## The Kroger Family of Companies



## **Deforestation 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</u> social impact plan, we are on a journey to end hunger in our communities and eliminate waste across our company by 2025.

Tropical deforestation is occurring at a rapid rate due to the conversion of natural forest landscapes to land used for growing livestock and agriculture. These natural ecosystems provide high environmental and social value, including habitat for diverse animal species, carbon sinks and long-term livelihoods for human populations living in and near these forests.

Four key commodities top the list of commodities contributing to deforestation impacts: palm oil, beef, soy, and pulp/paper/timber. Kroger retails and produces a large variety of products in our stores and online platforms, including those containing ingredients that could potentially contribute to tropical deforestation.

As responsible stewards of our natural resources, we have commitments aimed at addressing deforestation impacts in certain relevant supply chains where we know deforestation could be occurring. In 2013, we adopted a company policy regarding palm oil in Our Brands products, through which we committed to purchase only palm oil certified to the Roundtable for Sustainable Palm Oil (RSPO) standards. We also have a goal to increase the amount of fiber from sustainably managed forests in Our Brands paper packaging. We have aligned this goal with three qualifying certifying organizations: the Forest Stewardship Council, the Sustainable Forestry Initiative and the Programme for Endorsement of Forestry Certification.

Because we recognize that deforestation is an important topic to our stakeholders, we have established priorities for 2019 that reinforce our commitment to reduce potential deforestation impacts of Our Brands products:

- We will continue to review our deforestation risks for Our Brands products, both in raw material sourcing for products we manufacture as well as in finished products that are produced by our suppliers.
- This assessment process will inform a future no-deforestation commitment for Our Brands products, which we intend to set by spring of 2020. We will set an interim no-deforestation commitment specific to raw material sourcing by the end of 2019.
- Moving forward, we commit to share information about relevant commodities in our annual Sustainability Report and via the CDP Forests questionnaire.
- We will apply to join the Roundtable on Sustainable Palm Oil (RSPO) this year, to reiterate our commitment to source palm oil from sources that are certified to the RSPO standards in Our Brands products.

More information about our Responsible Sourcing commitments are available in our <u>Responsible Sourcing Framework</u> and our <u>Sustainability Report</u>.