The Kroger Family of Companies



Nature-based Strategy: Goal to Protect Pollinators & Biodiversity

Background

As a retailer and food brand, Kroger is dependent on the health and resilience of the agricultural supply chain. We recognize that our business cannot succeed without preserving the natural resources that go into growing, processing and transporting the plant- and animal-based ingredients in the products we sell in our stores.

Our stakeholders are increasingly prioritizing biodiversity as a topic of environmental, social and financial importance. With the development of the Science Based Targets Network (SBTN) and the Taskforce on Nature-related Financial Disclosures (TNFD), measuring and managing impacts to nature will be more important to Kroger and other food companies moving forward.

At Kroger, protecting biodiversity on land and in water is an important part of our environmental, social and governance strategy—*Thriving Together*. Several existing Kroger policies and priorities already advance biodiversity in our supply chain, including our <u>Pollinator Protection Statement</u>, <u>No-Deforestation</u> <u>Commitment</u> and <u>Seafood Sustainability Policy</u>.

On land, pollinators are critical to the health of our natural ecosystems, ensuring that our supply chains can continue providing fresh products for Kroger's customers for generations to come. Pollinators are experiencing a global decline due to several factors, such as exposure to pesticides and other chemicals, loss of habitat eliminating healthy food sources and nesting sites, and invasive pests and diseases.

Growers have an opportunity to improve pollinator health outcomes by reducing and mitigating the impacts of pesticide use. While pesticides are important pest management tools in many modern farming systems, frameworks like Integrated Pest Management (IPM) enable growers to manage pests while minimizing pesticide use and risks.

Kroger supports and encourages industry and supplier efforts to limit non-essential use of agricultural pesticides and to apply them in a manner consistent with all applicable regulations and guidelines. By the end of 2020, Kroger achieved its goal to eliminate the sourcing of outdoor live plants for our stores and garden centers that have been treated with pesticides containing neonicotinoids.

We support the expansion of the Organic food industry and will continue to offer our customers a wide selection of certified Organic products. We also offer several produce items grown pesticide-free in indoor greenhouses that also offer other sustainability benefits.

Goal

Kroger will require 100% of fresh produce suppliers to implement Integrated Pest Management practices for all products supplied to Kroger by 2028 or 2030 (based on grower size), as demonstrated by one of the certifications – listed in the table below – accepted as part of this requirement.

We expect medium- to large-sized suppliers to meet this requirement by the end of 2028. Our smaller suppliers are expected to meet this requirement by 2030. For this goal, supplier size refers to the volume of fresh produce cases shipped annually to Kroger. Suppliers should maintain their certification(s) per the renewal cycles dictated by the relevant certification scheme.

Accepted Nature-based Certifications	
Bee Better	LEAF MARQUE
Biodynamic	MPS – ABC
Certified Sustainably Grown	Rainforest Alliance
Equitable Food Initiative	Regenerative Organic
Fair Trade International	Sustainable Food Group Sustainability Standard
Fair Trade USA	USDA Organic & international equivalents
GLOBAL G.A.P. (Integrated Farm Assurance)	

Process

We worked with Sustainable Food Group, a branch of the IPM Institute of North America, to develop this goal. To establish a baseline of our current practices, we surveyed a sample of suppliers—representing about 40% of Kroger's fresh produce spend—on topics like pest management, soil health, biodiversity and water conservation. Many of our suppliers are already adopting a variety of IPM practices, supporting biodiversity by maintaining pollinator habitats and conserving water with practices like drip irrigation.

This supplier survey provided key insights, such as:

- Bespoke certification and reporting requirements may pose a burden to busy growers, and they welcome some standardization in buyer requirements.
- Because each crop and growing region is unique, our requirements need to provide growers with the flexibility to choose positive interventions that work best for their farm.
- Some suppliers have already achieved certifications that meet our requirements and those of other buyers.

Future

Kroger expects to continue expanding our focus on sustainable agriculture, biodiversity and conservation in 2024 and beyond. Additional work will include:

- Conducting a biodiversity risk assessment for our supply chain to understand potential biodiversity impacts beyond fresh produce.
- Preparing for future biodiversity reporting by piloting biodiversity metrics with row crop and specialty crop suppliers.
- Conducting a climate risk assessment in select commodities in our supply chain.

Governance & Scope

Kroger's Produce Merchandising, Sourcing and Sustainability teams provide oversight and management for this goal. The goal includes all fresh produce suppliers providing fruit and vegetable products to be sold in the Produce Departments of Kroger-operated stores or through online digital sales, and for any instore cut fruit and vegetable programs.

We expect suppliers to report which of the accepted certification(s) they have achieved, including the percentage of the product assortment provided to Kroger covered by at least one accepted certification.

We will revisit this goal periodically to re-evaluate the content and adjust, if appropriate.