



GRAND CENTRAL BAKERY 2022 IMPACT REPORT



LETTER FROM THE CEO

NAVIGATING CHANGING CURRENTS

Looking back on 2022, I'm proud to report that when we focus, we can get through any challenge.

We faced many challenges in 2022, some of them brought on by inflation, others from the lingering effects of the pandemic and events beyond our control. Our profits were eroded by the rising costs of our primary ingredients and some unforeseen bumps, such as a flour mill fire and an ice storm. High employee turnover made it tough to meet our production and sales goals. In some cases, bakery cafes struggled to have sufficient staffing to stay open during normal business hours. As the year closed, we thankfully were seeing some signs of stability that we expect to continue in 2023.

I see important lessons learned in navigating what 2022 delivered to us. Among them:

1. **The way we operate is part of who we are, in good times and bad.** Despite rising costs, we did not waver from our sourcing standards and our commitment to high quality food and service.
2. **To get to where you want to go, use a map.** We rigorously analyzed financial performance and business metrics, set goal, and communicated those with managers and staff. With patience, time, and a plan, we started to see results.
3. **Our success lies in strong leadership.** Our directors group made some tough decisions this year, but ones that ultimately will benefit the company.
4. **Work smarter and reinvest in the company.** In 2022 we:
 - Raised wages for employees in an extremely lean business year.
 - Purchased and installed a state-of-the-art dough divider in our Seattle bread production facility for improved efficiency and greater ease for bakers.
 - Temporarily closed our Wallingford location to focus on recruitment and training. The bakery reopened in the early days of 2023 with full staffing, better morale, and stronger financial performance.



I'm also proud to say that we continued making an impact on our employees, our food system, and the community. You'll read more about these accomplishments in the pages of this report, but my short list includes:

- Keeping 86% of our waste out of landfill.
- Spending more than \$1.3 million on flour grown and milled in our region, putting those dollars into local economies.
- Hiring and investing in our employees during a tough year
- Moving forward with plans to open a new location in 2023
- Laying the groundwork for the bakery to be independently owned by a Perpetual Purpose Trust, ensuring its future as a mission-driven business (more on that in next year's report).
- Seeing the joy of gathering and eating delicious food return to our bakery-cafes!

I am full of gratitude for these lessons, these accomplishments, and especially for our employees and customers.

With much appreciation!

A handwritten signature in black ink that reads "Claire Randall". The signature is fluid and cursive, written over a white background.

Claire Randall
Grand Central Bakery CEO

OUR MISSION

To serve our customers delicious, authentic food made from high-quality local and sustainable ingredients while growing a healthy values-driven business.

This report speaks to five pillars of our strategic plan and mission:



PEOPLE
Develop
employees



COMMUNITY
Invest in
our community



ENVIRONMENT
Reduce our
footprint



LOCAL VENDORS
Support
local economies



SAFETY
Maintain healthy
workplaces

PEOPLE

In 2022, we provided a wage increase and continued robust health care benefits for all who work at least 25 hours a week. We saw 83 of our 355 employees move into new positions at a higher pay level.



*rate of employees moving into positions at a higher pay level

HIGHLIGHTS:

- Offered diversity, equity, and inclusion training.
- Invested in improved systems and training to reduce turnover.
- Returned to normal daily operating hours at all cafes.

IMPROVEMENT GOAL:

Keep the rate of internal promotions at or above 20%

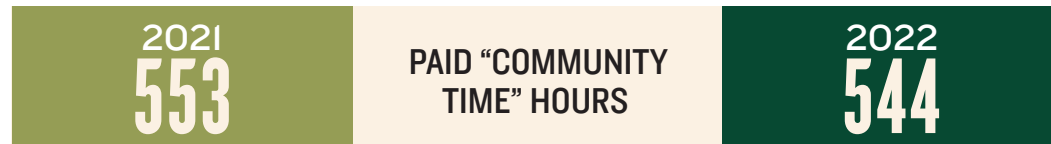


COMMUNITY

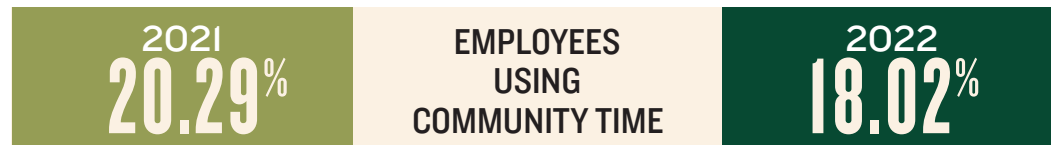
In a year that was a financial struggle for us, contributions from employees, the company, and our generous customers allowed us to make cash donations in the areas of Immigrant Rights, Equity & Inclusion, and Food & Farms

HIGHLIGHTS:

- **\$15,284.82** donated to local nonprofit partners in the areas of Equity and Inclusion, Food and Farms, and Immigrant Rights.
- Partnerships with **Mentoring Urban Students and Teens, The Blueprint Foundation, Haki Farms, Friends of Family Farmers, Northwest Immigrant Rights Project, and Pueblo Unido.**
- **4,729 Community Loaves** donated to local food banks at a value of \$27,225



* company-paid time off to volunteer



IMPROVEMENT GOAL:

- At least 30% of staff using Community Time by 2024



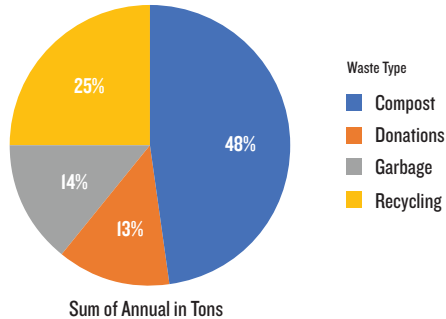
Contributions to The Blueprint Foundation supported programs aimed at eliminating the opportunity gap for Black youth within the Portland Metropolitan Area.

ENVIRONMENT

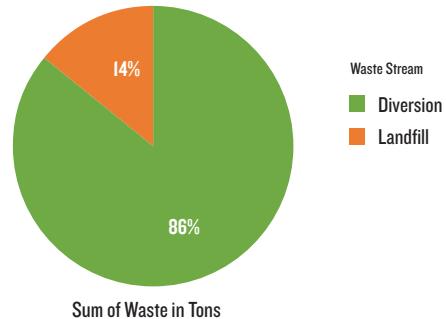
Through donations, composting and recycling, we diverted 1,022 tons of garbage from landfill



WASTE STREAM BY TYPE 2022



TOTAL WASTE STREAM 2022



INSIGHTS:

- Factors contributing to slight increase in waste -
 - Inconsistent café hours at some locations which lead to extra product
 - More customers dining in (more garbage produced at cafes)

IMPROVEMENT GOAL:

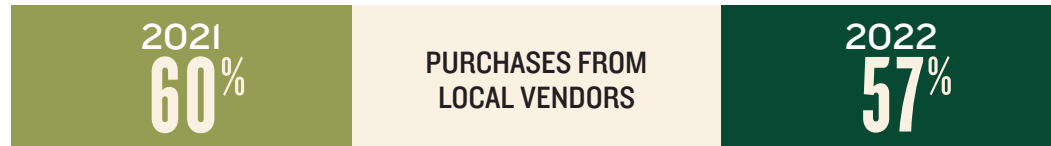
- Improve employee training practices to support consistent composting and recycling practices across locations.



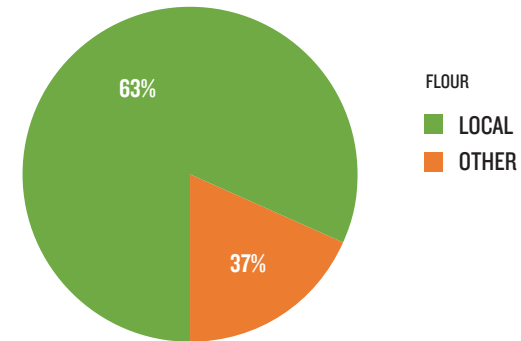
LOCAL VENDORS

SUPPORT LOCAL ECONOMIES

We spent more than \$1.3 million on flour made from regionally grown and milled grains, making a substantial investment in sustainable farming, local food security and the region's economy



FLOUR PURCHASED FROM REGIONAL, INDEPENDENT SUPPLIERS



FARM-TO-TABLE FLOUR: SETH SMALL

Once upon a time, Seth Small sold wheat like most farmers: as a commodity. He shipped it off from his Walla Walla, Washington, farm and collected a check for whatever the market would pay him.

Today, that wheat is custom milled and bagged with the Small's Family Farm label, and the flour sold direct to bakeries, pizzerias, and restaurants. "We've turned our wheat and flour into a farm-to-table product," says Small, who now grows wheat varieties for baking qualities and sets a price based on what it cost to produce it.

That's good business for this third-generation farmer, bolstered by sizable and steady orders from Grand Central Bakery. Mel Darbyshire, head baker, buys about half a million pounds of the local flour every year. The bakery uses much

of it for biga, a pre-ferment that goes into many of Grand Central's artisan breads.

"We're really fortunate to have access to this flour that's basically out of our backyard," Darbyshire says. "The Small's in the Ciabatta is amazing," with a thinner crisp crust, a consistently open crumb, and a delicious wheaty flavor. "As soon as you cut it open, you can smell the aroma." A direct tie to the grower also helps her verify the crop's sustainability and environmental impact.

Both baker and farmer hope for a long partnership, one where Small can build his own mill and ship bulk flour, providing more opportunities – and lots more delicious bread – to the Pacific Northwest.



SAFETY

In 2022, we provided extra safety training to prevent common injuries. We also updated facilities to increase building security.

2022 SAFETY MEASURES

Extra security at our facilities:

- Installed cloud-based door access control system and new cameras inside and outside select buildings with more to come.
- Improved security lighting in key areas where crews are scheduled before and after normal business hours.
- Added locking gates to Portland bread production parking lot for extra security where employees work around the clock.

Safer workspaces for employees:

- Conducted ergonomics reviews in our Commissary Pastry department and Seattle Bread Production facilities.
- SAIF conducted an ergonomics training for Commissary Pastry department to address sprains and strains caused by repetitive motion.
- Conducted a voluntary site audit at our Nevada St. Production facility to proactively address potential safety issues.
- Adopted policies and training in accordance with OSHA requirements prevent heat and smoke related illnesses.



WHO WE ARE

- Founded in 1989
- Eleven bakery-cafes and two wholesale bakeries across Portland and Seattle
- 355 employees
- Independently owned and locally operated
- Founded by a woman; currently women-owned & women-led
- Certified B Corporation since 2018, the first B Corp Certified bakery in the Pacific Northwest

OTHER 2022 MILESTONES

- Announced plan to transition ownership to a Perpetual Purpose Trust
- Engaged in planning and build-out for eighth Portland-area café in Hillsboro, opening in summer 2023.



