



News Release

Safeway Welcomed President Obama to Maryland Distribution Center for Announcement of New Trucking Standards

UPPER MARLBORO, Md., Feb. 18, 2014 /PRNewswire/ -- Safeway Inc. (NYSE:SWY) welcomed President of the United States Barack Obama to its Upper Marlboro, Maryland distribution center as he called for new fuel efficiency and greenhouse gas standards for medium-duty and heavy-duty trucks.

(Logo: <http://photos.prnewswire.com/prnh/20130625/SF38175LOGO>)

In using the Upper Marlboro distribution center for the backdrop for this important announcement, President Obama recognized Safeway's commitment to operating its business in the most fuel-efficient and environmentally responsible way.

Safeway's longtime participation in the EPA SmartWay Transport Program as both a carrier and shipping partner helps the company move goods through its expansive supply chain in the cleanest and most efficient way possible. In 2013, 99.9 percent of the truckloads that moved through Safeway's distribution centers were shipped by SmartWay Transport carriers who have implemented technologies to improve fuel economy and reduce greenhouse gas emissions. Safeway has increased its ton miles per gallon (the amount of fuel needed to transport one ton of material one mile) by nearly 28 percent since 2006.

In addition to participation in EPA fuel programs, Safeway maintains the following initiatives that make it a leader in transportation fuel efficiency:

- The company optimizes load planning for each trip to maximize the amount of product that each truck delivers to a store. The company continues to increase trailer cube efficiency year over year.
- To help produce alternative fuel for its trucking fleets, Safeway collects used cooking oil from stores in California and the Pacific Northwest to create biodiesel fuel. Last year, more than 427,750 gallons of used cooking oil were collected to produce over 348,656 gallons of biodiesel.
- Safeway partnered with Volvo Trucks and Oberon Fuels to pilot two heavy-duty commercial trucks powered by dimethyl ether (DME) produced from biomass. DME can be produced from a variety of sustainable biomass feedstocks, including food, animal and agricultural waste, as well as from natural gas.
- The company is testing five trucks that use Liquefied Natural Gas (LNG) as fuel. The trucks were launched at the end of 2013 at Safeway's Southern California distribution center.

In addition to fuel efficiencies, Safeway's distribution centers are operated with such rigorous and successful waste reduction programs that over one half of the distribution centers and manufacturing plants have reached a "zero waste" status.

Safeway is a long-time partner in the EPA's Green Power Partnership, which encourages and recognizes the commitment of businesses that utilize renewable energy to power their operations. Safeway uses solar and wind as alternative sources of energy to power its various facilities, including stores, fuel centers, distribution centers, manufacturing facilities and corporate offices.

ABOUT SAFEWAY www.SAFEWAY.com

Safeway Inc. is a Fortune 100 company and one of the largest food and drug retailers in North America based on sales. The company operates 1,406 stores in the United States which had annual sales of \$37.5 billion in 2012.

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