



GRAND CENTRAL BAKERY 2021 IMPACT REPORT



LETTER FROM THE CEO

A YEAR OF RESILIENCE AND RECOVERY

Heading into our 33rd year as a mission-driven artisan bakery, and our third year operating during the COVID-19 pandemic, I can point proudly to a single accomplishment: We are still here, living our mission. With additional business challenges ranging from staffing shortages to heat waves, that alone is notable.

In 2021, we set out to stabilize and strengthen the bakery and lay the foundation for improved performance in the months and years to come. We made a very modest profit and made good on our goal of raising wages, plus offered a year-end bonus to all employees. I'm proud of that as well as our continuing support of our independent and local vendors and nonprofit partners.

This report outlines specific metrics that tell that story in more detail. Here are highlights that stand out to me:

- We renewed our B Corp certification (audit pending). Although our final score will likely be a bit lower than our first in 2018, we're so proud that we're continuing our good work as a business committed to having a positive impact on our communities.
- We reopened all Grand Central bakery-cafes to the public. Reopening was a key step in improving sales and profitability, which increases our ability to live our mission.
- We made good on last year's goal of promoting employees internally to build careers at Grand Central bakery. We worked hard on building leadership from within, which shows in the improvement in that metric.
- Although we were still using disposable to-go packaging at cafes until late 2021, we didn't lose any ground on waste reduction, a metric we measure to reflect our carbon footprint.
- We were profitable as a company, despite business limitations due to the COVID-19 pandemic. Although we haven't fully bounced back to our 2019 performance, we saw slow, sustainable growth and made a commitment to open a new location in Hillsboro, Ore., in 2023.
- We resumed selling bread to many wholesale accounts as local restaurants reopened, which increased overall sales.



- We kept our commitments to all of our local and independent vendors, ensuring that our purchases support regional farms and a web of businesses in our community.

I have so much gratitude and appreciation for the work of all our amazing employees – from those who just joined the bakery to all of you who have been with us for years and even decades. I'm also extraordinarily thankful for our customers. Ultimately, it's because of you that we're still here. We look forward to being the best part of your day for years to come.

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 the second year of the COVID-19 pandemic, we continued to meet our goal of providing rich benefits and staying competitive with employee wages while offering opportunities for career growth. More than 24% of our 345 employees moved into new positions at a higher pay level, smashing our goal of 15%.



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

HIGHLIGHTS:

- In a year of modest profits, provided raises and year-end bonuses company-wide.
- Kept operating without significant interruptions during the second year of a global pandemic
- Held insurance costs steady for the second consecutive year; no increase in out-of-pocket costs for employees in the 2020/2021 plan year.

IMPROVEMENT GOAL:

Keep the rate of internal promotions at or above 20%

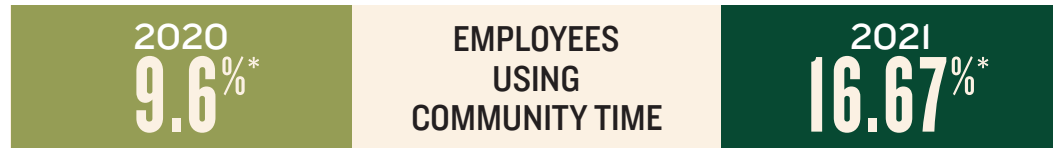
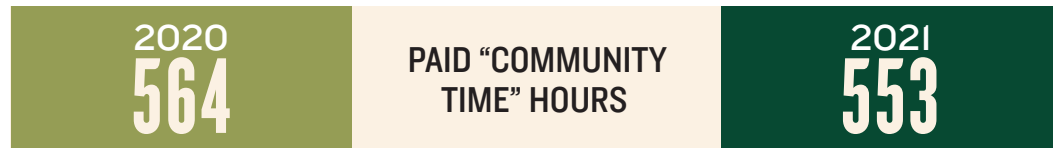


COMMUNITY

As business stabilized, the company modestly increased cash donations in the areas of immigrant rights, equity & inclusion, and food & farms. We did not meet our goal of 30% participation in company-paid Community Time, but we increased our rate of community volunteering. Nearly 11,000 fresh whole-grain sandwich loaves were delivered to local food banks through the Community Loaf program.



*Annual employee match and grant program supports local work in the areas of Equity & Inclusion, immigrant rights, and food & farms.



*We had a similar number of volunteer hours, but fewer overall employees in 2021, which raised the percentage.

HIGHLIGHTS:

- Pride Month cookie sales generated \$1,295.79 for LGBTQ-centered nonprofits in addition to company grants.
- Partnerships with The Blueprint Foundation and Powerful Voices supported equity & inclusion work in Portland and Seattle.
- 10,906 customer-donated Community Loaves delivered to local food banks at a value of \$57,373.40.
- Shared excess end-of-day product with our community, with donations valued at \$813,976.

IMPROVEMENT GOAL:

- At least 30% of staff using Community Time by 2023



ENVIRONMENT

We re-opened cafes to indoor dining partway through 2021 without seeing an uptick in total garbage produced. Waste diversion matched 2020 level; recycling was up, donated product and composting was slightly down.



HIGHLIGHT AND INSIGHTS:

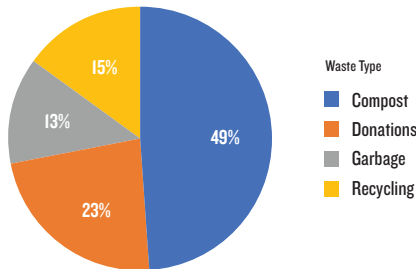
- Reintroduced dishware at cafes to delight customers and reduce waste.
- Increased recycling from 15% to 28%
- Greater recycling efficiency offset by drop in donated product, from 23% to 15%.

IMPROVEMENT GOAL:

- Increase donations to 20% or more. Increase waste diversion to 90% or more by 2023.

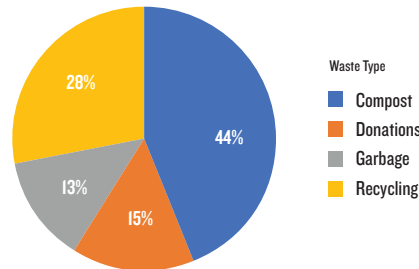
Sum of Annual in Tons

WASTE STREAM BY TYPE 2020



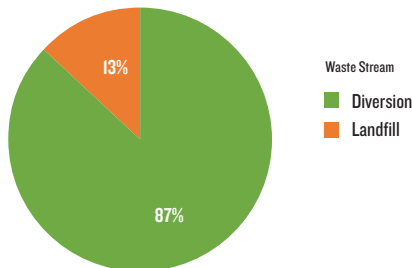
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WASTE STREAM BY TYPE 2021



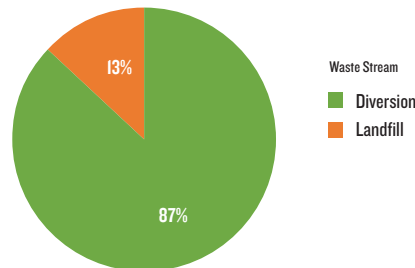
Sum of Wastein Tons

TOTAL WASTE STREAM 2020



Sum of Waste in Tons

TOTAL WASTE STREAM 2021



LOCAL VENDORS

SUPPORT LOCAL ECONOMIES

We maintained our commitments to local vendors and purchased more than half of our flour (53.65%) from regional, independent growers and millers.

2020
61%

PURCHASES FROM
LOCAL VENDORS

2021
60%

HIGHLIGHTS:

- Developed sourcing checklist to increase purchasing from historically marginalized or underrepresented groups and business owners.
- Committed to annual vendor review and year over year improvement.

PASTURED POULTRY: SKY VALLEY FAMILY FARM

A simple conversation sparked a partnership between Grand Central Bakery and Sky Valley Farms eight years ago, “We needed year-round eggs from someone who truly had their chickens on pasture,” remembers Laura Heinlein, Seattle cuisine manager. “That’s not easy to find west of the Cascades.”

Today, the flock at the farm near Stevens Pass has more than doubled to 2,500 birds, providing steady business for the Rappuhn family and gorgeous eggs with deep orange yolks for bakery customers.

Over the years, Heinlein has found new ways to work with Sky Valley. Now, in addition to delivering 160 dozen eggs every week, David Rappuhn, the family’s fourth generation on the farm, brings pasture-raised chickens to roast for soups and salads, plus packaged eggs for resale. The kitchen uses every bit of the whole roasting hens, plus it’s a help for the farm, David says, because they don’t have to hire labor to break down meat chickens. And there’s another dimension to this sustainable partnership: On return trips to the farm, David takes the kitchen’s vegetable trim to feed younger birds and to supplement the diet of the whole flock in winter.



The Rappuhn family raises pastured eggs and meat chickens on certified organic fields 40 miles northeast of Seattle.



Our safety focus in 2021 was reducing the spread of the COVID-19 virus. We tracked cases, updated policies and procedures to support safe operations, and communicated with staff regularly. Rigorous masking requirements and a high percentage of fully vaccinated and boosted employees kept workplace transmission relatively low.

2021 SAFETY MEASURES

- Daily safety huddles across all departments
- Clear company policies to reduce spread of COVID-19 virus following health department recommendations
- Full transparency about reported Covid-19 cases
- Follow-up protocol for managers and employees in the event of reported Covid-19 cases
- Facilities engineered for recommended levels of air circulation and distancing
- Cafes re-opened for dining with attention paid to safety and comfort



WHO WE ARE

- Founded in 1989
- Eleven bakery-cafes and two wholesale bakeries across Portland and Seattle
- 345 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 2021 MILESTONES

- Submitted recertification for B Corp status
- Produced Grand Central Bakery Equity Stance committing to continuous improvement in Diversity and Inclusion
- Published new website
- Continued to rebuild operations in a down economy during a pandemic



