



INFINITE POSSIBILITIES. ONE FAMILY.

VIA ELECTRONIC MAIL

Jan. 10, 2022

Hon. Holly J. Mitchell, et al
Chair of the Board
Los Angeles County Board of Supervisors
500 W. Temple St.
Los Angeles, CA

Dear Supervisors Mitchell, Solis, Kuehl, Hahn, and Barger,

Thank you for writing to our CEO, Richard Ferranti, to express your concern about our striking associates at the Jon Donaire plant in Santa Fe Springs. He asked me, as Rich's government affairs officer, to respond. We'd like to present you with some facts for your consideration. This is the first strike in Rich's 77-year history, in large part because Rich's is a family-owned company with a sterling reputation in the food industry. We consistently provide our associates with safe working conditions, at- or above-market-rate salaries, high-quality benefits, and a respectful working environment.

In March 2021, 80 percent of our Santa Fe Springs' associates said in their associate-engagement surveys they would recommend Rich's to others as a "great place to work." For instance, your letter alludes to our associates leaving their jobs for physical and emotional stress. There is no record of this activity taking place, nor was it mentioned at any time during the bargaining process. In addition, as we repeatedly explained to our on-strike associates, they are welcome back any time, without repercussions, like the almost 60 associates who did not strike or have since crossed the picket line to help keep the plant operating. Hence, the total number of strikers noted in your letter is inflated.

It's important to note that the Bakery, Confectionery, Tobacco Workers and Grain Millers' International union (BCTGM) and Rich's have various matters before the National Labor Relations Board, where Rich's is content to see it review this situation. At this stage, public officials should not therefore be taking a side, nor will we publicly comment about these matters. Also worth noting is that the Teamsters union members who also work at the plant crossed the picket line, telling our plant manager that it's an excellent place to work, and that they are concerned that the BCTGM's actions are not only disappointing, but putting the plant at risk.



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We delivered our final offer to BCTGM union leadership in late September. Despite repeated outreach, we heard nothing in response for four weeks. We understand that the union never presented the specifics of that offer to its members and took a strike vote without a contract presentation. Last month, when union leadership returned to the negotiating table at our request, they asked us for our last, best and final contract offer for a vote on Dec. 17. We supplied it with an offer to assist in educating our associates on what the two options before them would mean, in terms of pay and benefits. The BCTGM refused our offer to help, aside from a last-minute invitation for us to present, in far less than ideal circumstances -- remotely from a laptop at the front of a union hall, and with a union-provided Spanish speaker who purposely translated our presentation inaccurately.

We were highly disappointed when that contract was subsequently voted down. A majority of Santa Fe Springs' associates voted to retain the current platinum health-insurance plan, for which the company pays 90 percent, with no deductible, instead of the \$4.10/hour increase we had offered over the life of the contract. In addition, many of our associates receive up to 38 days of annual paid time off (PTO), and a company-paid pension plan, a rare benefit in a manufacturing plant. At the union's request during negotiations, we agreed to shift how the pension plan is funded. We sought no concessions or givebacks. As you must know, in the current economy, we want very much to retain our associates.

Due to the union vote to reject our final offer, we moved forward with implementing the terms of our last and final offer for our still-working associates, including the proposed wage increases, as well as back pay and a year-end bonus that averaged \$1,600 – again, not a usual manufacturing practice. However, we remain concerned about what this rejected vote means for our associates still on strike: Ten weeks of interrupted pay checks and no state unemployment benefits. And, effective Jan. 1, they no longer receive their company benefits.

Our Santa Fe Springs associates are multi-generational, two-thirds are women, and many are long tenured. Our plant leaders grew up in the community and the plant manager, Angel Machado, has worked there for decades, leading the operation for the past eight years. We wouldn't have that kind of tenure if it were not a superior workplace. The plant is clean, safe and an excellent place to work.

Our owner Bob Rich Jr. and his father built our company from the ground up to the global food company it is today. For the good of our associates, the



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communities where we do business, and our company's long-term prosperity, we re-invest high percentages of our profits back into the company each year.

Rich's supports tens of thousands of associates and their families across the world with competitive, at- or above-market salaries, as in Santa Fe Springs and elsewhere in Los Angeles County. We also provide the generous health benefits as noted above, and many additional benefits not usually seen in manufacturing, like the matched pension plan, and annual bonuses. In addition, during the COVID pandemic, Rich's voluntarily added temporary additional pay for our associates in Santa Fe Springs at a significant cost to our revenues. We felt this was in keeping with our values as a family company.

Your letter specifically mentions overtime. Rich's adheres to all contractual overtime rules. The union never brought this issue to the bargaining table at any time, nor sought to change overtime practices in any way. And we've never had a union grievance about overtime in the past eight years we researched.

We believe strongly that a family-owned company like ours plays a responsible role in finding solutions to the many challenges we face as a society today. We take seriously our commitment to being much more than just a profit-generating organization. You may not know us well, but as a global company founded in Buffalo, NY 77 years ago, we've worked hard to create an impeccable track record of ethical business conduct and a steadfast commitment to treating our associates, customers and communities the same way – like family. This is who we are, every day, and not empty corporate platitudes.

We trust that you will look beyond the union's false rhetoric at the facts we've presented and use them in your subsequent decision making and/or public statements.

Sincerely,

Jonathan A. Dandes
Corporate Vice President