

2021 Wage Transparency Report



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Quality Coffee +
Quality of Life



About Olympia Coffee & Moonrise Bakery

Olympia Coffee Roasting Co. & Moonrise Bakery are the two PNW companies owned by Sea Level Coffee, Inc.

Mission Statement:

We exist to improve the quality of life for coffee farmers, for our staff and for our communities.

Olympia Coffee was founded in 2005. Sam Schroeder began working as the first employee at the company's small roastery tucked away in a downtown Olympia, WA warehouse. In 2008, Oliver Stormshak founded Sea Level Coffee with the goal to source coffee ethically and roast it better than anyone else using his signature "Caramelization Roast." Sam and Oliver teamed up in 2010 to form Sea Level Coffee, Inc. and purchased Olympia Coffee Roasting Co. from its founders when they were ready to retire.

Under their leadership, every business decision has remained grounded in a quality-of-life mission. Through the years, Olympia Coffee has become a leader in the specialty coffee industry. Dedication and lots of hard work has resulted in national awards and recognition, the development of partnerships and customers across the US, and becoming the proud pioneers of a progressive sourcing program called Fair For All. Olympia Coffee has grown to six cafe locations, a webstore, and a roastery and HQ in Olympia, WA.

In 2021, Sea Level Coffee, Inc. established Moonrise Bakery in the Queen Anne neighborhood of Seattle, which now supplies fresh pastries to the six Olympia Coffee cafe locations throughout the Pacific Northwest.

The publication of the following report is a natural extension of our mission. By sharing information surrounding wages and benefits to staff, in addition to the outside factors affecting them, we intend to be a leader in transparency and move the business community toward a focus on improving quality of life for all.

Olympia Coffee is a certified B-Corporation, meeting the highest standards of social and environmental impact.



The original entrance to Olympia Coffee's first store.



Olympia Coffee's new Columbia City location in South Seattle opened in 2019.



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Why We Value Wage Transparency

Our mission is to improve the lives of coffee farmers, our staff, and our customers. We believe that wage transparency contributes to this mission for our core stakeholders.

In our role as a coffee buyer, we've shown that providing transparency to producers is an essential piece of improving their quality of life. By providing transparency reports, such as this wage transparency report and our annual coffee transparency report, we hope to build equity throughout our supply chain.

Where wage transparency has the greatest benefit is with our staff. These reports hold us accountable and help us to ensure equity in our workplace. Our goal is to build a cohesive workplace culture that in turn generates employee satisfaction.

Wage transparency also helps our customers keep us accountable to the values and standards they've trusted us to uphold.

Ultimately, wage transparency benefits Olympia Coffee and Moonrise Bakery by improving workplace culture, ensuring fair pay, and establishing trust between employees and employers to increase engagement.



What are the Benefits of Working at Olympia Coffee?

Health Insurance - All full-time employees (full-time is classified as an employee working 30 hours or more per week) are eligible for medical, dental, vision, and life insurance after 90 days of employment. Olympia Coffee covers 80% of all premiums for enrolled employees. If you are interested in enrolling in healthcare, please see your Human Resources Manager.

Paid Vacation - All staff are eligible for paid time-off after 90 days of employment. Paid time-off (PTO) accrues at a rate of 1 ½-3 hours for every 40 hours worked depending on position.

Sick Time - All staff are eligible for paid sick leave that begins accruing on their first day of employment at a rate of 1 hour for every 40 hours worked. Employees may accrue up to 6 ½ paid sick days per year, with 56 of those hours eligible for rollover into the next year.

Paid Volunteer Hours - Olympia Coffee offers paid hours staff may utilize to join us in volunteering with local non-profits, known as Give Club. All staff are all eligible for this benefit and we encourage all to volunteer with Olympia Coffee and local organizations that give back to the communities in which we operate (Olympia, Tacoma, Seattle). All staff will be paid their base hourly wage for volunteer hours.

Bereavement Leave - Olympia Coffee offers job-protected leave for all staff members for up to 30 days in the event of the passing of an immediate or extended family member, spouse, partner, dependant, foster child or parent, legal guardian, or roommate. An employee who wishes to take time off due to passing should notify their supervisor as soon as possible. If an employee leaves work early on the day they are notified of the death, that day will not count as bereavement leave. In addition to protected bereavement leave, an employee may, with their supervisor's approval, use any available Paid Time-Off or Sick Time.

Parental Leave Policy - Olympia Coffee provides parental leave for adoptive and natural parents as a benefit of employment. To be eligible for these benefits:

- You must have worked full time for Olympia Coffee for a minimum of 12 continuous months.
- You are in good employment standing with Olympia Coffee (i.e. not on probation)
- You request parental leave a minimum of 30 days in advance.

Parental Leave benefits are as follows:

- Up to 12 weeks of unpaid leave.
- You may use any/all available or accrued PTO & Sick Time, which are paid at 100% of your wage amount.
- Olympia Coffee will continue to cover its portion of premiums during your leave time given that you return to work for Olympia Coffee.
- Following the 12 weeks of leave, if further leave is needed, Olympia Coffee will facilitate COBRA notifications for the employee who is unable to return to work after the 12 weeks are complete.

Prior to the start of parental leave, the employee and their direct manager, along with Human Resources, will create a return-to-work plan that also includes the leave time. The employee is expected to communicate with Olympia Coffee if the leave plan or return-to-work plan needs to be adjusted while on leave.

Additional benefits available to all employees include, but are not limited to:

- May have complimentary beverages for themselves, anytime we are open at any location. Some exclusions apply for seasonal drinks and extremely rare coffees.
- May purchase pastries at 40% off.
- May have one complimentary 12oz. bag of whole bean coffee per week, some exclusions apply for extremely rare coffees.
- May purchase additional whole beans at 50% off retail price some exclusions apply for extremely rare coffees.
- May purchase drinks for friends and family at 50% off.
- May purchase merchandise and equipment at 30% off of retail price.
- May purchase wine at 25% off at Le Reve if 21 years or older.





INTRODUCING
The Barista
Pathway

In 2021 our training department is launching a new program called The Barista Pathway. The Barista Pathway creates a template for measurable success as a barista in our company. Our goal in introducing this system is to give baristas a tangible path for growth, and create a trajectory for baristas to develop skills, set goals, and grow both in our company & within the industry. All Starting Baristas are required to become a Barista 1 -- further pursuit along The Barista Pathway is completely up to your discretion. All of the resources will be available to you to succeed, and you will be encouraged to advance on The Barista Pathway. This will also open up more opportunities by allowing multiple baristas to functionally become Lead Baristas at their locations.

				Lead Barista
			Barista 3	
		Barista 2		
	Barista 1 (Required)			
Starting Barista	Base Wage (Increases for all staff with annual Cost of Living Adjustment)			
Hire date	6 months	1 year	1.5 years	2 years
Starting Barista <i>Barista in Training</i>	Barista 1 <i>Required</i>	Barista 2 <i>Optional</i>	Barista 3 <i>Optional</i>	Lead Barista <i>Optional</i>
All new baristas will undergo training to develop coffee prep skills, coffee knowledge, customer service, and company values.	All baristas are required to demonstrate ability to perform skills to company standards.	At the 1 year mark, employees can elect to continue their development and test to become a Barista 2.	At the 1.5 year mark, employees can elect to continue their development and test to become a Barista 3.	At the 2 year mark, employees can elect to continue their development and test to become a Lead Barista.
	Includes an hourly pay increase.	Includes hourly pay increase.	Includes hourly pay increase.	Includes hourly pay increase.

Beginning January 1, 2021:

When a barista is hired, they will begin as a Starting Barista. At the 6-month mark our trainer will perform a skills assessment ensuring that they can perform all tasks to Olympia Coffee standards. Upon passing their assessment they will become a Barista 1 and receive a pay increase. All baristas are required to become a Barista 1, demonstrating they have the skills to perform the job to company standards.

From this point forward they can elect to remain a Barista 1 or elect to continue along The Barista Pathway. If a barista chooses to continue, starting from the 1 year mark they can take the Barista 2 assessment at which point they will again receive a pay increase upon passing. This will continue to Barista 3 at the 1.5-year mark and Lead Barista at the 2-year mark.



How will The Barista Pathway work for existing barista staff?

Baristas who have worked less than 6 months:

- Baristas will take the mandatory *Barista 1* Skill Assessment after 6 months from their hire date.
- Baristas can elect to take the *Barista 2* assessment at their one-year anniversary.

Baristas who have worked greater than 6 months, but less than 1 year:

- Baristas will receive *Barista 1* compensation on January 1, 2021.
- Baristas will receive training and support to pass the *Barista 1* assessment by June 30, 2021.
- Baristas can elect to take the *Barista 2* assessment at their 1.5-year anniversary.

Baristas who started working in 2019:

- Baristas will receive *Barista 2* compensation on January 1, 2021.
- Baristas will receive training and support to pass the *Barista 2* assessment by June 30, 2021.
- *Barista 2* can elect to take the *Barista 3* assessment at their 2-year anniversary.

Baristas who started working in 2018 or earlier:

- Baristas will receive *Barista 3* compensation on January 1, 2021.
- Baristas will receive training and support to pass the *Barista 3* assessment by June 30, 2021.
- *Barista 3* can elect to take the *Lead Barista* assessment after July 1, 2021.

Current Lead Baristas (before January 1, 2021):

- Lead Barista will remain *Lead Baristas* and receive updated compensation on January 1, 2021.
- Lead Baristas will receive training and support to pass the Lead Barista assessment by June 30, 2021.

Does this change the barista pay increase structure going forward?

Going forward, the implementation of The Barista Pathway offers two ways for Baristas to receive pay increases. The first is an annual Cost of Living adjustment that occurs for all staff on January 1st. The second way to receive a pay increase is by progressing along The Barista Pathway. The Cost of Living increase per year is an adjustment to the base level wage. Then, each increase a barista receives for moving along The Barista Pathway will be added on top of the adjusted base wage.

Before 2021, pay increases coincided with an annual review. Annual reviews are an essential element of Feedback, one of our four core values, but pay increases will no longer be tied to the review. This way, we can ensure that the annual review is a space for openness, transparency, and constructive feedback both for the employers and the baristas while creating standards for fair pay and pay increases for all baristas as they move along The Barista Pathway.

2021 Washington State Labor Standards

Minimum Wage Adjustments in 2021

The minimum wage in Washington State for 2021 is \$13.69 an hour, exceeding the federal minimum wage rate of \$7.25 per hour. Every employee based out of Olympia and Tacoma will have this 19-cent state-mandated cost of living adjustment applied to their pay rate regardless of position, effective on January 1, 2021.

Employees based out of our Seattle cafes or bakery, will also see a cost of living adjustment in 2021. Seattle's minimum wage is increasing in 2021 to \$15.00 per hour, a \$1.50 increase from the current minimum wage of \$13.50. Olympia Coffee employees who work in our Seattle locations will have a cost of living adjustment of +\$1.50 per hour.

Why are cost of living adjustments higher in Seattle?

The Seattle cost of living adjustments and minimum wage adjustments are greater than the rest of the state of Washington because of the rapid increase in the cost of living in the city of Seattle. In every city we work in the cost of living—namely housing—is rising much faster than wages. Washington State as a whole has the highest minimum wage in the United States, putting Washington State-based businesses at a disadvantage against our competitors based in lower-wage markets.

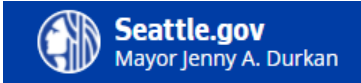
While the economic downturn in 2020 paired with wage increases have put added stress on small businesses throughout the state, it's your support that has helped local businesses like ours survive the hardest months.

For Small Employers (500 or fewer employees)

Does employer pay \$1.69/hour toward medical benefits and/or does employee earn \$1.69/hour in tips?

No	Yes
\$16.69/hour	\$15.00/hour

<https://www.seattle.gov/laborstandards/ordinances/minimum-wage>



Any discussion of compensation without talking about tips is incomplete in our industry. Olympia Coffee understands that we do not pay tips to employees, customers pay tips to employees. That said, tips are and have been an important part of the barista compensation picture. We have long felt that we want to make it as easy as possible for customers to tip our baristas because we know how critical this component of pay is to our staff members and we want our staff to be well paid for their work. Therefore, we designed our cafe service flow in part to maximize tips. When a customer comes into Olympia Coffee we greet them, take their order, connect with them, make their drink with care, and serve them, providing all the elements of service, then finally we take their payment and prompt a tip. To help promote teamwork and mitigate uncertainty in income that tips create, all our cafes average credit card tips per location and pay out to each hourly staff member for every hour worked serving customers.

All cash tips earned during the period are collected & disbursed by staff at the end of their shifts (not tracked by the company).

Wage Growth Over Time

When the company transferred ownership in 2010 there were two cafes and all twelve employees worked behind the bar starting at the state minimum wage of \$8.55+ tips, without benefits. Since then, we have grown to over sixty employees with six cafes, a bakery, a national wholesale program and webshop. Olympia Coffee's growth has also meant the steady increase in wages and benefits year over year. Here is how our wage growth looks over the last six years. In order to sustain wage growth we need to sustain income growth. As we have grown we have increased our total income, and by becoming more efficient, we have also increased the percentage of that income spent on employee compensation. Thanks to the support of our community, online orders have filled in where retail sales have diminished, meaning our team continued to earn competitive wages and benefits during the Covid-19 pandemic.

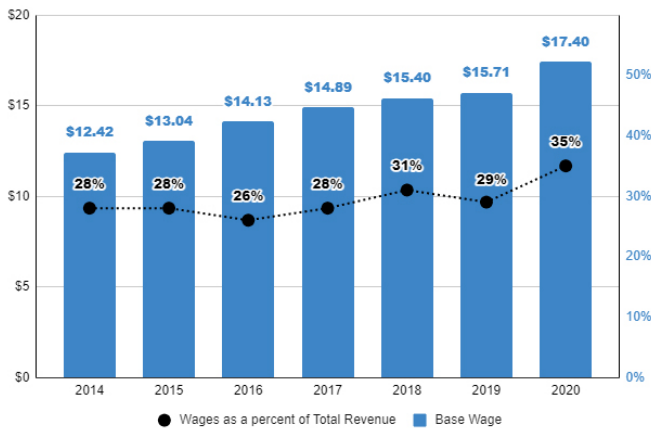
Olympia Coffee Wage Growth Over Time vs. US Wage Growth Over Time

In four of the last six years, compensation growth at Olympia Coffee has more than *doubled* the national wage growth average in base wage. The notable exceptions are 2018 and 2019, where the addition of three new cafes meant Olympia Coffee added more tipped staff members, lowering the company's base wage growth average. But when average tipped compensation is included into the calculation, as in 2019, the trend of doubling national wage growth holds.

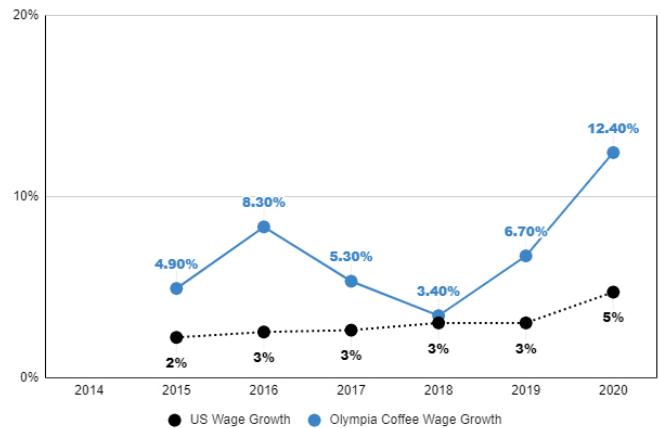
As wages rose year over year, the percent of total revenue allotted to labor has also continued to trend upward over time. In 2020, 35% of revenue was paid in wages.

	Average Hourly Compensation (Including Tips)	Compensation Growth over prior year. (Including Tips)	US Wage Growth Over Prior Year* <small>Bureau of Labor Statistics</small>
2014	\$12.42		
2015	\$13.04	4.9%	2.2%
2016	\$14.13	8.3%	2.5%
2017	\$14.89	5.3%	2.6%
2018	\$15.40 (\$18.82)	3.4%	3%
2019	\$15.71 (\$20.04)	2% (6.7%)	3%
2020 (1/1-11/30)	\$17.40 (\$22.59)	10.7% (12.4%)	4.7%

Wage Growth Over Time

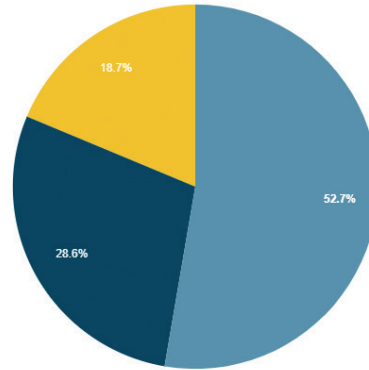


Average Wage Growth Over Prior Year

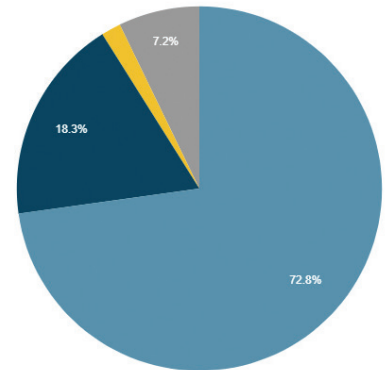


Wages in Context

Revenue Generated by Department as a Percentage

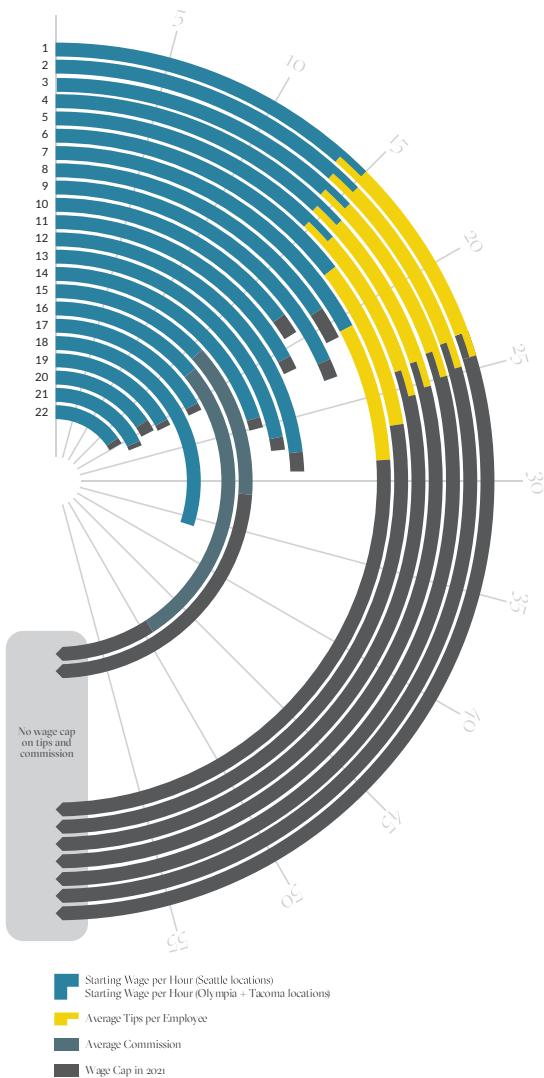


Labor Hours by Department



The first chart provides insight into how much revenue is generated by each department. Then, the amount of total labor hours each department requires to operate.

● Retail Sales ● Wholesale + Production ● Webstore Sales (Marketing) ● Administrative



		Average Tips: \$9.45/hr on bar Commission: \$16.91/hr	No cap on tips & commissions
		Starting Wage in 2021	Wage Cap for 2021
1	Starting Barista	\$13.75+tips \$15.00+tips (Seattle)	\$13.75+ tips \$15.00 (Seattle)+ tips
2	Barista 1	\$14.00+tips \$15.25+tips (Seattle)	\$14.00+ tips \$15.25 (Seattle)+ tips
3	Barista 2	\$14.25+tips \$15.50+tips (Seattle)	\$14.25+ tips \$15.50 (Seattle)+ tips
4	Barista 3	\$14.50+tips \$15.75+tips (Seattle)	\$14.50+ tips \$15.75 (Seattle)+ tips
5	Lead Barista	\$14.75+tips \$16.00+tips (Seattle)	\$14.75+ tips \$16.00 (Seattle)+ tips
6	Cafe Manager	\$17.50+tips	\$20.00+ tips
7	Retail Trainer	\$20.75+tips	\$22.38
8	Roaster & Production	\$19.00	\$21.00
9	Green Coffee Sourcing in Origin	\$22.00	\$23.14
10	Delivery Driver	\$18.00	\$19.43
11	Production Operations Manager	\$20.60	\$21.68
12	Bakery General Manager	\$27.75	\$29.25
13	Retail Director	\$26.25	\$27.30
14	Human Resources Manager + Office	\$24.11	\$25.07
15	Wholesale Sales	\$16.00+commission	\$16.00+commission
16	Director of Wholesale	\$17.00+commission	\$17.00+commission
17	Director of Retail Operations & Business Development Director	\$20.35	\$21.16
18	Marketing & eCommerce Manager	\$36.05	\$36.05
19	CEO, Green Coffee Buyer, Roastmaster	\$20.35	\$21.16
20	Office Manager	\$18.91	\$20.91
21	Production Baker Manager	\$21.50	\$22.36
22	Production Baker	\$18.50	\$20.00

Average hourly credit card tips for all tipped employees \$9.45 per hour, per employee based on 2019 averages. Does not include cash tips, which are collected and disbursed by staff at the end of every shift. Average annual hourly commission for all sales staff: \$16.91 per hour. Based on 2019 estimates. Cost of living adjustments assessed annually on January 1st.



Tip Jar

847 bags
of Tip Jar sold

\$25,000+ raised
in total bags sold + donations

Olympia Coffee's cafes hire the largest portion of the company's employees. When the Covid-19 shutdowns threatened the livelihoods of our team, the community stepped up in support with purchases of *Tip Jar*.

The state-mandated business closures meant our hourly staff risked going weeks without a paycheck. We launched one of our offerings under the name *Tip Jar* with the plan to donate 100% of all profits directly to the team.

We sold out of every available bag within one week; the sales and donations totaled to around \$25,000! This would have never been possible without the loving support and encouragement from our community.



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