



UPDATE

SAFeway UNION NEGOTIATIONS

Understanding the new Safeway contract proposal – understanding the very important decision you have to make!

We have now sent you the entire proposed Safeway union contract. You are faced with a critical decision.

One option you have is to accept the contract. The other option you have is to go on strike. It is important to understand that a strike obviously does not happen on its own and it will involve a commitment on your part to picketing for a substantial length of time. Your bargaining committee has been meeting with the company for months and months and it is their considered opinion that the offer of settlement is a final one and the only other option is to attempt a massive and lengthy strike.

The proposed union contract is a unique one and reflects the unique times we're living in. Unionized Safeway workers face a new employer. Sobeys is part of the Empire Group, a national and powerful corporation worth billions of dollars. They bungled the Safeway takeover, but are undoubtedly doing well, in part, as a result of enhanced sales during the COVID-19 environment. The company's wealth has created union demands for fairness. Employees deserve their share! The company argues that sales are leveling off and may even dry up as consumer incomes wither with rising unemployment and things like CERB are being phased out.

The retail food business as a whole is transforming. Various types of online sales platforms are expanding. Amazon has introduced grocery stores without cashiers. Consumers are flocking to discount stores like No Frills and FreshCo as working class incomes shrink and consumers are looking for better value.

COVID-19 presents a frightening and uncertain future. Hero Pay has become a political issue.

Union negotiations have now commenced in Alberta with one of Sobeys main competitors, The Real Canadian Superstore. Similar tensions exist in those negotiations. As Alberta workers, like Safeway and Superstore employees, feel the frustration and anxiety of the times many undoubtedly are considering militant options like going on strike. Unfortunately, the Alberta government is putting up roadblocks to suppress worker freedom of expression. For a strike to have any impact on Safeway we would have to picket the over 50 Sobeys stores in Alberta. During a strike or lockout, Sobeys would be able to transfer their Safeway business to their non-union Sobeys stores. The Alberta UCP government is enacting a new law that would restrict picketing generally and also make it difficult if not impossible to picket the Sobeys stores. The new law is called Bill 32. The UCP has also recently enacted another law called Bill 1, also intended to restrict or even criminalize legitimate protest. Alberta, of course, also does not have

anti-scab laws to prevent workers from being lured across the picket line by unethical managers. We highlight some of these points as part of our sharing of information and transparency initiative. When casting your ballot, you are entitled to know the potential impact of the political and legal environment if we were to consider a strike.

Finally, it is important to know that the company can lock you out and may do so if you reject the offer. They can do so on 72 hours notice.

The new proposed union contract

Union negotiators believe that the company should have done better in this contract in terms of wages. Union President Thomas Hesse comments, "Frankly, in my over thirty years of experience, I've never felt personally satisfied with the wages paid to our members. Their work is undervalued. Also, I'm a believer in a higher-wage economy. When workers receive good wages, they spend that money in the community, and it creates a more dynamic economy for everyone. If you want to know my opinion of Sobeys, I'm happy to offer it. They are cheap."

On the other hand, the wages in the proposed settlement are better than they were before the strike vote. Also, Safeway employees have been saying that their main goal has been to hang on to what they have and that any wage increases they aspire to are modest. Since the strike vote, Safeway has doubled the retro-pay offer and there is an immediate wage increase. There wasn't one before the strike vote. The second and third years of the collective agreement, unfortunately, only present lump-sum payments to the staff. However, in the fourth and fifth years there are opportunities to negotiate wages. These opportunities are good and at that time real arguments can be made to improve wages to suit any economic trends.

Okay, so we've started to talk about the content of the deal. There are in fact many issues to consider. Union members wanted to defeat concessions and preserve benefits. Local 401 has been successful in that regard. Union members wanted new contract provisions for enhanced health and safety during the threat of COVID-19. Local 401 has been successful in that regard.

Immediately below you will see a chart of twenty-five issues outlining some key bargaining successes. If you review the entire proposal you will see others. It is important that you carefully weigh the value of these successes versus the prospect of a strike. Obviously, like any deal, there are pros and cons to be considered. If you feel the contract is enough to reasonably meet your needs, then vote yes. If it's not good enough in your mind and you are also prepared to take the bold step of picketing, Local 401 will be there for you to support that decision. As you review the final documents that were sent to you yesterday, we would like to highlight several points of interest. Below is a summary of some key successes Safeway members achieved by working with your union to send Sobeys a strong message with a strike vote. **For those that find the offer acceptable it is important to hold your head high as your strike vote improved the offer significantly, not just for yourselves, but even for those who voted no for the strike.**

Highlights

	What the company wanted	What your union succeeded in getting for you
1	<p>Contract Term</p> <p>A 5-year term</p>	<p>Safeway members wanted a shorter-term and with the strong message we sent via a strike vote, your union was able to achieve a “hybrid term” (I.e. Wage reopeners in the 4th and 5th years).</p>
2	<p>Wages</p> <p>The company arrived at bargaining with no wage increases. They later suggested a 1% retroactive increase and lump-sum payments only.</p>	<p>Since Safeway members sent a strong message with a strike vote, the retro offer has doubled to 2%, higher than the rate of inflation since expiration. The company is now offering a real wage increase right away at 1.5%, and there are lump-sum payments in the second and third years. But again, we get another opportunity to bargain wages in the fourth and fifth years. New wage scales with increases have also been negotiated.</p> <p>If we are unable to settle in the fourth and fifth years, there will be a process called Final Offer Selection. But we will be able to make economic arguments around cost of living, competitors’ wages, etc.</p>
3	<p>Vendor Stocking</p> <p>The company has been aggressively pursuing the establishment of 10 third-party vendors per store.</p>	<p>As a result of the strong message Safeway members sent via a successful strike vote, your union has been able to significantly temper the introduction of third-party vendors. There will be no vendors in the first year. There can be 2 vendors in the second year, 3 vendors in the third year, 4 vendors in the fourth year, and 5 vendors in the fifth year.</p> <p>There is also now a strict prohibition so no full-time employee will be affected by vendor stocking.</p>
4	<p>Third-Party Kiosks</p> <p>The company wanted the ability to set up unlimited third-party kiosks.</p>	<p>The strong message that Safeway members sent through a strike vote has caused the company to back off significantly. There will be no introduction of third-party kiosks in the first, second, third, or fourth years of the agreement.</p>
5	<p>FreshCo</p> <p>The company buy-out for employees affected by a FreshCo conversion was</p>	<p>The strong message that Safeway members sent Sobeys through support for a strike vote resulted in notable increases to these numbers. Full-time members will now</p>

	\$50,000 for Full-timers and \$15,000 for part-timers.	receive \$57,000 and part-time members will receive \$17,500.
6	Dental Benefits The company wanted to significantly erode contributions to the dental plan, which would have significantly reduced benefit levels.	The strong message sent by Safeway members has completely defeated this concession.
7	Education and Training The company wanted to cut contributions to the education and training fund to less than half of their current levels.	The attack on this benefit plan has been completely defeated by our strong message to Sobeys via a strike vote.
8	Psychological Support The company had no plan to increase assistance to employees with psychological issues and would not guarantee the continuance of their EAP program. Union members report new anxieties emerging from COVID-19.	The EAP program is now guaranteed in the collective agreement.
9	Full-time Benefits The company would not improve the full-time benefit plan.	As a result of the strong message we were able to send via union negotiating efforts the plan has improved. There is a new direct pay benefit card. We were also able to defeat a 75% co-pay demand from the company. This would have been a major concession and very expensive for Safeway union members.
10	Benefits Options The company did not want to give employees the option of part-time or full-time benefit plans	At 32 hours, employees now have a benefit selection option (I.e. the part-time or full-time plans).

	under any circumstances.	
11	<p>Investing in Safeway</p> <p>The company talked about investment in Safeway but wouldn't put anything in writing.</p>	<p>Your union has consistently asked for a \$500 million commitment to investing in Safeway. Due to the strong message Safeway members sent with a strike vote, the company has at least now agreed to make a qualified commitment in writing of investing \$200 million in the brand. Local 401 is optimistic that COVID-19 profits have made some previously unprofitable stores successful. The looming question is whether or not the horrible global pandemic might improve the viability of the Safeway brand and result in more part-time hours and job security for Safeway union members. What a painful irony!</p>
12	<p>Part-time Health and Welfare Benefits</p> <p>The company sought significant reductions to the part-time health and welfare plan that would have significantly reduced the benefits available.</p>	<p>The bargaining team has agreed to reduce some contribution levels because this plan is exceptionally well funded. However, benefits themselves cannot be reduced and in fact, trustees on the benefit plan are still able to increase benefits.</p>
13	<p>BPA/BPS Receipt and Labels Coating</p> <p>The company was extremely reluctant to start the process of eliminating BPA and BPS coating on receipts and labels that have been associated with higher rates of cancer.</p>	<p>BPA receipts and labels, those clearly and scientifically associated with cancer, are strictly prohibited. Even BPS receipts and labels, around which there is greater debate on the science, will be eliminated.</p>
14	<p>Personal Appearance Policy</p> <p>The company did not want to update their personal appearance policy, stifling individuality and freedom of expression.</p>	<p>As a result of your strong message and your union bargaining committee's efforts, that policy will be changed nationwide (https://gounion.ca/news/safeway-bargaining-action-and-leadership-gets-the-goods/)</p>

15	<p>Discount Card</p> <p>The company did not want to introduce an employee discount card.</p>	<p>The strong message you sent via a strike vote and the continuous pressure of your union bargaining committee has resulted in the introduction of a discount card for all Safeway union members.</p>
16	<p>Employee Protections</p> <p>The company fought your union bargaining committee efforts to improve Employee protections in the event of discipline.</p>	<p>Utilizing your strong message, your union negotiating committee was able to get guarantees on how video evidence will be used and when the members and union will see video evidence.</p>
17	<p>Employee Accommodation</p> <p>The company saw no reason to improve or discuss employee accommodation.</p>	<p>Our strong strike vote enabled your union negotiating committee to compel the company around agreeing to improved employee accommodation when suffering from substance abuse problems. Local 401 leadership fights for a “humanity first” approach to employee relations.</p>
18	<p>Double Time</p> <p>The company was seeking to eliminate all double-time provisions.</p>	<p>Your union was able to fend off the company’s attempt to delete all double-time provisions from your contract.</p>
19	<p>Store Closure</p>	<p>Your strong message allowed your union to achieve improvements on store closure procedures in all areas in the province.</p>
20	<p>Scheduling</p>	<p>Thanks to your strong message, there is now mandatory training for all managers who write schedules. This training will be conducted by the union. A clear scheduling process that is fair to you and gives predictability to your life is a key union benefit.</p>
21	<p>COVID-19</p> <p>The company resisted improved health and safety processes as they argued that COVID-19 was no longer an “emergency”.</p>	<p>Your union successfully negotiated new health and safety processes as COVID-19 continues to be a risk. We must be concerned about the future.</p>

<p>22</p>	<p>Workplace Culture</p> <p>Sobeys workplace culture and approach to worker rights tips the balance too far toward management. Union members have told 401 to have a stronger union contract it must be policed strongly. Sobeys resisted this.</p>	<p>Local 401 is committed to having a stronger union presence in stores into the future and we have negotiated a new representation walking steward language provision to help offset Sobeys' power for the entire term of the proposed new contract. What's the point of having a contract if it can't be enforced?</p>
<p>23</p>	<p>Employee Rights Clause</p> <p>The employer has a management's rights clause that provides Sobeys with a lot of power. Sobeys management resisted agreeing to an employee rights clause to offset that power.</p>	<p>Your union has been able to negotiate an excellent employee rights clause that requires that employees be treated with dignity and respect. Safeway employees, through a comprehensive union survey, told Local 401 that since the Sobeys takeover, they felt they were not treated with the same dignity and respect that they were before.</p>
<p>24</p>	<p>Customer Complaints and Abuse</p> <p>Customers are human and come into the stores shopping with their fears and anxiety. We heard many stories of abuse and bad behaviour inflicted on Safeway union members by customers. With COVID-19 it has seemed to get worse. Initially, the company did not fully acknowledge this problem.</p>	<p>After sending a strong message via a strike vote, the Employer agreed that there shall be zero tolerance for customer rudeness, impropriety, and abuse. No Safeway employee shall be required to continue to serve a customer who has engaged in any of these behaviours.</p> <p>The company will take proactive steps to discourage improper behaviour through the development and implementation of an appropriate and comprehensive program within one hundred twenty (120) days. The program shall be reviewed with the Union President or designate(s).</p>
<p>25</p>	<p>Enhanced Health and Safety</p> <p>Safeway union members expressed concerns over health and safety issues</p>	<p>The strong message sent by Safeway members convinced the company to institute Joint Work Site Health and Safety Committees in each store. The purpose of these committee will</p>

	<p>in the stores and a desire to participate in addressing and resolving those issues both for employees and customers. Sobeys controlled management did not initially show flexibility in bargaining this issue.</p>	<p>be the promotion of occupational health and safe work practices in the workplace.</p> <p>No employee shall be discriminated against for participating in a Joint Work Site Health and Safety Committee or for reporting a good faith health and safety concern.</p> <p>Your union was also able to negotiate the ability to appoint Employee representatives to the committees and ensure that there will be equal or more Employee representatives than Employer representatives.</p>
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Overall, there is a strong argument that agreement on the above items in the economic environment that we face and with the complexities brought to us by COVID-19 is fairly balanced. There is special language to deal with COVID-19. There is special language to fairly transition to the introduction of discount FreshCo stores. There is special language to ensure strong union representation in the stores to deter Sobeys management from breaching the new union contract. Concessions have largely been defeated. There can be no third-party kiosks until the fifth year of the agreement. Vendor stocking and its impact are severely restricted. There are modest wage improvements and opportunities for more later in the contract.

Finally, this deal is not concluded, and you have full democratic opportunity to accept it or choose a more militant course of action. It is critical that you come out and vote. Please be reminded of the voting times and locations.