



THE KROGER CO.
POLICY ON
BUSINESS ETHICS

TO OUR ASSOCIATES AND DIRECTORS:

The public and all who scrutinize business behavior expect a high degree of integrity from every business organization. Companies that do not take steps to ensure appropriate associate conduct will be penalized by their constituents and erode public confidence in our free-enterprise system.

As a retailer providing millions of Americans with their daily food and as a publicly owned company, The Kroger Co. has a special obligation to comply with the law and deal ethically with customers, suppliers, associates, and shareowners. *The Kroger Co. Policy on Business Ethics*, adopted by Kroger's Board of Directors and applicable to all associates and members of the Board, helps us identify and resolve some of the ethical issues that may arise in the conduct of our business. Our *Core Values* express our commitment to responsible behavior and are outlined on the next page. We designed our principles and disclosure processes stated in this *Policy* to encourage transparency and dialogue among our associates.

The requirements of ethical behavior transcend the particulars of a policy or law. The underlying spirit of this *Policy* and our *Values* is as important as their specific contents. The best way to instill an ethical spirit throughout the Kroger organization is for each of us to set a good example through our own behavior.

Kroger's integrity is our most important asset. Each of us bears a responsibility for protecting Kroger's good name. By adhering to the spirit, principles, and practices outlined in this document, each of you will help safeguard our reputation.

Rodney McMullen

Chairman and CEO

The Kroger Co. Values

Our Commitment ...

- Provide our customers with great products at good prices and a shopping experience that makes them want to return.
- Be a preferred employer where every associate feels valued and customers recognize that our people are great.
- Achieve success for shareholders, help sustain the environment and serve our communities.



In fulfilling our commitment, we always live by our core values:

Honesty. We insist on truthfulness with each other, with our customers, with our vendors and in our business records. We expect and value openness.

Integrity. We act in accordance with our values, even when it's difficult.

Respect. We treat all with dignity and value the opinions and perspectives of others.

Diversity. We seek and embrace differences in the backgrounds, cultures and ethnicities of all associates, customers and vendors.

Safety. We protect our customers and each other from injury with a safe and secure workplace and shopping environment.

Inclusion. We encourage and expect collaboration, teamwork and the active involvement of all associates.

The Kroger Co.

Policy on Business Ethics

NOTE: This policy applies to The Kroger Co. and all of its subsidiaries, affiliates and divisions. Where the terms “Kroger,” “company” and the like are used, they include all the subsidiaries, affiliates and divisions in our family of companies.

General integrity

The Kroger Co. has a strong reputation for integrity. To maintain and enhance that reputation, it is important for each of us to adhere to the highest moral, ethical and legal standards. Only by conducting business in this manner can the company progress and preserve the respect of associates, shareowners, customers, suppliers and government. This *Policy on Business Ethics* must be understood and implemented in everyday business practice throughout our company. All associates are expected to adhere to these policies.

Compliance with the law

Compliance with laws and regulations applicable to the company is essential. Associates are encouraged to contact the company's Law Department if they have any questions regarding appropriate conduct and compliance with the law.

Bribery

Bribery in any form is forbidden in the conduct of the business of the company. No company funds or assets are to be used, directly or indirectly, for any bribe, kickback or other unlawful payment. No outside consultant, attorney, accountant or agent of any other nature may be used or employed in any manner that would be contrary to this policy. Fees, commissions and expenses paid to agents should be based upon reasonable standards for the services rendered. If you have any questions, please consult the company's [Anti-Corruption Policy](#) or contact the General Counsel for assistance.

Accounting practices

Kroger will follow accepted accounting rules and controls. The books of account, budgets, project evaluations, expense accounts and other similar papers must accurately reflect these rules and controls. All assets of the company must be accounted for carefully and properly. No payment of company funds may be approved or made with the understanding that any part of the funds will be used in a manner contrary to this policy.

The company's independent certified public accountants will be given access to all information necessary for them to conduct audits properly.

Kroger will maintain effective disclosure controls and procedures and will evaluate its internal controls in accordance with the requirements of the SEC. To assist in doing so, the Chief Executive Officer has created a disclosure review committee that meets quarterly and otherwise as needed.

Conflicts of interest

Associates should avoid situations in which there is, or may seem to be, a conflict between the personal interests of the associate and the interests of the company. The term "conflict of interest" describes any circumstance that could cast doubt upon an associate's ability to act with total objectivity regarding the company's interests.

While it is impossible to anticipate every potential conflict, here are a few examples:

- ownership in concerns with which the company competes or with which it does business (other than modest investments in stocks listed on a recognized securities exchange or on NASDAQ);
- buying, leasing or selling property from or to the company or near locations known to be of interest to the company;
- accepting payments, services or loans from, rendering consulting services to, or having a romantic relationship with, persons or concerns dealing or contemplating dealing with the company or in competition with the company;
- similar activities or interests by members of your immediate family;
- the active commitment of time devoted to the management of any other business enterprise that would take time away from the associate's normal work schedule; and
- working in the same department or area of the company with a relative or someone with whom you have a romantic relationship where day-to-day business operations or responsibilities could be perceived to be influenced by that relationship.

Associates involved in any situation that could be, or may reasonably be perceived as, a conflict of interest must disclose the potential conflict of interest to their direct supervisor, department head, or human resources representative. If there is any doubt, the supervisor, department head, or human resources representative should contact the General Counsel for assistance. The company will determine whether the situation constitutes a conflict of interest and, if so, will work with the associate to promptly resolve it. If the situation cannot be resolved, the associate may be subject to termination.

Supplier relations

Much of Kroger's reputation for integrity and fair play comes from the manner in which we deal with our suppliers. The company makes every effort to deal fairly and impartially with all suppliers of goods and services, showing them the same courtesy and consideration we would expect them to show us. Our choice of a supplier will be made on the basis of price, quality, services offered and business considerations.

Gifts and Entertainment

There are three important principles behind the company's position on gifts and entertainment:

- gifts or entertainment received by associates must not influence or appear to influence decisions about how the company conducts business;
- associates may not benefit personally from company business with suppliers or others or derive personal gain from transactions made on behalf of the company;
- to the extent feasible, expenditures by suppliers should be limited, and applied to reduce the cost of goods or expenses for the ultimate benefit of our customers and shareowners.

The company's [Policy on Gifts and Entertainment](#) provides additional guidance and procedures that associates must follow.

Corporate hospitality

Hospitality toward public officials and those with whom the company does business is both proper and appropriate, as long as it does not exceed common courtesy and is not of such magnitude as to suggest the compromise of the parties with whom we are dealing. No gift or entertainment may be tendered that would exceed reasonable standards. *All such acts should be undertaken with the expectation that they will become publicly known.* Hospitality toward foreign officials is addressed in the company's [Anti-Corruption Policy](#). If you have any questions regarding corporate hospitality, please contact the General Counsel for assistance.

Outside directorship

Kroger executives and managers are sometimes invited to serve on the Boards of Directors of for-profit corporations that are not a part of the Kroger organization. These memberships may provide benefits to the company under certain circumstances. For example, Board membership may broaden an individual's business perspective, provide education on significant issues in the current business environment, or deepen an individual's understanding of financial or other business disciplines.

However, Board membership may also create the potential for conflicts of interest and, under certain circumstances, increase the financial or legal exposure of The Kroger Co. Therefore, no Kroger executive or manager may accept appointment or reappointment to a for-profit Board prior to receiving written approval from the Chief Executive Officer of The Kroger Co.

Political contributions and involvement

The company encourages all associates to vote and to participate fully in the political process. Such participation is entirely personal. The company has established a political action committee (PAC) that operates in accordance with the rules of the Federal Election Commission and the rules of the appropriate state authority. Participation is entirely voluntary and coercion to contribute is prohibited.

In those states where the law permits, contributions to candidates or ballot issues may be made by the company in moderation, but only with the approval of a corporate officer or operating unit president and in strict compliance with public reporting regulations.

Confidential information and trade secrets

As a publicly owned company, Kroger is governed by strict securities laws regarding the dissemination of information about the company to the public. The company's ability to compete, moreover, depends upon protection of its confidential information and trade secrets. In business and personal conversations, associates should limit comments about the company to information that has been publicly released by the company. Non-public information about the company should always be treated as confidential. No information about sales, earnings, competitive activities, systems, technology, proposed company developments or activities or products should be disclosed, and associates must adhere to practices designed to safeguard that information.

Associates should not, under any circumstances, disclose trade secrets to Kroger's competitors or others, even after leaving employment with Kroger. Trade secrets may include software, systems and other applications of technology used by the company, as well as business methods and cost information. The Uniform Trade Secrets Act and other laws adopted by most states impose substantial liability on associates who divulge trade secrets to a new employer or to third parties.

Competition

The concept of free and open competition underlies many of our federal and state laws. Kroger's best interests are served by compliance with such laws. Associates must not enter into discussions or arrangements with competitors or suppliers that would violate these laws in any way. For example, pricing of products must never be discussed with competitors either directly or through third parties. Violation of this policy may subject the associate to dismissal.

Media Relations

Associates must obtain prior approval of their department vice president, operating unit president, or a corporate officer, and coordinate with division public affairs or corporate affairs, prior to speaking at a meeting or conference. Because the press and our competitors often attend these conferences and meetings, all remarks should be scrutinized in advance, especially to ensure that confidential information is not disclosed. There should also be a clear benefit to Kroger that justifies participation. The company's *Media Relations Policy* provides additional guidance and procedures that associates must follow.

Customer relations

Our company will succeed only if we serve customers well. All customers deserve friendly, courteous treatment without bias or discrimination. Our customers have the right to adequate information concerning the prices of the items they purchase and the assurance that their purchase, combining price and quality, represents a fair value.

Customers deserve prompt, helpful and courteous responses to questions and requests for assistance. Customers deserve clear and accurate advertising that provides useful information to assist in the purchase decision.

Shareowner relations and Securities Trading

The company is owned by shareowners who have invested in the company by purchasing stock. Our ultimate accountability is to them. We have an obligation to keep shareowners informed concerning matters that affect their company and its progress. The shareowners deserve corporate governance that represents their best interests. A board of directors composed primarily of independent outside directors, who by their experience, knowledge and skill can advise and counsel management as well as represent the shareowner's interest, is an integral part of our corporate structure. The company's Board of Directors has adopted Guidelines on Issues of Corporate Governance that are published on the company's corporate website (www.thekrogerco.com).

No director or associate may buy or sell securities of a company if that person has material, nonpublic information relating to that company. The [Policy on Securities Trading](#) provides additional guidance and procedures that associates must follow.

Associate relations

Kroger is committed to a policy of equal opportunity for all associates without regard to race, color, religion, gender, national origin, age, disability, sexual orientation, or gender identity. It is the goal of the company to provide jobs that are satisfying and challenging to each individual. The safety and health of associates is paramount, and working conditions will reflect this. Kroger will provide for growth and development through appraisal, counseling, training programs and on-the-job experience. The company is committed to dealing fairly and equitably with each associate.

Where associates have chosen to be represented by labor unions, Kroger will negotiate in good faith with the unions through their elected or appointed representatives.

Each associate has an obligation to deal with other associates in a professional manner without regard to race, color, religion, gender, national origin, age, disability, sexual orientation, or gender identity.

The company expects its associates to work diligently and to deal honestly with customers and suppliers.

Obligation to report violations

All associates are obligated to report to the company any known or suspected inappropriate use of company assets, violations of law or this policy, or other similar improprieties, and are encouraged to report any concerns they have regarding any possible improper conduct. The Vice President of Corporate Auditing of the company and the company's independent certified public accountants will immediately report any violations or suspected violations of this policy on business ethics that come to their attention as a result of conducting audits of the company. With the support of all associates, the company can ensure that violations of this policy are called to the attention of the appropriate Kroger officials. Concealment of violations is in itself a violation of this policy.

Each operating unit has established and will maintain procedures designed to facilitate such reporting to a designated department or individual. The procedures are communicated clearly to all associates in the operating unit and include a statement that associates have alternative means of reporting any concerns. Associates are encouraged to report issues to their direct supervisor or department head. Alternatively, associates may contact the Vice President of

Auditing, the Chief Ethics and Compliance Officer, or any corporate officer, up to and including the President or Chairman of the Board, to report such concerns.

The Audit Committee of the Board of Directors has established the Kroger Helpline – a toll-free phone number (800-689-4609), email address (helpline@kroger.com), and website (www.Ethicspoint.com) for the submission of concerns. Users of the Kroger Helpline may choose to remain anonymous.

No retaliation

The company will not take any adverse action against any associate in retaliation for the proper and lawful reporting of improprieties.

Annual certification and reporting

Each year, associates, including officers, and directors are asked to affirm their understanding of Kroger's *Policy on Business Ethics*, respond to related questions, and submit annual statements listing gifts that they have accepted.

Follow-through

Managers should maintain an "open door" policy for any associate who may have a question about ethics or this *Policy on Business Ethics*. The time to bring up a question of ethical behavior is before the fact, rather than after the fact; the company encourages associates to talk to a supervisor about a question of business conduct, no matter how small or insignificant it may seem to be.

The company believes attention to this policy is an integral part of managing its business. In that regard:

- managers must investigate any suspicion that unethical or illegal activities are taking place and call upon the General Counsel or other appropriate company representative if assistance is needed;
- the company periodically will provide communications and training to associates to reinforce this policy.

Associates are expected to hold themselves to these high standards and to exercise good judgment as well as moral courage in matters of investigation and reporting covered in this policy.

Like The Kroger Co. *Policy on Business Ethics* itself, the system the company has devised to assure compliance is subject to change and revision over time.

The Kroger Co.

Policy on Gifts and Entertainment

Philosophy

There are three important principles behind this policy:

- gifts or entertainment received by associates must not influence or appear to influence decisions about how the company conducts business;
- associates may not benefit personally from company business with suppliers or others or derive personal gain from transactions made on behalf of the company; and
- to the extent feasible, expenditures by suppliers should be limited, and applied to reduce the cost of goods or expenses for the ultimate benefit of our customers and shareowners.

Policy

Associates must never accept from any supplier, directly or indirectly, any gift that would influence or appear to influence an associate's behavior or judgment. Cash and cash equivalents, including gift certificates and gift cards, may never be accepted as personal gifts. Associates should not solicit gifts from a supplier, with the exception of charitable requests approved in advance by the Corporate Affairs department or other department designated by their location's executives and requests previously approved by their operating unit or department vice president, operating unit president, or corporate officer. Such circumstances should be viewed as if all of the details were made public. On those occasions where a gift including meals and entertainment is provided by a supplier that does not violate the policy described above, associates must follow the procedures described below.

Definitions

A "supplier" means any supplier, potential supplier, supplier representative, landlord, or other third party that does or seeks to do business with the company.

A "gift" means gifts, gratuities, services, entertainment, meals, or anything of value, tangible or intangible, for which the associate did not pay market value.

Meals and Entertainment

A business purpose is required for all meals paid for by a supplier and is encouraged for entertainment events. If meals with a particular supplier occur on more than an infrequent basis, each participant should pay for their own meal or should alternate paying for the meals. If multiple tickets are provided for a single entertainment event or series of events (e.g. concert or sporting event) or if meals are provided for an associate and a guest(s), they should be considered one gift for purposes of reporting and approval requirements.

Samples

Associates whose jobs require them to evaluate products may receive a reasonable number of samples and advertising or promotional materials. These samples and materials should be used for evaluation purposes only and may be accepted in quantities limited to the amount necessary for their evaluation and review.

Premiums

Premiums, incentives and other awards given by suppliers will be considered the property of the company. Any premium received by an associate should be turned over to the company. Associates who win contests or drawings sponsored by a supplier must notify their operating unit or department vice president, who will determine if the result appears improperly to influence associates in favor of the sponsor. If it does not, the associate may keep the prize but must report it if worth \$50 or more.

Disposition

If an associate receives a gift and does not wish or have approval to keep it, the associate may choose to return it to the supplier or turn it over to the company. Gifts turned over to the company should be provided to, or disposed of as approved by, the Corporate Affairs department or other department designated by the location's executives, for use in connection with company-sponsored or approved charitable events. Perishable gifts should be shared with other associates.

Outings and Meetings

From time to time associates receive invitations to attend special events that usually involve similar offers to large numbers of people from other companies. Examples of such events are supplier-sponsored golf or other outings and advisory council and other meetings. In addition, associates may be offered a supplier-paid trip to visit a supplier or attend training or other educational event. Associates who feel that it would be in the best interests of the company to accept such invitations must obtain prior approval from their immediate supervisor. If the invitations involve air travel or overnight stays, the associate must obtain the advance approval of the operating unit President or responsible corporate officer. Consideration should be given to whether such attendance would advance the interests of the company. Reimbursement of expenses by the company may be appropriate and should be considered. If the amount paid by the supplier is \$50 or more, the event is subject to the reporting obligations.

Trade Association Functions

Associates are not required to obtain prior approval or report supplier-sponsored meals and entertainment received in connection with a trade or professional association seminar or other event if the meals and entertainment are made available to all attendees and the supplier was not solicited by the associate.

Corporate Events

Large company events (e.g. department meetings or entertainment events) that are paid for, in whole or in part, by a supplier require the prior approval of the corporate or operating unit controller, an operating unit President or corporate officer. In addition, the senior associate involved with any supplier-sponsored company event must report the event in response to the annual questionnaire.

Approval

Associates may not accept gifts that have a value of \$250 or more without the prior written approval of their operating unit or department vice president or, in the case of vice presidents and above, of their manager. The value of a gift is determined by the market value of the gift (not the face value) and, in the case of entertainment or other events, consists of the accumulation of everything enjoyed at the event. When approving gifts, executives should assess the business purpose of the gift, whether receipt of the gift is in the best interest of the company, and whether receipt of the gift might appear to compromise the associate's decisions relating to that supplier.

Reporting

Each year associates are asked to submit annual statements listing gifts, including meals, entertainment and services, that they have accepted. All gifts from a supplier valued at or over \$50 that have been accepted, on behalf of themselves or the company, should be reported at that time, whether previously disclosed or approved or not. This report allows the company to promote consistency, provide guidance, and help ensure compliance with applicable policies and laws. Even though formal reporting is on an annual basis, associates should regularly inform their department or operating unit vice president of all gifts of \$50 or more received from a supplier, whether kept or turned over to the company. Vice presidents and above should provide the same to their manager. Executives receiving this information should ensure acceptance of all gifts is appropriate.

Violations

Violation of this policy, including the reporting requirements, may result in disciplinary action, up to and including termination. The reporting obligations under the Kroger Policy on Business Ethics also apply to this policy, including associate suspicions of possible improper conduct by any associate or supplier.

Company Assistance

Associates are encouraged to direct questions about this policy or about specific situations to their direct supervisors or department head. Questions, concerns, and violations of this policy may also be reported using the Kroger Helpline – a toll-free number (800-689-4609), email address (helpline@kroger.com), and website (www.Ethicspoint.com) for the submission of concerns. Users of the Kroger Helpline may choose to remain anonymous.

The Kroger Co.

Policy on Securities Trading

Statement of policy

No director or associate may buy or sell securities of the company if that person has material, nonpublic information relating to the company. Directors, officers, and certain other associates also are prohibited from trading in Kroger securities during a “Blackout Period,” as described below. A person who has entered into a “Trading Plan” (also described below) that is approved by the Law Department may trade in securities of the company during a blackout period or even when that person is in possession of material, nonpublic information, provided that the trading activity is strictly pursuant to the terms of the Trading Plan. In addition to the trading restrictions, no director or associate may use any material, nonpublic information, or divulge that information to others, except as required by the legitimate business of the company or otherwise permitted by rules or regulations of the SEC as determined in consultation with the Law Department. The same policy applies to material, nonpublic information about any other company, including our competitors and suppliers, obtained in the course of employment with the company.

Important Terms

Material information is any information that a reasonable investor would consider important in a decision to buy, hold or sell a security. Any information that, upon its release to the public, reasonably could be expected to affect the price of the security will be deemed material information. By way of example, information about the following likely would be considered material: earnings or losses; sales; a pending or proposed merger, acquisition, tender offer, significant sale of assets or other major transaction; changes in the company's dividend policy or the declaration of a stock split or securities offering; restructuring of the company's debt or renegotiation of the company's credit agreement; impending bankruptcy or financial illiquidity. Information about the foregoing may be material whether favorable or unfavorable.

Transactions by your family members and others living in your household are subject to the same restrictions. Directors and associates are responsible to ensure that members of their household comply with this policy.

Material information is public after the company has made a public announcement or release, but trading in securities immediately thereafter often does not give the market sufficient time to absorb the information. Directors and associates should not engage in transactions until the next business day following the release of information. For example, trading would be permissible on a Tuesday following a Monday release, or on a Monday following a Friday release.

Trading in securities means the acquisition or disposition of common shares of the company, including open market purchases and sales, transfers of assets into or out of company shares within an associate benefit plan (such as a 401(k) plan or a stock purchase plan), and “cashless” exercises of stock options.

Blackout Periods

All individuals who reasonably are likely to come into possession of material nonpublic information regarding Kroger's financial performance are prohibited from trading in Kroger securities beginning on the first day of the last accounting period of each fiscal quarter and ending on the business day after the company publicly releases its earnings for that quarter. These individuals include:

- all executive officers;
- all members of Kroger's Board of Directors;
- all other executives (i.e., those above pay Level 13);
- those individuals who receive sales or earnings information for the entire company in advance of its public release or who have access to that information; and
- any other individual who is notified in writing by the company that he or she is not permitted to trade during Blackout Periods.

Pre-Clearance

Individuals who are subject to the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934 (including all executive officers and all members of Kroger's Board of Directors) must contact the General Counsel or the General Counsel's designee and obtain approval prior to trading in Kroger securities.

Trading Plans

The securities laws provide for the establishment of trading plans, under the SEC's Rule 10b5-1, that permit trading in securities even when trading otherwise would be prohibited. A person covered by this policy may trade in securities during a blackout period or during other periods, even when in possession of material, nonpublic information, under a Trading Plan that meets the following criteria:

- the plan must be in writing;
- the plan must be established when a person does not have material nonpublic information;
- the plan cannot be amended or terminated during a blackout period or when a person is in possession of material nonpublic information; and
- trades must be made strictly in accordance with the terms of the plan.

Trading Plans cannot be established, amended or terminated without the prior approval of the General Counsel or the General Counsel's designee. Trading Plans must provide for an interval of at least 30 days between the establishment or modification of the plan and any transaction under the plan.

Hedging and Pledging

Directors and executive officers are prohibited from directly or indirectly engaging in hedging or monetization transactions utilizing Kroger securities or through the use of financial instruments designed for those purposes or engaging in short sale transactions in Kroger's securities. In addition, directors and executive officers are prohibited from pledging Kroger securities as collateral for a loan, including through the use of traditional margin accounts with brokers.

Penalties

The company may impose sanctions, including discharge from employment, for any violation of this policy. In addition, severe penalties and other consequences may be imposed under various laws. Private civil actions, actions by the SEC and criminal prosecution may result in the imposition of potentially ruinous damages, fines or imprisonment.

Company assistance

Questions about this policy or about any specific transaction should be directed to the General Counsel or the General Counsel's designee. Associates are urged to review even arguably questionable circumstances in advance of any transaction. In the case of any doubt regarding the applicability of this policy, associates are urged to consult with the General Counsel or the General Counsel's designee prior to trading. Ultimate responsibility for compliance, however, rests with the individual.

The Kroger Co.

Policy Concerning Sexual Harassment And Other Forms Of Harassment

Philosophy

The Kroger Co. is committed to a workplace free from unlawful discrimination, which includes sexual harassment and other forms of harassment because of one's race, color, religion, gender, national origin, age, disability, sexual orientation, or gender identity.

Any form of harassment undermines the company's insistence upon associate integrity, and is considered serious misconduct. No associate, either male or female, should be subjected to offensive conduct or innuendo, either verbal or physical, from co-workers, supervisors, customers or vendors.

All associates have a responsibility to maintain the workplace free of harassment and to report such misconduct when it occurs, just as any form of unlawful discrimination should be reported.

Policy

Proven sexual harassment, or harassment because of an individual's race, color, religion, gender, national origin, age, disability, sexual orientation, or gender identity, will result in discipline up to and including discharge from employment.

Sexual harassment is defined as:

Unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct if (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Examples of sexual harassment include the following:

- conditioning promotion, demotion, performance evaluations and the like upon submission to sexual favors;
- touching that is unwanted, uninvited or offensive;
- displaying sexually suggestive or explicit material, pictures or cartoons;
- relating sexually suggestive or explicit stories or "jokes;" and
- making sexually suggestive or explicit gestures.

Harassment because of one's race, color, religion, gender, national origin, age, disability, sexual orientation, or gender identity is defined as:

Verbal or physical conduct that (1) denigrates or shows hostility or aversion toward an individual because of his/her race, color, religion, gender, national origin, age, disability, sexual orientation, or gender identity, or that of the individual's relatives, friends or associates, and (2) has the purpose or effect of creating an offensive work environment, unreasonably interferes with an individual's work performance, or otherwise adversely affects an individual's work performance.

Examples of such harassment include the following:

- making derogatory ethnic or racial statements, or belittling one's religion or religious practices;
- perpetuating stereotypes about one's age, gender, etc. ("You're too old to change your ways", "This is women's work;")
- refusing to assist an associate or customer because of his/her race, gender, etc.; and
- disparaging the sexual orientation or gender identity of an associate, his/her associates, or a customer.

Reporting and investigation procedure for sexual harassment and other forms of harassment

If you believe that you are being sexually harassed by a co-worker, supervisor, customer or vendor, or if you believe you are being harassed by a co-worker, supervisor, customer or vendor because of your race, color, religion, gender, national origin, age, disability, sexual orientation, or gender identity, you should take these steps:

- 1) Firmly and clearly tell the person who is harassing you that his or her behavior is unwelcome and should stop at once. If possible, take a witness to this discussion. Write a statement about the incident and what you did to stop it, including dates, times and places. This statement will be helpful if the harassment continues and the company needs to investigate. If you are uncomfortable with telling the person who is harassing you to stop, then proceed to the reporting procedure below.
- 2) Report the incident to your immediate supervisor, another member of management, any person in the Human Resources Department, the President, General Manager, Distribution Manager, or call the Kroger Helpline at 1-800-689-4609 or email your concerns to (helpline@kroger.com). Your report should be as specific as possible, including the name of the person who is harassing you, a description of the conduct and the effect that conduct is having on your working conditions and work performance, and the names of any witnesses who could assist in the investigation.

All claims of harassment will be investigated promptly and will be handled professionally and as confidentially as circumstances permit. Your further participation in the investigation may be necessary, and you will be informed of the outcome. The company will not tolerate

reprisals or retaliation against persons reporting alleged harassment or anyone participating in the investigation of the alleged harassment.

THE KROGER CO.
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