

SAFEWAY INC. VENDOR CODE OF CONDUCT

I. Terms and Conditions

Safeway's Vendor Code of Conduct is a general guide to standards of business practice and regulatory compliance that applies to Vendors of Safeway Inc. or its (direct and indirect) subsidiaries and affiliates (the "Safeway Companies"). It is the Safeway Companies' intent to select and retain Vendors ("Vendors") who share and embrace the letter and spirit of our commitment to integrity. We recognize that Vendors are independent entities. Nonetheless, the business practices of a Vendor may reflect upon, and in some cases directly affect, the Safeway Companies. The Safeway Companies, therefore, require that Vendors and their employees, agents, and subcontractors (Vendors' employees, agents, and subcontractors shall hereinafter be referred to collectively as "Representatives") adhere to certain standards of business conduct and that they comply with the letter and spirit of applicable law while conducting business with or on behalf of the Safeway Companies. The policies summarized in the Safeway Companies' Vendor Code of Conduct are not exhaustive: there may be other conduct not specifically described that will be considered unacceptable for a Vendor or its Representatives.

II. Legal and Regulatory Compliance Practices

All Vendors, while conducting business with or on behalf of the Safeway Companies, shall conduct such business in full compliance with all laws and regulations applicable to such business, and shall require that their Representatives do the same. Vendors shall promptly notify the Safeway Companies of any conflict between U.S. and other applicable law as detailed under the "Reporting of Questionable Behavior and Possible Violations" section of this code. In addition to any specific obligations under Vendor's agreement with the Safeway Companies, all Vendors shall, without limitation:

- A. Comply with the anti-corruption laws of the countries in which they do business and with the United States Foreign Corrupt Practices Act ("FCPA"). Vendors may not make any direct or indirect payments or promises of payment to foreign government officials for the purpose of inducing the individual to use or misuse his/her position to obtain or retain business.
- B. Comply with all applicable trade control laws as well as all export, re-export and import requirements.
- C. Conduct their business in full compliance with antitrust and fair competition laws that govern the jurisdictions in which they conduct business.
- D. Comply with all applicable environmental laws and regulations.
- E. Be honest, direct, and truthful in discussions with regulatory agency representatives and government officials.

III. Business Practices

Vendors and their Representatives shall conduct their business interactions and activities with integrity and in accordance with their obligations under specific agreements with the Safeway Companies. While many Vendors have their own compliance requirements, business practice standards, and/or codes of business conduct, it is essential that all Vendors and Representatives understand and uphold the requirements of the Safeway Companies for acceptable business conduct when doing business with or on behalf of the Safeway Companies. In addition to any specific obligations under each Vendor's agreement(s) with the Safeway Companies, all Vendors shall, without limitation:

- A. Honestly and accurately record and report all business information and comply with all applicable laws regarding their completion and accuracy.
- B. Create, retain, and dispose of business records in full compliance with all applicable legal and regulatory requirements.
- C. Protect and responsibly use both the physical and intellectual assets of the Safeway Companies, including property, supplies, consumables, and equipment, when authorized by the Safeway Companies to use such assets.
- D. Conduct business in a professional manner at all times while on the Safeway Companies' property or while conducting business with or on behalf of the Safeway Companies.
- E. Not distribute or cause to be distributed on the Safeway Companies' owned or leased property any form of literature, materials or other information (such as brochures, publications, advertisements, surveys, announcements, or flyers) unrelated to the Safeway Companies' business.
- F. Not speak to the press on the Safeway Companies' behalf unless Vendor or Representative is expressly authorized in writing to do so by the Safeway Companies.
- G. Refrain from offering, giving or providing gifts (including but not limited to magazine subscriptions, complimentary or discount tickets, cash, merchandise, special services, foods and beverages) unless such gifts and/or entertainment (i) have nominal economic value, and (ii) carry an advertising message directly related to promotion of Vendor's products. Any meals or entertainment provided to an employee of the Safeway Companies should be moderate and should be provided only in the course of Vendor's business with the Safeway Companies. In no event shall Vendor or its Representatives offer a bribe, kickback, or any other incentive to a Safeway Companies' employee (other than incentives provided directly to the Safeway Companies).

H. Avoid the appearance of or actual improprieties and conflicts of interests. Vendors and their Representatives shall not knowingly deal directly with any Safeway Companies' employee if that employee or his/her spouse, domestic partner, or other family member or relative holds a significant financial interest in Vendor. Dealing directly in the course of negotiating the Vendor agreement or performing Vendor's obligations with a spouse, domestic partner, or other family member or relative who is employed by the Safeway Companies is also prohibited.

I. Refrain from insider trading, including by buying, selling, or taking any futures position in the Safeway Companies' stock or other securities, while in possession of information about the Safeway Companies that is not generally available to the investing public and that could influence an investor's decision to buy or sell stock.

IV. Employment Practices

The Safeway Companies expect their Vendors to share their commitment to diversity, equal employment opportunity, and a safe and harassment free workplace. Safeway Companies' Vendors shall conduct their employment practices in full compliance with all applicable laws and regulations in all of their global operations. In addition to any specific obligations under Vendor's agreement with the Safeway Companies, all the Safeway Companies Vendors shall, without limitation:

A. Cooperate with the Safeway Companies' commitment to a workforce free of harassment and unlawful discrimination.

B. Provide a safe and healthy work environment and fully comply with all applicable safety and health regulations and practices.

C. Use only voluntary labor. The use of forced labor whether in the form of indentured labor, bonded labor, or prison labor by a Safeway Companies Vendor or its subcontractors is unacceptable.

D. Comply with all minimum age laws and requirements and not employ child labor.

E. Comply with all applicable laws governing compensation and working hours. In those countries where there is no applicable standard, overtime shall be paid, at a minimum, at the rate equal to the employee's regular wages.

F. In those instances where housing is provided by Vendors, assure Representatives' housing meets all applicable laws and regulations.

V. Compliance with the Safeway Companies Vendor Code of Conduct

It is the responsibility of the Vendor to ensure that its Representatives understand and comply with the Safeway Companies Vendor Code of Conduct and to inform its Safeway Companies' contact (or a member of the Safeway Companies' management) if and when any situation develops that requires the Vendor to operate in violation of the code set forth in this document.

VI. Enforcement of and Compliance Verification with the Safeway Companies Vendor Code of Conduct

The Safeway Companies will not tolerate any departure from its standards. The Safeway Companies Vendors are expected to self-monitor their compliance with this Vendor Code of Conduct. In addition to any other rights the Safeway Companies may have under their agreement with Vendor, the Safeway Companies may request the immediate removal of any Representative who behaves in a manner that is unlawful or inconsistent with this Code or with any Safeway Companies' policy.

VII. Compliance Acknowledgment

All Vendors are required to educate and train their Representatives to ensure that they understand and comply with the Safeway Companies Vendor Code of Conduct. Vendors may be required, as a condition to maintaining an active Vendor relationship with the Safeway Companies, to acknowledge their obligation to comply with the Safeway Companies Vendor Code of Conduct.

VIII. Reporting of Questionable Behavior and Possible Violations

The Safeway Companies encourage Vendors and Representatives that have questions regarding the Safeway Companies Vendor Code of Conduct to contact the Safeway Companies regarding their concerns. Vendors and their Representatives should work with their Safeway Companies contact in resolving a business practice or compliance concern. Should it not be possible or appropriate to resolve such concern directly with their contact, Vendors should contact the Safeway Companies Corporate offices by sending a letter to the following:

Safeway Inc.
Corporate Legal
5918 Stoneridge Mall Road
Pleasanton, CA 94588-329

IX. Intolerance of Retribution or Retaliation

The Safeway Companies will not tolerate any retribution or retaliation taken against any individual who has, in good faith, sought out advice or has reported questionable behavior or a possible violation.