

KnowTheChain 2023 Food & Beverage Benchmark

Additional Disclosure

Company Name: The Kroger Co.

Date: April 2, 2023

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note **KnowTheChain has already undertaken a review of your website**. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.

INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company's supplier code of conduct; and

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

In 2022, we updated the [Kroger Vendor Code of Conduct](#) to be more clear and specific regarding what we expect from suppliers and vendors. Kroger is currently developing a more detailed vendor guide to provide additional direction and support for suppliers looking for more information and support to put appropriate management systems in place to respect human rights. It will include capacity-building support and tools. This guide is in progress and has not been published yet.

Kroger endorses and is a buyer/partner working to develop and implement the International Fresh Produce Association's [Ethical Charter on Responsible Business Practices](#). Since the Ethical Charter was approved in 2018, Kroger has been one of a handful of companies leading work to develop an **Ethical Charter Implementation Plan** for the industry, including pilots with growers. Kroger is working with The Sustainability Consortium, the Equitable Food Initiative, and buyers Walmart, Costco and McDonald's on next steps.

"The Ethical Charter Implementation Program will help growers and suppliers strengthen the management systems they need to uphold the principles of the Ethical Charter through a capacity building, self-assessment tool and TSC's sustainability assessment platform, THESIS. THESIS is a performance assessment system that equips users to benchmark, quantify, and act on critical

sustainability issues within their consumer product supply chains.” Source:
<https://sustainabilityconsortium.org/tsc-partners-with-efi-on-ethical-charter-implementation-program/>

INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

We outline Kroger’s governance and management approach to Responsible Sourcing and Supply Chain Accountability – including noting a cross-functional Responsible Sourcing Steering Committee – in these published documents:

- [2022 Environmental Social and Governance \(ESG\) Report](#) – pp. 50-51 + pp. 54-60
- [Human Rights Policy](#)
- [Human Rights Progress Update](#)

2.2 discloses how it trains relevant decision-makers within the company on risks and policies that address forced labour; and

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

- [2022 Environmental Social and Governance \(ESG\) Report](#) – pp. 50-51 + pp. 54-60
- [Public Responsibilities Committee \(PRC\) of the Kroger Board of Directors](#)
- [PRC Committee Charter](#)

INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

We are in the final stages of reviewing final reports for the two HRIAs. Both will be published in the next two months.

4.2 details on forced labour risks identified in different tiers of its supply chains; and

4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

We will share more on this process when we publish the HRIAs and our next ESG Report.

INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

5.1 the percentage or number of supply chain workers who are women;

5.2 the percentage or number of supply chain workers who are migrant workers' and

5.3 the percentage or number of supply chain workers that are being paid a living wage.

INDICATOR 6: PURCHASING PRACTICES

6.1 commits to responsible buying practices in its contracts with suppliers;

All suppliers must agree to the [Vendor Code of Conduct](#) in order to do business with Kroger:

The Company's Purpose is to Feed the Human Spirit™. We are guided by our Values of Honesty, Integrity, Respect, Safety, Diversity and Inclusion and care deeply about the rights of those with whom we work and rely on to operate our business every day, including our associates, customers, and the communities in which we operate. This Vendor Code of Conduct (Code) is informed by internationally agreed upon standards, including the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We expect all Vendors, including direct and indirect suppliers of goods and services, contractors, and service providers, to comply with this Code and the expectations it sets forth and to uphold these Values in their business activities. We also expect all Vendors to escalate expectations consistent with this Code to their

business partners.

6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

INDICATOR 7: RECRUITMENT-RELATED FEES

7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer ("Employer Pays Principle");

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

INDICATOR 8: RESPONSIBLE RECRUITMENT

8.1 discloses information on the recruitment agencies used by its suppliers; and

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g. by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

INDICATOR 9: FREEDOM OF ASSOCIATION

9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;

9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations; and

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.

INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved; and

10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

INDICATOR 11: MONITORING

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities).

INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

A(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

In addition, where an allegation is identified in a company's supply chains:

B.1.1 that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s)

B.1.2 outcomes of the remedy process in the case of the allegation(s); and

B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

Where an allegation is identified in the company's supply chains, but is denied by the company:

B.2.1 a description of what actions it would take to prevent and remediate the alleged impacts; and

B.2.2 as part of this process, it would engage with affected stakeholders and their representatives.

NON-SCORED RESEARCH

Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

YES. Please provide link to a publicly available statement.

<https://www.thekrogerco.com/vendors-suppliers/california-transparency-in-supply-chains-act-of-2010/#:~:text=This%20Code%20of%20Conduct%20requires,unsanitary%20or%20unsafe%20labor%20conditions>.

Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

High Risk Sourcing

Please indicate whether your company sources any of the below high-risk commodities. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.

As a grocery retailer, we source these items below, some as ingredients for private-label Kroger-manufactured items and for finished goods for sale in retail stores. Information on some higher-risk commodities is available in our 2022 ESG Report.

- Beans (green, soy, yellow)
- Brazil Nuts/Chestnuts
- Cattle – we source beef and beef-based ingredients and dairy products
- Chile Peppers
- Cocoa
- Coffee
- Corn
- Fish

- Oil (palm)
- Peanuts
- Rice
- Sesame
- Shrimp
- Sugarcane
- Tomatoes
- Wheat