OFFICE OF THE DISTRICT ATTORNEY COUNTY OF SANTA BARBARA

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*****PRESS RELEASE****

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Safeway Inc. to Pay \$9.87 Million Settlement for Environmental Violations

Santa Barbara District Attorney Joyce E. Dudley, together with 41 other California District Attorneys and 2 City Attorneys announced today that Alameda County Superior Court Judge Wynne S. Carvill has approved a Stipulated Final Judgment and Permanent Injunction against Pleasanton-based Safeway Inc. The settlement resolves allegations that more than 500 Safeway stores and distribution centers, including its other brands, Vons, Pavilions and Pak 'n Save, violated California laws for the safe storage, handling and disposal of hazardous and pharmaceutical waste generated from spills and customer returns of hazardous products.

The investigation into Safeway's practices began after discovery of improper shipments of hazardous and pharmaceutical waste to Safeway's distribution centers through its reverse logistics program. The investigation revealed that Safeway was also routinely and systematically sending hazardous and pharmaceutical wastes to local area landfills not equipped to receive such waste. Upon being notified by prosecutors of the widespread issues, Safeway worked cooperatively to remedy the issue, enhance its environmental compliance program and train its employees to properly handle such waste.

Pursuant to the terms of the Final Judgment and Permanent Injunction, California Safeway stores have adopted new policies and procedures designed to eliminate the improper disposal of retail hazardous waste products and pharmaceutical waste into store trash bins for eventual disposal into local landfills. In addition, the corporation must pay \$9.87 million in civil penalties, costs and supplemental environmental projects. Under the terms of the settlement, Safeway must also continue its First Assistant Store Manager Program designed to address environmental compliance at the store level and conduct annual store audits.

"Thanks to the collaborative efforts of the District and City Attorneys throughout the state, businesses operating in California are well aware of their environmental responsibilities and our environment is better protected as a result," said District Attorney Dudley.

There are seven Safeway stores in Santa Barbara County. Under the final judgment, Safeway Inc. will pay \$8,750 in civil costs, penalties and cost recovery to the Santa Barbara District Attorney's Office and \$17,500 in civil costs, penalties and cost recovery to Santa Barbara County Environmental Health Services.

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