

2010 Sustainability Report

Flowers Foods recognizes that without a healthy environment our company cannot be successful. We are committed to applying sustainability principles to all aspects of our business. We encourage every Flowers Foods team member to be responsible for conserving natural resources and to seek ways to improve the company's use of those resources.



Working with our team members, business partners, suppliers, and customers, Flowers Foods strives to prevent waste of water, packaging, energy, and other resources. We know our commitment to sustainability makes us an even better corporate citizen as we do what is right for all our stakeholders and the environment. We believe these efforts will increase profitability and enhance shareholder value over the long term.

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Ongoing Sustainability Initiatives

- Recycle and reduce use of resources
- Reduce fuel and energy consumption
- Seek innovations to reduce the use of all resources
- Further integrate sustainability into core processes
- Work with suppliers to embrace sustainability initiatives
- Educate workforce about sustainability
- Participate in community efforts to encourage sustainability

About this Report

This report covers the 2010 calendar year and includes forward-looking goals. It covers bakeries owned and operated by Flowers Foods, and for the first time includes data for distribution, warehouse, and office facilities, and for resale outlet stores.

In October 2009, Flowers acquired Leo's Foods, a tortilla company in Ft. Worth, Texas. Data from our Leo's subsidiary is appearing for the first time in this sustainability report. For meaningful comparison, and to provide a more accurate picture of our performance, we are presenting 2010 data both with and without Leo's. This tortilla facility uses a corn masa process that consumes significantly more water and natural gas than production processes used in our bread and cake bakeries. For that reason, we are restating our goals on gas and water to reflect the impact of the corn masa process on our performance. These restated goals are noted in each section.

The information contained in this report is subject to internal data management systems and controls and has been reviewed by our internal audit staff. Flowers Foods does not yet seek external verification of its sustainability reporting.

For more information about
**Flowers Foods and
 its sustainability initiative,**
 visit www.flowersfoods.com.



Our Vision

Together we work to be a truly exceptional company focused on growth opportunities for grain-based foods.

Our Mission

To drive sustainable growth that enhances value for our shareholders, associates, distributors, customers, consumers, and communities

Our Guiding Principles

- Integrity
- Service
- Quality
- Commitment

The Flowers Way

- Grow sales
- Invest wisely
- Give extraordinary service
- Bake smart
- Appreciate team



Message from Flowers Foods' Sustainability Director

While Flowers Foods' 2010 sustainability performance improved slightly over 2009, we continued to fall well below our 2008 baseline performance in most areas.

Flowers' has always strived for energy efficiency, which is part of the company's decades-long drive to be the low-cost producer of quality bakery foods. Because efficiency has been part of Flowers' strategic plan for so long, achieving each additional percent of reduction becomes more challenging. Adding to that challenge this year were a difficult economy, which reduced our overall production volume, and a highly competitive and consolidating baking industry. These challenges do not diminish Flowers' commitment to continuously improve. In 2011, we implemented bakery level sustainability goals and began developing an incentive program to encourage team members to participate in sustainability efforts. In the face of our disappointing 2010 results, we are all the more determined to achieve our goals.

2010 was the first year we were able to accumulate sustainability data for our non-manufacturing facilities--warehouses, distribution centers, offices, and retail outlets. This data is listed separately from our established manufacturing data.

Energy usage at our non-manufacturing facilities as a percent of total usage was 8.50% for electricity and 11.27% for natural gas. While this is a relatively small amount when spread out over more than 700 locations, it is equivalent to the electric usage at almost four bakeries and the gas usage at five bakeries. From that perspective, we believe this usage warrants deeper analysis to discover opportunities for reduction. In future reports, we will break down the gas, water, and electric usage at our warehouses and index this to net pounds sold per warehouse. The more deeply we analyze our usage, the more we will be able to pinpoint areas for improvement.

One area with potential is the water usage at Leo's Foods, a tortilla plant we acquired in 2009. Another is the landfill at our warehouses. You can find more information on these in the water and waste sections of this report.

It has been said that sustainability is a journey--not a destination. Over the past few years, our journey has been bumpy, but we continue to press forward knowing that our trials and efforts will ultimately make us an even better company.

Dale Mediate
Director of Sustainability

Carbon Footprint

In 2009--for the first time--we calculated the carbon produced as a direct result of our baking. In 2010, we achieved another first--calculating the carbon generated at our non-baking facilities. We now have a much fuller picture of our carbon responsibility. For these calculations, we are using the World Resources Institute and World Business Council for Sustainable Development's Greenhouse Gas Protocol (GHG Protocol), the global standard for greenhouse gas accounting.

We are focusing on Scope 1 and Scope 2 emissions. Under the GHG Protocol, emissions are classified by their source and Flowers' core emissions fall into Scope 1 or Scope 2 classifications. Scope 1 emissions are direct emissions from owned or operated facilities, such as the oven fuel burned during our bakery production and the gas or diesel fuel used by company-owned or operated vehicles. Scope 2 emissions are indirect emissions resulting from the electricity used in our business. Our company also has some emissions that fall under Scope 3--indirect emissions that occur at, or come from sources outside, our company. These emissions are generated as a consequence of our business, such as the fuel used by our independent distributors to get our baked foods from warehouse to customer. Due to complexities, we have not yet begun to collect data on Scope 3 emissions.

In 2010, our Scope 1 emissions for manufacturing operations were 142,500 metric tonnes of CO₂e⁺ and 14,900 metric tonnes CO₂e for non-manufacturing facilities for a total of 157,400 metric tonnes of CO₂e. This 3% decrease in our manufacturing Scope 1 emissions was due primarily to improvements in refrigeration systems. Our Scope 2 emissions for manufacturing operations were 220,700 metric tons of CO₂e and 18,700 metric tonnes CO₂e for non-manufacturing facilities for a total of 239,400 metric tonnes of CO₂e. This 3.6% increase in our manufacturing Scope 2 emissions was the result of new manufacturing lines added during the year.

Indexed to production, our bakeries generated 0.326 tonnes CO₂e per metric ton of finished product produced. Our non-manufacturing facilities generated 0.031 tonnes CO₂e per metric ton of product sold.

⁺CO₂e stands for carbon dioxide equivalent and is the internationally recognized measure of greenhouse emissions.

Water Stewardship

Water is a valuable resource and a vital ingredient in bakery foods. A dependable and clean water supply is critical for our bakeries, which obtain water from local municipal water systems. We comply with all waste water and storm water regulations and work with our municipal partners to ensure a continuous and healthy water supply in all the communities where we operate.

Our production poundage per gallon of water (without Leo's Foods, a tortilla plant acquired in mid-2009) decreased slightly from 5.87 finished product pounds per gallon of water in 2009 to 5.85 in 2010. This decrease was due primarily to startup issues with new manufacturing lines added during the year.

Total indexed water usage for all Flowers bakeries in 2010 decreased significantly to 5.66 pounds of finished product per gallon of water. This decrease is due to Leo's. The process of making tortillas is very different from baking breads or snack cakes. Leo's grinds and cooks the corn to make masa for its corn tortillas, a very water intensive process. Leo's finished product pounds per gallon of water is less than half of our other operations.

Due to this different process, we have restated our 2015 water goal to 6.25 pounds per gallon of water from 6.50 pounds. Despite this restatement, we have made Leo's Foods our "water focus facility," and will be looking for ways to reduce its water usage, especially in light of its location in Ft. Worth, Texas, a water sensitive area.

Water usage at non-manufacturing facilities was 5.39% of our total usage.

Water Usage

Finished product poundage per gallon of water



*Without Leo's Foods **Target goal

Energy Conservation

Natural gas and electricity are vital energy components in commercial baking. Unfortunately, our energy performance in 2010 was only slightly better than 2009, without the addition of Leo's Foods. Both 2009 and 2010 were difficult years due to the downturn in the U.S. economy and consolidation in the baking industry, which decreased our overall production volume. 2010 was appreciably warmer and cooler at all of our bakery locations than 2009, but we have not been able to determine the specific effects of temperature on energy usage. We are disappointed with our energy results, but remain committed to achieving our 2015 goal.

Natural Gas Flowers' finished product poundage per therm of natural gas increased from 116.85 pounds in 2009 to 117.01 in 2010 (without Leo's Foods) and to 114.31 pounds for all manufacturing facilities. This is a 0.13% increase on existing plants, excluding Leo's, and a 2.18% decrease with Leo's. The process of making tortillas is different from baking breads or snack cakes, and is a very energy intensive process. As a result, Leo's finished product pounds per therm is approximately half that of our other operations. Due to this different process, we have restated our 2015 gas goal to achieve 132.00 pounds per therm instead of the previous 135.00 pounds per therm.

Natural gas usage at non-manufacturing facilities was 11.27% of our total usage.

Natural Gas Usage

Finished product poundage per therm of natural gas



*Without Leo's Foods **Target goal

Electricity Our finished product poundage per kWh increased from 6.81 in 2009 to 6.95 in 2010. Our 2015 electricity usage goal is 7.90 pounds per kWh. Because Leo's tortilla process is not appreciably different from the

process used in our bakeries in terms of electricity usage, our 2015 electricity goal remains the same.

Electric usage at non-manufacturing facilities was 8.50% of our total usage.

Electricity Usage

Finished product poundage per kilowatt hours



**Target goal

Logistics

Most of our products are distributed and sold fresh. We operate primarily as a local or area supplier and distribute almost 90% of our products through direct-store-delivery (DSD) routes operated out of our bakeries. On average, our products travel less than 95 miles from bakery to customer.

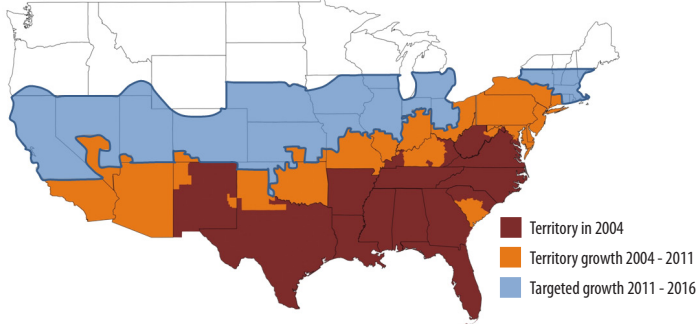
Our long-term strategy is to reduce the miles our products travel by baking products closer to our customers. We accomplish this by shifting production between bakeries, adding new production lines, and building new bakeries or acquiring bakeries in or near new markets. We also strive to maximize trailer use and fill returning trucks (back hauls) with ingredients and packaging shipments whenever possible.

We have made consistent progress in this area even though our DSD territory has increased significantly (see page 5 map). In 2010, we achieved a rate of 31.08 net pounds sold per transport mile compared to 30.95 in 2009. This effectively saved 324,475 transport miles in 2010 over the 2009 rate. Our 2015 goal of net pounds sold per transport mile is 33.28.

Please note that all our transportation numbers have changed from 2009. This is due to more accurate data that now includes transport miles for both our DSD and

warehouse segments. Previous numbers covered only relay mileage for our DSD business. This recalculation provides a more accurate picture of our operations.

Flowers' DSD Territory and Future Expansion



We continued to ship snack cakes from our bakeries in the East to our markets on the West Coast using rail. However, this method of transport has stabilized with demand and we achieved no incremental savings in 2010.

Flowers relies on several excellent third-party freight providers (3PLs) to transport bakery foods from our bakeries and distribution centers to customers. Because we do not own freight equipment, we rely heavily on our partners to provide efficient and reliable transportation. We strongly encourage our 3PLs to use only efficient, modern, and well-maintained equipment, including power units, trailers, and reefer equipment. Flowers will continue to partner with its 3PLs and supply chain vendors to pursue innovative ideas and reduce the miles traveled on our behalf and the number of transports used.

Transport Miles

Net pounds sold per transport mile



**Target goal

Sustainable Procurement

Many people are surprised to learn that most of our bread bags are made with recyclable LDPE (low-density polyethylene) plastic and can be recycled. LDPE is most commonly recycled into trash cans and liners, compost bins, shipping containers, paneling, landscaping ties, and

floor tile. Flowers' multi-pack snack cake boxes are made with 100% recycled paperboard and also can be recycled. Consumers should check with their local recycling centers about recycling bread bags and paperboard.

We continually look at different materials and methods to improve the lifecycle sustainability of our consumer packaging, keeping in mind that the primary function of food packaging is to protect and ensure freshness.

Solid Waste

Flowers Foods is committed to continuous solid waste management and to cutting waste generation in all our facilities. In 2010, we diverted 12.50 million pounds of trash from landfills to recycling. This increased our total recycling by 14% over 2009 and gave us a total company wide recycling rate of 30% versus 29% in 2009.

We have been reporting our landfill waste indexed to our production poundage. After further examination of our waste streams, we have determined that landfill waste should be eliminated without regard to production volume. As a result, our goal is a total diversion rate of 100%—or zero waste to landfill. The diversion rate for our manufacturing plants was 94.42% in 2010. The diversion rate for our manufacturing and non-manufacturing facilities combined was 89.46% in 2010.

Recycling and landfill diversion at our non-manufacturing facilities is challenging because of their relatively remote location from our bakeries and the small volume of recyclables that can be captured. However, these warehouse locations collectively generate more landfill than our manufacturing facilities. While this is a testament to our waste reduction success at our bakeries, it points to an obvious opportunity to develop waste solutions across our distribution network.

We continue to review opportunities to reduce, reuse, or recycle as many waste items as possible. During 2010, we returned our broken plastic bread trays to our vendor, which converted them into 1.7 million pounds of plastic used to make new bread trays. This is a long-standing, closed-loop system that we are trying to emulate in other areas of our supply chain. During the year, Flowers also began implementing electronic employee payment notification that eliminates paper pay stubs and will save several hundred pounds of paper each year.

In 2010, our product mix continued to shift to items of smaller weight and size (sandwich rounds, thin bagels) that we believe may help to reduce consumer waste in some small way. Many consumers purchase loaves of bread but only use a portion before tossing them into the trash. Embedded into those discarded loaves are all the resources that went into making them—the ingredients, water, energy, packaging, and transportation. The more we can do to develop products closer in size to what consumers need, the more efficiently we use our resources and the less we contribute to consumer waste.

In 2008, Flowers averaged 1.1578 pounds of product per unit sold. In 2009, we averaged 1.1441 pounds per unit sold, and in 2010, we averaged 1.1251 pounds per unit sold. This decrease represents the equivalent of more than 31 million loaves of bread not produced nor sent to a landfill in 2010.

Flowers Green Teams



The mission of our Green Teams is to generate sound ideas for improving sustainability in all areas of our business and to increase sustainability awareness at work and at home. Here are a few examples of Green Team actions in 2010:

- Several bakeries encouraged employees to use electronic communications instead of printed reports. Estimated savings are as much as 2,500 pages per week per facility. Obviously, reports not printed also don't go into the waste stream.
- One innovative facility added a bonus incentive to its monthly wellness scorecards for employees who participated in recycling at home for that month.
- Green teams at many facilities have played an important role in promoting Flowers' move to electronic employee payment notification to fellow team members.
- More facilities made energy-efficient capital requests.
- The Green Teams at several facilities have created recycling competitions.

Flowers' focus is to keep our Green Teams inspired about

their mission, to better communicate the success stories happening around our company, and to continually stress the importance being mindful of environmental sustainability in our daily lives.

About Flowers Foods

Flowers Foods (NYSE:FLO), headquartered in Thomasville, Ga., is one of the nation's leading producers and marketers of bakery foods for retail and foodservice customers.



The company's 41 highly efficient bakeries produce breads, buns, rolls, snack cakes, pastries, and tortillas. Fresh bakery foods are available to approximately 61% of the U.S. population. Flowers Foods' market reach for fresh bakery products is primarily in the Southeast, Mid-Atlantic, and Southwest, but it also extends to select markets in California and Nevada. Most of Flowers' bakery foods are sold direct to retail and foodservice customers through a network of independent distributors. Frozen bakery items and snack cakes, available nationally, are delivered via contract carriers to customers' warehouses.

Flowers' brands are among the most well known in the baking industry and are backed by consistent quality, value, and good taste. The company's top brands include *Nature's Own*, *Whitewheat*, *Cobblestone Mill*, *Tastykake*, *Mrs. Freshley's*, and *Blue Bird*. In 2010, Flowers Foods reported sales of \$2.5 billion.



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