



Benefit Corporation

ANNUAL REPORT 2021



Vision

To inspire and share the joy of baking, building stronger and healthier communities.

Mission

To create and deliver superior products and knowledge so that consumers experience the joy and passion of baking all informed by our values as a 100% employee-owned Benefit Corporation.

VALUES + BELIEFS



Quality

We believe in quality. Great baking starts with great ingredients. From us, the employee-owners, to our relationships with others, to our flours, our recipes, and the sourcing of all our products, we seek the highest standards in everything we are, and in everything we do. Setting our baking community up for success, joy, and endless inspiration begins with a product that we trust and return to time and time again.

Community

We believe baking helps build strong and vibrant connections. Whether you are baking with someone, for someone, or both, King Arthur Baking is there to teach, inspire and provide resources to nurture inclusive community-building connections and relationships. We strive to serve, educate, and inspire those around us, meeting each individual where they are in their baking journey.

Employee Ownership

We believe in employee ownership. A shared sense of pride and an engaged, transparent approach to leadership gives rise to success for all stakeholders. As employee-owners, we foster a workplace that cultivates a culture of inclusion and embraces differences and prioritizes respect, trust, empathy, open communication, collaboration, and personal fulfillment through high performance.

Passion

We believe in the power of baking. We love what we do; we connect through the rich, global histories and traditions of baking that span thousands of years and countless cultures. Our success is fueled by our genuine passion and excitement for what we do, the depth of our knowledge and curiosity, and the quality of the products and services we offer. We strive to be all baker's trusted resource. We believe that baking is for everyone. We see ourselves in every one of our customers, inclusive of all identities and abilities.

Stewardship

We believe in doing the right thing for all stakeholders, including our communities, our farmer partners, and our planet. As a Benefit Corporation, we measure progress with a triple bottom line – people, planet, 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 believe farmers play a critical role in engaging in environmentally and socially responsible practices and share our vision for a greener, safer planet.



A Letter From Our Co-CEOs,

Our purpose at King Arthur Baking is to inspire and share the joy of baking, building stronger and healthier communities with each bake. We remain committed to this purpose and the work continues to run deeper. As we take time to reflect, we feel proud of the meaningful work we have done and the positive impact we've made, and excited about the greater, more intentional impacts to come.

In 2021, we continued to prioritize the well-being of our communities, starting with the health and safety of our employee-owners. We also continued to support our bakery partners and their communities across the country through our For Goodness Bakes program. And as we have since 1996, we partnered with schools across the country through our Bake for Good program, bringing the joy and comfort of baking to children even as they learned remotely from home.

We used our voice and resources to give representation and support to more marginalized communities in the world of baking. We partnered with organizations doing essential work to create food justice for BIPOC communities. We also expanded our network of content contributors to

feature a broader range of voices, perspectives, backgrounds, and areas of expertise, prioritizing those historically excluded from the food media landscape. Justice, especially food and racial justice, will continue to be an essential pillar of our giving.

We pushed forward on our commitment to greater corporate sustainability, completing a year-long sustainability assessment, evaluating the lifecycle of our products from farm to kitchen. This assessment became the framework of our 2030 sustainability goals, focused on social, environmental, and economic stewardship. While these goals won't be announced until 2022, sustainability and DEI is now embedded in our organization and work is underway.

We believe that baking can make the world a better place - all while enjoying delicious treats along the way. Read on to learn more about the work we're doing to make this happen.

Sincerely,
Karen Colberg & Ralph Carlton



PEOPLE



Employee Ownership

King Arthur Baking is 100% employee-owned! Each person working here has a real stake in the company's success.

- 100% Employee-Owned
- 363 employee-owners
- Best for the World for Workers B Corp for 2021

Compensation

We believe in paying a fair and competitive wage and sharing the company's success with each person. In 2019, we increased our entry wage to \$15.00/hour: more than 37% greater than the minimum wage in our county. Profit sharing is paid out to all eligible employee-owners when the company achieves its financial targets.



Culture of Belonging

We believe our culture is paramount to all that we do. In 2021, nurturing and evolving that culture became more important than ever. We worked to ensure King Arthur provides a workplace environment that prioritizes respect, inclusivity, and equal opportunity, and which better reflects the wonderful diversity of our baking community.

- Diversity, Equity, and Inclusion team comprised of 14 employee-owners
- 98% participation in cultural proficiency and social justice trainings
- Transformation of hiring practices to recruit for culture add rather than culture fit
- Named to Best Places to Work in Vermont since 2006

Wellness

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

- \$500 in wellness incentives per employee
- Tiered subsidy in local farm's CSA program
- 4 hours of paid time off per year to vote

Volunteer Time

All employee-owners receive 40 hours of paid volunteer time per year.

	FY17	FY18	FY19	FY20	FY21
Employees Participating	293	270	300	302	251
Hours	5,635	5,151	6,126	6,116	3,452

69% OF EMPLOYEES VOLUNTEERING IN THE COMMUNITY.

*Volunteering decreased due to COVID



COMMUNITY



We fund organizations that are working to restore nature and build equitable opportunities for all. Food justice is a focus for all our giving efforts.

Giving 2021

2017	2018	2019	2020	2021
\$313k	\$325k	\$316k	\$778k	\$711k
- 16%	+ 4%	- 3%	146%	-9%

Our giving back philosophy is a cornerstone of our mission to use our business as a force for good and to build stronger and healthier communities.

For Goodness Bakes

We launched For Goodness Bakes, an initiative to help bakeries across the country during financially challenging times. We directed tens of thousands of dollars to purchase bread and baked goods from bakeries, which they then distributed to areas of need within their local communities.

Equitable Access to Real Food



Creating a more just food system is integral to realizing an inclusive, equitable future for all people. In 2021 we donated flour to 55 foodbanks in 34 states and were named a Feeding America Guiding Partner.

Building Community through Baking

We run a national Bake for Good program: a free, STEM-based program that teaches kids how to bake bread and encourages them to donate a loaf. This program went virtual in 2021 providing a bright spot for many students and teachers during remote learning.

Local Giving

We have the privilege to help raise up our local communities through the support of partners such as Willing Hands, a food recovery organization which serves 30,000 individuals annually while mitigating 1 million pounds of CO₂ emissions from food waste.

Regenerative Food Systems

We support efforts that positively impact our natural environment, conserve resources, and develop renewable energy sources, such as Northeast Organic Farming Association of Vermont's Resilience Grants for the BIPOC farming community.



DIVERSITY, EQUITY & INCLUSION



We Are Taking A Stand

At the beginning of the year, we created a fund to support organizations that address the inequities in our food systems and help our most marginalized communities gain equal access to food. We spent time listening and learning to understand how we can become better, more effective partners.

We partnered with 18 organizations serving BIPOC communities to:

- Increase access to farmland and agriculture resources
- Break down barriers to food entrepreneurship
- Increase access to healthy food

This is only the beginning of our work to enhance equity and food justice. We will use our voice and uplift the voices of others to celebrate the diversity in baking. We will continue to work collectively with partner organizations, content contributors, consumers, and our fellow employee-owners to learn together and foster change.



PLANET

From farms to kitchens, we are on a mission to use the power of baking to restore nature and build a more equitable world. In 2021, we conducted a year-long sustainability assessment to evaluate the lifecycle of our products from farm to kitchen and identify our 2030 sustainability goals (to be announced in 2022).

Sustainability

Our definition of sustainability is holistic. King Arthur Baking nurtures people and the planet with:

- An approach to business that balances purpose and profit
- Protection and regeneration of natural resources
- Responsible sourcing of ingredients and products
- Greater equity for all people and communities

Circular Packaging

- 100% recyclable flour bags
- SFI certified (mill partners)
- Incorporating PCR into pack



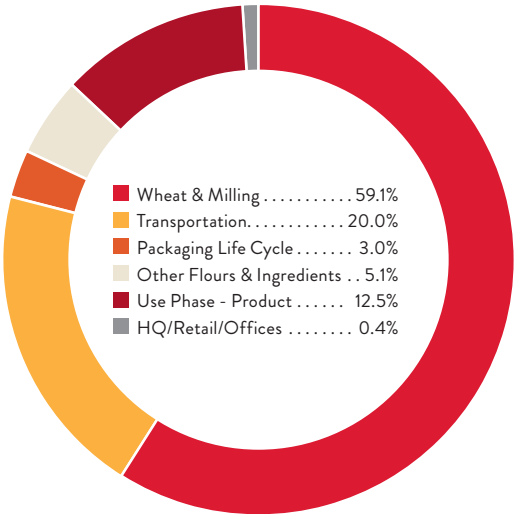
Renewable Energy

- 500Kw Solar array in Norwich, VT that offsets over 50% of our total electricity use
- Two EV Charging Stations at retail location
- Purchased electricity 100% carbon free and 68% renewable

Our emissions are dominated by the wheat supply chain (growing, milling and transportation), not our headquarter offices and operations. And we take responsibility for all of it.



Total Estimated Emissions Usage



PLANET (CONT.)

Regenerative Agriculture

This work begins in the field, partnering with farmers to learn and encourage environmentally and socially responsible practices. We are working with mills and farmers to progress on the regenerative agriculture journey. In early 2021, we partnered with Ardent Mills, one of our long-time trusted milling partners, on a regenerative agriculture program to strengthen the soil ecosystem and help producers improve their farms' productivity and profitability. We are also actively seeking and engaging with other mill partners and farmers.



\$150k+

DONATED TO NONPROFITS
IN FISCAL YEAR 2021

1%

OF GROSS SALES FROM OUR
WHOLE WHEAT FLOURS IS DONATED

\$981,245

AMOUNT DONATED
SINCE 2014

MEASURING PROGRESS

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

FOCUS AREA	FY21 KAB SCORE	MEDIAN SCORE*	CHANGE VS. FY20
Governance	18.2	7.3	+0.2
Workers	61	31.1	+0.2
Community	18.6	13.5	-0.8
Environment	24.2	16	+ 1.7
Customers	3.2	1.9	-0.1
Overall B Score	125.4	84.1	+ 1.2

* Of all businesses that have completed the B Impact Assessment in the U.S.



LOOKING AHEAD



In FY22, we aim to nurture Culture & Community through the following goals:

- Focus on DEI, specifically around equitable access and building a culture of belonging
- Introduce new hybrid work model supported by new facilities plan
- Develop talent to support future growth
- Build and begin implementation of our sustainability strategy, including multiple regenerative agriculture initiatives

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 increased our score by 1.2 points to 125.4, well above the median of 84.1. We're proud of the progress we've made in the past year and as we look to 2022, we will continue to hold ourselves accountable to our intentions and promises through transparency and open communication with our employee-owners, customers and fellow bakers

- Alison May, Benefit Corporation Director