



BENEFIT CORPORATION ANNUAL REPORT 2018



VISION

To inspire and share the joy of baking, bringing people together and building stronger communities.

VALUES + BELIEFS

QUALITY

WE BELIEVE IN QUALITY. Great baking starts with great ingredients and know-how. From us, the employee owners, to our relationships with others, to our flours, our recipes and all our products, we seek the highest standards in everything we are, and in everything we do.

COMMUNITY

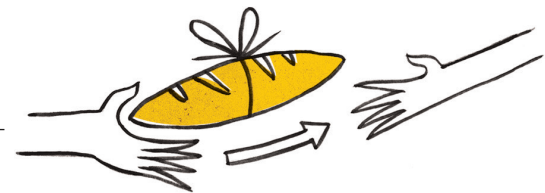
WE BELIEVE BAKING HELPS BUILD STRONG AND VIBRANT CONNECTIONS. Whether you're baking with someone, for someone, or both, King Arthur Flour is there to teach, inspire and provide resources to nurture community—building connections and relationships. We strive to serve, educate, and inspire those around us.

PASSION

WE BELIEVE IN BAKING. We love what we do; we connect through the age-old tradition of baking. Our success is fueled by our genuine passion and excitement for what we do, the depth of our knowledge, and the quality of the products and services we offer. We strive to be the baker's trusted resource.

WE BELIEVE WE'RE ALL BAKERS.

We see ourselves in every one of our customers—pros, experts, novices, first-timers. It doesn't matter if you're making pancakes for your kids or baguettes for a bakery.



STEWARDSHIP

WE BELIEVE IN DOING THE RIGHT THING FOR ALL STAKEHOLDERS. As a Benefit Corporation, we measure progress with a triple bottom line—people, planet, and profit. We carry on our centuries-old heritage of stewardship through the quality of our brand, and the steps we take to preserve the vitality of our community and the earth on which we live.

WE BELIEVE IN FARMERS. We partner with farmers and other suppliers to encourage environmentally and socially responsible practices.



MEASURING PROGRESS



B Impact Assessment King Arthur Flour has been evaluating our social and environmental performance since 2007.

SUMMARY	FY18 KAF SCORE	% POINTS EARNED*	MEDIAN SCORE**	CHANGE VS. FY17
Governance	19	95%	7	0
Workers	58	83%	19	-1
Community	23	52%	17	+3
Environment	17	39%	9	-2
Overall B Score	118	59%	52	+1

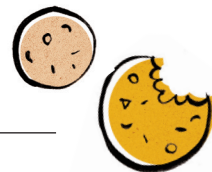
Certified



Corporation[®]

* % of total points earned by impact area
** Of all businesses that have completed the B Impact Assessment

LOOKING AHEAD



We can always do better! In fiscal year 2019, we aim to achieve the following goals:

FY19 GOALS

- Create a higher performing organization with greater expectations & accountability
- Build a stronger community internally & externally
- Reduce our environmental footprint locally
- Incorporate sustainability learnings into our sourcing



At King Arthur Flour, we believe in the power of baking to make a difference—for our employee owners, communities and planet. As a Benefit Corporation, our directors and officers upheld and acted in accordance with Vermont standards. We use the B Lab Impact Assessment to measure our public benefit. We maintained our score of 118, which is well above the median of 57, and, as always, we aim to do better. In 2019, we are continuing to focus on decreasing our carbon footprint with work to bring greater transparency and rigor to our sourcing, as well as increasing our solar capacity.

- Alison May, Benefit Corporation Director

PEOPLE



EMPLOYEE OWNERSHIP

King Arthur Flour is 100% employee-owned which means each person working here has a real stake in the company's success.



- 100% Employee-Owned
- 347 employee owners
- B Lab: Best for the World Worker Honoree
- Best Places to Work in Vermont recipient

COMPENSATION

We believe in paying a fair and competitive wage and sharing the company's success with each person. Profit sharing is paid out to all eligible employees when the company achieves its financial targets.



WELLNESS

We are committed to fostering a culture of wellness and healthy lifestyles throughout the organization.

- \$500 available in wellness incentives per employee
- All year-round employees offered tiered subsidy in local farm's CSA program

CULTURE & ENGAGEMENT

We believe our culture is paramount to all that we do and recognize that it needs to be nurtured to bring out the best in everyone.

- Collaborative work completed to define what it means to have a high performance culture and how to get there
- Employee Ownership Culture Committee created



VOLUNTEER TIME

All part-time and full-time employees receive 40 hours of paid volunteer time per year.

	FY14	FY15	FY16	FY17	FY18
Employees Participating	173	267	278	293	270
Hours	3,238	4,948	5,924	5,635	5,151

78% OF EMPLOYEES VOLUNTEERING IN THE COMMUNITY.
In line with our giving mission, over 42% of hours were hunger related.



COMMUNITY

GIVING 2018

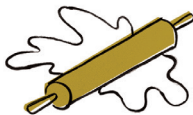
2015	2016	2017	2018
\$260k	\$377k	\$313k	\$325k
+ 43%	+ 45%	- 16%	+ 4%

Whether it's in our own backyard (the Upper Valley Haven, Hunger Free Vermont, Vermont Foodbank, Willing Hands) or across the country (Feeding America, 1% for the Planet), we're dedicated to increasing connection and access to real foods.



ESSENTIAL GOODNESS

This year, King Arthur Flour donated more than one million meals to people facing hunger across the United States through our Essential Goodness Buy a Mix, Give a Meal program. Learn more at [KingArthurFlour.com/bakeforgood](https://www.kingarthurflour.com/bakeforgood).



CAMELOT

Camelot, our flagship location in Norwich, VT, has many events that bring our giving mission to life.

- Free baking classes offered throughout the year to benefit a local food pantry
- Pizza on the Patio summer series donating 10% of event sales to 1% for the Planet nonprofits.
- All-new Community Pizza Night cranked out over 700 pizzas this summer raising \$8,000 to support Hunger Free Vermont.



BAKE FOR GOOD: KIDS

Students (grades 4-7) who participate:

- **LEARN** the science, math, and other skills associated with baking
- **BAKE** two loaves of whole wheat bread at home using materials and know-how provided by KAF
- **SHARE** one loaf with a local hunger-relief organization

This national program, which is completely free for schools, has been going strong for more than two decades and visits about 200 schools per year, reaching close to 40,000 students.



ENVIRONMENT

INPUTS & OUTPUTS

- Overall energy use down 1% driven by efficiency improvements
- 70% of catalogue pages 100% recycled paper; 100% of pages FSC certified
- 100% flour bags recyclable
- 100% boxes made with 100% recycled board (minimum 35% post-consumer content)



GREEN TEAM

The Green Team continued efforts to reduce waste and energy use on KAF campus launching the following programs:

- Think Green Challenge to green-up our daily habits at work
- Plastic bag and plastic glove recycling
- Battery recycling

GREEN COMMUTE

Ongoing reimbursement program to incent green commuting.

- Total miles saved: 38,258
- Total one way trips saved: 2,722
- Total \$ paid out in incentives: \$6,084.50



SUPPLY CHAIN

- Supplier Code of Conduct rolled out to hold suppliers accountable for social & environmental performance
- Steps taken to establish sustainable sourcing requirements for top 10 ingredients
- Partnered with Clif Bar to support WSU Bread Lab endowment to support organic wheat breeding research



CONTACT

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