

**RESOLVED**, that shareholders of Kroger ask the board of directors to analyze and report on the feasibility of including the paid sick leave policy<sup>[1]</sup> announced March 14, 2020 and expanded March 21, 2020 as a standard employee benefit not limited to the COVID-19 pandemic.

**Supporting Statement:** The COVID-19 pandemic and the economic crisis it precipitated have drawn the attention of the public and policymakers to the importance of paid sick leave (PSL) for workers and public health. Media attention has focused on U.S. workers' lack of access to PSL, especially in sectors with significant public contact such as retail.<sup>[2]</sup> Workers without PSL risk being fired if they do not come into work despite illness, and some workers cannot afford to miss work and forego wages. PSL allows sick workers to stay home, preventing them from infecting co-workers and customers. Studies show that PSL mandates adopted in the U.S. since 2007 have reduced the rate at which employees report to work ill in low-wage industries where employers do not tend to provide PSL and have lowered disease and overall absence rates.

PSL also contributes to public health by allowing workers who have been exposed to the virus that causes COVID-19 to quarantine, preventing further exposure. According to public health experts, PSL is cost-effective compared to the costs associated with disease spread. Some policymakers argue that PSL helps to counter the negative economic impact of the pandemic, especially for women and non-white workers, who are bearing the brunt of job loss, and that a sustainable economy depends on prioritizing safety. Finally, PSL benefits companies as well as workers, the public and the economy. Companies report that bolstering PSL improves morale and boosts productivity.

Policymakers are debating PSL at the federal, state and local levels. In response to the pandemic, the Families First Coronavirus Response Act (FFCRA) required that certain employers provide paid time off for workers ill with COVID-19 or quarantined due to exposure to the virus. That law is set to expire at the end of 2020, and the House-passed HEROES Act would fill some of the FFCRA's significant gaps and extend its PSL requirement through 2021. State and local governments, including California, San Francisco, and Philadelphia have also acted to mandate PSL for workers not covered by the FFCRA. Even before the pandemic, bills had been introduced in Congress to require employers to provide PSL, and eight states plus the District of Columbia had established PSL social insurance systems.

In March, Kroger announced temporary paid sick leave guidelines providing up to 14 days of standard pay to workers with verified COVID-19 symptoms. This Proposal

asks that Kroger analyze and report to shareholders on the feasibility of making the policy permanent and extending it to cover conditions other than COVID-19.

We urge shareholders to vote FOR this proposal.

[1] <http://ir.kroger.com/CorporateProfile/press-releases/press-release/2020/Kroger-Family-of-Companies-Announces-Appreciation-Bonus-for-Associates-and-Expands-14-Day-COVID-19-Emergency-Leave-Guidelines/default.aspx>

[2] See, e.g., <https://www.businessinsider.com/coronavirus-changes-walmart-starbucks-employee-benefits-2020-3>;  
<https://www.cnn.com/2020/04/16/business/grocery-store-workers-retail-paid-sick-leave/index.html>; <https://www.theatlantic.com/health/archive/2020/03/does-walmart-provide-paid-sick-leave/608779/>;  
<https://www.washingtonpost.com/business/2020/03/10/walmart-apple-olive-garden-are-among-major-employers-updating-sick-leave-policies-coronavirus-cases-spread/>; <https://qz.com/1841763/us-grocery-workers-risk-coronavirus-but-most-lack-paid-sick-leave/>;  
<https://www.nytimes.com/2020/03/14/opinion/sunday/coronavirus-paid-sick-leave.html>