



We Respect our Associates' Rights to Choose - Why Doesn't Local 7?

Local 7 refuses to allow King Soopers/City Market associates to vote on company's Comprehensive Best Offer to Settle and instead prematurely calls for a strike

DENVER – January 7, 2021 – Today, King Soopers/City Market called the decision by UFCW Local 7 to strike “reckless” and “disruptive”, urging Local 7 to consider the full implications for its members and the Colorado community.

The decision to call for a strike authorization over alleged unfair labor practices in the middle of contract negotiations has created confusion and is allowing Local 7 to restrict King Soopers/City Market associates, their members, from voting on the real issue at hand – their contract. A vote on the current proposal would allow associates to choose what is best for them and their families. This decision further demonstrates Local 7's desire to push its own agenda with no regard for its members.

“We think our associates should have a right to vote on the comprehensive best offer to settle, because ultimately it impacts their pockets, as does a strike,” said Joe Kelley, president of King Soopers. “We know that a work stoppage creates a troubling position that often leads to financial hardships for our associates.”

King Soopers/City Market's proposed total investment for its associates covered under this contract includes:

- \$148 million investment in additional wages
- \$0 impact to health care benefits based on current projections
- \$4k ratification bonus for associates with 10+ years of service
- \$2k ratification bonus for associates with less than 10 years of service

“At a time when we want to invest more than ever in wage increases and affordable health care, Local 7 has chosen disruption and the unknown for our associates and their families,” continued Kelley. “We care deeply about our associates which is why we've come to the table with a robust offer that is the best offer in King Soopers/City Market's history, that puts more money in our associates' pockets while maintaining our commitment to invest in the whole person with industry leading healthcare.”

Below is additional context on King Soopers/City Market associates' total compensation:

- The average hourly wage (AHR) for a King Soopers/City market associate is \$18.29/hr.
 - 50% of our associates AHR is more than \$20/hr.
 - 75% of our associates AHR is more than \$18/hr.
- During COVID, our associates earned between \$1,100-\$1,700 additional in appreciation for their hard work keeping communities running with access to fresh food and other essentials.



- Industry leading healthcare:

Our Industry Leading Healthcare



The company also provides access to mental health assistance, industry-leading tuition assistance, scholarships, volunteer opportunities, grocery discounts, career advancement opportunities, paid vacation and sick time, and other perks and rewards.

King Soopers/City Market also announced their stores will remain open to deliver on the commitment to provide fresh food and other essentials to the communities they serve.

“While we respect our associates' rights to participate in this work stoppage, any associate who chooses to continue to work is welcome,” said Kelley. “We remain open to continuing to meet with Local 7 to come to an agreement that is good for our associates while keeping groceries affordable for customers.”

For up to date information on King Soopers/City Market’s labor negotiations please visit kingsooperscba.com.

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About King Soopers/City Market

At King Soopers/City Market, a company of The Kroger Co. (NYSE: KR), we are Fresh for Everyone™ and dedicated to our Purpose: To Feed the Human Spirit®. We are 22,502 associates who serve customers daily through a seamless shopping experience throughout Colorado. We are committed to creating #ZeroHungerZeroWaste communities by 2025. To learn more about us, visit our [newsroom](#) and investor relations [site](#).

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