



BENEFIT REPORT

FOR THE 2016 BUSINESS YEAR



**CAFÉ
YUMM!**

ONE OF OREGON'S FIRST BENEFIT COMPANIES!

YUMM! YUMM! YUMM! YUMM! YUMM!

Beau Delicious! International, LLC (BDI) dba Café Yumm!®

100% post consumer recycled fiber ♻️



Benefit Governor's Statement

Beau Delicious! International LLC dba Café Yumm! became an Oregon Benefit Company in 2014. Many people are appreciative when they hear this. Many more ask, "What is that?"

In general terms, an Oregon Benefit Company is a type of company that provides a positive benefit to the common good (taken as a whole) as a part of doing business ... in addition to earning a profit. These considerations reflect the Triple Bottom Line values and practices we put in place 20 years ago with our first restaurant. Today, our entire Team embraces sustainable improvements in our operations. For this Benefit Report, we examine three categories to measure how we are doing and how we might improve:

• Food • People • Environment

After you read our Report, please consider supporting Oregon Benefit Companies with your patronage. You can find a list at <http://sos.oregon.gov/business/Pages/benefit-company.aspx>. By supporting sustainable ways of doing business, you make a positive difference to the community and planet.

If you have feedback and ideas, feel welcome to contact us at cafeyumm.com/contact or info@cafeyumm.com.

Sincerely,

Mark S. Beauchamp
Café Yumm!'s Benefit Governor



Food

1.1 Organic, Sustainable Choices

When we source food, we think beyond the financial concerns to consider the impact on people and planet. These 2016 items are part of our ongoing effort to support and serve sustainable food choices.

Chicken - We partnered with a local supplier to replace and improve the thigh meat we use in teriyaki chicken. While some guests were less than pleased we stopped serving teriyaki chicken on skewers, the transition was vital to our Triple Bottom Line. Benefits included:

- More consistent portioning and quality means less food is wasted
- We drastically reduced bamboo skewers from our supply chain
- We removed the final raw poultry ingredient used in our kitchens which reduces food safety risks

Both the former and new chicken thighs are Antibiotic-Free and USDA All-Natural. The new product goes a step further: the chickens are raised humanely and cage-free on local, family farms. The producer has records to show the chickens are cared for without antibiotics and fed an all vegetarian diet. In addition, the poultry is hormone-free, has less processing, and no artificial ingredients. Best of all, our new teriyaki chicken offers consistently better flavor.

Turkey - We replaced the turkey breast we had been slicing in-house with a pulled turkey (an equal mix of light and dark meat). This saves labor and put an end to the hazards of electric slicers. Better yet, the product remains refrigerated right up until service and we greatly reduce food waste since there are no unsliced ends to throw out. The new turkey comes from a family farm that truly cares for the health and quality of their birds. The turkeys are raised without antibiotics, live cage-free in an outdoor setting that promotes health and wellness, and are fed an all vegetarian diet. We think the new turkey tastes better and offers more consistent portioning for Yumm! Bowls® and other menu items.

Manual Slicer - With the transition to pulled turkey, we were able to completely remove electric slicers from our kitchens. We brought in manual, hand-cranked slicers that are safer to operate, easier to clean and maintain, and help us reduce electricity usage. Vegetarians may be happy to learn that our new, beautifully efficient slicers are only used for preparing cabbage, onions, and tomatoes.

Baguette Rolls - We discontinued loaves of French bread that had to be sliced for service, and now offer single-portion baguette rolls. Far less bread goes to waste since we can prepare and serve only what is needed. The baguette rolls offer equal portioning for our guests and remove the chance of bread knife injuries for our Team Members.

Food

1.2 Water

Healthy waterways are essential to our ecosystem and future agricultural needs. This is why we could not discuss sustainable food sourcing in 2016 without mentioning several water-related efforts.

Trout Friendly - For the first time, the landscaping at one of the restaurants we operate was certified Trout Friendly. The certification did not require a change in practices. Rather, we found a partner, Long Tom Watershed Council, to certify that our landscaping includes these features: reduced water use; fish-healthy pesticide and fertilizer methods; ways to mitigate runoff; and planting native and drought tolerant plants that please both our restaurant guests and butterflies.

McKenzie River - A collaboration with franchisees allowed Café Yumm! to become a sustaining business partner for the McKenzie River Trust. The Trust has been working with hundreds of businesses and community members to purchase and manage sensitive lands along the McKenzie River in order to conserve clean drinking water, protect salmon habitat, and preserve river access.

Water Reclamation - A franchisee chose to open in a premium, eco-friendly development in Portland's Lloyd District. The buildings feature a system where waste water from 657 homes (sinks, toilets, showers, and laundry) is processed and cleaned by a high tech, sustainable filtration system. High quality reclaimed water is then put back into the community for landscape irrigation and flushing toilets. The rest of the water is so clean it can be released into the groundwater. The franchisee's choice of location aligns with our goals to open in and support sustainable building projects.

1.3 Sourcing Local

Beans play a huge role in our menu so we strive to source this essential ingredient locally. When you add beans to rice, you create a complete protein. Beans are also great for agriculture thanks to their symbiotic bacteria which fixes nitrogen in the soil to nourish both the beans and any crops that follow in rotation. In 2016, we sourced 312,510 pounds of beans from individual farmers in Oregon, Washington, and Idaho:

- 97,500 pounds Organic Red Yumm! Beans™
- 111,475 pounds organic black beans
- 80,000 pounds sustainably grown black beans
- 23,535 pounds non-GMO soybeans for menu items with edamame (grown in the Willamette Valley)

The Organic Red Yumm! Bean is a proprietary product suitable for the Pacific Northwest and organically grown to supply all of the red beans we need for Café Yumm! recipes.

People

2.1 Safety

We want Team Members and guests to enjoy a safe environment. This is why we strive to have zero injuries and the lowest possible workers' compensation risk. Further, we continually train Team Members according to the restaurant industry's best practices and procedures. To measure our progress, we compared 2016 to past years for reported injuries, how our risk rating changed (a rating that affects our insurance premiums), and we looked at how many Team Members are ServSafe Certified. ServSafe is bar none the most comprehensive food safety training program in the industry.

Safety Matters

	<u>2014</u>	<u>2015</u>	<u>2016</u>
<i>Number of Team Members</i>	234	356	365
<i>Reported Injuries</i>	11	7	8
<i>Medical Appointments</i>	5	1	3
<i>Hours Lost from Work</i>	14.25	109	15.6

	<u>2014</u>	<u>2015</u>	<u>2016</u>
<i>Risk Rating</i>	0.97	0.87	0.71
<i>ServSafe Team Members*</i>	34%	38%	38%

Our 2015 rating was Superior yet our score improved 8% in 2016!

*ServSafe certified Team Members at restaurants open for one year or longer.

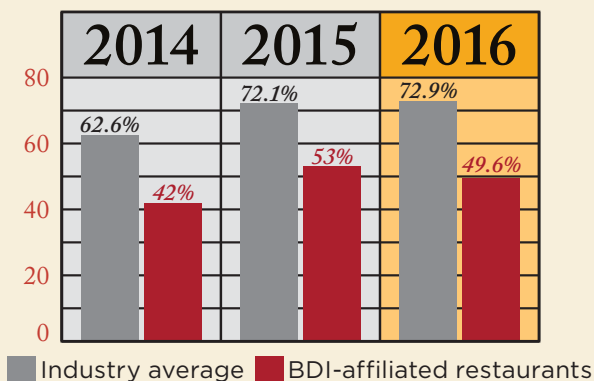


People

2.2 Jobs and Diversity

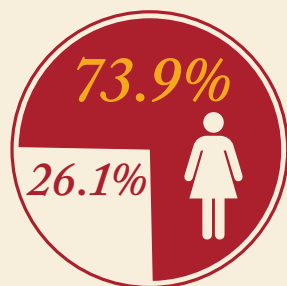
As national employment has improved with the growing economy, it has become a challenge to find entry level workers in all industries. While this is especially true in our industry, we continue to enjoy lower turnover than the national average for restaurants. This is likely a result of our desire to build careers, lead with our values, offer strong benefits, and support educational opportunities. How businesses treat their people is key to recruiting and retaining long term Team Members.

Turnover Rate



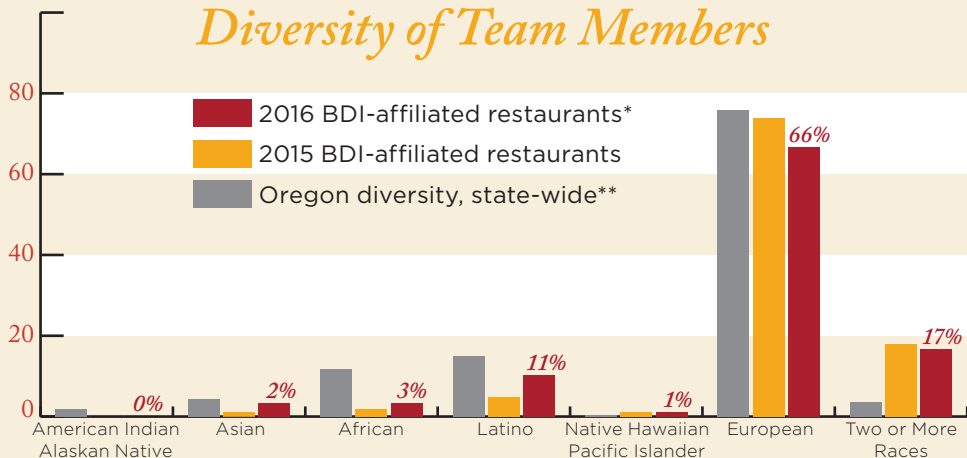
While our turnover spiked in 2015, our trend did improve in 2016 despite the overall industry rate continuing to climb. A new PTO policy and 401(k) may have helped turn the trend for us.

Gender Equity



At year-end of 2016, 74% of all management roles were occupied by women at BDI-affiliated Café Yumm! restaurants and in our business office.

Diversity of Team Members



*Source: Internal survey 9/9/2016

**Source: www.census.gov/quickfacts

People

2.3 Team Member Spotlight: Supply Manager

Jarvis Tanquary was eager to start a career with a growing company that promoted from within when he joined Café Yumm! as a Crew Member in 2007. His hard work and enthusiasm led him to be quickly promoted to a series of restaurant management positions before joining the business office as a Project Coordinator. In 2016, he took over the newly created position of Supply Manager, building relationships and working to increase efficiency throughout supply chain operations.

Jarvis credits his success to the commitment Café Yumm! places on people. He is deeply inspired by the company Statement of Purpose:

To Nourish Humanity and the World.

The year before joining Café Yumm!, Jarvis broke his back playing football. “I was in a funk, unable to be active, feeling depressed and feeding myself with fast food,” Jarvis says, crediting on-the-job mentoring and learning for his new commitment to a healthy, active lifestyle and nutritious eating.

But he says the supportive environment and the value that Café Yumm! places on people and relationships made the biggest difference to Jarvis.

“Every day, I read our Business Philosophy and reflect on the first line: *Our customer is our employer.* I always say that Café Yumm! saved my life by giving me a purpose—to serve others and improve people’s lives.”



Environment

3.1 Green Buildings

In 2016, three new Café Yumm! restaurants were completed or under construction. With those restaurants now open, we are able to state that more than half of our restaurants were designed and built to LEED Silver or better standards—a practice we put into place for all construction projects since 2007.



Restaurants Built to LEED Standards

Out of 21 units, one is Gold Certified and ten were built to Silver standards or better.



Café Yumm! Cascade Park Plaza construction began 11/1/2016 with a 2/2/2017 opening



Café Yumm! NE 7th & Holladay opened for business on 7/8/2016



Café Yumm! Happy Valley construction began 12/13/2016 with a 3/9/2017 opening

Environment

3.2 Partner Spotlight: Essex General Construction

Essex General Construction has served as general contractor for 19 Café Yumm! restaurants. Similar corporate values are key to this longstanding partnership. Essex places equal importance in making a fair profit, doing the right thing for people (both for employees and in the community), and serving as stewards of the environment.

The business relationship began when Café Yumm! operated two restaurants. We sought expertise from various specialists who could help us run the most sustainable restaurants possible as we started to grow. Essex had capability and experience with green building practices that included LEED and Earth Advantage certified projects. Essex also knew how to work with businesses who value sustainable materials and methods but may not want to devote extra time and expense to pursue LEED certification for every project.

Essex helps clients who had not considered sustainable construction find reasons to go green. Essex shares knowledge on how a business might balance costs and benefits with increased efficiencies or reduced resource use. Even if a client does not see “sustainable” as a good thing, they are eager to learn how sustainable buildings can have lower operation, maintenance, and replacement costs.

We continue to rely on Essex as a partner because their triple bottom line commitment goes far beyond their LEED Platinum and Gold projects and the LEED accredited professionals they have on staff. Essex has a commitment that drives them to continually search for more sustainable strategies in all business operations.

One highlight of the partnership was in 2011 when Essex built a downtown Portland Café Yumm!. It was the first Pacific Northwest restaurant certified LEED Gold for Retail Interiors. Since then, Essex has helped us build to LEED Silver standards or better. By working with our design team, a few key design-build subcontractors, and our corporate leadership, Essex has helped us develop standards for sustainability that can be repeated in future projects.

Our partnership with Café Yumm! is based on our shared triple bottom line values and a commitment to continually improving our practices. This goes beyond what we have built together. Our relationship demonstrates how businesses can build partnerships that serve people and the planet in addition to profits.

—Jon Texter, LEED AP

President of Essex General Construction



Environment

3.3 Partner Spotlight: Curtis Restaurant Equipment

For the past decade, Curtis Restaurant Equipment has helped us select and install the right tools for our unique needs. We rely on Curtis to help us source kitchen equipment that has two duties:

1. Serve our guests ***Beautiful, Delicious, Nourishing™*** food, and
2. Serve our business efficiently, reliably, and sustainably

Curtis has been a key vendor in this regard because they have helped us design increasingly efficient kitchens over time. When we think of our Dream Kitchen, of course it is great for serving guests and is safe and comfortable for Team Members. But our Dream Kitchen also propels our environmental goals through energy efficiency and diminished environmental impact. Further, our Dream Kitchen promotes our social goals by using products made in the USA.

Refrigeration - The latest Café Yumm! restaurants have American made refrigerators featuring auto condenser evaporation systems, increased energy efficiency, refrigerant with a lower environmental impact, and expansion valves that allow compressors to rest when not needed.

Range Hoods - Our recent build-outs ventilate with fans that modulate depending on the load of the cooking equipment, which dramatically reduces the electrical load. These remotely managed hoods help Café Yumm! execute preventive maintenance and cut down on costly transportation for repair contractors.

Ice Machines - Recently built restaurants now use equipment with a delay feature that allows our Team Members to pause the machine for 4 to 24 hours to save energy when the restaurant is closed or business is slower.

Holding Cabinets - Updated restaurants use Energy Star® certified equipment with heavily insulated walls that require less power to maintain proper food temperatures.



Environment

3.4 Solar Power and Green Power Offsets

Café Yumm! On Broadway has a 172-panel solar array that generated 38,378 kWh of power during 2016 (with a total of 213,053 kWh generated since it came online in 2011). In addition to helping to power the restaurant, the solar panels also power a six-bay electric vehicle charging station (the first of its kind at a U.S. restaurant).

In addition, all seven BDI owned or managed restaurants purchased green power sourced energy for 2016. Their total usage of 711,621 kWh in 2016 (based on PGE and EWEB data) does not include the independent restaurants who also purchase green power.



Yumm! Fact:
ten out of 19
Café Yumm!
restaurants
open in 2016
chose green power.

293,416
kWh

2014

574,068
kWh

2015

749,999
kWh

2016



BDI owned or managed restaurants have doubled their use of green power since 2014.

Green Power Difference

If we look at the 749,999 kWh in green power used during 2016 at seven Café Yumm! restaurants, it is equivalent to offsetting any one of the following:

greenhouse emissions

1,263,232 miles driven
by an average
passenger vehicle



23.9 garbage trucks of waste
recycled instead
of landfilled



CO₂ emissions

7 tanker trucks
worth of
gasoline



55.7 homes' energy use
for one year



carbon sequestered by

13,660 tree seedlings
grown for 10 years



4.2 acres US forest preserved
from conversion to
cropland in one year



<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

100% post consumer recycled fiber ♻️

This report is available at CafeYumm.com/benefit



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