

Safeway 1st Grocer to be Founding Member of The Sustainability Consortium

March 1, 2010

Safeway, Inc. yesterday became the first U.S.-based retail grocery chain and manufacturer of private label merchandise to join The Sustainability Consortium, a science-based group of companies working to develop a more sustainable global supply chain.

The company joins other retailers and consumer product manufacturers that have become members of the consortium and its product life cycle mission including social and environmental considerations.

"We believe [the consortium's] mission is a good fit with Safeway's efforts to provide its customers with a larger selection of sustainable products and services," noted Larree Renda, EVP, chief strategist and administrative officer at Pleasanton, Calif.-based Safeway. "The company is committed to becoming the premier retailer in the grocery sector with an unrivaled reputation for pursuing growth through leadership in environmental, socially responsible and ethical business practices."

Co-administered by Arizona State University and the University of Arkansas, the consortium will research and publish findings on the life cycle impacts of various categories within nonfood, food and agricultural categories. These findings will identify environmental opportunities throughout the supply chain for Safeway, creating both a map and compass for how the grocer sources product.

According to Safeway, forward-thinking solutions are required at all levels of business to solve complicated and interrelated problems. Taking a systems approach to supply chain and employing science to solve environmental issues isn't new to the Safeway supply chain, but broadening the scope and depth of the company's work across multiple categories will be an important part of its sustainability initiatives.

Life Cycle Assessment (LCA) is one tool the consortium will use for analyzing emissions, waste and the natural resources used from soil to kitchen in different food and nonfood items. Safeway is interested in aggregating the data for primary sectors such as agriculture, dairy, packaging and fishery through industrial food processing to retail delivery. This data will be leveraged in creating the food retailer's companywide supply chain policy encouraging sustainable purchasing and manufacturing practices throughout the organization's direct and indirect buying.

In joining the consortium, Safeway, Inc. joins supplier partners such as General Mills, Procter & Gamble, and PepsiCo to play leadership roles in modeling life cycle inventories, with the goal of better understanding the complete scope of the industry's social and environmental footprint. This effort will help refine existing efforts at the grocer to continuously improve performance. Through its membership, Safeway will

work with CPG companies, nongovernmental organizations, academia and government.

In developing Life Cycle criteria, the consortium will consider the impacts food and agriculture have on those customers who shop for their food and nonfood items at Safeway.

This important research will build an important bridge to creating the standards for metrics by which our industry measures itself against sustainability goals uncovering key opportunities to eliminate waste and preserve natural resources, said Linda Nordgren, Safeway group VP of supply chain and strategic sourcing. Creating actionable data on the life cycle impacts of food and agriculture will assist Safeway in creating its Environmentally Preferable Purchasing policy.

Safeway operates 1,725 stores in the United States and western Canada and had annual sales of \$40.8 billion in 2009.

The Sustainability Consortium is an independent organization of diverse global participants that work collaboratively to build a scientific foundation that drives innovation to improve consumer product sustainability. It develops transparent methodologies, tools and strategies to drive a new generation of products and supply networks that address environmental, social and economic imperatives. For more information, visit www.sustainabilityconsortium.org.