

# ELLWOOD THOMPSON'S

## LOCAL MARKET

# 2017 Benefit Corp. Annual Report

## INTRODUCTION

In 2016, Ellwood Thompson's took the legal steps to become Virginia first natural food store to reorganize its corporate organization to be an official Benefits Corporation or "B Corp" under Virginia law. This new legal status means that as part of its corporate and business operations, Ellwood Thompson's has adopted certain formal values meant for the public good and that align with Ellwood Thompson's mission in serving the public. By Virginia law, each year as a B Corp, Ellwood Thompson's reviews and evaluates how well it is serving its stated values and mission and provides its assessment and future recommendations through this B Corp Annual Report.

Specifically, Ellwood Thompson has created a Mission Review Board that conducts its annual review and evaluation of how well Ellwood Thompson's is serving its stated public values. This B Corp Report is a result of a year-long process to review all aspect of Ellwood Thompson's operations and to understand where Ellwood Thompson's is doing its mission and operating by its public values and where it can improve in the future



## Our Mission and Values

In reorganizing its corporate structure to become a B Corp under Virginia law, Ellwood Thompson's adopted the following mission statement and values.

### MISSION STATEMENT

**Ellwood Thompson's aspires to feed the heart and soul of our community through a strong commitment to local and organic foods.**

We at Ellwood Thompson's live our mission statement through embodying our core values. These values include:

### CORE VALUE #1:

**Provide Healthy and Local Food for Our Customers**

**Product Standards:** We provide you with a diverse selection of products with an emphasis on local, organic, minimally processed, and sustainable foods.

**Food & Product Safety:** As a customer and part of our community, we believe you deserve food and products with superior standards and clear labeling. We are a buying agent for you, not a selling agent for our suppliers. We prioritize keeping a healthy community above making profits.

### CORE VALUE #2:

**Support Our Local Economy by Promoting, Selling, and Partnering with Local Vendors and Businesses**

**Local Love:** The great City of Richmond is our home. We work with local organizations, source local products, and encourage the buying of local goods throughout our community. Our market showcases local artists who share our social consciousness and add to Richmond's rich historical culture.

**CORE VALUE #3:****Value Our Employees by Supporting Their Well-Being and Providing Rewarding Work**

**Respect for Stewards:** In this digital age with robots replacing human interaction, we focus on increasing staff and offering better salaries. Diversity, equality, and ethical treatment of employees is of utmost importance at Ellwood Thompson's. A collaborative management style adds to the entrepreneurial spirit of our employees, breeding all-around responsibility.

**Paying it Forward:** The success of our mission allows us to give back to our community, support our employees, and provide you with high quality products and fresh, locally produced foods. We have taken significant steps to further understand how well we live our values during our second year as a B-Corporation. Our team developed surveys that ask our Customers and our Stewards how well they feel we live and embody our values.

**CORE VALUE #4:****Support Environment and Its Social Consciousness**

**Environmental Impact:** We work to reduce the impact we have on the world - for our sake and the sake of all other species. Ellwood's preserves the environment for the next generation by supporting sustainable agriculture, recycling, harnessing solar energy, composting, donating waste, and rewarding customers who travel in environmentally friendly ways.

**Animal Welfare:** The rights of animals are especially important to us. We only buy from farmers who ethically and humanely treat their animals and do not use growth hormones, antibiotics, or irradiation in raising them.

**CORE VALUE #5:****Encourage and Support Community and Educational Engagement**

**Community Consciousness:** We stay engaged by supporting the RVA community with events and causes that reflect our mission and lead to positive change. We promote sustainably produced products that add to the well-being of our city.

## Mission Review Board

**Ellwood Thompson's** formed a Mission Review Board for the purpose of defining procedures to measure whether ET achieves its mission and upholds its core values on a year-by-year basis. ET views the community as its stakeholders and believes that true change can only come through diverse perspectives. As such, the Review Board is comprised of employees, customers, and outside interests, who all provide a unique perspective. Ellwood Thompson's management strives to understand different perspectives in order to better achieve its mission. The management team regularly meets with the Review Board Chairman and ET's Food Advocates to learn and discuss important food issues.

### MISSION REVIEW BOARD MEMBERS

**Laurie Bost**, *Chairman*

**Jordan Douglas**

**Hunter Hopcroft**

**Kirk Schroder**, *Ellwood Thompson's Food Advocate*

**Karen Stephens**, *long-time customer*

## Surveys

### METHODOLOGY FOR SURVEYING CUSTOMER & EMPLOYEE PERSPECTIVES

In 2017, the Mission Review Board formulated procedures for defining and measuring how well Ellwood Thompson's was achieving its social mission and upholding its core values on a yearly basis. One important factor was the implementation of a customer and an employee survey to gauge their perceptions on how well Ellwood Thompson's was achieving its mission and core values. This is the first Annual B Corp Report where both customers and employees were surveyed separately for such purpose.

### CUSTOMER SURVEY

During the month of October 2017, all Ellwood Thompson's customers were invited to take the B Corp customer survey through a store awareness and promotion campaign. All surveys were

conducted anonymously unless customers chose to identify themselves. Over 500 Ellwood Thompson customers took the survey, which asked nine different questions relating to how they believe Ellwood Thompson's is living out its mission and values. The questions asked each customer to select a number 0-10 (10 being the highest) to indicate how they felt Ellwood Thompson's was doing in relation to that question. We also segmented the customers by shopping frequency and by how long they have been a customer at Ellwood Thompson's.

### EMPLOYEE SURVEY

The same method of surveying for customers was used for Ellwood Thompson's employees (including segmenting employees by how long they have worked at Ellwood Thompson's). All employee surveys were conducted under strict anonymity so the employees felt free to express their view.

## RESULTS OF THE ANNUAL CUSTOMER SURVEY

The following chart is a composition of customers who took the survey by how long and how frequent they shop at Ellwood Thompson’s.

|   | Less Than 6 Months | 6 Months - 1 Year | 1 - 3 Years | 3 - 6 Years | More than 6 Years |
|---|--------------------|-------------------|-------------|-------------|-------------------|
| <b>Shopping Frequency By Percentage</b> |                    |                   |             |             |                   |
| Once or Twice a Month                   | 62.86%             | 60.98%            | 60.00%      | 43.88%      | 44.10%            |
| Once a Week                             | 11.43%             | 24.39%            | 20.00%      | 27.55%      | 27.33%            |
| More than once a week                   | 8.57%              | 9.76%             | 15.29%      | 22.45%      | 21.74%            |
| Daily                                   | 5.71%              | 4.88%             | 3.53%       | 3.06%       | 6.83%             |
| Not at all                              | 11.43%             | 0.00%             | 1.18%       | 3.06%       | 0.00%             |
| <b>Cart Share by Percentage</b>         |                    |                   |             |             |                   |
| Less Than 25%                           | 51.43%             | 63.41%            | 51.76%      | 52.04%      | 49.69%            |
| 25 - 50 %                               | 22.86%             | 21.95%            | 25.88%      | 23.47%      | 26.09%            |
| 50 - 75 %                               | 14.29%             | 9.76%             | 10.59%      | 14.29%      | 13.04%            |
| More than 75 %                          | 2.86%              | 4.88%             | 10.59%      | 9.18%       | 10.56%            |
| Not at all                              | 8.57%              | 0.00%             | 1.18%       | 1.07%       | 0.67%             |

The composition of customer survey takers indicates that a strong disbursement of long-time customers and relatively new customers comprise the customer survey results.

The following chart is the breakdown of customer perception on the 1-10 Likert scale regarding how well Ellwood Thompson’s is meeting each of the stated core values for the public benefit.

| Ellwood Thompson's 2017 Customer Survey  |                    |                   |             |             |                   |                         |
|--|--------------------|-------------------|-------------|-------------|-------------------|-------------------------|
|  | Less Than 6 Months | 6 Months - 1 Year | 1 - 3 Years | 3 - 6 Years | More than 6 Years | Average Across Customer |
| Ellwood Thompson's provides healthy food for its customers.  | 9.46               | 9.78              | 9.62        | 9.52        | 9.37              | 9.55                    |
| Ellwood Thompson's provides local food for its customers.  | 9.17               | 9.51              | 9.21        | 9.26        | 9.12              | 9.26                    |
| Ellwood Thompson's provides a variety of healthy and local choices for its customers.                                  | 9.46               | 9.71              | 9.38        | 9.48        | 9.29              | 9.46                    |
| Ellwood Thompson's supports local vendors and businesses.  | 9.09               | 9.45              | 9.32        | 9.20        | 9.34              | 9.28                    |
| Ellwood Thompson's sells products from local vendors and businesses.   | 9.12               | 9.43              | 9.19        | 9.30        | 9.33              | 9.27                    |
| Ellwood Thompson's promotes local vendors and businesses.  | 9.00               | 9.40              | 9.21        | 9.27        | 9.23              | 9.22                    |
| It is my perception that employees at Ellwood Thompson's enjoy working there.  | 9.06               | 8.78              | 8.58        | 8.74        | 8.31              | 8.69                    |
| My perception that Ellwood Thompson's supports their employees.  | 9.00               | 8.95              | 8.52        | 8.59        | 8.30              | 8.67                    |
| My perception of Ellwood Thompson's employee happiness is one of the reasons I continue to shop at Ellwood Thompson's. | 7.84               | 7.65              | 7.34        | 7.56        | 6.86              | 7.45                    |
| It is important to me that Ellwood Thompson's support environmental and social consciousness.                          | 9.50               | 8.90              | 9.26        | 9.41        | 9.15              | 9.24                    |
| Ellwood Thompson's supports the environment.   | 9.22               | 8.84              | 9.01        | 9.10        | 8.93              | 9.02                    |
| Ellwood Thompson's supports social consciousness.  | 9.19               | 8.80              | 8.83        | 8.90        | 8.86              | 8.92                    |
| It is important to me that Ellwood Thompson's supports community and educational engagement.                           | 9.44               | 8.75              | 8.93        | 9.01        | 8.99              | 9.02                    |
| Ellwood Thompson's supports community engagement.  | 9.32               | 9.15              | 9.10        | 8.84        | 8.99              | 9.08                    |
| Ellwood Thompson's supports educational engagement.  | 9.06               | 8.75              | 8.83        | 8.85        | 8.95              | 8.89                    |
| Average Across All Questions   | 9.13               | 9.06              | 8.95        | 9.00        | 8.87              | 9.00                    |

The table depicts the survey results for each customer segment as well as averages for that customer segment and averages across all customer groups. The total response average was a 9 out of 10 across all questions and customer groups. The results indicate that all customers answered a 9, or above in 10 of the 15 questions. Specifically, customers answered the highest on average for questions related to the healthy food that Ellwood Thompson’s provides. The two lowest responses on the survey both related to Stewards working at Ellwood Thompson’s. Customer attitudes towards the happiness of Stewards and the support that Ellwood Thompson’s provides fell below the average mark of 9 out of 10.

The following section provides a deeper investigation into the happiness and support of Stewards and proposes potential solutions to these issues to ensure that Ellwood Thompson’s continues to live its mission and core values.

## RESULTS OF THE ANNUAL EMPLOYEE SURVEY

This year we administered a survey to Stewards to determine how well we were living up to our values. Sixty-eight employees responded representing brand new hires through Stewards with over 6 years of service to the company. The survey asked many of the same questions as our customer survey that gauged how well our values were communicated and lived through our employees. For these questions, we scored high, averaging 9s and 10s across all tenures. See below.

Question 1  
Provides healthy food for its customers

| Tenure               | Mean | Median | Mode |
|----------------------|------|--------|------|
| Less that Six Months | 9.7  | 10     | 10   |
| 6 months to 1 year   | 9.0  | 9      | 8    |
| 1 - 3 Years          | 8.4  | 9      | 9    |
| 3 - 6 Years          | 8.4  | 9      | 10   |
| More than 6 years    | 8.9  | 9      | 9    |

Question 2  
Provides local food for its customers

| Tenure               | Mean | Median | Mode |
|----------------------|------|--------|------|
| Less that Six Months | 9.7  | 10     | 10   |
| 6 months to 1 year   | 9.0  | 10     | 10   |
| 1 - 3 Years          | 9.3  | 10     | 10   |
| 3 - 6 Years          | 8.5  | 9      | 10   |
| More than 6 years    | 8.9  | 9      | 9    |

Question 3  
Provides a variety of healthy and local choices for its customers

| Tenure               | Mean | Median | Mode |
|----------------------|------|--------|------|
| Less that Six Months | 9.8  | 10     | 10   |
| 6 months to 1 year   | 9.3  | 9.5    | 10   |
| 1 - 3 Years          | 8.9  | 9      | 10   |
| 3 - 6 Years          | 8.8  | 9      | 10   |
| More than 6 years    | 8.5  | 9      | 9    |

Question 4  
Supports local vendors and businesses

| Tenure               | Mean | Median | Mode |
|----------------------|------|--------|------|
| Less that Six Months | 9.5  | 10     | 10   |
| 6 months to 1 year   | 9.9  | 10     | 10   |
| 1 - 3 Years          | 9.0  | 10     | 10   |
| 3 - 6 Years          | 9.3  | 10     | 10   |
| More than 6 years    | 8.9  | 9      | 10   |

Question 5  
Sell products from local vendors and businesses:

| Tenure               | Mean | Median | Mode |
|----------------------|------|--------|------|
| Less that Six Months | 9.9  | 10     | 10   |
| 6 months to 1 year   | 9.7  | 10     | 10   |
| 1 - 3 Years          | 9.2  | 10     | 10   |
| 3 - 6 Years          | 9.5  | 10     | 10   |
| More than 6 years    | 9.0  | 9.5    | 10   |

Question 6  
Promotes local vendors and businesses

| Tenure               | Mean | Median | Mode |
|----------------------|------|--------|------|
| Less that Six Months | 9.5  | 10     | 10   |
| 6 months to 1 year   | 9.7  | 10     | 10   |
| 1 - 3 Years          | 9.3  | 10     | 10   |
| 3 - 6 Years          | 8.9  | 10     | 10   |
| More than 6 years    | 8.1  | 8      | 8    |

Question 7  
I enjoy working at Ellwood Thompson's

| Tenure               | Mean | Median | Mode |
|----------------------|------|--------|------|
| Less that Six Months | 8.7  | 9      | 9    |
| 6 months to 1 year   | 8.5  | 8      | 8    |
| 1 - 3 Years          | 8.0  | 8.5    | 10   |
| 3 - 6 Years          | 7.9  | 9      | 10   |
| More than 6 years    | 6.8  | 6.5    | 10   |

Question 8  
I feel ET supports their stewards

| Tenure               | Mean | Median | Mode |
|----------------------|------|--------|------|
| Less that Six Months | 8.3  | 9      | 9    |
| 6 months to 1 year   | 7.6  | 7.5    | 8    |
| 1 - 3 Years          | 6.9  | 7      | 7    |
| 3 - 6 Years          | 7.2  | 8      | 10   |
| More than 6 years    | 5.8  | 5.5    | 8    |

Question 9  
I feel ET provides me rewarding work

| Tenure               | Mean | Median | Mode |
|----------------------|------|--------|------|
| Less that Six Months | 7.9  | 9      | 9    |
| 6 months to 1 year   | 8.0  | 8.5    | 10   |
| 1 - 3 Years          | 6.7  | 7      | 8    |
| 3 - 6 Years          | 8.1  | 9      | 10   |
| More than 6 years    | 6.5  | 6.5    | 8    |

We also asked Stewards about how they felt about their fulfillment and if Ellwood's provided rewarding work. In these areas we found that employees lost satisfaction as they reached the 3-6 year tenure mark.

We believe that we can help alleviate these issues in the future by providing better career development and educational opportunities. We hope that by making an investment in advanced training and giving employees greater autonomy they will feel compelled to build a meaningful career at Ellwood Thompsons's.

## EVALUATING THE DATA COLLECTION

While this year's survey allowed us to capture data on a broad set of questions, we believe we should modify both the questions and collection format in the coming year to hopefully get an even broader sense of our Stewards attitudes, priorities and motivations.

### **In the coming year we will:**

- Offer more frequent and anonymous opportunities for offering feedback
- Change the wording of the questions to reflect Ellwood's commitment to providing employees the necessary tools to live the company's values
- Engage the support of department managers in collecting and communicating feedback to management.

Ellwood's already offers a competitive and fair suite of compensation and benefits, but it is important that we marry those with a healthy and supportive workplace culture. One in which our Stewards feel empowered to live the company's values and lead productive, fulfilling work-lives.

Continually collecting data and training our in-store management to be sensitive to employee morale and to communicate to management potential changes in policy that could positively effect employee satisfaction and productivity.

Ellwood's strives to be a best-in-class employer and attracting and retaining top talent in the increasingly competitive grocery industry will be vital to our success both financially but also in fulfilling our mission to "feed the heart and soul of our community."

CORE VALUE #1

# Provide healthy and local food for our customers



## ACCOMPLISHMENTS

- Offered customers local pasture-raised chicken from Polyface Farms
- Sold in-house made beef jerky made with local grass-fed beef
- Developed and released a grain-free granola that served as a healthy option for customers' different dietary needs
- Sold over:
  - 23,000 pounds of local apples
  - 9,000 pounds of local peaches
  - 6,600 ears of local corn
  - 9,700 pounds of local tomatoes
  - 3,030 local Heirloom tomato pints
  - 2,400 local bunches of local greens
  - 3,100 bags of local salad

## RECOMMENDATIONS

Depending on monetary success of the homemade beef jerky and granola, we recommend offering different flavors. These flavors can be developed in collaboration with local farms or businesses.

Due to the high number of apples sold in 2017, Ellwood Thompsons could offer freshly pressed apple juice using apples from local farms. This could be done with any other local fruits that are offered within the store.



**CORE VALUE #2**

# Support our local economy by promoting, selling and partnering with local vendors and businesses

**ACCOMPLISHMENTS:**

- Partnered with local nonprofits and organizations and raised \$40,011.67 during 5% For the Community Days
- Brought a local brand out of Charlottesville called "My Chocolate Shoppe/Clean Conscience Chocolates" into the Beet Café and the grocery store. Clean Conscience Chocolates is a line of paleo, vegan, organic, non-GMO, gluten- and dairy-free sweet treats.
- Partnered with thirteen (13) new farms

**RECOMMENDATIONS:**

Depending on the monetary success of the Clean Conscience Chocolates treats in the shop, consider offering the chakra-healing chocolates that are being developed by My Chocolate Shoppe.



CORE VALUE #3

# Value our employees by supporting their well-being and providing rewarding work



## ACCOMPLISHMENTS

- Added two new employee benefits in 2017:
- All FT employees received two paid holidays (Thanksgiving and Christmas),
- All PT and FT employees with one year of service were given one paid day off to volunteer in the community

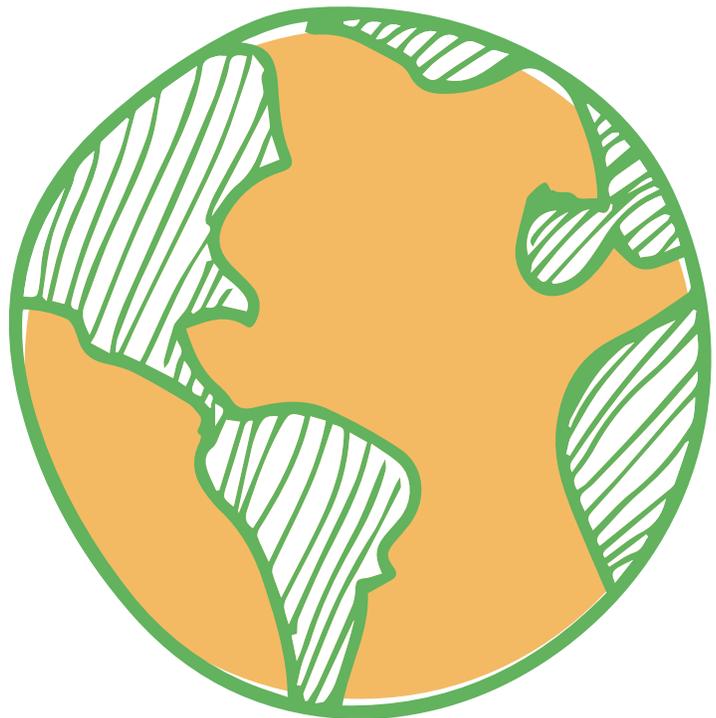
CORE VALUE #4

# Support environment and social consciousness



**ACCOMPLISHMENTS:**

- Used paper bags made from recycled materials at the registers
- Switched to compostable cups and lids

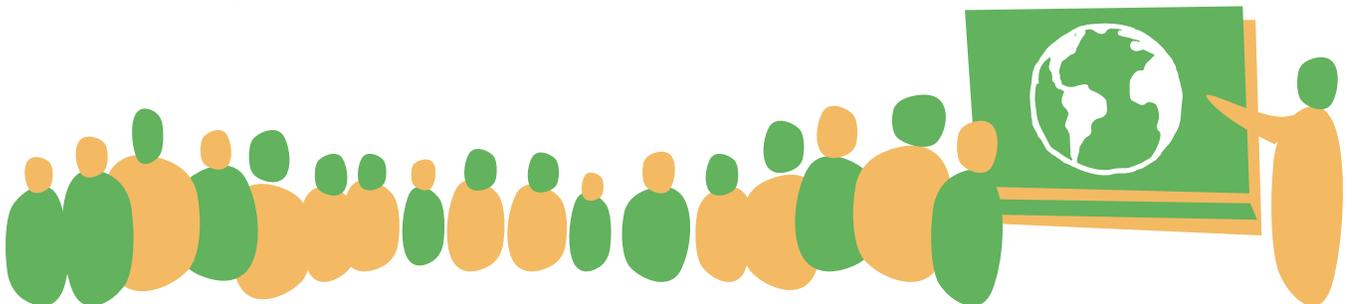


CORE VALUE #5

# Encourage and support community and educational engagement

## ACCOMPLISHMENTS

- Offered 124 educational classes in the Beet Café in 2017, as opposed to offering only 45 classes in 2016
- Participated in 6 Real Local RVA community events in 2017
- Introduced customers to the Wooden Nickel Program, which is designed to help promote the recycling of shopping bags and encourage customers to use paper, cloth, or recyclable bags. \$1,423.75 was raised last year through this program.
- Participated in a summer program with the Virginia Department for the Blind and Visually Impaired (VA DBVI). This program gives blind and visually impaired teens valuable work experience and life skills. Ellwood Thompsons has also held tours to groups from DBVI to teach blind teens how to shop in a grocery store.



## CONCLUSION

After assessing Ellwood Thompson through categories listed above, we are doing great and acting as a resource for employees and customers. While we found that our employees and customers are happy with our work thus far, we are determined to do more for our employees. This was the first year that Ellwood Thompson implemented the Annual Customer and Employee Surveys and in the future, we plan on improving each survey by diversifying the questions and going into further detail. This improvement will allow us to gain more insight and input from employees regarding how to better their experience with Ellwood Thompson.

