

Reep FOOD COOPERATIVE. SHOP IT. JOIN IT. OWN IT.

2023 CO-OP PURPOSE REPORT

PART ONE: RESPONSIBLE SOURCING, SUSTAINABLE OPERATIONS, AND COMMUNITY FOOD SYSTEMS

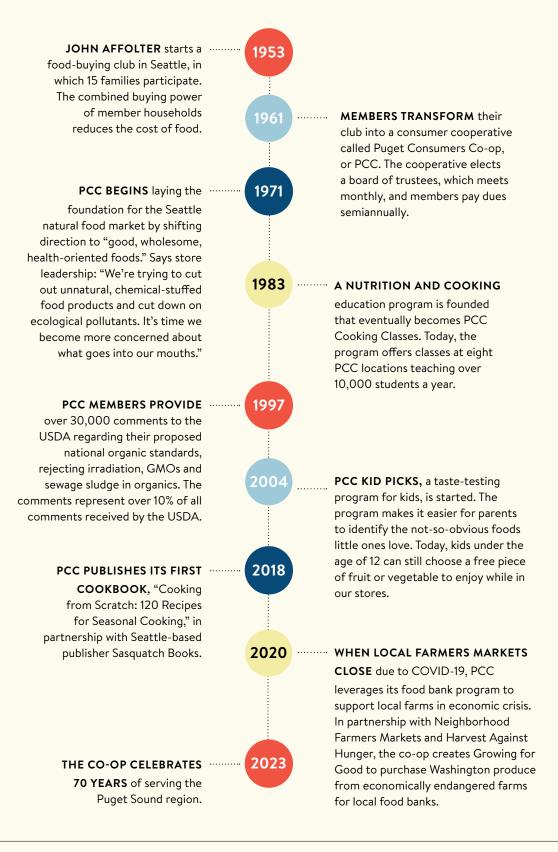


70 YEARS OF FEEDING COMMUNITY

Since our co-op's humble beginnings in 1953, we've believed that every salad, snack or sip makes an impact, whether personal or beyond. Over the last 70 years, our community's connection with food has shaped our co-op into what it is today. Good food has the power to bring people together, to create memories, and to effect change.

Over the last seven decades, the dedication of our member-owners, shoppers, staff, farmers, makers and organizations has made PCC so much more than a local food co-op. So, thank you to our 114,000 (and counting) members! Our ability to do good continues to grow with your participation and ideas.

DECADE BY DECADE



RESPONSIBLE SOURCING

PCC is trusted for our strong product sustainability and quality standards, including being a Certified Organic retailer and seeking to eliminate many harmful ingredients in foods and health and body care products. Our co-op has 21 codified <u>quality standards</u> that ensure that the products on our shelves honor our commitments to transparency and responsible sourcing.

PCC PRODUCTS

In 2023, we launched several new PCC branded products that honor our co-op's standards and commitment to honest products, including organic flour tortillas, a sliced organic batard loaf, reusable tote bags, an organic petit brie cheese, grab-and-go salads, <u>liquid hand soaps</u> and local wines.

We consistently review PCC branded product formulations and packaging, and in 2023, we were proud to work with our chocolate producer, K'UL, to reformulate our chocolate chips and bars by sourcing cacao from a farmer-based cooperative in Ghana to create a honeyfudgy flavor. This shift in origin significantly reduced naturally occurring lead and cadmium levels from PCC organic chocolate bars. At the same time, we switched to post-consumer recycled packaging that is recyclable by Ridwell.





MEET THE FOLKS BEHIND THE BELOVED BELLINGHAM-BASED TORTILLAS CON MADRE!

After immigrating to the U.S. from Mexico, Lupita struggled to find a wellmade tortilla. So, she began crafting them herself using organic flour and the legacy of her mother and grandmother. Alongside her dedicated family, Lupita built Tortillas Con Madre into a trusted local business and the maker of PCC Organic Flour Tortillas.

Watch their story >





80+ BUSINESSES

representing more than 1,000 products opted into PCC's Inclusive Trade Program.

NEARLY 100

Inclusive Trade items are in the top 50% of their respective category's sales.

Inclusive Trade items represent

in total sales since the program was introduced.

Our co-op was honored in <u>Progressive Grocer's</u> **2023 IMPACT AWARDS** for Inclusive Trade.

PCC'S INCLUSIVE TRADE PROGRAM

In June 2023, the co-op introduced the <u>PCC Inclusive Trade Program</u>, a new product standard designed to increase awareness of and support for businesses owned by individuals who identify as members of historically and currently excluded communities. PCC's Inclusive Trade Program recognizes suppliers who self-identify as belonging to one or more of the standard's categories, including Women-Owned; Black, Indigenous, and People of Color (BIPOC) or Person of Color (POC)-Owned; Lesbian, Gay, Bisexual and/or Transgender (LGBTQIA+)-Owned; Veterans and Service-Disabled Veterans-Owned or Persons with Disabilities-Owned. There is also an option for suppliers who meet the category requirements to opt into the program without specifying a category.

Participating suppliers are identified and celebrated through our in-store and online shopping experiences so customers can select businesses and products from communities they wish to support or that they see themselves represented in. It is an active step towards creating an intentional space for better recognition, elevation and inclusion within the marketplace. Businesses must be at least 51% legally owned, operated and controlled by individuals who self-identify in one or more of the program's categories.



"It's beyond heartwarming and validating to see Inclusive Trade be an option for shoppers to support communities that are near and dear to them. We at Wunderground, my new company, are honored to be featured with PCC as they embark in this emerging area of Inclusive Trade."

– Jody Hall, Founder and CEO of Cupcake Royale and Wunderground Coffee.

INCUBATION: THE ROAD TO RETAIL READINESS

While our Inclusive Trade Program is a first step in working toward systematic change, investments of resources and mentorship are essential upstream support for entrepreneurs and small business owners that experience disproportionate and diminished economic opportunities on their journey to PCC's shelves. Actively removing barriers to sourcing and onboarding products from historically and currently excluded communities is an opportunity for Justice, Equity, Diversity and Inclusion to take root at our co-op.

PCC continues to partner with Ventures, a local nonprofit that strengthens access to business training, capital and coaching for entrepreneurs. In addition to funding Venture's grant program and assisting in the recipient selection process in 2023, our co-op advised 15 emerging brands in the grocery and health and body care categories about "retail-readiness" through their <u>Scaling for Success</u> program.

"As a result of historic and continued prejudice, these communities are deliberately disadvantaged and face barriers in starting businesses and expanding market share. The co-op's mission is to ensure that good food nourishes the communities we serve while cultivating vibrant local, organic food systems. We acknowledge our role in systemic and historical exclusion of people of color, LGBTQIA+ individuals, women, veterans, persons with disabilities, and others as we begin to help break down those barriers. We have a long journey ahead to create lasting change."

- Justine Johnson, Senior Director of Merchandising at PCC



Farmstead Creamery Has "A Little Bit of Magic" (sidebar). Owners Ruth and Lori Babcock are the vision and labor behind Tieton Farm and Creamery, which produces award-winning cheese sold at PCC stores.



RESPONSIBLE SOURCING STORIES

Explore these 2023 articles from Sound Consumer, our co-op's publication dedicated to informing and inspiring the PCC community, to learn more about the people and products behind our responsible sourcing.

Fresh New Ways to Use Fermented Foods. January 2023

<u>Creating a Wunderground</u> of Coffee and Wellness, January 2023

SENSE OF PLACE

Farmstead Creamery Has <u>"A Little Bit of Magic",</u> March 2023

From Grape to Glass, March 2023

<u>Creating a Northwest Cider</u> <u>Culture,</u> March 2023

Breaking Job Barriers with Perfect Cookies, March 2023

See How Your Eggs Scored in Watchdog Ratings, June 2023

Reduce Plastics with New Liquid Soap, November 2023



SUSTAINABLE OPERATIONS

PCC is deeply committed to reducing the environmental impact and climate footprint of our stores and overall operations. In 2023, we concluded a five-year process that led us to improve and continuously grow sustainable practices within our co-op, including:

- Reduction of waste to landfill
- Mitigation of water and energy use
- Sustainable packaging options
- Prioritization of green building practices
- Reduction and offset of greenhouse gas emissions
- Expansion of the electric vehicle (EV) charging network

GREENHOUSE GAS EMISSIONS

Scope emissions are the breakdown of Greenhouse Gas Emissions (GHG) from PCC, including the life cycle of products sold in our stores, transportation, refrigeration, waste management and production. Scope 1 are emissions sources owned and controlled directly by PCC. Scope 2 and 3 are indirect activities such as purchased electricity, transporting goods, manufacturing and other upstream and downstream activities.

Our focus for 2023 was to understand our GHG emissions by diving deeper into Scope 1, 2 and 3. We adopted new approaches to offsetting Scope 1 and 2 and alternative ways to reduce our emissions while Scope 3 efforts were a new initiative, focusing on a small group of PCC branded product partners as a pilot program. Moreover, we prioritized diversion of waste from the landfill with emphasis on operational excellence and internal auditing. These insights and better data are supporting the development of the next set of goals that will be released in 2024.

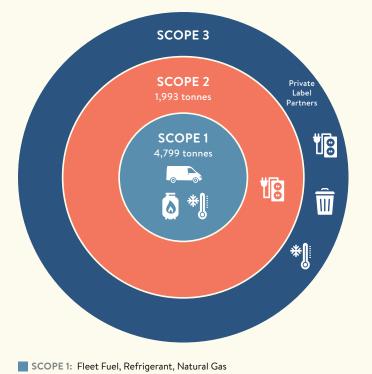
SCOPE 1, 2 & 3 GREENHOUSE GAS EMISSIONS

SCOPE 1 EMISSIONS:

PCC tracks Scope 1 emissions from fleet fuel (gas and diesel), natural gas (usage in stores), and refrigerant and HVAC leaks and refills. The total Scope 1 emissions for 2023 are around 4,799 tonnes. Overall, store natural gas usage decreased 5% from 2022. For 2023, PCC purchased carbon credits supporting an improved cook stove program in Bangladesh to offset 100% of our Scope 1 emissions. This program prevents emissions of carbon dioxide, methane, black carbon and other climate pollutants along with preventing Household Air Pollution (HAP), which causes many health impacts. Funding this work is intended to remove or reduce carbon dioxide and other GHG emissions.

PCC will continue to make direct investments (carbon insetting) that minimize the GHG we emit. Carbon insetting focuses on emission reduction projects within our supply chain and operations, such as energy efficiency improvements, sustainable sourcing practices, and supporting renewables. Our co-op remains focused on reducing Scope 1 emissions by targeting the highest emitters.





SCOPE 2: Electricity Purchased

SCOPE 3: Supplier Emissions: Refrigerant, Waste Disposal, Electricity

SCOPE 2 EMISSIONS:

PCC tracks Scope 2 outputs of electricity usage at each store. Overall, 2023 store electricity usage increased 1% over 2022. The Scope 2 emissions for 2023 were 1,993 tonnes CO2. Historically, PCC purchased Renewable Energy Certificates (RECs) to guarantee the electricity was from a renewable source. Beginning in 2024, PCC will reallocate these funds to the Washington State Organic and Sustainable Farming Fund to support projects that restore soil health, increase biodiversity, and enhance or measure carbon sequestration to see tangible changes in the environmental sustainability of farms. This will ensure that PCC's investments create direct changes within our local communities that mitigate emissions and support best sustainable practices at local farms.

SCOPE 3 EMISSIONS:

Scope 3 tracking involves measuring indirect GHG emissions along the supply chain, such as emissions from purchased goods, refrigerant, electricity and waste usage by suppliers, transportation and more. This is a new category for PCC to track and our pilot is focused on a few of the co-op's coffee, juice and cheese products, as well as others. The highest emissions in this short pilot are from electricity and refrigerants. Although Scope 3 emissions are not shared in the current reporting period due to the ongoing nature of the pilot, these learnings will allow Scope 3 to be tracked and refined with solutions, grants and support for emissions reduction, and will evolve into a long-term strategy.

REFRIGERANTS

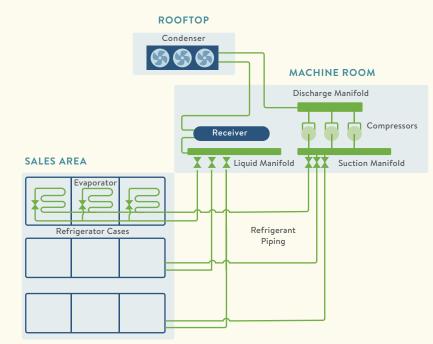
At about 2,452 tonnes, refrigerant usage makes up about 50% of our Scope 1 emissions, which is not uncommon for the grocery industry. We are in the process of reducing our Scope 1 emissions whenever possible by moving to refrigeration systems that use CO₂ as the refrigerant in lieu of synthetic refrigerants that have a very high global warming potential (GWP). CO_2 is a natural refrigerant that pollutes at .1% of synthetic refrigerants and is compliant with regulations. Four of the co-op's stores already have CO₂ refrigerant – Ballard, Bellevue, Kirkland and West Seattle PCC.

While PCC is an early adopter, CO2 systems are an emerging technology. Despite the higher cost to replace and install the low GWP equipment, PCC will continue to study, advocate for and implement low GWP refrigerants to bolster adoption of this technology in the marketplace.

WASTE

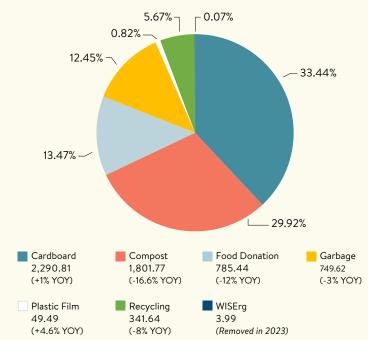
Landfill diversion is a key element in decreasing overall waste at our co-op — a pillar of our triple bottom line business model.

GROCERY REFRIGERATION SYSTEM



The process of heating and cooling refrigerant and changing it from a gas to a liquid and back again is known as the refrigeration cycle. Refrigerant usage makes up about 50% of our Scope 1 emissions which is not uncommon for grocers. Leaks are inherent due to the complexity of refrigeration systems and varying points of connection.

2023 WASTE DISTRIBUTION (TONS)





RECYCLING

Recyling decreased by 29 tons in 2023 with the help of better data collection from Seadrunar, a Seattle nonprofit that ensures proper recycling, accurate weights and the ability to track where recycling went. Cardboard tonnage increased slightly at around 12 tons more than 2022 due to increased sales. However, our cardboard packaging is diverted from the landfill through our partnership with Seadrunar. They currently manage recycling at five PCC stores, and we plan to transition all stores to their program to take advantage of data transparency, ability to recycle and give insight to where materials go, and the alignment of organizational values.

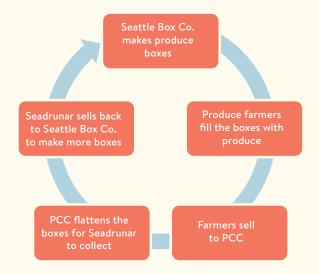
We increased the amount of plastic film that we kept out of landfills by two-ton with the help of Seadrunar and UNFI, our organic and natural food distributor.

COMPOST

Compost collection for 2023 totaled 1,801.77 tons; 300 fewer tons than we collected in 2022. This drastic reduction is due to better data and stricter operations goals. Internal audits were completed to assess the frequency of pickups and size of compost containers.

GARBAGE

Garbage had a 21-ton reduction from 2022 thanks to operational efficiencies, rightsized ordering, and a new initiative to keep plastic produce boxes out of the landfill. Our co-op's produce department store staff determined that produce boxes made of recyclable materials were being sent to the landfill. PCC's Operations and Merchandising teams took this opportunity to design a new partnership with Seattle Box Co. and Seadrunar for the life cycle of produce boxes.



GROCERY DONATION

Each day, at every one of our 15 stores, drivers from community-based hunger-relief organizations pull up to PCCand load their vehicles with items that were sorted that morning for donation. Items from every department can be found in these donations, including deli items, breads, dairy products and produce. Grocery rescue and food bank donations are a key pillar of how PCC thinks about sustainable operations in food that would otherwise be headed to the landfill. In 2023, we contributed more than 1.5 million pounds of high-quality food to 37 community organizations. That is estimated to work out to over 1.3 million meals – including organic, local produce, free-range meats, grass-fed dairy and deli items – that are donated directly from our stores.

CREATING A MORE INCLUSIVE CO-OP COMMUNITY

Beyond the co-op's focus on sustainability, we incorporate your in-store experience into how we approach sustainable operations to create meaningful opportunities for community and art along with Justice, Equity, Diversity and Inclusion (JEDI) at your neighborhood PCC. 2023 was the first year that this work was anchored in the PCC Statement of Equity and Inclusion that was introduced the previous year. Our equity and inclusion statement acknowledges our recognition of and commitment to justice-centered change within our co-op and community food systems. The statement now serves as a guiding directive for our actions, work and approach to decision making and more.

We took multiple steps to ensure that these commitments are part of the in-store experience we offer on a daily basis to thousands of people across the region. Bellevue PCC partnered with <u>Eastside Heritage Center</u>, an organization focused on the preservation and stewardship of the Eastside's history, to install a temporary educational exhibit about the history of the Asian American and Pacific Islander (AAPI) communities on the Eastside, through the lens of several local families. Throughout what is now downtown Bellevue, Japanese families once cultivated a variety of crops on prime farmland. Today, hidden behind the scenes, is the legacy of those Japanese American farmers who were incarcerated during WWII and lost their homes and farmland. Bellevue PCC is located on this former farmland.

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In 2023, we contributed more than **1.5 MILLION POUNDS**

of high-quality food to 37 community organizations. That provided approximately 1.3 million meals including organic, local produce, free-range meats, grass-fed dairy and fresh-made deli items — that are donated directly from our stores.

PCC'S STATEMENT OF EQUITY AND INCLUSION

PCC is committed to welcoming people of all identities, cultures, and backgrounds. As a triple bottom line cooperative, our vision, mission and values stand firmly rooted in the nourishment and well-being of our planet, its people and communities.

While racism and colonialism continue to play a significant role in shaping food systems, PCC is committed to cultivating justicecentered relationships that do not exploit.

PCC does not tolerate bigoted behavior within our community. Accordingly, we take action to foster a safe and inclusive environment.



The co-op partnered with Eastside Heritage Center to both share the stories of AAPI families that previously farmed in Bellevue and to provide an opportunity to learn about the history of this region and the impacts of racism and colonialism on food systems and historically and currently excluded communities.

Additionally, after piloting a sensory-friendly shopping hour on July 2023, for the anniversary of the Americans with Disabilities Act, PCC introduced a weekly Quiet Shopping Hour on Sundays in all stores from 8 to 9 a.m. starting in February 2024. Stores create a low-stimulation environment of dimmed lights, muted music and turned down announcements, and a pause in the stocking of shelves. This program is designed to serve neurodiverse community members with sensory processing disorders. This program is designed to serve members of our community who experience sensory processing disorders by providing a peaceful, low-friction shopping environment that they can count on each week.

Internally, we also began the work of offering experiences for staff members to learn while normalizing JEDI conversations. In 2023, we hosted staff events that invited them to gain insight into historically and currently excluded communities. During Asian American and Pacific Islander Heritage Month in May, staff heard from Clarence Moriwaki about the experiences of Japanese Americans from Bainbridge Island who were forcibly removed and incarcerated during WWII. As we launched our Inclusive Trade Program during Pride Month, PCC staff had an opportunity to meet some of the LGBTQIA+-owned businesses participating in the program, including Wunderground Coffee, Tieton Farm & Creamery and XOBC Cellars. During a panel conversation moderated by Redmond PCC Assistant Store Director, Enrique Cabrera during Hispanic Heritage Month, staff listened to and sampled products from Hot Mama Salsa and Tortillas Con Madre – both small businesses participating in our Inclusive Trade Program. Additionally, store leaders and co-op office staff learned about neurodiversity from National Co+op Grocers Racial Equity and Food Justice Manager, Gabby Davis and ways to support neurodiverse staff and customers.

COMMUNITY ART WALLS

This year, PCC debuted a program that dedicates wall space within our stores to showcase local artists from the community.

The concept initially emerged from community engagement efforts prior to opening our store in the Central District. A primary request was for PCC to display art that reflected the community and to embody the CD's sense of place by paying respect to what was and is still there in a gentrifying neighborhood. To come full circle, Central District PCC



now features art curated by <u>Wa Na Wari</u>, an immersive community art project that reclaims Black cultural space and makes a statement about the importance of Black land ownership in gentrified communities.

Ballard PCC also welcomed a community art wall curated by <u>United</u> <u>Indians of All Tribes Foundation</u> (UIATF), a Seattle-based social service provider, community centerand cultural home for urban Natives. UIATF first showcased Northwest-based Heather Johnston's artwork, who shared that she has "received quite a few commissioned pieces thanks to this [program]."

In spring of 2024, Bellevue PCC will add a community art wall in partnership with <u>Eighth Generation</u>, a Seattle-based art and lifestyle brand owned by the Snoqualmie Tribe. Next, Kirkland PCC is working with <u>Northwest Art Alliance</u>, a multi-reach organization that seeks to develop a network of connections that foster the power of art and community.

COMMUNITY AND MEMBERSHIP BOARDS

In 2023, we installed Community and Membership boards in prominent locations in-store to celebrate co-op membership and focus on the neighborhoods that PCC serves by sharing each store's unique impact, community connection and core purpose programs, including fundraising, grocery rescue, sustainable operations, nearby businesses that participate in the partner perks program for member-owners, *Sound Consumer* and cooking classes

With a nod to the classic co-op bulletin walls, these boards illustrate the ways in which shopping PCC supports the greater community and local food systems. You'll find large posters featuring a combination of quick facts and QR codes that invite you to dig deeper as an easily accessible membership resource. To further ground our staff members and shoppers, all Community and Membership Boards also share our Statement of Equity and Inclusion.

SUSTAINABLE OPERATIONS STORIES

Explore these 2023 articles from Sound Consumer, our co-op's publication dedicated to informing and inspiring the PCC community, to learn more about the people, movements and actions shaping sustainable operations.

Sustainability Report: From Baguettes to Breadcrumbs, January 2023

Sustainability Report: Tons of Success from Plastic Film Recycling, March 2023

<u>A New Recycling Option for</u> <u>Multi-Layer Plastics</u>, June 2023

Sustainability Report: Results of PCC's Five-Year Goals, June 2023

Decades of Supporting Organic Agriculture, September 2023

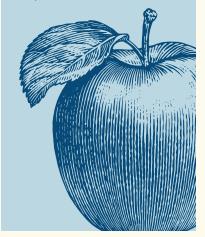




Photo by Tara Austen Weaver

COMMUNITY AND FOOD SYSTEMS

COMMUNITY AND FOOD SYSTEMS

In 2023, the clear request from our community partners was for PCC to share their stories with our members and shoppers. In response, PCC. came up with new ways to provide support through seasonal campaigns with the goal of building awareness of the work we do alongside our partners. Participating in our co-op's mission is a meaningful way to support our region's food systems while also putting delicious, peak-season food on the table. Read on to explore the creative ways our co-op deepened our partnerships in support of community and local food systems.

COMMUNITY SUPPORTING COMMUNITY

In healthy food systems, a more resilient and sustainable local food economy is formed when producers and farmers, grocers and consumers work collaboratively to enhance social, economic and environmental sustainability. Together, we leverage the platform of food to feed and nourish our community.

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As a co-op community, we fundraised over

\$238,000

to benefit United Indians of All Tribes, Salmon Safe, Global Ocean Health, Growing for Good, Washington Farmland Trust, and PCC food access initiatives.

Our co-op facilitated an additional \$170,000

in donations through our staff, suppliers and products sold at PCC to organizations including the Center for Whale Research, Long Live the Kings and Washington Farmland Trust.

We also supported local and regional organizations and events and with \$161,000+ in donations and sponsorships.



As a co-op community, we fundraised over \$238,000 to benefit United Indians of All Tribes, Salmon Safe, Global Ocean Health, Growing for Good, Washington Farmland Trust, and PCC food access initiatives. These program support a wide range of needs including hunger relief, salmon habitat restoration and preservation of local farmland. PCC couldn't build these relationships or sustain these programs without staff, members and shoppers championing local food systems. What's more, this community funding liberates nonprofits to be responsive to need without the red tape of grantmaking.

Our co-op facilitated an additional \$170,000 in donations through our staff, suppliers and products sold at PCC to organizations including the Center for Whale Research, Long Live the Kings and Washington Farmland Trust. We also supported local and regional events and organizations with more than \$161,000 in donations and sponsorships.

In its fourth year of operation, <u>Growing for Good</u>, a partnership with Harvest Against Hunger and the Seattle Neighborhood Farmers Markets, continued to help meet the need for fresh and nutrient dense food in the hunger relief system, while finetuning to best support farm and hunger relief partners. The program brought on two new hunger relief agencies and two new farms, bringing the total to 17 growers and 24 agencies in the program. Continued support from our staff, members and community, alongside co-op dollars, secured \$120,000 (which is part of the above \$238,000) to ensure that this program continues to grow. This was especially important in 2023 as COVID-relief funding supporting this work was no longer available from inter-governmental agencies.

"This type of program supports so many players in the local food system: farmers and farmworkers, delivery drivers, farm admin, food banks and their clients. My vision would be for this type of program to grow at a regional, state and national level over time!" – Viva Farms

COOPERATIVE RESOURCES

Our traditional model of fundraising at the register a couple of times a year expanded to include awareness campaigns and partner-led education. We shared our communication channels by publishing articles in *Sound Consumer* and provided marketing support through the co-op's social media channels, emails and website. We co-hosted educational

opportunities, such as virtual events for co-op members with Monterey Bay Aquarium on sustainable seafood certifications and PCC's seafood quality standards. Events in our stores introduced shoppers directly to local producers and organizations that share our values.



A partner since 2019, United Indians of All Tribes Foundation (UIATF) —

a Seattle-based social service provider, community center and cultural home for urban indigenous people – became one of our most robust partnerships in 2023. We worked together to share a <u>story</u> of fulfilling dreams in the <u>Sound</u> <u>Consumer</u> and collaborated on a limited-edition tote bag with art by Heather Johnston, whose work is also featured on the Ballard PCC community art wall. These totes, in addition to an in-store fundraising campaign,

shared the name and mission of the organization with PCC members and shoppers while raising over \$70,000. UIATF even welcomed PCC CEO Krish to join their Daybreak Star Radio to discuss the legacy of PCC, and of course, music. We are continuing to deepen this relationship and look forward to what we will create together in 2024.

CULINARY EDUCATION

Inspired by the the fifth co-op principle of education, training and information, <u>cooking classes at PCC</u> are a longstanding program rooting back to 1983. We invite participants to get hands-on experience with culinary experts – including local restaurateurs, cookbook authors, nutritionists and professional chefs from around the world – to gain valuable cooking tips and techniques for any occasion.

In 2023, a total of **12,670** students participated in PCC Cooking Classes, both online and in-person.

NEARLY 900 kids and teens attended cooking classes in 2023.

58

seasonal camps introduced budding chefs to world cuisines, foundational cooking skills and baking techniques.

CONTINUED >>



Quotes from parents:

"The class was outstanding! My son and his friend insisted on making their favorite dishes for me and his friend's mother the Friday night class ended. They did an excellent job!! Everything was super delicious. We were astounded, to say the least!"

"My kids had such a great time! We made spaghetti last night, and my kids confidently grabbed knives and chopped up the veggies for the sauce. Thank you!"

"My daughter LOVED this class! She learned a ton and was super inspired. She enjoyed all the recipes and said the instructors were really kind and helpful. She's excited to recreate all of the recipes at home! Thank you for a great experience!"





REGULATORY AND LEGISLATIVE POLICY AND ADVOCACY

In recent years, PCC partnered with Tilth Alliance to cofound the <u>Coalition for Organic and Regenerative Agriculture (CORA)</u>, a powerful new coalition of farmers, businesses, organizations and activists advocating for progressive programs and policies in support of organic and regenerative agriculture in Washington state.

In 2023, CORA had its first state legislative agenda and a seasoned lobbyist. on the ground in Olympia, providing an alternative voice to conventional agriculture for the first time. Senator Shewmake helped CORA get its first small win by putting \$200,000 in the state budget for the Conservation Commission to evaluate existing research on organic and climate-smart agriculture. CORA also supported funding for the organic inspection credit, which was not funded, so there's more work to be done.

PCC helped Toxics-Free Future pass Washington's Toxic-Free Cosmetics Act, which bans more chemicals of concern in beauty and personal care products than any other state or federal law. This includes PFAS, lead, phthalates, formaldehyde-releasing agents and more.

More than 12,000 PCC member-owners and shoppers have opted to be a PCC Advocate. PCC Advocates receive emails with calls to action to help us influence local, regional and national policy on behalf of our food systems. To make your voice heard, join our Advocacy email list.

COMMUNITY VOICES

Sound Consumer regularly shares conversations with our community partners to highlight their history, efforts and ways to support the work. Q&A with Oxbow Farm and Conservation Center, January 2023 A Conversation with Farmer Frog, March 2023 A Conversation with Washington Farmland Trust, June 2023 A Conversation with Town Hall Seattle, September 2023 A Conversation with Northwest Harvest, November 2023

COMMUNITY AND FOOD SYSTEMS STORIES

Explore these 2023 articles from *Sound Consumer*, our co-op's publication dedicated to informing and inspiring the PCC community, to learn more about the people, movements and actions shaping our community and food systems.

Pink Moon Farm Preserved, January 2023

PCC Community Grants Support Gardens, Harvests and Education, January 2023

Growing for Good Reaches New Heights, March 2023

Fulfilling Dreams with the United Indians of All Tribes Foundation, March 2023

Why BIPOC Farmers Seek a Farmland Trust, June 2023

<u>Community2Community</u> <u>Supports Washington's First</u> <u>Cooperative Farm, June 2023</u>

<u>Viva Farms and Partners</u> <u>Raise a New Crop of Farmers</u>, September 2023

Growing for Good: What's Next for a Powerful Partnership?, November 2023



CO-OP MEMBER-OWNERS

As a PCC member-owner, you are part of a like-minded community where the dollars you spend at the co-op go toward not only fresh and flavorful food, but also toward taking care of our community and creating a socially and environmentally responsible food system.

PCC's membership program provides access for members to special offers, events and partner discounts from a selection of local, like-minded businesses, as well as the potential opportunity to receive a dividend when the co-op is profitable. PCC hosted our first-annual Member Month in October to thank members and gather around our shared passions of food and community. In-store events at every neighborhood PCC welcomed guests with tons of samples and giveaways and the opportunity to interact with partner organizations as we celebrated the collective impact of our members over the past 70 years. Members also received four exclusive offers in October (twice as many memberonly offers as usual) that tallied close to 63,000 redemptions. We were delighted to welcome over 1,300 new members during the month and to celebrate with so many of you in our stores!

PCC also partners with local institutions and small businesses to bring savings to our memberowners in the neighborhoods we serve through the <u>PCC Partner Program</u>. In 2023, the program grew by 114%, adding 24 new partners that pass on savings and perks to PCC members. From fitness centers and bookstores to museums and movies, PCC's partner program continues to offer PCC members unlimited savings at iconic Seattle-area institutions and local small business establishments.

With 114,000 active members, plus almost 1,800 staff, you are part of something that is much bigger than a trip to the grocery store. Thank you for being part of this membership community and for keeping our co-op keenly focused on who we are, what we do and why we do it.

9,800 NEW MEMBERS

More neighbors are buying into a better food future!

63.7% of co-op sales

Close to two-thirds of sales in 2023 came from the support of member-owners.

4,444 votes

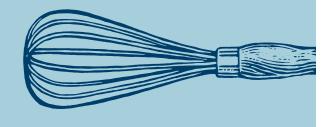
4% of memberowners voted in the 2023 Annual Election.

\$250 IN SAVINGS

More than 30 member-only offers on quality seasonal products resulted in an annual value that is four times the cost of our one-time \$60 membership fee if members redeemed each offer.

8 VIRTUAL EVENTS

We gathered online to learn about topics from iconic recipes over 70 years of feeding community to the work of partners like Oxbow Farm and Washington Farmland Trust.



AFTERWORD FROM OUR CEO



Dear member-owner:

We started out, in 1953, as a community of people committed to each other and to good food. As PCC Community Markets marked 70 years in 2023, those early commitments have continued to be our north star – from the launch of our Inclusive Trade program this year to our community-driven fundraising with singular local impact.

Our co-op's operating values, food quality standards, and this community are the interwoven threads that make PCC so special – as always, we thank you for shopping your values at PCC. We are so proud of our team, grateful to our member-owners, humbled by the support of our suppliers and community partners, and energized by our cooperative purpose.

2023 was also a year that stretched the co-op. Late in the year, we made the difficult but necessary decision to close our Downtown Seattle store at 4th & Union. With no viable path to long term profitability, continuing to operate there put our mission at risk since our co-op relies on a

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consistently strong financial bottom line in order to serve and deepen our impact within the community. We also spent the second half of 2023 in collective bargaining with UFCW Local 3000 for a new labor contract for our union staff (which was ratified in February 2024). This bargaining cycle was a long and emotional one, reflecting both its importance to our staff and our commitment to being an employer of choice. We will share more about the Downtown PCC closure and collective bargaining later this spring in the Co-op Purpose Report, Part 2: Financials. Returning our coop to sustained financial health is an important multiyear priority that began more than a year ago, and with many uncertainties now resolved, we can commit fully to this journey.

In 2024, we remain grounded in furthering the spirit and impact of cooperative principles. The co-op's legacy and plan for our future is that sense of unity, purpose and connectedness. Imagine a world where your groceries do good. Where nourishing your body nourishes local food systems. And neighborhood connections bring you closer to home. This is the year you can make that vision a reality. It starts at our co-op – your co-op – forged by our community, for our community, as a place to come together across a shared table. Our triple bottom line means that our success is your support; and your support determines our success.

THIS IS WHAT A CO-OP LOOKS LIKE.

In 2024, I invite you to visit, experience and shop our stores often. As a local, independent and community-owned grocer focused on good food that is sourced ethically and sustainably, our future and success is intertwined with the food choices of our members and shoppers. Every basket of groceries bought at your co-op helps support a community of suppliers, producers and organizations who share our values. A belief in community and the power of cooperative principles unites us within the walls of our stores. Invite your friends and family, who may not be members, to learn more about what we do and how we do it, and to consider becoming member-owners themselves. Thank you, truly, for helping to uphold that in how you shop and what you eat.

With gratitude,

Krish Srinivasan CEO & President