



2018

BENEFIT CORP.

ANNUAL REPORT

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 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 Benefit 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 Benefit 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 Benefit 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.

**ELLWOOD
THOMPSON'S**
LOCAL MARKET



As I reflect on 2018 I am proud of the steps ET has taken to offer healthy local food for our community, to support the local economy by promoting selling, promoting, and partner w/ local vendors and businesses, better support our stewards, support the environment and its social consciousness, and supporting community and educational engagement.

A few things that stand out to me were banning plastic straws, introducing a composting station, bag share program, zero waste department, continuing the lighting change over to L.E.D., participating in the growth of Real Local RVA, and speaking out more strongly in regard to our mission and values.

It's also fulfilling to me to collaborate with our stewards, customers, and community on our Benefit Corp. goals and be accountable to them for results.

In this report, you will find a detail of all the initiatives we set in place to be a better business for our stewards, customers, community, and environment.

Rick Hood

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

Diana Rodriguez, *Board Chair, Ellwood's H.R. Director*

Colin Beirne, *Ellwood's Marketing Director*

Hunter Hopcroft, *Ellwood's I.T. Manager*

Kirk Schroder, *Ellwood's Food Advocate*

Karen Stephens, *long-time Ellwood's customer*

METHODOLOGY FOR SURVEYING CUSTOMER & EMPLOYEE PERSPECTIVES

In 2019, 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. Upon viewing the results and the areas that were identified for improvement (or lack thereof), the Review Board determined that it would be more

useful to allow our stewards and customers to guide us in a less structured format- specifically, soliciting open ended advice and feedback.

In the coming year we have/will:

- In 2018 and moving forward, we have installed a locked employee suggestion box in the employee break room
- Increased employee and manager trainings
- Engage the support of department managers in collecting and communicating feedback to management
- Partnering with the community and its law enforcement to adequately train our employees and ensure safety for our employees and guests

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."

Our Mission and Values

In reorganizing its corporate structure to become a Benefit 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 Benefit Corp. 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 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.

Accomplishments and Recommendations by Each Core Value in 2018



CORE VALUE #1

Provide healthy and local food for our customers

ACCOMPLISHMENTS

- Sold over:
 - 4400 local salad mixes
 - 3200 containers of local berries
 - 1000 local kale bunches
 - 4100 local microgreens
 - 5500 pounds of local sweet potatoes
 - 4142 bunches of local greens
- Banned the use of harmful and petroleum-based products

RECOMMENDATIONS

Sell more ET branded packaged offerings.



CORE VALUE #2**Support our local economy by promoting, selling and partnering with local vendors and businesses****ACCOMPLISHMENTS:**

- This year we have brought in 2 local cheeses, 1 regional cheese, 1 regional cracker, 2 local cider companies, 3 local beer companies, added to our local wines with new styles from our current producers.
- Work with 2 local vendors in our café that provide our honey and wheatgrass
- Partnered with local nonprofits and organizations and raised \$42,249.22 for 5% day. 12 days a year, 12 different local non profit organizations will receive the profits from this
- Partnered with several local organizations that supported us with in-store demos to educate and entice our customers. These include Cricket Cove, Mac's Smack, Feel Good, Love Thea, Earthen Beauty, Anoush, Marla Rene, Red Roots, VA First Tea Farm, Nuna Med
- Partnered with over 45 local farms and nurseries
- Sourced a local vendor for wheatgrass and honey
- Added ayurvedic and chakra-healing chocolates that were developed by My Chocolate Shoppe

**RECOMMENDATIONS:**

Leverage our local partners and resources to produce house made juices and tonics.

CORE VALUE #3

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

ACCOMPLISHMENTS

- Added two new employee benefits in 2018:
- All core staff now receive 6 paid holidays
- All PT and FT employees with one plus year(s) of service were given service awards, ranging from \$500-\$800
- Provide a no-cost dental and health insurance option to all full-time employees
- On the spot recognition in the form of gift cards and movie tickets
- Company provided cook -out, Holiday Party, and annual employee recognition event

RECOMMENDATIONS

- Solicit employee feedback on a consistent basis
- Develop an employee recognition program to reward our stewards
- Develop a Peer to Peer recognition program to foster team growth
- Establish an on-site knowledge base as a continued educational resource for our stewards



CORE VALUE #4**Support environment and social consciousness****ACCOMPLISHMENTS:**

- Switched to 100 Compostable plastic in our Juice Bar and Café
- Introduced bag exchange program to minimize use of disposable bags
- By using our 100% post-consumer recycled paper bags, Ellwood Thompson's saves over 200,000 bags a year. Our bag credit program gives you 10 cents back for every recycled bag used during your visits — including plastic. If you're reusing, we're game. Provided \$10,471.20 in bag credits.
- Envirocredit- We provide 25-cents off your purchase when you get to our store by walking, biking, bussing, running, skipping, skating, or any other means of travel that helps reduce emissions. Customers saved 3322.00 through this program.
- Zero Waste is a creative waste management strategy utilizing a combination of community and industrial responsibility that includes deconstruction instead of demolition, composting to keep organic waste out of landfills, recycling, and a screening facility to allow more separation and reuse of waste rather than incineration. The goal is for no trash to be sent to landfills, incinerators, or the ocean
- Introduced front of house composting
Ellwood's is partnering with N.O.P.E. (Natural Organic Process Enterprise) to make sure that our biodegradable products are handled



correctly and end up in a compost facility for environmentally beneficial use

- On Wednesday, June 20, 2018, Ellwood Thompson's takes another step in their commitment to environmental sustainability and stewardship by banning the use of single-use plastic straws in store.

RECOMMENDATIONS:

- Donate shelf-stable foods to a local kitchen or food pantry
- Offer initiatives to employees that walk, bike or carpool
- Offer more bulk training to reduce waste
- Develop a "replant" program to eliminate waste- avocados, scallions, potatoes can be replanted



CORE VALUE #5

Encourage and support community and educational engagement

ACCOMPLISHMENTS

- Offered 150 educational classes in the Beet Café in 2018, as opposed to offering only 124 classes in 2017
- Hosted and participated in several Real Local RVA community events in 2017
- Modified 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. \$1,473.56 was raised last year through this program, which ultimately benefitted 8 organizations.
- Promote education by ensuring that our employees are trained to educate customers on why local and or organic is important as a value, for our health, to our economy and earth



RECOMMENDATIONS

- Introduce “DIY” eco friendly projects (t-shirt reusable bag)
- Offer kid- friendly educational seminars and gardening days
- Host local school nutrition days /learning days





CONCLUSION

After assessing Ellwood Thompson through categories listed above, we believe we are moving in the right direction acting as a resource for employees and customers. While we find that our employees and customers are happy with our work thus far, we are determined to do more for our employees. We plan on improving as an organization by diversifying our workforce, enhancing our offerings, and listening to our stewards. These improvements will allow us to gain more insight and input from employees regarding how to better their experience with Ellwood Thompson.





**ELIWOOD
THOMPSON'S**
LOCAL MARKET