



Dear Co-workers:

Please read this letter in its entirety as there is a lot of important information for you.

As some of you may have heard, the International Brotherhood of Electrical Workers (“IBEW”) recently handed out fliers at three of our Cafes. These fliers seem to be part of an attempt to convince our co-workers to join their union. We have also heard that a few co-workers are attempting to persuade other co-workers at their Cafes to attend IBEW meetings, where the union will try to get co-workers (as well as to recruit others) to sign Authorization Cards to force a union election at Colectivo. We are writing to let you know about this circumstance and share with you why we strongly oppose the unionization efforts, for the good of our company and our culture.

Colectivo is facing unprecedented challenges today

- The Covid-19 pandemic has made a tremendous impact on our company, from shutting down Cafes initially (with full pay) for two weeks to a massive effort to make our workplace Covid-safe to a very gradual re-opening of parts of our business to operate in this new & ever-changing environment. As of today, multiple Cafes remain shut and our Company Sales have only been restored to ~60% of pre-Covid levels (despite retaining ~80% of our co-workers).
- The situation in our Communities with protests over systemic racism and law enforcement reform has made operations at some Cafes challenging for co-workers. As a deeply progressive organization, Colectivo has taken dramatic and positive actions in support of these causes (both recently with the Unity Campaign donations & NAACP partnership actions, as well as over 27 years of supporting countless cause-based organizations).
- These external challenges understandably have created real pressure on our company and business. Colectivo is trending in the right direction, but companywide sales are still only 60% compared to the same period last year. Colectivo has been actively losing money since the shutdown in March. In order to operate the business at these low sales levels, we have been and will continue to borrow money from lenders. Can we find our way through this? Yes, we can. And in our opinion, the strength of our Culture and the way we treat each other are the most critical parts of that successful road back!

We know that we can fight to get through today’s difficulties.

But we also know the fight will be long, hard, and requires our Culture to be strong, with all of us to pulling together as one team.

Why we strongly oppose the unionization effort

- Unionization would fundamentally change our Culture and how we work together by adding a third party. We believe that adding a Union would be a tremendous barrier to overcoming today's unprecedented challenges.
- Unionization threatens who we are as a company. Ward, Paul, Lincoln, and I fear that a union would have a profoundly negative impact on our company Culture. Camaraderie and respect would be replaced by workplace rules. We've been on a lot of construction sites; *please reflect for a moment as to whether that is the culture you want to work in at Colectivo.* A unionized work environment would change and undermine what's most special about Colectivo – our close and collaborative relationship with our co-workers. And at a time when we need “all hands pulling in the same direction” to get through these difficult times, we think that introducing a third-party union into our relationship would have the opposite effect!
- Here are some other issues and concerns you need to be aware of when considering potential unionization:
 - **A UNION WILL COST YOU MONEY:** Union organizers probably won't tell you this, but joining a union is not cheap. According to the IBEW's website, you would need to pay union dues based on the following menu: \$200 (initiation fee), \$10 per month (basic dues), \$20 per month (basic per capita dues), and/or 2% of wages or \$25 per month (basic working dues). That is a lot of your money and that is exactly why the union is motivated to join new members. Unions make money by selling memberships and your union dues would pay the organizer's salary. We would also invite you to visit the IBEW's website and review the “who we are tab” under the “Menu.” There, the IBEW lists by name and picture its President, Secretary/Treasurer, 11 International VPs, and 9 members of its International Council. None of these 22 leaders appears to have any experience in the coffee or service business or live or work in Wisconsin. We seriously question how this group could relate to, understand, or help us solve any of the challenges we face. Given that being a union member will cost you a significant amount of your money, I urge you to carefully evaluate the IBEW, its leadership, and its culture.
 - **A UNION WOULD BE AN UNNECESSARY THIRD PARTY:** With the help of all of you, we have created a remarkable business where everyone is welcome and each co-worker is valued for who they are. Together we embrace an atmosphere of inclusion, creativity, teamwork, respect, and trust which creates a positive workplace that brings happiness to our co-workers and customers. Although this year has brought about many unexpected challenges, we have worked together to meet them and serve our communities. We've done all of this together without any union being involved. While we are proud of what we have created together, we recognize that we still have much work to do, and we are committed to working directly with you to continue to improve our culture and our environment together. The election of a union would require

together, we recognize that we still have much work to do, and we are committed to working directly with you to continue to improve our culture and our environment together. The election of a union would require leadership to deal with the union, rather than each of you directly, in all matters involving your wages, hours of works, and working conditions. In a union setting, you lose your voice – instead the union speaks for you. We believe that bringing in a third-party, which is unfamiliar with our business, will not benefit any of us.

- **UNIONS HAVE NO POWER TO DELIVER ON THE PROMISES THEY MAKE:** We do not know what the union is promising. If they have been honest, they would tell you that they cannot guarantee you anything. If they are promising job security, for example, that promise is empty. Just ask members of the auto workers union – nothing in those union contracts prevents them from being laid off regularly. If they are promising certain raises or benefits, the union can't force the company to comply with its demands. Instead, the company simply needs to negotiate in good faith. Unions cannot guarantee you anything.
- While there are additional reasons why we believe the union will have a negative impact on our co-workers and our business, those are three of the most critical. We want to address a couple of other points about your rights as a co-worker of Colectivo.
 - First, the union may have told you that you have the legal right to join the union, which is a true statement, and we respect your rights. What the union probably has not told you, however, is that you also have the right *not to join the union*. Here is what the law says:
“Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, *and shall also have the right to refrain from any or all such activities....*”
This is important: even if you already signed a union authorization card, you legally can change your mind and vote “no” if there is ever a secret ballot election.
 - Second, with regard to authorization cards, your decision to sign one or not sign one is your choice and yours alone. Signing an authorization card is serious business. Once you sign it, it is almost impossible to get it back. But remember, you have the absolute right to refuse to sign an authorization card offered to you by anyone. All you have to do is say “no thanks” and walk away.

How we WILL move forward together to survive now and thrive tomorrow

- We WILL continue to rebuild our business post-Covid. Our Brand, Culture, and Concept are very strong and position us well to withstand today's headwinds and emerge on the other side even better than we were. Continuous Improvement is a Core Value and we're working very hard now to get better across the business. Yes, that helps us during the Covid period, but also it will make for an even stronger Colectivo in the future

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- We all live, work, and raise families in the Communities Colectivo serves. We WILL continue to do everything we can to support our Communities. At the core of our Mission Statement is the conviction that EVERYONE is a Customer who deserves a remarkable experience. As a vital community place, that conviction extends far beyond our walls. For over 27 years, Colectivo has supported countless cause-based organizations and companies in areas such as LGBTQ advocacy, education, arts, environment, and minority-owned businesses (to name a few). And today we are deeply committed to our Unity Campaign which is rooted in partnerships with local branches of the NAACP and is action-focused, both now and over the long term, on key initiatives such as voting rights/turnout and law enforcement reform. We believe you share many of the same beliefs we do and hope that you will personally get involved in different opportunities for action we will be providing for co-workers.

We appreciate that you took the time to review this lengthy letter. If you have any questions regarding the union organizing attempt, we encourage you to speak with us about them. Our doors are wide open.

Very Truly Yours,

Lincoln, Paul, and Ward (Owners)
Dan (CEO)