



2024
CO-OP
PURPOSE
REPORT



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A MESSAGE FROM OUR CEO

Dear PCC Member-Owner,

As we approach summer here in the Pacific Northwest, I am excited for more sunshine and the fresh, local produce the season brings. This is the time of year that reminds us of the joys of nourishing ourselves with food that is not only good for us but also good for our planet and our communities. It is also the time of year when PCC publishes its annual Co-op Purpose Report, and it is my honor to share it with you.



Our co-op made significant strides in 2024, and this report offers a deeper look at all we accomplished across our triple bottom line, which is always a balance of social, environmental and economic results. In this note, I want to highlight the progress we made as a purpose-driven organization while navigating an evolving, often unpredictable, and at times turbulent economic and political landscape—one that remains in flux today.

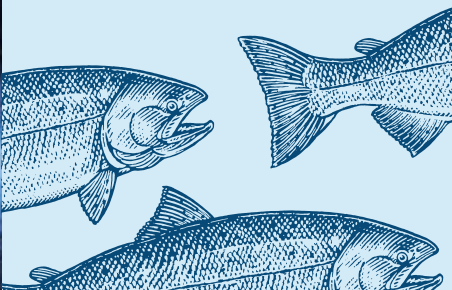
As an independent, local grocery co-op, we faced significant challenges in recent years; at times, these challenges even left us uncertain about our long-term viability. However, we also remained unwavering in our conviction about the vital role that PCC plays in the health of our local food system, fueling our commitment to overcome these obstacles. That is why, in 2024, we embarked on a multiyear journey to achieve sustained profitability which, in our view, is characterized by consistently robust financial health accompanied by a meaningful demonstration of our mission. Purpose and profit have always gone hand in hand for us, and we began the year focused on a long-term effort that would deliver both.

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When you shop at PCC, you're doing more than buying groceries; you're actively investing in a more equitable and sustainable future for our local community. Every purchase is an opportunity to make a positive impact that extends far beyond the checkout counter.

— Krish Srinivasan,
CEO and President,
PCC Community Markets



We planned for a year that would require patience and investment with no expectation of profitability, and we were clear about that with our staff and community. That outlook only strengthened our resolve to double down on what we do best: staying true to our cooperative values and prioritizing the needs of the communities we serve.

In January, we successfully finalized a healthy wage contract for PCC's union staff members. We then turned our attention to what you, our shoppers and member-owners, told us mattered most to you: enhancing the shopping and service experience, maintaining our unique focus on product sourcing and quality standards, and improving the overall financial value of shopping at your neighborhood co-op.

In 2024, we delivered this financial value to members through a number of thoughtfully curated product offers, which in aggregate represented a \$180 value to anyone who redeemed them all, and equivalent to three times the cost of a lifetime PCC membership. I hope you were able to enjoy some or all of these offers. Members also received additional benefits in the form of discounts at local partner organizations and invite-only member events. And we continued to adjust our shelf prices through the year, helping stretch all of our shoppers' grocery dollars.

While our initial business outlook for last year anticipated a financial loss, I am very happy to report that the co-op, in fact, turned a modest profit at year-end. While this profit was not substantial enough to warrant a meaningful patronage dividend to members, it marks an important step in the right direction.

As you read through this report, I hope you will also be inspired by how much we advanced PCC's purpose as a core part of our strategic goals—through funds raised to support local farms and food banks, our new cleaning product standards, our advocacy for organic and regenerative agriculture and so much more.

Looking ahead, we know that not all of our challenges are behind us. In fact, as a community, it is fair to characterize us all as being aligned in recognizing the uncertainties brought on by a new federal administration, which could affect a range of areas from the organic agriculture sector to hunger relief agencies.

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The impact of tariffs, a topic that is front and center in virtually any current discussion about our economy, is presently unclear (and it is uncertain whether more clarity will have emerged by the time this letter is published). While much of PCC's produce is grown locally and regionally and therefore may be somewhat insulated from the impact of global trade agreements, other key components central to our industry are not likely to be. It is also unclear how significantly tariffs will disrupt farmers, vendors and suppliers, or for how long. What we do know is that there is a possibility that any lasting changes could eventually shape how all of us shop for everyday essentials including groceries.

And so, as we collectively navigate these times and begin to understand their far-reaching consequences, our responsibility as a co-op is to communicate with transparency and clarity. In resolute pursuit of our mission, we will continue to be a reliable destination for responsibly sourced, fresh, and nutritious products. Rooted in local and regional sourcing, we are uniquely equipped to be resilient, and now more than ever, we invite our shoppers to stay engaged, support local, and be part of shaping a food system that puts people, their communities and our planet first.

When you shop at PCC, you're doing more than buying groceries; you're actively investing in a more equitable and sustainable future for our local community. Every purchase is an opportunity to make a positive impact that extends far beyond the checkout counter. These everyday choices add up to help shape the world we wish to see. Together, we're making a difference, one decision and one day at a time.

Looking to the future, I remain deeply optimistic in our ability to grow our impact in the community. With each season, we continue to take steps toward creating a sustainable and resilient local food system and business model. It's not always easy, it's not always perfect, but it's always worth it. And I am so grateful to have you by our side on this journey.

With gratitude,

Krish Srinivasan
CEO & President



BY THE NUMBERS

MANY VOICES, ONE SHARED VISION

Our co-op community was bigger than ever by the end of 2024.

OVER **117,000** CO-OP MEMBER-OWNERS!



OUR VALUES REFLECTED ON OUR SHELVES

We forge deep-rooted relationships with farmers, makers, ranchers, fisheries and others who share in our commitment to people and planet.

606

**FAIR TRADE
CERTIFIED PRODUCTS**

719

**LOCAL
PRODUCERS**

95%
**OF OUR
SELECTION**

5,203

**NON-GMO PROJECT
VERIFIED PRODUCTS**

CERTIFIED ORGANIC PRODUCE





SUSTAINABLE OPERATIONS

PCC is committed to reducing the environmental impact and climate footprint of our stores and operations. To do so, we prioritize:

- **GREEN BUILDING PRACTICES**
- **REDUCING WASTE SENT TO THE LANDFILL**
- **MINIMIZING WATER AND ENERGY USE**
- **RENEWABLE ENERGY AND REDUCTION OF USAGE**
- **SUSTAINABLE PACKAGING**
- **OFFSETTING GREENHOUSE GAS EMISSIONS**



SCOPE 1, 2 & 3 GREENHOUSE GAS EMISSIONS

In 2024, we were successful in reducing total waste in all categories including cardboard, compost, garbage, and general recycling. We also reduced our Scope 1 greenhouse gas emissions, largely from our biggest source, refrigerants, through the installation of leak detection which allowed us to repair machines before major leakage occurred. Scope 2 emissions went from 1,993 tonnes in 2023 to 2,016 in 2024 due to growth in overall sales.

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.

SCOPE 2 EMISSIONS:

PCC tracks Scope 2 outputs of electricity usage at each store.

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.



SCOPE 1: Fleet Fuel, Refrigerant, Natural Gas

SCOPE 2: Electricity Purchased

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

*2023 Scope 1 and Scope 2 numbers: 4,799 tonnes and 1,993 tonnes, respectively

- **ELECTRICITY: 15,387,506 KWH**
- **FUEL: 393,285 THERMS**
- **WATER: 24,315,193 GALLONS**
- **REFRIGERANT CARBON EMISSIONS: 2,156 LBS. OR 2,399 TONS OF CARBON**



SUSTAINABLE OPERATIONS STORIES

Get to know the people, movements and actions that shaped sustainable operations at our co-op in 2024.

The Double Mission of Seadrunar Recycling,

Seadrunar Recycling sorts, bales and recycles cardboard from all PCC stores (and other items from selected stores). Its 42,000-square-foot facility is also able to process some products that larger municipal services can't, including services like paper shredding.

Cultivating Climate-Positive Agriculture,

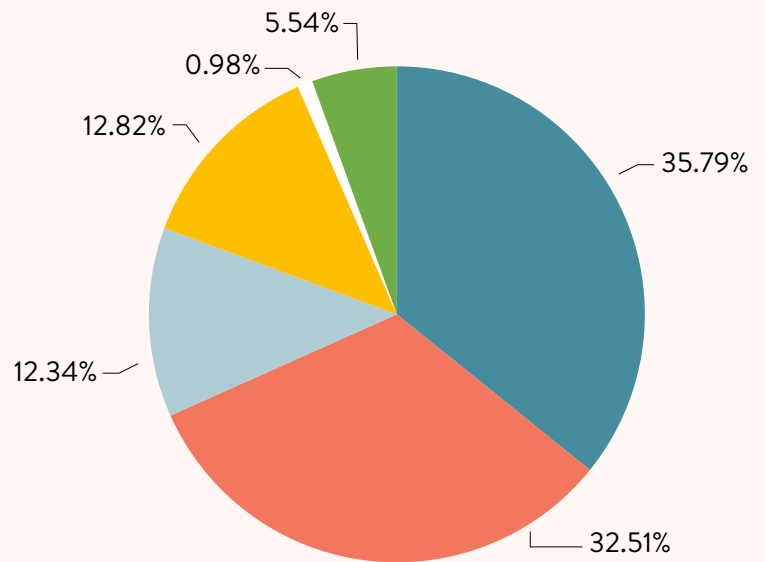
To account for our carbon emissions and energy from unrenueable sources, PCC contributed to hyperlocal, climate-positive agricultural projects across our region. 2024 was the first of a three-year commitment to support Washington State Organic & Sustainable Farming Fund (WSOSFF), managed by the Tilth Alliance. WSOSFF grants fund organic and regenerative agricultural practices that mitigate climate change. In addition to providing financial support, PCC staff served on the grant review and award committee with a group of regional farmers and organic agricultural experts.



WASTE DISTRIBUTION

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

2024 WASTE DISTRIBUTION (IN TONS)



Cardboard 1,889.42 (2,290.81 in 2023)	Compost 1,716.30 (1801.77 in 2023)	Food Donation 651.46 (785.44 in 2023)
Plastic Film 51.96 (49.49 in 2023)	Recycling 292.42 (342 in 2023)	Garbage 676.97 (749.62 in 2023)



RESPONSIBLE SOURCING

PCC has long been an industry leader in setting socially and environmentally responsible product standards. As we continue to learn from our shoppers, members and partners, our co-op's standards will keep evolving and improving to better serve our communities. In 2024, our responsible sourcing focused on climate-positive products and practices:

- **ORGANIC AND REGENERATIVE AGRICULTURE**
- **HEALTHY SEAS**
- **REDUCED PACKAGING AND PLASTIC POLLUTION**
- **PROTECTING CONSUMERS FROM TOXIC CHEMICALS**





REGENERATIVE AGRICULTURE STORIES

Dig into the highlights of our 2024 efforts, from hosting events with industry experts to presenting expertise at regional and national conferences.

[What's next for regenerative agriculture?](#)
April 2024

[Virtual Member Event: The Need for Regenerative Agriculture](#)
June 2024

[Which foods are certified regenerative?](#)
July 2024

REGENERATIVE AGRICULTURE

In 2024, PCC demonstrated strong industry leadership in the transition toward an increasingly regenerative food system. Through strategic initiatives and public policy advocacy, we worked to advance regenerative agriculture practices that support soil health, biodiversity and climate resilience nationwide.

[CONVENING ON ORGANIC AND REGENERATIVE FOOD SYSTEMS](#)

Held at the Daybreak Star Indian Cultural Center in Seattle during February 2024, PCC's convening brought together a diverse grouping of regenerative stakeholders, including farmers, tribal leaders, government and policy officials, retailers and co-ops, nonprofits, and natural food brands.

"It's so important for our generation to reconnect with our ancestral roots. Our task is to preserve and pass down these sacred recipes to secure success for future generations. Although we may not witness the success of our goals in our lifetime, embracing a generational perspective shift is fundamental to our journey."

— Valerie Segrest, Keynote Speaker, Native Nutrition Educator and member of the Muckleshoot Indian Tribe

CLEANING PRODUCT STANDARD

In 2024, PCC established a brand new standard for cleaning products, offering the safest options from producers committed to ingredient transparency and minimizing health and environmental impacts. We require producers to disclose their ingredients so shoppers can make informed choices and prohibit harmful substances like phosphates that are still found in products such as drain cleaners despite their well-documented environmental impact.

[SEE WHAT'S NEW](#)



COMMUNITY AND FOOD SYSTEMS

As a co-op, PCC is guided by [eight core principles](#), including “Concern for Community.” Our co-op community is made up of our staff, member-owners and shoppers, and reaches beyond our stores to include our vendors, supplier partners and neighbors. Over the past seven decades, we’ve developed programs to meet the evolving needs of our community through resource sharing, grants, volunteering and other opportunities for connection. As the nation’s largest food co-op, we have a unique role in the food system with the privilege and responsibility to lead. We’re honored to have made a lasting impact, influencing local, state and national policy, and will continue to listen and adapt to ensure our initiatives support both our community and our co-op.

POWER IN PARTNERSHIP

At PCC, we don't just raise funds for organizations; we forge paths for mutual support to make an impact that lasts far beyond giving season. In 2024, our efforts focused on protecting the future of farming, supporting Native communities and advocating for food access policies.

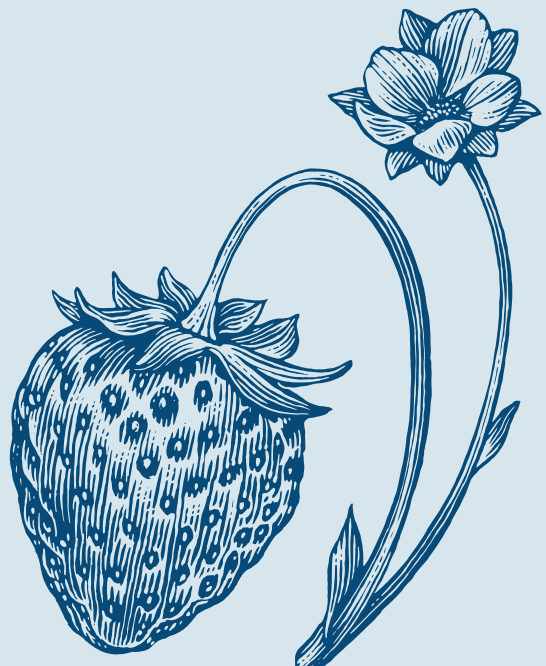
FUNDING BUDDING FARMERS

Viva Farms is a nonprofit that supports aspiring and limited-resource farmers by providing bilingual training in organic practices and access to land, infrastructure, equipment, marketing, capital and community. As our region faces a crisis of retiring farmers and a decline in farmable land, their work is more crucial than ever.



In 2024, PCC and Viva Farms began a collaboration to support future farmers and stewards of the land. Through an in-store fundraiser, our community raised \$17,783. After the success of the fundraiser, PCC and Viva Farms launched a limited-edition tote bag designed by local artist Marisol Ortega with a portion of the proceeds, totaling more than \$7,000, benefitting Viva Farms.

[READ MORE](#)



HELPING LOCAL FOOD SYSTEMS THRIVE

A partnership between Neighborhood Farmers Markets, Harvest Against Hunger and PCC, [Growing for Good](#) connects Washington's small farms to hunger relief agencies funded by community donations. Together we raised more than \$248,000 for the Growing for Good program in 2024, its fourth year.

Whether through rounding up purchases or making direct contributions, our shoppers and members made a big impact in 2024:



17 FARMS
SUPPORTED

MORE THAN
66,000 lbs
OF FRESH PRODUCE
PROVIDED

BENEFITTING
25 HUNGER RELIEF
ORGANIZATIONS



GROWING FOR GOOD STORIES

Hear about this collaboration straight from our community and see the ways in which it's helping our local food systems thrive.

[Video: Growing for Good, Byrd Barr Place & Regino Farms,](#)
October 2024

[Growing for Good Partnership Nourishes an Island,](#)
December 2024

[Virtual Member Event: Growing for Good,](#)
December 2024



SUPPORTING NATIVE-LED ORGANIZATIONS

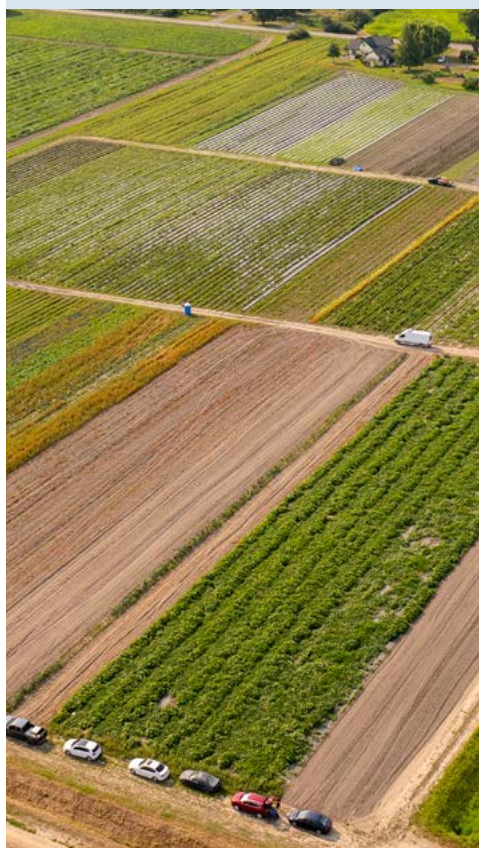
PCC contributed \$15,000 to the United Indians of All Tribes Foundation (UIATF), which provides social, cultural and educational services for Indigenous peoples in the Puget Sound region. Additionally, leaders of the foundation shared their perspective on Thanksgiving and Indigenous traditions in PCC's Sound Consumer.

[A Perspective on Thanksgiving by United Indians of All Tribes Foundation](#),
October 2024

[National Co-op Grocers Members and Shoppers Raise Over \\$139,000 for Indigenous Food Systems](#),
October 2024

"On behalf of the community we serve, the United Indians of All Tribes Foundation deeply appreciates the people of the Seattle region who utilized PCC Community Markets. Through collaboration, understanding and recognition, PCC and United Indians have worked together to significantly broaden and strengthen our impact, and we are very excited to continue another campaign in 2025."

— United Indians of All Tribes Foundation



PATHWAYS FOR MUTUAL SUPPORT

In 2024, PCC contributed \$571,538 to our community through partnership investment, round-up donations, product pass-through donations, in-store customer donations, and PCC staff giving. Of that, over \$160,000 came from the PCC partnership budget supporting organizations we have strategic partnerships with who are doing essential work in the food system, including but not limited to:





ADVOCACY

MAKING AN IMPACT CLOSE TO HOME

As a leader in both local and national community food systems, product quality standards and sustainability, PCC and our network of values-aligned partners support advocacy efforts in Washington’s state capital that ensure policies reflect our vision of inspiring and advancing the health and well-being of people, their communities and our planet.

In the 2024 Washington legislative session, PCC and our community of advocates helped advance policies that support local farms, food security and environmental sustainability. Key wins included funding to reduce food waste and support food donations; expanded summer EBT benefits for low-income students; new restrictions on pollinator-harming pesticides; and financial support for small farms adopting climate-smart practices. We also helped secure funding to reduce the cost of organic certification and to feed low-income seniors, though overall food security funding fell short of urgent needs. While several promising bills did not pass—including an organic action plan and improved recycling standards—we remain committed to building on last year’s progress in the sessions ahead.

CASTING A VOTE FOR THE ENVIRONMENT

With “Democratic Member Control” as a core cooperative value, PCC communicated the co-op’s stance on environmental policies that were on the ballot in the 2024 Federal Election. While PCC doesn’t endorse candidates, we do take a stand on policy issues that align with our values and directly impact our business and local food systems.

[Your Voice, Your Vote: Upholding PCC’s Values at the Ballot Box,](#)
October 2024



PCC'S STAFFING GOALS, COMPENSATION STRUCTURE AND PHILOSOPHY

PCC is guided by cooperative principles, including openness, transparency and accountability. In the spirit of those principles, the Management Development and Compensation Committee (MDCC) of PCC's Board of Trustees provides disclosures about PCC's staffing goals, compensation philosophy and structure.

As of January 1, 2025, PCC had 1,690 total employees, of which 1,432, or 84.73%, are unionized store staff. When discussing PCC's compensation structure for our staff, it's easiest to break out the total co-op staff into three distinct compensation groups: unionized store staff, non-union staff (office store support staff and store leadership), and managerial staff (which includes store leadership and office store support management).

STAFFING GOALS AT PCC

PCC seeks to attract and retain competent, qualified and diverse staff in our stores and store support office. PCC seeks employees who are passionate about the products PCC sells and the co-op's social and environmental goals. We are working toward being an employer of choice and the best grocery employer in the Pacific Northwest by offering good compensation and benefits and fulfilling and robust career opportunities.

Hiring and Retention

PCC continues to maintain programs to bolster our attractiveness as an employer in the Seattle metropolitan area, including \$300 bonuses for referring job applicants; the PCC Learning Fund to cover staff costs of programs to advance their knowledge; staff recognition and anniversary bonuses; and an on-call translation service to assist with communication between store management, staff and Human Resources. Given that it is estimated that each new employee costs an average of \$1,400 to hire and train, an increase in employee retention rates is important both for the co-op's financial health and its operational efficiencies. In 2024, PCC's turnover rate improved to 35%, from 48% in 2023.



We are working toward being an employer of choice and the best grocery employer in the Pacific Northwest by offering good compensation and benefits and fulfilling and robust career opportunities.

To ensure staff are successful, PCC provides a variety of position-specific and general training programs and offers classes.



PCC as a Career

PCC provides career opportunities for store and store support staff to advance within the co-op. To ensure staff are successful, PCC provides a variety of position-specific and general training programs and offers classes. PCC's success in offering career opportunities is reflected in the fact that the median tenure of PCC employees is significantly higher than the national median for food service employees, and more than half of our open store management positions, and a significant percentage of our store support positions, are filled by promotions of internal candidates.

COMPENSATION PHILOSOPHY

PCC's overall compensation philosophy is to offer total compensation (wages, benefits and incentive pay) that is at or above the median compensation within the grocery industry and the Puget Sound region in which our stores and store support office operate. This means that prevailing compensation levels in the broader Seattle market are an important factor in how PCC establishes wages and benefits for all employees. Compensation philosophy, the components of compensation at PCC, and how the philosophy is applied are overseen by the MDCC on behalf of the Board of Trustees. The elements of compensation that differ between our unionized store staff, managerial staff and store support staff are outlined below.

Staff Compensation at PCC

Shared Benefits. In addition to wages, the various compensation groups (unionized, store support and managerial staff) receive or can elect to receive certain benefits that are a part of PCC's overall compensation packages. Each group receives additional benefits that are unique to that group (outlined in the group-by-group discussions below). Shared benefits include a 15% discount on all PCC purchases made by staff or members of their household, free membership to the co-op (and access to member-only benefits) for the duration of their employment, participation in a subsidized bus pass program and the PCC Learning Fund, and free mental health counseling, financial advice and family services through PCC's Employee Assistance Program.

Medical, Dental and Vision Coverage. All full-time staff and their dependents are eligible to participate in PCC's medical, dental and vision plans (MDV) at premiums that are heavily subsidized by PCC. Those who enroll in MDV coverage also receive short- and long-term disability coverage and life insurance at no additional cost. The MDV coverage PCC offers is generally broader than equivalent coverage offered to other regional grocery employees through union-sponsored medical plans. Additionally, PCC subsidizes a greater portion of the monthly premiums,

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so the cost to our store staff is equal to or lower than the cost of coverage offered to other unionized grocery employees in the region. The approximate value of PCC's MDV coverage to an individual staff member who enrolls is estimated at \$10,469.40 per year, with the value of coverage for a family estimated at over \$30,089 per year.

Wages and Other Monetary Compensation.

Unionized Store Staff. Unionized store staff are members of the United Food and Commercial Workers Union (UFCW 3000) and are compensated in accordance with collective bargaining agreements negotiated between PCC and the UFCW 3000 and ratified by our unionized staff.

PCC provided unionized store staff with the following elements of monetary compensation in addition to wages and the shared benefits outlined above:

- Contributions to PCC's 401(k) Retirement Plan (whether or not the staff member contributes). In 2024, total aggregate contributions were \$1.19 million or about \$6,447.37 per staff member.
- A "thank you" gift card in November 2024.
- Recognition bonuses for milestone work anniversaries.

Store Support Staff. PCC's store support staff (which includes both managerial and non-managerial staff in the Finance and Accounting, Human Resources, Information Technology, Legal, Marketing + Purpose, Merchandising and Store Development departments) are primarily salaried employees.

Based on recent compensation studies, overall compensation for the co-op's store support staff is currently at or slightly below the median for comparable positions in the Puget Sound region.

In addition to wages, in the past year, PCC provided all store support staff with the following elements of monetary compensation:

- Contributions to PCC's 401(k) Retirement Plan (whether or not the staff member contributes). In 2024, total aggregate contributions were \$1.19 million or about \$6,447.37 per staff member.

- A "thank you" gift card in November 2024.
- Recognition bonuses for milestone work anniversaries.

Managerial Staff. Managerial staff include office and store leaders and bonus-eligible store support staff. Managerial staff are salaried and not eligible for overtime compensation but are eligible for MDV coverage and receive the same shared benefits and other elements of monetary compensation identified above as received by non-managerial store support staff. Based on compensation studies, compensation for managerial staff is slightly below the median for the Puget Sound region. PCC competes with other employers in the Seattle market for talented managerial staff. Larger competitors routinely offer stock, stock options or long-term equity-based compensation as part of their overall compensation packages, which can represent significant additional compensation value to recruited employees. PCC, as a cooperative, does not have the ability to offer equity-based compensation. Under PCC's Short Term Incentive Program (STIP), when all the requisite conditions to bonus payment are met, eligible managerial staff may earn a percentage of their base compensation if PCC achieves certain co-op-wide financial targets set by the Board of Trustees, and where applicable, for achievement of store or departmental financial performance metrics. In addition, eligible participants may receive a small percentage of their base compensation as an Individual Performance bonus upon the achievement of individual performance goals agreed to at the start of the year by the participant and their supervisor.

CEO Compensation

PCC's operations and business are overseen by our Leadership Team, which is in turn supervised by the co-op's Chief Executive Officer, Krishnan Srinivasan. Mr. Srinivasan also sits on the co-op's Board of Trustees, participates in all Board and committee meetings, and serves as the primary liaison between the co-op and other local businesses, governmental and community leaders, and PCC members. Mr. Srinivasan receives or may elect to receive the same additional compensation benefits made available to all store support and managerial staff. Mr. Srinivasan was hired as the CEO of PCC in January

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of 2022, and his annual base salary was set by the Board of Trustees at that time. Based on several 2023 national and Pacific Northwest executive compensation studies, Mr. Srinivasan's base salary in 2024 was approximately 15% below the median base salary for CEOs of similarly sized companies. Mr. Srinivasan does not receive equity compensation, such as stock or stock options - a standard piece of executive compensation in the United States

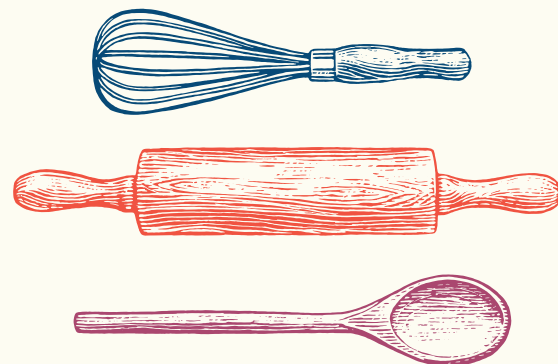
In 2024, Mr. Srinivasan's annual base salary, as set by the PCC Board of Trustees, was \$510,000, and he has the opportunity, conditioned upon PCC's achievement of certain financial goals established annually by the Board of Trustees, to earn an STIP bonus of up to 55% of his base salary. The co-op achieved the requisite financial performance in 2024 to enable the payment of STIP bonuses. Mr. Srinivasan does not receive additional compensation for his participation as a trustee on the PCC Board of Trustees.

Board of Trustees Composition and Compensation

PCC's Board of Trustees oversees the setting of strategic financial, social and environmental goals for the co-op and monitors performance to such goals. The Board is made up of 11 members: eight "outside" trustees (i.e., not employed by PCC); two trustees who are unionized store staff members; and PCC's CEO, who is an ex officio (automatically appointed) member of the Board. To ensure representation of unionized staff on the Board, if Board seats currently occupied by unionized staff members become vacant, the Governance and Membership Committee will select, from a list supplied by unionized staff, the candidates to be placed on the ballot in the next election for a vote by PCC's membership. The Board has three standing committees, each with either three or four trustees as members, to whom the Board has delegated the oversight on specific areas of PCC's business. Trustees participate in a minimum of four to five full-day Board meetings each year as well as a one- or two-day strategic meeting, and each Trustee sits on one or more committees, each of which holds an additional five or more one- to two-hour committee meetings each year, reviews a substantial

volume of written materials and financial statements and may be called upon to participate in special task forces formed from time to time.

PCC competes with other businesses in the Seattle area for qualified and competent individuals willing to devote the time and effort required to serve on our Board of



Trustees. PCC does not offer the mix of cash and equity-based compensation (stock or stock options) that other companies offer their directors for their service on the board. All trustees other than the CEO (who receives no compensation for their participation on the Board and its committees) receive a stipend of \$30,000 per year for their service to the co-op, the chair of the Board receives an additional \$12,500 stipend per year, and the chairs of the three standing committees each receive an additional \$7,500 per year for their services. The Board and committee chair roles rotate every few years.

Based on third-party compensation studies of board compensation levels from similarly sized private and public companies, the stipends paid to members of PCC's Board of Trustees are roughly 75% below the total median compensation (both cash and equity) paid to directors on boards of similarly sized companies (based on annual revenues), and between 25% to 55% below the median cash-only compensation paid to directors of public and private companies, respectively, of similar size.



FINANCIALS

PCC Community Markets is the country's largest cooperative grocery retailer, and we measure our success through the achievement of a triple bottom line: people, profit, and planet. Our goal is to operate a sustainably profitable business while serving the co-op's mission – to staff, co-op members, the broader communities we serve, and the partners whose products fill our stores. For PCC, purpose and profit will always go hand in hand, and this is what sets us apart from conventional grocery retailers. 2024 was a year in which the co-op made significant strides on both measures – purpose and profit, and what follows is a summary of our financial performance in 2024.

Net Sales

The co-op posted \$449.9 million in net sales for 2024, growing 3.1% year-over-year. Throughout the year, shoppers and members responded favorably to our curated promotions and competitive pricing initiatives. This strong execution of our product and marketing strategies coupled with improved store conditions drove approximately 6% growth in both transactions and units, delivering sales ahead of expectations for the year.

In 2024, close to two-thirds of total co-op gross sales came from purchases by our member-owners. PCC's membership program provides exclusive access to free or discounted product offers, events and partner discounts from a selection of local, like-minded businesses. Member-only offers in 2024 amounted to an aggregate \$180 in savings for those who redeemed them all.

Operating Expenses

Operating expenses for the co-op decreased 2.9% in 2024 compared to the prior year. However, excluding impairment charges and closing costs related to the closure of PCC's store in Downtown Seattle, PCC's total operating expenses as a percentage of net sales were 39.8% for 2024 (as compared to 39.3% for 2023).

Wages, benefits and tax expenses increased in 2024 compared to 2023, primarily driven by wage increases for all staff members. In February of 2024, our unionized store staff ratified new union contracts. The wage increases associated with those contracts were effective in January 2024.

Occupancy costs include rent, utilities and services (such as cleaning or linens), and decreased from 2023 due to lower depreciation expense stemming from the closure of PCC's Downtown location.

General and administrative expenses and marketing expenses decreased in 2024 compared to 2023, as the co-op continued to streamline services

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and systems, found efficiencies in marketing channels, and increased partner contributions to bolster community giving efforts. These changes are part of our ongoing work to align the co-op's resources with long-term goals and focus investments on where they deliver the greatest impact for our members.

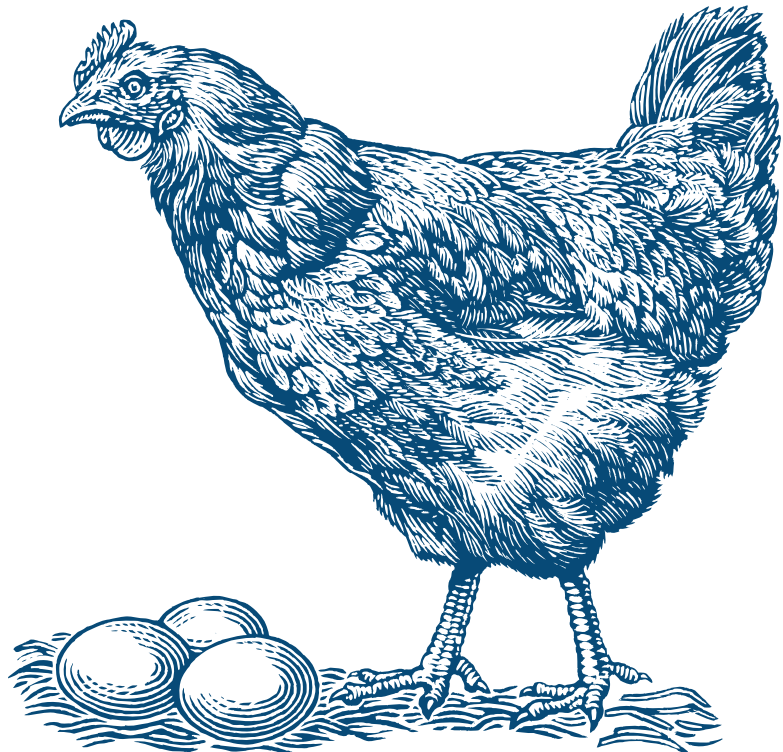
Income (before provision for income taxes)

We ended 2024 with income from operations before taxes of \$485,070, a marked improvement from the prior year, when we recognized a large operating loss due to the non-cash impairment charge from the closure of the PCC Downtown store.

While we were pleased to deliver positive income for the year, the co-op's Board of Trustees determined that based on the small amount of member net income available, no patronage dividend for 2024 would be declared.

Cash

Cash was \$35.5 million at the end of 2024. In addition to the positive sales results discussed above, the co-op benefited from strategic money market investments, resulting in a significant increase in interest income and contributing to the overall growth in our cash and cash equivalents balance. The co-op plans to invest between \$10-11 million in capital during 2025, primarily for opening the first PCC Corner Market and building out a new co-op office, both of which will be housed in the former Downtown PCC grocery location.



CONSOLIDATED INCOME STATEMENT

	2024	2023
SALES, NET	\$449,904,724	\$436,456,148
COST OF GOODS SOLD	272,157,111	264,744,847
Gross profit	177,747,613	171,711,301
% of Sales	39.5%	39.3%
OPERATING EXPENSES		
Wages, benefits and taxes	120,803,616	111,896,330
General and administrative expenses	19,494,936	20,202,079
Occupancy expenses	35,743,198	36,476,583
Marketing and outreach expenses	2,716,642	3,079,164
Loss on disposal of assets	128,622	213
Impairment charge and closing expense	33,293	12,574,881
Total operating expenses	178,920,307	184,229,250
(Loss) income from operations	(1,172,694)	(12,517,949)
OTHER INCOME (EXPENSE)		
Interest income	720,039	5,541
Interest expense	(59,563)	(100,217)
Investment income	711,048	424,674
Other income (expense)	286,240	155,474
Total other income, net	1,657,764	485,472
Income before patronage dividends and provision for income taxes	485,070	(12,032,477)
PATRONAGE DIVIDENDS	-	-
Income before provision for income taxes	485,070	(12,032,477)
PROVISION FOR INCOME TAXES		
Current benefit (expense)	(2,084,446)	(236,760)
Deferred tax benefit (expense)	1,990,869	2,407,785
NET INCOME	\$391,493	\$(9,861,452)
% of Sales	0.1%	-2.3%

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CONSOLIDATED BALANCE SHEET

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	\$35,468,271	\$22,825,951
Receivables, net	2,599,648	2,810,806
Inventories	10,656,504	10,483,463
Prepaid expenses and other assets	2,383,730	2,809,535
Income tax receivable	1,652,071	2,289,719
Total current assets	52,760,224	41,219,474
PROPERTY AND EQUIPMENT, net	62,427,030	70,864,435
LONG-TERM ASSETS		
Operating lease right-of-use assets	98,146,455	105,257,185
Other assets	178,278	552,438
Investments	3,683,421	3,250,005
Total long-term assets	164,435,184	179,924,063
Total assets	\$217,195,408	\$221,143,537

LIABILITIES AND MEMBERSHIP EQUITY

CURRENT LIABILITIES		
Accounts payable	\$13,625,147	\$13,955,770
Accrued wages and benefits	11,605,696	8,403,544
Other accrued expenses	3,592,298	2,962,859
Contract liabilities	1,045,948	801,459
Income tax liability	1,471,205	-
Patronage dividends payable	-	57,271
Current portion of operating lease liabilities	8,428,388	8,203,180
Total current liabilities	39,768,682	34,384,083
LONG-TERM LIABILITIES		
Deferred income taxes	1,979,322	3,970,191
Operating lease liabilities, net of current portion	112,436,491	120,646,785
Total long-term liabilities	114,415,813	124,616,976
MEMBERSHIP EQUITY		
Membership certificates	12,657,738	12,180,796
Retained earnings	50,353,175	49,961,682
Total membership equity	63,010,913	62,142,478
Total liabilities and membership equity	\$217,195,408	\$221,143,537