

100% EMPLOYEE-OWNED



RAISE YOUR FLOUR IQ
11.7%
PROTEIN CONTENT*



BENEFIT CORPORATION ANNUAL REPORT 2019

WHEAT TYPE	100% U.S. Hard Red Wheat Grown on American Farms
PROTEIN CONTENT	11.7% — A versatile flour to suit all your baking needs*

IDEAL FOR CAKES, COOKIES, BREAD, BROWNIES, PANCAKES & MORE

NET WT 5 LBS (2.27kg)



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 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	FY19 KAF SCORE	% POINTS EARNED*	MEDIAN SCORE**	CHANGE VS. FY18
Governance	18.1	90%	7	- 1
Workers	60.5	83%	19	+ 2.5
Community	19	52%	17	- 4
Environment	21.5	39%	9	+ 4.5
Customers	3.3	69%	2.6	N/A
Overall B Score	122.5	59%	52	+ 4.5

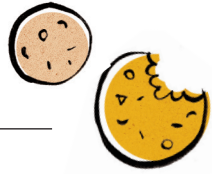
Certified



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 2020, we aim to achieve the following goals:

FY20 GOALS

- Reduce flour exposure to pre-harvest herbicide application
- Work proactively with organic sources to drive down costs



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 increased our score by 4.5 points to 122.5, well above the median of 58, and, as always, we aim to do better. In 2020, we are continuing to focus on decreasing our carbon footprint with work to bring greater transparency and rigor to our sourcing.

- 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
- 359 employee owners
- B Lab: Best for the World Worker Honoree
- Best Places to Work in Vermont recipient
- B Lab: Best for the World Governance Honoree

COMPENSATION

We believe in paying a fair and competitive wage and sharing the company's success with each person. This year we increased our entry wage to \$15.00/hour - more than 20% greater than the living wage in our county. 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.

- Continued work to create a higher performing organization.
- Increased expectations for personal accountability met through collaborative work with supervisor to set and reach goals.
- Environmental performance requirements added to all job descriptions.



VOLUNTEER TIME

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

	FY15	FY16	FY17	FY18	FY19
Employees Participating	267	278	293	270	300
Hours	4,948	5,924	5,635	5,151	6,126

84% OF EMPLOYEES VOLUNTEERING IN THE COMMUNITY.



COMMUNITY



GIVING 2019

2016	2017	2018	2019
\$377k	\$313k	\$325k	\$316k
+ 45%	- 16%	+ 4%	- 3%

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.



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.
- Community Pizza Night cranked out over 800 pizzas this summer raising \$8,500 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.

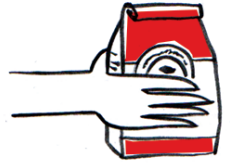


ESSENTIAL GOODNESS

This year, King Arthur Flour donated more than 680,000 meals to people facing hunger across the United States through our Essential Goodness Buy a Mix, Give a Meal program.

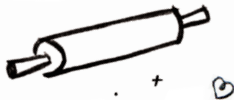


ENVIRONMENT



INPUTS & OUTPUTS

- 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 worked with the Leadership Team to develop company Environmental Principles:

- Adhere to company-wide green norms, look for ways to reduce, reuse recycle
- Educate oneself on KAF environmental campaigns
- Strive to continually improve and implement new processes to reduce our environmental impact

The Green Team facilitated company-wide waste audits by department to establish baseline and areas for improvement.

GREEN COMMUTE

Ongoing reimbursement program to incent green commuting.

- Total miles saved: 54,934
- Total one way trips saved: 3,883
- Total \$ paid out in incentives: \$7,944.50



SUPPLY CHAIN

- Continued work with the Organic Trade Association Grain Council to increase production of organic grain in the U.S.
- Partnered with Clif Bar to support WSU Bread Lab endowment to support organic wheat breeding research



CONTACT

Carey Underwood -
bcorp@kingarthurfour.com