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November 8, 2021

Kim Cordova  
UFCW Local 7 President

Kim:

I am responding to your recent letter dated October 29, 2021. King Soopers/City Market is proud of its role as one of Colorado's top five employers and remains committed to our dedicated associates on the frontlines.

We care deeply about our 21,000 associates and continue to provide them with upward mobility, job flexibility that best fits their lifestyle, and a comprehensive wage and benefits package that is better than our competition.

In your letter, you have made a number of claims that are patently untrue and are designed to depict the leadership of Kroger and King Soopers/City Market as disinterested in our associates. It is important to set the record straight.

***First, you state, "current King Soopers and City Market workers now find themselves among the lowest paid employees in the State of Colorado" and "the Company refuses to pay a livable and thriving wage to its workers."***

- This is not true. The average hourly wage for King Soopers/City Market associates in Colorado is over \$18 an hour and total compensation is over \$23 an hour, when accounting for healthcare, pension, and many other benefits that so many of our competitors choose not to offer. This is higher than our average national wage of \$16 an hour. Generous, non-government subsidized benefits elevate our average hourly total compensation to over \$21 an hour.
- As one of the state's leading employers, King Soopers/City Market ensures our associates are considered for potential promotions, manager positions, and additional leadership roles wherever available. Many of the Kroger organization's senior leaders, both here in Colorado and other Divisions, started out as retail clerks. More than 70% of our store managers began their careers as part-time clerks. This fosters upward mobility and job flexibility for our associates along their career path.
- King Soopers/City Market attempted to provide associates with a significant starting wage increase (up to \$1.68 per hour) in October this year. On behalf of your members, you rejected this offer. We can only assume you have done this to gain some type of negotiating leverage in the public domain, which this letter seemingly represents.

**Second, you state, “The Company has also continued to punish the workers in Denver County stores by forcing them to work thousands of hours before they receive their contractual wage increases in which we have filed 70 grievances.”**

- This is intentionally misleading. Didn’t Local 7 agree and vote in favor of wage progressions in 2019 that included deleting the prior applicable minimum wage letter? In fact, King Soopers/City Market has fully met our contractual obligations since our last agreement in 2019, including increased wages.
- To be clear, we’re ready to bargain in good faith over wages, language, health care and pension to continue rewarding our associates who are covered under the Local 7 collective bargaining agreement for their hard work. In fact, we have already raised starting wages for over 5,000 non-union associates throughout Colorado, in amounts similar to the offer we made to Local 7.

**Third, you state, “King Soopers/City Market has chosen again and again to put profits over workplace safety.”**

- This is also not true. Here at King Soopers/City Market, we create a safe environment that provides Colorado communities with access to fresh food and other essentials. The Kroger Family of Companies, which includes the King Soopers/City Market division, has hired more than 100,000 new associates and invested more than \$2.5 billion to implement safety measures, strengthen healthcare and pensions, and reward our workforce through increased pay, bonuses, and a \$100 payment for associates who get vaccinated – all while operating to keep food affordable for our customers.

**Fourth, you state King Soopers/City Market, “has refused to put armed security in each of its stores to deal with dangerous and unruly customers.”**

- We invest more than \$7 million in store security annually, and in 2021, King Soopers has invested more than \$9 million to date. Our priority is to provide a safe environment for associates and customers, and we make decisions that best support their needs. Following the senseless tragedy at our Boulder King Soopers store earlier this year, you spoke with media and knowingly mischaracterized the loss of our associates to shamelessly advance your political agenda.
- King Soopers/City Market immediately deployed our team to provide associates and the Boulder community access to free mental health services, emergency paid leave, and additional support through our \$1 million donation to the Colorado Healing Fund. We lead with facts instead of fear. Armed guards are not always the solution to increasing the safety of our associates and would not have prevented the horrible tragedy in Boulder earlier this year.

**Finally, you conclude by inviting us to join you “at the bargaining table and demonstrate to our members, your workers, that King Soopers/City Market can be a great place to work. Show them that the Company will respect them, pay them consistent with the monumental profits they deliver to the Company, and protect them by ensuring a safe workplace.”**

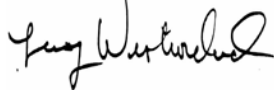
- King Soopers/City Market looks forward to reaching a collective bargaining agreement with UFCW Local 7 that increases associate wages and enhances associate total compensation and

benefits while running a financially sustainable business that ensures our ability to continue serving the Colorado community with reliable access to affordable, fresh groceries and other essentials.

Any attempt by you or Local 7 to mislead our associates and the public shows a lack of interest in reaching an agreement in good faith. While it is not our preference to communicate by letter, we will not ignore falsehoods and mischaracterizations of the priorities of King Soopers/City Market.

As you know, I will be leading negotiations for King Soopers for this bargaining cycle. Any future correspondence on negotiations should be directed to me and Athar Bilgrami, King Soopers/City Market Division HR Leader.

Sincerely,

A handwritten signature in black ink, appearing to read "Leroy D. Westmoreland". The signature is fluid and cursive, with a prominent initial "L" and a long, sweeping underline.

Leroy D. Westmoreland  
Senior Labor Director