



California Retailers Association Annual Report 2021

I am pleased to present CRA's Annual Report for 2021. It is remarkable how far this association has come in just three years. I started with CRA just before a worldwide pandemic took hold of every facet of our lives and, while the challenges this new reality brought to everyone- especially the business community- were enormous, they made our team stronger and more successful than ever. We continue to see growth, year over year and, over the course of 2021, grew our membership base by over 20%.

CRA's continued expansion is not just in its membership, however. It is evidenced in our exponential increase in visibility with the news media, legislative and regulatory successes and political reach. In 2021 alone, CRA spoke with and appeared in countless publications and news outlets including popular household names and widely accessed news sources *National Public Radio All Things Considered, Associated Press, Forbes, Fox TV Channel's The Five, Cavuto Live, Dan Abrams Live, Bloomberg, Politico, Cal Matters, CNN* and many more, as shared in this report.

We have also seen the impact of CRA's growth in the numerous, successful policy and regulatory outcomes we accomplished last year. On the issue of Organized Retail Crime alone CRA secured hundreds of millions of dollars in the 2022 state budget proposal to bring the state closer to real solutions. This wasn't done by accident. It took strategic positioning in the media, relentless outreach to the Governor's Administration and hundreds of hours of relationship building and talking with our member companies' subject matter experts to bring us closer to solving this issue. Key cabinet members of the Governor's Administration now look to CRA to get answers to their policy problems.

CRA's growing influence also extends to the State Legislature and local government bodies throughout the state. In 2021 alone we had an 81%-win rate, which included securing passage of our sponsored legislation to continue funding efforts to combat ORC. These successes are remarkable in a state that is under one-party rule and largely unfriendly to business.

Locally, CRA has had enormous influence with policies and regulations coming out of California's cities and counties of all sizes. We continue to have a major impact on Los Angeles and San Francisco where we have hosted and participated in meetings with District Attorneys, Police Chiefs, Mayors, City Council members and Boards of Supervisors where we shaped and, in many cases, determined policy outcomes on everything from

Organized Retail Crime, Premium Pay, COVID-19 regulations and more. The CRA team provided countless hours of testimony on our members' behalf defeating 13 local premium pay mandate ordinances alone in just a few short months in 2021.

These efforts by our team to ensure retailers have a voice (and seat!) at the policy and regulatory tables have positioned CRA as one of the top influential business associations in the state and our name has been noticed nationally and worldwide.

I hope you enjoy the highlights from 2021 that we put together in this report, depicted in an infographic that can be shared with your companies. My team and I are honored to represent and fight for one of the largest, most diverse industries in California, which is the largest state economy in the United States and fifth largest in the world.

Together, we will continue to promote public policy that is good for California's consumers, good for California's economy and good for California's workforce.

Sincerely,

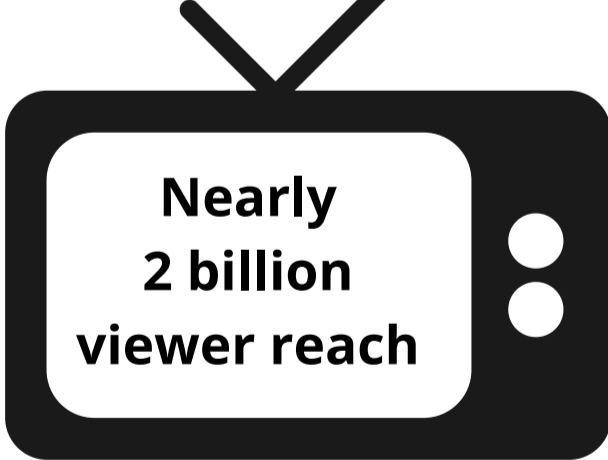
A handwritten signature in blue ink, appearing to read 'Rachel Michelin', with a large, stylized flourish at the end.

Rachel Michelin
President and CEO



Highlights of CRA's Impact in 2021

Public Relations



Equates to billions of dollars in comparable publicity value



An increase of 25 times the reach from 2019-2020 (in just one year)

Membership



Grew CRA membership dues by 21%

Consistently increased membership since 2019

Highlights of CRA's Impact in 2021

Outreach



The COVID-19 Recovery Informational Forum was incredibly helpful! We appreciate the CRA for navigating through the endless regulations and advocating for retailers of all size.

-- Manhattan Beach Chamber of Commerce Member



Partnered with dozens of local chambers of commerce and business advocacy organizations representing retailers of all sizes in every major region of the state. Hosted virtual retail roundtables and meetings with federal, state and local officials including Governor Gavin Newsom's Administration and local district attorneys.



**Roseville Area
CHAMBER
of COMMERCE**



Public Affairs

CRA successfully lead a statewide advocacy campaign to impact local ordinances related to government mandated premium pay or "hero" pay ensuring these mandates were not renewed and expiration dates remained in place. The CRA team met with dozens of city and county leaders throughout the state during this effort.

**Premium
Pay**



Fantastic work on this issue. The CRA team is most appreciated!

- Cindy M. Laubacher, CVS Health
CRA Member



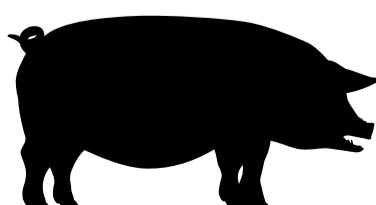
AB 701

AB 701 (Gonzalez) was softened considerably by amendments taken after intense lobbying in an organized opposition campaign lead by CRA.



CRA joined the effort to stop Proposition 12 including filing a lawsuit to stop the impending statewide pork shortage. CRA President Rachel Michelin: "The hasty implementation of Prop. 12 greatly impacts the entire food supply chain - from farmers and food processors to retailers, grocers, restaurants and consumers. It will create food insecurity and increase food prices on small businesses and families who cannot afford it."

Prop. 12



Highlights of CRA's Impact in 2021

Legislative

Organized Retail Crime

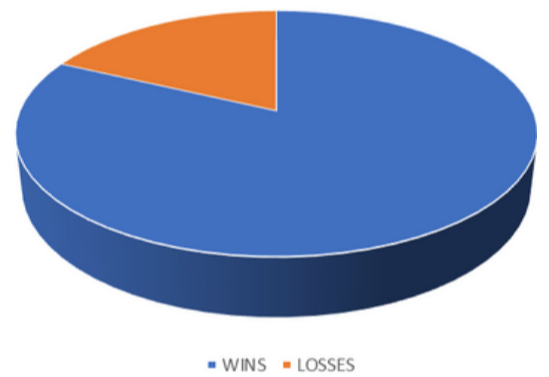


Successfully lobbied Governor Gavin Newsom to propose in his 2022 State Budget:

- 2 additional ORC task forces - Sacramento and Central Valley
- PERMANENT funding for all 5 task forces
- \$255 million over the next 3 years for local law enforcement related to retail theft
- \$18 million to the Attorney General's office for dedicated prosecutors and investigators for Organized Retail Crime.
- \$20 million for small business grants for those impacted by Organized Retail Crime.
- Money earmarked for cargo theft.

Wins in the Legislature

CalRetailers 2021 Wins vs Losses



Successfully stalled, killed, substantially amended or secured vetoes on major legislative threats to retailers.
Secured passage of laws that benefit business.

Legislative Wins:

- SB 792 (Glazer)
- SB 289 (Newman)
- SB 244 (Archuleta)
- AB 1454 (Bloom)
- AB 1371 (Friedman)
- AB 1287 (Bauer-Kahan)
- AB 1192 (Kalra)
- AB 1084 (Low)
- AB 654 (Reyes)
- AB 616 (Stone)
- SB 410 (Leyva)
- AB 331 (Jones-Sawyer)
- AB 257 (Gonzalez)
- AB 71 (Carrillo)

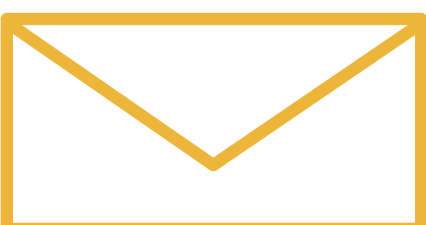
82% **Win Rate**

Of the 50 top bills CRA engaged in, the team won 41 and lost only nine. In addition, we pushed our sponsored bill, AB 331, over the finish line and ensured the California Organized Retail Crime Task force continued to be funded.



Awesome work team! I am not sure if I have ever seen as many wins in the Assembly as we have seen this session!

- Nick Johnson, Target
CRA Incoming Board Chair



Over three dozen letters sent to federal, state and local representatives

Highlights of CRA's Impact in 2021

Regulatory



Represented CRA members on Cal/OSHA
Advisory Committee



Tracked and acted on local vaccine
mandate efforts including dozens of
testimonies given and hundreds of hours
of local City Council and Board of
Supervisors meetings monitored



Provided key testimonies at State Capitol
including calling on legislators to facilitate
greater collaboration for addressing the
growing supply chain crisis



Intensively lobbied against local predictive
scheduling proposals amidst ongoing pandemic
challenges to retailer



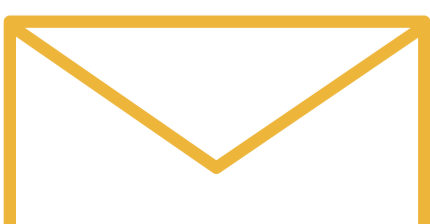
Joined a statewide business coalition to fight
the South Coast Air Quality Management
District's Warehouse Indirect Source Rule



Urged California to allow an increase in
pharmacy technician-to-pharmacist ratio,
critically needed for retailers with pharmacies
during the height of the pandemic.



Joined a large coalition of diverse
business groups across the state calling
on the Governor and State Legislature to
ensure parity for CA's "Main Street
Employers" and urged state leaders to
enact needed reforms to State & Local
Tax (SALT) policies.



Over three dozen letters and comments
submitted to federal, state and local
regulators