



# **Thriving Together Strategy**

We imagine a future where everyone is thriving together. We build stronger communities by growing our business, operating responsibly and advancing sustainability as we grow.

We manage a broad portfolio of material topics as part of our Responsible Business strategy, which focuses on advancing positive changes for people and our planet.

Kroger's purpose-driven Zero Hunger Zero Waste impact plan sits at the center of our strategy and expresses our mission to end hunger and waste in our communities. We believe everyone should have access to affordable, healthy and sustainably produced food.

We outline our primary focus areas for Zero Hunger | Zero Waste here, and we share our latest progress achieved during 2024 on the following pages.

**Our Purpose** To Feed the Human Spirit

**Our Brand Promise** Fresh for Everyone™

**Responsible Business Strategy** Thriving Together



#### **Our Associates**

We value our associates because they are the foundation of our success. We create a brighter future for our associates by investing in wages, industryleading benefits and opportunities to learn, grow and succeed.

#### **Our Customers**

We make it easy for our customers to shop for fresh, quality, affordable food and other essentials. Investing in lower grocery prices, weekly promotions, personalized offers and rewards is a key part of Kroger's business model.

#### **Our Communities**

We strengthen our communities by offering access to employment and convenient ways to shop, and by giving back generously through Kroger's Zero Hunger Zero Waste impact plan to end hunger and waste.

#### **Climate Impact**

We manage energy use and reduce GHG emissions in our own operations, and we collaborate with others to create a cleaner energy future and a healthier planet.

#### **Waste & Circularity**

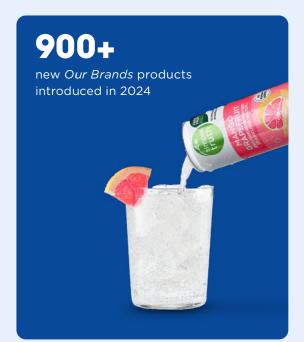
Kroger aims to minimize waste in our operations and achieve our zero waste ambition. We also focus on improving Our Brands packaging and encourage our customers to try more sustainable product options.

#### **Biodiversity & Resource** Conservation

We promote responsible land use and more sustainable production methods to protect pollinators, natural habitats, and life on land and in water.

## **Key Highlights**

Kroger makes grocery shopping easy, convenient and affordable for our customers every day. Dedicated associates across the country live Our Purpose and Zero Hunger | Zero Waste mission, giving back meaningfully to make a difference in our communities.





















### **Key Performance Data Tables**

The Kroger team recognizes our unique role in the future of food. We are helping build a more resilient and equitable food system that preserves access and affordabilitytoday and in the future—by advancing more responsible and sustainable production methods for the food and consumer goods on which we all depend.

**People:** Serving Our Associates, Customers and Communities

Goals & Metrics	2022	2023	2024	Baseline	Target Year	Status
Associate Wages & Benefits						
Cumulative investment in our associates' compensation and benefits	\$1.9B	\$2.4B	\$2.7B	2018	-	
Increase average retail hourly wages and benefits over time	Over \$18/hour; over \$23.50/hour including benefits	Over \$19/hour; nearly \$25/hour including benefits	Nearly \$19.50/hour; Nearly \$25.35/hour including benefits	-	-	·
Food Access & Affordability						
Increase annual sales of affordable, quality Our Brands portfolio of products	\$30B	\$31B	\$32B	-	-	
Introduce new affordable <i>Our Brands</i> products, including fresh items	680	700+	900+	-	-	
Annual total meals donated to our communities—food and charitable donations	599M	455M	518M	-	-	
Cumulative total meals donated since 2017—food and donations	2.9B	3.4B	3.9B	2017	2025	<b>②</b>
Donate surplus fresh food from stores and facilities to our communities through Kroger's Zero Hunger   Zero Waste Food Rescue program	106M pounds	114M pounds	119M pounds	-	-	
100% of retail stores actively donating surplus fresh food	100%	100%	100%	2017	2025	
Charitable Giving						
Total annual charitable giving to our communities	\$336M	\$329M	\$346M	-	-	
Share of total charitable giving donated to national and local organizations helping end hunger	\$253M	\$256M	\$276M	-	-	
Supplier Diversity & Inclusion: Certified diverse-owned suppliers have the opportunity to participate and compete for contracts						
Annual spend with certified diverse-owned businesses <sup>1</sup>	\$3.5B	\$3.6B	\$3.1B	-	_	

M = million B = billion

1. Reflects restated results after comprehensive review of supplier certification status

Status key













### **Planet:** Protecting Natural Resources for a Brighter Future

Goals & Metrics	2022	2023	2024	Baseline	Target Year	Status
Climate Impact <sup>1</sup>						
Achieve a 30% cumulative reduction in GHG emissions (percentage reduction from baseline; annual total Scope 1 and 2 GHG emissions)	15.2% 4,894,705 MTCO <sub>2</sub> e	12.0% 5,081,613 MTCO <sub>2</sub> e	14.9% 4,916,373 MTCO <sub>2</sub> e	2018	2030	
Waste & Circularity						
Operational Waste						
Achieve 90%+ waste diversion from landfills company-wide <sup>2</sup>	82%	82%	85%	2016	2025	Ø
Food Waste						
Reduce total food waste generated in retail stores by 50% cumulatively from 2017 baseline (cumulative reduction; annual tons generated)	26.2% 245,289 tons	20.0% 265,773 tons	3.8% 319,720 tons	2017	2025	Q
Achieve 95% diversion of remaining retail food waste from landfill	45.9%	51.7%	58.2%	2017	2025	Q
95% or more of retail stores participating in food waste recycling programs	92%	95%	97%	2017	2025	<b>©</b>
Our Brands Product Packaging Sustainability <sup>3</sup>						
Seek to achieve 100% recyclable, compostable and/or reusable packaging	37%	52%	Assessed periodically <sup>4</sup>	2020	2030	
Increase recycled content in packaging so Our Brands portfolio collectively contains at least 10% recycled content	18%	10%	Assessed periodically <sup>4</sup>	2020	2030	
Biodiversity & Resource Conservation						
Pollinators						
100% of fresh produce suppliers to implement Integrated Pest Management practices for all products supplied to Kroger as demonstrated by one of the accepted certifications	-	-	_ 5	-	2028; 2030	Q

5. We are establishing the implementation process for this goal and will report our progress in future years















<sup>1.</sup> Scope 3 emissions are reported in the Climate Impact and Supplemental Data sections of the report

<sup>2.</sup> Progress reflects calendar year data with the exception of construction waste, which reflects fiscal year

<sup>3.</sup> We calculated our first packaging baseline for Our Brands products in 2022 for the 2021 performance year. The current dataset is focused on Our Brands food; health and beauty; cleaning; and deli and bakery products. We continue to expand on and improve our packaging dataset, particularly as we prepare for legislated reporting in the future. Narrative about additional stated packaging sustainability goals is included in the Waste & Circularity section of the report

<sup>4.</sup> Moving forward, we will calculate and report on goal progress every other year. The company has dedicated resources to preparing for extended producer responsibility reporting and other packaging legislation preparation. We will report on 2025 progress in the 2026 Responsible Business report

Goals & Metrics	2022	2023	2024	Baseline	Target Year	Status
Seafood Sustainability <sup>1</sup>						
Source 95% or more of wild-caught seafood from fisheries that are Marine Stewardship Council (MSC) certified, in MSC full assessment, in comprehensive fishery improvement projects or certified by other Global Sustainable Seafood Initiative-recognized programs	95%	96%	97%	2020	Ongoing	
Preferentially source wild-caught seafood volume from fisheries that are MSC certified	76%	80%	80%	2020	Ongoing	
Source 95% or more of farm-raised seafood from farms that are Best Aquaculture Practices 2-Star or greater certified, Aquaculture Stewardship Council certified or GLOBALG.A.P. certified	99%	98%	99%	2020	Ongoing	
Source 100% of shelf-stable tuna from companies aligned with the International Seafood Sustainability Foundation <sup>2</sup>	98%	99%	98%	2020	Ongoing	
Source 20% of <i>Our Brands</i> shelf-stable tuna from fisheries that are MSC certified	17.7%	7.3%	24%	2020	2025	
No-Deforestation Commitments <sup>3</sup>						
Source palm oil, palm kernel oil and palm oil derivatives in <i>Our Brands</i> products from sources certified to the Roundtable on Sustainable Palm Oil supply chain standard (percentage of ingredient volume that is from certified sources)	96%	98%	94%	N/A	Ongoing	
Used post-consumer recycled content fiber and/or virgin fiber certified to FSC, SFI or PEFC standard						
Kroger plants (percentage of packaging procured, by weight, from certified sources and/or including recycled content)	95%	99%	94.2%	N/A	2025	
All Our Brands household paper products and paper product packaging (percentage of material, by weight, from certified sources and/or including recycled content)	Household: 93% Packaging: 45%	Household: 94% Packaging: 45%	Assessed periodically <sup>4</sup>	N/A	2030	
Use deforestation-free soy-based ingredients in <i>Our Brands</i> products						
Kroger plants (percentage, by weight, from no-/low-risk countries)	99%	99%	99.9%	N/A	2025	
All third-party produced <i>Our Brands</i> products (percentage, by weight, from no-/low-risk countries)	Assessed periodically	93%5	Assessed periodically <sup>4</sup>	N/A	2030	
Use deforestation-free beef-based ingredients in <i>Our Brands</i> products and fresh beef						
Beef in fresh meat department and Kroger plants (percentage, by weight, harvested in no-/low-risk countries; born, raised and harvested in no-/low-risk countries)	99% (78%)	97% (94%)	97.6% (93.6%)	N/A	2025	
All third-party produced <i>Our Brands</i> products (percentage, by weight, from no-/low-risk countries)	Assessed periodically	50% <sup>6</sup>	Assessed periodically <sup>4</sup>	N/A	2030	















<sup>1.</sup> Progress reflects calendar year data. In 2024, we revised the goals to make them ongoing so that we continue to strive for and maintain 95% or greater alignment with Kroger's Seafood Sustainability Policy for our Seafood department

<sup>2.</sup> This is an enduring commitment that we continue to maintain. Percentages are measured by volume

<sup>3.</sup> No-deforestation goal progress reflects calendar year data with the exception of our packaging baseline calculation, which reflects fiscal year data. Data reflects responses received from suppliers and is to the best of their knowledge. In some cases, proxy data from prior year may be used

<sup>4.</sup> Moving forward, Kroger will report progress on 2030 no-deforestation commitments for beef, soy and paper ingredients every other year. We will report 2025 progress in the 2026 Responsible Business report

<sup>5.</sup> In 2023, 93% of soy-based ingredients in Kroger third-party-manufactured Our Brands products were from low- or no-deforestation risk regions, and 2% were from potentially high-risk regions. Suppliers of products with the remaining 5% of ingredients could not provide visibility to the country of origin

 $<sup>6. \ \ \, \</sup>text{In 2023, 50\% of beef-based ingredients in Kroger third-party-manufactured} \ \textit{Our Brands} \ \text{products were from low- or no-deforestation risk regions, and 49\% were from low- or no-deforestation risk regions, and 49\% were from low- or no-deforestation risk regions, and 49\% were from low- or no-deforestation risk regions, and 49\% were from low- or no-deforestation risk regions, and 49\% were from low- or no-deforestation risk regions, and 49\% were from low- or no-deforestation risk regions, and 49\% were from low- or no-deforestation risk regions, and 49\% were from low- or no-deforestation risk regions, and 49\% were from low- or no-deforestation risk regions, and 49\% were from low- or no-deforestation risk regions, and 49\% were from low- or no-deforestation risk regions, and 49\% were from low- or no-deforestation risk regions. The low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions. The low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions. The low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are not of the low- or no-deforestation risk regions are no$ potentially high-risk regions. Suppliers of products with the remaining 1% of ingredients could not provide visibility to the country of origin

#### Governance

Goals & Metrics	2022	2023	2024	Baseline	Target Year	Status
Responsible Sourcing: Animal Welfare						
Laying Hen Housing						
Revenue: Increase sales of shell eggs from laying hens in cage-free or better housing systems as a percentage of total egg revenue <sup>1</sup>	32.3%	54.1%²	55.9%	-	-	
<b>Volume:</b> Increase shell eggs sourced from laying hens in cage-free housing systems or better (units: dozens) to 70% <sup>1</sup>	33.6%	36.1%³	43.3%	-	2030	
Sow Housing						
Volume: By 2025, Kroger aims to source 100% of fresh pork from sows in group housing systems, based on availability	_4	62.2%	90%	-	2025	
Broiler Chicken Welfare⁵						
Achieve the following welfare enhancements in at least 50% of our supply for Simple Truth Organic® and Simple Truth Natural® fresh chicken:						
Maximum stocking density of 6.0 pounds/sq. foot	17.9%	37.8%	36.6%	-	2024	0
Prohibit broiler cages	100%	100%	100%	-	2024	<b>⊘</b>
Enriched environments, including litter and lighting	41.9%	39.5%	71.4%	-	2024	<b>⊘</b>
Processing in a manner that avoids pre-stun handling and uses controlled atmosphere systems (CAS)	10.9%	14.5%	16.9%	-	2024	0















<sup>1.</sup> Restated progress to align shell egg units to dozens for all years

<sup>2. 2023</sup> revenue figure is restated from 51.9% to 54.1% to reflect revised data

<sup>3. 2023</sup> volume figure is restated from 33.6% to 36.1% to reflect revised data

<sup>4.</sup> Given the lack of industry alignment on standards and definitions for sow housing, we are unable to determine accurate year-over-year performance for 2022 and prior years

<sup>5.</sup> Goal progress is impacted by industry challenges, such as the time and cost required to transition growing operations to larger barns and CAS systems