



THE KROGER CO. • LAW DEPARTMENT • 1014 VINE STREET • CINCINNATI, OHIO 45202-1100

STACEY M. HEISER
SENIOR COUNSEL

EMAIL: STACEY.HEISER@KROGER.COM
TELEPHONE: 513-762-1018

February 20, 2015

VIA E-MAIL (shareholderproposals@sec.gov)
and FEDEX OVERNIGHT
U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, DC 20549

Re: The Kroger Co. Shareholder Proposal of Calvert Investment Management, First Affirmative Financial Network, LLC and Glenmary Home Missioners Request for No-Action Pursuant to Rule 14a-8(i)(7)

Ladies and Gentlemen:

This letter is to inform you that The Kroger Co. (the "Company") intends to omit from its proxy statement and form of proxy for its 2015 Annual Meeting of Shareholders (the "2015 Proxy Materials") a shareholder proposal (the "Proposal") and statements in support thereof (the "Supporting Statements") submitted by co-proponents Calvert Investment Management, Inc., First Affirmative Financial Network, LLC and Glenmary Home Missioners (the "Proponents").

In accordance with Rule 14a-8(j) under Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), six (6) paper copies of this letter are being submitted not less than eighty (80) days before the Company intends to file the 2015 Proxy Materials with the U.S. Securities and Exchange Commission (the "Commission").

A copy of this letter and its attachments are simultaneously being mailed to the Proponents to inform them that the Company intends to exclude the Proposal. Pursuant to Staff Legal Bulletin No. 14D (CF) "Shareholder Proposals" (Nov. 7, 2008), question C, we have also submitted this letter to the Commission via email to shareholderproposals@sec.gov.

The Company intends to file and make available to shareholders its Proxy Materials available on or about May 13, 2015. The Company's Annual Meeting of Shareholders is scheduled to be held

on June 25, 2015. The Company intends to file definitive copies of the Proxy Materials with the Commission at the same time the Proxy Materials are first made available to shareholders.

THE PROPOSAL

The Proposal consists of eight “whereas” clauses followed by the resolution set forth below:

THEREFORE, BE IT RESOLVED that the shareholders urge the Board of Directors take all necessary steps to join the Fair Foods Program, as promptly as feasible, to protect and enhance consumer and investor confidence in the Kroger brand related to the purchase of domestic produce, and the Board should prepare, at a reasonable cost and omitting proprietary information, a report to shareholders and the public concerning the implementation of this Resolution.

The Proposal “urge[s] the Board of Directors [to] take all necessary steps to join the Fair Food Program,” which will require the Company to enter into an agreement with the Coalition of Immokalee Workers pursuant to which the Company must, among other things, purchase Florida tomatoes only from growers that comply with the Fair Food Code of Conduct. *See* www.fairfoodprogram.org.

A copy of the Proposal and Supporting Statements from each of the Proponents is appended hereto as Exhibits A, B and C.

BASIS FOR EXCLUSION

We hereby respectfully request that the staff of the Division of Corporation Finance (the “Staff”) concur in our view that the Proposal may be excluded from the Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal relates to the Company’s ordinary business operations.

BACKGROUND OF THE COMPANY

The Kroger Co. is one of the world’s largest grocery retailers, with fiscal 2013 sales of \$98.4 billion. The Kroger Co. Family of Stores spans many states in the United States with store formats that include grocery and multi-department stores, discount, convenience stores and jewelry stores. The Company operates under nearly two dozen banners, all of which share the same belief in building strong local ties and brand loyalty with its customers.

In order to meet the needs of its customers, the Company selects, negotiates and contracts with approximately 35,000 suppliers. With respect to tomatoes alone, the Company selects, negotiates and contracts with approximately 40 suppliers. As a result of the number, variety and complexity of these supplier relationships, the Company regularly analyzes its suppliers and considers ways to mitigate risk, and increase efficiency, of its supply chain. The Company places considerable importance on forging strong supplier partnerships. The Company’s suppliers, large or small, are essential components in accomplishing its mission.

Furthermore, the Company's day-to-day relationships with its suppliers are governed in part by the Company's comprehensive code of conduct that is applicable to those that furnish goods and services to the Company and its contractors. The code of conduct requires suppliers to, among other things, comply with all applicable labor laws and regulations and that wages meet or exceed legal and industry standards, and also prohibits, among other things, exposing workers to unreasonably hazardous, unsafe or unhealthy conditions. The Company's code of conduct prohibits those that do business with the Company from engaging in the type of conduct of concern to the Proponents. As a result, those that violate the Company's code of conduct will not be permitted to do business with the Company until they comply.

ANALYSIS

Rule 14a-8(i)(7) permits a registrant to omit from its proxy materials a shareholder proposal that "deals with a matter relating to the company's business operations." According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" "refers to matters that are not necessarily 'ordinary' in the common meaning of the word," but instead the term "is rooted in the corporate law concept providing management with the flexibility in directing certain core matters involving the company's business and operations." See Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"). In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is to "confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." Two central considerations that underpin this policy are addressed in the 1998 Release. First, the Commission analyzes whether the tasks addressed by the shareholder proposal are "so fundamental to a management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." Second, the Commission examines "the degree to which the proposal seeks to 'micromanage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *Id.* (citing Exchange Act Release No. 12999 (Nov. 22, 1976).

***The Proposal is Excludable Under Rule 14a-8(i)(7) Because it
is Fundamental to Management's Ability to Run the Day-to-Day Operations of the Company
and Seeks to Micro-Manage the Company***

In the 1998 Release, the Commission included supplier relationships as an example of an ordinary business matter excludable under Rule 14a-8(i)(7) citing the following as fundamental tasks of management "the management of the workforce, such as the hiring, promotion of termination of employees, decisions on production quality and quantity, and the retention of suppliers." (emphasis added) Although the Proposal is couched in precatory terms, it ultimately seeks to compel the Company to engage with only those suppliers that the Proponents support and promote, directly affects the Company's ordinary business operations and "micromanages" the Company by enabling shareholders to dictate the Company's relationships with its tomato suppliers in Florida and therefore is clearly subject to exclusion under Rule 14a-8(i)(7). As such, the Proposal infringes on the Board's and management's ability to control the day-to-day operations of the Company and thus it is excludable as ordinary business.

Supplier Relationships are Fundamental to the Company's Day-to-Day Operations

The Staff has consistently concurred that proposals relating to supplier relationships may be excluded on the basis of Rule 14a-8(i)(7) because they relate to ordinary business operations. For example, in response to a no-action letter request from Kraft Foods Inc., the Staff noted that “proposals concerning decisions relating to supplier relationships are generally excludable under Rule 14a-8(i)(7).” See *Kraft Foods* (January 6, 2012) (concurring that there was a basis for exclusion with respect to a shareholder proposal calling for a report assessing water risk to its agricultural supply chain and the action the Board will take to mitigate its impact on shareholder value). Moreover, in *International Business Machines Corp.* (December 29, 2006), a shareholder proposal sought to have IBM update its evaluation process for the selection of suppliers. In its response, the Staff noted that the proposal related to IBM’s business operations and, specifically, the “decisions relating to supplier relationships” and granted relief to IBM on the basis of Rule 14a-8(i)(7). In *The Southern Co.* (January 19, 2011), the Staff concurred with the exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company “strive to purchase a very high percentage” of “Made in USA” goods and services on the grounds that it related to “decisions relating to supplier relationships.” See also *Spectra Energy Corp.* (September 10, 2010, recon. denied October 25, 2010) (same); *Alaska Air Group, Inc.* (March 8, 2010) (concurring in the exclusion of a proposal requesting a report on contract repair facilities as relating to “decisions relating to vendor relationships”); *Continental Airlines, Inc.* (March 25, 2009) (concurring in the exclusion of a proposal requesting a policy on contract repair stations as relating to “decisions relating to vendor relationships”); and *PepsiCo, Inc.* (February 11, 2004) (concurring in the exclusion of a proposal concerning the company’s relationships with different bottlers as relating to “decisions relating to vendor relationships”). This Proposal is a more serious intrusion into management’s right to control the retention of suppliers than some of the precedents cited above because rather than simply seeking a report on supplier practices, the Proposal seeks to direct the Company on which tomato suppliers to use in Florida and limit the participants in the Company’s supply chain, thereby impinging upon the day-to-day operations of the Company. In addition, it should be noted that participation in the Fair Foods Program would require the Company to incur a premium on top of any price negotiated with approved suppliers under such program, thereby interfering with the Company’s ability to independently negotiate rates with its suppliers. See Exhibit D (Fair Food Code of Conduct and Selected Guidance).

Investor Confidence and Risk Concerns Do Not Prevent the Proposal from Being Excluded

The Proposal focuses on the importance of consumer and investor confidence and the Company’s brand. However, brand value and risk as justifications for micromanaging a company’s ordinary decisions in relation to its suppliers will not in and of itself provide a sufficient basis to avoid exclusion by the Staff. In *Dean Foods* (March 9, 2007, recon. denied March 22, 2007), shareholders requested that an independent committee review the company’s policies and procedures and report on the adequacy of such policies and procedures to protect the company’s organic dairy brands and its reputation with organic food consumers and address consumer and media criticism of dairy production and sourcing practices. Though focused on brand image and brand value, central to the proposal was “micromanagement” of the company’s

process and procedures relating to the production and marketing of organic milk, and as a result, the Staff concurred in the exclusion based on Rule 14a-8(i)(7). Furthermore, the evaluation of risk related to damage to reputation is a fundamental part of ordinary business operations, and is best left to management and the board of directors. *See General Electric Company* (January 13, 2006) (concurring that the company could exclude a shareholder proposal seeking a report on the “risk of damage to GE’s brand name and reputation” as a result of decisions to “send manufacturing and service work to other countries”); *Newmont Mining Corp.* (February 4, 2004) (proposal requesting a report on the risk to the company’s operations, profitability and reputation from its social and environmental liabilities was excludable on the basis that it pertained to the “evaluation of risk”). The Proposal, which aims to “protect and enhance consumer and investor confidence in the Kroger brand with respect to domestic produce” by requiring the Company join the Fair Food Program, is a clear example of micromanagement that restricts the suppliers with which the Company can engage and prevents the Company from negotiating rates with its suppliers.

The Proposal Does Not Transcend Ordinary Business Operations

The Company is aware of the Staff’s position concerning the inclusion of shareholder proposals that relate “sufficiently to significant social policy issues” that “transcend day to day business matters of the Company” and therefore may not be excludable under Rule 14a-8(i)(7). *See* Staff Legal Bulletin No. 14E (CF) “Shareholder Proposals” (October 27, 2009), question B. However, it is important to note that the mere fact that the Proposal is tied to a social issue does not overcome the fact that the Proposal deals with tasks that are fundamental to management’s ability to run the Company on a day-to-day basis and seeks to “micro-manage” the Company by probing too deeply into business decisions and relationships upon which shareholders are not equipped to render decisions. *See* Pfizer (January 28, 2005) (proposal prohibiting the company from making donations which contribute to animal testing was excludable); *Petsmart* (March 24, 2011) (proposal that would have required suppliers to certify that they have not violated certain federal legislation and state law equivalents relating to the treatment of animals was determined by the Staff to be excludable, holding that although the human treatment of animals is a significant policy issue, the scope of the laws covered by the proposal was too broad such that it becomes too far removed from the Company’s control to be a proper focus of the proposal). The Proposal at issue is limited in focus to the narrow segment of workers to which the Fair Foods Program applies, namely the tomato farm workers in Florida. With respect to the scope of the Company’s agricultural supply chain, the social issues raised by the Proposal, including workers’ rights and labor standards, would not transcend the ordinary business operations of the Company nor raise policy issues so significant that they would be appropriate for a shareholder vote. *See* 1998 Release. Instead, the Proposal seeks to control the Company’s selection of suppliers. To allow shareholders to dictate who the Company may retain as a supplier and how much to pay a supplier would substitute their opinion for the judgment of the Company’s board of directors and management. This judgment is precisely the type that Rule 14a-8(i)(7) is intended to address.

CONCLUSION

The Proposal is directly related to the Company's ordinary business operations of managing its relationships with suppliers. As one of the largest grocery retailers in the world, the Company contracts with approximately forty suppliers in connection with the purchase of tomatoes for its stores. The Company selects its suppliers based on the type of tomatoes its customers want. The Company chooses suppliers who meet those needs and considers a variety of factors in choosing a supplier, including, but not limited to, food safety record, quality, quantity, reliability, seasonality, the price of tomatoes, and compliance with the Company's code of conduct. It is essential that the Company is able to choose the suppliers that meet the Company's requirements and standards. The reliability of the Company's supply chain is key critical to its operations and business. The failure of a supplier to meet its commitments could result in a negative impact on the Company. If enrolled in the Fair Food Program, the Company would no longer be able to choose its tomato suppliers in the State of Florida or have confidence in the reliability of the supply chain. Management of the Company's supplier relationships is a critical part of the Company's day-to-day business. Consequently, the Proposal may be excluded pursuant to Rule 14a-8(i)(7) because it relates to the Company's ordinary business operations, specifically, decisions relating to the Company's supplier relationships.

Based on the foregoing analysis, we respectfully request that the Staff concur that it will not recommend enforcement action to the Commission if the Company excludes the Proposal from its 2015 Proxy Materials. We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject.

If the Company can be of any further assistance in this matter, please do not hesitate to call me at 513-762-1018 or Lyuba Goltser, Weil, Gotshal & Manges LLP at 212-310-8048.

Sincerely,



Stacey M. Heiser

CC: Lyuba Goltser
Calvert Investment Management, Inc.
First Affirmative Financial Network, LLC
Glenmary Home Missioners



First Affirmative
Financial Network, LLC

Investing for a Sustainable Future

December 17, 2014

Christine Wheatley
Secretary and General Council
The Kroger Company
1014 Vine Street
Cincinnati, OH 45202

RECEIVED
DEC 29 2014

KROGER LAW DEPT.

Dear Ms. Wheatley,

First Affirmative Financial Network, LLC is a United States based investment management firm with approximately \$945 million in assets under management. We hold shares of The Kroger Company on behalf of clients who ask us to integrate their values with their investment portfolios.

First Affirmative is co-filing the enclosed resolution with regard to the Fair Food Program on behalf of our client, Mary H. DuPree. We are co-filing this resolution with lead filer Calvert Investments and authorize the lead filer to act on our behalf, to include withdrawing the resolution. We support the inclusion of this proposal in the 2015 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8).

Per Rule 14a-8, Ms. DuPree holds more than \$2,000 of The Kroger Company common stock, acquired more than one year prior to the date of this filing and held continuously for that time. She intends to remain invested in this position continuously through the date of the 2015 annual meeting. Verification of ownership will be forwarded under separate cover by DTC participant custodian Folio Institutional (FOLIO^{fn} Investments, Inc.). The lead filer will send a representative to the stockholders' meeting to move the shareholder proposal as required by SEC rules.

Please confirm receipt of this document and direct correspondence to:

Holly A. Testa, Director, Shareowner Engagement
hollytesta@firstaffirmative.com / 303-641-5190

Sincerely,

Steven J. Schueth
President

Enclosures: Resolution, Client Authorization Letter

Join the Fair Food Program

2015: Kroger Co.

WHEREAS, we believe Kroger purchases significant amounts of produce, such as tomatoes, and

WHEREAS, there is increasing public awareness and media coverage of modern-day slavery, sweatshop conditions, and abuses that many agricultural workers face, and

WHEREAS, the United States Department of Justice has successfully prosecuted numerous cases of modern-day slavery in the U.S. agricultural industry since 1996, including in tomatoes, and involving more than 1,000 workers (see, for example, *United States v. Ramos*; *United States v. Lee*; *United States v. Flores*; *United States v. Cuello*; *United States v. Navarrete*), and

WHEREAS, we believe violations of human rights in Kroger's supply chain can lead to public protests, a loss of consumer confidence that can have a negative impact on shareholder value, and damage to the Kroger brand, and

WHEREAS, we believe Kroger's current vendor Code of Conduct is inadequate to protect the Kroger brand, as it is based heavily on compliance with the law, and U.S. agricultural workers are excluded from many labor laws that apply to other U.S. workers (for example, National Labor Relations Act of 1935, 29 U.S.C. § 151 et seq.; and many provisions of the Fair Labor Standards Act of 1938, 29 U.S.C. § 201, 213), and

WHEREAS, there exists an internationally recognized program (the Fair Food Program) that is based on strict compliance with a human rights-based code of conduct and prevents forced labor of any type, protects workers from discrimination and sexual harassment, provides growers within the Program with state of the art risk management, and protects the brands of participating companies, and

WHEREAS, several of Kroger's direct competitors in the supermarket industry, of both lesser and greater scale, have already joined the Fair Food Program and therefore stand to gain a competitive advantage over Kroger in terms of enhancing and protecting their brands so as to maintain consumer and investor confidence, and

WHEREAS, in our opinion as shareholders, enforceable human rights codes of conduct are essential if consumer and investor confidence in our company's commitment to human rights is to be maintained and enhanced,

THEREFORE, BE IT RESOLVED that the shareholders urge the Board of Directors take all necessary steps to join the Fair Food Program, as promptly as feasible, to protect and enhance consumer and investor confidence in the Kroger brand related to the purchase of domestic produce, and the Board should prepare, at a reasonable cost and omitting proprietary information, a report to shareholders and the public concerning the implementation of this Resolution.

December 11, 2014

Mary H. DuPree

FISMA & OMB Memorandum M-07-16

Christine Wheatley
Secretary and General Council
The Kroger Company
1014 Vine Street
Cincinnati, OH 45202

RE: Shareholder Proposal Regarding Fair Food Program

Dear Ms. Wheatley:

I hereby authorize First Affirmative Financial Network, LLC to co-file a resolution on my behalf with The Kroger Company (Kroger) addressing sustainability reporting. I own approximately 76 shares of Kroger and have held shares worth more than \$2,000 for at least one year as of the filing date of this resolution. I intend to hold at least \$2,000 of these shares in the company through the date of the annual meeting in 2015.

Verification of ownership will be sent under separate cover by Folio Institutional (FOLIOfn Investments, Inc).

I specifically give First Affirmative Financial Network, LLC full authority to deal, on my behalf, with all aspects of this shareholder resolution. I understand that my name may appear on the proxy statement as a filer of this shareholder resolution.

Sincerely,

A handwritten signature in cursive script that reads "Mary H DuPree". The signature is written in black ink and is positioned above the typed name.

Mary H. DuPree

December 22, 2014

Christine Wheatley
Secretary and General Council
The Kroger Company
1014 Vine Street
Cincinnati, OH 45202

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DEC 29 2014
KROGER LAW DEPT.

RE: Shareholder Proposal Regarding Fair Food Program

Dear Ms. Wheatley:

Foliofn Investments, Inc. serves as the corporate custodian and is the record holder for 76 shares of common stock of The Kroger Company ("Company") for the benefit of Mary H. DuPree.

This account has been the beneficial owner of at least 1% or \$2,000 in aggregate market value of the Company's common stock continuously for at least one year prior to the date of the shareholder proposal submitted by First Affirmative Financial Network, LLC on December 17, 2014 on behalf of the Mary H. DuPree pursuant to Rule 14a-8 of the Securities and Exchange Commission.

This account continues to hold the above referenced shares of the Company's common stock as of the date hereof.

Sincerely,



Bill Davis
VP Customer Service
Foliofn Investments, Inc.
8180 Greensboro Drive
8th Floor
McLean, VA 22102
davis@folioinvesting.com
T: 703-245-4804

Foliofn Investments, Inc. is a Depository Trust Company (DTC)



GLENMARY

HOME MISSIONERS

P.O. Box 465618 513.874.8900 phone
 Cincinnati, OH 513.874.1690 fax
 45246-5618 info@glenmary.org

December 19, 2014

Paul W. Heldman
 Executive Vice President, Secretary and General Counsel
 The Kroger Company
 1014 Vine Street
 Cincinnati, Ohio 45202-1100

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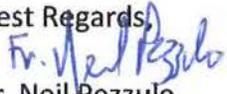
KROGER LAW DEPT.

Dear Mr. Heldman:

The Glenmary Home Missioners (Home Missioners of America–Society fund) has long been concerned not only with the financial returns of its investments, but also with the social and ethical implications of its investments. We believe that a demonstrated corporate responsibility in matters of the environment, social and governance concerns fosters long term business success. The Home Missioners of America–Society Fund, a long term investor, is currently the beneficial owner of share of the Kroger Company.

As shareholders, we are filing the enclosed resolution requesting that the Board of Directors take all necessary steps to join the Fair Food Program as promptly as feasible for the purpose of protecting and enhancing customer and investor confidence in the Kroger brand as it relates to the purchase of domestic produce. The Board should also prepare a report at reasonable cost to shareholder and the public concerning the implementation of this resolution.

The Home Missioners of America–Society Fund is co-filing the enclosed shareholder proposal for inclusion in the 2015 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. The primary filer for this resolution is the Calvert Investment Management, Inc .and is authorized to withdraw the resolution on our behalf. The Home Missioners of America- Society Fund has been a shareholder continuously for more than one year holding at least \$2000 in market value and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholder' meeting. The verification of ownership will be sent separately by our custodian.

Best Regards,

 Fr. Neil Pezzulo
 1st Vice President

**Join the Fair Food Program
2015 – Kroger Co.**

WHEREAS, we believe Kroger purchases significant amounts of produce, such as tomatoes, and

WHEREAS, there is increasing public awareness and media coverage of modern-day slavery, sweatshop conditions, and abuses that many agricultural workers face, and

WHEREAS, the United States Department of Justice has successfully prosecuted numerous cases of modern-day slavery in the U.S. agricultural industry since 1996, including in tomatoes, and involving more than 1,000 workers (see, for example, *United States v. Ramos*; *United States v. Lee*; *United States v. Flores*; *United States v. Cuello*; *United States v. Navarrete*), and

WHEREAS, we believe violations of human rights in Kroger's supply chain can lead to public protests, a loss of consumer confidence that can have a negative impact on shareholder value, and damage to the Kroger brand, and

WHEREAS, we believe Kroger's current vendor Code of Conduct is inadequate to protect the Kroger brand, as it is based heavily on compliance with the law, and U.S. agricultural workers are excluded from many labor laws that apply to other U.S. workers (for example, National Labor Relations Act of 1935, 29 U.S.C. § 151 et seq.; and many provisions of the Fair Labor Standards Act of 1938, 29 U.S.C. § 201, 213), and

WHEREAS, there exists an internationally recognized program (the Fair Food Program) that is based on strict compliance with a human rights-based code of conduct and prevents forced labor of any type, protects workers from discrimination and sexual harassment, provides growers within the Program with state of the art risk management, and protects the brands of participating companies, and

WHEREAS, several of Kroger's direct competitors in the supermarket industry, of both lesser and greater scale, have already joined the Fair Food Program and therefore stand to gain a competitive advantage over Kroger in terms of enhancing and protecting their brands so as to maintain consumer and investor confidence, and

WHEREAS, in our opinion as shareholders, enforceable human rights codes of conduct are essential if consumer and investor confidence in our company's commitment to human rights is to be maintained and enhanced,

THEREFORE, BE IT RESOLVED that the shareholders urge the Board of Directors take all necessary steps to join the Fair Food Program, as promptly as feasible, to protect and enhance consumer and investor confidence in the Kroger brand related to the purchase of domestic produce, and the Board should prepare, at a reasonable cost and omitting proprietary information, a report to shareholders and the public concerning the implementation of this Resolution.

Wealth Management
7755 Montgomery Road
Suite 200
Cincinnati, OH 45236
tel 513 762 5200
fax 513 762 5201
toll free 800 543 2665

Morgan Stanley

December 22, 2014

Mr. Paul W. Heldman
Executive Vice President
Secretary and General Counsel
Kroger Company
1014 Vine Street
Cincinnati, OH 45202

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DEC 29 2014

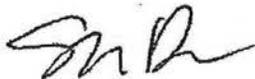
KROGER LAW DEPT.

Dear Mr. Heldman:

The purpose of this letter is to state and clarify the ownership of Kroger stock by The Home Missioners of America. As of December 19, 2014 The Home Missioners of America Society Fund owns 250 shares of Kroger stock with an approximate value of \$16,090. The Stock was originally purchased on June 12, 2012 and the intention is to hold the stock for the long term.

If you should have any questions, please feel free to give me a call. I can be reached directly at 513-762-5210.

Sincerely,



Stephen J. Renie
Senior Vice President
Portfolio Manager

**THE INFORMATION CONTAINED HEREIN
HAS BEEN OBTAINED FROM SOURCES
BELIEVED RELIABLE, BUT THE
ACCURACY OF THE INFORMATION
CANNOT BE GUARANTEED.**



December 15, 2014

Paul W. Heldman
Executive Vice President, Secretary and General Counsel
The Kroger Company
1014 Vine Street
Cincinnati, Ohio 45202-1100

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DEC 17 2014

KROGER LAW DEPT.

Dear Mr. Heldman:

Calvert Investment Management, Inc. ("Calvert"), a registered investment advisor, provides investment advice for the 40 mutual funds sponsored by Calvert Investments, Inc. As of December 12, 2014, Calvert had over \$13.2 billion in assets under management.

The Calvert VP S&P 500 Index Portfolio ("Fund") is the beneficial owner of at least \$2,000 in market value of securities entitled to be voted at the next shareholder meeting (supporting documentation enclosed). Furthermore, the Fund has held these securities continuously for at least one year, and the Fund intends to continue to own the requisite shares in the Company through the date of the 2015 annual meeting of shareholders.

We are notifying you, in a timely manner, that the Fund is presenting the enclosed shareholder proposal for vote at the upcoming stockholders meeting. We submit it for inclusion in the proxy statement in accordance with Rule 14a-8 under the Securities Exchange Act of 1934 (17 C.F.R. § 240.14a-8).

As long-standing shareholders, we are filing the enclosed resolution requesting that the Board of Directors take all necessary steps to join the Fair Food Program as promptly as feasible for the purpose of protecting and enhancing customer and investor confidence in the Kroger brand as it relates to the purchase of domestic produce. The Board should also prepare a report at reasonable cost to shareholders and the public concerning the implementation of this resolution.

If prior to the annual meeting you agree to the request outlined in the resolution, we believe that this resolution would be unnecessary. Please direct any correspondence to Emily Kaiser, Esq., at 301-961-7457, or contact her via email at emily.kaiser@calvert.com.

We appreciate your attention to this matter and look forward to working with you.

Sincerely,

A handwritten signature in blue ink that reads "Ivy Wafford Duke".

Ivy Wafford Duke
Vice President and Assistant Secretary, Calvert Variable Products, Inc.
Deputy General Counsel and Assistant Secretary, Calvert Investment Management, Inc.

Enclosures:

Resolution text ¶¶
State Street letter

Cc: Bennett Freeman, Senior Vice President for Social Research and Policy, Calvert Investment Management, Inc.

Stu Dalheim, Vice President, Shareholder Advocacy, Calvert Investment Management, Inc.

Ellen Kennedy, Manager, Environment, Water and Climate Change, Calvert Investment Management, Inc.

Emily Kaiser, Esq., Sustainability Analyst, Calvert Investment Management, Inc.

**Join the Fair Food Program
2015 – Kroger Co.**

WHEREAS, we believe Kroger purchases significant amounts of produce, such as tomatoes, and

WHEREAS, there is increasing public awareness and media coverage of modern-day slavery, sweatshop conditions, and abuses that many agricultural workers face, and

WHEREAS, the United States Department of Justice has successfully prosecuted numerous cases of modern-day slavery in the U.S. agricultural industry since 1996, including in tomatoes, and involving more than 1,000 workers (see, for example, *United States v. Ramos*; *United States v. Lee*; *United States v. Flores*; *United States v. Cuello*; *United States v. Navarrete*), and

WHEREAS, we believe violations of human rights in Kroger's supply chain can lead to public protests, a loss of consumer confidence that can have a negative impact on shareholder value, and damage to the Kroger brand, and

WHEREAS, we believe Kroger's current vendor Code of Conduct is inadequate to protect the Kroger brand, as it is based heavily on compliance with the law, and U.S. agricultural workers are excluded from many labor laws that apply to other U.S. workers (for example, National Labor Relations Act of 1935, 29 U.S.C. § 151 et seq.; and many provisions of the Fair Labor Standards Act of 1938, 29 U.S.C. § 201, 213), and

WHEREAS, there exists an internationally recognized program (the Fair Food Program) that is based on strict compliance with a human rights-based code of conduct and prevents forced labor of any type, protects workers from discrimination and sexual harassment, provides growers within the Program with state of the art risk management, and protects the brands of participating companies, and

WHEREAS, several of Kroger's direct competitors in the supermarket industry, of both lesser and greater scale, have already joined the Fair Food Program and therefore stand to gain a competitive advantage over Kroger in terms of enhancing and protecting their brands so as to maintain consumer and investor confidence, and

WHEREAS, in our opinion as shareholders, enforceable human rights codes of conduct are essential if consumer and investor confidence in our company's commitment to human rights is to be maintained and enhanced,

THEREFORE, BE IT RESOLVED that the shareholders urge the Board of Directors take all necessary steps to join the Fair Food Program, as promptly as feasible, to protect and enhance consumer and investor confidence in the Kroger brand related to the purchase of domestic produce, and the Board should prepare, at a reasonable cost and omitting proprietary information, a report to shareholders and the public concerning the implementation of this Resolution.



STATE STREET

Investment Services
P.O. Box 5607
Boston, MA 02110

December 12, 2014

Calvert Investment Management, Inc.
4550 Montgomery Avenue, Suite 1000N
Bethesda, MD 20814

To Whom It May Concern:

This letter is to confirm that as of December 11, 2014 the Calvert Funds listed below held the indicated amount of shares of the stock of The Kroger Co. (Cusip 501044101). Also the funds held the amount of shares indicated continuously since 12/6/2013.

Fund	Fund Name	CUSIP Number	Security Name	Shares/Par Value 12/11/2014	Shares Held Since 12/6/2013
D894	Calvert VP S&P 500 Index Portfolio	501044101	The Kroger Co.	9,058	9,058

Please feel free to contact me if you need any further information.

Sincerely,

Carlos Ferreira
Account Manager
State Street Bank and Trust Company

Limited Access



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Fair Food Code of Conduct & Selected Guidance

Overview

Compliance with the Fair Food Code of Conduct is a fundamental requirement of the Fair Food Program. Operating pursuant to the Code helps define what it means to be a Participating Grower, which in turn makes a grower eligible to sell to the Program's Participating Buyers.

The Fair Food Code is a living document. It has been shaped through detailed negotiation and ongoing dialogue among workers, growers and buyers. As the Fair Food Program matures and evolves, so too will the Code, as it continues to serve as the primary platform upon which to build a truly sustainable tomato industry.

Because the Fair Food Code establishes mostly broad principles, it has been augmented by a more detailed Guidance Manual to assist Participating Growers in implementing the Code. In some places, the Guidance Manual merely provides detail or examples concerning Code provisions. In other instances, it sets forth alternative procedures for implementing concepts articulated in the Code.

What follows is the Fair Food Code of Conduct, supplemented where appropriate with provisions from the Guidance Manual that provide further substance, meaning or texture to the requirements of the Code.

Version 1

Introduction

Buyers (i.e., companies participating in the Fair Food Program) will give purchase preference within the Buyer supply chain to tomatoes that meet its specifications supplied by Florida Tomato Growers ("Growers") who can demonstrate socially responsible practices that meet or exceed the standards in the Fair Food Code of Conduct, although a Buyer is not obligated to purchase tomatoes from every Grower that meets or exceeds these standards.

Part I: Employment Practices and Minimum Requirements for Participating Growers

1. Growers are required to abide by all applicable laws, codes and regulations, including but not limited to this Code, and any local, state or federal laws regarding wages and benefits, working hours, equal opportunity, and employee and product safety.

Further, Growers will follow these employment and workplace practices:

2. Growers will participate in, and comply with, the "penny per pound" premium pass through Program (hereafter Fair Food Program) and pass through to their Qualifying Workers the appropriate premium payments received under that Program.

The term "appropriate premium payments" means the Qualifying Workers' portion of the "penny per pound" paid by Buyer as part of the Program.

Policy 2.1

The extra 1.5 cents per pound paid by participating Buyers [for round tomatoes, or the equivalent amount paid for other types of tomatoes] is called the Fair Food Program Premium (FFP Premium).

Policy 2.2

Qualifying Workers are non-supervisory workers performing the following tasks



related to growing tomatoes for a Participating Grower: harvesting, irrigation, planting, laying plastic, staking, tying and miscellaneous work of a similar nature that does not involve the operation of vehicles or machinery. Field walkers and dumpers are not Qualifying Workers.

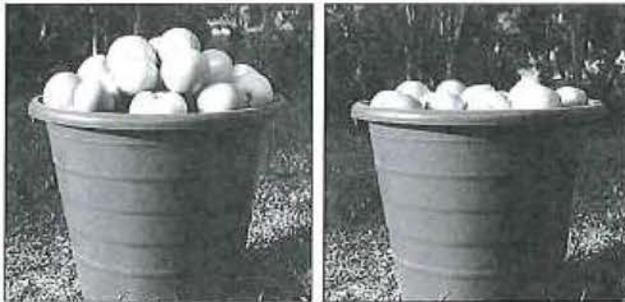
Policy 2.3

All tomatoes sold (either directly or through repackers) to customers participating in the Fair Food Program must come from Growers participating in the Fair Food Program. Therefore, Fair Food Program Premiums, whether paid directly by the customer or by a repacker, can only go to Growers participating in the Fair Food Program.

- 3. Growers will regularly reconcile wages paid, including buckets picked, to pounds harvested, and if that reconciliation indicates uncompensated pounds harvested, using a 32 pound bucket for calculation for round "gas green" tomatoes (or the appropriate standard weight and container for other types of tomatoes, if different), the Grower shall adjust the amount paid to Workers in the next payroll so that they are fully paid for the uncompensated pounds identified in the reconciliation process.

Policy 3.1

Cupping of buckets is not permitted under the Code, nor is fluffing of buckets by Qualifying Workers. A bucket is cupped if any tomato in the bucket is fully above the rim of the bucket. Fluffing is shaking a bucket to make it appear more full than it actually is. In addition, no bucket shall weigh more than 34 pounds gross. A properly filled bucket is pictured immediately below.



[The new visual standard for bucket-filling established under the Fair Food Program is demonstrated on the right.]

- 4. All compensable hours shall be recorded, and Growers will keep accurate hours through a system (time clock punch, card swipe or other method) in which employees control their time cards or similar time registration devices.

Policy 4.1

Clocking in all workers should be the first thing that happens after the bus arrives at the Grower's property, whether or not the place where the workers are let off the bus is the work site.



Policy 4.2

Workers who get to the fields on their own should be told, the day before, where to be the next day and when to be there. If the Worker arrives at that time, he or she should then be clocked in at the stated arrival time, whether or not work actually begins at that time.

Policy 4.3

Workers should be clocked out just before leaving the Grower's property for the day.

Audit Measure 4.3

Workers receive pay slips that show:

- pay period

- hours worked
- wages
- Fair Food Program Premium as a separate line item
- bonuses (if applicable)
- gross earnings
- itemized deductions
- net wage
- pieces and/or units produced (if applicable)
- the telephone number to file a confidential complaint (unless it appears on the Worker's company issued identification badge)

5. Growers will hire farm workers as employees.

Policy 5.1

All Workers, whether working under the supervision of an employee of the Grower or the supervision of a crewleader (whether or not the crewleader is an employee of the Grower), are considered employees of the Grower and must have gone through the Grower's orientation process and be on the Grower's payroll.

6. Growers will pay wages and benefits directly to employees.

7. Growers, without cost to the employees, will provide employees with protective equipment adequate for its intended purpose, including shade when necessary to avoid danger from excessive heat, and provide training on company time on the use of such equipment.

8. Growers will take all necessary steps to avoid endangering the safety of employees including, but not limited to:

- Permitting individual employees who feel threatened or in danger for their health or safety to cease working (without pay) without consequences or retaliation. Growers will clearly and unequivocally educate their employees that in the event an employees feel threatened or in danger for their health or safety, they have the right to cease working without consequences or retaliation; and
- Implementing a system for work safety stoppages due to lightning, heat, chemicals, pesticides or other factors for all employees present where the potential danger exists. Calling a work stoppage shall be at the discretion of the Grower, but the reasonableness with which the Grower exercises this discretion shall be subject to the Complaint Process.



9. Growers will provide a safe and healthy working environment for their employees and, working with the Coalition of Immokalee Workers (CIW), will develop and implement a Worker Health and Safety process through which employees are able to offer the Grower their input and perspective on health and safety issues in a regular and structured manner.
10. Growers will provide plans and procedures to insure the adequate and timely treatment of workers in the event of injury or sickness that might occur anywhere on a Grower's property.
11. Growers will provide plans and procedures to insure that workers have sufficient breaks during the day, including adequate time for lunch, without unreasonably compromising the ability to earn wages.
12. Growers will provide opportunity for advancement, including the ability for qualified employees to move from fields to other types of employment with the Grower, including management positions, and will regularly communicate these opportunities to employees.
13. If housing is provided by a Grower, it must be voluntary and comply with the law, and the cost for such housing to the employee cannot reduce the employee's net wages below the minimum wage or be increased other than to reflect increases in the cost or quality of the housing.
14. Growers will verify and provide transparency to their practices, including the pass through of the appropriate premium payments, by permitting third party monitoring by an entity chosen or accepted by Buyer and the CIW.

Growers will work with the CIW to:

- 15. Establish, implement, and enforce a process acceptable to the CIW for complaints to be filed by, and credible complaints¹ to be investigated on behalf of, employees without fear of retribution.
- 16. Develop a system acceptable to the CIW for informing and educating their employees, on the Grower's premises and on company time, of all applicable laws, codes and regulations, including but not limited to this Code, and any local, state or federal laws regarding wages and benefits, immigration rights, working hours, and equal opportunity.

Audit Measure 16.2

During registration of a newly hired worker, the worker receives a copy of the Rights and Responsibilities Handbook that includes a copy of the Code, written in a language workers understand.

**Audit Measure 16.3**

The Code is communicated to illiterate workers, if applicable. At registration, workers are shown the orientation video containing this information from the CIW.

Part II: Violations

Violations by a Grower shall be divided into three categories – "Article I Violations," "Article II Violations" and "Article III Violations."

Article I Violations:

1. Use of forced labor of any kind.
2. Systemic use of illegal child labor as defined by Florida law or any applicable federal law.
3. Use or threat of physical violence against employee(s) by or at the direction of either supervisor(s) directly employed by the Grower or by crewleader(s) unless the offending person(s) are fired and any other necessary corrective action is taken immediately upon confirmation of the incident.
4. Use or display of weapons of any kind (including firearms, knives, bats, etc.) at any point for the explicit or implicit purpose of intimidation, unless the offending person(s) are fired and any other necessary corrective action is taken immediately upon confirmation of the incident.
5. Sexual harassment that involves physical contact, unless the offending person(s) are fired and any other necessary corrective action is taken immediately upon confirmation of the incident.

Consequences of Article I Violations:

Buyer will not accept for use in the Buyer system tomatoes originating from Growers committing Article 1 violations and will decline to purchase tomatoes from such Growers pursuant to the following schedule and for such additional time, if any, as the Grower takes to remedy the situation to the satisfaction of Buyer and the CIW; provided that Buyer shall have a reasonable time, using reasonable best efforts, to transition purchases from that Grower to provide for a sufficient supply of tomatoes that meets Buyer quality standards.

For the first violation of Article I, at least 90 consecutive days, none of which is in the months of May through September.

For a second violation of Article I, at least 180 consecutive days, none of which is in the months of May through September.

For any subsequent violation of Article I, a period of time established by Buyer, which shall be at least one full season.

**Article II Violations:**

1. Racial, national origin, religious, sex or sexual preference discrimination, as evidenced by a finding of probable cause of any such discrimination by the EEOC or any similar state or federal agency, or by a finding resulting from the Complaint Process adopted by the Fair Food Program, or by such other evidence as Buyer and CIW together find sufficient to substantiate such harassment. For purposes of this paragraph, discrimination shall include differential treatment (physical or verbal) of worker(s) of a given race, nationality, religion, sex or sexual preference, or crew(s) predominantly of a given race, nationality, religion, sex or sexual preference.

Audit Measure Art II 1.1

Grower can demonstrate that it has implemented the training and discrimination prevention protocols, including continuing education programs for workers and training for staff members assigned to receive and process workers' reports or complaints of discrimination, harassment or abuse.

Audit Measure Art II 1.2

Worker(s) from each crew used by the Grower report no conduct prohibited by this

provision, Appendix E or Policy Art II 1.2, including differential treatment of crews of a particular race, nationality or sex.

2. Sexual harassment not involving violence, the threat of violence or physical contact, as evidenced by a finding of probable cause of sexual harassment by the EEOC or any similar state or federal agency, or by a finding resulting from the Complaint Process adopted by the Fair Food Program, or by such other evidence as Buyer and CIW together find sufficient to substantiate such harassment.
3. Negligent endangerment, which shall include any pesticide poisoning affecting more than two employees as a result of the same incident, two or more equipment failures in one season that harm employee(s), or one or more lightning injuries in a season, unless the Grower can demonstrate that (a) the pesticide poisoning, equipment failures or lightning injuries were not the result of negligent conduct, and (b) within the time frame set forth in Consequences of Article II Violations, Paragraph 1, steps have been taken that will prevent the pesticide poisoning, equipment failures or exposure to lightning from reoccurring.
4. Use of illegal child labor as defined by Florida law or any applicable federal law that is not widespread.
5. Wage violations on a systemic level, as evidenced by incorrect payments in any payroll period affecting a) at least 5% of all employees or b) at least 20% of all employees in any one crew.
6. Firing or threatening to fire worker(s) for defending or asserting legal rights, including protections under this Code, as established by a finding resulting from the complaint process adopted by the Fair Food Program, or any evidence that Buyer and CIW together find sufficient to substantiate such conduct.
7. Using workers in the fields who are not treated as employees of the Grower on whose property they are working.
8. Failing to pass on or otherwise provide to all covered employees as part of each payroll any "penny per pound" or other agreed upon additional employee payment or benefit incentive.
9. Failing to comply fully with any monitoring and auditing procedures established under this Code.
10. Failing to provide adequate drinking water, field toilets or other hygiene facilities required by any applicable laws or standards.



Consequences of Article II Violations:

1. Within seven (7) days of being notified of an Article II violation, the Participating Grower must present an action plan, which includes a time frame for each corrective action. Buyer will consult with CIW (or any independent organization established by CIW to serve this function) before informing the Grower whether the action plan meets these standards. If the action plan is not satisfactory, the Grower shall adopt the amendments to the action plan suggested by Buyer after consultation with the CIW (or any independent organization established by CIW to serve this function). Growers will then set a target re-audit date, except that final corrective action shall in all cases be accomplished as quickly as feasible and in any event within 4 weeks, unless extended after consultation with the CIW (or any independent organization established by CIW to serve this function).
2. If continuous improvement and eventual full compliance are not achieved within the time frames described in Paragraph 1, Buyer will direct its distributors to cease purchasing tomatoes provided by such Growers until such time as the Grower remedies the situation to the satisfaction of Buyer and the CIW (or any independent organization established by CIW to serve this function), provided that Buyer shall have a reasonable time, using reasonable best efforts, to transition purchases from that Grower to provide for a sufficient supply of tomatoes that meet Buyer quality standards.
3. Following Buyer's disqualification of tomatoes supplied by a violating Grower, Buyer may at its sole discretion (after consulting with the CIW or any independent organization established by CIW to serve this function), resume accepting tomatoes supplied by that Grower to its distributors if an audit satisfactory to Buyer and the CIW (or any independent organization established by CIW to serve this function) demonstrating compliance with the Code is completed prior to resuming business.

Article III Violations:

1. Any violation of the Code of Conduct not listed under Articles I or II shall be an Article III violation.

Consequences of Article III Violations:

1. Within fourteen (14) days of being notified of an Article III violation, the Participating Grower must present an action plan, which includes a time frame for each corrective action. Buyer will consult with CIW (or any independent organization established by CIW to serve this function) before informing the Grower whether the action plan meets these standards. If the action plan is not satisfactory, the Grower shall adopt the amendments to the action plan suggested by Buyer after consultation with the CIW (or any independent organization established by CIW to serve this function). Growers will then set a target re-audit date, except that final corrective action shall in all cases be accomplished as quickly as feasible and in any event within 2 months, unless extended after consultation with the CIW (or any independent organization established by CIW to serve this function).
2. If continuous improvement and eventual full compliance are not achieved within the time frames described in Paragraph 1, Buyer will direct its distributors to cease purchasing tomatoes provided by such Grower until such time as the Grower remedies the situation to the satisfaction of Buyer and the CIW (or any independent organization established by CIW to serve this function), provided that Buyer shall have a reasonable time, using reasonable best efforts, to transition purchases from that Grower to provide for a sufficient supply of tomatoes that meet Buyer quality standards.
3. Following Buyer's disqualification of tomatoes supplied by a violating Grower, Buyer may, at its sole discretion (after consulting with the CIW or any independent organization established by CIW to serve this function) resume accepting tomatoes supplied by that Grower to its distributors if an audit satisfactory to Buyer and the CIW (or any independent organization established by CIW to serve this function) demonstrating compliance with the Code is completed prior to resuming business.



Part III: Progress Towards Higher Standards

Buyer strongly encourages Participating Growers in the tomato industry to continuously improve working conditions and to provide terms and conditions that meet or exceed those provided by suppliers in other industries. Buyer will purchase to the greatest extent possible tomatoes from Participating Growers that demonstrate consistent adherence to these higher standards.

¹ A credible complaint, which may be confidential but shall not be anonymous, should, through a statement of the facts, indicate how relevant laws, codes or regulations have been violated.

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