



the
Common
MARKET | eat • shop • learn

PEOPLE PLANET PROFIT

The Common Market's Annual Report: Fiscal Year 2014 | July 1, 2013 - June 30, 2014

Our Triple Bottom Line.

PEOPLE

At the Common Market people come first! Our goal is to provide foods and services that enhance the health and wellness of our Owners, shoppers, staff, and community. We aim to make a positive impact on people's lives.

- **We support Fair Trade.** Fair Trade is designed around an ethically-based business model. We aim to support businesses that pay their producers and employees fair wages.
- **We support our shoppers' rights** to make informed purchasing decisions and remain committed to providing the educational resources they need to make the best decisions for themselves and their families. We believe in educating to empower so that people can make educated decisions when it comes to their food choices. We also believe that every time a person makes a purchase, they are voting with their dollars.
- **We believe in our staff** and in making a positive social imprint so we offer a great benefits package to full-time and part-time employees.
- **We provide many opportunities for staff training** so our employees can continue to learn and support our triple bottom line of people, planet, and profit.

PLANET

- **We prioritize buying organic and local food** because we believe they contribute to a healthier planet. We are always seeking out local farms and businesses to partner with.
- **We purchased \$1,651,858 of food and goods** from local farms and businesses.
- **We purchased \$7,352,728 of organic food and goods.**
- **We support B Corps** that have the triple bottom line built into their business model.
- **In July of 2014 we started using Sustainable Impact Measurement Software** (see page 6) so we can provide more transparency when it comes to our sustainable initiatives and so that results can be reported more consistently.

PROFIT

- **The more we grow the more we can give back** to our community and the more we can support local businesses.
- **Our growth will allow us to be more competitive** when it comes to pricing by giving us more leverage and buying power which ultimately strengthens our cooperative business. As more conventional grocery stores, with earnings in the billions, move into the natural foods industry it becomes more challenging for a small business like us to negotiate the same deals and deliver competitive prices to our Owners and shoppers. We are up for the challenge and will continue to have the highest quality food and goods on our shelves with competitive prices and delivered with exceptional customer service.

In a billion dollar grocery industry we are a small business that is making a difference by putting people and planet first.



EDUCATING TO EMPOWER



The aim of the Common Market's Education & Outreach program is to provide an educational and inspiring environment in which to explore, with our community, natural approaches to health and sustainability through our classes and events.

We love working with children because they are the future—the seeds, the sprouts, the buds—and nurturing their healthy growth is just about the best gift we can give to our community and the world. We do it because, in the words of the great civil rights leader Frederick Douglass, "it is easier to build strong children than to repair broken men."



THIS PAST YEAR
114
CHILDREN
AGES 2-16

TOOK A TOUR
OF THEIR
LOCAL CO-OP!

We participate in events outside of our store to promote healthy eating, living, playing, and working. By doing so, we hope to sow health and community wherever we go. We are community owned and supported, so we return the favor by supporting and being part of community events.

13 COMMUNITY EVENTS WERE ATTENDED BY STAFF MEMBERS REPRESENTING THEIR CO-OP

The Earth inspires art, and art inspires us. Our Earth Day Youth Art Show celebrates children's creativity and their inspired illustrations of ways to protect our environment.



coop
captains



The Co-op Captain award recognizes Common Market employees that deliver legendary Customer Service!

Our staff have traveled the country to learn more about food, co-ops, and sustainable business practices:

NCGA MARKETING MATTERS

CONFERENCE
Milwaukee, Wisconsin

"Meeting with friendly faces from other co-ops at Marketing Matters was an inspiring experience. I learned about how consumers drive the food marketplace, particularly in cooperatives where owners have a share in the business. We at the Common Market strive to instill trust, variety, convenience, and democracy as the heart of your shopping experience."

Alecks Ferguson, Demo Coordinator

CLIF BAR HQ

We are pleased when there is an opportunity to offer our staff a chance to visit one of the many great companies whose products we carry. Tali Mozes from our Wellness Department visited the Clif Bar headquarters in Berkeley, California. She brought home enthusiasm and a greater understanding of Clif's commitment to community and their employees. "They take care of their people with incredible benefits, one of which is giving a year's sabbatical to go out and volunteer in the community." Beyond their doors, Clif is heavily committed to doing good through foundations such as Seed Matters and Clif Bar Family Foundation.

Tali Mozes, Wellness Buyer

CCA

Cooperative Communicators Association Conference
Pittsburgh, Pennsylvania

"My attendance at the Cooperative Communicators Association Conference in Pittsburgh, PA proved to be a valuable learning experience. The group was varied with a few food co-ops like the Common Market, a handful of large dairy co-ops, and even a few multi-state electrical co-ops. Despite the differences in size and industry of the co-ops present, the overarching theme was clear: there is strength in numbers and power in building community through common interests and goals."

Michael Fritz, Promotional Coordinator

NCGA CONVERGENCE

CONFERENCE
St. Paul, Minnesota

"At the Convergence Training in St. Paul, MN (a gathering of employees from food co-ops around the country), I was energized by the exchanging and sharing of valuable information from other co-ops. It was great to network and bring back new ideas that I can use in my position at the Common Market."

Mike Leveille, Assistant Grocery Manager

CCMA

Consumer Cooperatives Management
Association Training
Madison, Wisconsin

"This was my second year attending CCMA and this year's conference in Madison, Wisconsin was, by far, the most intense and interesting. The one idea that threaded through a lot of conversations was diversity and reaching further into the food system to really make changes happen. Our job as a community owned Co-op is not only to provide good food and education to our community, but to find ways to reach deeper into the food system by supporting local farmers, entrepreneurs that share our values, and going out to share our Co-op values to build our community partnerships. We are more than a storefront; in the bigger sense we sit in front of a vast, complicated food system that won't change unless we reach deeper."

Sue Leveille, Customer Service Manager



The Common Market received the Excellence in Diversity and Inclusion Award given by Frederick County Society of Human Resources Management

for truly embracing diversity and inclusion in the workplace and community. This award recognized our efforts in supporting individuals with disabilities, commitment to community, and for supporting the development of our employees through performance initiatives. We were selected over many other Frederick County businesses with far greater resources than we have available.

► Our employees are our biggest asset and we believe that training and ongoing education are key to their growth and ability to provide great customer service and a unique shopping experience for our Owners and our community.

- We invest in our new employees through a 16-hour, 4-day new-hire orientation which educates new staff on the cooperative business model, the history of the Common Market, customer service standards, product knowledge, safety procedures, benefits, and a thorough overview of the employee handbook. This equips our new staff members to be better prepared to handle customer questions and needs.
- Our Human Resource Department created new training videos for employees' consistency in customer service and employee safety, and to help build unity and cohesion between the many different levels of staffing.

- We offer our community room classes at a special discount for staff, which was used over 50 times.

cooperators

in the community

We started a new program in January 2014 that encourages our staff to participate in community events by awarding employees incentives for participating in our volunteer activities. To date, we have over 20% of employees participating and contributing 228 volunteer hours of community service.

This past year we took on numerous trash clean-up projects with the largest being the Frederick Watershed. We partnered with two local bike clubs, MORE and FBC, and two local bike shops, Bicycle Escape and Bike Doctor, to help spread the word. The result was ten Common Market staff members and over 50 volunteers joined forces to clean up large amounts of trash that had been illegally dumped in the watershed. Our goal was to clean up 14 miles of road as well as the areas around the ponds that are frequently used for fishing. We are planning another watershed clean up in 2015, so stay tuned and read *Spoonful* for more information on how you can help.



To celebrate Earth Day, we partnered with the Frederick County Office of Sustainability & Environmental Resources at Monocacy Elementary school. We donated 50 trees which were planted on the school's property by Common Market staff and 50 eager students from second and fifth grade classes.

CO-OPS WORK FOR THE
SUSTAINABLE
DEVELOPMENT
OF THEIR COMMUNITIES

Our annual Crop Mob allows folks to walk in the shoes of a farmer for a day. Eleven Common Market staff worked in the fields with 20 community volunteers to help House in the Woods Farm prepare their fields for the growing season. A few of the tasks included planting potatoes, filling seed trays, and transferring hundreds of sprouted plants to the prepared rows.



Five employees dedicated over 35 hours of time to prepare and serve lunch to hungry people at the Frederick Rescue Mission.

Two of our employees took on the challenge of running 13.1 miles in the Frederick Half Marathon!



Staff showing their support at the Frederick Paws & Claws 5K

DEPARTMENT ACHIEVEMENTS

Our Co-op has grown and made so many improvements in FY 2014 (July 1, 2013-June 30, 2014), and we wanted to share a few of the highlights with our Owners and community. A lot of what happens is behind the scenes, so each department was excited to give a "shout out" about some of their major accomplishments!

CAFE Nick Fitzpatrick, Café Manager

We launched our new and improved fresh juice program to great reviews and now offer 100% organic juices in great flavor combinations. Out of our many other accomplishments, one of the programs we are most proud of and has been very popular with our customers has been our Café Confidential classes provided on a monthly basis in our community room. It's been incredibly fun and rewarding to connect with our customers in the classroom setting and share our love of food with everyone outside the confines of our kitchen.

We look forward to continuing to build our offerings and connect with our community through our shared love of food!

PRODUCE Mark Garcia, Produce Manager

We assisted many new customers and watched our department grow, at the same time listening to and learning from our already loyal patrons. Most importantly, we made a commitment to carry produce that is grown organically. This meant that we had to stop carrying some local produce that did not meet our new standards so we had to seek out other options. After many phone calls, farm visits, and just old-fashioned networking, we are happy to say we have found local organically grown replacements that we are proud to stand behind. Great job and thanks to everyone in the Produce Department for their hard work and dedication in making us a community resource for the highest quality organic and locally grown produce.

GROCERY Mike Leveille, Assistant Grocery Manager

The Grocery Department has been working on putting new systems in place to support our sales growth. This behind-the-scenes magic has included adding new staffing positions to better support work flow and cross training staff so they can work seamlessly between departments. The department has also been fortunate enough to be involved in advancing young minds through the Success Program. With the support of our new Merchandising Team, we are able to get new food and goods into the store and on the shelf quicker including two new local coffees with a great price for locally roasted, gourmet coffee. Thanks so much for the hard work and dedication of such a knowledgeable group of people.

MEAT, SEAFOOD, CHEESE, AND OLIVES

Greg Palmer, Fresh Merchandising Manager

Our department takes delight in the news that our relationship with our local farmers has grown once again with the addition of Open Book Farms of Myersville. Also, our local Common Market all natural grass fed beef program has taken off since it began five years ago. In partnership with Mary's Delight Farm, we have had over thirty Common Market organic calves born which will allow us to have a more consistent supply of fresh, organic, locally raised beef. We, as a department, are more excited about our products than ever because we know that we carry the best quality fresh meat, cheese, and seafood in our industry.

WELLNESS Mike Leveille, Assistant Grocery Manager

Our focus in the Wellness Department has been on providing better customer service for our Owners and shoppers. We increased customer service and product knowledge trainings to better assist our shoppers. We chose to put in lower shelving during our department remodel to make it easier for shoppers to find products and staff assistance. During this major project, we analyzed the products that we carry and what products we might be missing. And, we defined and identified major health and body care categories for easier shopping and for more efficient ordering and stocking so we have fewer empty holes on the shelves. We thank our Wellness staff for their excellent service to our customers and for their dedicated teamwork during the reset.

FRONT END & THE CO-OP SERVICE DESK

Sue Leveille, Customer Service Manager

During the 2013 holidays the Front End raised \$4,500 for our Feed the Hungry Campaign which amazed us all! Ownership is a key component to the Common Market's success and our Front End Staff showed one of their many talents during our May Equity Drive by bringing in \$12,000 in equity which proved that they are topnotch when it comes to connecting with Owners. Thank you to everyone in the Front End for working hard and building trusting relationships through your customer service, friendliness, and unique personalities that shine through and make our customers smile.

FINANCE Diane Keener, Finance Manager

The Finance Department is happy to report that during our annual year end audit our CPA found us to be in compliance with Generally Accepted Accounting Principles (GAAP), with strong internal controls and operating efficiency. One important change this year has been the implementation of the paperless reporting feature within our accounting software. This module not only decreases our environmental footprint, but also facilitates increased efficiency and organization, as well as cost savings.

HUMAN RESOURCES

Lisa Morrissey, Human Resource Manager

Our Human Resource Department has made great strides in implementing a new program with our staff that directly benefits our community. It is called our Volunteer Incentive Program and offers employees extra perks for participating in volunteer activities. This program encourages our employees to support our community by helping others. Since January of 2014, we've had 20% of employees participating and contributing 228 volunteer hours of community service. We are looking forward to another great year of enhancing our employee programs for our greatest assets, our employees!

INFORMATION SYSTEMS

Einar Petursson, Information Systems Manager

The Information Systems Department has upgraded many of the processes and equipment for improved work flow and security. One major upgrade was to replace the server used by the store staff. This new server increased our capacity for storing data and improved access for all users. In addition to the new server, we added a hardware firewall for improved security of incoming traffic. This firewall helps to support our compliance with the PCI Data Security Standard (PCI DSS) which is required by all merchants who accept credit cards and protects our customers against misuse of their personal information.

MARKETING Sally Fulmer, Marketing Manager

The Marketing Department has continued to grow and contribute to the Common Market's success in many ways. In July we took great pride in transforming our 40 year old newsletter into an updated full color, informative, and entertaining publication called *Spoonful*. This unique publication covers a wide range of topics from recipes to more controversial subjects such as GMOs. The Marketing Department also added four additional staff members that now make up the Merchandising Team. A big thanks to everyone in Marketing and Merchandising for your hard work and dedication in helping the Co-op reach out to more people and educate to empower our Owners, shoppers, and staff.

GREEN INITIATIVES



Over 1,400 native trees planted so far.

CO-OP FOREST

The Common Market is a member of the National Cooperative Grocers Association (NCGA). This organization pulls 142 food co-ops together to support our triple bottom line initiatives. One way we support environmental change is through the Co+op Forest program that the NCGA has started to offset its carbon footprint. In partnership with the Pur Project and Peruvian organic cacao farmers, NCGA is growing a sustainable forest in a formerly deforested region of the Peruvian rainforest.

Many of the trainings that the Common Market employees attend are sponsored by the NCGA. Since these trainings are held around the country, employees have to travel long distances. The Common Market takes great pride in saying that the emissions created by traveling will be offset by the Co+op Forest program. As part of our commitment to a sustainable future, we raised \$987 this past year that went to planting 100 trees and conserving 118 acres of delicate rainforest in Peru.

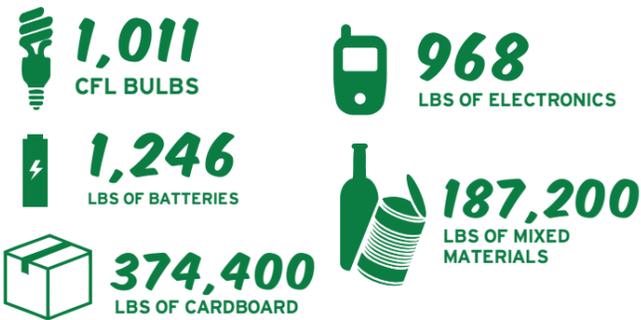
Through this program, we are able to reforest a vulnerable landscape and absorb our carbon emissions created by travel, while encouraging sustainable farming techniques and slowing global climate change.

SIMS PROGRAM

In July of 2014, we started using a Sustainability Impact Measurement Software (SIMS) program that is offered through our membership with the NCGA. With this tool in place, we can more easily measure our triple bottom line impacts. Recording this data consistently will help us to identify areas of improvement and drive greater efficiency and cost savings. The software will enable us to measure a baseline performance and then track progress and share our successes; so, look for data from this new reporting feature in next year's annual report!



RECYCLING PROGRAMS



GMO

OUR RIGHT TO KNOW

WHAT CAN YOU DO?

1. BUY ORGANIC!
2. BUY NON-GMO PROJECT VERIFIED PRODUCTS WHICH UNDERGO INDEPENDENT TESTING
3. SUPPORT MANDATORY LABELING OF GMOS



LET US DECIDE!

90%

MORE THAN 90% OF AMERICANS WANT MANDATORY LABELING ON GENETICALLY MODIFIED FOODS.



www.justlabelit.org

OUR STANCE

We support our shoppers' rights to make informed purchase decisions and remain committed to providing the educational resources they need to make the best food choices for themselves and their families.

UPDATE ON MARYLAND LABEL LAWS

"GMO labeling is a big issue in many states, and Maryland is no exception. On behalf of the Common Market, as part of our Advocacy Committee, I testified to both House and Senate committees in favor of GMO labeling legislation in March 2014. Many folks testified both for and against, and the corporate lobbyists were very much in evidence. Neither bill made it out of committee at the end of the session, but it's likely that new bills will be submitted in the next session. The Common Market has made donations to several labeling advocacy organizations as well."

- John Beutler, Board Secretary

Organic as % of Sales

Grocery	51%
Perishables	64%
Frozen	52%
Bulk	66%
Bread	25%
Cheese	4%
Meat	16%
Produce	99%

OWNERSHIP

We want to thank our 4,584 Owners for their support because they are the foundation of our CO-OP!

My Co+op Rocks

"I'm supporting my own health and the health of my community"
- Gale Harris



We asked our shoppers, Owners, and staff what makes their Co-op special. The answers that we received ranged from touching to hilarious. Here are just a few of our favorites:

363
NEW OWNERS

49.6%
% OF SALES TO OWNERS

4,584
TOTAL OWNERS



"It provides delicious, fresh organic foods which we all love, even the kids!"
- Bob Slown

"It's an amazing place and after working here for over a year I feel like part of a family, not just an employee."
- Eric Farro

"You offer a wonderful variety of wholesome foods, classes and especially organic and gluten free options. Bravo!! 40 years!"
- Claudia Lucas

Thanks to our loyal Owners and dedicated staff, we welcomed 124 new Owners during our February Owner Drive making it the most successful yet! That made for a total of 363 Owners for the year.

YOUR BOARD OF DIRECTORS

- David Cloutier, President - term expires 2017
- Annie Marshall, Vice President - term expires 2017
- John Beutler, Secretary - term expires 2017
- Maria Acker, Treasurer - term expires 2015
- James Hanna, Director - term expires 2015
- Patton Allen, Director - term expires 2015
- Michael Sincevich, Director - term expires 2016
- Kate Moss, Director - term expires 2016
- Lisa Williams, Director - term expires 2016



Every quarter we choose four non-profits to support. These non-profits represent the categories of Kids, Environment, Animals, and Community. It is easy to donate, all you have to do is bring your reusable bags when you shop and receive a 5¢ token for each bag used. On your way out, drop it in our "Donation Station." At the end of every quarterly donation period, we count the amount of tokens and add 1% of sales from a chosen day and we mail out a check to each non-profit!

Since 2007, our Bring a Bag for Change program has achieved the following:

\$119,162

RAISED FOR LOCAL NON-PROFITS

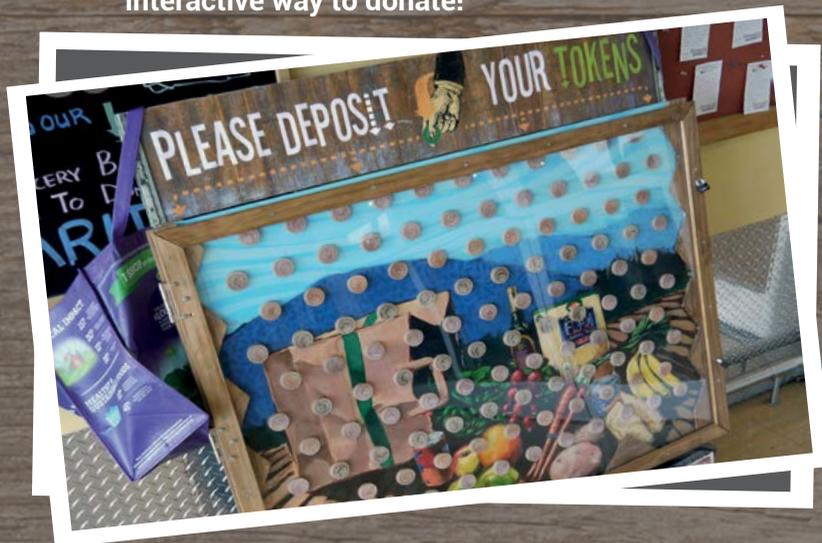
1,083,611

BAGS SAVED FROM THE LANDFILL

IN FISCAL YEAR 2014, WE RAISED A RECORD BREAKING

\$33,612

The "Donation Station" is our fun interactive way to donate!



WE NOW SUPPORT



43

LOCAL FARMES

53

LOCAL BUSINESSES

At the Common Market "Local" defines products that are grown or produced within 150 miles of the Co-op. We partner with sustainable local farmers and businesses to provide our community with the freshest, most nutritious and delicious whole foods in our area.

Local as % of Sales	FY14
Grocery	4%
Perishables	20%
Frozen	2%
Bulk	9%
Bread	43%
Cheese	12%
Meat	63%
Produce	12%

Below is the Freedman family from House in the Woods Farm. They are major contributors to making our annual Buy Local Month a success by helping the Co-op put on a fantastic Tomato Tasting Event every July.



the Common MARKET
eat • shop • learn

5728 Buckeystown Pike | Frederick, MD 21704
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