

Chair Klobuchar, Ranking Member Lee and distinguished members of the Subcommittee: Good afternoon, my name is Rodney McMullen, and I am the Chair and Chief Executive Officer of Kroger. Thank you for your time, and I appreciate the opportunity to be here alongside Vivek Sankaren of Albertsons to discuss the compelling benefits of our proposed merger.

We know you have questions about the merger's impact. Today, we will share our strong conviction that this merger will enhance competition, lower prices, improve the customer experience and create investments in our associates ... while securing the long-term future of union jobs.

I'd like to share a little bit about me before I share more insights on Kroger. As Sen. Klobuchar mentioned, I grew up in a union household, and my parents bought a small farm. I began my career stocking shelves at a Kroger store in Lexington, Kentucky in 1978. And I never imagined I would have the career I do today.

The grocery industry has changed significantly throughout my career, and Kroger continues to evolve.

When I joined Kroger, the average family bought most of their groceries during a weekly trip to their neighborhood store. Today, the industry is larger, more complex, and more competitive ... with near endless options of where and how to shop.

At Kroger, when we discuss competition, we look at where customers are actually shopping for food and eating, today and in the future. Customers purchase food everywhere from Walmart and Trader Joes...to Costco and Aldi...to Dollar General, 7-11, Walgreens and restaurants, for example.

Notably, nearly every competitor I just mentioned is non-union.

Today, Kroger ranks fourth by total revenue behind Walmart, Amazon and Costco, and we compete with these companies to sell groceries. The combined company will remain at number four.

We work every day to deliver the high-quality products and value our customers want. We operate on razor-thin margins. This merger will give us the flexibility, national footprint and digital capabilities to compete more effectively.

Our first commitment is to provide fresh, affordable food for everyone. This is especially important today when inflation impacts so many families.

We help our customers save money with low everyday prices, personalized promotions, fuel rewards, and best-in-class *Our Brands* products. FYI – some call these items “private label,” we call them *Our Brands*. This merger will allow us to help even more.

A point I think is especially important is that our business model is built around lowering prices to attract more customers, rather than making a higher margin on fewer customers.

Our fundamental strategy is to lower prices, invest in associates and customer experience, and support our communities. We've been doing this for years. And when we do these things well, our shareholders benefit.

Since 2003, we have invested more than \$5 billion dollars to reduce prices annually. We have committed invest an additional \$500M dollars post-closing in Albertsons' stores.

Our associates enable our success, and we are committed to investing in theirs. This ranges from competitive pay and benefits to education, training and more. Since 2018, Kroger has invested an incremental \$1.2B in wages and comprehensive benefits, a

25.9% increase. We have committed to invest an additional \$1B post-closing.

This transaction will secure union jobs. Since 2012, we've grown our unionized workforce by more than 100,000. We will not close any stores, distribution centers or manufacturing facilities...or lay off any front-line associates as a result of this merger.

We are equally focused on creating a more sustainable food system through Kroger's Zero Hunger | Zero Waste commitment. Since 2017, we've directed a total of \$1.65B dollars in food and funds to end hunger, including donating 2.3B meals. I am incredibly proud of our impact and look forward to doing even more alongside Albertsons.

After closing, our commitments are to:

- lower prices starting day one,
- continue investing in our associates and stores, and

- do even more for our communities than either of us can do alone.

Senators, what we do at Kroger is truly unique. This merger will allow us to fulfill these commitments to our customers, associates and communities well into the future.

Thank you for your time.