



**WHEREAS:** The growing plastic pollution crisis poses increasing risks to our company. Corporations using plastic packaging could collectively face an annual financial risk of approximately \$100 billion should governments require them to cover the waste management costs of the packaging they use, a policy that is increasingly being enacted around the globe.<sup>1</sup>

Pew Charitable Trusts released a groundbreaking study, *Breaking the Plastic Wave* (Pew Report), concluding 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 flows of plastics into oceans could nearly triple by 2040.

The Pew report also finds that improved recycling must be coupled with reductions in use, materials redesign, and substitution. It concludes that plastic demand should be reduced by at least 1/3, stating that reducing plastic production is the most attractive solution from environmental, economic, and social perspectives.

The European Union has already banned 10 single-use plastic products commonly found in ocean cleanups and enacted a \$1/kg tax on non-recycled plastic packaging waste.

More than 250 companies have committed to take a variety of actions to reduce plastic pollution through the Ellen MacArthur Foundation Global Commitment. Some brand signatory companies appear to have reached “peak plastic” and set absolute virgin plastic reduction goals projected to result in a 19% reduction in total plastic use by 2025. Kroger is notably absent from this historic corporate coordination and has no virgin plastic reduction goal.

Global Commitment signatory Unilever has taken the most significant corporate action to date, agreeing to cut virgin plastic packaging by 50% by 2025, including absolute elimination of 100,000 tons of plastic packaging. At least seventeen other publicly traded consumer goods companies have virgin plastic reduction goals, including Procter & Gamble, Colgate-Palmolive, Nestlé, and Target.<sup>2</sup>

Kroger has received a score of “D” in two consecutive reports by *As You Sow* on plastic packaging solutions, demonstrating the company lags its peers.

Our company could avoid regulatory, environmental, and competitive risks, and keep up with peers by undertaking additional actions to reduce plastic pollution from its

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<sup>1</sup> [https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave\\_report.pdf](https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave_report.pdf)

<sup>2</sup> <https://www.asyousow.org/report-page/plastic-pollution-scorecard-2021/>



products, including, for example, decoupling business growth from its consumption of virgin plastics.

**BE IT RESOLVED:** Shareholders request that the Kroger Board issue a report, at reasonable expense and excluding proprietary information, describing how the company could reduce its plastics use in alignment with the 1/3 reduction findings of the Pew Report, or other authoritative sources, to reduce its contribution to ocean plastics pollution.

**SUPPORTING STATEMENT:** The report should, at Board discretion:

- Evaluate the benefits of dramatically reducing the amount of plastics used in our packaging;
- Assess and disclose the reputational, financial, and operational risks associated with continuing to use substantial amounts of plastic packaging despite the global plastic pollution problem; and
- Describe any necessary reduction strategies or goals, materials redesign, transition to reusables goals, substitution, or reductions in use of virgin plastic.