

H-E-B ENVIRONMENTAL INNOVATION



Part of being a good neighbor is protecting the environment — the air we breathe, the water we drink and the natural beauty of the communities where we live and conduct business. H-E-B is committed to actively pursuing environmental conservation in every aspect of its business, from its trucking fleet to the corporate headquarters.

Green Business is Good Business

Conservation measures aren't just good for the environment. They also help reduce operating costs, which leads to even lower prices every day for customers at the check stand. H-E-B's commitment to the environment emphasis begins long before products actually hit the store shelves. Through a number of efficient manufacturing and transportation processes, H-E-B Partners (employees) also help find new ways to save resources — from recycling pastry overbakes into hog feed in Victoria to providing on-site recycling services for customers in Abilene, Corpus Christi and Midland. For these and other environmental initiatives, H-E-B was the first retail company recognized with the Texas Governors' Award for Environmental Excellence in 1997.

H-E-B strongly believes in proactive measures to save resources. Consequently, its stores are designed with innovative, cost-effective and energy-efficient features, such as:

- Building materials made with recycled content, including structural steel and steel framing, gypsum wallboard, acoustical ceiling tiles and concrete slabs
- Energy-efficient lighting, heating, ventilating and air-conditioning systems
- A reduced amount of applied finishes used on floors, walls and interior roof structures; lower interior wall heights and the elimination of ceilings where feasible; less HVAC ductwork; and no office mezzanine and interior doors except where absolutely necessary
- Existing vegetation and large viable trees, which are preserved whenever possible and a high percentage of drought-resistant and native plant material in exterior landscapes
- Reduced pesticides

Energy Efficiency

- H-E-B makes energy-efficient lighting in its stores and parking lots a company-wide standard and has replaced its neon logo signs with LEDs
- Store lighting is automatically controlled through the Internet, which turns off 60 percent of lighting after hours to prevent excessive usage
- Infrared thermography equipment is used to detect any air escaping through its stores and its coolers and freezers, which allows for early detection and leak repair
- The company has saved 300 million kilowatt hours and increased light output by nine percent through installation of energy-efficient lighting

Water Conservation

- H-E-B reduces water usage from truck washing and limits the washing of trucks during drought periods
- The company saves 6.2 million gallons of water annually by reusing condensation from manufacturing steam equipment rather than heating new water to run operations

- H-E-B received the 2003 Watersaver Award from the San Antonio Water System

Waste Reduction & Recycling

- H-E-B was a founding partner of the Texas Commission on Environmental Quality Clean Texas program; supports TCEQ's Texas Recycles Day each year and partners with Keep Texas Beautiful on other cleanup projects in communities throughout the state
- More efficient practices have been implemented to increase the amount and types of materials that H-E-B recycles, including cardboard, aluminum, plastic, steel, oil and water
- More than 100,000 tons of materials are diverted annually from landfills through recycling
- The weight of its 1-gallon milk jugs were reduced by two grams, which was enough to make 2.6 million more jugs in one year
- H-E-B's School Recycling program allows school groups in H-E-B communities to receive up to \$1 for every pound of H-E-B plastic grocery bags that they recycle; the bags are then converted into trash bags containing a minimum of 15 percent post-consumer recycled content, which are sold at H-E-B
- In 2003, H-E-B received the 2003 Linda B. Smith Corporate Environmental Leadership Award from the Recycling Alliance of Texas

Improving Air Quality

- H-E-B has converted its Houston fleet to run on liquefied natural gas, and has incorporated other efficiency measures that help reduce harmful air pollutants by 40 percent
 - Served as a charter partner (and the only fleet based in Texas) of the EPA's SmartWay Transport Partnership to improve the transportation industry's fuel efficiency and reduce greenhouse gases and other harmful emissions
 - Recognized as a Clean Air Leader by the Houston-Galveston Area Council of Governments
 - Received a U.S. Department of Energy Clean Cities National Partner Award in 1999 for its fleet for its efforts to use a domestically produced fuel and reduce pollution
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