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Dear Stakeholders,

In 2011, Brookshire Grocery Co. made strong progress on its plans of improving operations to positively affect our people, our communities and our environment. Company leaders, together with the board of directors, developed and agreed on a long-term strategic plan — a plan that has been shared with our people and our suppliers — that is guiding us on our journey during the next three years to become the desired place to shop and to work.

For the last several years, our company has been in the midst of an unparalleled transformation — one that is reinvigorating our business. Not only have we sharpened our capabilities through new software and technology, but we are renewing our focus on customers and their experience in our stores. Customers’ expectations are helping to direct our future initiatives.

This corporate social responsibility report looks at our current efforts on many fronts. We have always been committed to being a deeply responsible company. We have always given back to the communities we serve. However, looking ahead, we are taking an aggressive stance on conservation, sustainability and the total well-being of people.

I am proud to say that we donate millions of dollars and millions of pounds of product to charitable service organizations. In the following pages, you will find sections dedicated to all of our current efforts to help our communities. With programs such as Community Connections, we are working to increase our involvement in the communities we serve by engaging with our neighbors and stakeholders.

We are also investing more than ever in the development of our people. We realize the importance of training and have incorporated several new positions to improve the way our partners are trained at store level. We encourage hands-on training and look for ways to empower partners with the knowledge needed to engage with customers about everything from where products are located in the store to dinner suggestions. We are also investing in new medias and teaching tools.

In addition, we continue to explore new ways to positively impact the environment. In 2010, we introduced an environmental services department to manage our energy, utilities and solid waste, and to develop our strategy regarding sustainability. This year alone, we have achieved LEED certification for our new concept store, FRESH by Brookshire’s, which is one of the most environmentally friendly structures in East Texas. We were also able to fund the planting of 1,500 trees in a forestation area through the efforts of a special Earth Day recycling promotion.

As always, honesty, integrity and ethical business principles are at the heart of everything we do. We strive to be transparent with our partners, suppliers and customers. We believe in open-door policies, consumer feedback and equal opportunities for all. We are proud of the progress we have made, but also realize there is always opportunity for growth. Your thoughts and ideas are always welcome at brookshires.com, and we thank you for your interest in our company.

A Word from our President and CEO

Rick Rayford
President and Chief Executive Officer

OUR MISSION:
To Provide a GREAT Food and Shopping Experience
Company Overview

In the Beginning...

Brookshire Grocery Co. has a rich history dating back to 1928, when a small 25 x 100-foot store opened in downtown Tyler, Texas. Company founder, Wood T. Brookshire, was dedicated to his business and his customers. During a time when there were approximately 20 small grocery stores competing for business in the Tyler area, Wood's ambitious desire to serve was a main contributor to his success. Wood would literally jump over the counter to help his customers with their groceries. Today, Wood's level of customer service remains the foundation of BGC.

In the beginning, Wood was in a partnership with five brothers operating under the "Brookshire Brothers" name. In 1939, the partnership dissolved and Wood became sole owner of three stores in Tyler that serve as the cornerstone for today's Brookshire Grocery Co.

Throughout the years, Wood remained successful and continued to open stores in new areas. His two sons, Bruce and Woody, became heavily involved in the company and continued their father's legacy of customer service.

During the 1960s, the company continued to expand, opening its first store in Louisiana (Shreveport), and building a 175,000-square-foot distribution center in Tyler. Shortly after, BGC opened its first bakery plant and moved into Arkansas, opening three stores there. In 1984, BGC unveiled its Super 1 Foods brand, which was established to provide lower prices and warehouse style shopping. The first Super 1 Foods store opened in Alexandria, La., and now 30 of the stores are located throughout Texas, Louisiana and Arkansas.

Today, BGC is a highly respected grocery chain. The company spans across three states — Texas, Louisiana and Arkansas — and operates more than 150 stores under two distinct brands: Brookshire's Food Stores and Super 1 Foods. The company also operates a new concept store, FRESH by Brookshire's, in Tyler, Texas. In addition, BGC operates three distribution centers, as well as seven manufacturing plants: bakery, dairy, ice cream, yogurt, fresh-cut, ice and water/ beverage. The company's headquarters, including distribution facilities and corporate offices in Tyler, Texas, encompass more than 1 million square feet.

BGC upholds the highest standards for providing the freshest foods and courteous service. Most BGC stores offer market, produce, deli and bakery departments, along with fresh fish and seafood. Many stores also include pharmacies, self-service fuel stations and bank branches, among other amenities.

The company routinely raises money for children's charities, feeds people in need through an annual food drive, and escorts World War II veterans to Washington, D.C., to see the memorial that was built in their honor. Partners also donate their time to volunteer with non-profit organizations in their areas. In fact, since summer 2009, partners have volunteered more than 59,000 hours.

BGC has come a long way since 1928, but the tradition of customer service remains a well-known part of the company. The company's growth continues to reach phenomenal heights.
Today, Brookshire Grocery Co. operates more than 150 stores, three distribution centers and seven manufacturing facilities, employing more than 13,200 partners.

REMODELS AND RENOVATIONS
During 2011, BGC remodeled 14 stores, opened two new facilities — a new concept store, FRESH by Brookshire’s, and a new Brookshire’s Food Store in Bridgeport, Texas — and held two groundbreaking ceremonies, one for a Super 1 Foods store to open in Carencro, La., and another for a replacement store for Super 1 Foods No. 610 in Tyler, Texas. In addition, the company constructed a new sign to represent its corporate office and distribution center in Tyler.

AWARDS AND RECOGNITION
BGC received many industry awards in 2011, including Progressive Grocer magazine’s Regional Retailer of the Year Award and “Best Plant” honors from the All Star Dairy Association Awards. Many partners also received industry recognition, such as the Food Marketing Institute’s Store Manager Awards and the United Fresh Produce Association’s Produce Managers of the Year honors. BGC was proud to have 10 women named Top Women in Grocery by Progressive Grocer magazine, including two executives, six rising stars and two store managers. Modern Baking magazine named BGC winner of its inaugural in-store Bakery Operation of the Year Award. The company was also recognized by many organizations for its contributions, including Texas College in Tyler and The Southern University at Shreveport Foundation.

VENDOR SUMMIT
BGC hosted its first vendor summit in September, bringing together decision makers from BGC’s category management and store operations areas with approximately 240 top-level leaders from more than 120 vendor companies. BGC seeks to increase partnerships with vendors to provide the best possible prices for customers, while increasing sales as part of a three-year strategic plan.
Our Stores

No. 2 in Van, Texas
No. 3 in Lindale, Texas
No. 4 in Emory, Texas
No. 5 in Bridgeport, Texas
No. 6 in Winnsboro, Texas
No. 7 in Gladewater, Texas
No. 8 in Kilgore, Texas
No. 9 in Tyler, Texas
No. 10 in Athens, Texas
No. 11 in Marshall, Texas
No. 12 in Sulphur Springs, Texas
No. 14 in Paris, Texas
No. 15 in Hawkins, Texas
No. 16 in Mt. Pleasant, Texas
No. 17 in Benton, La.
No. 18 in Shreveport, La.
No. 19 in Wills Point, Texas
No. 20 in Malakoff, Texas
No. 21 in Minden, La.
No. 22 in Monroe, La.
No. 23 in Terrell, Texas
No. 24 in Shreveport, La.
No. 25 in Shreveport, La.
No. 26 in Springhill, La.
No. 27 in Natchitoches, La.
No. 28 in Tyler, Texas
No. 29 in Natchitoches, La.
No. 30 in Palestine, Texas
No. 31 in Mineola, Texas
No. 32 in Canton, Texas
No. 33 in Grand Saline, Texas
No. 34 in Monroe, La.
No. 35 in Monroe, La.
No. 36 in Whitney, Texas
No. 37 in Shreveport, La.
No. 38 in Farmerville, La.
No. 39 in Flint, Texas
No. 40 in El Dorado, Ark.
No. 41 in Tyler, Texas
No. 42 in West Monroe, La.
No. 43 in Atlanta, Texas
No. 44 in Overton, Texas
No. 45 in Longview, Texas
No. 46 in Pittsburg, Texas
No. 47 in Eustace, Texas
No. 48 in El Dorado, Ark.
No. 49 in Mineola, Texas
No. 50 in Midlothian, Texas
No. 51 in Mt. Pleasant, Texas
No. 52 in Shreveport, La.
No. 53 in Hillsboro, Texas
No. 54 in Bonham, Texas
No. 55 in Arcadia, La.
No. 56 in Monroe, La.
No. 57 in Haughton, La.
No. 58 in Mt. Vernon, Texas
No. 59 in Rockwall, Texas
No. 60 in Quitman, Texas
No. 61 in Whitehouse, Texas
No. 62 in Ashdown, Ark.
No. 63 in McKinney, Texas
No. 64 in Mabank, Texas
No. 66 in Homer, La.
No. 67 in Shreveport, La.
No. 68 in Seven Points, Texas
No. 69 in Midlothian, Texas
No. 70 in Bullard, Texas
No. 71 in Troup, Texas
No. 72 in New Boston, Texas
No. 73 in Celina, Texas
No. 74 in Greenville, Texas
No. 75 in Groobexck, Texas
No. 76 in Wylie, Texas
No. 77 in Corsicana, Texas
No. 78 in Shreveport, La.
No. 79 in Farmersville, Texas
No. 80 in Gilmer, Texas
No. 81 in Magnolia, Ark.
No. 82 in Crockett, Ark.
No. 83 in Delhi, La.
No. 84 in Chandler, Texas
No. 85 in Camden, Ark.
No. 86 in Quitman, Texas
No. 87 in Quinlan, Texas
No. 89 in Forney, Texas
No. 90 in Robinson, Texas
No. 91 in Mansfield, La.
No. 92 in Clifton, Texas
No. 93 in Comanche, Texas
No. 94 in Granbury, Texas
No. 95 in Nashville, Texas
No. 96 in Arkadelphia, Ark.
No. 97 in Willow Park, Texas
No. 98 in Eastland, Texas
No. 99 in Cisco, Texas
No. 100 in Albany, Texas
No. 101 in Malvern, Ark.
No. 102 in Pine Bluff, Ark.
No. 103 in Pine Bluff, Ark.
No. 104 in Pine Bluff, Ark.
No. 105 in Pine Bluff, Ark.
No. 106 in Seagoville, Texas
No. 107 in Boisier City, La.
No. 108 in Red Oak, Texas
No. 109 in Dangero, Texas
No. 110 in Jefferson, Texas
No. 111 in Rayville, La.
No. 113 in Crowley, Texas
No. 115 in Benbrook, Texas
No. 116 in Brownwood, Texas
No. 117 in Sweetwater, Texas
No. 119 in Weatherford, Texas
No. 124 in Lake Worth, Texas
No. 125 in Azle, Texas
No. 126 in Springtown, Texas
No. 129 in Denton, Texas
No. 130 in Hasfield, Texas
No. 131 in Anna, Texas
No. 132 in Glen Rose, Texas
No. 133 in Joshua, Texas
No. 134 in Meridian, Texas
No. 135 in Alvadarto, Texas
No. 136 in Bowie, Texas
No. 502 in Corsicana, Texas
No. 601 in Alexandria, La.
No. 602 in West Monroe, La.
No. 603 in Bastrop, La.
No. 604 in Ennis, Texas
No. 605 in Tyler, Texas
No. 606 in Longview, Texas
No. 607 in Monroe, La.
No. 608 in Shreveport, La.
No. 609 in Pineville, La.
No. 610 in Tyler, Texas
No. 611 in Mt. Pleasant, Texas
No. 612 in Longview, Texas
No. 613 in Marshall, Texas
No. 614 in Forest Hill, Texas
No. 615 in Greenville, Texas
No. 616 in Bossier City, La.
No. 617 in Ruston, La.
No. 618 in Texarkana, Texas
No. 619 in Hope, Ark.
No. 620 in Pineville, La.
No. 621 in New Iberia, La.
No. 623 in Lafayette, La.
No. 625 in Tyler, Texas
No. 626 in Shreveport, La.
No. 627 in Lafayette, La.
No. 631 in Marshall, Texas
No. 632 in Longview, Texas
No. 633 in Shreveport, La.
No. 636 in Opleasus, La.
No. 637 in Eunice, La.
No. 638 in Abbeville, La.
No. 801 in Tyler, Texas

2011 Company Profile

120 Brookshire’s supermarkets operating in three states: Texas, Louisiana and Arkansas
30 Super 1 Foods stores operating in three states: Texas, Louisiana and Arkansas
1 FRESH by Brookshire’s store operating in: Tyler, Texas
1 Olé Foods store operating in: Corsicana, Texas
3 Express Lane convenience stores operating in: Celina, Corsicana and Seven Points, Texas; 1 Zippy B convenience store operating in: Natchitoches, La.

Total number of cities where Brookshire’s, Super 1 Foods, FRESH by Brookshire’s and Olé Foods stores operate: 118 — 84 in Texas, 24 in Louisiana and 10 in Arkansas.

Companywide retailing space: 6,184,797 square feet
Average store size: 40,689 square feet
BGC Manufacturing facilities: bakery, dairy, ice cream, yogurt, ice, and water/drink plants, all located in or near Tyler, Texas
Company fleet: 71 tractors and 297 trailers
Estimated miles logged by company trucks this year: 8,651,052

Community Service: BGC remans engaged with local communities through the Community Connections program. Partners volunteer to assist schools, as well as nonprofit and civic organizations. BGC continues to donate a portion of profits each year to hundreds of organizations and efforts benefiting local youth, communities and charities.
Our Community

Brookshire Grocery Co. contributes to many non-profit organizations — approximately 800-plus per year. The company’s philanthropic focus is primarily on children, civic and community efforts.

COMMUNITY CONNECTIONS

Many BGC partners volunteer in their communities, with store and department teams organizing at least one volunteer activity per quarter. Teams choose which organizations to assist. Activities include assisting Habitat for Humanity, food banks, the United Way, Special Olympics, Susan G. Komen Race for the Cure, Coats for Kids, Relay for Life, the Muscular Dystrophy Association, homeless shelters, animal shelters and others. Since summer 2009, Brookshire Grocery Co. partners have volunteered more than 59,000 hours in their communities.

FOOD BANKS

BGC makes charitable contributions to several food banks in its market area. Since beginning the “I CAN wear jeans on Friday” initiative, which began in 2009, BGC’s corporate office partners have donated approximately 500 pounds of food each week to the East Texas Food Bank. During “Hunger Action Month,” stores in the East Texas Food Bank’s service area sell pre-assembled bags of groceries and collect monetary and product donations from customers, with more than 33,000 pounds donated in 2011.

SPIRIT OF CHRISTMAS FOOD DRIVE

Working closely with numerous service groups and non-profit organizations, the company sponsors the annual Spirit of Christmas Food Drive. Through the generous contributions of customers and additional donations from the company, approximately 14,000 families receive food for a week each year.

ADOPT-A-SCHOOL

Each year, BGC stores adopt local schools. Partners volunteer to read to school children, help at athletic events, sponsor student of the month programs, and more.

Donations raised by partners and customers at No. 606 in Longview, Texas, supplied a check for $500 to support the 27th Annual Thanksgiving Food Drive.

Above, Cara Williams (left), office manager at No. 51 in Tyler, and Keisha Collins, advertising specialist, assist with Coats for Kids.

Some of the partners who participated in a Susan G. Komen event in Lafayette, La.

BROOKSHIRE’S WORLD OF WILDLIFE MUSEUM AND COUNTRY STORE

Located next to the company’s corporate headquarters in Tyler, the museum features more than 450 animal mounts from around the world, as well as a replica of a country store from the 1920s. A large playground is adjacent to the museum, complete with a train caboose and fire truck. More than 52,000 guests visit the museum annually.

BROOKSHIRE’S BENEFIT GOLF TOURNAMENT

For more than 20 years, Brookshire’s Benefit Golf Tournament has united vendors and BGC leaders and has raised more than $2 million for children’s charities. The event has grown each year, and in 2011 almost 500 golfers played on four courses to raise $330,000. The tournament closes with a vendor appreciation dinner featuring a silent auction, live music and a check presentation to benefitting agencies.

Kevin Albritton, executive vice president of sales and marketing, presents a check to representatives of benefitting agencies.

BROOKSHIRE’S WORLD WAR II HEROES FLIGHTS

In May 2010, BGC fully funded its first trip for 38 East Texas World War II Veterans to visit Washington D.C. to see the World War II Memorial and other sites. The trip was to show appreciation for the veterans’ service to our country. The company escorted another group of veterans in October 2010 and in May 2011.

Our Community

Some of the partners who participated in a Susan G. Komen event in Lafayette, La.
Our Workplace

Brookshire Grocery Co. ’s greatest asset is its people. In fact, it is BGC partners and customers who have made the company a success for more than 80 years. BGC invests significant financial resources into the development of its more than 13,000 partners who bring to the company diverse backgrounds, knowledge and experiences. As participants in the Employee Stock Ownership and 401(k) Plan, partners share a common interest in the company’s success and help to carry out its mission of providing a GREAT food and shopping experience.

OPEN DOOR ATMOSPHERE

BGC believes partners should be treated with fairness, dignity and respect, and provides them with avenues to express their ideas, suggestions and concerns. The company promotes an “open door” practice whereby partners can feel comfortable approaching and talking to members of management on all levels. There are several vehicles for communication so partners can talk face-to-face, through a toll-free phone service with the option to remain anonymous, by email or through partner surveys. Management is trained to be available, approachable and receptive to the needs and concerns of the partners they lead.

DIVERSITY AND INCLUSION

BGC values all perspectives and knows that a diverse workforce increases our ability to interact and engage with customers. We welcome global perspectives and strive to empower our partners with the right tools needed for their success. We know that partners’ needs differ, which is why many resources are invested in the training and development of our people. Our desire is for each partner to achieve his or her full potential.

The company understands and recognizes that people possess different talents — and we know it is these talents that make us stronger. BGC promotes a positive work environment in which everyone — partners, suppliers and customers — are treated equally and with respect.

BGC’s retail training specialists, a new position that increases hands-on training support to store partners.

TRAINING AND DEVELOPMENT

Brookshire Grocery Co. is committed to training and developing partners through several structured programs. The training process begins upon employment with onboarding orientation and training for newly hired partners. Partners interested in store leadership positions can apply for participation in the management-training program. This comprehensive program provides months of training in all facets of managing a store. Participants receive competitive compensation and are evaluated through all phases of the process. Those who successfully complete the program are typically assigned as assistant store managers.

JOB POSTING AND PROMOTION PROCESS

BGC offers a structured job posting process to notify partners of various openings. Job openings are posted on Livewire Exchange, BGC’s communication portal. Qualified and interested candidates can submit applications to be considered for job openings. Candidates must successfully complete an interview process and receive strong recommendations from their direct supervisors. This process is actively promoted as a fair and equitable way to promote growth opportunities for partners seeking to grow with the company.

BENEFITS FOR PARTNERS

Brookshire Grocery Co. offers an array of competitive benefits. In addition to competitive salaries and wages for both full-time and part-time partners, the company invests more than $80 million annually in a comprehensive package that includes vacation, personal days, medical, vision, dental, wellness programs, college scholarships, and an Employee Stock Ownership and 401(k) Plan. Other benefits include partner recognition events, awards for outstanding job performance and years of service, and access to the company’s recreation area on Lake Palestine.

BGC SCHOLARSHIPS

Brookshire Grocery Co. has a long-standing tradition of helping partners pursue a college education. The company awards scholarships to partners in all areas of the company (up to $1,000 per semester) through the BGC scholarships, as well as another scholarship program funded jointly with Food Sales Association. Applicants must be current partners in good standing with the company, intent on pursuing an undergraduate degree in a job-related field, attend each regular semester with a minimum of six hours and maintain a 2.5 GPA. Applicants must also go through an interview process with the scholarship committee. BGC assists dozens of partners each year through the scholarship program.

BROOKSHIRE UNIVERSITY

Throughout the year, many partners are enrolled in various courses at Brookshire University, the company’s continuing education program. Degrees are awarded at annual partner recognition events to those who have completed 30 hours to obtain an Eagle degree, or 60 hours to earn a Leadership Degree.

BROOKSHIRE GROCERY CO.     1514     CORPORATE SOCIAL RESPONSIBILITY

INTERNET PROGRAM

BGC works with various colleges and universities to develop and coordinate an internship program. This ongoing recruiting effort allows the company to provide real world experience to college students, while gaining a new perspective and point of view from temporary partners, many of whom are studying current marketing and business trends. Each internship begins with the onboarding process for partners, complete with facility tours, which provides a beneficial overview of the business. Monthly meetings promote open communication between interns, their department supervisors and the training department. Through the internship program, BGC has established strong working relationships with several universities, which now know much more about our company and the opportunities available to their graduates.

Eric Mayfield, a partner from No. 633 in Shreveport, receives an Eagle Degree at the District 9 meeting.

Interns who have continued their employment with BGC.
Partner Recognition

Brookshire Grocery Co. conducts numerous programs during the year to honor partners for achievements.

Service Awards
Partners marking full-time service anniversary milestones (5 years, 10 years, etc.) receive a commemorative lapel pin and certificate, along with an award of their choice from a prize catalog offering electronics, lifestyle items and jewelry.

Retirement Recognition
As a special tribute, partners who meet age requirements and have sufficient years of full-time service receive a customized plaque and a cash gift upon retirement.

Team Building for Leaders
In recent years, the company began an exciting tradition of bringing together teams of leaders for a day of food, fun and fellowship at the BGC recreation area on Lake Palestine.

Thank You, Partner
Selected leaders reward partners for “going beyond the call of duty” by presenting them with a Thank You Partner card. Cards feature a “scratch-off” format that reveals either a $5 store coupon or a special silver, gold or platinum-level prize. Instructions on the silver, gold and platinum-level cards direct partners to a website where they can select from an assortment of prizes valued at $50, $100 and $300, respectively.

Hall of Honor
Brookshire Grocery Co. has the distinction of being a “Great Place to Work,” as is evidenced by the many partners who enjoy long careers. Portraits of partners with 35 years of full-time service are prominently displayed at the corporate headquarters in Tyler.

Store Operations Events & Contests
- **S.W. “Woody” Brookshire Store of the Year**
  Named in memory of Woody Brookshire, who was vice chairman of the board, this contest recognizes stores that stand out in all areas of operations. Winners are selected from each district based on customer service, professionalism, appearance, operating efficiency and adherence to policies. Each district winner receives $1,000 for the store’s party fund.

- **Champions of Service**
  This contest rewards partners who serve in capacities that support the stores (administration, facility services and manufacturing). Judging criteria includes attitude, accuracy, productivity, initiative and company loyalty.

- **Most Valuable Puller (MVP)**
  Management selects monthly winners from March through July for order pullers in four distribution areas: grocery warehouse, perishable warehouse and SouthWest Foods/Repack (all at Tyler DC), and Monroe DC. Criteria includes performance, attitude, accuracy, attendance and safety records. Monthly winners receive a plaque, and an overall winner in each area wins a $200 BGC gift card.

- **Safe Driving Awards**
  BGC truck drivers are recognized and honored for safe driving, with cash awards for various mileage accomplishments. In addition, drivers achieving 1 million miles without a chargeable accident receive a diamond ring. Eighteen drivers are currently in the BGC Drivers Hall of Fame.

Support Area Events & Contests
- **Champions of Service**
  This contest rewards partners who serve in capacities that support the stores (administration, facility services and manufacturing). Judging criteria includes attitude, accuracy, productivity, initiative and company loyalty.

Partners from No. 35 in Kaufman, Texas, at the District 7 recognition event.

Partner Recognition Events honor hundreds of service award recipients, contest winners and Brookshire University graduates. These events are conducted in retail districts and store operations support areas in July and August.

Partner Recognition Events honor hundreds of service award recipients, contest winners and Brookshire University graduates. These events are conducted in retail districts and store operations support areas in July and August.

**Thank You Partner!**

Faron Thibodeaux, store director at No. 621 in New Iberia, La., accepts the District 11 S.W. “Woody” Brookshire Store of the Year Award.

Ed Campbell, left, a BGC truck driver who was recognized at the 2011 Safe Driving Awards Banquet. Also pictured is Don Gilbreath, vice president - transportation logistics.
Commitment to Safety

Brookshire Grocery Co. is committed to the safety of customers, partners and the environment. Many practices are in place to ensure excellence in these areas.

**IN THE STORES**

The company has long had comprehensive plans in place to address everything from hand washing to restroom maintenance. Outside auditors are used to ensure compliance, measuring sanitation and safety based on food holding temperatures, product labeling, prevention of cross-contamination, hygiene, availability of hot and cold water, storage of toxic items, exclusion of pests, safe stocking and display procedures and more. A new store operations safety manager position was created in 2010 to focus on process improvements to further reduce accidents and to promote a safe working and shopping environment.

**Manufacturing**

BGC Manufacturing’s dairy and ice cream plants have won multiple awards and continue to raise the bar of excellence. All BGC Manufacturing plants are self-audited monthly for quality and safety, frequently inspected by local officials and inspected annually by federal officials, as well as two independent firms.

Manufacturing partners are trained annually on quality and safety issues including biosecurity, food safety, HACCP, allergens and cold chain. BGC Manufacturing partners are tested monthly on information retention as part of the Top Gun Quality and Safety Program. Lab technicians and supervisors at all plants also go through annual training to stay current on trends, testing and issues within the industry.

The cold chain system is reviewed and documented daily, from ingredients received to finished products that are shipped to stores and outside customers. Each manufacturing plant conducts mock recalls every six months on different ingredients or finished products to ensure partners are proficient in the process of recalls and market withdrawals. Mock recalls include contacting stores, vendors and outside customers via email and phone to assure product is removed from shelves.

BGC Manufacturing sets a high standard for vendors. Its food safety program aims to trace ingredients from “farm to fork.” All incoming ingredients are required to provide a certificate of analysis with each shipment, as well as lot codes for traceability. Biosecurity information is requested from all vendors for review, including safety documents, Hazard Analysis and Critical Control Points (HACCP) and HACCP verification documentation, and any other relevant food safety paperwork. Upon review, if a vendor does not satisfy BGC Manufacturing standards, alternative providers are researched. This provides BGC Manufacturing with complete confidence in all ingredients and finished products. BGC Manufacturing plants are involved in the process of becoming Safe Quality Food certified in 2012.

BGC dairy and ice cream plants only use local milk from Texas. The dairy buys milk from farms that adhere to modern animal welfare and safety practices, which is verified by the co-op from which the milk is purchased.

**DISTRIBUTION**

The Logistics Priority One Safety Program, a program that positively rewards partners for no accidents, has reduced OSHA-reportable accidents by 33 percent since its start in January 2008. New equipment, purchased from leading manufacturers, features cutting-edge ergonomic and safety designs such as cushioned foot pads, knee pads, handle grips and back supports. Narrow aisle forklifts include built-in seats and better visibility than most narrow aisle forklifts.

2011 All Star Association Awards

The 2011 Top Gun Safety Award was given to BGC’s bakery and fresh-cut plant. Shown above with the award is Gerald Barton, bakery/fresh-cut plant manager.

The 2011 All Star Association Awards
Our World

Brookshire Grocery Co. is committed to protecting the environment through responsible education and continuous improvement in the use of energy and natural resources.

TRANSPORTATION EFFICIENCY

Brookshire Grocery Co. is recognized as a partner of the EPA’s SmartWay Transport Program for its commitment to promote energy efficiency and air quality within the freight transport sector. By joining this volunteer program, Brookshire Grocery Co. strives to achieve environmental and fuel efficiency goals. SmartWay is helping the company achieve these goals by providing information on new technologies and useful strategies to reduce fuel consumption and pollution. In 2020, the company purchased trucks that use diesel exhaust fluid, a new technology to achieve almost zero emissions. Liquefied natural gas continues to be an energy source the company looks to for the future. BGC has also begun installing wind skirts on trailers. These EPA-SmartWay-Program-approved trailer skirts have significantly reduced wind drag, requiring less energy to maintain the same road speed. The use of trailer skirts has resulted in fuel savings between 4-8 percent.

More than 95 percent of our warehouse equipment is battery operated, resulting in zero emissions. All internal combustion engine equipment is liquefied petroleum gas powered with oxidation catalyst exhaust systems that produce fewer emissions than gasoline or diesel IC machines.

Some of transportation’s current sustainability initiatives include:

1. Saving fuel by using single wide tires, aluminum wheels, automatic tire inflation systems, on-board computers, synthetic drive train tubes and extended-life coolant and door switches to prevent refrigerated trailers from running when the door is open.
2. Filling trucks on their return trip with product normally shipped by a freight carrier to their distribution centers, saving thousands of miles driven and reducing greenhouse gases.
3. Reducing top speed on company tractors from 68 mph to 65 mph, which saves approximately 52,000 gallons of fuel per year.
4. Company car fleet is nearing a complete transition to using all Hybrid cars, which achieve close to 50 miles per gallon.
5. Including the automatic transmission option when ordering new trucks because of the associated fuel savings and assurance that trucks shift at the optimal time.
6. Utilizing routing software to efficiently route company trucks, eliminating miles run and idle time.

Waste Reduction

Perishable food products that are safe for consumption are made available to nonprofit organizations within the community through regular pickups at company stores. This enables the organizations to provide perishable food products to families in need. Some of the local nonprofit benefactors are the East Texas Food Bank, Salvation Army, Catherine House and Azleway Boys’ Ranch. This helps defer more than 82,000 pounds of food from ending up in the landfill. Also, we are currently researching options for diverting ice cream waste from the Ice Cream Plant, used tea bags from the Water & Beverage Plant, and fruit and vegetable trimmings from the Fresh-Cut Plant to a composting operation here locally. All facilities have also joined in to reduce waste by recycling efforts that include cardboard, plastics and papers. In addition, HDPE milk jugs that cannot be used are recycled. All BGC Manufacturing plants strive to form partnerships and work with other companies that present sustainable options to the company and for the environment. The dairy plant has joined the dairy industry’s effort to reduce its carbon footprint 25 percent by 2020, an effort led by the Center for Dairy Innovation and Dairy Management Inc., along with the University of Arkansas.

BGC Manufacturing uses a system called Photon Induced Oxidation to save water, sewage charges, chemicals and energy. The PIOx system removes organic material from wastewater prior to going to a municipal wastewater treatment facility. This technology facilitates the reclamation of water, which allows for the same water and chemicals to be used several times before being sent down the drain. This single green initiative results in more than $750,000 a year in savings throughout BGC Manufacturing.

Our World

BGC uses wide-base tires to improve fuel efficiency. Above, a new wide-base tire, on the left, shown next to a tractor with dual tires.

One of the newest company trucks.

Hiber Ruiz loads baled cardboard for recycling at BGC’s return center.

MANUFACTURING AND DISTRIBUTION EFFICIENTY
FRESH by Brookshire’s

FRESH by Brookshire’s was designed with features to help reduce its energy use and with materials that include recycled content. The store’s operations are designed to minimize its impact on the environment through energy and water conservation and recycling.

FRESH by Brookshire’s is one of the most environmentally friendly structures in East Texas. Every aspect — from the landscaping and construction materials to the control systems and interior details — was designed with sustainability in mind. A few examples include:

- Timber from the site was converted to 5,500 feet of building materials, with the remainder used for landscape mulch and pressed-board materials.
- Permeable pavers were installed in the parking area to allow rainwater to flow through filtered beds to the groundwater system, with a cistern capturing roof runoff for use in irrigation.
- The finish on the interior flooring, a stained and polished slab, was achieved with no adhesives or added products.
- The roof has an approximate 80 percent solar reflection.
- Approximately 60 percent of the building is constructed from recycled materials, including some brick from the company’s first store in downtown Tyler.
- Efficient LED lighting is used outdoors. Inside, controls monitor and automatically adjust lighting. Motion sensors and timers are used in prep and storage areas, and lighting in sales areas use reflective lenses and T5 lamps for energy efficient, high-level lighting.
- Heating, ventilation and air conditioning systems have an integrated control system to monitor and adjust temperatures and humidity.
- Certified as compliant with the Environmental Protection Agency’s “GreenChill” partnership, all refrigerated cases, coolers and freezers are controlled and monitored by a centralized computer system.
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In addition to all of the store’s sustainable features, approximately 98 percent of construction waste was diverted from a landfill. Concrete, wood, cardboard, plastics and metals were collected in designated dumpsters. Even trash was sorted for recyclable materials.

FRESH was designed for the future, with multiple electric vehicle charging plugs and designated parking spaces for hybrid and electric vehicles.

RECYCLING & MORE

Other green initiatives at FRESH include more than 30 recycling bins, as well as compostable to-go cups made from vegetable starch. Compostable products are 100 percent biodegradable and release nutrients into the soil. All paper products used in FRESH’s 80s Grill are also 100 percent compostable. Another initiative is the store’s organic diversion food waste recycling program that sends all food waste to a composting company where it is converted and used by gardeners and farmers. This effort eliminates up to 2,000 pounds of food waste from being sent to a landfill every day.
In December 2011, FRESH received the U.S. Green Building Council’s LEED Certification, making it the first grocery store in East Texas to be LEED certified.

LEED is a nationally recognized rating system that verifies a building is designed and built using strategies aimed at achieving high performance in key areas of human and environmental health. According to the USGBC website, LEED buildings are designed to lower operating costs, reduce waste, conserve energy and water, be healthier and safer for occupants and reduce harmful greenhouse gas emissions.

At FRESH, the difference is noticeable even before entering the store. Outside, large open green spaces exceed zoning requirements by 25 percent. Water-efficient landscaping, along with unique parking lot pavers, easily allow natural water back into the ground to recharge the soil. One of the most noticeable features is a unique cistern, which serves as more than an architectural feature by collecting natural rainwater to provide irrigation for vegetation surrounding the store. Inside, overhead sensory lighting adjusts with natural light from skylights. Motion sensors are used in the freezer to turn lighting on and off as needed. In addition, environmentally friendly refrigerants are used throughout to provide cooling. Everything was considered, even water fixtures that use 30 percent less water than baseline models.

There are hundreds of examples that earned LEED certification, and these are just a sampling of the exemplary LEED standards that were used at FRESH by Brookshire’s.
Sustainability Initiatives

RECYCLING
Brookshire Grocery Co. recycled 1.24 million pounds of plastic, 194,684 pounds of paper, and 38.9 million pounds of cardboard in fiscal 2011. Collection containers are placed in the front of stores to collect plastic bags and plastic (PET No. 1) bottles. Cardboard is collected at retail and warehouse facilities, paper is collected at the corporate office and shrink wrap is collected at all stores and distribution centers. All motor oil, used tires, old batteries and scrap metal, including metal plates and engraving scraps, are recycled. The dairy plant uses a blowmold that manufactures gallon and half-gallon containers for milk, orange juice, fruit drinks, lemonade, tea and water that are all manufactured at BGC plants. The blowmold reuses excess resin and imperfect containers.

FEEDING AMERICA
Fifty-two company facilities have partnered with Feeding America, the nation’s leading domestic hunger-relief charity, to donate perishable items to local food banks. In 2011, BGC donated 400,000 pounds of food to help stop hunger.

EARTH DAY PROMOTION
To promote Earth Day, BGC hosted a “Bottles to Trees” promotion. Through this effort, more than 150,000 PET drink bottles were collected throughout retail stores, as well as manufacturing and logistics areas, from April 22-25. This allowed BGC to make a donation to fund the planting of 5,500 trees through the Arbor Day Foundation Reforestation Program. During the promotion, the company collected more than 37,000 bottles per day, a tremendous increase over the average daily collection of 5,000 bottles.

CORPORATE OFFICES
In order to reduce the amount of disposable break-room products used, corporate partners are encouraged to use reusable mugs. Styrofoam products were replaced with eco-friendly paper products made from plants. Desktop printers and separate fax and copy machines have been replaced with department network printer/copier/fax machines to reduce the amount of office paper, printer toners and printer cartridges used. Shredders were replaced with confidential recycling bins and more recycling bins have been added in the stores and in operations support areas. This should also reduce the amount of machines that ultimately end up in landfills. In 2010, BGC was awarded the Green Grocer Award given by Progressive Grocer magazine. This award recognizes industry leaders that are dedicated to social responsibilities through green initiatives.

ENERGY CONSERVATION
BGC is committed to preventive maintenance on refrigeration, air conditioning and lighting systems to produce the highest operating efficiencies. When lighting fixtures are replaced, reduced wattage lamps are used. During refrigeration preventive maintenance visits, system oil levels are restored to peak operating levels. In addition, leak checks are performed and system integrity is confirmed. For most stores, BGC system operators can access from their computers the operating conditions of refrigeration, air conditioning and lighting systems and optimize performance for efficiency, product integrity and maintenance management.

BGC’s environmental services department is tracking aggregate corporate carbon production. All refrigerant usage and leak rates are tracked and actively managed down, as is energy use, to reduce BGC’s carbon footprint.

THE STORES
Customers are encouraged to purchase reusable shopping bags in BGC stores. This reduces the amount of plastic bags that end up in landfills. Several designs are available for purchase, and customers are often given incentives for bringing these back to the stores for reuse (five cents off for each bag used in Brookshire’s and Super 1 Foods).

In the company’s warehouses, BGC has reduced lighting where possible, changed production schedules and set equipment to conserving modes on nights and weekends. Other energy-conserving measures include replacing air seals and doors in the perishable warehouse, replacing trailer bumper seals, using energy-saving LED lamp fixtures where appropriate and replacing all thermostats with new, smart, lockable units to save energy on weekends and off-hours. Other off-hour measures include increasing preventable maintenance of all A/C and refrigeration condensers and evaporator coils and turning off all manufacturing plant lights except emergency lighting.