

## **Kroger Response to Business & Human Rights Resource Centre inquiry**

### **Alleged Labor Violations in Fyffes' Melon Supply Chain in Honduras**

**May 10, 2020**

Thank you for sharing information about the allegations of labor abuse at Fyffes' melon farms in Honduras.

At Kroger, protecting human rights is aligned with our corporate values and a commitment that we articulate in our [Statement on Human Rights](#). We bring this commitment to life through our [Policy on Business Ethics](#) and our [Vendor Code of Conduct](#).

Kroger has not procured directly or, to the best of our knowledge, indirectly, any Fyffes' melons from Honduras over the past year and do not have any orders scheduled for the upcoming growing season.

Previously, we had plans to perform a Kroger social audit of this Fyffes' location earlier this year. Unfortunately, due to the seasonal nature of the business and the fact that much of the growing season coincided with the Covid-19 pandemic, that has not occurred and will not be possible until late October at the earliest (next growing season).

#### **Protecting Human Rights in our Supply Chain**

Our suppliers are highly valued partners to Kroger. We are cognizant that our supply chains are geographically and functionally diverse, and we strive to maintain social and environmental sustainability where we do business.

In order to do business with Kroger, a supplier is required to agree to our Vendor Code of Conduct. When registering in the Supplier Hub, suppliers must acknowledge their assent to the Code, which includes that the facilities they operate and subcontract with can be subject to Social Compliance Audits. Kroger requires third-party audits of all international facilities that produce *Our Brands* products, unbranded items and direct import national brands items. In some cases, Kroger also audits domestic facilities if there is a perceived risk.

As articulated in our [Social Compliance Program Requirements](#), we audit against several aspects of our Vendor Code of Conduct. We have a zero-tolerance policy for human rights violations reported through our social compliance program audits or other means. Addressing violations includes documented corrective action plan(s) and corresponding improvements. Failure to complete the corrective action plan(s) within the agreed-upon timeline can result in termination of the supply contract.

Kroger continues to engage in initiatives aimed at ensuring the environmental and social responsibility of our food supply chain. Our social compliance team makes multiple site visits each year with suppliers around the globe to witness working conditions first-hand, and to ensure our audit protocols are being effectively implemented. In 2019, Kroger visited several produce suppliers in Mexico and South America, as well as other types of suppliers.

In addition, Kroger has actively participated with other produce buyers in a working group aimed at encouraging implementation of the PMA/United Fresh-sponsored Ethical Charter – a universal code of conduct to protect human rights in the produce supply chain.

For several years, Kroger has supported the communities from which we source through our initiative to provide Fair Trade Certified products to our customers. By the end of 2019, we had 82 Fair Trade Certified Simple Truth products in our assortment, which increased the volume of Fair Trade Certified ingredients we purchase annually by 71%. We continue to be the leading private label brand for Fair Trade Certified products as well as the largest purchaser of Fair Trade Certified coconut in the world.