



GRAND CENTRAL BAKERY 2019 IMPACT REPORT



WELCOME TO GRAND CENTRAL BAKERY

Shortly before we were to publish this impact report in early March 2020, the first COVID-19 cases were reported in Washington and Oregon. Business as usual stopped, and we collectively turned our attention to work I never could have foreseen, trying to keep the business open and make operations as safe as possible for customers and employees.

The report was shelved. Thankfully, Grand Central Bakery continued.

I write this in the closing weeks of 2020, feeling confident about Grand Central Bakery's future – and still proud of what we were able to accomplish in 2019. Our core values still guide us, and our focus remains on running a sustainable business and using that business as a force for good. (You'll hear more about that in next year's report.)

For now, I invite you to dig into the 2019 details with the understanding that this report reflects the not-so-distant past, however a different reality for the company.

Thanks to all Grand Central Bakery employees for the strength, smarts and resilience you bring to work every day. And thanks to our customers and community for your ongoing interest and support.

Warmly,



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.

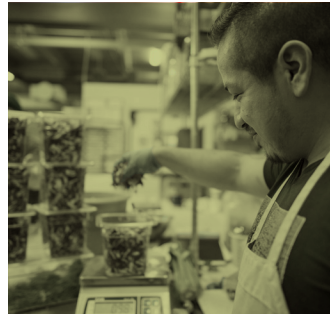
This report speaks to five pillars of our strategic plan and mission:



PEOPLE
Develop
employees



COMMUNITY
Invest in
our community



ENVIRONMENT
Reduce our
footprint



FOOD
Build a better
food system



SAFETY
Maintain healthy
workplaces

DEVELOP EMPLOYEES

In 2019, we opened a new bakery-cafe in Seattle's Wallingford neighborhood, added jobs in both cities, and introduced wage raises that exceed Metro mandates and addressed front- and back-of-the-house disparities. Our benefits ranked in the top tier for companies of our size.

8.15%
in 2018

INTERNAL
PROMOTIONS

11.30%
in 2019

HIGHLIGHTS: HEALTH INSURANCE BENEFITS

- Health benefits package ranked in the top 20% of benefits providers nationwide
- \$500 back-end deductible is 66% less than national average
- Maximum out-of-pocket medical costs of \$2,000 are 58% below national average.
- Benefit plan eligibility at 25 hours per week, compared with federally mandated 30 hours per week.

GROWING WITH GRAND CENTRAL BAKERY



RILEY NEWMAN,

Burien Assistant Cafe Manager, 4 years at GCB

Previously: Retailer, money closing lead, barista lead.

Path to promotion: "Being barista lead and having to train people on coffee and barista definitely helped shape me to lead people and make sure everyone is doing their job right. That gave me a good stepping stone to where I am now."

INVEST IN OUR COMMUNITY

We increased direct donations to our six nonprofit partners, donated many thousands of dollars in product, and saw more employees volunteering their time.



*Focus areas: immigrant rights, land stewardship, workplace equality



*We fell short of our 30% participation goal. More employees volunteered, but we added 42 jobs so percentage dropped slightly.

HIGHLIGHT: IN KIND DONATIONS

- \$258,954 per month: average value of end-of-day product donated to feed the hungry.
- \$22,042 per year: value of products donated to support community events and causes.

GIVING BACK IN THE KITCHEN

Jenn Mudge, Seattle Wholesale Sales Manager volunteers for kitchen shifts at FareStart, a Seattle nonprofit that provides meals and culinary training to at-risk populations.

“People think it’s about feeding the homeless community, but it’s also about setting a good example for the FareStart students by giving back.

It’s a really good group of people and it makes you look at your community in a different way.”



BUILDING TRAILS



Laura Schmitt, Payroll and Benefits Administrator, spent company paid volunteer hours doing trail maintenance in the Cascades, where she races in elite mountain bike competitions.

REDUCE OUR FOOTPRINT

We monitored and trimmed the amount of waste that was going to landfill.



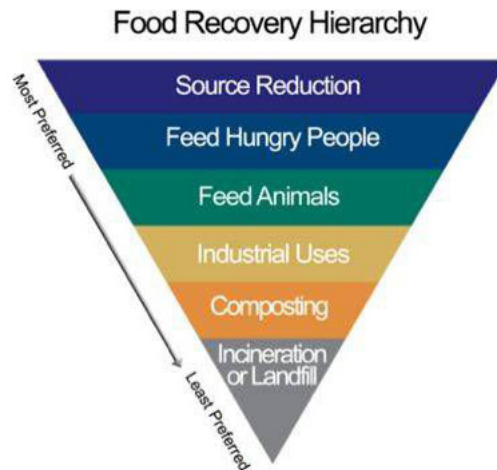
*Primarily through composting and donating to feed animals and hungry people.
2020 goal : increase source reduction

HIGHLIGHT:

- Diverted 124.9 tons of food waste through end-of-day product donations.

DID YOU KNOW?

Food is the single largest component of garbage and 55 percent of it is generated by businesses. Diverting food waste decreases the amount of greenhouse gas emissions and supports regional climate objectives.



BIKE EVERYWHERE CHALLENGE



Our employees smashed 2018 records for number of bike commuters and trips logged in May 2019. Grand Central cyclists registered 4,515 commute miles in Portland and Seattle and saved an estimated 3,280 pounds CO₂ from the atmosphere. The company donated \$200 to Washington Bikes and \$525 to The Street Trust, based on employee rider participation.

BUILD A BETTER FOOD SYSTEM

We are rigorous and passionate about buying ingredients that meet internal and third-party standards. 52% of our flour is purchased directly from farmers, cooperatives or mills outside of the commodity market. No-till flour purchases support soil regeneration and erosion control, ensuring healthy land for generations to come.



*Ratings recognize commitment to transparency, sustainability and overall impact on good food economies. Learn more at goodfood100restaurants.org.

BENEFITS OF A “GOOD” FOOD SYSTEM

- Transparency in purchasing / better food safety.
- Greater profits for producers whose practices protect land, water, and human health.
- Stronger rural economies and more independent family farms in the Pacific Northwest
- More food security for our communities.
- Regional food systems provide greater availability of fresh local food for all.

HIGHLIGHT:

- Spent nearly \$5 million on sustainable food products, prioritizing direct payments to Northwest farmers.

IMPROVEMENT GOAL:

- 90% of ingredients will meet or exceed Good Food 100 standards by 2021

COFFEE WITH INTEGRITY: NOSSA FAMILIA



Nossa Familia, our Portland coffee partner, purchases high-quality green coffee through transparent, familiar channels that they have personally evaluated. They use environmentally friendly commercial roasters that reduce energy and emissions. Through our business partnership, Grand Central Bakery employees have traveled to meet coffee growers and processors in Guatemala, learn their stories, and see what's behind every delicious cup.

MAINTAIN HEALTHY WORKPLACES

SAFETY ACTIONS

- Daily safety huddles across all departments
- Food safety accreditation for bread production facilities

HIGHLIGHTS:

- Brought in outside auditors to review equipment safety, building safety and occupational ergonomics.
- Hired full-time Safety Manager.
- Created Safety Committee job descriptions and expectations, offered training for issues reporting.
- Revised Quarterly Site Inspections (QSIs) to make them more relevant to each department and location.
- Trained employee site inspectors to increase efficiency and accountability.

IMPROVEMENT GOALS:

- Achieve food safety accreditation at Fremont commissary/ central kitchen.
- Reach a higher level of accreditation at all production facilities by 2022.



COVID-19 UPDATE

Update on Grand Central Bakery operations at time of publication in late 2020:

- 349 employees (many rehired after reopening cafes that were temporarily closed)
- Quick pivot to online ordering capacity for all cafes
- Delivering bread to supermarkets and restaurant partners safely and regularly
- A remarkable commitment by employees to keep each other safe – by wearing masks, keeping distance, and taking care outside of work.
- Pay raises for hourly employees in summer 2020, in addition to robust benefits offered

MISSION AND VALUES: MORE IMPORTANT THAN EVER

- Our local ingredient partners allowed us to continue baking bread and serving food uninterrupted, while many national supply chains were disrupted by the pandemic. We provided them with a reliable source of revenue.
- We added flour, yeast, tuna, eggs and other staples to our online store for purchase. This was a service to the community and a new and welcome revenue stream for ingredient suppliers.
- We partnered with Stone Soup and Multnomah County to make hundreds of breakfasts weekly for those housed in temporary homeless shelters in Portland during the pandemic.
- In June we donated \$10,972 to Campaign Zero, a national organization working to end police brutality.
- New Community Loaf donation option for café customers, to provide delicious whole-grain sandwich bread to food relief organizations in Seattle and Portland.

