Seek to achieve 100% recyclable, compostable and/or reusable <i>Our Brands</i> packaging	52%	On track
Increase recycled content in packaging so <i>Our Brands</i> portfolio collectively contains 10%+	10%	Achieved
<b>Biodiversity &amp; Resource Conservation</b>		
Set new <u>Goal to Protect Pollinators &amp; Biodiversity</u> to reduce pesticide use in fresh produce supply chains	-	NEW
Percentage of Seafood Department products aligned with Kroger’s Seafood Sustainability Policy	96%+	On track







**Status key** Did not achieve Area of focus On track Significant progress Achieved Achieved ahead of schedule

M = million | B = billion

# Stakeholder Engagement

Kroger has a large and diverse group of stakeholders, including individuals and groups who may be affected by our operations. These communities influence how we run our business and help guide how we develop our sustainability and social impact strategies.

We proactively manage relationships to foster open dialogue and capture feedback from more than 70 organizations on over 30 topics related to responsibility and sustainability. While our approach to engagement varies by group, we prioritize topics based on our strengths, *Thriving Together* strategy, materiality assessment results, and other risk-based analyses.

Key Stakeholders	Primary Engagement Methods	Engagement Outcomes 2023
<b>Shareholders</b> 	Kroger's leaders, our Investor Relations team and other subject matter experts engage with shareholders throughout the year. Key channels include direct investor engagement, investor conferences, our annual shareholders' meeting, quarterly earnings calls, financial reports, investor questionnaires about ESG topics, <a href="http://www.thekrogerco.com">www.thekrogerco.com</a> , press releases and webcasts.	In 2023, under the direction of the board, we requested engagement meetings with 39 shareholders representing 59% of our outstanding shares and subsequently met with 16 shareholders representing 39% of our outstanding shares (we met with many of those shareholders more than once). Some investors we contacted did not respond or confirmed that a discussion was not needed at that time.
<b>Non-Governmental Organizations (NGOs)</b> 	We engage many NGOs to share how Kroger approaches topics affecting people and our planet, including our Zero Hunger   Zero Waste impact plan. We welcome constructive and open dialogue with NGOs on a wide range of topics.	Ongoing NGO engagement shapes our management approach to corporate responsibility. In 2023, we continued to work collaboratively with World Wildlife Fund (WWF), ReFED and other food companies as part of the Pacific Coast Food Waste Commitment (PCFWC) to donate more unsold food to feed people and reduce food waste in landfills. We also support the new multi-stakeholder U.S. Food Waste Pact, which extends the principles and collaborative approach of the PCFWC to reduce food waste across the country.
<b>Associates &amp; Labor Unions</b> 	We engage with Kroger associates in all locations where we operate. We use training, one-on-one discussions and coaching, our intranet, email, leadership meetings and town halls, affinity and inclusion groups, internal and external social media, and associate engagement surveys. We also communicate with local and international unions through scheduled meetings, telephone calls and ongoing collective bargaining agreement negotiations.	Our associates' feedback helped inform continued investments in new skill-building tools for learning and advancement. In 2023, Kroger introduced the Fresh Start platform—available through handheld devices, store computers and a mobile phone app—with easy access to daily on-the-go training and other content in brief modules designed to engage associates and make learning more fun. We also introduced a Zero Hunger   Zero Waste certification curriculum for associates to increase engagement in our impact plan.
<b>Customers</b> 	We offer customers many ways to engage with us, including in-store service counters, surveys, focus groups, websites and social media, as well as Kroger Customer Connect—our live call center.	Feedback from our customers guides improvements to our in-store and digital shopping experiences and product portfolio. In 2023, Kroger conducted new research asking for feedback on Kroger's sustainability and social impact strategy and related topics. More than two-thirds of our customers rated food safety, food access and affordability, health and nutrition, and reducing food waste highest in importance to them, validating our Zero Hunger   Zero Waste plan and areas of focus.
<b>Communities</b> 	We foster close relationships with the neighborhoods in which we operate and listen to local and national organizations needing support to achieve mutual goals. Key channels include direct engagement, local giving and fundraising, service and volunteerism, weekly food donations, hunger relief, ongoing special events, store openings, media relations and more.	Kroger works closely with nonprofit organizations that request funding for key national and local community projects. Last year, in addition to quarterly grants from retail operating divisions and our foundations, Feeding America requested and received a \$1 million grant from The Kroger Co. Zero Hunger   Zero Waste Foundation to enable more frequent food donation pickups benefiting four community food banks: Food Bank of Eastern Michigan (Flint, MI); Houston Food Bank (Houston, TX); Mid-South Food Bank (Memphis, TN); and the Atlanta Community Food Bank (Atlanta, GA).
<b>Suppliers &amp; Manufacturers</b> 	Kroger's engagement with our suppliers is a critical element of our commitment to responsible sourcing and supply chain accountability. We focus our engagement during the onboarding process and continue it through ongoing meetings, site visits, surveys and audits.	In 2023, we engaged suppliers to help shape several key policies and goals, including a new <a href="#">Nature-Based Goal to Protect Pollinators &amp; Biodiversity</a> to advance sustainability in our fresh produce supply chain. We also began onboarding produce suppliers to the Ethical Charter Implementation Program to continue to support efforts to respect farmworkers' rights in domestic produce supply chains.



# Recognition

## #25

Fortune 500  
Companies Ranked by  
Revenue 2024



## #5

Newsweek  
Most Trustworthy  
Companies in  
America (Grocery &  
Convenience Stores)  
2024



## #29

Axios Harris Poll 100  
Reputation Rankings  
2024



## Handshake

Early Talent Award  
for places to launch  
meaningful careers  
2024



## #27

Barron's  
100 Most Sustainable  
U.S. Companies  
2024



## Kroger Health

SingleCare  
Best of the Best  
Pharmacy Awards  
2023



## America's Climate Leaders

USA Today  
2024



## #3

Mogul Top 100  
Workplaces  
for Diverse  
Professionals  
2024



## Disability:IN

Best Places to Work  
for Disability Inclusion  
5 consecutive years



## Progressive Grocer

Impact Awards:  
Diversity, Equity & Inclusion  
Sustainability & Resource Conservation  
2023



## Sustainability, Environmental Achievement and Leadership (SEAL)

Business  
Sustainability  
Award  
2023



## Kroger Health

Mass Market  
Retailer of the Year  
2023



## Brandon Hall

Human Capital Management  
Excellence Gold Award  
2024



## Computerworld

Best Places to Work in IT  
6 consecutive years  
2024





# People

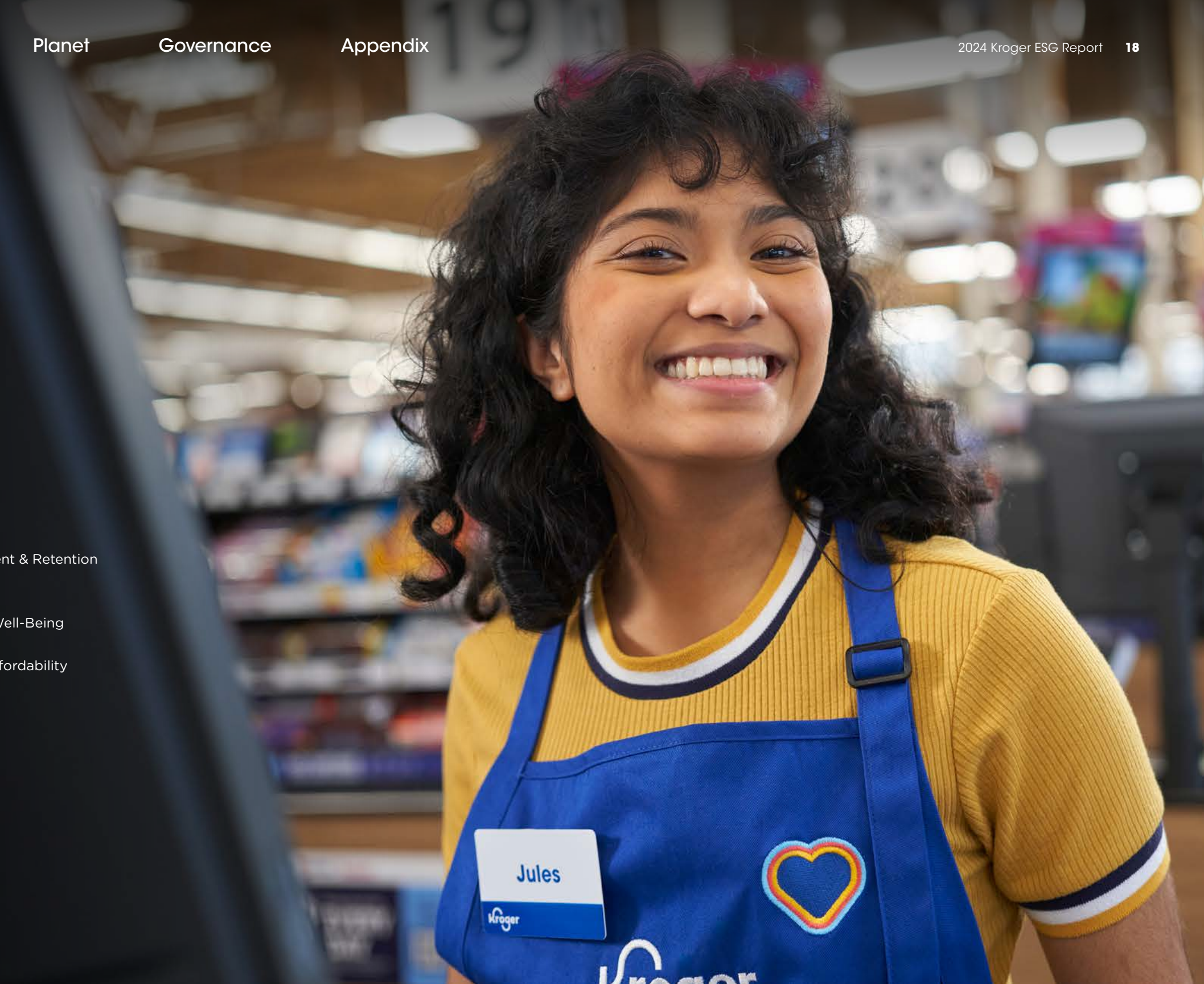
Food is at the heart of every community, and so is Kroger. We serve and strengthen the places we call home—for our associates and customers, for local businesses and farmers, and for towns and cities wanting to grow and thrive.

## In This Section

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## Material Topics

- Talent Attraction, Engagement & Retention
- Labor Relations
- Diversity, Equity & Inclusion
- Employee Health, Safety & Well-Being
- Customer Experience
- Food & Product Access & Affordability
- Health & Nutrition
- Local Communities





# People: 2023 Highlights

At Kroger, Our Purpose is to Feed the Human Spirit. Our ambition extends far beyond the food and essentials we provide. We create brighter days and uplifting experiences for our associates, customers and communities, and we are a generous and trusted partner in the neighborhoods we serve and beyond.

### Related Resources

[ZERO HUNGER | ZERO WASTE](#)

[LIFTING UP OUR COMMUNITIES](#)

[KROGER HEALTH](#)

## \$500M

invested in lower prices for customers



## 50K+

associates have been with Kroger 10 years or more



## \$500M

invested in our associates' wages and benefits



## 700+

new affordable, quality *Our Brands* items introduced



## \$329M

in total charitable giving for our communities



## \$210M

invested in skill-building for our associates



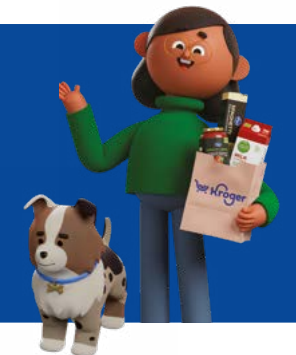
## 455M

meals donated for local hunger relief



## \$46M

in customer-directed Kroger Community Rewards for local nonprofit organizations





# Our Associates

Kroger offers jobs, skill-building and career opportunities for thousands of people in our communities every year. Many associates join for a part-time job and discover a fulfilling career at Kroger. We strive to hire people who reflect the communities we serve and create a respectful and welcoming work environment where everyone can thrive.

## Our Approach

Kroger’s success and growth is possible because of dedicated associates who choose to build their careers with us. They are the heartbeat of our stores, our distribution and fulfillment centers, our manufacturing plants and our offices. They are what makes Kroger such a special place. Every day, our associates deliver fresh and friendly experiences for our customers, serve our communities and live Our Purpose: To Feed the Human Spirit. We continue to invest in ways that help them grow and learn with Kroger.

Kroger’s chief people officer leads efforts to support, inform and advocate for our associates by providing oversight to the company’s Human Resources, Labor Relations and Corporate Affairs functions. Guided by Our Purpose and Values, these groups—along with people champions across the business—focus on advancing our human capital management strategy to support individual and company success. We monitor and measure progress on key metrics and identify opportunities to increase associate engagement, well-being and belonging.

The board’s Compensation & Talent Development Committee oversees progress on human capital management topics.

Because of our unique business model, we help unlock economic opportunity for nearly half a million people of various ages and aspirations—from those seeking entry-level part-time jobs to graduate-degree specialists across corporate functions. In 2023, a total of 420,000 associates were part of the Kroger family.

## Our People Strategy

We value and respect our associates, and we want to connect meaningfully with them throughout their employment journey, providing important opportunities to learn, grow and advance.

Kroger’s people strategy focuses on three priorities:

- Connecting and retaining our talent
- Developing our leaders
- Advocating for our associates and their well-being

This strategy is designed to improve associate engagement, reduce turnover and develop a workforce that reflects the diversity of our communities. We recently affirmed our people strategy, reset internal goals and developed initial roadmaps for achieving them.

Our people strategy requires a holistic approach, focusing on every stage of our associates’ journey from candidate to alumni, including the care they need to grow and the skill-building resources they need to deliver on our business strategies. This begins with a consistent and effective onboarding experience and continues through ongoing connections to support performance and yearly training and development focused on skills and capabilities for success.

## Investing in Our Associates

Kroger continues to invest in our associates—through wages, benefits, training, safety, well-being and more—because we know that when they have a better experience, our customers have a better experience too.

A key component of these efforts is continually refining our competitive Total Rewards programs, which include compensation, health care benefits, retirement benefits and perks available to our associates, including those covered by collective bargaining agreements. We offer competitive pay and benefits in our stores, distribution centers, dedicated fulfillment centers, manufacturing plants, technology hubs and corporate offices.

### Material Topics

- TALENT ATTRACTION, ENGAGEMENT & RETENTION
- LABOR RELATIONS
- DIVERSITY, EQUITY & INCLUSION
- EMPLOYEE HEALTH, SAFETY & WELL-BEING

65%

of our associates are covered by collective bargaining agreements negotiated with local unions



Nearly \$25/hour

average retail hourly wage including comprehensive benefits; nearly \$19/hour without benefits

15

Associate Resource Groups to promote inclusion and belonging



168M

learning courses completed by our associates in 2023



In 2023, we invested an incremental \$500 million in our associates' wages, increasing average hourly wage rates. Since 2018, we have made a total of \$2.4 billion in incremental wage investments, increasing wages by 33%. As a result, our average hourly wage is now more than \$19, and nearly \$25 including comprehensive benefits. We are committed to sustainably increasing associate wages over time in ways that support our business model and preserve affordability for our customers.

We offer high-quality health care coverage for our associates and their families. We listen to our associates and invest in health care benefits that they consider to be most meaningful, including comprehensive and affordable health care coverage with support for family members and domestic partners.

In 2023, we introduced new well-being resources based on our associates' feedback, and we will continue to adjust these offerings to support our people.

More information about how Kroger [supports our associates' well-being](#).

## Hiring & Engaging Associates

We offer every associate opportunities to feed their future and discover a career at Kroger. We provide accessible and flexible employment options for people of all ages and backgrounds, including candidates looking for a part-time job or building a fulfilling professional career.

The Kroger Family of Companies aims to be an employer of choice in our communities and across the country, and we continue to adapt and improve how we attract and tap into sources of talent. This includes enhancing our recruiting systems and early talent pipeline. We know that for many associates, Kroger is their first job.

In early 2024, we added a recruiting module to our new MyInfo HR technology platform to enhance our talent attraction systems. With this added functionality, Kroger's hiring and management teams have a new suite of tools to enhance the candidate experience and improve our time-to-hire and time-to-start metrics.

Gen Z accounts for a growing share of today's workforce and tomorrow's leaders, and Kroger continues to invest in our internship program and early talent pipeline. During the past two years, we welcomed more than 530 interns to our company. Kroger interns work on real projects and produce real results across all areas of the business, from supermarket divisions, manufacturing and supply chain to corporate functions and our Kroger Technology & Digital team. We are working on increasing the number of interns in our program and extending it to all lines of business.

### Reflecting Our Communities

We hire and welcome new associates of all backgrounds in the neighborhoods we serve. This includes candidates like mature adults, military service veterans and those seeking employment reentry. We work with many other groups to recruit new talent, including veterans' organizations and multicultural universities and colleges.

We offer jobs that support the unique needs of our military veterans, service members transitioning from active duty and their families. During the last 10 years, Kroger hired more than 50,000 veterans for roles in stores, Kroger Technology & Digital, Supply Chain and more. In 2023, our HR team offered a virtual Veteran Career Expo so veterans and their families could learn more about career opportunities at Kroger. Candidates

participated in one-on-one conversations about their interests to help match them to a wide range of career paths and opportunities.

In 2023, we expanded Kroger's collaboration with justice-impacted organizations through our New Beginnings program, which now includes all food processing plants, warehouses and fulfillment centers. Powered by collaboration with more than 75 trusted community partners, we seek to create second-chance opportunities for certain individuals to start fresh and become financially stable through employment and access to benefits, depending on the role.





### Engaging Our People

Listening plays a critical role in our ability to retain and develop our associates. We gather feedback throughout the year in a variety of forms, including an annual Associate Insights Survey. In 2023, the company-wide engagement score was 57, a one-point increase from 2022 and a three-point increase from 2021. We also saw a 3% increase in survey participation in 2023.

Our survey results tell us that key drivers of engagement include: a sense of belonging, confidence in the future of the company, positive changes being made to address survey feedback, the company's genuine interest in our associates' well-being, and having a friendly and caring place to work.

While overall engagement shows continued improvement, we still have work to do. After reviewing company-wide and team results, leaders develop and activate site- and team-based action plans to address feedback on key themes, including associate belonging, overall well-being and supervisor effectiveness. In 2024, we are conducting pulse surveys instead of a full engagement survey to give leaders more time to implement action plans before the next full survey.

We may conduct other pulse surveys throughout the year to check our progress, measure well-being and see how our associates are feeling. Based on these insights, we can offer additional resources for leaders and associates to respond to feedback more quickly.



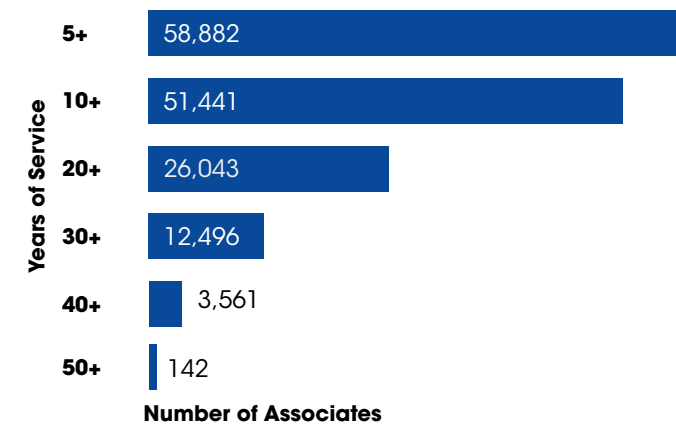
### Improving Retention

Many associates come to Kroger for a first or part-time job and discover a rewarding career. These first jobs form a strong foundation of real-world job skills and experience that serves our associates in any next job in store operations or across the business in Supply Chain, Technology, Finance or other corporate functions.

Associates tell us they value our Total Rewards programs, which include competitive wages and quality health care and retirement benefits, well-being resources and more. We believe investing in these programs enables associates to grow and thrive and improves retention over time.

We aim to improve associate experiences at every stage of their time with us, from the hiring and pre-boarding process to onboarding, training, performance management and feedback experiences. In 2023, we developed a new internal metrics dashboard to align teams at all levels of the organization to track and improve common measures that affect retention, including time to hire, time to start, the onboarding experience and participation in new user-friendly training modules.

#### Come for a Job, Discover a Career<sup>1</sup> Associates Celebrating Milestones in 2023



### Developing Associates & Leaders

We aim to cultivate a culture of opportunity where everyone can thrive. This includes providing tools and resources to help our associates learn new skills, expand capabilities and grow their careers.

Kroger offers a range of comprehensive training and development opportunities for all associates, from entry-level new hires to corporate and executive leaders. We support the learning, growth and development of our associates to build skills that serve them well at Kroger or elsewhere.

In 2023, we invested \$210 million in training for our associates company-wide, and we plan to invest an additional \$181 million in 2024.

We continue to accelerate the use of our digital learning app Fresh Start for a better onboarding and learning experience. Fresh Start—available on shared company-owned technology or associates' personal mobile devices—provides quick and effective training to frontline associates in an engaging format, helping them develop important skills, build confidence and more effectively serve our customers. This new platform makes new-hire onboarding easier and enables us to deliver training in the flow of associates' everyday work.

With Fresh Start and more traditional training modalities, we deliver a wide range of information to associates at all levels, including role-based training, leadership development opportunities, and courses on Our Purpose and Values, associate well-being and safety, service excellence, our Zero Hunger | Zero Waste impact plan and more.

1. Excludes Home Chef and Vitacost associates



In 2024, we introduced several enhancements to the Fresh Start app, including new skills-based onboarding paths and digital quizzes to assess our new hires' proficiency levels. We also launched new communication functionality to more easily share local division and facility news, tasks, recognition and other content.

### Feed Your Future

To help associates achieve their learning goals, we offer an industry-leading continuing education assistance benefit that provides up to \$3,500 annually (and up to \$21,000 over the course of a career). In 2022, we expanded eligibility for this benefit to virtually all part-time and full-time associates after 60 days of service. In 2024, we are expanding this benefit to interns with 120 days of service or more.

Since inception, the program has directed over \$27 million in tuition reimbursements to nearly 6,000 associates. More than 3,000 associates, 90% of whom are hourly, participated in the program last year.

### Effective Leaders

Developing highly effective leaders is critical to Kroger's overall associate and customer experience. We will continue our positive momentum with strategies and initiatives that support our current leaders, retain diverse talent, and develop strong and capable leaders of the future.

We build and strengthen our leaders' capability and effectiveness through our Career Track Leadership Development Framework. This framework outlines both leadership and technical development requirements so our people lead highly effective teams at every step of their career. We release new content each quarter with training, tools and resources to build key leadership skills. We want our leaders to have a deep sense of ownership in the business and passion to improve every day while keeping people at the heart of everything we do.

We invest in our leaders' development by:

- Offering an extensive catalogue of on-demand and instructor-led development courses designed to support leaders at every career level
- Conducting formal internal development programs and experiences
- Inviting leaders to participate in regional and industry development programs

We recently enhanced role-based development programs for store department leaders, management trainees and district managers working across our retail divisions. We extended our comprehensive Store Management Training Program from 10 to 15 weeks and included even more real-world store experiences, one-on-one coaching, updated virtual sessions and digital assessments to gauge proficiency and readiness. A refreshed District Manager Development Program will help these critical leaders build the people, financial and technical skills needed so our associates can thrive.



During 2024, we expect to include about 19,000 department leaders, 1,500 store management trainees and 180 district managers in these development programs.

### Championing Performance

We believe regular, meaningful feedback is critical to personal development and growth. To ensure associates receive timely coaching and conversations regarding their performance, we ask all managers to dedicate time and attention to coaching and developing team members. Through Kroger's Ongoing Connections performance management approach, associates have regular performance and development conversations to set expectations, facilitate career development and discuss potential advancement over time.

To learn more about our continued commitment to the growth and development of our associates, visit the [Kroger Careers page](#) on our website.

## Labor Relations

Kroger respects our associates' rights to form and join representative organizations of their own choosing. We do not prevent, retaliate or discriminate against workers choosing to associate with any group (or not) or bargain collectively (or not).

Collective bargaining agreements are a regular part of our business and cover many associate matters, including wages, health care and pensions. These contracts are regularly negotiated by Kroger's team of labor negotiators who follow a consistent process and take a measured approach to each.

Approximately 65% of our associates are covered by collective bargaining agreements negotiated with local unions affiliated with one of several different international unions. There are approximately 350 such agreements, usually with three- to five-year terms.

In addition to wage investments noted earlier in this section, we invested more than \$635 million in our associates' multi-employer pension plans in 2023. Kroger also provides affordable, high-quality health care benefits to eligible associates, investing \$1.2 billion annually in their health and wellness benefits.

## Diversity, Equity & Inclusion

Kroger strives to create an environment where everyone feels respected and that they belong, and we aim to attract and retain friendly associates who reflect our local communities and the neighborhoods we serve.

We work with leaders of others company-wide to increase awareness and build skills to manage teams that embrace and advance diversity, equity, inclusion and belonging. We also aim to include, develop and advance leaders of all backgrounds in career opportunities and roles with increasing levels of responsibility. For open leadership positions, we assemble a diverse slate of candidates for consideration.

To continue developing an inclusive talent pipeline, we maintain recruiting relationships with a broad range of institutions, including those offering postsecondary education in our communities, historically Black colleges and universities (HBCUs), Hispanic-serving institutions (HSIs), military organizations, neurodiverse groups, and others.

Please see the Workforce Overview on the following page for more details about our associates.

### A More Inclusive Culture

Kroger's internal Diversity, Equity & Inclusion (DEI) Advisory Council includes cross-functional leaders who are committed to advancing progress. The Council works closely with senior officers and business leaders to identify opportunities and specific actions for improvement. Based on our associates' feedback, we evolved the design of this advisory council in early 2024 to include a broader range of voices to inform our direction and decision-making.

We are also focusing the actions of our Associate Influencer Group, which includes hourly associates, to provide input on how to increase inclusion and belonging across the company.

For the fifth consecutive year, Kroger was named among the Best Places to Work for Disability Inclusion, earning a score of 100 on the Disability Equality Index. Kroger was also named among the 100 "Best of the Decade" Companies by *Minority Business News*.

We also develop and maintain relationships with a wide range of local and national chambers of commerce and small business accelerator programs to share opportunities to bid for Kroger's business. We believe working with an inclusive group of national and local suppliers helps expand our product assortment to meet our customers' wide-ranging needs.

Learn more about our [Supplier Diversity & Inclusion Program](#).

### Associate Resource Groups

To support our associates and foster inclusion, Kroger offers 15 Associate Resource Groups (ARGs), or affinity groups, with chapters across the company. These groups enable personal connections across the Kroger Family of Companies, influence business decisions, facilitate shared experiences, encourage cross-ARG membership for awareness and promote personal and professional growth.

Kroger leaders sponsor the ARGs and personally engage with members, allies and other associates who are interested in learning more. All associates are welcome to join any of our ARGs to listen, learn and meet other associates. These ARG communities include:

- African American
- Asian
- ECO (Environmentally Conscious Outcomes)
- ITOPiA (embracing all personality types)
- KePasa (for the Hispanic community)
- Kickstart (for associates who are new to Kroger or looking for a new opportunity at Kroger)
- Men for Equality
- Our Abilities (disability inclusion)
- Parents
- Pride (LGBTQ+ inclusion)
- Prime Timers (for associates at later stages of their careers)
- Veterans
- Wellness
- Women's EDGE
- Young Professionals

An ARG Steering Committee of diverse leaders helps review and establish consistent principles to advance associate engagement, professional development and community outreach, and to foster a sense of belonging.

Read more about our [Framework For Action: Diversity, Equity & Inclusion](#).

### Pay Equity

Kroger aims to foster a culture of diversity, equity and inclusion that offers fair and equal pay for men, women and people of all races and ethnicities, in alignment with Our Values. We have processes and tools in place to support fair and equitable recruiting, employment offers and advancement opportunities. We conduct annual pay studies to monitor our performance and identify unintended discrepancies.

In 2023, in consultation with an expert third-party consultant, we enhanced the methodology for our pay analyses to better align with evolving industry standards. Our review of our associates' total compensation for calendar year 2023, including base pay, cash bonuses, and equity, adjusting for factors such as position, tenure, performance, geographic location and collective bargaining unit, confirms there are no meaningful differences in pay on an adjusted basis for associates who self-identify as male, female or person of color. See our [Statement on Pay Equity](#) for more details.

We will annually disclose our adjusted pay ratios and, beginning in 2025, we will include unadjusted pay equity results for fiscal 2024 and beyond.

## 2023 Workforce Overview

### About Our Associates<sup>1</sup>

Kroger offers accessible employment, opportunities to learn and grow, and a wide range of rewarding careers. We believe that by investing in our associates and being an employer of choice, we can deliver an outstanding customer experience every day, every time.

	Full time	Part time	Total
<b>Women</b>	86,944	115,218	202,162
<b>Men</b>	96,448	112,100	208,548
<b>Total</b>	183,392	227,318	410,710

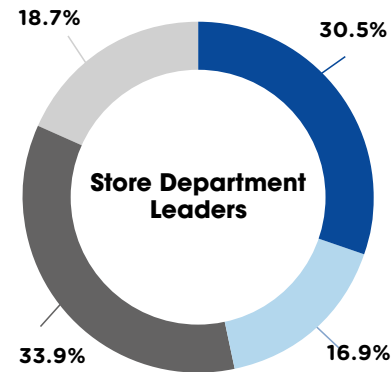
	2022	2023
<b>White Women</b>	29.3%	27.9%
<b>Women of Color</b>	20.2%	21.2%
<b>White Men</b>	29.9%	28.9%
<b>Men of Color</b>	20.5%	22.1%

### Reflecting Our Communities

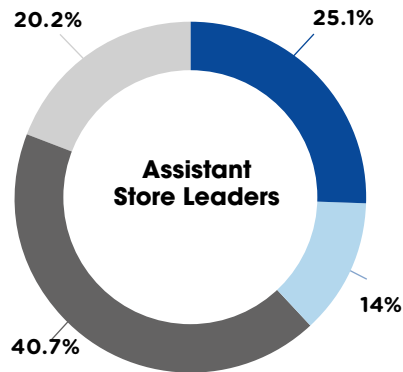
Diversity and Inclusion are among Our Values, and we aim to attract and retain diverse associates who reflect the demographic representation of our country and the neighborhoods we serve.

	U.S. Population <sup>2</sup>	Kroger Operating Area Population <sup>3</sup>	Kroger Associates <sup>4</sup>	Totals
<b>White or Caucasian</b>	61.7%	55.1%	56.5%	238,337
<b>Hispanic or Latino</b>	18.0%	21.9%	16.8%	71,035
<b>Black or African American</b>	11.9%	12.7%	13.8%	58,363
<b>Asian or Asian American</b>	5.1%	6.8%	3.9%	16,446
<b>Other</b>	3.4%	3.5%	9.0%	37,947

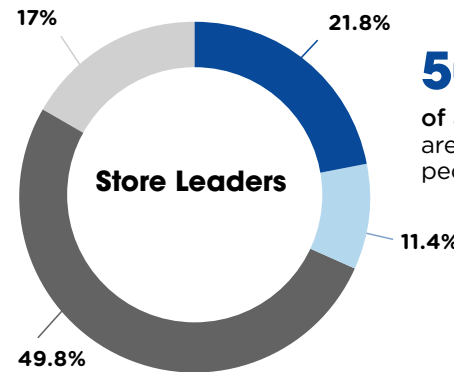
### Diversity in Our Retail Leadership Roles



**66.1%**  
of all Store Department Leaders are women or people of color



**59.3%**  
of all Assistant Store Leaders are women or people of color



**50.2%**  
of all Store Leaders are women or people of color

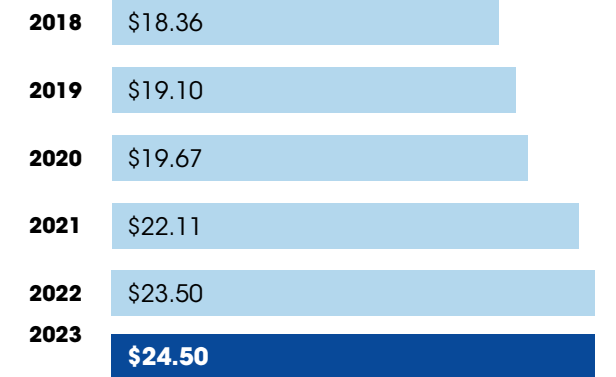
● White Women ● Women of Color ● White Men ● Men of Color

1. Totals provided for gender and ethnicity reflect our transition to a new workforce management system, in which associates are no longer required to specify or disclose gender or ethnicity

2. 2022 U.S. Census Bureau population estimates  
3. 2022 U.S. Census Bureau population estimates  
4. Kroger data as of fourth quarter of fiscal year 2023

### Average Hourly Compensation

Includes comprehensive benefits



Kroger publicly discloses our latest EEO-1 report on our [Investor Relations site](#).



## Associate Health, Safety & Well-Being

Safety is one of Kroger's long-standing values, and we believe managing personal health and safety is critical to our company's success.

Kroger's operating unit leaders and executive leadership team are responsible for our management approach to associate health and safety, with additional oversight from the Public Responsibilities Committee of the board. Business units and administrative functions follow an established approach to help protect associates' health and safety.

### OSHA Standards

Kroger follows established policies and standards to meet or exceed relevant Occupational Safety and Health Administration (OSHA) requirements, including comprehensive hazard communications and lockout/tagout plans, as well as guidelines for emergency evacuation, personal safety and personal protective equipment (PPE).

In 2023, Kroger improved our safety performance company-wide versus the prior year. Key metrics show improvement in company-wide OSHA reportable injuries, which declined 7.2%, driven by a 9.3% reduction in injuries in supermarket operations. Lost-day rates improved for associates but increased for contractors versus the prior year.

Safety measures are included in prioritized metrics for facility operations. We continue to deploy virtual, classroom and mobile training through our Fresh Start app for safety requirements to reach even more associates and provide reminders about safe work habits.

Learn more about our [safety performance](#).

### Retail Stores

In 2023, we continued to refine our company's safety program—AllSafe!—for associates in Retail Operations, Fred Meyer Jewelers and Pharmacy Central Fill operations. The program is designed to increase associates' awareness and attention to personal safety and well-being.

AllSafe! is grounded in four principles:

- Nothing we do is worth risking injury
- Accidents can be prevented
- Safety will be managed
- Safe behavior is a condition of employment for all associates

Kroger has detailed requirements and processes in place to minimize, review and address safety concerns in stores. Through clearly communicated expectations, routine monitoring and regular safety behavior training and reinforcement, we continue to reduce the number of injuries and accidents in our stores. We provide PPE for associates where appropriate, and we require store leaders to conduct a thorough PPE assessment at least annually to verify it is available and in use.

Any accidents are reviewed within 24 hours to determine the root cause. Dedicated on-site safety teams meet routinely to review recent injury root causes and safety audit results, and to resolve any issues.

In 2023, Kroger launched AllSafe! Interactions, which enables associates to be observed and coached in real time on safety best practices and behaviors through store handheld devices. This replaced a paper-based observation process and focuses on more detailed and meaningful interactions with associates. Real-time results are delivered through handheld devices for better tracking and data insights through Power BI dashboards.

### Think AllSafe!

In 2024, retail stores began using the Think AllSafe! web-based platform, which houses store-related OSHA training courses to promote safety, including:

- Bloodborne Pathogens Safety Plans
- Emergency Plans and Procedures
- Hazard Communications (Chemical Safety)
- Hazardous Energy Lockout/Tagout Safety Plans
- Heat Illness Prevention
- Powered Industrial Truck Safety (Safe Forklift Operations)
- Wildfire Safety Plans

Think AllSafe! enables stores to use a digital entry and tracking system to manage OSHA compliance. The new platform offers greater visibility to store compliance and makes it easier to provide required information during OSHA inspections.

### Supply Chain

Leaders focus on measures to improve associates' health and safety at Kroger-operated food processing facilities, distribution centers and dedicated fulfillment centers, as well as in transit between locations. We extended an existing program for our manufacturing facilities with Safety in Motion®, Inc. to support Kroger's integrated Supply Chain function.

Kroger expects third-party contractors supporting supply chain operations to uphold the same level of worker health and safety standards. With the expansion of Kroger Delivery, we developed additional training resources to help keep associates safe in our fulfillment centers and on the road.

### Supporting Well-Being

To enable our associates to thrive, we take a holistic approach to well-being, aiming to deliver experiences that support and enhance their life, mind and body. We also offer resources that enable managers to create a supportive environment within their teams.

Decisions to refine and expand the range of well-being initiatives reflect our associates' feedback. During the past two years, we expanded access to mental health providers for company health care plan participants and created easy-to-navigate guides to available resources, including self-help apps, confidential counseling, family support services, fitness discounts and more. An online benefits guide through Magellan Health offers associates a one-stop shop for all well-being resources.

Kroger received the 2024 Platinum Bell Seal for Workplace Mental Health, reflecting an increased level of achievement from our 2023 Gold Bell Seal. This is the third consecutive year we have been recognized with the certification and the first time at Platinum level. This program recognizes Kroger as an employer who creates a mentally healthy workplace for our associates through culture, benefits, compliance and wellness programs.

To promote financial well-being, our Goldman Sachs Ayco financial coaching benefit is available to virtually all associates, including frontline hourly associates. This first-of-its-kind, one-on-one coaching program provides free confidential coaching to help associates navigate a variety of financial topics.

**Kroger associates have access to free, confidential counseling 24 hours a day, seven days a week, through Magellan Health. Services generally include short-term counseling and referrals for associates and their household members who might be dealing with stress, anxiety, depression, grief, relationship challenges and more.**

# Our Customers

The Kroger team is guided by our vision that when people think food, they think Kroger. Our neighborhood stores are welcoming places where shoppers see friendly faces, stock up on affordable essentials, grab meals on the go, find medications and so much more.

## Our Approach

Kroger is in the meal solution business, and we know many families feel overwhelmed and are looking for help. We work to solve “What’s for dinner?” for our customers by making meals easier, fresher and more affordable. When meals are a problem to solve, families come to Kroger for the answer.

Keeping our prices low is the foundation of our strategy. Lower prices attract more loyal customers who help us grow our business. This allows us to reinvest in even lower prices, an ever-improving shopping experience and higher wages for our associates.

By grounding in the focus areas of our go-to-market strategy—**fresh**, **Our Brands**, **seamless** and **personalization**—our business will continue to grow and serve more customers across the country. We make it easy, affordable and convenient for more customers to shop with us anytime, anywhere.

Kroger’s approach to serving our customers is shared across lines of business and corporate functions, including Retail Operations, Merchandising, Marketing, Sourcing, Supply Chain, e-commerce and Corporate Affairs. The company’s executive leadership team and Board of Directors provide additional oversight.

## Customer Experience

Kroger’s brand promise—Fresh For Everyone—expresses our commitment to bringing fresh, affordable food to more people in more neighborhoods across the country. Today, we serve more than 62 million customers annually through convenient local stores and online shopping with pickup and delivery options, lower prices and personalized offers, quality *Our Brands* choices, valuable rewards and membership options, and more.

We consider efforts to advance food and product safety and quality for our customers as foundational to our business. Read more about [our approach to food safety](#).

## Leading with Fresh

Our customers prioritize fresh when they shop; in fact, more than 90% of our customers buy fresh foods. Kroger has long been a leader in affordable fresh produce and proteins, including expanding access to natural and organic options many years ago.

We want customers to trust the quality and freshness of every item they purchase. To do this, we have strong relationships with regional and local farmers and suppliers, enabling Kroger to source the freshest products. We recently expanded the *Our Brands* portfolio to include Field and Vine™, which offers regionally grown berries picked at peak freshness.

We are also changing the way we bring fresh to life in our stores. Our End-to-End Fresh initiative—now in nearly 2,100 stores—enhances operational processes so we deliver products to our customers sooner for more days of freshness in homes. It uses technology to improve the fresh experience from in-store to pickup and delivery channels. Sourcing more locally grown products also increases days of freshness in our customers’ homes and reduces waste.

Our Technology and Supply Chain teams are working together to develop new ways to add even more days of freshness to our products. From optimizing delivery routes to simplifying our associates’ tasks, we want to ensure our customers can buy food at its peak of freshness and trust those items will remain fresh in their homes.

### Material Topics

FOOD & PRODUCT ACCESS & AFFORDABILITY  
CUSTOMER EXPERIENCE  
HEALTH & NUTRITION



## 4 \$1B+ brands

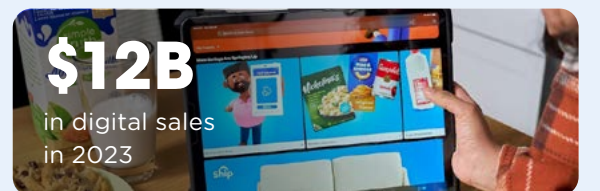
in the popular  
*Our Brands* portfolio

## \$1.3B in savings

in 2023

## 24K

health care providers in  
Kroger pharmacies &  
The Little Clinic® locations





## Accelerating with Digital

Expanding our online shopping, pickup and delivery solutions means more people have access to fresh, affordable food. Today, our customers can place orders and get their groceries when and where they want them, including pickup services at 2,200 stores, delivery from 2,500 stores through third-party services, or same-day delivery through Kroger Delivery in select geographies. Nearly all of our customers have access to our pickup and delivery services. In 2023, the number of households who engaged with Kroger online increased 18% versus the prior year.

Kroger Delivery—introduced in 2021—is a direct-to-home delivery service. We operate eight dedicated Kroger Delivery fulfillment centers in Monroe, OH; Groveland, FL; Forest Park, GA (Atlanta); Pleasant Prairie, WI; Dallas, TX; Romulus, MI (Detroit); Aurora, CO; and Frederick, MD. Our Delivery network has experienced strong growth to date.

We remain confident that our Kroger Delivery network provides a differentiated customer experience and will continue to be a key pillar of our digital growth strategy.

## Boost Membership

To make home delivery options accessible to more customers, we developed and introduced Boost by Kroger Plus, the industry's most affordable grocery delivery membership program. For either \$59 or \$99 per year, Boost members receive unlimited free delivery on orders of \$35 or more and 2X Fuel Points for every \$1 spent on groceries and general merchandise through Delivery, Pickup and in stores.

We estimate that Boost memberships can save customers more than \$1,000 per year on grocery deliveries and fuel. In the program's first year, Boost by Kroger Plus members saved a total of more than \$115 million.

## Affordable Fresh Food

We believe meals prepared at home are the most affordable way for families to enjoy nourishing meals together. We want our customers to enjoy great meals without compromising quality, selection, value and convenience. We regularly develop and promote low-price meal bundles and money-saving tips.

We connect with our customers through low prices, *Our Brands*, special promotions and personalized offers that stretch budgets and make cooking at home easier. We have a long history of successfully serving more customers as we grow by lowering prices, creating a more seamless and personalized experience, and expanding our selection of fresh, affordable food. In 2023, Kroger invested \$500 million in lower prices for our customers.

Our combined paper and digital coupons helped our customers save more than \$1.5 billion last year in addition to everyday promotions and discounts. Kroger also enhanced systems to enable customers to pay online through Electronic Benefits Transfer (EBT) for the Supplemental Nutrition Access Program (SNAP) and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), removing additional barriers to food access like store location and transportation.

Since 2003, Kroger has invested a total of \$5 billion in lower prices to make shopping on a budget easier and more affordable for our customers.

## Special Markdowns

We have programs in place to discount imperfect but still safe-to-eat fresh items in stores to make them even more affordable. This includes our popular produce “redbag” program and markdowns across our stores every day.

In 2023, we tested dynamic markdown processes to update how and when we discount fresh produce and other short-dated items. At select stores in Indiana and Michigan, we introduced a pilot with Flash Food, a third-party app that makes it easy for customers to find great deals on produce, meat and more.

For online shoppers, the Kroger Delivery team continues to refine a “flash sale” feature that highlights high-inventory items every day, offering customers special discounts to save even more.



**We believe the way to be America's best grocer is to provide great value by consistently lowering prices and offering more choices. When we do this, more customers shop with us and buy more groceries, which allows us to reinvest in even lower prices, a better shopping experience and higher wages.”**

**Rodney McMullen,**  
Kroger Chairman and CEO

## Our Brands

Kroger's popular and affordable *Our Brands* have a leading position among brands in the U.S., and our customers tell us the quality of *Our Brands* is a key factor in delivering a better shopping experience. We have four billion-dollar brands—Kroger®, Simple Truth®, Private Selection® and Home Chef®—and more than 13,000 exclusive, quality-guaranteed items that families know they can trust.

In 2022, we introduced a new, simplified opening-price-point brand known as Smart Way, designed for customers who want to stretch their budgets. In 2023, we introduced Kroger Mercado, a Hispanic-inspired brand joining the *Our Brands*' roster of products. Kroger Mercado's expansive assortment includes more than 50 products, including items such as fresh meat, beverages, snacks, sides, desserts and more.

In all, we launched more than 700 new, unique *Our Brands* products in 2023. The Kroger team engages with food trends throughout the year to understand what our customers are craving and ensure we have those items on our shelves. We aim to bring every customer the high-quality, affordable products they love—from pantry staples and fresh foods to ready-to-heat, restaurant-quality meals. *Our Brands* is on track to introduce more than 800 new items in 2024.

## Loyalty & Rewards

More than 62 million households are enrolled in our popular Kroger Plus loyalty program. Membership unlocks special lower prices, fuel discounts, exclusive digital offers and the chance to direct a portion of the company's charitable giving to local nonprofit organizations through Kroger Community Rewards.

We carefully measure how we serve our customers by analyzing detailed sales, loyalty, operations and customer satisfaction metrics. Kroger receives positive feedback from our customers about our loyalty program and rewards. Satisfaction surveys and purchasing insights also inform improvements in service, product quality and item assortment.

## Health & Nutrition

Access to affordable fresh food and convenient health services is important to our customers. Fresh food can nourish healthy people, slow the progression of illness and transform families and neighborhoods.

We also believe in the power of fresh food to improve health. Through our core operations, Kroger Health business and more, we advance food access, nutrition and health through products and services, customer and community engagement, and strategic philanthropy.

Our approach to health and nutrition includes multiple lines of business and functions, from Merchandising and Retail Operations to Kroger Health, e-commerce and Marketing. We aim to offer customers easy ways to live a healthier lifestyle when shopping with Kroger in stores and online, including through health services offered by our pharmacies, The Little Clinic® and our dietitians.

Kroger Health leads the strategy behind our work to expand access to care in our communities. A team of 24,000 health care practitioners, including pharmacists, nurse practitioners, dietitians and technicians, serves more than 17 million customers annually. They are available to patients every day to address health needs. From dietary counseling to questions about medications, patients can find expert, convenient care right in their neighborhood store or online.

Our senior leadership team and the board's Public Responsibilities Committee oversee progress on our health and nutrition programs as well as pharmacy and clinic safety measures.

## Food as Medicine

Kroger's Food as Medicine initiative is grounded in the idea that everyone has the power to change their health outcomes with food. Our dietitians and clinicians deliver personalized coaching to help patients live healthier lives.

In 2023, Kroger gathered leaders across the retail and health industries to talk about how we can work together to create healthy, thriving communities. These discussions led to a number of key learnings, including:

- Collective action across sectors has the power to advance healthier communities
- Community members play an important role in determining specific local health needs, interventions and desired outcomes
- Everyone's health journey is distinct, and effective solutions must be personalized to address individual needs

**17M+**  
patients served



## Nutrition Insights & Personalization

We recognize that making healthy food choices can be challenging, so we developed OptUP, a nutrition rating system to simplify choosing nourishing foods while shopping. It helps our customers in three unique ways:

- **Nutrition ratings:** Driven by Kroger's team of expert registered dietitians, OptUP nutrition ratings use data science, evidence-based nutrition information and machine learning to rate foods on a scale from 1 to 100. The more nutritious the food, the higher the nutrition rating. OptUP nutrition ratings are available on [www.kroger.com](http://www.kroger.com), division websites and the Kroger app to help customers compare the healthfulness of different products and select what's right for them.
- **OptUP scores:** OptUP scores are personalized nutrition and health insights based on household purchases over time. While nutrition ratings depict the healthfulness of single items, an OptUP score provides insight into macro trends by enabling customers to see the nutritional value of their grocery purchases over time. Scores range from 10 to 1,000; generally, customers are encouraged to aim to score above 600.
- **Better For You options:** Backed by a proprietary science that identifies similar, substitutable products with a higher nutrition rating, our online Better For You feature highlights alternatives to make choosing healthier options simple. Our customers can find the Better For You carousels on individual product pages on [www.kroger.com](http://www.kroger.com) and the Kroger app.

Beyond OptUP, we improve nutrition security through other products and services, including our Telenutrition service offering two-way video chat appointments available across the U.S. with Kroger Health registered dietitians; Kroger Health Food Boxes, dietitian-curated boxes of nourishing, shelf-stable food shipped nationwide; and Welsana, our Diabetes Prevention Program designed to help diabetes patients manage their condition and enjoy healthier lives.



### Health Equity & Advocacy

We recognize that upstream factors like existing policies and legislation affect equitable access to health services. We are working with policymakers to design and fund initiatives that increase patient access to more nutritious foods and expert nutrition advice while measuring outcomes to promote widespread adoption across our health ecosystem.

In 2023, Kroger Health expanded federal advocacy efforts to promote policies that increase the accessibility and affordability of our health care services. Efforts include extending scope-of-practice laws, and promoting novel approaches to help patients lead healthier lives by linking better eating habits with improved health outcomes.

### Prescription Drug Awareness

Kroger Health offers solutions to help customers manage medications safely at home. In 2018, Kroger Health joined EVERFI to create its Prescription Drug Safety Education curriculum for high school students.

This curriculum focuses on raising awareness and encouraging students to make safe decisions around prescription medications. It helps students manage difficult situations and choices in high school and beyond.

Of students participating in the program:

- 80% reported being able to identify signs of prescription medication misuse
- 83% said they understood ways to avoid misusing prescription drugs
- 79% were confident in their ability to help someone who demonstrates the signs of misusing prescription drugs

To further reduce prescription medication misuse, Kroger Health, Cardinal Health Foundation, DisposeRx and local police stations typically host drug take-back events twice a year at pharmacy locations across the country. In the past six years, the program has collected and properly disposed of 171,000 pounds of medications and served more than 77,000 visitors across 34 states.

### Access to Vaccines

The National Institutes of Health notes that vaccine-preventable diseases cost the country \$27 billion annually in lost wages and increased health care costs. Kroger Health provides a range of routine immunizations to prevent infection and the spread of serious diseases, in addition to resources on recommended vaccines for consumers based on their age group.

Kroger Health collaborates with businesses and nonprofit organizations to offer flu and any industry- or school-related vaccines. We also expanded the number of trained providers in retail clinics and pharmacies, improving availability via the online scheduler and offering faster response to walk-in patients seeking vaccines.



# Our Communities

As Kroger grows, our associates, customers and communities benefit too. We continue to affirm and expand our long-standing commitment to operating responsibly, engaging local leaders and giving back meaningfully to our communities.

## Our Approach

We challenge ourselves to create a stable, successful organization that will support our associates' growth, improve our customers' shopping experience and reflect the changing ways America eats. Our growth creates the best environment—now and in the future—to bring lower prices and more choices to more people, secure the future of stable union jobs and invest to help build stronger, thriving communities.

We strive to be an essential part of our communities. Our stores are community hubs and gathering places where our associates and customers see neighbors, grab a quick meal, prepare for special celebrations, fill prescriptions, discover new items for their families and more.

We build and strengthen community within each of our stores, in our neighborhoods, and in the towns and cities we call home. In many stores, we design welcoming spaces where people can gather and discover new foods and flavors together.

Kroger's Corporate Affairs team oversees how we engage and give back to our communities at national and local levels. A centralized Corporate Affairs function reports to Kroger's group vice president of Corporate Affairs and leads community engagement, sustainability, philanthropy and government relations. The Public Responsibilities Committee of the board oversees this work.

## Local Communities

Every town and city is unique, and we proactively engage local elected leaders, city administrators, chambers of commerce, business associations, nonprofit organizations and others to listen and learn about local opportunities and challenges and consider how Kroger might contribute. Our leaders often volunteer time and serve on local nonprofit organization boards and councils.

## How We Engage

Kroger's open-door approach to community engagement includes sharing updates on our business, discussing community priorities, identifying opportunities for collaboration and support, advocating for policy changes and more.

We follow key principles as a trusted business wherever we operate. These include:

- Understanding national and local issues of importance
- Fostering open dialogue with community leaders
- Offering easy ways for our customers and students to support our Zero Hunger | Zero Waste impact plan
- Participating in and volunteering to serve community and nonprofit organizations
- Directing charitable donations to local causes and programs, particularly those aligned to Zero Hunger | Zero Waste

## Investing in Our Communities

Kroger invests in initiatives and projects that advance our company's growth and strengthen the communities where we live and work. We are making investments in both our digital business and our brick-and-mortar stores. In 2024, we are building more new stores and managing more renovation projects than in the past five years. This includes about 30 major store projects in our communities.

We believe offering a combination of stores that are fun to shop in and convenient delivery options is the best way to bring more affordable fresh food to more people across the country. We continue to invest in improving the shopping experience and introducing new mobile features that give customers more choices in when and how they receive their groceries.

As Kroger grows, our communities benefit. Our capital investments often create local jobs, such as our Kroger Delivery fulfillment centers, temporary construction jobs and growth in service industries supporting our new stores and facilities. New jobs mean new opportunities for our associates and greater positive economic impact in the local communities we serve.

### Material Topic

LOCAL COMMUNITIES

**\$2.3B**  
in charitable giving for our communities since 2017

**\$43M**  
in giving to the USO for active-duty military service members & families since 2010

**\$3.6B**  
in spend with verified diverse-owned suppliers in 2023

**46K**  
students engaged in Kroger's Zero Hunger | Zero Waste plan

**\$46M**  
in customer-directed Kroger Community Rewards for local nonprofit organizations in 2023



**Disaster Relief**

Our customers and communities know they can count on Kroger in their time of need. As an essential business, our teams track and prepare for storms throughout the year, routing trucks to warehouses and stores so our customers can stock up on critical supplies, and staging generators and other equipment to move in quickly, restore power and open stores if needed.

In 2023, Kroger provided nearly \$1 million in disaster relief funds and in-kind food, including a \$500,000 grant to the American Red Cross Annual Disaster Giving Program to help the organization respond with care and comfort when disasters happen. We also often support Feeding America food banks with cash and food donations to help affected or displaced individuals and families.

In 2023, Kroger supported local relief efforts after destructive wildfires in Hawaii and helped communities in Texas, Arkansas, Kentucky and Tennessee recover after devastating tornadoes struck multiple cities across these states.

In situations where the National Guard is deployed to provide disaster relief, we may also work with the United Service Organizations (USO) to deploy a USO | Kroger Mobile Canteen to help feed first responders. Learn more about [our disaster relief efforts](#).

**Zero Hunger | Zero Waste**

Kroger engages our associates, customers and communities in our Zero Hunger | Zero Waste impact plan. We work closely with hundreds of national and local nonprofit organizations that help rescue surplus food from stores and provide meals, and we donate funds to other nonprofits helping end hunger and waste in our communities.

In stores and through [www.kroger.com](http://www.kroger.com) and our banner websites, we offer easy ways for our customers to join our mission, including donating to help nourish our communities and providing information about recycling programs, tips for cooking healthier, more sustainable meals, and more.

Our Retail Operations and Corporate Affairs teams work together to recognize store teams and associates as Zero Heroes for making a difference every day by donating food and volunteering to serve at local agencies in our communities.

In 2024, we introduced an Advanced Zero Hunger | Zero Waste Certification for store associates, delivered through our Fresh Start training platform. Through this new skill-building program, associates can level up their knowledge on retail store programs designed to support Zero Hunger | Zero Waste, including best practices for keeping food fresh, marking down items for faster sale, donating surplus food, recycling unsold food and more.

**Youth Zero Heroes**

We also encourage students in our communities to support Zero Hunger | Zero Waste. We introduced a Zero Heroes youth engagement and recognition program in 2019 in collaboration with InnerView, a leading platform to empower student volunteers in support of the UN Global Goals.

Through the Zero Heroes recognition program, high school students volunteer to serve local agencies and earn awards for helping end hunger and waste. They also develop a personal community service résumé detailing their hours of service. Sample activities include volunteering at a local soup kitchen, packing meals at a food bank, organizing a food drive or starting a school recycling program.

During the 2023–2024 school year, more than 14,500 students across the U.S. earned recognition as Kroger Zero Heroes. These Zero Hero student service award winners completed 107,175 volunteer service hours during this period, generating a community impact value of \$3.5 million. Thanks to their efforts, we achieved positive impacts in more than 560 communities across the country.

We recognize Zero Heroes at three levels: students achieving at least eight, 20 or 40 hours of service for the academic year aligned with Zero Hunger | Zero Waste. Last year, we honored 101 students at the highest level of 40+ hours of service.

After five years, more than 46,400 youth Zero Heroes have completed over 365,500 volunteer service hours, resulting in a total community impact value of \$10.8 million.

**Youth Advisory Council**

In 2023, for the second consecutive year, Kroger created a 15-member Youth Advisory Council of student leaders across the U.S. willing to invest time to discuss pressing issues in their communities, including food insecurity, climate impacts, waste and recycling, and more. Each student participated in Kroger-led collaborative sessions with guest speakers and design challenges to create Zero Hunger | Zero Waste-aligned community impact projects, supported by charitable micro-grants from Kroger.

The Zero Hunger | Zero Waste engagement program is offered to all students ages 14 to 24 in the United States. Learn more about the InnerView platform at [www.innerview.org](http://www.innerview.org).



**Building Momentum: Student Zero Heroes in Our Communities**

Academic Year	2019–2020	2020–2021	2021–2022	2022–2023	2023–2024	5-Year Totals
<b>Community Impact</b>						
<b>Students taking action to support Zero Hunger   Zero Waste</b>	4,914	7,259	9,042	10,555	14,656	
<b>Local communities with positive impacts</b>	231	361	439	545	561	
<b>Student volunteer hours to end hunger and waste</b>	37,000	68,900	71,000	81,500	107,175	<b>365,575</b>
<b>InnerView<sup>1</sup> community impact value</b>	\$0.9M	\$1.7M	\$2.1M	\$2.6M	\$3.5M	<b>\$10.8M</b>

1. Kroger developed the youth engagement program in collaboration with InnerView, a leading platform to empower student volunteers. Impact reporting data is provided by InnerView.

## Charitable Giving

Kroger has a long history of giving back generously to our communities. We support national and local nonprofit organizations by donating food and funds to help our neighbors and neighborhoods.

In 2023, Kroger donated a total of \$329 million to our communities in food and funds combined, including \$256 million to hunger relief. Our strategic approach to charitable giving includes several ways we support national partners and local communities:

- In-kind food and product donations to advance Zero Hunger | Zero Waste
- Company-funded donations to nonprofit organizations that meet our guidelines
- Grants from The Kroger Co. Foundation, the company's private foundation established in 1987
- Grants from The Kroger Co. Zero Hunger | Zero Waste Foundation, a nonprofit public charity established in 2018 to align giving to our impact plan
- Local customer-directed donations to nonprofit organizations through Kroger Community Rewards

We align the majority of the company's charitable giving to national, regional and local organizations and programs that feed people. In 2023, we directed a total of nearly 455 million meals to our communities, bringing our cumulative total to 3.4 billion meals since 2017. This includes work with local food banks and pantries to support innovative food delivery models, including mobile or stationary food pantries that increase access to fresh food.

We maintain long-standing relationships with national organizations that provide key services in our local communities. These include the American Red Cross, Feeding America and its network of affiliated local food banks, No Kid Hungry, WWF and the USO, among others.

### Prioritizing Hunger Relief

Several years ago, we began aligning more of Kroger's total charitable giving to our Zero Hunger | Zero Waste impact plan. This includes cash donations and gift cards, foundation grants, surplus fresh food donations through our Zero Hunger | Zero Waste Food Rescue program, and other food and product donations.

At the local level, our charitable dollars help Feeding America-affiliated food banks and other nonprofit organizations build capacity to pick up more surplus fresh food from our stores, test and implement new food recovery and delivery models, and feed more people in need. In 2023, the Zero Hunger | Zero Waste Foundation also supported The Farmlink Project to expand on-farm food rescue and No Kid Hungry's School-Based Health Centers program to improve food and nutrition security among children.

In addition to company donations, we invite our customers to round up their purchase to the nearest dollar when they shop with Kroger or donate directly to the Zero Hunger | Zero Waste Foundation to support our mission to end hunger and waste. Funds help provide grants to eligible organizations aligned with our impact plan.

In 2023, our generous customers donated a total of \$10 million to the Zero Hunger | Zero Waste Foundation, which granted these funds to designated local hunger relief agencies.

For more details on the work of our nonprofit foundations and examples of specific grants, please see [The Kroger Co. Foundation 2024 Report](#) and [The Kroger Co. Zero Hunger | Zero Waste Foundation 2024 Report](#).

### Donating Surplus Food

Every day, associates across our family of companies recover and donate surplus fresh food for our communities through our Zero Hunger | Zero Waste Food Rescue program. Kroger developed and introduced this industry-leading program in collaboration with Feeding America more than 15 years ago, then called the Perishable Donations Partnership.

Every Kroger-operated store is linked to a local hunger relief agency with the capacity to safely pick up and redistribute surplus fresh food. We work closely with

the Feeding America network of food banks and other hunger relief partners to continually improve our Food Rescue program, expand the number of items eligible for donation, and recover more fresh, nutritious food.

In 2023, 100% of our stores actively participated in the Food Rescue program. Including surplus food recovered from our supply chain facilities and customer fulfillment centers, Kroger donated a total of 114 million pounds of surplus food for our communities. Since 2017, our associates have donated nearly 700 million pounds of surplus food for our neighbors.

### Charitable Giving for Hunger Relief Since 2017

	Food Surplus Fresh Food Rescue	Funds Donations Directed to Hunger Relief	Total Meals Food + Funds = Meals
	Surplus Food Donations (pounds)	Corporate & Foundation Charitable Donations (dollars)	Total Meals Donated to Communities
<b>2017</b>	91M	\$200M	<b>325M</b>
<b>2018</b>	100M	\$192M	<b>316M</b>
<b>2019</b>	101M	\$205M	<b>493M</b>
<b>2020</b>	90M	\$213M	<b>640M</b>
<b>2021</b>	94M	\$210M	<b>546M</b>
<b>2022</b>	106M	\$253M	<b>599M</b>
<b>2023</b>	114M	\$256M	<b>455M</b>
<b>Total</b>	<b>696M</b>	<b>\$1.5B</b>	<b>3.4B meals</b>



### Supporting the Military

Supporting service members and their families is a priority for our company. Kroger has contributed more than \$43 million in support to the USO through corporate funds and customer donations during the past 14 years. We are recognized as the largest cumulative donor in the organization's 82-year history.

The USO | Kroger Mobile Canteen is a company-wide collaboration between the USO and Kroger. Working together, we developed a new way to extend the Mobile USO fleet with custom trucks and mobile canteens to deliver food and support to military communities that are currently underserved. Three USO | Kroger Mobile Canteens are stationed in Atlanta, Kansas City and Salt Lake City to serve military members and families when needed most.



Through these mobile canteens, the USO provides temporary access to nutritious food, strengthening our service members and their families and offering warm, comforting meals in remote locations where troops are deployed. In 2023, the USO | Kroger Mobile Canteens hit the road to support over 40 military events and serve more than 15,000 people across the nation, including Family Days, Fleet Weeks and training exercises.

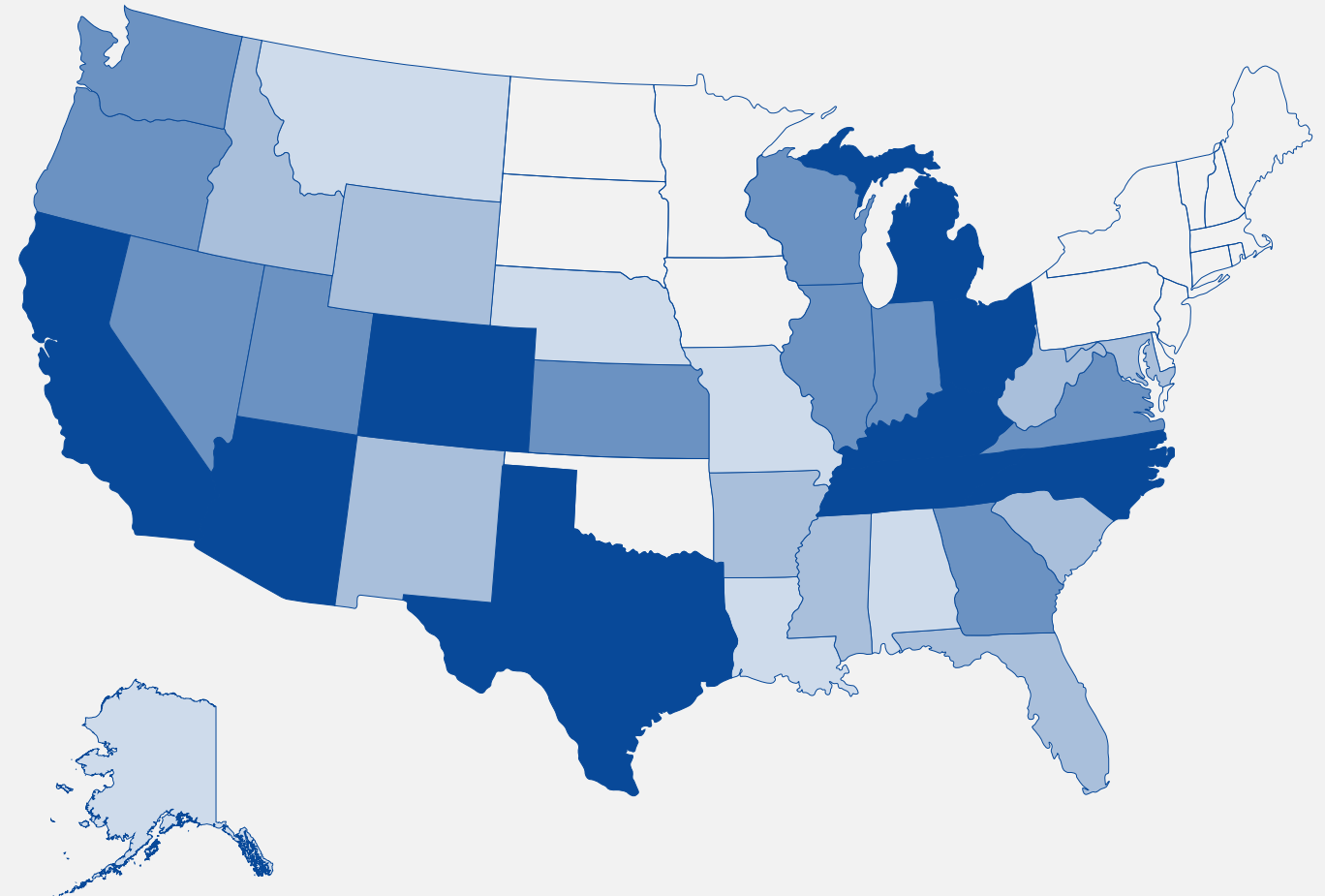
### Kroger Community Rewards

We give our customers an easy way to direct Kroger's charitable donations to the local nonprofit organizations that matter most to them through Kroger Community Rewards. This program makes it easy for eligible nonprofit organizations of all sizes—including community schools, teams, churches, animal shelters and other groups—to raise money for their cause.

Nearly 3 million loyal customers and thousands of local organizations are currently enrolled in Community Rewards. In 2023, Kroger donated a total of \$46 million in company-funded Community Rewards to local nonprofit organizations in towns and cities across the country.



### Total Charitable Giving by State: 2023 Food and Funds Donated to Our Communities<sup>1</sup>



#### Funding Range

- Less than \$1M
- \$1M-\$5M
- \$5M-\$15M
- More than \$15M

<sup>1</sup> State totals reflect Kroger's operating presence in the state; company, foundation and in-store customer donations; and the value of surplus fresh food and in-kind food donations



# Planet

Kroger aims to do our part to protect natural resources and create a cleaner energy future. We focus on reducing greenhouse gas (GHG) emissions and waste in our operations, and we encourage our suppliers to adopt more sustainable ways to grow, make and package products for our customers.

## In This Section

- 36 2023 Highlights
- 37 Climate Impact
- 42 Waste & Circularity
- 48 Biodiversity & Resource Conservation

## Material Topics

- Energy & GHG Emissions
- Climate Change Resilience
- Waste & Circularity
- Food Waste
- Biodiversity & Conservation
- Agricultural Practices
- Water





# Planet: 2023 Highlights

Kroger’s Zero Hunger | Zero Waste impact plan expresses our ambition to reduce emissions, operational waste and food waste, and improve *Our Brands* packaging sustainability. We also encourage our suppliers to protect natural resources, habitats and wildlife on land and in water.

### Related Resources

- [NO-DEFORESTATION COMMITMENT: OUR BRANDS](#)
- [SEAFOOD SUSTAINABILITY POLICY](#)
- [OUR BRANDS SUSTAINABLE PACKAGING GOALS](#)

**96%+**

alignment of Seafood Department volumes with each seafood sustainability goal element



**82%**

company-wide waste diversion from landfill



**94%+**

alignment of palm oil, beef, soy and paper volumes sourced for manufacturing plants and meat counter with no- or low-deforestation risk definitions



**2,190**

retail stores use infrared refrigerant leak detection technology



**56%**

cumulative electricity avoided in grocery stores since 2001



**28.9M**

pounds of Fair Trade Certified™ ingredients sourced for *Our Brands* products



**52%**

*Our Brands* product packaging, by weight, that is recyclable, reusable or compostable



**95%+**

of stores with food waste recycling programs



# Climate Impact

Just as changing temperatures and weather patterns may affect our business operations and supply chain, energy sourcing and GHG emissions from our operations may affect our planet. That’s why we evaluate and manage the company’s resilience to climate change and take steps to transition our operations to cleaner, more sustainable energy systems.

## Energy & GHG Emissions

Our executive leadership team and Public Responsibilities Committee of the board oversees work to manage climate impacts and resilience. Multiple internal teams across lines of business work together to establish and achieve goals, including Retail Operations, Supply Chain, Manufacturing, Sourcing, Finance and Corporate Affairs.

Our strategy to reduce our impacts on the environment includes the goals we set, the actions we take to achieve our goals and our assessment of related risks and opportunities. We put this strategy into action when our business units identify emissions-reduction opportunities, when we pilot new technologies to understand if and how they will benefit us, and when our teams develop the operational policies, roadmaps and financial plans to reduce our emissions over time.

Additionally, Kroger monitors and responds to a changing climate—such as changes in temperature and precipitation—to maintain our ability to operate and serve our customers. We also consider how new technology, consumer trends and regulatory requirements may present risk or opportunity for our business.

In 2022, Kroger’s Retail Operations, Supply Chain, Sourcing and Corporate Affairs teams developed an initial portfolio of projects to achieve our current GHG reduction goal of 30% reduction by 2030. We summarized and shared this approach in our initial [GHG Reduction Goal Roadmap](#) in early 2023. We continue to update this model to reflect changes in decarbonization activities over time, the latest learnings from active pilots and possible future projects.

Emissions-reduction projects include:

- Reducing our reliance on traditional electricity through operational efficiencies
- Reducing refrigerant emissions by minimizing leaks and using lower-global warming potential (GWP) refrigerants
- Transitioning to electric vehicles in our fleet
- Piloting new on-site solar installations
- Purchasing green power from our utilities
- Realizing the benefits of grid-greening (passive procurement) in our emissions factors over time

We consider each GHG reduction opportunity in the context of possible impacts to our business, including emissions, costs and capacity to do the work.

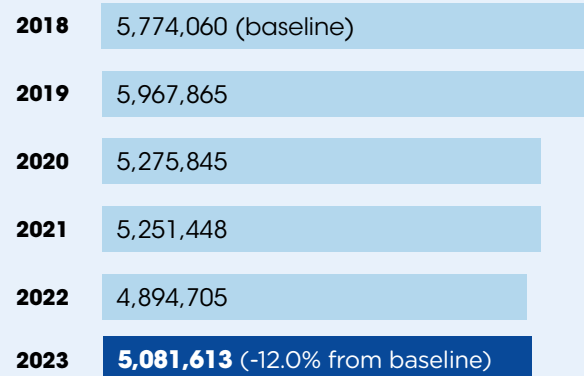
## Emissions Disclosure

In 2023, Kroger’s Scope 1 and 2 (market-based) GHG emissions increased slightly year over year; however, progress toward our 2030 goal remains positive with a 12% cumulative reduction since 2018.

By focusing on improving our data management and calculation accuracy, we are laying the foundation for future mandated disclosures. In 2024, we completed our first comprehensive Scope 3 GHG emissions inventory (for 2021). We expect to conduct full Scope 3 inventories in future years.

### Total GHG Emissions

Scope 1 and 2 emissions, market-based—MTCO<sub>2e</sub>



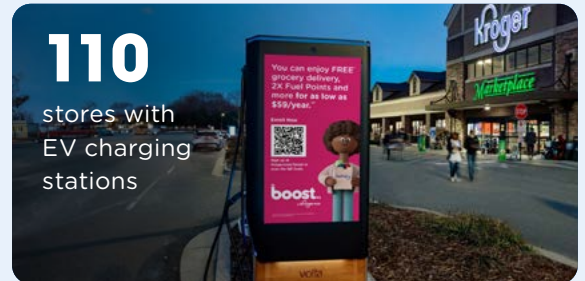
MTCO<sub>2e</sub> = metric tons of carbon dioxide equivalent

### Material Topics

- ENERGY & GHG EMISSIONS
- CLIMATE CHANGE RESILIENCE

# Goal: 30%

reduction in Scope 1 and 2 GHG emissions by 2030



# 15K

stand-alone refrigerant cases using propane refrigerant



## 2023 GHG Emissions Footprint

Emissions Category	2023 Emissions (MTCO <sub>2e</sub> )	Year-Over-Year Change (%)
Scope 1 total emissions	2,288,734	-2.0%
Scope 1 (stationary)	552,154	-4.5%
Scope 1 (mobile)	371,421	-11.6%
Scope 1 (refrigerant emissions)	1,365,158	+2.1%
Scope 2, location-based (purchased electricity)	2,739,997	+1.6%
Scope 2, market-based (purchased electricity)	2,792,879	+9.1%
<b>Total (S1 + S2 location-based)</b>	<b>5,028,731</b>	<b>-0.1%</b>
<b>Total (S1 + S2 market-based)</b>	<b>5,081,613</b>	<b>+3.8%</b>
Scope 3 (partial) <sup>1</sup>	1,909,850	-2.9%

1. Scope 3 emissions reflect the following categories: fuel- and energy-related activities (not included in Scope 1 or 2), waste generated in operations, business travel, employee commuting, processing of sold products and investments. Our 2022 Scope 3 numbers have been adjusted to 1,967,029 MTCO<sub>2e</sub> due to a calculation adjustment; this is the value to which we are comparing 2023 Scope 3 emissions. We are not disclosing a full Scope 3 emissions inventory for 2023, opting to refine our 2021 baseline instead, which can serve as a foundation for future emissions inventories

**Scope 1** emissions decreased by 2% in the 2023 reporting year. Stationary emissions decreased due to lower consumption. Emissions from Kroger Delivery vans increased last year as fulfillment centers added more routes; however, improved data quality on internal fleet fuel consumption helped offset the impact of increased routes. We are experiencing a slightly higher leak rate as we transition to lower GWP refrigerants in existing equipment. Natural refrigerants in new equipment also have a higher leak rate. Over time, these fully adjusted systems, the decreasing GWP of our refrigerant fleet and an optimized leak detection system should yield a decrease in emissions.

**Scope 2** emissions increased last year: a 1.6% increase in location-based emissions and a 9.1% increase in market-based emissions. Total electricity use decreased company-wide, and our renewable electricity purchases also declined due to unfavorable prices in certain markets. We continued adding supplier-specific emissions factors, however we also rely on default market-based emissions factors. These factors evolve

over time to reflect what's left in the grid after users account for renewable power, ultimately creating 'dirtier' factors, negatively impacting our emissions.

**Scope 3** emissions reported in this year's inventory decreased by 2.9% versus the prior year. Emissions from business travel, processing of sold products and investments increased, while emissions from waste, fuel- and energy-related activities (FERA), and employee commuting decreased. Adjustments in emissions factors were a leading contributor to these results as well as increased business travel and changes in waste management practices.

Normalized emissions (per 1,000 square feet) increased from 21.84 to 23.82 in 2023, reflecting these operational changes.

Kroger uses the GHG Protocol methodology to calculate our GHG emissions. More detailed disclosure is provided in our [CDP Climate disclosures](#) and in the [Appendix](#) of this report.

## Energy Efficiency

In 2023, we continued implementing projects that reduce energy consumption in our stores. We placed glass doors on open refrigerated cases in our stores, saving an average 225,000 kilowatt-hours (kWh) of electricity and 16,000 therms of natural gas per store annually. We also transitioned multiple areas of our stores to new or more efficient LED lighting, including overhead lighting (35,000 kWh saved per store), parking lot lighting (100,000 kWh saved per store), open medium-temperature cases (10,000 kWh saved per store) and track lighting in Produce departments (23,000 kWh saved per store). Kroger has achieved 56% cumulative electricity avoided in stores compared to a 2001 baseline.

## Renewable Energy

Kroger currently has solar arrays installed at 15 facilities, which generated more than 6.6 million kilowatt hours (kWh) of renewable power in 2023. Of that, more than 1.9 million kWh is claimed by Kroger as zero-carbon energy in our GHG emissions inventory. We also operate two facilities equipped with anaerobic digestion (AD) technology, which processes food waste or food production by-products into biogas, which in turn can be converted to renewable electricity.

In 2023, Kroger purchased 97,500 MWh of zero-carbon power from our energy providers, including solar and wind projects in Texas and West Virginia. This is a decline from the prior year due to rising costs in certain markets. In 2024, we are procuring new zero-carbon power from projects in Illinois, Ohio and Virginia. This includes becoming a major buyer of the Cincinnati Zoo & Botanical Gardens' 30-MW solar farm on its Bowyer Farm property outside of Cincinnati.

Kroger also accounts for the increasing amount of lower-carbon and renewable electricity generation sources coming online in different regions in our GHG inventory.

## Refrigerant Emissions Reductions

During the last decade, we have continued to transition away from ozone-depleting substances to other refrigerants across our systems. In our stores, we use a four-pronged approach to managing refrigerant emissions:

- Proactively monitoring, mitigating and reducing leaks
- Replacing aging refrigeration systems to improve energy efficiency and reduce refrigerant charge/emissions
- Properly managing refrigerant inventory to reduce waste and promote responsible reclaim practices
- Transitioning to refrigerants with a lower GWP. Kroger is part of the U.S. Environmental Protection Agency's (EPA) GreenChill program, through which we set annual targets to reduce refrigerant emissions in retail stores

Kroger's [Refrigerant Management Policy](#) for our stores outlines the company's procedures and documentation for all refrigerant gas handling. Kroger has a zero-tolerance leak-rate policy, and all relevant associates and technicians must read, sign and adhere to it. In 2023, the refrigerant leak rate in our stores increased slightly to 11.4% because the total refrigerant charge in our stores is decreasing faster than the amount of refrigerants leaked is decreasing. This is the result of moving to newer, more efficient systems that require less charge. We expect our leak rate and resulting GHG emissions to decline over time as we move to lower GWP refrigerants and optimize our systems to accommodate these refrigerants.

We are actively transitioning stores to use new infrared detectors that identify lower concentrations of leaked refrigerants. By the end of 2023, we had transitioned 2,190 stores to this new technology and expect to transition 100% of stores by the end of 2026. This timeline has been extended due to longer lead times for labor and equipment.

In addition, we transition facilities to lower-GWP refrigerants, including in California to achieve the necessary portfolio GWP in relevant stores by or before regulatory timelines. We also operate and maintain our company-wide refrigeration fleet in anticipation of refrigerant supply changes resulting from the federal American Innovation and Manufacturing Act.

In 2023, we opened a new retail store with carbon dioxide (CO<sub>2</sub>) refrigerant technology to evaluate and inform the future rollout of this technology in our stores. We are building six additional stores with this technology in 2024, and we plan to build all new stores with CO<sub>2</sub> refrigerant systems starting in 2025.

In addition, we are transitioning to propane refrigerant, which has lower GWP, in all stand-alone refrigerated cases in stores. More than 15,000 existing units use propane today, and all new stand-alone cases will use propane moving forward.

In general, we plan to use lower-GWP refrigerants that are commercially and financially viable, which includes evaluating whether new refrigerants can be dropped into an existing system or whether a new system is required.

Kroger continues to track emerging refrigeration technologies and is an active member of the North American Sustainable Refrigeration Council, which aims to help retailers overcome barriers to the adoption of natural refrigerants.

### Mobile Efficiency & Electrification

We continue to refresh our truck fleet, replacing older vehicles with more fuel-efficient models. In 2023, we replaced more than 200 trucks with new units. As a long-time partner of the U.S. EPA SmartWay program, we reduce truck miles and emissions through dynamic routing, truck speed limits, automatic shutdown for truck idling and automatic transmissions to manage gear splits.

During the past several years, we converted all new refrigerated trucks in California serving our Ralphs and Food4Less divisions to hybrid electric/diesel trailers. In 2023, we began testing electric Kroger Delivery vans at our Monroe, OH, fulfillment center to optimize routing and charging systems for our Delivery fleet moving forward. We also started piloting our first electric yard tractors in 2023 and anticipate receiving our first on-highway electric tractors in 2025.

As of the end of 2023, Kroger had installed EV charging at 110 stores in the following states: Arizona, California, Colorado, Georgia, Indiana, Nevada, Ohio, Oregon, Washington and Wyoming. We will have EV chargers at approximately 140 stores by the end of 2024. Our infrastructure includes several direct current super-fast chargers capable of generating 350kW—several times more power than typical fast chargers—to offer convenient charging services to our customers.

Since 2020, EV chargers installed at our stores have provided over 24 million kWh of electricity to local consumers through more than 1 million charging sessions.

### Emissions-Reduction Goals

Kroger's current goal is to reduce GHG emissions from our operations by 30% by 2030, from a 2018 baseline. The goal was developed using climate science, supporting a well-below 2°C climate scenario according to the absolute contraction method. Our Facility Engineering, Sourcing and Supply Chain teams have been diligently implementing energy efficiency, renewable energy and refrigerant emissions-reduction programs to address operations emissions.

In 2022, we began evaluating Science Based Targets initiative (SBTi) requirements with the intent to submit targets for validation. We completed two years of work with a consulting partner to assess the feasibility of setting new SBTi-aligned targets. Our extensive analysis established our first complete Scope 3 GHG emissions inventory; refreshed our initial Scope 1 and 2 GHG reduction roadmap for 2030 to reflect the latest developments; and reviewed SBTi requirements for Scopes 1, 2 and 3 on specific time horizons to determine how they could affect Kroger's operations and financials.

We completed this comprehensive work to evaluate feasibility for new SBTi-aligned targets in mid-2024. We learned that the detailed SBTi framework and target-setting requirements for validation are challenging for our business to achieve in a way that is sustainable and enables future growth.

As a result, we elected not to submit targets at this time. Kroger's ambition is to achieve our current Scope 1 and 2 goal and continue reducing GHG emissions beyond 2030.

More specific insights from the target-setting work include:

**Scope 1 and 2 emissions:** Based on what we know at this time, we are re-affirming our current Scope 1 and 2 goal to reduce emissions by 30% from a 2018 baseline. We believe this is still ambitious for Kroger but achievable with our current business model and plans. We will revisit longer-term goal-setting options at a later time.

#### Scope 3 Energy & Industry (E&I) emissions:

When we reviewed the SBTi requirements for retailers with fuel businesses, it became clear that we cannot achieve required emissions reductions solely through the transition to alternative fuels like biodiesels and electric vehicles in the near term. We will continue to monitor consumer fuel consumption patterns and EV adoption projections over time to inform future goals.

#### Scope 3 Forest, Land and Agriculture (FLAG) emissions:

Required FLAG targets in the current SBTi framework complicate the target-setting process. Calculating FLAG emissions is an emerging and complex science that continues to change as guidance is finalized. As a result, implementing and measuring emissions reductions with confidence is challenging in the near term. We believe any work to reduce Scope 3 emissions should be based on real data to inform a realistic roadmap for reductions.

We are encouraged by opportunities to collaborate on Scope 3 emissions calculation and management across the value chain. We remain committed to reducing our GHG emissions and will closely monitor future developments.



**Scope 3 GHG Emissions Baseline Findings**

In 2024, Kroger completed its first full Scope 3 GHG emissions inventory with support from a third-party consultant (in the past, we have reported partial Scope 3 emissions data). This comprehensive process highlighted the complexity of calculating and managing upstream and downstream value chain emissions, particularly for retailers.

There are two major emissions categories in Kroger’s value chain: upstream Purchased Goods & Services (PG&S), which includes both E&I and FLAG emissions, and downstream Use of Sold Products. Collectively, these two categories make up approximately 90% of our total Scope 3 GHG emissions.

E&I emissions result from a broad array of activities, such as the processing and distribution of ingredients, packaging and finished products; technology we use in our operations; and legal and consulting services. FLAG emissions are produced specifically by on-farm activities in our agricultural supply chains. These include land-use change and biogenic and fossil fuel-based sources of emissions. Our Scope 3 baseline exercise showed that products like beef, dairy and other animal proteins are some of the larger contributors to PG&S upstream emissions.

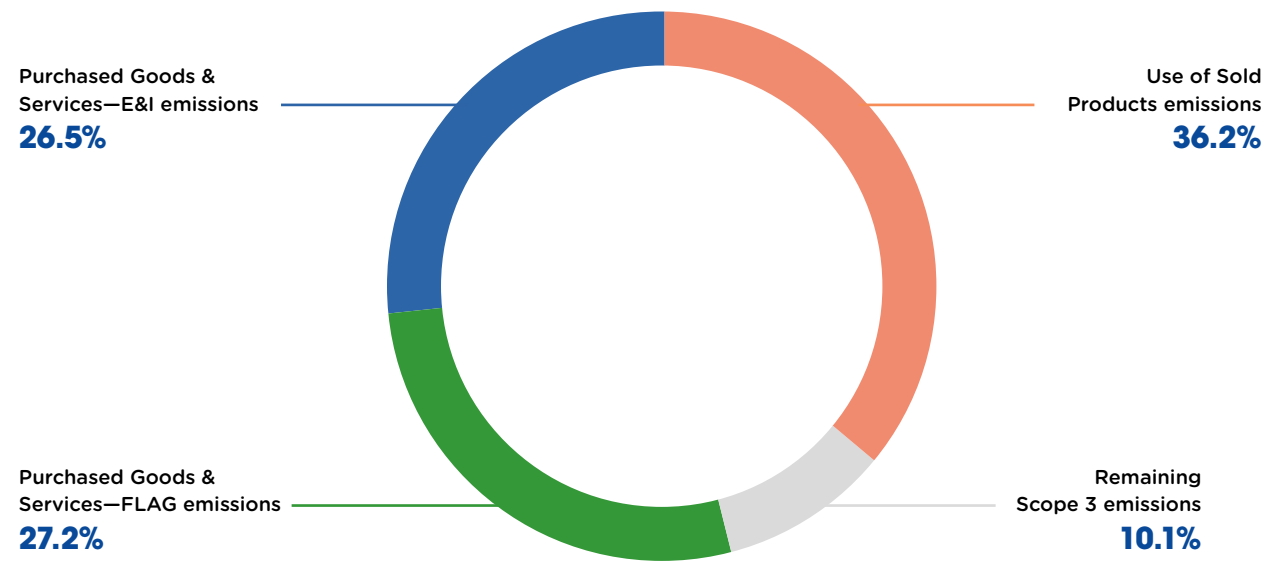
Downstream, emissions from Use of Sold Products include the impact of fossil fuels sold in our operations, most notably gasoline and diesel fuel sold in our fuel centers. The sale of propane tanks, charcoal grills and other fossil-fueled appliances are a small portion of this emissions category. The category of end-of-life treatment of sold products primarily reflects estimates for the food waste and packaging in products that our customers buy, use and dispose of.

Given the breadth and depth of our supply chain, it will take time to improve our calculation of these emissions in the future. This continues to be a topic of robust discussion among industry associations and we believe that collaboration has the potential to accelerate adoption of harmonized emissions metrics and management.

Business travel, employee commuting, waste from operations, processing of sold products and investments are relatively small parts of our Scope 3 footprint.

**Comprehensive Scope 3 GHG Emissions 2021 Baseline Inventory**

Summary of Most Significant Categories as Percentage of Scope 3 Emissions<sup>1</sup>



1. Percentages are calculated as total of Scope 3 GHG emissions for 2021. In total, Scope 3 GHG emissions comprise approximately 96% of total corporate Scope 1, 2 and 3 GHG emissions

**Comprehensive Scope 3 GHG Emissions 2021 Baseline Inventory Details—MTCO<sub>2</sub>e**

Scope 3 Emissions Category		MTCO <sub>2</sub> e	Percent of total
Upstream	1 Purchased Goods & Services—Energy & Industry (E&I)	31,298,881	26.5%
	1 Purchased Goods & Services—Forest, Land & Agriculture (FLAG)	32,098,606	27.2%
	2 Capital Goods	571,094	0.5%
	3 Fuel & Energy Emissions	1,122,157	1.0%
	4 Upstream Transportation & Distribution	5,229,051	4.4%
	5 Waste from Operations	388,072	0.3%
	6 Business Travel	17,435	0%
Downstream	7 Employee Commuting	787,816	0.7%
	10 Processing of Sold Products	3,904	0%
	11 Use of Sold Products	42,771,508	36.2%
	12 End-of-Life Treatment of Sold Products	3,671,175	3.1%
	15 Investments	58,057	0%
Total		<b>118,017,757</b>	

## Climate Change Resilience

As a responsible business, we continually evaluate the resilience of our facilities and operations amid changing temperatures and weather so we can continue to serve our customers well into the future.

Kroger's management approach to climate resilience includes conducting a quantitative climate risk assessment to determine the likelihood of different physical climate risks affecting our operations, such as drought, extreme heat or extreme precipitation. We assessed risk at representative facilities in different geographies to determine whether future impacts could potentially increase operating costs for these facilities.

We used climate modeling in three scenarios reflecting different Representative Concentration Pathways (RCPs): median under 2°C (cool RCP 4.5 models); 2°C to 4°C (warm RCP 4.5 models); and over 4°C (RCP 8.5 models). These were taken from the 1/16th degree localized constructive analogs (LOCA) climate dataset for 2030 and 2050 timeframes.

For each physical climate risk, we also identified potential financial impacts. We recognize the limitations of these metrics to capture the potential long-term financial impacts of climate risks; however, they provide important context. Working with a third-party consultant, we concluded that the physical risks modeled do not pose a substantive financial threat to our operations.

We will revisit this analysis periodically and plan to expand it to include a climate risk assessment using scenario modeling for select parts of our supply chain. This will reflect results from our first comprehensive Scope 3 GHG emissions baseline to prepare for future climate risk disclosure requirements. Please see the previous page for more details.

To prepare for and manage potential physical climate risks, including natural disasters and business disruptions to our supply chains, we maintain over 200 business resilience plans. Kroger has also installed technologies and developed processes to enable our stores, plants and distribution network to respond quickly and remain operational to serve our customers and communities.

We monitor energy availability and costs to help anticipate how changing climate patterns, such as increasing temperatures, could affect our future energy-sourcing costs and activities.

We also assess the transitional climate risks due to legislation regarding refrigerant use and the transition to lower-GWP refrigerants. As a result of state and federal requirements regarding the phasedown of hydrofluorocarbon (HFC) refrigerants, we anticipate steadily replacing refrigerant infrastructure across our store portfolio to reach required levels, which could incur additional costs.

Kroger continues to monitor this evolving topic and engage subject matter experts and others to understand what is most important to our customers, communities and investors.





# Waste & Circularity

We are moving toward more circular systems in our operations and in *Our Brands* product packaging to reduce the impact of waste on our planet. We focus on waste reduction, reuse and recycling opportunities to advance progress on our goals.

## Our Approach

Leaders across our lines of business work collaboratively to reduce waste company-wide. Guided by our strategic approach to waste reduction and diversion, each supermarket division has an Expense, Sanitation and Sustainability Manager who implements programs with oversight from a centralized Retail Operations team. These division managers oversee waste diversion efforts, including operational waste recycling and food waste recycling.

Retail store managers support everyday execution of these programs to make sure we are making progress on our goals. Similarly, our Supply Chain team has sustainability leads who help guide waste reduction and waste recovery initiatives in these facilities.

We express our ambition through Kroger's Zero Hunger | Zero Waste impact plan. We aim to meet or exceed a 90% waste diversion rate across the company. We expect to continue increasing the amount of waste we divert from landfills through enhanced collaboration across our facilities; the increased rollout of convenient food waste recycling programs; and the expanding role of reusable plastic containers.

In 2023, our company-wide waste diversion rate held steady at 82%. Total waste generated (regardless of destination) decreased slightly, as did the amount of waste we sent to landfills and waste-to-energy processing.

The total volume of food waste diverted from landfills increased, although there was year-over-year variation in the volumes sent to different food waste recycling outlets given the expanding role of anaerobic digestion (AD) programs in our stores. Total annual food and non-food donations increased. In 2023, 150 stores reached 90%+ waste diversion, earning zero-waste status.

Reusable plastic containers (RPCs) in the distribution of produce, eggs, milk, meat and bread help us reduce the amount of waste we produce in the first place. Our adoption of reusable containers is expanding to reach more functions and facilities.

We have processes in place to manage all damaged and unsalable products that have hazardous characteristics. Universal-waste lamps, batteries, aerosol cans and all pharmaceuticals are also part of our waste management programs. The UL WERCSmart® system allows us to identify hazardous materials in our products to help ensure safe storage, transportation and disposal.

### Company-Wide Waste Diversion-from-Landfill Rate



## Engaging Our Associates

Kroger's associates help achieve our Zero Hunger | Zero Waste mission by implementing store and supply chain facility programs every day to reduce waste.

In 2023, we conducted several associate-facing campaigns for Earth Day, Hunger Action Month and Kroger's Zero Hunger | Zero Waste impact plan to create greater awareness and engagement. These campaigns encouraged associates to sign the Zero Waste Warrior Pledge, which emphasizes daily waste reduction and recycling efforts.

We also developed and introduced a new series of internal Zero Hunger | Zero Waste training modules on the following topics: general markdowns, produce markdowns, Food Rescue (surplus food donations), food waste recycling, plastic film recycling and cardboard recycling programs.

On Earth Day 2024, we launched a Zero Hunger | Zero Waste Certification program on our associate training platform to improve associate engagement and reinforce their connection to Kroger's purpose and impact plan. Store associates who complete all six training modules listed above become certified and are recognized by their store manager.

### Material Topics

WASTE & CIRCULARITY  
FOOD WASTE

**150**  
retail stores achieving 90%+ waste diversion from landfill



**2.2M**  
pieces of *Our Brands* plastic packaging our customers sent to TerraCycle® for recycling since 2021

**52%**  
of retail store food waste diverted from landfills

**1,610**  
stores with food waste de-packaging programs by end of 2024



**Waste Management Data<sup>1</sup>**

2023 Performance—short tons

	2022 Weight (short tons)	2023 Weight (short tons)	2022 to 2023 Year- Over-Year Change (%)
Reuse (RPCs) <sup>2</sup>	303,339	347,634	+14.6%
Donations <sup>3</sup>	55,938	61,983	+10.8%
Animal feed	71,238	62,418	-12.4%
Anaerobic digestion (AD) <sup>4</sup>	80,223	118,138	+47.3%
Composting	106,011	102,415	-3.4%
Baled cardboard	791,303	749,722	-5.3%
Baled plastic	28,715	29,215	+1.7%
Wood & pallets	919,513	738,876	-19.6%
Other recycling <sup>5</sup>	218,294	219,705	+0.6%
Waste to energy <sup>6</sup>	33,031	5,254	-84.1%
Landfill	541,015	526,978	-2.6%
<b>Total waste (excluding reuse)</b>	<b>2,845,282</b>	<b>2,614,703</b>	<b>-8.1%</b>
<b>Total waste footprint (including reuse)</b>	<b>3,148,621</b>	<b>2,962,337</b>	<b>-5.9%</b>
<b>Diversion</b>	<b>81.8%</b>	<b>82.0%</b>	<b>+0.2%</b>

1. Data reflects calendar year with the exception of construction waste, which reflects fiscal year. Waste is managed and reported to Kroger by our different waste and recycling haulers. Waste data excludes office locations and salvage centers, which represent very small proportions of our waste footprint. Table may not sum due to rounding.

2. Total waste generated excludes the reuse of reusable plastic containers (RPCs) in our supply chain network, though we do include these in our waste diversion calculation.

3. Donation data primarily reflects food donations, with a small amount of non-food donations.

4. AD weights increased significantly in 2023 as Kroger expanded the use of AD programs and de-packaging solutions in our stores.

5. Construction project waste and recycling data excludes minor capital projects.

6. Some volume classified as waste-to-energy in previous years was found to be going to AD (a by-product of which is fuel that is used to generate energy on-site). A small portion of the volume ended up going to compost and animal feed.

## Managing Food Waste

Food waste in landfills is a major contributor to climate change. Keeping food waste out of landfills is a strategic part of Kroger's Zero Hunger | Zero Waste impact plan. We focus on two main areas:

- Reducing the total amount of food waste generated in our stores by 50% (2017 baseline)
- Improving how we manage remaining food waste by diverting 95% or more from landfills

We do this by selling through as much food as we can, safely donating eligible food that can no longer be sold, and increasing the amount of remaining food waste sent to food waste recycling programs to ensure as little food as possible ends up in landfills, where it produces GHG emissions.

### Food Waste Diversion

To prevent fresh food from being wasted in the first place, we aim to sell as much as possible in our stores. Established markdown programs in all fresh departments make items more affordable and encourage faster sale. Our produce markdown (redbag) program, through which we discount and sell imperfect produce, is a customer favorite. Kroger also developed automated and dynamic markdown systems for more consistent program execution.

Every day, our associates rescue remaining surplus fresh food to feed people in our communities. Kroger donates eligible fresh safe food to hunger relief organizations in our local communities. In 2023, we donated more than 114 million pounds of surplus food to Feeding America's network of food banks and agency partners through our Zero Hunger | Zero Waste Food Rescue program.

Any remaining unsold food that cannot be donated is diverted through a combination of animal feed, composting, AD and biodiesel generation, each with their own benefits for Kroger and the environment. Over time, our goal is to increase the number of facilities that participate in food waste recycling.

We currently operate food waste recycling programs in 97% of our stores (95% at the end of 2023), achieving our goal of 95% store participation two years ahead of schedule. In 2023, we launched food waste recycling programs in more than 100 retail stores.

Kroger also introduced a new anaerobic digestion (AD) recovery program in a significant number of stores last year. Our primary AD program provider, Divert, Inc., offers innovative de-packaging technology that eliminates the need to remove food from packaging on-site before recycling, simplifying the process for our store associates and making it easier to recycle store food waste in day-to-day operations.

By the end of 2023, more than 1,110 Kroger-operated stores had this Divert de-packaging solution in place. In 2024, we are rolling the program out to over 500 more stores, seven distribution centers and seven fulfillment centers.



### Our Food Waste Footprint

We calculate our food waste footprint annually to track progress on our waste reduction and recycling goals. Working with WWF, we established our food-waste measurement methodology using the World Resources Institute’s (WRI) Food Loss & Waste Protocol.

In 2023, the amount of food waste generated in our stores increased by 8%, from 245,289 tons to 265,773 tons. Multiple factors contribute to food waste in our stores, from how we order products to how we prepare food for our customers. We can reduce the amount of food waste we produce by right-sizing the product assortment, optimizing inventory management, improving dynamic markdown solutions and continuously expanding items eligible for donation. The increase in food waste generated last year is partly due to changes in our retail cut-fruit program, which moved from third-party processing to in-store production to better meet our customers’ expectations.

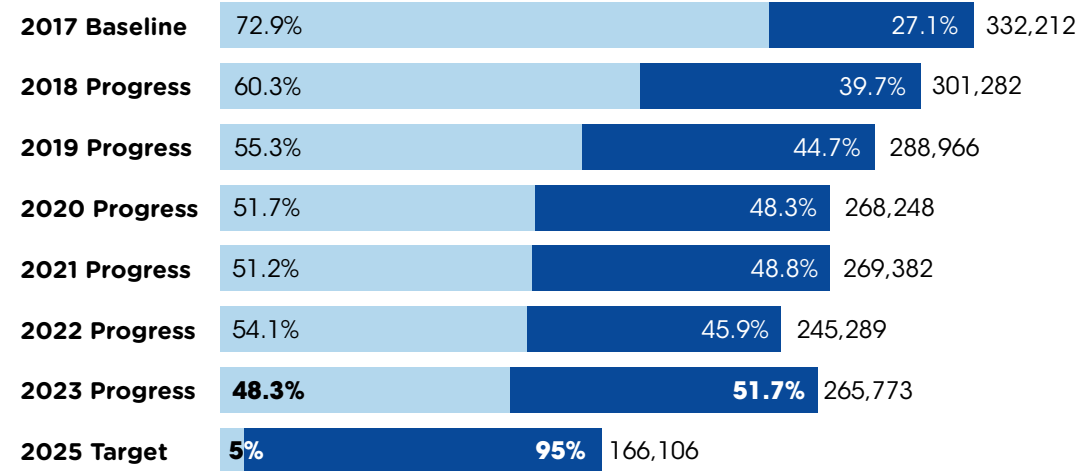
We improved the amount of in-store food waste diverted from landfills from 46% to 52% last year, largely due to the expanding recycling and de-packaging programs. By diverting 137,275 tons of retail food waste from landfills in 2023, we avoided an estimated 145,993 tons of CO<sub>2</sub>e emissions.

Ultimately, our goal is to reduce the amount of food waste we generate and to recycle as much of the remaining waste as possible. Our long-term trends remain positive. Since 2017, we have decreased the amount of food waste generated in our stores by 20% and improved our diversion rate from 27% to 52%.

Kroger is a member of WRI’s 10x20x30 initiative, the Pacific Coast Food Waste Commitment and the U.S. Food Waste Pact. These engagements provide pre-competitive forums where members can share best practices, collaborate cross-functionally across the value chain and gain insight from industry experts to support our collective goals.

### Progress on Food Waste Goals<sup>1, 2</sup>

Tons waste generated



● Landfilled ● Diverted

### Food Waste Management Data

2023 Performance—short tons

Destination <sup>3</sup>	Food	Inedible Parts	Total
Animal feed	29,273	7,949	37,222
Anaerobic digestion	59,187	-	59,187
Composting	28,456	-	28,456
Biodiesel production	-	12,410	12,410
Landfill <sup>4</sup>	128,498	-	128,498
<b>Total</b>	<b>245,414</b>	<b>20,359</b>	<b>265,773</b>

1. Data reflects calendar year

2. Harris Teeter data is included in landfill and food diversion data but is not included in inedible parts diversion data due to insufficient data

3. Food waste diversion data reflects data collected from stores on composting, animal feed, AD, fat/bone and used cooking oil recycling programs

4. The landfill metric shared here is estimated using data captured and synthesized from annual waste audits conducted in a subset of our stores





## Packaging Sustainability

Product packaging is designed with multiple purposes in mind, from protecting food safety, quality and freshness to communicating important product information to customers. While balancing these important priorities, Kroger aims to improve the sustainability of our packaging over time by reducing volume, using more recycled materials and increasing recyclability.

Several years ago, Kroger established our [Sustainable Packaging Goals](#) that inform our approach to packaging design across the *Our Brands* portfolio. Our work includes:

- Completing a baseline product packaging footprint to fully understand current packaging impacts
- Seeking to achieve 100% recyclable, compostable and/or reusable *Our Brands* packaging
- Increasing recycled content in packaging so that the portfolio of packaging collectively contains at least 10% post-consumer recycled (PCR) content
- Increasing awareness among Kroger customers about how to manage *Our Brands* product packaging at end of life
- Reducing unnecessary packaging



### Progress to Date

Each year, we continue to refine the *Our Brands* packaging dataset to reflect changes in the product assortment, capture any recent packaging changes and replace estimated data points with updated supplier-provided information.<sup>1</sup>

For 2023, our dataset includes 67% (measured by weight) actual data. We expect that our dataset will continue to improve over time, particularly as we prepare to comply with future legislated reporting requirements. We are working to improve the processes for capturing packaging data as we continually change the *Our Brands* product portfolio and update information regarding packaging recyclability.

In 2023, we achieved the following progress:

- **52% of *Our Brands* packaging currently meets goal definitions for recyclability, reusability or compostability.** We measure this by assigning a recyclability score to each packaging component and calculating the weighted total that reflects component weight and product sales during the reporting year. The quality of our data continues to improve as we expand processes for capturing and reviewing more detailed packaging data. This, combined with a dynamic product assortment, improved our recyclability findings in 2023.
- **The in-scope *Our Brands* product portfolio contains 10% PCR today.** To be conservative, we only use PCR content reported by suppliers, not any of our proxy data, in the numerator of this calculation. We are focused on adding PCR across our packaging portfolio, particularly in the *Our Brands* products that we manufacture.

1. Our dataset primarily includes food products, both grocery and fresh, as well as health, beauty, household supplies and cleaning, while excluding general merchandise products (apparel and home goods), Home Chef, Vitacost and national brand products

### Packaging Recyclability

Kroger's framework for defining recyclability reflects best practice definitions and requirements of the Ellen MacArthur Foundation and the How2Recycle program. In this framework, we included the top two levels in our definition of recyclable for *Our Brands* packaging. We aim for packaging to be widely collected for recycling or optimally recycled in practice and at scale.

As new packaging legislation defines recyclability in key states and we finalize design guidelines for "recycle readiness," we may revisit our calculations to ensure consistency across reporting systems.

We have been developing our packaging recyclability roadmap to identify which changes to what product types will require more or less intervention and on what timelines. Some products already have packaging that is generally "recycle ready" and may need some minor optimization. However, other packaging types lack established recycling systems in the U.S. and require significant innovation, process validation and testing to identify alternatives.

We are also creating resources for our internal teams—packaging engineers, sourcing experts and *Our Brands* product managers—to guide the review and improvement of packaging to meet accepted guidelines for "recycle readiness."

While reviewing our products for packaging improvements, we are also contributing to the development of better processing and end-market opportunities for recycling. Through funding from the Zero Hunger | Zero Waste Foundation, we are a Recycling Coalition Supporter of The Recycling Partnership. The foundation continues to support the multi-stakeholder Polypropylene (PP) Recycling Coalition and the PET Recycling Coalition to improve community-level infrastructure for curbside PP collection and recycling and improve recycling outcomes for polyethylene terephthalate (PET) thermoform packaging.



Packaging Recyclability Definitions and Progress

Recyclability Level	Brief Description	Example Packaging Types	% of Kroger Packaging <sup>1</sup>
<b>Recycled in practice and at scale</b>	The component is recyclable and either remaining components are compatible with the recycling process or non-recyclable components can be separated. The packaging type must achieve a 30% post-consumer recycling rate in multiple regions.	Glass beverage containers; cardboard; paperboard; aluminum beverage cans, pans, trays	14%
<b>Widely collected for recycling</b>	A majority percentage of the population (at least 60%) has access to a recycling collection system that accepts the packaging (curbside or special take-back schemes). There are occasions when packaging is collected through a recycling system but not recycled.	Plastic bottles, jugs, jars (PET, <sup>2</sup> HDPE, <sup>3</sup> LDPE <sup>4</sup> ); PP <sup>5</sup> cups; aluminum food cans; glass containers	38%
<b>Sometimes collected for recycling</b>	A significant percentage (20%–59%) of the population has access to a curbside recycling collection system that accepts the packaging. There are occasions when packaging is collected through a recycling system but not recycled.	PET clamshells, tubs, trays; LDPE containers; aluminum trays, aerosol containers	1%
<b>Recycle ready</b>	Packaging is designed for collection, sorting and recycling using end-of-life processes, but collection, sorting and recycling infrastructure is not yet widely available.	Monolayer PE <sup>6</sup> plastic film	2%
<b>Not recyclable</b>	Packaging is unable to be sorted, reprocessed and provide value for end markets without significant challenges. Though it might be technically possible to recycle a packaging item, there are systemic barriers to the collection, sorting and recycling in practice, at scale and with reasonable economics.	Multilayer plastic film; problematic materials (e.g., PS, <sup>7</sup> PVC, <sup>8</sup> PFAS <sup>9</sup> )	45%

1. Totals may not sum due to rounding  
 2. PET: Polyethylene terephthalate  
 3. HDPE: High-density polyethylene  
 4. LDPE: Low-density polyethylene  
 5. PP: Polypropylene  
 6. PE: Polyethylene

7. PS: Polystyrene  
 8. PVC: Polyvinyl chloride  
 9. PFAS: Per- and polyfluoroalkyl substances

Recycled Content Materials

Our packaging engineers, Sourcing and *Our Brands* teams are focused on how they can increase post-consumer recycled content in our product packaging. With Kroger’s goal to increase recycled content, as well as expanding legislative requirements to achieve higher percentages

in certain product categories, we continue to monitor and review the feasibility of using PCR for different product categories. Factors like high demand, increasing costs and process changes to accommodate PCR materials can make this challenging.





### Convenient Recycling Opportunities

Our in-store plastic film collection and recycling program accepts monolayer plastic films that are not currently accepted in curbside recycling programs. This includes non-food items like plastic grocery bags; plastic overwrap on household tissues, diapers and bottled water; dry cleaning bags; retail produce bags; and packaging that is labeled as acceptable for in-store drop-off programs.

Since 2021, Kroger has also partnered with TerraCycle to create the [Kroger Our Brands Free Recycling Program](#)—the first program of its kind for a U.S. retailer. Participating Kroger customers can mail in the flexible plastic packaging from their favorite *Our Brands* products for free recycling. The collected plastic packaging is converted to playgrounds in local communities. Participants earn TerraCycle points for every pound of waste they send in for recycling, which can be redeemed as a donation to a charity of their choice. To date, our customers have returned more than 2.2 million pieces of *Our Brands* flexible packaging—the equivalent of 48,000 pounds of plastic—making us one of the leading TerraCycle partners in North America.

We are also a member of the How2Recycle program and have placed the relevant logo on several items to date. Our goal is to provide helpful and accurate recycling communications on *Our Brands* packaging.

### Packaging Legislation

Like many other brands, Kroger's *Our Brands* products are subject to a number of different packaging legislation requirements in the states in which we operate, such as extended producer responsibility (EPR), material restrictions, minimum requirements for PCR and limits for on-package claims about recycling.

Our multi-functional team of subject matter experts continues to monitor these requirements to ensure we are prepared to calculate and report to the relevant entities, and to accommodate any packaging changes that are required into our packaging roadmap.

### Reducing Single-Use Plastics

We remain focused on finding feasible ways to reduce the amount of single-use plastic grocery shopping bags used in our stores.

During the past two years, our Retail Operations team has conducted multiple pilots in select stores to test bag alternatives and incentives to encourage customers to move away from single-use plastic bags. These tests have provided valuable insights and wide-ranging customer feedback that is affecting our pace of change and potential roadmap for phasing out single-use bags.

So far, more than 700 Kroger-operated stores have stopped providing single-use plastic shopping bags and offer only paper or multi-use plastic bags as alternatives. Differences in state and local bag requirements, bag bans, or bans on bag bans further complicate this work to find scalable solutions to reduce single-use plastic bags. We continue to explore how to achieve progress on this challenging topic across the company and in collaboration with others.

Kroger is a partner in the Consortium to Reinvent the Retail Bag, an industry collaboration to reduce single-use bag waste, managed by Closed Loop Partners' Center for the Circular Economy. In 2023, the Consortium launched its largest in-market reusable bag tests to assess whether consistent signs, marketing and prompts can help customers build the habit of bringing their bags whenever they shop.

As Grocery Sector Lead of the Consortium, Kroger was among the leading national brands that participated in the test. Conducted in two of our

markets, Denver and Tucson, the test provided Kroger-specific insights on how to encourage more customers to use their reusable bags.

As always, we invite our customers to return their dry, clean single-use plastic shopping bags and other plastic films such as dry cleaning and bread bags, overwrap packaging for diapers, water bottles and more through our in-store recycling programs.





# Biodiversity & Resource Conservation

Kroger relies on natural resources to operate our business and bring a wide range of products from around the world to our customers. Our goals to protect biodiversity, improve agricultural practices and conserve water reflect our ambition to work with suppliers to ensure these resources are available far into the future.

## Our Approach

Kroger’s Zero Hunger | Zero Waste impact plan and other public goals—including emissions reduction, no-deforestation, seafood sustainability, pollinator protection and dairy stewardship goals—support a wide range of positive changes in our supply chain.

Leaders in Merchandising, Sourcing and Corporate Affairs work together to manage key product categories that may pose higher risk and where we identify opportunities for change. Kroger’s executive leadership team and Public Responsibilities Committee of the board provide additional direction and oversight.

Kroger continues to monitor emerging nature-based frameworks for sustainability, including those designed for target-setting and disclosure, so we can evaluate the potential impact to Kroger of new guidelines and expectations on this complex topic. We also engage our suppliers for insights and feedback when setting expectations in key categories.

As a next step, Kroger plans to complete an initial biodiversity risk assessment and metrics pilot to begin evaluating how to expand our work to advance conservation and protect biodiversity in our supply chain.

## Supply Chain Sustainability

As a leading manufacturer, retailer and distributor of food products and other essentials, we know how important it is to maintain healthy natural ecosystems that sustain our supply chain and support our global food system.

### Agricultural Practices

Encouraging our suppliers to adopt more sustainable agricultural practices is an important part of our approach. We believe collaboration with our suppliers and the broader value chain will be critical for achieving meaningful systems change.

As a dairy processor, Kroger is a signatory of the U.S. Dairy Stewardship Commitment, which seeks to monitor and reduce the environmental impacts of the dairy industry. We are also members of Field to Market: The Alliance for Sustainable Agriculture, which develops science-driven and outcomes-based programs and tools for industry collaboration.

## Integrated Pest Management (IPM) Practices

In early 2024, we shared Kroger’s new Goal to Protect Pollinators & Biodiversity, which requires fresh produce suppliers to implement Integrated Pest Management (IPM) practices for all products supplied to Kroger. We expect medium- to large-sized suppliers to meet this requirement by the end of 2028, with smaller suppliers to follow by 2030.

We worked with Sustainable Food Group, a branch of the IPM Institute of North America, to develop this goal. We surveyed a sample of suppliers—representing about 40% of Kroger’s fresh produce spend—on topics like pest management, soil health, biodiversity and water conservation. From this survey, we also learned that suppliers would appreciate efforts to streamline produce growing requirements across retailers and other food buyers, if it could be done in a pre-competitive manner.

To continue expanding our focus on sustainable agriculture, biodiversity and conservation, we plan to:

- Conduct a biodiversity risk assessment for our supply chain to understand potential biodiversity impacts beyond fresh produce
- Prepare for future biodiversity reporting by piloting biodiversity metrics with row crop and specialty crop suppliers
- Conduct a climate risk assessment for select commodities in our supply chain

### Material Topics

- BIODIVERSITY & CONSERVATION
- AGRICULTURAL PRACTICES
- WATER

## New nature-based goal

to protect pollinators



# \$2.4M

contributed to Community Development Funds from Kroger’s Fair Trade Certified™ purchases in 2023

# 35

fishery improvement projects supported in 2023

# 5K+

natural and organic items in the average Kroger-operated store



### Organic Growing Practices

We offer our customers a wide assortment of organic products spanning our fresh and grocery departments. Organic agricultural practices can help reduce environmental impacts to pollinators and the ecosystems where products are grown. The average Kroger store contains more than 5,000 natural and organic products, with all stores carrying some assortment. Several of Kroger’s manufacturing plants produce certified Organic products, as do our third-party and national brand vendors.

### No-Deforestation Goal

To address the risk of tropical deforestation in our supply chain, we have developed Kroger’s [No-Deforestation Commitment: \*Our Brands\*](#) which aims to minimize deforestation in key at-risk commodities, including palm oil, beef, soy and paper. We query our suppliers annually to assess alignment with our goal.

For products that contain palm oil or paper, we require our suppliers to align with well-established certification frameworks to demonstrate the management of deforestation-related impacts. Because beef and soy commodities lack widely-established certification frameworks, we use a geographic risk-based approach. We also ask our suppliers for information about their no-deforestation practices.

Because our global supply chain is highly complex, we don’t always have full visibility into the land-based impacts of the products we source. Increased supply chain visibility is important for achieving our goals, and we believe that by requesting deforestation-related information from our suppliers on a regular basis, we can contribute to building a culture of transparency and accountability in key commodities where there are deforestation risks.

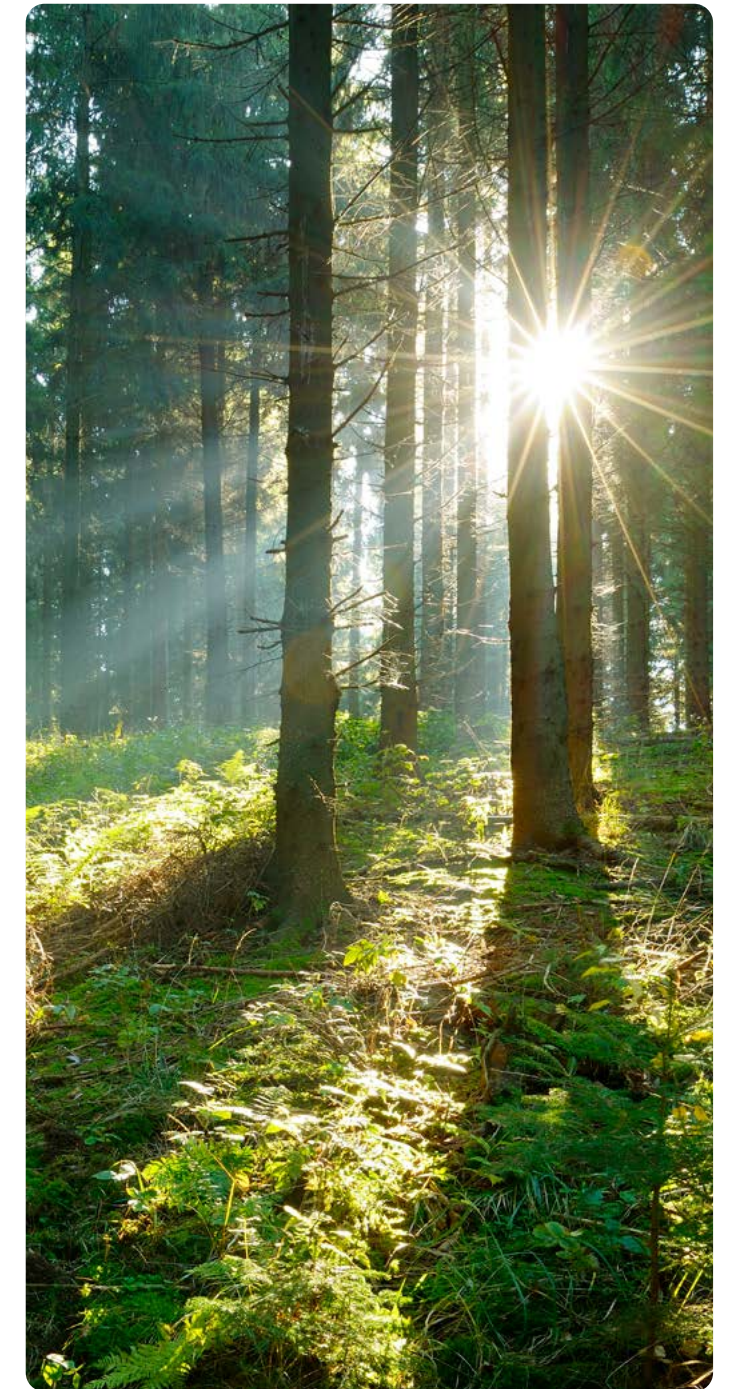
We provide an overview of commodity-specific progress in the adjacent table.

### No-Deforestation Goal Progress

Commodity	Goal(s)	2023 Progress Update
<b>Palm oil</b>	<ul style="list-style-type: none"> <li>Maintain our existing goal, set in 2015, to source palm oil, palm kernel oil and palm oil derivatives in <i>Our Brands</i> products from sources certified to the Roundtable on Sustainable Palm Oil (RSPO) supply chain standard, or equivalent, with a preference for sourcing physical palm oil certified to an RSPO Mass Balance standard or higher</li> </ul>	<ul style="list-style-type: none"> <li>98% of palm oil-based ingredients, by volume, was certified</li> <li>94% was certified to the Mass Balance supply chain standard or higher</li> </ul>
<b>Beef<sup>1</sup></b>	<ul style="list-style-type: none"> <li>Source beef in our fresh meat case and beef-based ingredients used in our manufacturing plants from sources that are deforestation-free by 2025</li> <li>Achieve the same goal for all <i>Our Brands</i> products by 2030</li> </ul>	<ul style="list-style-type: none"> <li>97% of beef-based ingredients in our fresh meat case and manufacturing plants, by volume, was harvested in regions with low- or no-deforestation risk. In addition, 94% was from cattle born, raised and harvested in low- or no-deforestation risk regions<sup>2</sup></li> <li>50% of beef-based ingredients in Kroger third-party manufactured <i>Our Brands</i> products was from low- or no-deforestation risk regions, and 49% was from potentially high-risk regions. Suppliers of products with the remaining 1% of ingredients could not provide visibility to the country of origin</li> </ul>
<b>Soy<sup>1</sup></b>	<ul style="list-style-type: none"> <li>Source soy-based ingredients used in our manufacturing plants from sources that are deforestation-free by 2025</li> <li>Achieve the same goal for all <i>Our Brands</i> products by 2030</li> </ul>	<ul style="list-style-type: none"> <li>99% of soy-based ingredients sourced into our plants, by volume, was from low- or no-deforestation risk regions</li> <li>93% of soy-based ingredients in Kroger third-party manufactured <i>Our Brands</i> products was from low- or no-deforestation risk regions and 2% was from potentially high-risk regions. Suppliers of products with the remaining 5% of ingredients could not provide visibility to the country of origin</li> </ul>
<b>Paper</b>	<ul style="list-style-type: none"> <li>Source virgin fiber used in product packaging in our manufacturing plants certified to the FSC,<sup>3</sup> SFI<sup>4</sup> and/or PEFC<sup>5</sup> standards, with preference for the FSC standard, by 2025</li> <li>Achieve the same goal for all <i>Our Brands</i> products, including paper product packaging and household paper products</li> </ul>	<ul style="list-style-type: none"> <li>99% of paper, by volume, in manufacturing plants was certified and/or contained recycled content</li> <li>94% of household paper was certified and/or contained recycled content</li> <li>45% of <i>Our Brands</i> paper-based packaging was certified and/or contained recycled content</li> </ul>

1. We use the geographic deforestation risk in the CDP Forests questionnaire guidance to determine if the beef and soy ingredients in our beef counter, plants and Kroger labeled products are at risk for deforestation. CDP uses the definition of “tree cover loss”  
 2. As reported by our suppliers, to the best of their knowledge

3. Forest Stewardship Council  
 4. Sustainable Forestry Initiative  
 5. Programme for the Endorsement of Forest Certification





### Seafood Sustainability

Kroger has a long-standing focus on improving seafood sustainability in collaboration with WWF. Together, we monitor progress in sourcing regions and contribute to industry efforts to improve fishery practices and protect aquatic ecosystems.

Our [Seafood Sustainability Policy](#) articulates our commitments and supplier expectations. In 2023, Kroger continued to advance progress on our seafood sustainability goals. We exceeded our goal to source 95% of wild-caught seafood in our Seafood department from fisheries aligned with our policy, and we achieved 98% alignment with our goal to source 100% of farm-raised seafood from farms aligned with our policy.

We rely on certifications to verify that facilities, fisheries and farms in our supply chain are operating responsibly and sustainably. These entities occasionally lose their certifications, which may affect performance on our goals until the source fishery or aquaculture farm improves or we can move to a more sustainable or certified source. As a result, we aim to maintain at least 95% alignment with the wild-caught and farm-raised certifications in our seafood policy moving forward.

We continued supporting fishery improvement projects (FIPs) in 2023 to help fisheries achieve Marine Stewardship Council (MSC) certification. This year, Kroger’s Seafood department assortment included wild-caught seafood from 35 comprehensive FIPs.

In 2023, 98.7% of our shelf-stable tuna, by volume, was from suppliers aligned with our requirement that tuna suppliers<sup>1</sup> be in good standing with the International Seafood Sustainability Foundation (ISSF).

We also aim to source 20% of shelf-stable *Our Brands* tuna from MSC-certified fisheries by 2025. In 2023, 7.3% of relevant volume came from MSC-certified sources. This is a decline from 2022 progress due to adjustments in our fishery sources across tuna products in our assortment. We are working to correct this and achieve our goal by 2025.

Because traceability is key to ensuring products are sourced responsibly, we will continue working with WWF and our seafood suppliers to improve transparency and traceability for seafood globally. This is particularly important for Kroger as we seek to meet the U.S. Food and Drug Administration’s (FDA) traceability requirements for seafood under the Food Safety Modernization Act (FSMA).

For more details, please see the [WWF-Kroger Seafood Sustainability Report](#).

#### Wild-Caught Seafood Meeting Kroger’s Seafood Sustainability Policy



#### Farm-Raised Seafood Meeting Kroger’s Seafood Sustainability Policy



### Fair Trade Certified™ Products

We offer nearly 200 Fair Trade Certified *Our Brands* products spanning a variety of commodity categories. In 2023, we sourced 28.9 million pounds of certified ingredients. The Fair Trade Certified label is backed by more than 120 social, environmental and economic protections, with benefits for both the people making our products and our planet.

Fair Trade standards and guidelines foster sustainable production practices that preserve the environment, enhance resilience to climate change, and support the health and quality of life of producers and their communities.

A portion of every Fair Trade purchase goes to Community Development Funds for initiatives identified by workers and their communities to meet their most pressing needs. This means communities can make critical investments to improve infrastructure and provide basic resources like education, sanitation and clean drinking water. Kroger’s total Fair Trade Certified purchases contributed \$2.4 million in Community Development Funds in 2023.

Kroger is a member of the Sustainable Coffee Challenge. Our Simple Truth® brand aims to source 100% Fair Trade Certified coffee in all products (97% alignment in 2023), and our Private Selection® brand has a goal to source 100% Fair Trade Certified coffee from international growing regions (100% alignment in 2023).

### Fair Trade Certified Ingredients Used

Pounds



1. Both *Our Brands* and national brands

**Plant-Based Products**

Kroger’s *Our Brands* and national brand suppliers have developed a large variety of plant-based products as alternatives to traditional animal-based proteins and ingredients. These items can reduce the carbon emissions and other environmental impacts of animal-based products and may also provide health benefits.

In 2023, Kroger offered about 175 plant-based *Our Brands* items, primarily in the Simple Truth® brand. These products span 50 Kroger merchandising categories, including deli, bakery, dairy, meat, snacks and frozen. Total sales of *Our Brands* plant-based items decreased 10% between 2022 and 2023, primarily due to shifting demands in customer preferences.

As with our entire assortment, we continue to adjust our plant-based offerings to meet our customers’ needs in this evolving space. Sales of the most popular plant-based items remain strong, including alternative milks and tofu.

In recent years, Kroger developed and promoted a campaign to highlight plant-based items across the store, featuring top national brands and Simple Truth® items. This *Power of Plant Based* campaign used special promotions to drive attention to and increase customer engagement in these products.

As part of the outreach to encourage customers to try plant-based items, many brands participated in a food truck event in seven Kroger geographies, featuring free samples and coupons for participating items. The truck was also featured at the popular Kroger Wellness Festival in Cincinnati in 2023 to bring attention to the benefits of plant-based foods for people and our planet.



**Water**

Safe, high-quality and abundant water is critical for the health of our associates, customers, communities and the planet. Across our facilities, we find ways to reduce water use in day-to-day operations to increase efficiency and protect natural resources.

Kroger’s periodic water risk assessments for our facilities have assessed location-based water risk across several impact areas, including physical quantity, physical quality, and regulatory and reputational risks. Some of our facilities are in regions with a defined level of water stress; collectively, these facilities account for less than 10% of our total facilities.

In recent years, Kroger has retrofitted our retail stores to adopt a water efficiency plan that includes multiple parts of the store, both inside and out. As a result, we are seeing additional water savings and efficiency with the help of approximately 200 adiabatic condensers (or coolers). These condensers use water for cooling only when needed, with an estimated annual saving of 1,000 kGal per site.

Several of our manufacturing plants use significant amounts of water in their production processes. Over time, our plant engineers have found ways to reduce and reuse water in their operations. We use on-site wastewater treatment at certain plants, including our K.B. Specialty Foods plant in Greensburg, IN, where AD technology converts by-products to renewable biogas and electricity that is used to power the facility.

In 2023, company-wide water consumption increased by 4%.<sup>1</sup> This is primarily due to ongoing improvements in data quality as we move from estimated to actual sources.

We continue to monitor and evaluate progress over time on water use and management across our operations.

**Water Footprint<sup>2</sup>**  
Billion gallons



1. Because water consumption is not metered in all stores, we use a detailed estimation process to fill in missing data points, including using proxy data from the previous year and per-square-foot intensity metrics. We also refine the portfolio of sites included in our water inventory based on store closures, site openings and updated information about locations  
 2. Water data reflects calendar year results and all Kroger operations



# Governance

We offer a wide range of affordable food and other essentials to serve millions of loyal customers every day. Our strong corporate governance enables us to operate responsibly and continually improve how we manage a complex global supply chain.

## In This Section

- 53 Corporate Governance
- 60 Responsible Supply Chain & Sourcing

## Material Topics

- Corporate Governance
- Business Ethics & Compliance
- Food Safety
- Non-Food Product Safety
- Data Privacy & Cybersecurity
- Public Policy Practices
- Marketing Practices & Product Labeling
- Retail Security
- Responsible Supply Chain & Sourcing
- Human Rights
- Animal Welfare



# Corporate Governance

Kroger's operations reach billions of people in communities near and far. We engage leaders in our strategy and hold teams accountable for results. We are making progress on our journey to integrate ownership for material topics within and across our lines of business and functions. Our centralized structure, vertical integration and focus on responsible sourcing also enable our forward progress.

## Our Approach

Kroger has a history of strong corporate governance, including oversight of material topics affecting people and our planet. Our Law Department oversees matters of corporate governance with oversight from the Board of Directors. We manage key topics in the context of our business priorities and strategies, balancing the long-term interests of our associates, customers, communities and other stakeholders.

We maintain an established topic management approach, informed by a comprehensive, third party-led [materiality assessment](#). We completed our third materiality assessment in 2023, aligning with the principles of double materiality and best practices for defining and prioritizing material topics.

The results and insights from our double materiality assessment also inform our approach to engaging our associates, customers, communities and other stakeholders, and how we report progress on our goals.

We integrate topic management and goals into our business and corporate governance practices, including oversight of enterprise risk and accountability among senior management and our board. Five board committees have direct oversight of ESG topics, as outlined in the table on the next page.

Details of our directors' areas of expertise, as well as committee composition, are available online in Kroger's [2024 Proxy Statement and 2023 Annual Report](#).

Several Kroger departments support our work, including:

- **Audit:** Oversees financial reporting and manages independent auditors
- **Corporate Affairs:** Leads internal and external communications and media relations; manages federal and state government affairs and advocacy; leads sustainability and social impact
- **Corporate Food Technology:** Oversees food, health and beauty care product safety and quality assurance; manages recalls affecting Kroger-manufactured and -labeled products and national brands; leads animal welfare program
- **Ethics & Compliance:** Leads awareness and implementation of corporate policies, including Kroger's Policy on Business Ethics, Anti-Corruption Policy, Vendor Code of Conduct and Privacy Policy; oversees compliance with relevant laws and regulations, including environmental requirements
- **Human Resources & Labor Relations:** Leads human capital management, including hiring, compensation and benefits; leads diversity, equity and inclusion initiatives; engages with labor unions to negotiate collective bargaining agreements

- **Merchandising & Marketing:** Determines category assortment and promotional strategies; leads *Our Brands* strategy and assortment; leads supplier engagement together with Sourcing; leads customer engagement, loyalty and rewards
- **Retail Operations:** Guides standards, policies and program implementation for retail stores; advances operational performance on topics like food access, food waste and operational waste diversion
- **Sourcing:** Sources raw materials and finished products for *Our Brands*; purchases national brand items for resale and goods not for resale; implements Responsible Sourcing program; leads supplier engagement with Merchandising
- **Supply Chain:** Manages our manufacturing operations, distribution network and transportation fleet
- **Technology & Digital:** Focuses on governance, innovation and digital channels; manages approach to cybersecurity

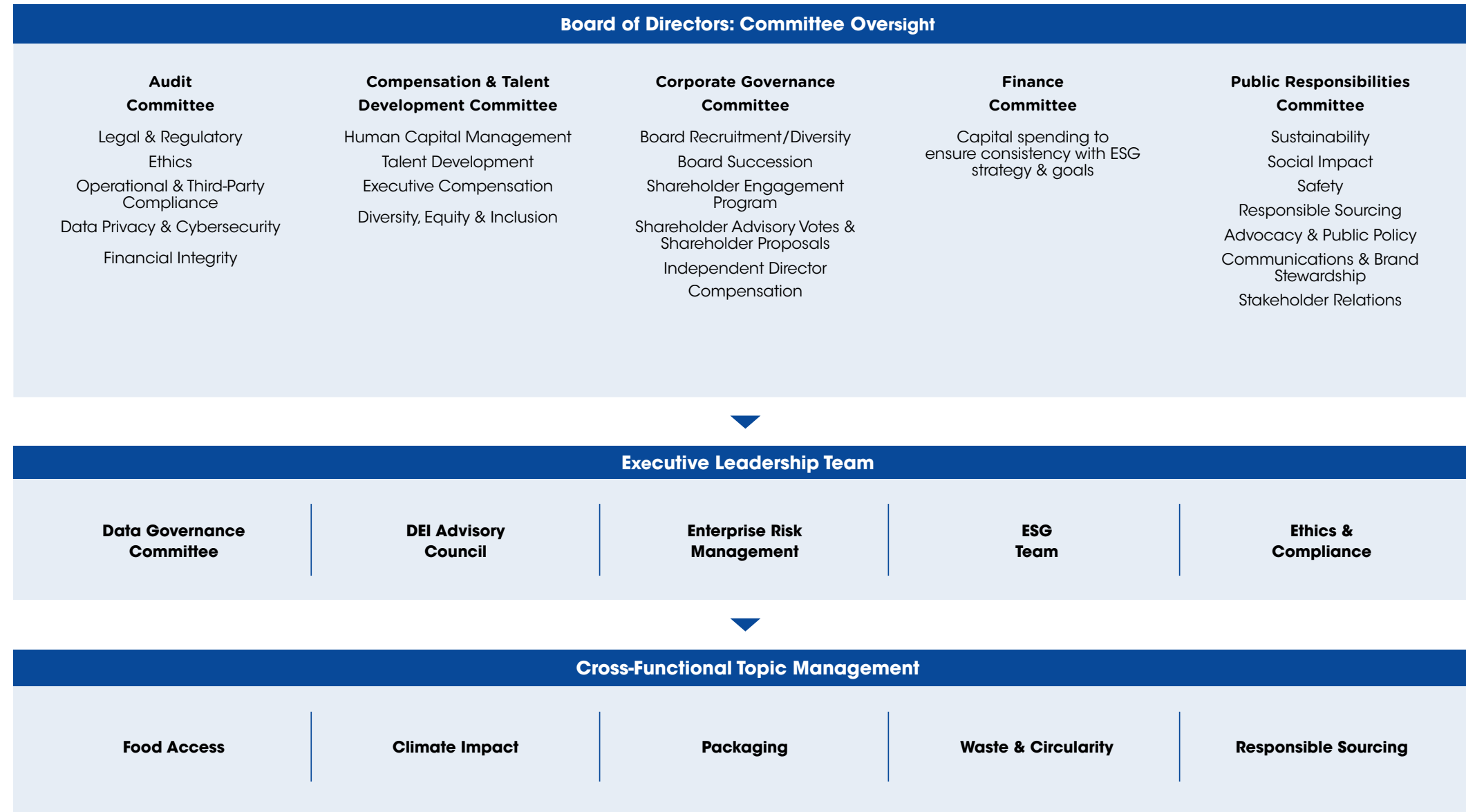
## Material Topics

CORPORATE GOVERNANCE  
 BUSINESS ETHICS & COMPLIANCE  
 FOOD SAFETY  
 NON-FOOD PRODUCT SAFETY  
 DATA PRIVACY & CYBERSECURITY  
 PUBLIC POLICY PRACTICES  
 MARKETING PRACTICES & PRODUCT LABELING  
 RETAIL SECURITY





Oversight of ESG Topics



**Business Ethics & Compliance**

We strive to uphold the highest ethical standards and help our associates, suppliers and vendors do the same. We consistently review company policies and update them as needed to advance ethical and responsible practices.

Our Ethics & Compliance team is responsible for driving internal implementation of Kroger’s [Policy on Business Ethics](#) and related policies and monitoring our company helpline, through which associates can anonymously report concerns. Together with our Corporate Affairs and Sourcing teams, the Ethics & Compliance team monitors legislative and regulatory changes, shares updates and develops compliance programs as needed.

**Regulatory Compliance**

Kroger is committed to product safety and quality. Our suppliers must comply with regulatory requirements pertaining to product safety and meet or exceed Kroger’s quality, safety and performance requirements. A dedicated group maintains a General Merchandise Regulatory Compliance and Quality Assurance Program, which outlines product-testing requirements for *Our Brands* general merchandise.

To enhance responsible disposal of select products, our Environmental Compliance team implements processes for retail store disposal of unsalable hazardous products and store-use chemicals that are beyond their useful life. Additionally, working with UL WERCSmart, a platform that facilitates the exchange of information about products, we provide accurate disposal information directly to stores and distribution centers. We use licensed hazardous waste vendors to remove materials from our sites and properly manage disposal, reuse, recycling or destruction.

## Chemical Management

We remain focused on product quality and safety, setting high standards for all *Our Brands* products. Our regulatory compliance and quality assurance programs define product and supplier requirements, such as quality specifications, testing protocols, and reporting and labeling to ensure safe, high-quality products.

As reflected in our Safer Chemicals Statement, we proactively identify chemicals to remove from *Our Brands* products. Examples of recent progress include:

- 100% of *Our Brands* canned food items remain free of bisphenol A (BPA) liners
- Currently, about 93% of *Our Brands* canned beverage items (by volume) are no longer in BPA liners. We will continue to expand this reach as supply becomes available
- Our Apparel Restricted Substances Policy, which includes a robust Restricted Substances List (RSL), establishes requirements about chemicals that are not permitted in *Our Brands* apparel products
- Kroger is finalizing a restricted substance monitoring list with input from a third-party expert for formulated products sold in our stores

## Food & Product Safety

Providing safe, quality food and products for our customers and their families is Kroger's highest priority. Kroger's Corporate Food Technology (CFT) team oversees food safety, quality assurance and regulatory compliance for our business. For suppliers and others, these are also conditions of doing business with us. We strive to meet and exceed high expectations for food safety, quality and freshness across our company.

Kroger's vice president of CFT and Regulatory Compliance leads a team of scientists and technologists who oversee food and product safety and quality assurance for our retail stores, food processing facilities, warehouses and dedicated fulfillment centers. They monitor food integrity and purity, product size and specifications, and changes in legislation and regulations. The CFT team improves processes based on the latest best practices and guidance on allergens. Kroger's executive leadership team and Public Responsibilities Committee of the board oversee food safety performance.

We follow a risk-based approach to managing food safety. We focus on preventing foodborne illness through a culture of continuous improvement and accountability. We train associates on food safety policies and process controls, conduct facility food safety audits, monitor performance, and conduct efficient product recalls and customer notifications.

Kroger is actively preparing to meet the compliance deadline of January 2026 for the FDA's Food Traceability Rule, which implements Section 204 of the Food Safety Modernization Act (FSMA). We support efforts to enable faster identification of recalled items to remove them from sale most efficiently. We also aim for continued improvements in data collection and traceability as foods move through our value chain.

Kroger is an active member of The Consumer Goods Forum and its Coalition of Action on Food Safety: the Global Food Safety Initiative (GFSI). Through GFSI, we are part of a community of 45 retailers and manufacturers that oversees food safety standards for businesses and collaborates to improve best practices.

### Practices & Process Controls

The CFT team conducts frequent product testing to continually improve customer satisfaction. The team tests Kroger manufactured items for safety and quality; conducts food safety audits at all facilities; reviews third-party audits of suppliers' facilities for compliance; works with regulatory agencies and suppliers to manage recalls affecting *Our Brands* and national brand products; and advises the Corporate Affairs team on recall communications, policy development and advocacy.

Every year, the CFT team updates cleaning protocols and master sanitation and cleaning schedules at all facilities, reflecting best practices. We have strict governance in place to ensure our own facilities and suppliers adhere to food safety requirements and process controls, including critical cold chain management guidelines. The team monitors Kroger's operational performance on food safety training, audits and inspections.

### Grocery Stores

Across our stores, food safety managers help ensure compliance with federal, state and local regulations through our risk prevention strategy, which focuses on:

- Associate training
- Food safety process controls
- Store sanitation
- Audits and food safety reviews

Food safety managers also participate in food safety organizations and industry groups to stay informed of new developments and share best practices. Kroger continues to train managers and associates working in store Fresh departments in food safety practices. In 2023, nearly 3,000 store management and Fresh department associates were trained and nationally certified as Food Managers. In 2024, we are adding food safety training modules and daily reminders to Kroger's new Fresh Start associate training platform to further emphasize food safety best practices.

Kroger completed nearly 14,400 in-store food safety audits in 2023.

### Manufacturing Facilities

All Kroger-operated food manufacturing facilities are certified to Safe Quality Food Institute standards, and every plant has an assigned Quality Assurance Manager and a Safe Quality Food Practitioner. We manufacture approximately 30% of total *Our Brands* units and 43% of the grocery category at food processing plants across the country, using quality control plans (QCPs) from the ingredient level all the way to the finished product. The plans are adjusted according to various inputs, including customer comments.

Our manufacturing food safety risk mitigation strategy includes:

- Leadership and training
- Hazard analysis and risk-based preventive controls
- Sanitation control
- Food allergen control
- Environmental monitoring programs
- Audits and food safety reviews
- Recall management





## Supply Chain

Kroger seeks to have all distribution and fulfillment centers that store food achieve GFSI standards for warehouse and distribution facilities by 2025. To support this transition, a new Corporate Supply Chain Food Safety Manager oversees all food safety and regulatory programs in these facilities. In 2023, we conducted preliminary external audits for 38 warehouses that store and distribute food.

## Distribution Centers

Management responsibilities are outlined in our food safety and sanitation standards, and associates implement formal documented programs, including site-specific Food Safety Plans. Kroger's distribution centers follow established cold chain management standards to help ensure temperature-sensitive products are managed properly in transit and storage. This is of particular importance during inbound and outbound transportation.

Key elements of these standards include:

- Food safety responsibility and documented practices
- Proper receipt and storage of materials
- Cleaning practices
- Maintenance for food safety
- Pest prevention to avoid food adulteration

## Fulfillment Centers

Our fleet of refrigerated Kroger Delivery trucks, which can store up to 20 orders, are designed to keep food safe and fresh for customers while being delivered to their doorstep. In addition to our warehouse food safety standards, we implement additional process controls to manage ambient, chilled and frozen products at our dedicated Kroger Delivery fulfillment centers. Powerful machine learning algorithms optimize delivery routes, considering factors such as road conditions and optimal fuel use to deliver food safely and efficiently.

## Allergens

Kroger carefully manages federal requirements for food safety regarding allergens. Known allergens required on labels include peanuts, tree nuts, dairy, egg, wheat, fish, crustacean shellfish, soy and sesame. In 2023, food manufacturers were required to include sesame as an allergen on all labels to align with the U.S. Food Allergy Safety, Treatment, Education and Research Act. Kroger modified all labels for *Our Brands* and made-in-store products containing sesame and those that may come into contact with sesame during production. In addition, Kroger-operated manufacturing plants amended allergen control programs to account for sesame.

## Non-Food Product Safety & Quality

*Our Brands* non-food products adhere to a multifaceted program to help ensure quality. We work with carefully selected suppliers that have been vetted and that adhere to compliance requirements as outlined in our centralized Supplier Hub, including third-party Good Manufacturing Practice (GMP) certifications.

All products undergo evaluation and standard setting during the development process. Product quality is designed into the process from the start through preliminary analytical testing, technical document review, product specification concurrence between Kroger and the supplier, and a first production review prior to release. After introducing the product to market, we continue to monitor and maintain quality. New products are tested by a third-party laboratory after six months in market, and we use a risk-based approach to conduct third-party testing for mature products.

Kroger monitors and documents all customer feedback, which is also reviewed and addressed by our technical team and the supplier for continual improvement. Kroger's CFT and Regulatory Compliance teams also monitor regulatory activity over time related to product

safety and ingredients to help ensure continued product safety and compliance. Information about product regulatory compliance is available in the [Business Ethics & Compliance section](#).

## Recall Management

Products are removed from sale for many reasons, including incorrect package labels, undeclared allergens and, on rare occasions, the risk of illness or injury. Because our customers' safety is our highest priority, Kroger is a leader in recall management and communications. We consistently meet and exceed industry and government standards for recalls and product withdrawals.

Our experienced team of experts coordinate recalls with suppliers, regulatory agencies and our own network of food safety specialists and recall managers. This 24-hour-a-day, seven-day-a week process focuses on identifying items to be recalled or withdrawn from our distribution network and retail stores and working with appropriate teams to ensure the recalled items are quickly removed from sale. We also investigate the issue, take corrective action and modify or create programs to minimize or eliminate similar issues in the future.

Kroger was one of the first retailers to implement a personalized customer notification system for certain types of recalls. Using our customer loyalty database, we can identify shoppers who may have purchased a specific recalled item. If a recall involves a possible health risk—such as an undeclared allergen or potential foodborne illness—we immediately activate our notification systems to alert customers quickly through register receipt messages and automated phone calls. Kroger also offers a toll-free Customer Service Center and information line staffed with professionals who can answer questions about food safety and items that may have been recalled.

In 2023, the Kroger team managed a total of 72 recall events. Of these, 40 were Class I product recalls, including 36 related to food products. None of these Class I recalls involved *Our Brands* items produced in a Kroger-operated manufacturing facility. As in previous years, recalls for undeclared allergens continue to be a primary cause of Class I food recalls.

## Enabling Faster Recalls

We continue to explore new ways to improve our recall management systems. The Kroger Technology & Digital team is working with CFT and other departments to develop systems to enable product and data mapping at every step of an item's journey through the supply chain. This will enable future compliance with the FSMA Food Traceability Rule.

Kroger has completed initial systems design work for data mapping and begun building the system. We are prioritizing products specified as high risk on the FDA's Food Traceability List; ultimately, we plan to extend these capabilities to all food and non-food items sold across retail stores and e-commerce channels. In addition to enabling faster recalls, this critical work will connect to other supplier management tools and improve supply chain accountability and compliance with relevant sourcing policies.

### Number of Class I recall events involving Kroger-manufactured *Our Brands* items

<b>2021</b>	0
<b>2022</b>	0
<b>2023</b>	<b>0</b>

## Privacy & Cybersecurity

Kroger recognizes the responsibility to protect our customers' information, our own data and our business systems. We prioritize and invest in strong data privacy and cybersecurity practices and strive to manage information in a way that is transparent, fair and trustworthy.

The chief ethics and compliance officer and a dedicated privacy officer lead Kroger's Privacy Office, reporting to an executive-level Privacy Steering Committee. The chief information security officer and Cybersecurity team are responsible for cybersecurity, with board-level oversight from the Audit Committee.

### Privacy

Kroger's Privacy Office oversees the company's efforts to analyze new privacy laws, identify potential impacts and adjust business practices, processes and communications relating to our associates' and customers' privacy. Three foundational pillars guide our privacy practices:

- Embedding responsibility and accountability for protecting personal information across our lines of business and functions
- Aligning with and meeting regulatory requirements to serve our associates and customers
- Increasing transparency in our policies and practices to clearly explain how and why we collect and process information

To build on those foundational pillars, we conduct a biannual review of our [Privacy Policy](#) to make sure it is clear, easy to understand, and accurately reflects our data practices, including what privacy rights are available to individuals, and how we collect, use and share data.

The technology and privacy landscapes continue to change at an aggressive pace. Currently, 20 states have comprehensive privacy laws approved, and several states have passed consumer health privacy laws. Kroger's Privacy Office, Law Department and Corporate Affairs team monitor policy developments at federal and state levels to inform internal policies and processes that meet or exceed compliance standards.

Focus areas in the last year included implementing all the changes to effectuate the new state privacy laws and consumer health laws; enhancing our Privacy Impact Assessment process to add considerations for new technologies, new state requirements and changes to support scalability; increasing the reach of compliance processes and cross-team collaboration to consider potential privacy impacts when designing new business processes or solutions; as well as participating in various governance processes for data practices such as sharing and responsible use of artificial intelligence (AI).

To further advance our privacy efforts, all corporate, technology and retail store associates in affected states who handle personal information complete general privacy awareness training on an annual basis. Associates working in certain areas of the business, such as Kroger Health, are required to complete additional privacy training to improve awareness and compliance when managing personal health information.

For more information, please see Kroger's customer-facing [Privacy Center](#), a portal embedded in our websites where consumers can find everything they need to know about our privacy practices in one convenient location. The Privacy Center includes various privacy policies and notices, terms and conditions, frequently asked questions, and links to change marketing and communication preferences, make a privacy rights request, or find support and contact information.

### Cybersecurity

Kroger implements cybersecurity practices appropriate to the nature of the information we collect and use—including technical, administrative and operational procedures—to prevent loss, misuse or alteration. Securing our business information, intellectual property, customer and associate data, and technology systems is essential for the continuity of our businesses, meeting applicable regulatory requirements and maintaining the trust of our stakeholders.

We have adopted enterprise cybersecurity risk mitigation and governance processes, outlined in detailed Kroger Cybersecurity Risk Management (CRM) and Third-Party CRM programs and a Cyber Incident Response Plan. Kroger CRM principles guide our approach to monitoring threats and vulnerabilities, and assessing and monitoring related controls.

These efforts support the Corporate Information Security function, led by the chief information security officer and chief information officer.

Kroger's cybersecurity policies, standards, processes and practices are integrated into the company's overarching risk management system in an effort to enhance our ability to safeguard our operations and information, which includes quarterly cybersecurity reporting to the board.

We experience cybersecurity threats and incidents from time to time. We are not aware of any material risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our business strategy, our financial condition, results of operations or cash flows.





## Public Policy Practices

Kroger actively engages in public policy and advocacy in ways that support the interests of our associates, customers, communities and company. We recognize that public policy and legislation at the federal, state and local levels can affect our business operations and our future ability to provide economic opportunities in our communities and create value for our shareholders.

A centralized Corporate Affairs team leads the government relations strategy and management approach to align with responsible business practices and reflect Our Values, with oversight from the Public Responsibilities Committee of the board. Advocacy efforts cover a wide range of topics, including ESG topics affecting people and our planet and reflecting our Zero Hunger | Zero Waste impact plan. These include policies that increase food safety, access and security while preserving affordability for our customers.

We recently expanded Kroger's government relations team to focus on federal policy and state legislative activity.

### KroPAC

KroPAC is the company's federal political action committee (PAC) funded by voluntary contributions from salaried management associates. All PAC contributions are conducted in compliance with Federal Election Committee regulations governing solicitations. KroPAC makes contributions, where allowed, to federal, state and local political candidates, initiatives and organizations.

### Other Contributions

Occasionally, and where permitted by law, Kroger may make political contributions directly to state or local candidates using corporate funds and following relevant laws and regulations.

We do not use corporate funds to air advertisements or finance specific activities in favor of or in opposition to particular candidates. For more details, see our [Political Contribution Policy](#).

We comply with all laws and required reporting governing political contributions, and we publish a [Political Contribution Report](#) that outlines the source of funds for contributions, giving by political party, and giving by state. This report also includes a list of national trade associations of which Kroger is a member. These associations help represent the company's perspectives to legislators and regulators; however, we do not always share the same perspectives on policy matters as these associations.

## Marketing Practices & Product Labeling

Kroger develops marketing communications and integrated campaigns to help customers make purchase decisions that are right for them. We follow applicable laws, regulations and best practices and strive to work with others that do the same. *Our Brands*, Marketing, Media Services, 84.51° and Merchandising teams lead this work in partnership with the Kroger Technology & Digital team, Ethics & Compliance and our Privacy Office.

Our customers tell us they value receiving personalized recommendations that deliver savings on items they purchase regularly. We use information from our loyalty program to develop personalized recommendations every week to save our customers time and money and to enhance their shopping experience. We clearly share why and how we may collect and use this information in our customer-facing [Privacy Policy](#) and [Privacy Center](#).

To fulfill our brand promise—Fresh for Everyone™—we promote healthy options like fresh, natural and organic choices across all customer segments and geographies. We work with national, regional and local media and advertising companies to connect with customers through traditional, digital and social media channels.

A defined request for information process governs how we select media companies. We ask specific questions to understand their privacy practices and how they create models and expand audiences without bias. In the increasingly complex media landscape and digital ecosystem, we ask vendors to share best practices in communicating organically with multicultural audiences.

Across our operations, we avoid targeted marketing to minors of products intended for adult purchase and consumption, including adult beverages and nicotine products.

### Kroger Precision Marketing

Kroger Precision Marketing (KPM) is Kroger's retail media business. By applying 84.51° data science and Kroger's popular loyalty card program, KPM connects customers to brands through advertising.

KPM is among a small group of media publishers to achieve Platinum certification from the Trustworthy Accountability Group. The certification demonstrates a commitment to upholding brand safety, eliminating ad fraud and combating malware. In 2023, KPM became the first retail media business to join Ad Net Zero, a trade association focused on sustainability in the advertising industry.

### Product Labeling

Kroger adheres to the food labeling requirements outlined by the U.S. FDA and the United States Department of Agriculture (USDA), including the USDA's Agricultural Marketing Service, which oversees the National Organic Program and food grading system, and the Food Safety Inspection Service, which regulates the labeling of meat, poultry and shelled egg products.

We also adhere to the Federal Trade Commission's Fair Packaging and Labeling Act, which requires that package labels identify the commodity; the name and place of business of the manufacturer, packer or distributor; and the net quantity in weight, measure or numerical count. For general merchandise items, we adhere to the requirements and guidelines set by the Consumer Products Safety Commission and state regulations to provide consumers with safe use information.

Labeling practices for items we sell in stores and online are overseen by teams including Ethics & Compliance, Corporate Food Technology, *Our Brands* and Merchandising. Our primary focus is on products in the *Our Brands* portfolio, including Kroger-manufactured items and other items sourced or produced under contract with third-party manufacturers. For *Our Brands*, Kroger aims to develop accurate on-pack messages and labels that include required information and, where relevant, clear and supported claims to help inform customers of product safety information or benefits, such as allergens or health, nutrition or environmental attributes.

We expect consumer packaged goods and national brand suppliers to be responsible and accountable for complying with relevant labeling requirements. Additional information about product nutrition and sustainability is available in the [Health & Nutrition](#) and [Supply Chain Sustainability](#) sections.

## Retail Security

Kroger monitors and implements best practices in associate training, preparedness and prevention for our stores across the country. Safety and loss prevention teams in Retail Operations and Supply Chain functions lead efforts to enhance safety and security with oversight from Kroger's executive leadership team and Public Responsibilities Committee of the board.

Reflecting the ongoing safety incidents and threats across the retail industry, we have continued to evolve our approach to increasing safety for our associates and customers.

### Personal Safety

Working collaboratively with law enforcement and other authorities, we monitor risk and take proactive steps to protect our associates, customers and communities. We incorporate safety principles and best practices into facility and parking lot designs, including mobile security units and real-time video monitoring to prevent and deter safety incidents. Through a combination of Kroger and third-party services, we provide security presence at relevant stores, depending on local needs.

We also create and implement training programs to foster safe and secure workplaces. We require associates to carefully review a Personal Safety training program first introduced company-wide several years ago, achieving a 98% completion rate in 2023. This training focuses on increasing awareness of what to do in the event of an active assailant in our facilities.

If unexpected events occur on-site, we focus on how to care for our associates holistically, both at home and at work. Kroger's comprehensive benefits include free counseling and access to a well-being assistant 24 hours a day, seven days a week. We also provide specialized toolkits and training for leaders to understand how best to support their teams and have thoughtful conversations with associates about their well-being.

To support recovery for affected associates, customers and communities, we also support local victims' advocacy groups and provide resources to help people heal and restore balance to their lives.

### Preventing Theft & Loss

Kroger's Asset Protection team employs sophisticated systems to minimize theft from our stores and reduce product losses. This includes technology aimed at reducing loss at self-checkout stations and other innovative systems. Alongside the Buy Safe America Coalition, Kroger has been on the forefront of supporting legislation that curbs the impact of organized retail crime. Organized retail crime continues to plague the industry through large-scale theft of items, which are often sold on e-commerce platforms without verification of how the seller obtained the goods. We believe our work helps protect our associates and customers while advancing safer communities.

Kroger also supported the Integrity, Notification and Fairness in Online Retail Marketplaces for Consumers Act (INFORM Consumers Act) as part of the Consolidated Appropriations Act of 2023. The INFORM Consumers Act is designed to make it easier for shoppers to identify exactly who they are buying from and make it harder for deceitful sellers to avoid identification.

### Firearm Policy

Kroger does not sell firearms or ammunition. We follow local laws regarding open carry policies; in addition, we ask our associates and customers not to bring firearms to Kroger facilities, even in communities where it's permitted.





# Responsible Supply Chain & Sourcing

Kroger is part of—and dependent on—global food and consumer goods supply chains. We aim to do our part to build more responsible, resilient supply chains for people and our planet.

## Our Approach

We believe responsible and more sustainable sourcing enables us to continue offering our customers a wide range of affordable products. We manage sourcing topics and issues within the context of our business and *Thriving Together* strategies, recognizing there may be trade-offs and unintended consequences of specific single-topic decisions or policy changes.

Kroger's centralized Merchandising team selects the desired product assortment by category and works closely with Sourcing leaders to determine and review potential suppliers, sourcing regions and contract terms. Our management approach to responsible sourcing is led by a cross-functional Responsible Sourcing Steering Committee comprising leaders in Ethics & Compliance, Merchandising, Sourcing and Corporate Affairs. Kroger's executive leadership team and the board's Public Responsibilities Committee provide additional oversight.

Information about product sustainability and supplier expectations is included in the [Planet section](#).

## Managing Our Supply Chain

Our customers trust that the products we offer come from reputable suppliers who operate responsibly. We have relationships with many strategic, long-standing vendors, and we also welcome new vendors to bid for business. Kroger's Sourcing and Merchandising teams lead processes to identify, evaluate and onboard new suppliers to advance progress on our social and environmental goals.

Kroger has a long-standing focus on responsibly sourcing products to manage and mitigate potential supply chain risks to people and our planet. As a retailer with thousands of products in wide-ranging categories across our stores and seamless ecosystem, responsible sourcing discussions increasingly include both social and environmental topics.

As a principle and business practice, we believe decisions about product sourcing and price are exclusively Kroger's to make directly with our suppliers.

## Supplier Expectations

An evolving risk-based approach informs program management and responsible sourcing policies, practices and oversight. All suppliers, including those providing *Our Brands* ingredients and finished products, are expected to:

- Follow the [Kroger Vendor Code of Conduct](#), including establishing effective management systems to maintain safe, fair working environments in all facilities and manage risks
- Accurately disclose and update production facilities and locations in Kroger's Supplier Hub centralized vendor management system
- Respond promptly to Kroger requests for information about potential allegations and issues
- Complete and submit required documentation, assessments and certifications upon the required schedule and agree to additional compliance assessments upon request

Many large, established Kroger suppliers already have robust management systems in place to comply with applicable laws, regulations and the Kroger Vendor Code of Conduct. We recognize that newer or smaller suppliers may need additional resources to clarify expectations and enhance their management systems in ways that work for their business. We welcome the opportunity to engage and include new brands, local farmers and growers, diverse-owned businesses and others to help them operate responsibly and have a positive impact in our communities.

## Vendor Code of Conduct

All suppliers are expected to comply with Kroger's Vendor Code of Conduct as a condition of doing business with us. The Code of Conduct, which outlines expectations for responsibly managing operations and respecting the rights of workers, is informed by internationally agreed-upon standards, including the United Nations Guiding Principles (UNGPs) on Business and Human Rights, the International Bill of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.

Kroger plans to publish a new vendor guide with additional details on vendor expectations to help suppliers build or improve their responsible sourcing management systems and practices. This will include a range of resources to support large and small vendors. We are also developing new training resources for Kroger leaders and associates involved in the selection and oversight of suppliers.

## Material Topics

RESPONSIBLE SUPPLY CHAIN & SOURCING

HUMAN RIGHTS

ANIMAL WELFARE

## Select Responsible Sourcing Policies

[Vendor Code of Conduct](#)

[Standard Vendor Agreement](#)

[Supplier Diversity & Inclusion Program](#)

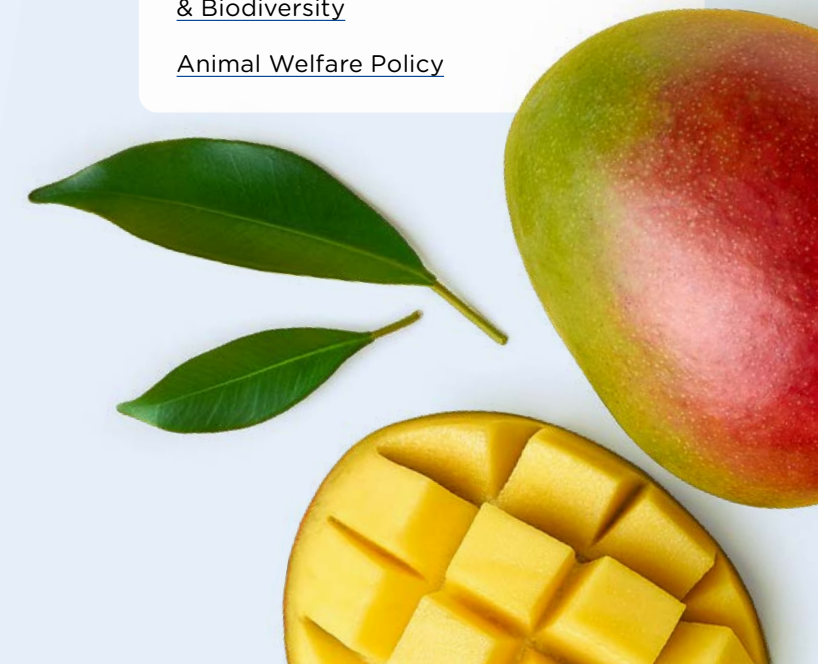
[Human Rights Policy](#)

[No-Deforestation Commitment: Our Brands](#)

[Seafood Sustainability Policy](#)

[Goal to Protect Pollinators & Biodiversity](#)

[Animal Welfare Policy](#)



## Assessing Risk

Kroger works with thousands of vendors to support our associates, serve our customers and keep our business running smoothly every day. We believe growing our business and operating and sourcing responsibly has a positive impact in local communities and around the world. We use data and insights to maintain and enhance management systems that help identify and mitigate potential and evolving risks in our supply chain.

Kroger's risk-based approach includes our policies, goals and expectations for vendors and others who do business with us. We also have long-standing programs in place to manage sourcing for higher-risk commodities, like seafood, palm oil and more, and we continually review emerging issues. We have an established process for reviewing issues that may arise in the supply chain.

We believe in the corrective action planning process to help suppliers build capacity, improve operating performance and correct issues wherever possible. If necessary, we stop doing business with suppliers who repeatedly violate our Code of Conduct and policies and fail to follow through on timebound corrective action plans.

We offer resources and self-assessment tools to help suppliers of all sizes understand our expectations, evaluate where they are today, and build more effective management systems for their business where appropriate.

Kroger has systems and processes in place to monitor known and emerging risks across product categories and sourcing regions. Our Responsible Sourcing Steering Committee meets regularly to monitor and manage critical topics, trends and risks for people and our planet. An extended team of internal and external subject matter experts also provide enhanced monitoring for topics like human rights, seafood sustainability, chemical safety, apparel production and more.

Kroger's centralized Supplier Hub vendor management system houses detailed information on suppliers' compliance with Kroger's policies and U.S. laws and regulations related to our business. It provides a mechanism for alerting teams and addressing suppliers not in compliance. Planned enhancements to the system will further improve oversight of items in production at suppliers' facilities.

In 2023, we invested resources to enhance several responsible sourcing processes and tools to improve visibility to supplier, vendor and facility risk and performance over time. These tools will also help inform future decisions about product selection, sourcing regions and more to improve supplier accountability.

## Supplier Diversity & Inclusion

At Kroger, we believe a diverse supply chain strengthens our business, improves our customer experience and supports our communities. We take an intentional approach to fostering the growth and development of certified, diverse-owned business enterprises through a refreshed Supplier Diversity & Inclusion Program.

This program streamlines Kroger's procurement process, helping connect businesses of all sizes and sectors with the appropriate decision-makers within our company. During the past 35 years, the program has helped businesses:

- Determine if their products and/or services align with business strategies
- Understand our customers' needs and trends in the marketplace
- Collaborate to increase positive impact in our communities

Kroger welcomes collaborations with diverse-owned business enterprises, including companies owned, controlled and managed by individuals who are ethnic minorities, women, veterans, people with disabilities or members of the LGBTQ+ community. We value these relationships because they contribute to the local economy and community, and their products and services are often unique and popular among customers.

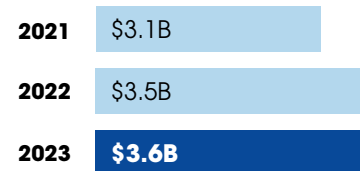
Our approach enables certified diverse-owned business enterprises to participate and compete for Kroger sourcing contracts.

## Refining Our Approach

During the past two years, Kroger has updated its approach to Supplier Diversity & Inclusion. We invested in and improved our systems, including new verification methods to validate Tier 1 suppliers, or vendors that Kroger pays directly, and Tier 2 suppliers, which are paid by Tier 1 suppliers. We completed a thorough review of the certification status for all diverse-owned businesses to update our baseline and continue offering certified diverse suppliers an opportunity to compete for contracts.

In 2023, Kroger's total spend with diverse-owned suppliers was \$3.58 billion, a slight increase versus the prior year. Our year-over-year performance reflects the results of our comprehensive supplier verification process.

## Annual Spend with Diverse-Owned Businesses 2021-2023<sup>1</sup>



1. Reflects restated results after comprehensive review of supplier certification status

During the next two years, we will enhance our reporting capabilities and refresh our Tier 2 supplier program to encourage Tier 1 suppliers to offer opportunities for all businesses to participate in their selection processes.

## Industry Collaboration

Kroger is a long-standing member of the Billion Dollar Roundtable, which promotes supply chain diversity excellence and includes member companies with a documented supply chain spend of \$1 billion or more annually.

In 2023, Kroger also collaborated with the Women's Business Enterprise National Council (WBENC) to conduct a first-ever Industry Accelerator | Kroger Feeding Growth Opportunities program for women-owned businesses. This eight-week cohort-style accelerator program culminated in a live virtual pitch competition. Kroger is the first company to participate in an accelerator program of this kind that combines education, mentorship and pitching.

Through the program, nearly 400 individuals participated in a public session outlining how to do business with Kroger. Then, more than 120 women-owned businesses—all WBENC Certified and registered in Kroger's Supplier Hub—applied to be part of the Industry Accelerator program. Twenty individuals were selected for the cohort plus additional coaching and capacity-building sessions. Kroger's Enterprise Sourcing and Merchandising departments provided tailored mentorship to support their success.



## Human Rights & Social Compliance

We recognize Kroger's responsibility to respect human rights for workers in our own operations and global supply chain. We continue to evolve our policies to embed human rights as a key element of our responsible sourcing practices.

We outline Kroger's commitment to—and governance of—human rights in our [Human Rights Policy](#) and [Vendor Code of Conduct](#). This policy and approach were developed with insights from internal and external subject matter experts, investors, NGOs and others. The Public Responsibilities and Audit committees of the board oversee progress on human rights and social compliance.

We continually review our approach and processes to help advance positive changes. In 2023, we advanced progress by:

- Conducting a new social risk analysis and segmentation
- Updating our internal human rights due diligence (HRDD) framework
- Improving tools and resources for our social compliance program
- Publishing human rights impact assessments (HRIAs) and initiating follow-up actions

We recognize the importance and power of collective action and pre-competitive collaboration with others in the private and public sectors. We remain committed to engaging and encouraging our suppliers to help advance positive changes for workers around the world.

### Statement of Salient Risks

Kroger has identified a list of the company's most salient human rights risks—the highest potential risks to people's human rights as a result of our activities or business relationships. This assessment aligned with the UNGPs. This statement of awareness of salient risks is included in our [Human Rights Progress Update](#).

### Due Diligence

We recognize the need for human rights due diligence to verify that Kroger and our suppliers are upholding policies to respect human rights, including the company's Policy on Business Ethics and Vendor Code of Conduct. Working with LRQA, a global assurance partner, we continue to refine our approach to managing human rights risks and conducting due diligence in our own operations and global supply chain.

Today, our due diligence framework specifically:

- Acknowledges the need to engage relevant stakeholders to listen and learn from others' perspectives on human rights
- Assigns ownership and accountability for specific tasks across key departments
- Documents escalation paths to review human rights risks when identified
- Outlines expectations for conducting HRIAs
- Establishes and/or updates policies and decision-making systems to assess suppliers' performance and provide feedback
- Includes efforts to mitigate risks and consider remedy for workers as appropriate

### Worker Voice

We engage in constructive dialogue to listen, learn and seek input about our management approach from associates, customers, investors, advocacy groups, suppliers and more. We follow a people-first approach to complex food systems topics, prioritizing and managing risks to people and trade-offs that may result from single-topic advocacy.

Recent examples of how we embed worker insights in our approach to responsible sourcing include:

- Assessing salient human rights risks and developing a human rights due diligence framework
- Developing a new goal to promote more sustainable agricultural practices in our fresh produce supply chain, reducing pesticide exposure for farmworkers and nature-based impacts from food production
- Co-leading the development and rollout of the International Fresh Produce Association's Ethical Charter and Ethical Charter Implementation Program to promote responsible labor practices among produce and floral suppliers
- Conducting two HRIAs in our supply chain to date, including interviews with rightsholders in their native language(s)

### Ethical Charter: Produce & Floral Suppliers

Kroger's approach to engaging produce and floral suppliers is grounded in the Ethical Charter on Responsible Labor Practices to responsibly source fresh fruits, vegetables and flowers.

The Ethical Charter was published in 2018 by the Produce Marketing Association and the United Fresh Produce Association—now merged as the International Fresh Produce Association—and has been adopted and endorsed by many of its members, including Kroger.

Kroger is among a group of food buyers—including Costco, McDonald's, Target and Walmart—leading the development and adoption of the Ethical Charter Implementation Plan (ECIP) among produce and floral suppliers. The ECIP aims to help growers strengthen management systems to uphold Ethical Charter principles.

The ECIP reflects insights from a collaborative pilot of Ethical Charter principles and practices with four buyers, including Kroger, 20 suppliers and 40 growers. The Ethical Food Initiative (EFI) administers the program, which is overseen by an advisory group of leading buyers, suppliers and key stakeholders.

Kroger began onboarding select suppliers to the ECIP in 2023, and we continue to expand participation in 2024 and beyond.

## Human Rights Impact Assessments

As part of our due diligence framework, we completed and published two HRIAs in 2023. Both HRIAs were conducted by third-party researchers and included site visits, interviews with rightsholders and a gender-equity lens to assess unique risks for female workers.

The detailed reports are available in our online [ESG Hub](#):

- [HIRA: Mixed greens in California](#)
- [HIRA: Farmed shrimp in India](#)

Conducting these HRIAs helped the Kroger team learn more about managing supply chain risks at production facilities outside of our direct control. These insights informed the evolution of our social compliance program, including how we manage higher-risk commodities and sourcing regions and how we engage our suppliers and set clear expectations.

We also learned that HRIAs are complex, time-consuming and resource-intensive. Collaborating with other retailers or buyers is valuable and cost-effective; however, it requires processes to avoid sharing sensitive information. For the farmed shrimp HRIA—conducted in collaboration with two other retailers—LRQA reviewed and managed any information about specific facility locations to avoid sharing competitive information.

HRIA findings are also limited to the sites visited and people included at a specific point in time. Continual oversight and supplier engagement are essential to the process to monitor and manage risks as they change over time.

## Social Compliance Program

Kroger's social compliance program is designed to verify suppliers' alignment with our Vendor Code of Conduct, which informs vendors that the facilities they operate may be subject to third-party social compliance audits.

Kroger's Sourcing team oversees the social compliance program and engages with other leaders and third-party experts to manage and improve it, and to measure progress. We aim to build strong supplier relationships during onboarding and maintain them through regular meetings, site visits, surveys and audits.

We determine audit scope and frequency through several criteria, including where facilities are located, what products they produce and inherent industry risks. At a minimum, we require social compliance assessments for all *Our Brands* food and non-food products and unbranded products (such as bulk produce) processed at facilities outside the U.S. Social audits are required for direct-import national brand products where Kroger is the importer of record. We also require social audits for raw materials and ingredients used in Kroger-operated manufacturing plants.

## Updating Our Approach

Kroger works with third-party LRQA to manage key elements of our social compliance audit program. In 2023, we transitioned from our custom social compliance audit to the LRQA ELEVATE Responsible Sourcing Assessment (ERSA) 3.0 tool for all social assessments. Assessment results and reports are aligned with ERSA 3.0 standards, which meet and/or exceed current industry standards and are updated regularly based on trends in social compliance.

In 2023, we conducted a risk segmentation analysis, developed key performance indicators and refined escalation pathways for managing issues. These actions established a more consistent process for proactively managing risk, where possible, and addressing other findings in a timely manner.

Reflecting an overall increase in worker-related allegations in industry supply chains, we also expanded the scope of our program to include more suppliers' production facilities in North America. Going forward, we expect to conduct more Foreign Migrant Worker Assessments and Labor Risk Surveys in areas that may pose higher risk for forced labor indicators.

Kroger also continues to raise awareness about indicators of social and human rights risks in our supply chain among leaders and associates who may visit suppliers' international facilities.

## Continuous Improvement

We continue to adopt new tools and best practices for supplier oversight to improve how we manage the topic of human rights and social compliance. We are continually learning and engaging other subject matter experts to evolve our programs and work collaboratively with others.

Kroger uses the LRQA EiQ supply chain due diligence platform, which monitors and benchmarks social risks in real time. Through this platform, we review our supply chain and apply segmentation based on risks. We classify primary product and commodity categories in our supply chain based on two dimensions: risk exposure level (high, medium or low) and ability to influence risk in our supply chain (high, medium or low). This risk classification informs decisions and next steps in sourcing and supplier engagement.

EiQ also enables Kroger to monitor the status of social compliance assessments, self-assessment questionnaires (SAQs), corrective action plans and worker sentiment surveys. The platform's Sentinel feature also monitors risk alerts globally so we can proactively manage issues, engage suppliers and develop response plans.

## Supplier Risk Analysis

Kroger's social compliance program is evolving to manage supply chain risks more proactively and to increase positive impact. In 2023, Kroger and LRQA conducted a new supplier risk analysis to better understand our potential supply chain impacts and inform how we approach and schedule assessments. Our objective is to achieve higher levels of transparency in our supply chain over time.

Going forward, decisions about social compliance assessments will consider areas of highest importance to the company as well as our potential level of influence to effect change. Segmenting the supply chain by looking at spend and facility risk levels provides key insights about our supply chain and where we can direct capacity-building resources to help vendors improve their management systems.



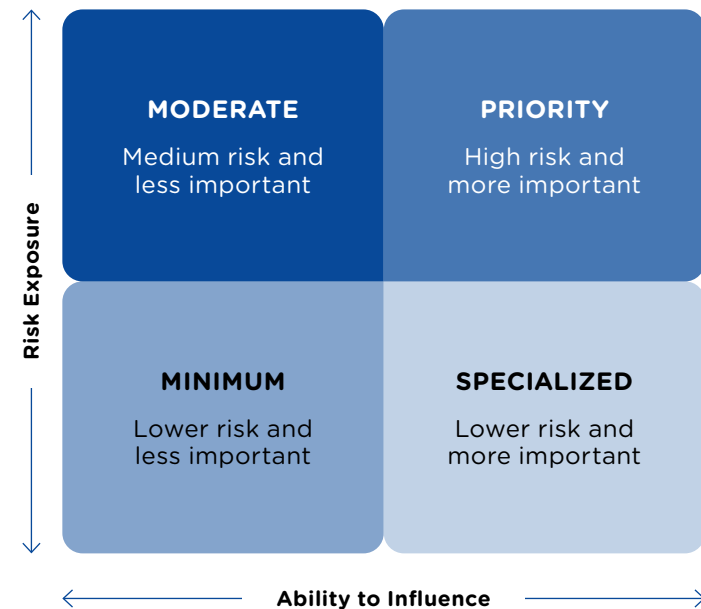


**Risk Categories**

The supplier risk analysis uses LRQA tools to place vendors in four distinct social risk categories: priority, specialized, moderate and minimum. This risk segmentation combines inherent and managed sourcing risks for commodities and sourcing countries to determine the appropriate use of social compliance assessment tools and resources to apply to specific supply chain sectors.

Inherent risks are related to the product or where it is grown or made. Managed risks include issues identified through the social compliance program, including monitoring programs and assessment results. With this additional information, we can manage risks more proactively and focus more resources, assessments and management tools on higher-risk sites in the moderate and priority segments.

**Social Compliance Risk Segmentation**



After careful review, we may decide to work with vendors in a higher-risk category or location in order to meet our customers' needs. In this case, our updated program includes increased monitoring and oversight of these vendors and their facilities.

**Assessment Process**

While social compliance audits and SAQs are not the solution to worker-related issues in global supply chains, they are a foundational element and provide important insights. Kroger conducts follow-up discussions with suppliers if and when issues are identified during an assessment to further understand the situation and align on corrective actions and timelines.

As noted above, Kroger recently improved its assessment program to include the LRQA-owned and -operated ERSA tools for social compliance. The suite of ERSA tools enables Kroger to select appropriate tools for certain sectors, such as agricultural production, instead of a one-size-fits-all approach. Some general merchandise facilities in our supply chain are audited by Li & Fung, Ltd.

Informed by our risk segmentation, we conducted social audits and assessments at suppliers' facilities around the world, with more than 70% focused on higher-risk priority sites in our supply chain. We conducted the highest number of assessments at suppliers' production sites located in China, based on inherent risk, followed by India, Vietnam and Thailand.

**Corrective Action Plans**

When assessments identify critical issues, we require suppliers to develop time-bound corrective action plans (CAPs) and report progress. As part of our program evolution, we are improving how we manage the CAP process and providing resources to help suppliers improve their management systems.

Lack of transparency during the assessment process may be an indicator of more egregious issues, so we make our expectations of transparency clear to all suppliers. When suppliers have repeated non-transparency findings in their audits, we work with them directly to resolve the issue or terminate the supply agreement if the issue persists. Assessment findings that fall into the most severe category include evidence of forced labor, child labor or attempted bribery.

Depending on the situation, we may suspend or terminate the supply contract if alerted to these findings, following our established escalation paths.

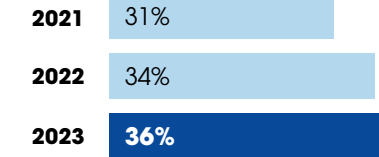
Kroger monitors CAP closure rates—the percentage of CAPs that are successfully closed in the agreed-upon time—as an indicator of program effectiveness. In 2023, our CAP closure rate was 88%, down from the prior year. As part of our evolving program, we are working with LRQA to increase our CAP speed and closure rate in 2024 and beyond.

Starting in August 2024, we shortened the time facilities have to submit a CAP by 50% to encourage faster corrective actions. We also updated our CAP system to be more user-friendly for suppliers and facility managers. We continue to offer digital learning courses as part of the CAP process to build vendors' capacity and enhance management systems.

**Social Compliance Audit Findings**

2021-2023

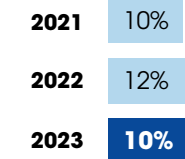
**Approved Facilities**



**Approved with CAPs**



**Significant Improvement Required**



## Animal Welfare

The welfare of animals in our protein supply chain has long been a priority for Kroger. We aim to advance the welfare of animals that produce food while balancing other strategic priorities that affect people and our planet. We work with suppliers, animal welfare experts and other stakeholders to advance standards that protect workers and animals and that preserve access to affordable proteins for our customers.

The company's Corporate Food Technology (CFT) team leads our approach to animal welfare in the context of animal agriculture and sustainable protein production, with oversight from senior leaders and the Public Responsibilities Committee of the board.

### Our Approach

We outline our approach in Kroger's [Animal Welfare Policy](#), which was developed with insights from internal and external subject matter experts. Our policy reflects the Five Domains of Animal Welfare, an internationally respected approach that emphasizes current animal science and outcome-based standards. We continue to engage our suppliers and others in the industry to further develop and align with emerging practices for measuring animal welfare outcomes.

Our primary focus remains advancing welfare for laying hens, pigs, broiler chickens, and beef and dairy cattle in ways that preserve affordability for our customers. A detailed [Animal Welfare Update](#) provides additional context on goals and milestones for specific proteins.

Kroger is not directly involved in raising or harvesting any animals in our protein supply chain. We require suppliers to adopt industry-accepted animal welfare standards and provide required welfare audit results. We comply with all relevant state legislation and regulations. An internal working group oversees policies and progress and provides regular updates to leaders.

We participate in industry groups and collaborative platforms to stay informed of key developments in animal welfare and protein production. This includes membership and participation in the Global Coalition for Animal Welfare (GCAW), a multi-stakeholder group of protein producers, foodservice companies, restaurants and retailers. GCAW is administered by a secretariat and has dedicated working groups to advance welfare for laying hens, broiler chickens and pigs.

### Laying Hens

Kroger is working with suppliers, animal welfare experts and other stakeholders to support the transition to higher welfare laying hen housing systems over time. We will continue to offer a variety of eggs to ensure that affordable, healthy protein options are accessible for all Kroger customers.

Given the current rate of industry progress and our customers' desire for affordability, Kroger plans to transition about 70% of eggs sold (by units) to cage-free or higher-welfare standards by 2030. We established the following tentative milestones along the way: 2022: 33%; 2024: 41%; 2025: 54%; and 2028: 61%. We will determine whether continued progress beyond 2030 is feasible and if so, by when, based on customer insights, regulatory timelines and industry transition.

We anticipate investing about \$45 million to support this roadmap, including investments in sourcing agreements, pricing, promotions and merchandising.

### 2023 Progress

In 2023, cage-free eggs represented 51.9% of total egg revenue company-wide (2022: 32.3%). In 2021, cage-free eggs represented 45.9% of total egg revenue. On a volume basis, units of shell eggs sourced from laying hens in cage-free housing systems held steady at 33.3% in 2023 (2022: 33.6%).

Kroger is currently on track to achieve our next milestone of 41% cage-free or higher eggs by the end of 2024. We are monitoring changes in state regulations and compliance timelines for cage-free eggs as part of achieving our goal roadmap and milestones.

Kroger continues to encourage our customers to trade up to higher-welfare egg options if feasible. We offer affordable Simple Truth® cage-free eggs, promote cage-free or higher-welfare eggs in weekly advertising circulars and dedicate preferred shelf space to higher-welfare options.

Many years ago, Kroger and Kipster Farms, the innovative egg production system founded in the Netherlands, collaborated to bring the world's first carbon-neutral, next-level cage-free eggs to customers in the U.S. In 2022, we introduced Simple Truth® + Kipster eggs and continued to expand distribution over time. Today, these eggs are an affordable option for customers who want to trade up to support higher welfare and more sustainable production systems.

### Customer Communications

Earlier this year, Kroger conducted new research to understand what our customers care about most when buying eggs and how we might make it easier to understand common industry terms that may be confusing.

We used this feedback—and input from suppliers, industry associations and advocacy groups—to develop new at-shelf signs to explain what terms like “cage-free,” “pasture-raised” and “organic” really mean. The new signs also reflect input from *Our Brands* and national brand egg suppliers on how to explain differences in egg production systems. We began testing these new signs in select stores in late 2024 and will evaluate results over at least a six-month period to inform future plans.





## Pigs

While there is no single agreed-upon standard for sow housing, we encourage suppliers to use the minimum time necessary in individual stalls to enhance sow health and welfare, protect workers and preserve access to affordable, fresh pork.

Kroger's goal is to source 100% of fresh pork from sows in group housing systems by the end of 2025. Group housing refers to systems where sows are moved to group pens for the middle phase of gestation as early as possible, no later than six weeks after breeding. We established the following milestones toward our goal: 65% by 2023; 75% by 2024; and 100% by 2025.

Our current goal does not include processed pork items like bacon and cooked ham. We believe focusing on fresh pork will positively affect other pork products over time.

## 2023 Progress

In 2023, 62.2% of our fresh pork volume was sourced from sows in group housing, nearly achieving our published milestone. We did not report a baseline in 2022 due to questionable data quality and varying group housing definitions among suppliers; however, our 2023 progress represents significant work by the Kroger team and our suppliers to procure fresh pork that meets our definition of group housing.

Kroger is on track to meet or exceed our 2024 milestone of 75%. We are also well positioned to achieve our goal of 100% by the end of 2025. We continue to engage our suppliers to increase the volume of fresh pork meeting our goal.

To date, due to issues with our current labeling practices, we are unable to report revenue from fresh pork from sows in group housing systems as a percentage of total fresh pork revenue. These numbers will reflect our progress on volume as we get closer to our 100% goal.

## Broiler Chickens

We strive to promote higher-welfare practices among suppliers raising chickens as an affordable fresh protein option. We aim to achieve the following welfare enhancements for at least 50% of our Simple Truth Organic® and Simple Truth Natural® fresh chicken by the end of 2024:

- Prohibit broiler cages (2023: 100%)
- Maximum stocking density of 6.0 pounds per square foot (2023: 37.8%)
- Enriched environments, including litter and lighting (2023: 39.5%)
- Processing in a manner that avoids pre-stun handling and uses a controlled atmosphere system (CAS) to induce an irreversible stun (2023: 14.5%)

Progress on broiler welfare goals has been slower than anticipated due partly to producers' pace of infrastructure investments and heightened focus on managing avian influenza. We continue to work with animal welfare experts and suppliers to determine next steps. We do not include breed changes as part of our goal at this time.

## Other Welfare Updates

**Dairy:** Cooperatives supplying milk to Kroger's manufacturing plants and *Our Brands* grocery assortment must be in good standing with the National Dairy Farmers Assuring Responsible Management (FARM) Animal Welfare Program. We encourage suppliers to adopt updated versions of the FARM Animal Care standard. FARM Animal Care Version 5, released in 2024, focuses on refining and clarifying previous standards surrounding euthanasia, fitness for transport, calf management and continuing education, among others. We are also a signatory to the U.S. Dairy Stewardship Commitment, supporting efforts to measure and improve dairy production impacts on people and our planet.

**Beef:** Suppliers of regular fresh beef and beef-based ingredients going into Kroger plants advised that, to the best of their knowledge, 97% of cattle were harvested in regions with low- or no-deforestation risk and 94% was from cattle born, raised and harvested in low- or no-deforestation risk regions. We continue to work with suppliers to advance animal welfare for cattle in our beef supply chain.

**Fish:** We recognize the growing body of work related to advancing fish welfare in farm-raised and wild-caught operations and processing. Kroger is engaging animal welfare experts, industry groups and other stakeholders to monitor developments on this topic. More information about how we manage seafood sustainability is in the [Planet section](#).





# Appendix

## In This Section

- 68 Key Performance Data Tables
- 72 Material Topics Summary
- 74 TCFD Index
- 75 SASB Index
- 77 2023 Supplemental Data Tables





# Key Performance Data Tables

The Kroger team recognizes our unique role in the future of food. We are helping build a more resilient and equitable food system that preserves access and affordability—today and in the future—by advancing more responsible and sustainable production methods for the food and consumer goods on which we all depend.

## People: Serving Our Associates, Customers and Communities

Goals & Metrics	2021	2022	2023	Baseline	Target Year	Status
<b>Associate Wages &amp; Benefits</b>						
Cumulative investment in our associates' compensation and benefits	\$1.2B	\$1.9B	\$2.4B	2018	-	→✓←
Increase average retail hourly wages and benefits over time	Over \$17/hour; over \$22/hour including benefits	Over \$18/hour; over \$23.50/hour including benefits	Over \$19/hour; nearly \$25/hour including benefits	-	-	→✓←
<b>Food Access &amp; Affordability</b>						
Increase annual sales of affordable, quality <i>Our Brands</i> portfolio of products	\$28B	\$30B	\$31B	-	-	→✓←
Introduce new affordable <i>Our Brands</i> products	660	680	700+	-	-	→✓←
Annual total meals donated to our communities—food and charitable donations	546M	599M	455M	-	-	→✓←
Cumulative total meals donated since 2017—food and donations	2.3B	2.9B	3.4B	2017	2025	✓
Donate surplus fresh food from stores and facilities to our communities through Kroger's Zero Hunger   Zero Waste Food Rescue program	94M pounds	106M pounds	114M pounds	-	-	→✓←
100% of retail stores actively donating surplus fresh food	93%	100%	100%	2017	2025	✓
Company-wide donations of fresh Produce, Deli and Dairy items make up 45%+ of total donations to improve nutrition security	42%	45%	45%	2017	2025	✓
<b>Charitable Giving</b>						
Total annual charitable giving to our communities	\$343M	\$336M	\$329M	-	-	→✓←
Share of total charitable giving donated to national and local organizations helping end hunger	\$210M	\$253M	\$256M	-	-	→✓←
<b>Supplier Diversity &amp; Inclusion: Certified diverse-owned suppliers have the opportunity to participate and compete for contracts</b>						
Annual spend with certified diverse-owned businesses <sup>1</sup>	\$3.1B	\$3.5B	\$3.6B	-	-	→✓←

M = million B = billion

1. Reflects restated results after comprehensive review of supplier certification status

**Status key**



Did not achieve



Area of focus



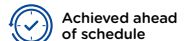
On track



Significant progress



Achieved



Achieved ahead of schedule

**Planet: Protecting Natural Resources for a Brighter Future**

Goals & Metrics	2021	2022	2023	Baseline	Target Year	Status
<b>Climate Impact<sup>1</sup></b>						
Achieve a 30% cumulative reduction in GHG emissions (percentage reduction from baseline; annual total Scope 1 and 2 GHG emissions)	9.1% 5,251,448 MTCO <sub>2</sub> e	15.2% 4,894,705 MTCO <sub>2</sub> e	12.0% 5,081,613 MTCO <sub>2</sub> e	2018	2030	🔄
<b>Waste &amp; Circularity</b>						
<b>Operational Waste</b>						
Achieve 90%+ waste diversion from landfills company-wide <sup>2</sup>	79%	82%	82%	2016	2025	🔍
Phase out single-use plastic grocery shopping bags	Developing roadmap	Using pilots to refine roadmap	Using pilots to refine roadmap; 700+ stores phased out plastic bags due to legislation	2018	2025	🔍
<b>Food Waste</b>						
Reduce total food waste generated in retail stores by 50% cumulatively from 2017 baseline (cumulative reduction; annual tons generated)	19.7% 269,382 tons	26.2% 245,289 tons	20.0% 265,773 tons	2017	2025	🔍
Achieve 95% diversion of remaining retail food waste from landfill	48.8%	45.9%	51.7%	2017	2025	🔍
Strive for 95% or more of retail stores participating in food waste recycling programs	92%	92%	95%	2017	2025	✅
<b>Our Brands Product Packaging Sustainability<sup>3</sup></b>						
Seek to achieve 100% recyclable, compostable and/or reusable packaging	40%	37%	52%	2020	2030	🔄
Increase recycled content in packaging so <i>Our Brands</i> portfolio collectively contains at least 10% recycled content	14%	18%	10%	2020	2030	🔄
<b>Biodiversity &amp; Resource Conservation</b>						
<b>Pollinators</b>						
Set new Goal to Protect Pollinators & Biodiversity to reduce pesticide use in fresh produce supply chains	-	-	-	-	-	NEW

1. Consistent with prior years, partial Scope 3 emissions for 2023 are reported in the Climate Impact and Supplemental Data sections of the report. We also include a full Scope 3 inventory for 2021. We will report full Scope 3 inventories in the future

2. Progress reflects calendar year data with the exception of construction waste, which reflects fiscal year

3. We calculated our first packaging baseline for *Our Brands* products in 2022 for the 2021 performance year. The current dataset is focused on *Our Brands* food; health and beauty; cleaning; and deli and bakery products. We continue to expand on and improve our packaging dataset, particularly as we prepare for legislated reporting in the future. Narrative about additional stated packaging sustainability goals is included in the Waste & Circularity section of the report

**Status key**

- 🔍 Area of focus
- 🔄 On track
- 📈 Significant progress
- ✅ Achieved
- 🏆 Achieved ahead of schedule



Goals & Metrics	2021	2022	2023	Baseline	Target Year	Status
<b>Seafood Sustainability<sup>1</sup></b>						
Source 95% or more of wild-caught seafood from fisheries that are Marine Stewardship Council (MSC) certified, in MSC full assessment, in comprehensive fishery improvement projects or certified by other Global Sustainable Seafood Initiative-recognized programs	94%	95%	96%	2020	Ongoing	🔄
Preferentially source wild-caught seafood volume from fisheries that are MSC certified	77%	76%	80%	2020	Ongoing	🔄
Source 95% or more of farm-raised seafood from farms that are Best Aquaculture Practices 2-Star or greater certified, Aquaculture Stewardship Council certified or GLOBALG.A.P. certified	98%	99%	98%	2020	Ongoing	🔄
Source 100% of shelf-stable tuna from companies aligned with the International Seafood Sustainability Foundation <sup>2</sup>	97%	98%	99%	2020	Ongoing	🔄
Source 20% of <i>Our Brands</i> shelf-stable tuna from fisheries that are MSC certified	2.7%	17.7%	7.3%	2020	2025	🔍
<b>No-Deforestation Commitments<sup>3</sup></b>						
Source palm oil, palm kernel oil and palm oil derivatives in <i>Our Brands</i> products from sources certified to the Roundtable on Sustainable Palm Oil supply chain standard (percentage of ingredient volume that is from certified sources)	88%	96%	98%	N/A	Ongoing	🔄
<b>Used post-consumer recycled content fiber and/or virgin fiber certified to FSC, SFI or PEFC standard</b>						
Kroger plants (percentage of packaging procured, by weight, from certified sources and/or including recycled content)	95% <sup>4</sup>	95%	99%	N/A	2025	🔄
All <i>Our Brands</i> household paper products and paper product packaging (percentage of material, by weight, from certified sources and/or including recycled content)	Household: 92% <sup>4</sup> Packaging: 33%	Household: 93% Packaging: 45%	Household: 94% Packaging: 45%	N/A	2030	🔄
<b>Use deforestation-free soy-based ingredients in <i>Our Brands</i> products</b>						
Kroger plants (percentage, by weight, from no-/low-risk countries)	100%	99%	99%	N/A	2025	🔄
All third-party produced <i>Our Brands</i> products (percentage, by weight, from no-/low-risk countries)	90%	Assessed periodically	93% <sup>5</sup>	N/A	2030	🔄
<b>Use deforestation-free beef-based ingredients in <i>Our Brands</i> products and fresh beef</b>						
Beef in fresh meat department and Kroger plants (percentage, by weight, harvested in no-/low-risk countries; born, raised and harvested in no-/low-risk countries)	99% (87%)	99% (78%)	97% (94%) <sup>6</sup>	N/A	2025	🔄
All third-party produced <i>Our Brands</i> products (percentage, by weight, from no-/low-risk countries)	26%	Assessed periodically	50% <sup>7</sup>	N/A	2030	🔄

1. Progress reflects calendar year data. The timeline for these goals ended in 2023. We are revising the goals to make them ongoing so that we continue to strive for and maintain 95% or greater alignment with Kroger's Seafood Sustainability Policy for our Seafood department

2. This is an enduring commitment that we continue to maintain. Percentages are measured by volume. In 2023, the remaining tuna not aligned with the International Seafood Sustainability Foundation alignment requirement was a new product that we expect to align with this requirement in the future

3. No-deforestation goal progress reflects calendar year data with the exception of our packaging baseline calculation, which reflects fiscal year data

4. We restated 2021 values to reflect a clarification to data inputs

5. In 2023, 93% of soy-based ingredients in Kroger third-party manufactured *Our Brands* products was from low- or no-deforestation risk regions and 2% was from potentially high-risk regions. Suppliers of products with the remaining 5% of ingredients could not provide visibility to the country of origin

6. 97% of beef-based ingredients in our fresh meat case and manufacturing plants, by volume, was harvested in regions with low- or no-deforestation risk. In addition, 94% was from cattle born, raised and harvested in low- or no-deforestation risk regions

7. In 2023, 50% of beef-based ingredients in Kroger third-party manufactured *Our Brands* products was from low- or no-deforestation risk regions, and 49% was from potentially high-risk regions. Suppliers of products with the remaining 1% of ingredients could not provide visibility to the country of origin

Status key



Did not achieve



Area of focus



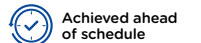
On track



Significant progress



Achieved



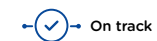
Achieved ahead of schedule

Governance

Goals & Metrics	2021	2022	2023	Baseline	Target Year	Status
<b>Responsible Sourcing: Animal Welfare</b>						
<b>Laying Hen Housing</b>						
<b>Revenue:</b> Increase sales of shell eggs from laying hens in cage-free or better housing systems as a percentage of total egg revenue <sup>1</sup>	45.9%	32.3% <sup>2</sup>	51.9%	-	-	→✓→
<b>Volume:</b> Increase shell eggs sourced from laying hens in cage-free housing systems or better (units: dozens) to 70% <sup>1</sup>	27%	33.6%	33.2%	-	2030	→✓→
<b>Sow Housing<sup>3</sup></b>						
<b>Volume:</b> By 2025, Kroger aims to source 100% of fresh pork from sows in group housing systems, based on availability	-	-	62.2%	-	2025	→✓→
<b>Broiler Chicken Welfare<sup>4</sup></b>						
Achieve the following welfare enhancements in at least 50% of our supply for Simple Truth Organic® and Simple Truth Natural® fresh chicken:						
Maximum stocking density of 6.0 pounds/sq. foot	17.5%	17.9%	37.8%	-	2024	🔍
Prohibit broiler cages	100%	100%	100%	-	2024	→✓→
Enriched environments, including litter, lighting and enrichments	48%	41.9%	39.5%	-	2024	🔍
Processing in a manner that avoids pre-stun handling and uses controlled atmosphere systems (CAS)	10.4%	10.9%	14.5%	-	2024	🔍

1. Restated progress to align shell egg units to dozens for all years  
 2. This percentage declined in 2022 as a result of customer purchasing behaviors, supply constraints for cage-free eggs and pricing changes during recent inflationary periods  
 3. Given the lack of industry alignment on standards and definitions for sow housing, we are unable to determine accurate year-over-year performance for 2022 and prior years  
 4. Goal progress is impacted by industry challenges, such as the time and cost required to transition growing operations to larger barns and CAS systems

Status key





# Material Topics Summary<sup>1</sup>

## ESG Topic Definitions

To address the complex issues most relevant to our business, we continue to learn from internal and external stakeholders through the materiality assessment process and ongoing engagement. The topics listed below were identified and prioritized in our latest materiality assessment, completed in early 2023. We outline the process and results of this double materiality assessment on pp. 10-11 of this report.

People	Topic Definition	Tier	Location
<b>Customer Experience</b>	Providing exceptional service and value and improving the customer experience through advances in areas such as online ordering, home delivery and digital solutions that offer greater flexibility for how customers shop. Engaging with customers and measuring customer satisfaction.	2	Page <a href="#">27</a>
<b>Diversity, Equity &amp; Inclusion</b>	Building a diverse and inclusive workforce, fostering an environment of nondiscrimination where diversity is a competitive advantage and providing equal opportunities for associates.	2	Page <a href="#">24</a>
<b>Employee Health, Safety &amp; Well-Being</b>	Providing safety training and equipment, safe working conditions and access to resources to maintain and improve associates' health and well-being.	2	Page <a href="#">26</a>
<b>Food &amp; Product Access &amp; Affordability</b>	Increasing equitable access to affordable fresh foods to improve food security as well as affordable non-food products and other essentials. Promoting inclusive products to support a wide range of customers' preferences and needs. Optimizing digital capabilities to advance food and product access.	1	Pages <a href="#">13</a> , <a href="#">28</a>
<b>Food Safety</b>	Promoting food safety in our manufacturing plants, distribution centers and retail stores by establishing and maintaining science-based food preparation and handling policies and processes. Developing and maintaining programs to address emerging food safety topics. Managing product recalls efficiently.	1	Page <a href="#">55</a>
<b>Health &amp; Nutrition</b>	Encouraging customers to purchase healthier and more nutritious food. Increasing awareness of the nutritional value of food and health improvement opportunities among customers and advancing nutrition security and wellness in our communities. Providing accessible pharmacy and retail health clinic services.	1	Page <a href="#">29</a>
<b>Labor Relations</b>	Promoting fair labor practices, respecting associates' freedom of association and right to collective bargaining, and participating in proactive conversations with associates, including those covered by collective bargaining agreements.	2	Page <a href="#">23</a>
<b>Local Communities</b>	Using community engagement principles to share updates on the company's business and operations, discuss community priorities, participate in local events, provide charitable support and more. Creating direct and indirect economic value in local communities where associates and customers work and live through local hiring, volunteerism and giving.	2	Page <a href="#">31</a>
<b>Non-Food Product Safety</b>	Providing customers with high-quality non-food products (health and beauty products, apparel, home goods and more) that meet or exceed safety and regulatory requirements. Setting robust standards for suppliers that produce non-food products.	3	Page <a href="#">55</a>
<b>Retail Security</b>	Promoting the physical safety of retail supermarkets by increasing associates' awareness and preparedness for managing security events or issues, including theft, organized retail crime, active assailant situations or open carry laws. Optimizing digital capabilities and advanced technologies to improve retail security.	3	Page <a href="#">59</a>
<b>Talent Attraction, Engagement &amp; Retention</b>	Creating and maintaining a workplace of choice by offering competitive wages, quality benefits and a company culture that offers purpose-driven work and opportunities for advancement. Increasing associate engagement and training and improving job performance and retention. Using technology to improve talent attraction, engagement and retention.	1	Pages <a href="#">21</a> , <a href="#">22</a>

1. Topics and definitions reflect input from Kroger's stakeholders through regular engagement and this materiality assessment process. Definitions provide the boundaries for each topic and do not reflect a specific company policy or commitment

Planet	Topic Definition	Tier	Location
<b>Agricultural Practices</b>	Promoting responsible pesticide, fertilizer and soil management practices, including efforts to reduce negative impacts on pollinators. Supporting regenerative and resilient agriculture methods, such as crop cycling, agroforestry, livestock integrations, no- or low-till techniques and cover crops.	2	Page <a href="#">48</a>
<b>Biodiversity &amp; Conservation</b>	Conserving natural resources and biodiversity by supporting responsible land management and forestry practices in our operations and supply chain, including efforts to reduce deforestation and land-use change. Offering wild-caught and farm-raised seafood from certified sources, supporting fishery improvement projects and removing at-risk species from products and stores.	3	Page <a href="#">48</a>
<b>Climate Change Resilience</b>	Anticipating, preventing and mitigating long-term effects of climate change on our business and supply chain, including extreme weather conditions, regulatory changes and technology changes.	2	Page <a href="#">41</a>
<b>Energy &amp; GHG Emissions</b>	Collecting and measuring Scope 1, 2 and 3 GHG emissions data from building and fleet management in the company's retail, manufacturing, supply chain and other operations, as well as upstream and downstream in the value chain. Conducting activities that seek to meet emissions-reductions targets, including improvements in energy efficiency, reduction of refrigerant emissions and increased use of renewable energy.	1	Pages <a href="#">37</a> , <a href="#">77</a>
<b>Food Waste</b>	Reducing the amount of food waste generated in the company's operations, recovering safe unsold surplus food for donation to feed people, and diverting from landfill any inedible food scraps through food waste recycling programs.	1	Pages <a href="#">12</a> , <a href="#">43</a>
<b>Waste &amp; Circularity</b>	Diverting non-food waste from landfill through increased waste reduction, reuse and recycling in the company's operations. Adopting circular economy principles to promote product and packaging sustainability, including reducing unnecessary materials; increasing recyclability, reusability and compostability; and supporting infrastructure growth that enables circularity. Providing recycling information to customers.	2	Pages <a href="#">12</a> , <a href="#">42</a> , <a href="#">45</a>
<b>Water</b>	Reducing water use, increasing water reuse and managing water discharge quality across the company's operations to protect local water sources.	3	Page <a href="#">51</a>
Governance	Topic Definition	Tier	Location
<b>Animal Welfare</b>	Advancing the humane treatment of animals in our supply chain by requiring suppliers to adhere to stated policies and expectations and encouraging improvements in protein production practices. Offering a range of alternative proteins and product choices.	3	Page <a href="#">65</a>
<b>Business Ethics &amp; Compliance</b>	Operating in an ethical manner and in compliance with applicable regulations, including anti-corruption, anti-bribery and anti-competitive practices. Maintaining and enforcing policies and operating procedures to protect associates, customers, communities and the environment.	2	Page <a href="#">54</a>
<b>Corporate Governance</b>	Implementing and maintaining strong governance practices that include checks and balances and enable the company's leadership team and Board of Directors to have appropriate control and oversight of key topics. Establishing and disclosing processes to integrate ESG priorities into overall corporate governance practices.	2	Page <a href="#">53</a>
<b>Data Privacy &amp; Cybersecurity</b>	Promoting data privacy and security for associates, customers and suppliers, and implementing controls to prevent, detect and respond to security incidents or data breaches. Ensuring the ethical use of data and responsible use of technology across all aspects of the business and value chain.	1	Page <a href="#">57</a>
<b>Human Rights</b>	Respecting human rights in the company's operations and supply chain, including risks of forced labor, migrant labor, child labor, health and safety, discrimination, harassment, abuse, working hours and wages. Considering Indigenous people and land rights that may be affected by food and non-food production in the supply chain.	3	Page <a href="#">62</a>
<b>Marketing Practices &amp; Product Labeling</b>	Providing clear, fact-based and transparent nutrition labeling, including information on GMOs, geographic origin and more for items sold. Working with suppliers to ensure product attributes are truthfully and responsibly communicated to customers in stores, online and through advertising.	3	Page <a href="#">58</a>
<b>Public Policy Practices</b>	Actively participating in forming and shaping federal, state and local public policy on issues that affect the company's business operations.	3	Page <a href="#">58</a>
<b>Responsible Supply Chain &amp; Sourcing</b>	Promoting responsible sourcing and procurement practices that consider ESG-related risks and opportunities, including supplier inclusion and other social and environmental topics. Holding suppliers accountable for established policies, expectations and goals. Working to improve the traceability of products throughout the supply chain, especially for high-impact commodities. Optimizing digital capabilities to improve supply chain processes.	1	Page <a href="#">60</a>



# Task Force on Climate-related Financial Disclosures (TCFD) Index

Below we provide references to where our reporting responds to the TCFD recommended disclosures. We include links to the relevant content in this ESG Report, our Annual Report, our response to the CDP Climate questionnaire and other resources.

Section	Description	Link to Content
Governance	Describe the board's oversight of climate-related risks and opportunities	2024 ESG Report ( <a href="#">Climate Impact</a> , <a href="#">Corporate Governance</a> ) <a href="#">CDP C.04 Governance</a>
	Describe management's role in assessing and managing climate-related risks and opportunities	2024 ESG Report ( <a href="#">Climate Impact</a> , <a href="#">Corporate Governance</a> ) <a href="#">CDP C.04 Governance</a>
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	2024 ESG Report ( <a href="#">Climate Impact</a> ) <a href="#">Kroger Annual Report</a> (Managing Climate Impacts, Risk Factors) <a href="#">CDP C.03 Disclosure of Risks and Opportunities</a>
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	2024 ESG Report ( <a href="#">Climate Impact</a> ) <a href="#">Kroger Annual Report</a> (Managing Climate Impacts, Risk Factors) <a href="#">CDP C.03 Disclosure of Risks and Opportunities</a> , <a href="#">C.05 Business Strategy</a>
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	2024 ESG Report ( <a href="#">Climate Impact</a> ) <a href="#">Kroger Annual Report</a> (Managing Climate Impacts, Risk Factors) <a href="#">CDP C.03 Disclosure of Risks and Opportunities</a> , <a href="#">C.05 Business Strategy</a>
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	2024 ESG Report ( <a href="#">Climate Change Resilience</a> ) <a href="#">CDP C.03 Disclosure of Risks and Opportunities</a>
	Describe the organization's processes for managing climate-related risks	2024 ESG Report ( <a href="#">Climate Change Resilience</a> ) <a href="#">CDP C.03 Disclosure of Risks and Opportunities</a>
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	2024 ESG Report ( <a href="#">Climate Impact</a> , <a href="#">Material Topics</a> ) <a href="#">Kroger Annual Report</a> (Managing Climate Impacts, Risk Factors) <a href="#">CDP C.03 Disclosure of Risks and Opportunities</a> , <a href="#">C.05 Business Strategy</a>
Metrics & Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	2024 ESG Report ( <a href="#">Emissions-Reduction Goals</a> , <a href="#">Emissions Disclosure</a> , <a href="#">Appendix</a> ) <a href="#">CDP C.03 Disclosure of Risks and Opportunities</a> , <a href="#">C.07 Climate Change</a>
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks	2024 ESG Report ( <a href="#">Emissions-Reduction Goals</a> , <a href="#">Appendix</a> ) <a href="#">CDP C.07 Climate Change</a>
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	<a href="#">GHG Reduction Goal</a> <a href="#">GHG Reduction Goal Roadmap</a> 2024 ESG Report ( <a href="#">Emissions-Reduction Goals</a> , <a href="#">Managing Food Waste</a> , <a href="#">Waste &amp; Circularity</a> , <a href="#">No-Deforestation Goal</a> , <a href="#">Packaging Sustainability</a> ) <a href="#">CDP C.07 Climate Change</a> <a href="#">No-Deforestation Commitment: <i>Our Brands</i></a> <a href="#">Sustainable Packaging Goals</a>

# Sustainability Accounting Standards Board (SASB) Index

Below we provide additional specific disclosures and references to where our reporting aligns with the SASB Sustainability Accounting Standard for Food Retailers & Distributors.

Topic	Accounting Metric	Unit of Measure	Company Response
<b>Fleet Fuel Management</b>	Fleet fuel consumed, percentage renewable	Gigajoules (GJ), Percentage (%)	3,698,625 GJ; 0%
<b>Air Emissions from Refrigeration</b>	Gross global Scope 1 emissions from refrigerants	Metric tons (t) CO <sub>2</sub> e	2,288,734
	Percentage of refrigerants consumed with zero ozone-depleting potential (ODP)	Percentage (%) by weight	92% of refrigerants consumed in Kroger's retail stores are zero-ODP
	Average refrigerant emissions rate	Percentage (%)	The average leak rate for all commercial refrigeration and HVAC systems in Kroger's supermarkets was 11.4% in 2023
<b>Energy Management</b>	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	(1) 42,369,820 GJ; (2) 57%; (3) 1%
<b>Food Waste Management</b>	Amount of food waste generated, percentage diverted from the waste stream	Metric tons (t), Percentage (%)	238,398 MT, 51% (for retail stores)
<b>Data Security</b>	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Number, Percentage (%)	(1) Zero; (2) 0%; (3) Zero
	Description of approach to identifying and addressing data security risks	n/a	See <a href="#">Privacy &amp; Cybersecurity</a> section
<b>Food Safety</b>	High-risk food safety violation rate	Rate	Average of 1.24 critical violations per audit in 2023
	(1) Number of recalls, (2) number of units recalled, (3) percentage of units recalled that are private-label products	Number, Percentage (%)	There were zero recalls for Kroger-manufactured <i>Our Brands</i> products; see <a href="#">Recall Management</a> section for additional discussion
<b>Product Health &amp; Nutrition</b>	Revenue from products labeled and/or marketed to promote health and nutrition attributes	Reporting currency	We endeavor to disclose this information in the future
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	n/a	See <a href="#">Health &amp; Nutrition</a> section
<b>Product Labeling &amp; Marketing</b>	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	Number	Zero
	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices	Reporting currency	We do not report this publicly
	Revenue from products labeled as (1) containing GMOs and (2) non-GMO	Reporting currency	We endeavor to disclose this information in the future



Topic	Accounting Metric	Unit of Measure	Company Response
Labor Practices	(1) Average hourly wage and (2) percentage of in-store and distribution center employees earning minimum wage, by region	Reporting currency, Percentage (%)	(1) Average hourly wage is \$19; (2) We do not report this publicly
	Percentage of active workforce covered under collective bargaining agreement	Percentage (%)	64% of associates are covered by collective bargaining agreements
	(1) Number of work stoppages and (2) total days idle	Number, Days idle	(1) Zero work stoppages; (2) Zero days idle
	Total amount of monetary losses as a result of legal proceedings associated with: (1) labor law violations and (2) employment discrimination	Reporting currency	We do not report this publicly
Management of Environmental & Social Impacts in the Supply Chain	Revenue from products third-party certified to environmental or social sustainability sourcing standard	Reporting currency	We endeavor to disclose this information in the future
	Percentage of revenue from (1) eggs that originated from a cage-free environment and (2) pork produced without the use of gestation crate	Percentage (%) by revenue	(1) 51.9%; (2) Revenue sales are not currently able to be tracked (though we do track volume of pork sourced)
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	n/a	See <a href="#">Thriving Together Strategy</a> and <a href="#">Responsible Supply Chain &amp; Sourcing</a> sections
	Discussion of strategies to reduce the environmental impact of packaging	n/a	See <a href="#">Packaging Sustainability</a>

# 2023 Supplemental Data Tables

## Energy & Emissions

Energy Consumption <sup>1</sup>	Amount	Unit	Amount	Unit	Change vs. 2022
<b>Total fuel consumed</b>	<b>5,029,544</b>	<b>MWh</b>	<b>1.81E+07</b>	<b>GJ</b>	<b>3%</b>
Stationary sources (natural gas, propane, fuel, oil)	3,508,707	MWh	1.26E+07	GJ	10%
Mobile sources (diesel, gasoline, liquefied petroleum gas, jet fuel)	1,520,837	MWh	5.48E+06	GJ	-10%
Renewable fuel	-	MWh	-	GJ	-
<b>Total electricity consumed</b>	<b>6,739,850</b>	<b>MWh</b>	<b>2.43E+07</b>	<b>GJ</b>	<b>-7%</b>
Renewable electricity <sup>2</sup>	97,513	MWh	3.51E+05	GJ	-74%
<b>Total energy consumed</b>	<b>11,769,394</b>	<b>MWh</b>	<b>4.24E+07</b>	<b>GJ</b>	<b>-3%</b>

1. This data reflects the vast majority of Kroger's operations, with a few exceptions

2. This data reflects renewable electricity consumed as a result of renewable power generated at our facilities or purchased directly from our utility providers. In deregulated energy markets where our utility provider can provide power content labels for grid electricity, we captured this information as utility-specific emissions factors (which are reflected in market-based Scope 2 emissions). In 2023, the amount of renewable energy purchased from utility providers declined due to rising and unfavorable costs in certain markets. We are adding renewable power in other markets in 2024

Energy Intensity <sup>3</sup>	Amount	Unit	Amount	Unit	Change vs. 2022
<b>Energy intensity per square foot</b>	<b>55.16</b>	<b>MWh/ 1,000 ft<sup>2</sup></b>	<b>1.99E+02</b>	<b>GJ/ 1,000 ft<sup>2</sup></b>	<b>+2.6%</b>
Normalizing factor: facility footprint	213,378	1,000 ft <sup>2</sup>	-	-	-

3. The energy intensity calculation reflects total energy consumed within the organization

## Health & Safety

Metric	Associates	Contractors
Injury rate (OSHA injuries/100 full-time employees (FTE)) <sup>4</sup>	3.03	3.70
Lost day rate (OSHA lost time rate/100 FTE) <sup>5</sup>	2.35	2.60

4. Injury rate includes injuries greater than minor injuries (first aid) per OSHA reporting requirements

5. We classify lost days as calendar days. Lost days begin the day after the injury

Carbon Emissions <sup>6,7,8</sup>	Amount	Unit	Change vs. 2022
<b>Direct (Scope 1) emissions</b>	<b>2,288,734</b>	<b>tCO<sub>2</sub>e</b>	<b>-2.0%</b>
Stationary	552,154	tCO <sub>2</sub> e	-4.5%
Mobile	371,421	tCO <sub>2</sub> e	-11.6%
Fugitive	1,365,158	tCO <sub>2</sub> e	2.1%
<b>Indirect (Scope 2) emissions (location-based)</b>	<b>2,739,997</b>	<b>tCO<sub>2</sub>e</b>	<b>1.6%</b>
<b>Indirect (Scope 2) emissions (market-based)</b>	<b>2,792,879</b>	<b>tCO<sub>2</sub>e</b>	<b>9.1%</b>
<b>Total corporate (Scope 1 and 2) emissions (location-based)</b>	<b>5,028,731</b>	<b>tCO<sub>2</sub>e</b>	<b>-0.1%</b>
<b>Total corporate (Scope 1 and 2) emissions (market-based)</b>	<b>5,081,613</b>	<b>tCO<sub>2</sub>e</b>	<b>3.8%</b>
<b>Indirect (Scope 3) emissions (partial)</b>	<b>1,909,850</b>	<b>tCO<sub>2</sub>e</b>	<b>-2.9%</b>

6. We used the GHG Protocol Corporate Accounting Standard, the Operational Control approach and Global Warming Potentials from the IPCC Fifth Assessment Report (AR5 - 100 year). The base year for our footprint is 2006, when we first started measuring it

7. Scope 1 and 2 emissions reflect CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and HFC gases. Details are disclosed in our CDP Climate response. Offsets were not used in our calculations

8. Scope 3 emissions reflect the following categories: fuel- and energy-related activities (not included in Scope 1 or 2 emissions), waste generated in operations, business travel, employee commuting, processing of sold products and investments

Carbon Intensity <sup>9</sup>	Amount	Unit	Change vs. 2022
<b>Total corporate carbon emissions intensity per square foot</b>	<b>23.82</b>	<b>tCO<sub>2</sub>e/ 1,000 ft<sup>2</sup></b>	<b>+9.0%</b>
Normalizing factor: facility footprint	213,378	1,000 ft <sup>2</sup>	-

9. This calculation reflects market-based Scope 2 emissions



# Forward-Looking Statements

This ESG Report does not cover all information about our business, and inclusion of information herein is not an indication that the subject or information is material to Kroger's business or operating results for purposes of U.S. securities laws and regulations. Statements other than statements of historical or current facts, including statements and images about our ESG targets, goals, aspirations, commitments and programs, and other business plans, initiatives, and objectives are forward-looking statements and are based on Kroger's management's current assumptions and expectations. These statements are typically accompanied by the words "aim," "ambition," "anticipate," "approach," "believe," "commitment/committed," "continue," "estimate," "expect," "expectation," "framework," "future," "goals," "may," "plan," "strategy," "strive," "targets," "will," or other similar words. All such statements are intended to enjoy the protection of the safe harbor for forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Our actual future results, including the achievement of our targets, goals, or commitments, could differ materially from our projected results as the result of a variety of factors, including, but not limited to, changes in circumstances, assumptions not being realized, or other risks, uncertainties, and factors, many of which are outside

of our control. Such risks, uncertainties and factors include the risk factors discussed in Item 1A of our most recent Report on Form 10-K and in subsequent filings with the Securities and Exchange Commission (SEC); they also include the challenges, assumptions and dependencies identified in this report. We urge you to consider all of the risks, uncertainties, and factors identified above or discussed in this report carefully in evaluating the forward-looking statements herein. Kroger cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. Unless expressly stated otherwise, the forward-looking statements in this report are made as of the effective date identified herein, and we undertake no obligation to update or revise these forward-looking statements to reflect subsequent events or circumstances. Standards of measurement and performance made in reference to the goals, aspirations, and objectives referred to in this report are developing and based on protocols, processes, and assumptions that continue to evolve and are subject to change in the future, and no assurances can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this report can or will be achieved.