

Investing in Positive Impact

2021 Report



Letter from the President

In 2020, the COVID-19 pandemic shined a light on what some have cautioned for years: our global food system and supply chain is fragile, disconnected and ripe for change. At The Kroger Co. Zero Hunger | Zero Waste Foundation, our mission to help create communities free of hunger and waste has never been more critical.

We believe we will solve these problems—together. The national discourse and urgency to “build back better” is inspiring creative new solutions. We admire the strength of our national and local partners and the can-do spirit of social entrepreneurs across the country who are driving change.

In 2020, we were humbled to be able to serve others through our Emergency COVID-19 Response Fund and other grants. We shifted our plans for the Innovation Fund’s second open call to 2021, and we

directed new grants to select portfolio companies in our first cohort to help scale much-needed solutions to provide more food for people in need.

Our goal is to help food produced today fulfill its highest purpose: feeding people. As a Foundation, we do this by enabling systems that transform surplus food into healthy meals; increasing access to capital for innovators doing the same; convening thought leaders to advance equitable food access for all; and offering easy ways

for others to join our journey. As we look forward, we will continue to leverage our collective passion and expertise to help create a more equitable and sustainable food system.



Denise Osterhues

President, The Kroger Co.
Zero Hunger | Zero Waste Foundation



Our Mission

Established in 2018, the Zero Hunger | Zero Waste Foundation is a non-profit public charity designed to enable collective action, catalyze innovation and create a more equitable food system for all. We support organizations and innovators across the country who share our vision of a world where everyone has access to affordable, nutritious food and no surplus food is wasted.



Our National Partners



Feeding America

We support the Feeding America network of food banks that help direct meals to families in need. During 2020, Feeding America distributed 6.1 billion meals (7.3 billion pounds of food), achieving a 55% increase in the number of people served. Of the total, 40% received charitable food assistance for the first time.



Meals on Wheels America

Meals on Wheels America wants all seniors to be nourished with independence and dignity. Their mission is to empower local community programs to improve seniors' health and quality of life so that no one is left hungry or isolated. In response to the COVID-19 pandemic, the Foundation's support provided grants to local Meals on Wheels programs to feed and protect those most vulnerable.



No Kid Hungry

No Kid Hungry wants all children to have the healthy food they need every day to thrive. With the Foundation's support, No Kid Hungry provides funds, training and hands-on technical assistance to high-need schools. During the COVID-19 pandemic, the campaign also provided technical support and grants to organizations across three states to enable emergency feeding programs when schools closed.



Foundation for Food & Agriculture Research (FFAR)

The Foundation supports FFAR, which helps fill critical research gaps and invests in the future of science to support agriculture. By funding pioneering research, FFAR aims to increase access to affordable and nutritious farm-grown food by supporting public-private partnerships in communities across the country.



The Recycling Partnership

Launched in 2020, The Recycling Partnership's Polypropylene Recycling Coalition provides catalytic grants to advance polypropylene recycling in the U.S. Polypropylene, sometimes referred to as No. 5 plastic, is used in food and non-food packaging and is in strong demand as a recycled material to be made into new products such as consumer packaging and automotive parts.

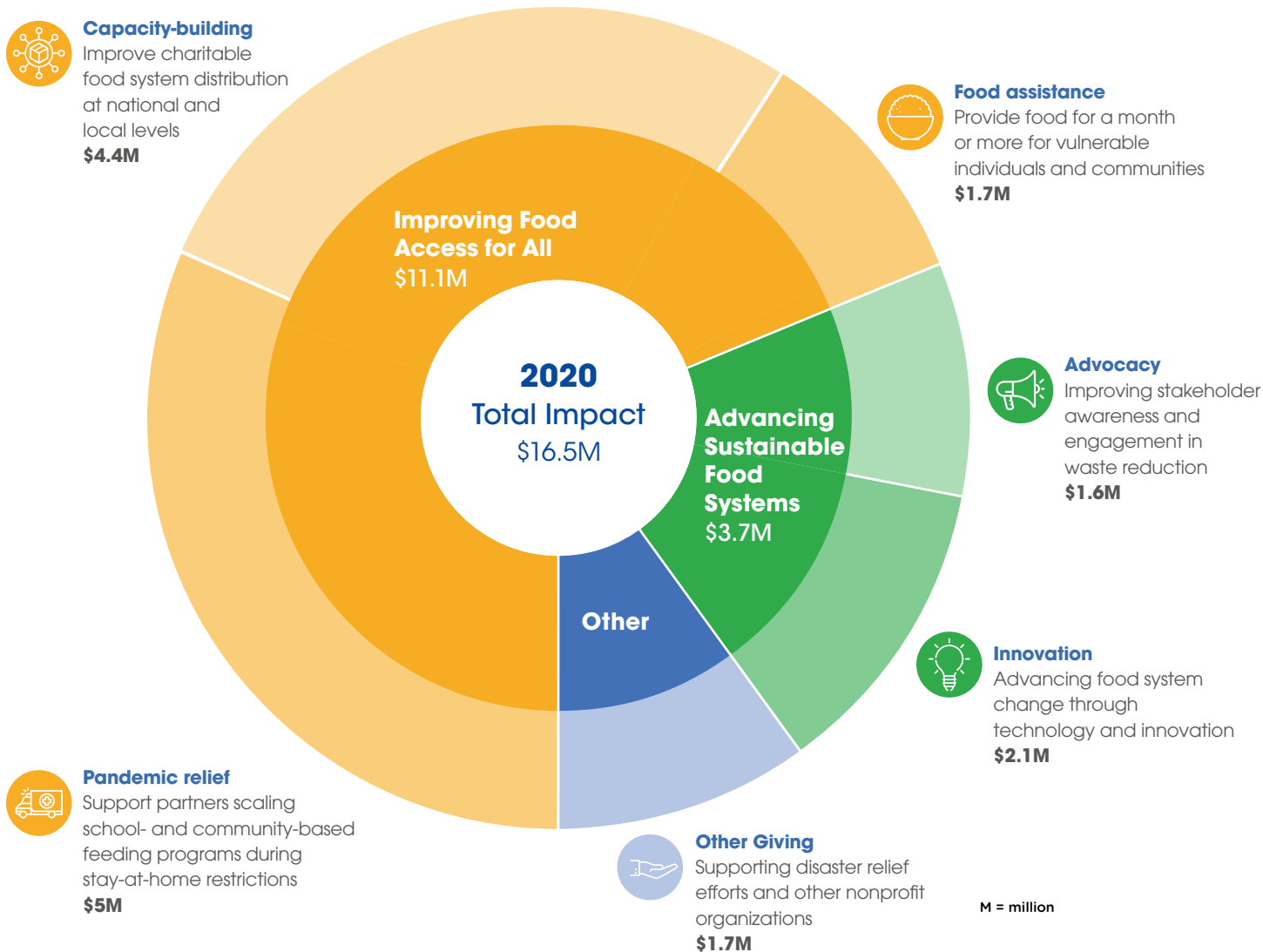


World Wildlife Fund (WWF)

The Foundation supports WWF's Wild Classroom Food Waste Warriors program, which teaches students the connection between food production, food waste and habitat conservation. To date, this program has reached 100 schools (including 14 Title I and seven rural schools) and measured nearly 20,000 pounds of food waste. During the COVID-19 pandemic, the program shifted to engage virtually and share at-home activities.

How We Invested in Communities

In 2020, the Zero Hunger | Zero Waste Foundation focused on our communities' most urgent challenge: improving access to nutritious food for individuals and families struggling with the pandemic's economic impacts. We also directed grants to support innovation and positive change for people and our planet.



Contributing to the Sustainable Development Goals (SDGs)



\$14.8M

in giving aligned with Zero Hunger | Zero Waste

363

grants to organizations

\$9M

in grants for national and local COVID-19 relief

\$12M

in customer donations directed to our communities

Lifting Local Communities

The Zero Hunger | Zero Waste Foundation supports a wide range of community-based non-profit organizations and social entrepreneurs who align with our mission to build a better food system that truly includes everyone.

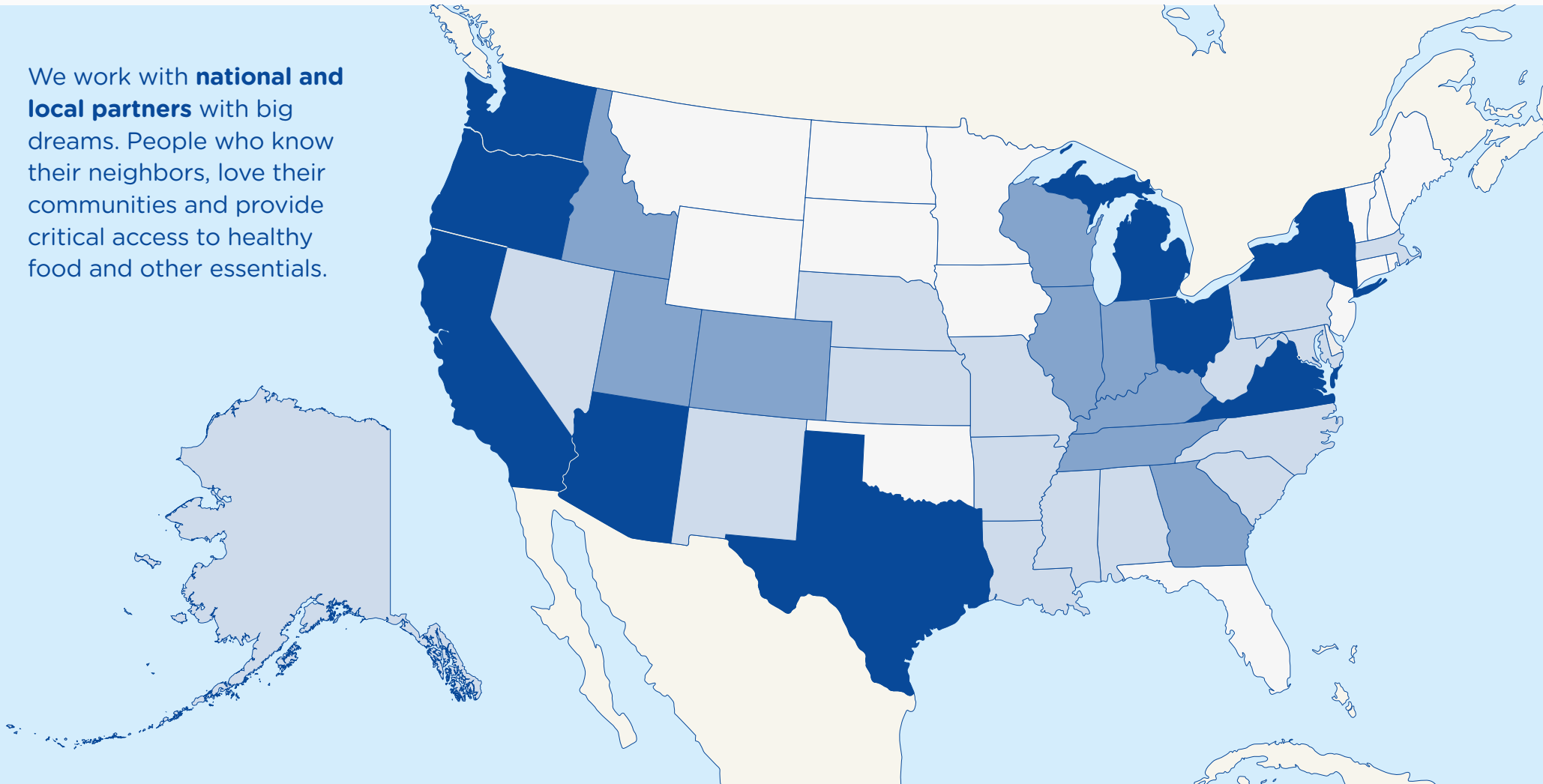
Range

● \$501,000+

● \$201,000 to \$500,000

● Less than \$200,000

We work with **national and local partners** with big dreams. People who know their neighbors, love their communities and provide critical access to healthy food and other essentials.



Unlocking Critical Food Access

Because of COVID-19 and its widespread economic impacts, more individuals and families in the U.S. turned to the charitable food system for help. The Foundation's support helped partners meet this need by providing healthy meals in our communities.

Emergency COVID-19 Response Fund

In 2020, the Zero Hunger | Zero Waste Foundation directed a total of more than \$9 million in grant funding for COVID-19 relief, helping national and local organizations feed millions struggling with hunger, including some who relied on the charitable food system for the first time in their lives.

Recognizing the rapidly increasing need last spring, the Foundation established an Emergency COVID-19 Response Fund and directed \$3 million to partners at Feeding America and No Kid Hungry to help provide critical meals as businesses and schools closed.

The remaining \$6 million in Foundation grants was directed to support community food banks and agency partners pivoting to new food

distribution models to protect health and safety. We also directed follow-on funding to members of the Foundation's Innovation Fund cohort with ideas to recover and distribute surplus food to vulnerable populations (see p. 8).

Throughout the year, we invited our customers to Round Up their purchase to the nearest dollar—at Kroger-operated store checklanes across the country—or donate online to support the Zero Hunger | Zero Waste Foundation and, in turn, our local communities. During the pandemic-related national coin shortage, this was an easy way for Kroger's associates and customers to support our mission.

The Farmlink Project

As pandemic-related shutdowns affected restaurants, travel and hospitality venues, the risk of on-farm food loss increased dramatically. Fortunately, a group of Stanford and Brown students created The Farmlink Project, which used technology, logistics and a network of volunteers to identify and redistribute surplus food on farms.

The Foundation's grant supported process automation and development of a new tool to streamline delivery operations. The Farmlink Project continues to help support COVID-19 relief efforts today, delivering much-needed produce to those struggling with hunger.

The Farmlink Project's goal is to put themselves out of business—democratizing access to local, fresh food while reducing agricultural surplus. Since inception, The Farmlink Project has delivered more than 30 million pounds of food across the country.



For more information,
please visit [The Farmlink
Project website](https://www.farmlinkproject.org)

Changing Communities for the Better, Together

It's clear that we won't end hunger until we collectively stop wasting food. We support non-profits and creative thinkers who, like us, imagine a world where all food produced serves its highest purpose: feeding people.

ReFED

The Zero Hunger | Zero Waste Foundation directed \$2 million in seed funding to ReFED, a national non-profit working to end food loss and waste in the U.S. by advancing data-driven solutions.

ReFED's vision is a sustainable, resilient and inclusive food system that makes the best use of the food we grow.

Our grant helped ReFED:

- Develop the country's most comprehensive data and solutions hub for food waste;



- Accelerate individual and collective action among food businesses, policy-makers and solution providers; and
- Deploy a multi-faceted communications strategy to share key learnings.

The new ReFED Insights Engine—available to the public—offers a food waste monitor, solutions database, impact calculator and solution provider directory.



For more information, please visit [the ReFED website](https://www.refed.org)

The Future of Food @SXSW



As part of the 2021 virtual South by Southwest (SXSW) festival, we presented The Future of Food@SXSW event. Experts from ReFED and Colorado State University, plus other thought leaders, innovators and investors, discussed ways to help improve food and agricultural systems.

ZeroHungerZeroWasteFoundation.org

Mid-Ohio Food Collective

For over 40 years, the Mid-Ohio Food Collective (MOFC) has been feeding more people than any other organization in central and eastern Ohio, serving nearly half a million people annually. Our grant will improve local network transportation and help expand their existing data and analytics platform.

This system combines technology, data collection and human-centered design to improve services and health outcomes in local communities. Mid-Ohio has been working tirelessly to develop FreshTrak, initially for use at the MOFC and funded by the Zero Hunger | Zero Waste Foundation. The FreshTrak platform will be acquired by Feeding America, modernized for network-wide use, and then made available to interested food bank members in late 2021.



The MOFC monitors progress regularly by tracking the total number of customers and households served and the total pounds of food distributed. They also monitor the number of individuals living at or below 200% of the Federal Poverty Level in each county to help inform allocation of resources.



For more information, please visit [the Mid-Ohio Food Collective](https://www.midohiofoodcollective.org)

The Innovation Fund

The Foundation's Innovation Fund provides philanthropic funding to social enterprises, entrepreneurs and creative thinkers with solutions that align with our mission to improve food security and prevent food waste.

In a typical year, about 35% of food produced in the U.S. is unsold or uneaten. Much of this surplus food is left in growers' fields or goes to landfills from homes, retailers, restaurants and hospitality venues. The Innovation Fund supports entrepreneurs developing new technologies and creative solutions to help end food loss and waste.



Active Portfolio Companies in 2020

During the COVID-19 pandemic, the Foundation elected to postpone a planned Innovation Fund open call for proposals. Instead, we directed a total of \$400,000 in new grants to members of our first group of portfolio companies able to continue operating during the pandemic. This funding was in addition to the \$1 million the seven inaugural cohort members received collectively in 2019.



Food Forest
Cincinnati

Funding supports Meals on Wheels online grocery delivery, a partnership between Food Forest and Produce Perks that provides free grocery delivery twice weekly for food assistance-eligible recipients. Through affordable delivery, the service gave vulnerable seniors access to fresh, nutritious food during the COVID-19 pandemic.



Imperfect Foods
San Francisco

The Foundation's grant expanded access to grocery delivery through Imperfect Foods' Reduced Cost Box Program, which provides low-income households with discounted groceries. With the additional funding, Imperfect Foods was able to provide free delivery to low-income seniors in the program nationwide.



replate
Oakland, CA

Replate works with long-time donor partners to bring food directly to the homes of community members, prioritizing those who are vulnerable or homebound. This funding helped Replate expand its capacity to recover and redistribute donated food in select markets for families experiencing food insecurity.



Ripe Revival
Greenville, NC

During the COVID-19 pandemic, Ripe Revival piloted a food delivery service and subscription-based seasonal product line sourced from local farmers. With this grant, Ripe Revival added new product lines to its assortment, including shelf-stable pouches of soups, sauces, smoothies and meals.



Seal the Seasons
Chapel Hill, NC

This grant helped family farms in the Northeast and Pacific Northwest expand the locally grown frozen vegetable program that aims to increase economic opportunity for depressed rural communities, reduce on-farm food loss, and increase access to healthy food.



Mobius and Winnow did not apply for 2020 COVID-19 relief support but are important members of our Innovation Fund portfolio.

Total food waste impact of the Innovation Fund portfolio companies during 2020:

Prevention

5.4M

pounds of food waste diverted from landfills

Recovery

1.3M

meals donated to feed our communities

Operating

400

volunteers engaged

160

jobs created

2021 Innovation Fund Cohort

The Zero Hunger | Zero Waste Foundation launched the Innovation Fund's second open call earlier this year, inviting eligible innovators to apply for business support and funding totaling \$2.5 million in grants.

Upcycled food is the next frontier in food waste prevention. Processors recover food that may otherwise go to landfills, thereby encouraging the reintroduction and reuse of food items into the supply chain. Applicants were invited to submit proposals with a business model that requires sourcing surplus food or food byproducts and manufacturing them into new consumer-facing products.

The Foundation—in collaboration with Village Capital, the largest supporter of impact-driven, seed-stage startups in the world, and the Fund's advisory committee—selected 10 recipients. Each startup received \$100,000 in upfront seed grant funding, totaling an initial \$1 million investment.

Grantees also participated in a virtual workshop focused on investment readiness, technical skill development and networking with a community of investors and mentors in and around the food system. The innovators have exclusive access to the Foundation's and Village Capital's leaders and partners, as well as the option to apply for follow-on funding.

Cohort members are each eligible for an additional \$100,000 grant from the Innovation Fund based on the achievement of identified program milestones. At the end of the six-month milestone period, two startups will be selected by their cohort peers for an opportunity to receive an additional \$250,000 in funding.

\$2.5M
in grants

Agua Bonita Hanford, CA

makes ready-to-drink aguas frescas from upcycled produce, served in culturally inspired and recyclable cans.



Grain4Grain San Antonio, TX

uses patent-pending technology to upcycle brewers' spent grain into a low-carb, high-protein and high-fiber flour.



Husky Beverages West Palm Beach, FL

is an innovative brand featuring a sparkling tea made from the "husk" of organic, upcycled coffee fruit.



Journey Foods Austin, TX

solves food science and supply chain inefficiencies with software to help companies direct more surplus food to those who need it.



Matriark Foods Nyack, NY

upcycles farm surplus and fresh-cut remnants into healthy affordable products for institutional foodservice.



NETZRO Minneapolis

is a food technology platform for recovering industrial byproducts at scale that would otherwise be wasted into new upcycled ingredients.



reBLEND Denver

is a line of frozen smoothie pops packed with re-harvested produce + superfoods and a bold mission to tackle food waste.



Renewal Mill Oakland, CA

upcycles byproducts from food manufacturing into superfood ingredients and premium, plant-based pantry staples.



Take Two Portland, OR

is a plant-based food company that uses Rejuvenated Barley™—upcycled spent grain from beer production—in a line of nutritious barley milks and other products.



The Spare Food Co. New York

is an upcycled food technology platform that creates foods and drinks using overlooked and unused ingredients sourced from growers and food processors.



Thank you to our donors

Join our Journey



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at checkouts across the Kroger
family of stores

Donate

Add a tax-free donation
of \$1, \$5, or \$10 to your
online grocery order



Volunteer at your local
food bank or community
cleanup effort

