

## 2021 Shareholder Resolution Kroger | Sustainable Packaging Policies for Plastics

**Whereas:** The ocean plastics crisis continues unabated, fatally impacting more than 800 marine species, and causing up to \$2.5 trillion in damage annually to marine ecosystems. Toxins adhere to plastics consumed by marine species, which potentially transfer to human diets. There could be more plastic than fish by weight in oceans by 2050.

Recently, Pew Charitable Trusts released a groundbreaking study, Breaking the Plastic Wave, which concluded that if all current industry and government commitments were met, ocean plastic deposition would be reduced by only 7%. Without immediate and sustained new commitments throughout the plastics value chain, annual flow of plastic into oceans could nearly triple by 2040.

The report finds that improved recycling will not be sufficient to stem the plastic tide, and must be coupled with upstream activities like reduction in demand, materials redesign, and substitution. "Brand owners, fast-moving consumer goods companies and retailers should lead the transition by committing to reduce at least one-third of plastic demand through elimination, reuse, and new delivery models," the report states, adding that reducing plastic production is the most attractive solution from environmental, economic, and social perspectives.

More than 250 companies have committed to take a variety of actions through the Ellen MacArthur Foundation Global Commitment that will reduce plastic pollution. Kroger is notably absent from this historic corporate coordination. The company is one of the worst performing in packaging data transparency – lacking disclosure of key data such as tonnage of overall plastic used and the number of units of plastic packaging put into commerce.

Global Commitment signatory Unilever has taken the most significant corporate action to date, agreeing to cut plastic packaging use overall by 100,000 tons by 2025. Signatory PepsiCo has committed to substitute recycled content for 35% of virgin plastic in its beverage division. Kroger has no new significant commitment to cut plastic use, nor a commitment to build a circular economy through incorporation of recycled content plastic.

The company received a score of D in an As You Sow study ranking corporate leadership on plastic pollution. This ranking demonstrates that Kroger lags in its commitments, specifically on transparent reporting, incorporating recycled content plastic, and making overall cuts in plastic packaging.



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**Resolved:** Shareholders request that the board of directors issue a report by December 2021 on plastic packaging, estimating the amount of plastics released to the environment by our use of plastic packaging, from the manufacture of plastic source materials, through disposal or recycling, and describing any company strategies or goals to reduce the use of plastic packaging to reduce these impacts.

**Supporting Statement:** Proponents note that the report should be prepared at reasonable cost, omitting confidential information, and include an assessment of the reputational, financial, and operational risks associated with continuing to use substantial amounts of plastic packaging while plastic pollution grows unabated. In the board's discretion, the report could also evaluate opportunities for dramatically reducing the amount of plastics used in our packaging through redesign or substitution.