



FOR IMMEDIATE RELEASE
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Empire reaches important five-year labour agreement in Alberta

*New agreement enables further capital investment in
Safeway network and FreshCo expansion into the province of Alberta*

- New collective bargaining agreement positions Empire on a level playing field to compete in the Alberta market
- One-time retroactive lump sum payment to teammates of approximately \$15.6 million pre-tax (\$0.04 per share)
- Framework in place to convert some existing Safeway locations to FreshCo

Stellarton, NS – Today, Empire Company Limited (“Empire” or the “Company”) (TSX: EMP.A) announced the ratification of a new Collective Bargaining Agreement (“CBA”) for Alberta Safeway stores with UFCW 401, the Union representing the majority of its Safeway teammates in Alberta. The five-year CBA is competitive within the Alberta market, now placing Empire on a level playing field and providing flexibility and stability to better manage operational and labour costs in the province.

“We’ve committed to grow our market share through Project Horizon and strengthening our Safeway banner in Western Canada is important to our success,” said Michael Medline, President & CEO, Empire. “Our Safeway teammates are incredibly committed to their customers and the Safeway brand and this collective agreement provides us with the stability we need to invest in our Safeway network in Alberta. We have now finalized fair and competitive labour agreements for all markets in the West, enabling us to push forward with our plans to invest in Safeway and expand FreshCo.”

The CBA includes a one-time retroactive lump sum payment to Safeway Alberta teammates for hours worked over the past three years. The cost of the one-time lump sum payment is estimated to be approximately \$15.6 million pre-tax (\$0.04 per share) and will be charged to operating earnings in the first quarter of fiscal 2021.

The Company has also made a commitment to invest \$200 million in capital toward the Safeway store network over 5 years and will be part of the expected total Company average annual capital spend of \$700 million over the next three years, as announced with Project Horizon.

FORWARD LOOKING INFORMATION

This document contains forward-looking statements which are presented for the purpose of assisting the reader to understand management’s expectations regarding the Company’s strategic priorities, objectives and plans. These forward-looking statements may not be appropriate for other purposes. Forward-looking statements are identified by words or phrases such as “expects”, “intends”, “may”, “plans”, “will”, and other similar expressions or the negative of these terms. These forward-looking statements include, but are not limited to, the following items:

- The FreshCo expansion in Western Canada, including the Company's expectations regarding future operating results and profitability, the amount and timing of expenses, and the number, location, feasibility and timing of conversions and construction, all of which may be impacted by COVID-19, construction schedules and permits, the economic environment and labour relations; and
- The Company's expectations regarding the financial impact of Project Horizon and its underlying initiatives, including expected growth in market share, cost and margin savings resulting from this strategy, and the expected timing of the realization of incremental benefits, which could be impacted by several factors, including the time required by the Company to complete the project, impacts of the pandemic including changes in customer behaviour, as well as the factors identified under the heading "Risk Management" in the fiscal 2020 annual MD&A.

For more information on risks, uncertainties and assumptions that may impact the Company's forward-looking statements, please refer to the Company's materials filed with the Canadian securities regulatory authorities, including the "Risk Management" section of the fiscal 2020 annual Management's Discussion and Analysis.

ABOUT EMPIRE

Empire Company Limited (TSX: EMP.A) is a Canadian company headquartered in Stellarton, Nova Scotia. Empire's key businesses are food retailing, through wholly-owned subsidiary Sobeys Inc., and related real estate. With approximately \$26.6 billion in annualized sales and \$14.6 billion in assets, Empire and its subsidiaries, franchisees and affiliates employ approximately 127,000 people.

Additional financial information relating to Empire, including the Company's Annual Information Form, can be found on the Company's website at www.empireco.ca or on SEDAR at www.sedar.com.

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