Albertsons Companies' Responds to Reporters regarding United Food and Commercial Workers Locals 400 & 27 Media Statements

Over the last several weeks, our Eastern division Safeway team has been working hard to negotiate an agreement with UFCW Locals 400 & 27 (hereinafter "the Unions") that represent 10,400 dedicated Safeway associates in the Washington D.C., Virginia & Maryland area. During that time, the Unions have involved countless reporters on the East Coast in their inflammatory and unproductive narrative that claims the company is "not even in agreement with the basic facts" regarding pension obligations. This tactic has been counterproductive at best, and incredibly confusing at worst for the thousands of workers whose careers and lives are entangled in this unnecessary delay.

We take our obligation toward being a responsible steward of our company and its 270,000 people very seriously. We work hard to take care of our team so they can bring their best every day to everyone who shops with us. The fact is, this delay is pointless. Especially when one takes in account that Safeway has proposed the **SAME** economic package that the Unions agreed to with Giant.

- The Unions claim that Safeway should be required to fully support approximately 50,000 retirees and employees who draw or plan to draw their benefits from the pension fund if the fund becomes insolvent. However, the fact is, the Government through the Pension Benefit Guaranty Corporation ("PBGC") **guarantees** the majority of the pension benefits if the pension plan goes insolvent. The portion that is not covered by the PBGC, **the Company has proposed to cover.**
- However, amazingly, the Unions claim that Safeway should guarantee benefits provided by the PBGC if the PBGC goes insolvent. The Unions further claim that language supporting its position that Safeway needs to guarantee benefits provided by the government agency should the government agency go insolvent already exists under the current contract. Safeway disagrees with the Unions' interpretation, but we have told the Unions that we will agree to leave the language that they believe supports their position and their arguments in a successor contract. Accordingly, the Unions are not losing any rights they believe already exist.
- In summary, we know that we are living up to our pension obligations. The Unions want our hard-working team to go on strike over their belief that we should guarantee benefits provided by the PBGC should this government agency go insolvent and more importantly, even though we have proposed that the language they believe supports their position remain in the new contract.

When the Washington Post reached out to us about their article from February 29, 2020, (in which they erroneously stated that Safeway is owned by Cerberus Capital Management rather than a consortium of investors), we replied with the following statement:

It's completely inaccurate to say that the reduction in the number of employees in Safeway's Eastern division is related to anything other than business decisions to close underperforming locations. Doing so has allowed us to invest in remodels and new stores in the Washington D.C. area. Under ownership by a consortium led by Cerberus Capital Management, Albertsons Cos.

has grown from a company of just over 600 stores to one of the nation's largest grocers with over 2,200 stores that today proudly employs approximately 270,000 people nationwide, of which 170,000 are union employees.

The Union has reached a tentative agreement with Giant for a new labor agreement. Our company has now offered to match the tentative agreement with Giant on key terms including wages, health insurance and retirement funding. The Union stated to us this week that the only open issue is their demand for the Company to guarantee the obligations of the PBGC. The Unions have already publicly stated that this guarantee exists under the current labor agreement. We have told the Union that they can maintain the language from the current labor agreement and their arguments that a guarantee exists and, accordingly, they are not losing any rights that they believe they already possess. Safeway has been thoughtful and reasonable throughout the negotiations. Our employees' well-being is of utmost importance to us and we believe the offer on the table, which matches our only unionized competitor in the market, is a great one for all parties and we hope to come to a mutually agreeable settlement of the negotiations very soon.

I would strongly encourage you to review our public response to the Union's comments about our pension obligations here. *https://investor.albertsonscompanies.com/Cache/IRCache/0414fd00-afae-7510-2b3c-77b27da925ea.PDF?O=PDF&T=&Y=&D=&FID=0414fd00-afae-7510-2b3c-77b27da925ea&iid=5309457*

The statement that we have responded to several other media inquiries with is consistently the same: **We are committed to remain at the bargaining table to work through our challenges and reach an agreement that rewards our employees.**

We have been consistent in our negotiations, fair in our approach, and anxious to come to an agreement with the Unions. We hope that they share in the desire to take care of the 10,400 associates who are working hard every day to provide for themselves, their families, and their futures.