

## Deforestation Commitment: Raw Material Sourcing

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### Background

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 Zero Hunger | Zero Waste 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.

### Commitment

Kroger is committed to eliminating tropical deforestation in the raw materials and products we source into our Kroger Manufacturing facilities and into our fresh meat case, by 2025.

Specifically:

**Palm:** Kroger will source palm oil, palm kernel oil and palm oil derivatives from suppliers certified to the Roundtable on Sustainable Palm Oil (RSPO) supply chain standard, or an equivalent standard. Our goal is to source Identity Preserved, Segregated and/or Mass Balance certified palm oil over Book & Claim certified palm oil.

**Pulp/Paper:** Kroger aims to increase recycled content in our paper packaging to reduce demand on forests. Where Kroger uses virgin fiber in packaging in our Manufacturing plants, any sources will be certified to the Forest Stewardship Council (FSC), Sustainable Forest Initiative (SFI) and/or Program for Forest Endorsement (PEFC) certification programs, with preference for the FSC standard.

**Soy:** Kroger will source soy-based ingredients used in our Manufacturing plants from sources that are deforestation free.

**Beef:** Kroger will source beef in our meat case and beef-based ingredients used in our Manufacturing plants from sources that are deforestation free.

## **Implementation**

Kroger will expand this commitment in spring 2020 to include our broader *Our Brands* product assortment. We may also review and update this document in the future as additional information becomes available and will consider additional commodities for future versions of this commitment.

Kroger will collaborate with multi-stakeholder, non-governmental, industry and other organizational efforts to further define and achieve deforestation-free sourcing.

Kroger expects our suppliers to report to Kroger the relevant sourcing information to inform progress on this commitment, including certification details.

Kroger will communicate progress on this commitment in our annual Environmental, Social & Governance report and CDP Forests questionnaire response.