

**WHEREAS:** The Kroger Co. is required to furnish an EEO-1 Report — a comprehensive breakdown of its workforce by race and gender according to 10 employment categories — to the United States Equal Employment Opportunity Commission annually.

As intangible assets increasingly drive corporate value creation, investors seek a better understanding of human capital management strategy and performance. A lack of consistent disclosure of human capital practices makes it difficult for investors to evaluate corporate performance and compare that performance across firms.

In a recent survey by Bloomberg of S&P 100 Companies 76 disclosed, and 10 others pledged to disclose, the full Report in the near future, illustrating this disclosure is a best practice. Walmart, one of Kroger's chief competitors, discloses its EEO-1 Report with comprehensive, detailed, year over year data with comparison by category.

Though Kroger does disclose some demographic information and policies, disclosure of the EEO-1 Report would enable the company to provide a more complete picture of its workforce without additional burdens on the company to collect data. Disclosure of quantitative data concerning recruitment, retention, and promotion would also be valuable to investors. Such disclosures would provide a platform for the company to describe the connection between human capital management and corporate strategy. It would also facilitate informed engagement with investors.

Information about a company's diversity must be complete, comparable and consistent. Investors need annual disclosure of demographic data in order to know whether efforts to increase diversity have resulted in more diversity at different levels of the company.

**RESOLVED:** Shareholders request that the Board of Directors adopt a policy requiring Kroger to disclose on its website the annual Consolidated EEO-1 Report. The company shall disclose its EEO-1 Report no later than 60 days after the date of its submission to the EEOC.

**SUPPORTING STATEMENT:** The global coronavirus pandemic and police brutality against Black Americans have heightened public concern regarding racial equity. The longstanding case for prioritizing workplace diversity has been strengthened by rising expectations of employees and other stakeholders that companies will make a meaningful commitment to racial equity in the workplace. In particular, companies that signal their commitment to racial diversity through workforce transparency may be better positioned to attract and retain talent.

The Conference Board's *DNA of Engagement* initiative argues that the synergy between employee engagement and inclusion is a key component of overall employee productivity. Deloitte highlights diversity as an important element in building and sustaining a strong sense of corporate purpose.

We urge the shareholders of Kroger to support this proposal to bring transparency to the diversity of the company's workforce.