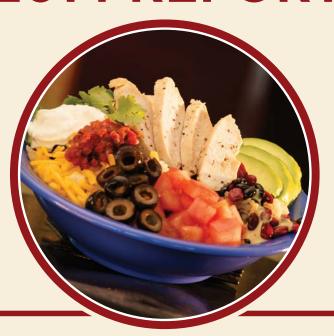


CafeYumm.com/Bcompany

OREGON'S FIRST BENEFIT COMPANY* 2014 REPORT





*TIED WITH 28 OTHER OREGON COMPANIES!



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This report accurately portrays information as of December 31, 2014.



Co-Founders' Statement

In 2013, Oregon House Bill 2296 created a new business form called a Benefit Company. We speak for all the owners and Team Members of Beau Delicious! International, LLC dba Café Yumm!, and ourselves when saying how proud we are to participate as one of the first 29 Oregon businesses to receive formal registration from then Secretary of State, now Governor Kate Brown on January 2, 2014.

Since the creation of the first chartered company in England, which you may know as the East India Company, corporations worldwide have sought to maximize profits for the benefit of shareholders. This single-minded pursuit of profits has and continues to cause great economic disparity and environmental degradation throughout the world.

A Benefit Company by comparison balances the three attributes of Triple Bottom Line management: social, environmental, and economic. Although all companies must make a profit to stay in business, they need not place profit making above other essential considerations like employee pay, benefits, opportunities, and health; our communities; or our preservation of the life sustaining ecosystems of the Earth.

At Café Yumm!, we have always followed Triple Bottom Line management practices, and have received recognition for doing so; for instance, we received the Mayor of Eugene's Bold Steps Toward Sustainability Award in 2011. Our Mission Statement includes the Triple Bottom Line and is displayed in every one of our Café Yumm! restaurants.

I want to express my deep appreciation to our dedicated Team Members, associates, local manufacturers and farmers, community investors, franchisees, public servants, and especially our guests, all of whom help in small and big ways to further our continued success

With much gratitude,

Mark S. Beauchamp

Co-Founder and President

Mark S. Gearchas

Mary Ann Beauchamp

Mary an Beauchamp

Co-Founder



Benefit Governor's Statement

I appreciate all of the people who are making Café Yumm! so successful; from each Crew Member to those who regularly work 45-plus hours a week and pitch in wherever needed. In addition, I wish to thank Good Company for their guidance in preparing our first ever Benefit Company Report, and graduate students from the Lundquist College of Business at the University of Oregon (Faaiz Ajaz, Kyle Collins, and Celina Stilphen) and their instructor Kelly Hoell for their hard work assessing third party standard makers and assisting us in choosing Global Reporting Initiative (GRI) as the most applicable set of standards to our business. Finally, I wish to thank University of Oregon Law Students Dan Olson (UO 2016) and Chris Jirges (UO 2015) for legal research of the Benefit Company law and requirements, and to Team Members Claire Malmstrom and Marne Dunder for their invaluable help putting together this Report.

In this Report, we share the framework for rating ourselves. That framework is adapted from standards set by GRI. We have developed three categories under which metrics and indicators from GRI standards are classified. Our three categories are:

• Healthy Food • Healthy People • Healthy Environments

Please tell us how we are doing through www.cafeyumm.com/contact, info@cafeyumm.com, or www.facebook.com/cafeyumm. We value your input!

Most sincerely,

Edward Gerdes, OSB 915248 Café Yumm!'s Benefit Governor













Café Yumm!® Mission Statement

To be the leader in providing exceptional products and services which promote a *Soul satisfying... Deeply nourishing*® lifestyle.

The following five beau ideals will guide us in every decision we make:

- 1. Conscientiously develop successful relationships with people who respect our values, including our customers, investors, staff, entrepreneurial partners, and vendors.
- **2.** Consistently provide dynamic and innovative environments which promote a healthy lifestyle.
- **3.** Consciously maximize our contribution to sustainable business practices and healthy living within our workplaces and communities.
- **4.** Enthusiastically develop and maintain a reputation for success in all that we do.
- **5.** Steadfastly nurture and protect the beating heart of the Triple Bottom Line of social, environmental, and economic considerations.

SOCIAL ECONOMIC ENVIRONMENTAL

NON MAGNUM NISI BONUM No greatness without goodness.



1.1 Choices for Everyone

Our goal at Café Yumm! is to make *Beautiful, Delicious, Nourishing*™ food in order to enhance life through greater joy and improved personal health. We are happy to serve you: to substitute, replace, add to, or modify any order to fit your nutritional and dietary needs. Each restaurant provides an FAQ Book that assists guests with food allergies, including menu options for each of the eight major food allergens identified by the Food and Drug Administration.

Recently, an advisory panel issued recommendations to the U.S. Department of Agriculture 2015 Dietary Guidelines for Americans. The advisory panel suggested that a review of food quality include sustainability considerations. They recognized that what we eat affects not only individual health, but also environmental health. For instance, the panel recommends eating less red meat, "not just because doing so lowers your risk for heart disease, colon cancer, diabetes, and memory dysfunction, but also because producing beef and other meats is not environmentally friendly." *Dr. Oz's take on America's new diet guidelines*, Michael Roizen and Mehmet Oz, April 12, 2015. Doctors Roizen and Oz suggest that half of each meal consist of produce and one-quarter of a whole grain. Café Yumm! provides these ratios.

Protein sources at Café Yumm! include beans and rice which together constitute a complete protein, organic tofu and tempeh, antibiotic-free All Natural Chicken,

What we serve at Cafe Yumm! Percentages of our menu that already is or can be served: Cluten-Free 40% Vegan 79% Vegetarian 88% 20 40 60 80 100

Healthy Food

Premium nitrate-free turkey, and wild North Pacific Salmon. These protein sources coupled with whole, plant-based food is an important preventative means to good health. Eating delicious food that is good for you is a win-win by any standard.

In addition, virtually all of our food contains no added sugar, trans-fats, coloring, stabilizers, or preservatives, and it is freshly prepared and delivered to you within minutes of ordering.

1.2 Nutrition and Calories

Our popular Yumm! Bowls are offered in three sizes: small, medium, and large, as are our soups. Salads too come in different sizes. This allows guests to choose the amount of food appropriate for their personal needs, not to mention at a price point that fits their budget. These sizes allow us to offer a single menu that is appropriate for both kids and adults. Guests can also obtain a complete nutrition pamphlet of every menu item for free at each of our restaurants.

Further, we created the first web-based nutrition calculator for a restaurant system in the country at www.cafeyumm.com/nutrition. It allows users to modify ingredient amounts and types to customize a Yumm! Bowl for their unique dietary needs. The site also contains a BMI calculator for use in determining recommended daily allowance of calories for the size and activity level of the guest.



Healthy Food

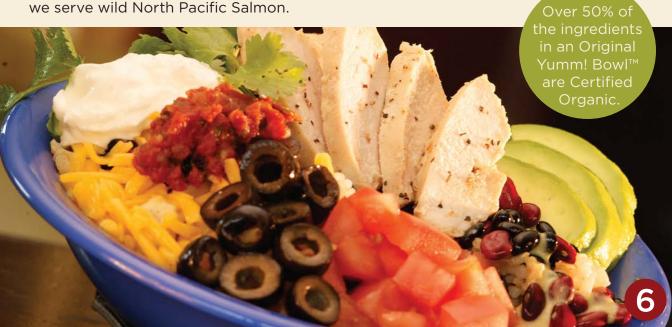
1.3 Sourcing Organic/Sustainably Grown

We agree with the advisory panel recommendations to the U.S. Department of Agriculture, which is why we take a two pronged approach to sourcing ingredients and products. First, we source as local as possible. Second, we source as much certified organic, All Natural, or certified sustainable as possible. In fact, all of our organic and sustainably sourced food comes from the United States.

In December 2014, we joined with Oregon Tilth and Hummingbird Wholesale to present a proposal to the Wheat Farmers League in Ontario, Oregon that they transition conventional farm land to organic. Café Yumm! agreed to pay organic prices for beans from transitional land and Hummingbird agreed to buy wheat from rotational growing practices in off years.

This innovative approach to positively affect how food is grown continues to be a hallmark of our business.

Some of our Certified Organic ingredients include brown rice, Small Red Yumm! Beans, Black Turtle Beans, tofu, tempeh, red salsa, free-range eggs, field greens, yogurt, tofu, peanut butter, and more. Certified Organic products are also non-GMO. Some of the other non-GMO verified products we serve include: Yumm! Sauce® (all flavors), Jalapeño Sesame Salsa, Vegenaise,® pickles, Sweet Ginger Miso, Asian Slaw Dressing, Toasted Black Sesame, Balsamic Vinaigrette, and Crispy Noodles. Our chicken is All Natural; our turkey is Premium and nitrite-free; and



Healthy Food

1.4 Water

Given that water is the essential ingredient of life and more than 70%* of an adult human's volume, we want that water to be as pure as the rainwater of the Pacific Northwest. That is why we offer free filtered water to anyone visiting our restaurants.

Delivery by Kayak in Support of a River

In June of 2014, the Willamette RiverKeepers held their annual clean-up on the Willamette River at Ross Island in Portland. We agreed to donate a catered lunch for the volunteers. The problem was how to get lunch to Ross Island, which has no bridge. Judy Harrison, the Manager of Café Yumm! SW 3rd & Morrison and an avid kayaker, brought her kayak to work, loaded it with the prepared lunch, paddled to Ross Island, and served Yumm! Casseroles, using her upside down kayak as a serving platform.

In addition to supporting the RiverKeepers, we support groups and clean-up efforts along the McKenzie and Deschutes Rivers.





Healthy Peop

2.1 Safety

We want our Team Members and guests to enjoy a safe environment. To accomplish that, we strive for zero injuries, for the best worker's compensation insurance risk rating in the industry, and to advance industry practices and procedures.

Out of 234 Team Members in our employ, we experienced 11 reported injuries resulting in 5 medical appointments and 14.25 hours of time lost from work.

We train all of our Team Members and franchisees to safely work in the business.

We provide paid training and fee reimbursement an alcohol service permit. One hundred percent or our Team Members hold a Food Handler Card and an alcohol service permit, if they serve liquor.

We provide paid training and fee reimbursement for ServSafe certification (the gold standard for food handling certification).

We train others in the restaurant industry. For instance, we shared best practices in a panel presentation at the annual convention of the Oregon Restaurant & Hospitality Association titled "Adopting the New FDA Food Code Rules" along with Laura Burns from Lane County Environmental Health and Dave Martin from the Oregon Department of Human Services.



Healthy People

2.2 Health, Opportunity, and Satisfaction

We are proud to offer benefits not commonly provided by small emerging companies of our size (fewer than 50 locations).

All Team Members Receive:

- Paid sick leave
- Retirement Plan
- Anniversary retention bonus
- Shift meal
- Retail product discount (20%)
- Education assistance
- Annual performance evaluations
- Annual performance bonuses

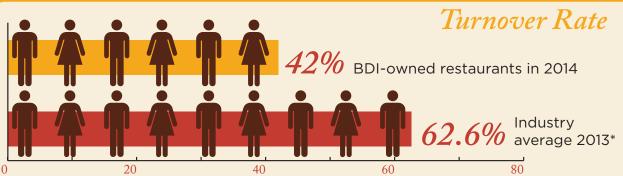
Full-time Team Members also Receive:

- Vacation pay
- Health/dental/life insurance 100% employer paid (35+ hours/week)
- Health Reimbursement Allowance to offset deductibles

(based on profits) **Team Member Profile** At age 25, Karli Foster replied to a help wanted ad for a Crew Member. She was hired along with 20 other new Crew Members for the opening of a new Café Yumm! at North Delta Center in Eugene. Karli quickly became a Manager and soon came to the attention of franchisee Ellen Chamberlain who had opened a new restaurant in Bend, Oregon. After many discussions,

Karli agreed to move to Bend in December 2008 to manage the store in The Old Mill District. Within two years, she became a full partner in the restaurant. The two partners have now opened a second Café Yumm! in Bend. Read more about Karli at http://www.cafeyumm.com/sites/default/files/bend source weekly march27-2014.pdf.

All of our managers started as Crew Members before moving to management. Karli, was the first of many Managers we hope will become business owners themselves.



Low turnover rates demonstrate employee satisfaction and vary by industry type

Healthy People

2.3 Jobs and Diversity

Café Yumm!'s employment has grown 425% since launching the franchise business in January 2007. As of December 31, 2014, BDI employed 134 people. Café Yumm! is now one of the largest 500 franchise systems in the United States according to *Franchise Times* (ranked #475 according to the 2014 list). We have received multiple awards for growth from Inc. Magazine, the Portland Business Journal, and Oregon Magazine.

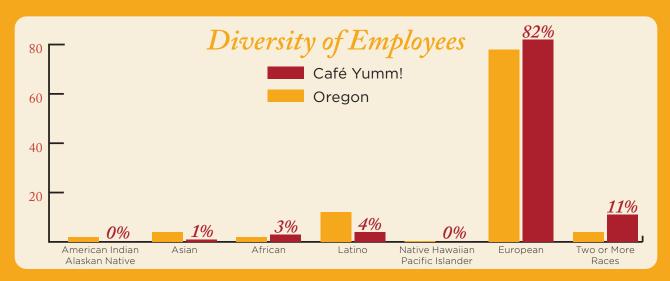
Gender Equity in Management



At BDI, 60% of all management roles are occupied by women.



At BDI-owned Café Yumm! restaurants, 5 out of 6 Managers are women (83%).



Methodology: We used the Metropolitan Regional Statistical Area via the U.S. Census to identify percentages by state and county. See website for more details: http://quickfacts.census.gov/qfd/states/

100% post consumer recycled fiber 😵

Healthy Environment

3.1 Green Buildings

Buildings are responsible for consuming nearly 39% of all energy and 13% of all water in the United States. On average, Americans spend 90% of their time inside buildings. To minimize energy and water use, and to create beautiful, healthy interiors, we choose to follow Leadership in Energy & Environmental Design (LEED) building practices adopted by the U.S. Green Business Council. In fact, the first Gold LEED Certified for Retail restaurant built in Oregon is Café Yumm! SW 3rd & Morrison in downtown Portland. Café Yumm! restaurants are built to Silver LEED or better standards.



Highlights of our construction practices include:

- Construction waste management—separate, reuse, recycle and donate construction materials
- Use recycled content and regionally sourced materials (at least 25% recycled content and regional is defined as within 500 miles of construction site)
- Water efficiency including dual flush/low flow fixtures, on demand hot water systems, and motion sensors in restrooms
- Lighting and lighting controls—use of LED and CFL lighting in all locations as well as occupancy sensors in restrooms
- Indoor environmental quality and HVAC zoning controls
- Equipment and appliances that meet Energy Star ratings and continue to drive higher levels of energy efficiency (e.g., smart defrost technology for walk-in coolers and variable frequency drives on all exhaust systems)

Percentage of Stores Built to LEED Standards







Built in July of 2014, Café Yumm! Argyle Square in Wilsonville is our first fully designed stand-alone building complete with electric vehicle chargers and built to Silver LEED Standards.

Out of 15 restaurants (as of December 31, 2014), one is certified Gold LEED for Retail and four were built to Silver LEED for Retail standards.

3.2 Sourcing Local

To feed people healthy food, we need to develop healthy food systems in our region that support economic stability and community resilience. From creating a new Oregon cash crop through partnering with organic farmers to grow Black Turtle Beans to selecting organic red salsa crafted in Lane County, Oregon, we help generate revenue for farms, create jobs through our food manufacturing partners, and generate additional tax revenue for local governments.

Grown in Oregon

YUMM! SAUCE™

• BLACK TURTLE BEANS • CRISPY

NOODLES • GINGER-GARLIC VEGGIE

BURGER • SWEET GINGER MISO

DRESSING • ASIAN SLAW DRESSING

TOASTED BLACK SESAME DRESSING

TOBY'S BLUE CHEESE DRESSING

TOBY'S BUTTERMILK RANCH DRESSING

• EUPHORIA® CHOCOLATE • NANCY'S

ORGANIC NON-FAT YOGURT • TEMPEH

• TOFU • SOUPS • OAT FLOUR • OATS

 WHOLE WHEAT FLOUR • TILLAMOOK® CHEDDAR CHEESE . ORGANIC MILD RED

SALSA • TORTILLA CHIPS • COOKIES

We define local to mean we look first within a 100 mile radius, then Oregon, the Pacific Northwest, the West Coast, U.S.A., North America, Western Hemisphere, and the World. We source as close as possible to each Café Yumm! restaurant.

For example, Oregon is not an ideal climate for growing olives, so we look next to California when sourcing our supply. Besides Oregon and California, we source through partners in Washington and Idaho too.

3.3 Global Climate

Slowing and adapting to climate change is one of the greatest challenges of our lifetime. All of us need to do our part to reduce emissions from carbonintensive energy and systems so that our species and others can more gently adapt to changing climatic conditions.

The solar array at Café Yumm! On Broadway generated 42,380 kWh in 2014, and over 100,000 kWh since installation. Shown here is Senator Ron Wyden speaking at the opening of our Electric Vehicle Charging (EVC) station, the first solar-powered EVC at a restaurant in the United States.





Green Power offsets

Café Yumm! purchased 251,036 kWh of green power offsets in 2014 through PGE and Eugene Water & Electric Board.

Solar Powered Difference

Over 100,000 kWh of electricity has been generated at Café Yumm! On Broadway since opening. That is the equivalent of any of the following:

















Annual greenhouse gas emissions from 14.5 passenger vehicles



CO₂ emissions from 9.5 homes' use of electricity in one year



CO₂ emissions from 160 barrels of oil consumed



Carbon sequestered by 56.5 acres of U.S. forests in one year



Carbon sequestered by 1,768 seedlings grown for 10 years

3.4 Bee Friendly and Pesticide Free Landscapes

Bees and other pollinators are essential to keeping people and ecosystems thriving. In fact, one out of every three bites of food you eat depends upon pollinators. We do not use pesticides in our landscaping so that we can continue the cycle of life that produces food for us and other parts of the food web.

For the stores we own, we only use ecologically sensitive landscaping practices. We negotiate hard with landlords to insert in lease agreements a prohibition against using poisons on landscapes in order to protect bee health. Here is Section 41.9 Pesticide Use from our lease covering Café Yumm! Argyle Square in Wilsonville:

Tenant has informed Landlord that Tenant is a Certified RE:think business and follows the Triple Bottom Line of business management. As such, Tenant does not use pesticides, insecticides, fungicides, or other poisons in landscape maintenance. Landlord agrees to maintain the landscape... without using any of these or other poisons.



3.5 Packaging

Unlimited growth is not sustainable, because natural resources are finite. If everyone on Earth consumed like residents of the USA, it would require 4.1 Earths to sustain us [http://www.fastcoexist.com/1680379/what-would-happen-if-the-entire-world-lived-like-americans].

For this reason alone, packaging and reducing materials is important. Café Yumm! has worked with Oregon State University researchers who developed a plant based polymer for use in certified compostable flatware for all of our restaurants. The flatware is manufactured in Oregon thereby creating new manufacturing jobs.

Other highlights include:

- We use reusable dishes for all catering and in-store dining
- We use Biophenol A (BPA) free thermal paper for receipts http://money.usnews.com/money/blogs/fresh-gree ns/2009/10/08/bisphenol-a-another-reason-youdont-need-your-receipt
 - We select packaging that is made from
- recycled materials and/or can be reused or composted
- Cafe Yumm! has been RE:think certified since 2008
- We recycled 1,168 five-gallon food containers in 2014













3.6 Waste

U.S. residents' waste streams are more than 20% inedible food after recycling and composting happen.¹ Meanwhile, we lose more cropland soil to erosion each year than we did during the 1930's Dustbowl era.²

Making a difference

- By offering three sizes of Yumm! Bowls, we reduce food waste
- All restaurants provide reusable bowls, utensils, and glassware for in-store quests to reduce packaging waste
- Instead of providing trash cans in the dining area, bus tubs are provided to guests so Team Members can sort items and ensure minimal waste goes to landfill
- Paper products (like menus, takeout boxes, and office paper) are made from recycled content materials
- We participate in food compost programs and helped the City of Portland adopt their first compost program for restaurants



Teaming up to reduce Waste

Café Yumm! at the Old Mill District in Bend, Oregon took part in a composting pilot program that became a success story for business and the environment. Restaurants can create a lot of food waste which often ends up in landfills. But that is no longer the case for numerous restaurants and businesses located in the Old Mill District shopping center.

It began in 2009, when Café Yumm! worked with the Environmental Center to show how easily a business can sort out biodegradable waste for composting. Items such as carrot tops, zucchini ends, compostable napkins, coffee grounds, and other leftover produce, were picked up twice a week by a local farm and used to create organic fertilizer.

The program was a success and eventually adopted by other restaurants in the area. Several related articles appear at http://www.cafeyumm.com/news?page=5.

The ultimate goal is to be giving back to the earth and trying to use our resources responsibly.

-Karli Foster, Co-Owner and Operator

3.7 Active Living and Access

We support active transportation and those modes that not only help people stay fit, but also encourage those living car-free (whether for a day or a year) to enjoy our food.

Ride Shares Encouraged

Café Yumm! SW 3rd & Morrison in downtown Portland is located directly on the Tri-Met mass transit line. The store location is easily accessible by bike, but driving is the only option for some Team Members. To encourage carpooling, those Team Members who ride share are given a free parking pass to the garage which sits atop the restaurant's multi-story building. That's an attractive incentive in downtown Portland!

Locations Rated for Alternative Transportation



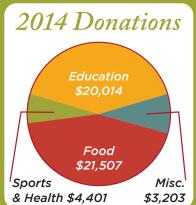
Note: Transit, walk and bike scores measure a location's accessibility to these modes of transportation and scores the location on a 0 to 100 point scale. Scores are averages for all BDI-owned Café Yumm! locations. See this website for more details: https://www.walkscore.com/live-more/.

3.8 Giving

We care about where we live. A big part of that is sharing healthy food with paying and non-paying guests alike. We provide donations to food banks and share our prosperity with public education systems, water protection organizations, and athletic programs.

Highlights

- In 2014, we donated over 50,000 meals to Food for Lane County, Oregon Food Bank and Linn-Benton Food Bank
- Café Yumm! is a major donor to the Planet Improvement Center operated by BRING Recycling
- We supported over 30 public schools throughout Oregon
- We were lead sponsor of the exhibit at the Science Factory Children's Museum and Exploration Dome called *Eat Well, Play Well*



Business and Non-Profit in Partnership

Since 2009, Café Yumm! has been an ongoing sponsor of the Science Factory Children's Museum & Exploration Dome. The Science Factory is a non-profit organization that provides community education and encourages children's awareness and curiosity in science, technology, and humanity.

In addition to sponsoring fund-raising events, Café Yumm! has underwritten nutrition- and health-related exhibitions. Sponsorship means an exhibition is available to the public for three to nine months—enough time to engage tens of thousands of kids (and their parents) while housed in the Science Factory's museum.

Café Yumm! takes part because hands-on wellness displays match our goal of furthering health and nutrition. For example, Eat Well, Play Well taught children the science of making better food choices. We previously sponsored Your Healer Within, which showed museum visitors how exercise and outlook positively affect health.

Café Yumm! helps us raise funds in support of our mission to spark children's excitement and curiosity about natural sciences. Equally important, Café Yumm! actively spreads awareness about our program to other businesses and supporters. Business partnerships are essential, and Café Yumm! is a great partner.



Looking Forward to 2015

As we wrapped up 2014, and finalized this Report, we realized it would be helpful to many of you to provide a list of what we are working on for 2015. With some trepidation about providing this list and then being unable to fulfill it, we believe it better to strive mightily and fail, then to never have tried. With that cautionary note, here is list of some projects we are working on.

Sourcing: organic foods are becoming harder to source, especially those grown in the USA. We will continue to meet with farmers to encourage conversion of conventional land and farming practices to organic farming, and to source organic food exclusively from the United States.

Water: we know that even with our free filtered water policy, and although we encourage guests to bring in their own refillable, reusable bottles, there remains a desire by many people to purchase bottled water. We want to satisfy that want by using a local bottling source.

Green Power and Wind Power: we will strive to establish incentives so every Café Yumm! restaurant, whether company-owned or franchise-owned, supports green and wind power through purchases from their local utility provider.

Bee Friendly Practices: we will strive to include in every new lease a prohibition of poison use in landscape maintenance. We will reopen a discussion with landlords of older leases to encourage them to use non-poison based landscape techniques.

Reporting: we will develop more processes to track data, like what we now do to track ingredients that are organic, GMO-free, or sustainably raised.

This report is available at http://www.cafeyumm.com/bcompany.













Awards and Recognition for Environmental Values

Chamber of Commerce Environmental Values

Mayor's Bold Steps Toward Sustainability

RE:think Certified Business

Most Environmentally Friendly Business

Oregon Bar Founding Partner in Sustainability















CafeYumm.com/Bcompany



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