



9/8/23

Safeway and Albertsons Members -

Today, Kroger and Albertsons confirmed their “divestiture” plan (i.e. a sale plan) with C&S Wholesale Grocers, LLC in connection with their proposed merger. The agreement with C&S includes sale of 413 stores, 8 distribution centers, 2 offices and 5 private label brands across 17 states and the District of Columbia. Below we have tried to address some of your questions with answers to the best of our knowledge. Details about this deal are still coming in, and we are in the process of gathering as much information as possible and will continue to share information with you as it becomes available.

UFCW Local 7, and our other UFCW Local coalition partners across the country, continue to be opposed to the Kroger-Albertsons merger, including this deal. We will continue to call on the FTC and state attorney generals to block this merger.

Who is C&S Wholesale Grocers, LLC?

C&S is a 104-year-old wholesale grocery supplier and retailer, and one of the largest privately held companies in the US, the company is a current vendor to more than 7,500 independent supermarkets, retail chain stores and military bases. In addition, it currently operates approximately 160 Grand Union grocery stores and Piggly Wiggly stores in the Midwest and Carolinas.

How is the C&S transaction going to work?

1. The merger between Albertsons and Kroger would go through first.
2. Then Kroger would sell the stores to C&S according to the above transaction details.

What are the basic details of the C & S transaction, should it happen?

The divestiture deal includes 413 stores across the country, some of which are in Colorado and Wyoming. The number of stores contained in the divestiture plan in our region:

- CO: 52 Albertsons Cos. stores
- MT/UT/WY: 12 Albertsons Cos. stores (we do not have the exact number of WY stores at this point and will update you accordingly)

The companies also state that 237 additional stores could be sold to C&S across the country. We do not know whether or how many of these stores are in Colorado or Wyoming.

We also understand that C&S is purchasing 8 distribution centers. We do not yet know whether the Safeway Meat Warehouse is among those, but it is likely.

Is this happening now?

No, this sale will not take place until and unless the Kroger-Albertsons merger is ultimately approved by the Federal Trade Commission. The FTC may attempt to block the merger. We do not expect the sale to take place until at least early 2024, if it happens at all.

Does this deal with C&S include all of the Safeway / Albertsons stores in Colorado and Wyoming?

Not all of the Safeway/Albertsons stores are being sold. Many stores will be kept by Kroger if this agreement is approved. There are approximately 88 union Safeway/Albertsons stores in Colorado and Wyoming. There are also some non-union Safeway/Albertsons stores in both states. The company has stated it will sell 52 stores in Colorado. In Wyoming, we don't yet know the exact number.

Again, we don't know which stores are part of the deal. We are working to get this information from the companies. In addition, the number of stores being sold to C&S could increase between now and when the merger closes.

What would happen to the remaining Safeway/Albertsons stores that are not sold to C&S?

We don't know. Kroger will be able to choose to keep those stores as either Safeway or re-banner them to King Soopers or City Market.

Is the Kroger-Albertsons merger final?

The merger is not final, and the sale of stores to C&S is contingent upon the FTC's approval of the broader Kroger-Albertsons merger. It is unlikely that the merger would be approved prior to the end of this year.

Could more stores be sold to C&S in the future?

Prior to the closing of the merger, Kroger has stated that it may, in order to secure FTC approval, require C&S to purchase up to an additional 237 stores in certain geographies for an additional sum of money. We do not yet know whether any of these 237 stores are in Colorado or Wyoming.

What will happen to SpinCo, the spin-off company that Kroger and Albertsons announced they would create to get FTC approval?

The companies previously stated that they would create a spin-off company that would take on some of the Safeway/Albertsons/Kroger stores called SpinCo. The companies have stated that the idea is now dead. All stores will either be acquired by Kroger, sold to C&S, or, possibly, be closed.

My Store/My Job

Will my store close because of the merger?

According to information provided by Kroger and Albertsons on September 8, they have not announced any stores closing as a result of the merger. However, there is no guarantee that stores will stay open as the merger process continues. Moreover, there is nothing that requires either Kroger or C&S (which will buy many Safeway and Albertsons stores) to keep stores open after the merger is complete.

Will my store close temporarily while the transaction takes place?

The companies have stated that there will be no disruption to the business during this transaction. However, there is no guarantee, and this could change.

What will happen to the fuel center and pharmacies?

The companies have stated that all fuel centers and pharmacies associated with the divested stores will remain with the stores and continue to operate. However, there is no guarantee, and this could change.

What happens to my job if my store closes because of the merger?

We do not know yet. If your store closes, Local 7 will fight to secure a place for you in a store that will remain open with no loss of pay, benefits, or seniority.

Will I lose my job if my store is sold to C&S?

According to statements from Kroger & Albertsons, C&S has said that all current employees will be offered a position in the stores when C&S purchases them. We are seeking additional information and cannot guarantee that everyone will keep their jobs. Also, we don't yet know if you will have a choice of whether to stay with C&S or go to a nearby store being bought by Kroger.

Union Rights and Benefits

What is my Union doing to advocate for me?

Local 7 and its partner UFCW local unions, and the more than 100 ally organizations across the country in the [Stop the Merger coalition](#), were the first UFCW unions and organizations to publicly oppose the merger. We are reviewing the details of this proposed deal, asking for more information, and will continue to inform and advocate for our members.

Does the Union still oppose the Kroger-Albertsons merger? And if so, what can I do?

UFCW Local 7 still opposes the merger, because we think this will still further decrease the number of companies operating in the grocery industry and increase Kroger's dominance. Kroger has long opposed working with and partnering with its unions.

Members should still submit their concerns to the FTC through the website: [Stop the Merger \(nogrocerymerger.com\)](http://nogrocerymerger.com)

Is the Union against the C&S transaction?

Yes. While C&S has stated they will honor the collective bargaining agreements, there are far too many unanswered questions about their promises and how that will work. These could be nothing but empty or short-term promises. Further, we are concerned about the long-term future viability of the C&S stores. We have seen similar deals fail, like the Huggen deal, where workers were harmed.

What happened with the Haggen deal in 2015?

When Safeway merged with Albertsons in 2015, the companies sold dozens of stores to a small competitor called Haggen. After less than a year, Haggen went bankrupt and many prior Albertsons workers lost jobs, pensions, and healthcare. Just like with Haggen, we are concerned C&S is a small competitor – with roughly 160 stores today buying more than 400 stores, and it may not have the money and ability to allow your stores to succeed.

Will my store remain Union?

Based on the information released by the Companies, C&S has agreed to honor existing Union contracts. We do not know the details of this promise, or whether C&S has agreed to recognize Local 7 and bargain a new agreement once your current CBA expires in early 2025. As of September 8, we have no written agreements from C&S, Safeway, or Albertsons about this.

Will I keep my current benefits, like healthcare, pension, vacation, and my seniority?

We don't know all the details yet. We are working to gather this information as quickly as possible and will provide you with more information as it becomes available.

I have Union health care. Will I have to move my prescriptions?

Not yet, but if and when the deal takes place, you may have to move your prescriptions to another pharmacy. Union Trustees will be fighting to make sure you have as many options as possible to fill your prescriptions.

What happens to my pension if the merger happens?

If you are currently retired and have a Union pension, you will continue to get your pension for the time being. However, we do not know the nature and extent of C&S's commitment to honor existing pension obligations for current (or retired) employees. We are working to gather additional information, but we do not know whether C&S would remain as a contributing employer in the pension plan in the long-term. It is still very possible that pensions could be threatened both for current employees and retirees.

There is a federal government agency called the [Pension Guaranty Benefit Corporation](#) (PGBC), which was created to protect the retirement incomes of private sector defined benefit pension plans. However, PGBC benefits would almost certainly result in a reduced benefit for current and future retirees.