

The Kroger Family of Companies

Climate Impact Reduction Statement

As America's grocer, the Kroger Family of Companies is committed to protecting people and our planet by advancing positive change in our company and our communities. Through our <u>Zero Hunger | Zero Waste social impact plan</u>, we are on a journey to end hunger in our communities and eliminate waste across our company by 2025.

As responsible stewards of our natural resources, Kroger recognizes the importance of reducing our impacts on the climate. We have implemented programs to manage risks and opportunities related to energy consumption and greenhouse gas emissions in our Retail, Manufacturing and Supply Chain operations. We have set climate-related goals in each of these areas of the business and advance our progress through strategic investments, membership in and certifications through such programs as U.S. EPA ENERGY STAR and U.S. EPA GreenChill, and by piloting new technologies such as lower-emissions refrigerants.

Our current energy efficiency and emissions reduction goals have a 2020 target year or are set on an annual basis. Because we recognize the need to continue our progress in identifying and reducing our climate change impacts, we have identified the following priorities for 2019:

Priority 1:

Work to set a new carbon reduction target by the end of Kroger's fiscal year 2019. As part of this effort, we will leverage the expertise of a third-party consultant and internal subject matter experts to help identify and review target options, including those aligned with the Paris Agreement. This process will consider potential emissions reduction percentages, base years and target years, and what would be required for our company to meet a new target, such as adopting more lower-carbon energy in our operations.

Priority 2:

Conduct an assessment to better understand and articulate the key climate risks in Kroger's operations. These findings will inform our ongoing climate governance and management strategy and support our communication with investors, shareholders and other stakeholders on this topic.

Priority 3:

Continue to share information about our energy efficiency, refrigerant emissions reduction and low-carbon energy investments going forward, as well as our intentions to set a new carbon reduction target, in our annual Sustainability Report.

More information about our energy efficiency and carbon reduction initiatives can be found in our Sustainability Report and our response to the annual CDP Climate questionnaire.