



OUR
Commitment
TO *Good*

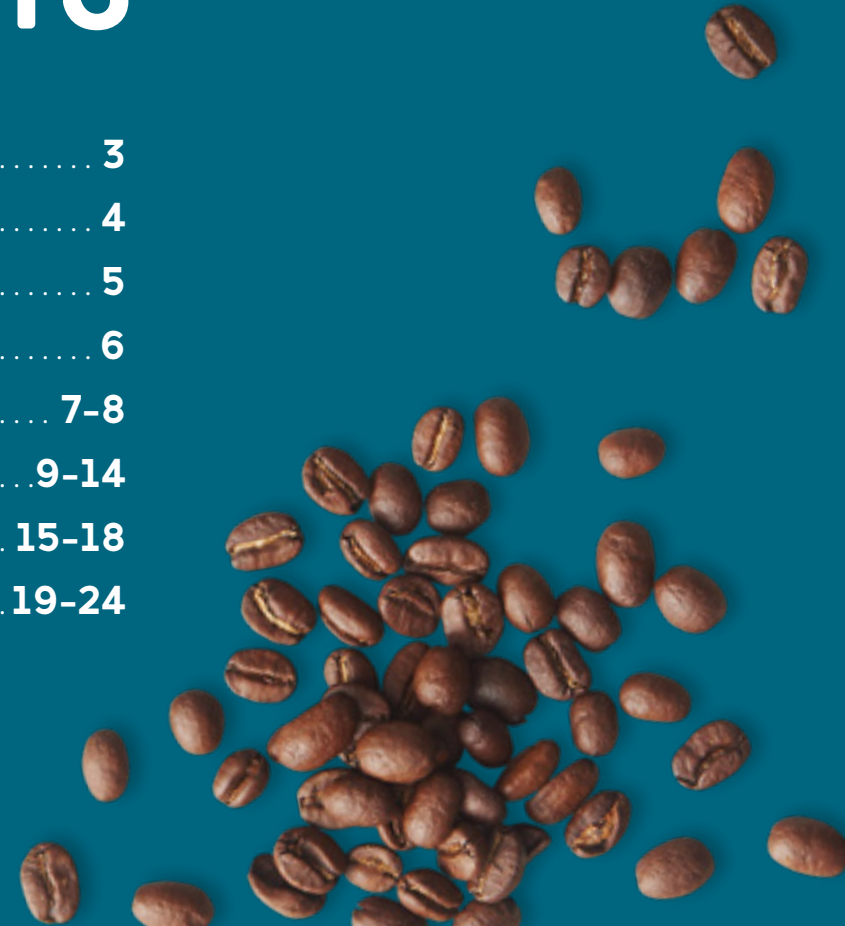
COFFEE | CULTURE | COMMUNITY





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A NOTE FROM JOHN

DEAR FRIENDS,

Throughout Caribou Coffee's 30-year history, we have always understood that our success is not solely measured by our financial performance, but also by the positive impact we have on our team members, guests, and the global communities we serve and support. As we reflect on 2022, a year of tremendous growth at Caribou Coffee, I am very proud of how our company continues to build on our commitment to conduct business in a sustainable, ethical, and responsible manner.

One of our top priorities is to minimize our environmental impact. We understand the urgent need to address climate change and have taken recent action to measure our carbon footprint and make progress towards our carbon reduction goals. As we move ahead, we will continue to seek out and invest in actions that reduce our environmental impact, such as sourcing more sustainably and ethically produced coffee from Rainforest Alliance Certified farms, and thoughtfully considering the size and efficiencies of our retail stores while still delivering the best guest experience.

We are also committed to social responsibility. This means nurturing an inclusive workplace culture where everyone feels they belong, treating our team members with fairness and respect, offering competitive wages and benefits, and providing opportunities for growth and development. It also means giving back to our communities through charitable contributions, in-kind donations, and volunteer opportunities.

Our core values guide us—they are the lens for everything we do at Caribou. We understand we have a responsibility to use our resources and influence to make a positive impact on the world around us.

I am personally committed to ensuring that Caribou continues to prioritize social and environmental responsibility and communicates transparently about our endeavors through our annual Environmental, Social and Governance (ESG) report. This is our second ESG report, covering activities from 2022.

This is an exciting time for our brand. With our sights on growth in the years ahead, we have a unique opportunity to embed sustainable practices into our day-to-day business in new ways, while also ensuring our current commitments are scalable and impactful. We look forward to continuing this journey with you: our team, our guests, and our partners.

Thank you for sharing our commitment to support one another while ensuring a bright future for Caribou's local communities and our coffee communities near and far.

Sincerely,



John Butcher
President & CEO of Caribou Coffee



WHO WE ARE

Caribou Coffee was founded by John and Kim Puckett in 1992 with the opening of our first location in Edina, Minnesota. Our founders' vision was to create a coffeehouse experience known for delicious, handcrafted beverages and great coffee and served with a personal touch.

Today, Caribou's nearly 6,900 team members are delivering on this vision, inspired by our five core values and our purpose **to create day-making experiences that spark a chain reaction of good.** We truly believe that when people come together and connect, even in small ways, it can spark meaningful change that creates a positive impact.

Caribou's corporate headquarters, roastery, and distribution center are located in Brooklyn Center, Minnesota. At the end of 2022, store locations included 339 company-owned, 144 non-traditional, and 288 traditional franchise locations in 11 countries. Caribou Coffee is available for consumption at home, in both bagged coffee and K-Cup® Pods in all 50 states and online at [CaribouCoffee.com](https://www.CaribouCoffee.com).

Caribou is privately owned by JAB Holding Company and is part of the Panera Brands portfolio, which also includes Panera Bread® and Einstein Bros.® Bagels. Panera Brands companies are independently operated, and we are united in our shared mission to be force multipliers for good for our guests, communities, the planet, and the shareholders we serve.

WE CREATE
day-making EXPERIENCES
THAT *spark* A CHAIN *reaction*
OF GOOD.



OUR JOURNEY OF GOOD

FROM THE FIRST MOMENT WE OPENED OUR DOORS AND EVERY DAY SINCE,
WE'VE BEEN FOCUSED ON *doing good.*



ABOUT THIS REPORT

Caribou Coffee's 2022 ESG Report covers topics and related initiatives that occurred in 2022 and where noted, early 2023. Caribou Coffee is responsible for the preparation and accuracy of the information included in this report. Its contents were reviewed by various subject matter experts across the company, as well as members of Caribou's leadership team. Caribou's 2022 ESG Report was not externally assured.

Reporting scope and boundaries

Most of the initiatives, efforts, programs, and data included in this report cover Caribou company-owned locations in the U.S., including store locations as well as our Minnesota-based corporate headquarters, roastery and distribution center. It does not include domestic or international franchise locations, unless otherwise noted.



APPROACH TO ESG

Caribou Coffee has always believed that operating a business in an environmentally and socially responsible manner is fundamental to who we are.

However, today there is a growing desire among stakeholders, including our own team members and guests, to better understand our approach to ESG and how we are addressing our impacts. We are excited to be on this journey to formalize our ESG efforts, starting by identifying the key issues that are most important to Caribou and to our stakeholders.

Materiality and stakeholder engagement

In 2021, we conducted a materiality assessment to identify Caribou's key ESG impact areas. The process included interviews with internal leaders and subject matter experts on a range of ESG topics relevant to Caribou's business and external stakeholders.

Additionally, we surveyed Caribou team members from functional areas across the business. Outside of Caribou, we interviewed external stakeholders representing industry groups, investors, academics, franchisees, supplier partners, and non-governmental organizations. The chart below provides an overview of our ESG aspirations, pillars, and prioritized issues, which are covered in this report.

Beyond the formal materiality process, we continue to seek ongoing feedback from our key stakeholders on a regular basis, participate in industry groups, meet directly with our suppliers, and visit coffee producers at origin. This frequent dialogue helps us to understand what matters most to those affected by our business.

Our approach to managing each priority issue is dependent on the topic and its specific impacts. As we continue to advance initiatives in our priority areas, we will evaluate how effective our programs are, track progress against goals, and seek to improve as we learn and grow.

OUR MATERIAL ESG TOPICS

OUR COFFEE & PRODUCTS

ASPIRATION

With an unwavering love of coffee at our core, we are committed to responsible sourcing and the highest standards for taste and quality across our entire menu.

PRIORITY TOPICS

- Product quality
- Responsible sourcing
- Sustainable & responsible agriculture
- Packaging

OUR CULTURE & PEOPLE

We will inspire career-making experiences with our team and partners in an equitable, inclusive, and diverse workplace.

- Inclusive culture
- Workforce diversity
- Wages & benefits
- Talent recruitment & retention

OUR COMMUNITIES & ENVIRONMENT

We will do good for our global communities through sustainable practices and giving back—creating a positive impact on people and the planet.

- Community impact
- Climate change
- Operational waste
- Sustainable coffeehouses



APPROACH TO ESG

Governance approach

While many leaders and teams across our business are involved in driving performance on our ESG initiatives, accountability for our broader ESG strategy and programming was formalized in 2022. Our Chief Brand and Marketing Officer is accountable for ESG performance across Caribou. Within our Brand Team we prioritized and focused two roles to support our ESG efforts, including a Manager of ESG Engagement and Sustainability, and a Senior Director of ESG and Enterprise Brand Strategy.

These leaders are responsible for strengthening connections and collaboration throughout our company and across our three ESG pillars, where accountability for our priority issues live. We rely on members of our Executive Leadership Team to help set and drive strategy for each ESG pillar and provide guidance to our team members who have ESG responsibilities as part of their regular functions.

We participate in the JAB Sustainability Collaboration Forum to share best practices and learn from other brands within the JAB portfolio. We monitor and measure Caribou's performance with sustainability and ESG metrics, which are tracked against JAB's key performance indicators for all brands.

We also rely on a company-wide culture of sound risk management where customer privacy and data security are vitally important to Caribou. Our [Privacy Policy](#) describes how we collect, use, and store personal information through our website(s) and mobile application.



Our Coffee and Products

Coffee is in our name and at our core.

So naturally, we put a lot of effort into creating a coffee experience with purpose—one that delivers fantastic quality in each cup, using only specialty grade coffee that is responsibly sourced. We believe the other ingredients that go into our coffee beverages must be clean label and that the eggs prominently featured in our food items must be cage-free. While single-use packaging is a necessity in our business, we are committed to shrinking its footprint and embracing a brighter, more sustainable future.

Priority topics:

- Product quality
- Sustainable & responsible agriculture
- Responsible sourcing
- Packaging



OUR COFFEE AND PRODUCTS

GOODNESS IN EVERY CUP

At Caribou, guests are drawn to more than just our high quality, responsibly sourced coffee. From the seeds sown to the final cup poured, we cherish the connections forged through long-standing partnerships at origin and the genuine interactions we share with our guests in our coffeehouses.

Sourcing the finest beans

The search for the finest coffee beans takes us around the world to coffee-growing regions, from Central America to East Africa to Asia, and many areas in between. In particular, it is Arabica coffee with a sweeter, brighter, and acidic profile that we seek, which grows best in higher altitudes.

**IN 2022, WE SOURCED
millions OF POUNDS
OF COFFEE FROM 17
DIFFERENT COUNTRIES.**

Each coffee captures the essence of its origin—from the unique varietal of the plants, the richness of the soil, the climatic conditions, how it's harvested and processed, and especially the love and care of the producer.



ALL OF THE COFFEE WE PROCURE IS “SPECIALTY” GRADE COFFEE,

which always meets the Specialty Coffee Association’s cupping standard.

Maintaining long-term relationships with producers is key to purchasing some of the best coffees. Caribou isn’t a direct trade buyer of coffee, although we regularly visit coffee farms at origin. Instead, we depend on our on-the-ground supply chain partners to stay in touch with producers and help provide financial stability when needed.

It’s important that our partners are familiar with the regions and know what coffees we are looking for in terms of profile and quality, which can change year to year.

Producers of specialty coffee are often smallholder farmers who face a number of challenges. For instance, the price of green coffee has not risen substantially in decades, meanwhile costs continue to increase. Climate change is another factor, as fluctuating weather patterns create uncertainty about the impact on crops. For both economic and environmental reasons, the next generation of growers will likely be fewer in number as many are expected to move away from farm life.

WE ARE COMMITTED TO SOURCING SUSTAINABLY AND RESPONSIBLY GROWN COFFEE AND TO PRESERVING OUR COLLECTIVE COFFEE COMMUNITIES.

Focused on quality

From the captivating origins where our beans are nurtured to the passionate individuals at Caribou who expertly roast, brew, and serve our coffee, our unwavering devotion to exceptional quality shines through at every stage of the journey. It’s a collective obsession that you can taste.

OUR COFFEE AND PRODUCTS

100% Rainforest Alliance Certified



Our partnership with the Rainforest Alliance began in 2003 when we started sourcing a significant amount of our coffee from Rainforest Alliance Certified farms.

BY 2012, CARIBOU WAS THE *first* COFFEEHOUSE IN THE U.S. TO SOURCE ALL COFFEE FROM RAINFOREST ALLIANCE CERTIFIED FARMS.

The certification ensures that critical forest lands and biodiversity are protected; responsible land management methods and sustainable farming practices are deployed; human rights are assessed and if needed, issues are addressed; and the livelihoods of farming and forest communities are more sustainable. Farmers certified under the Rainforest Alliance 2020 Sustainable Agriculture Standard take part in audits, commit to continuous improvement, and have access to sustainability training programs.

One of the biggest benefits of Rainforest Alliance Certified coffee was revealed to us when we completed Caribou's first carbon footprint, which included our Scope 1, 2 and 3 greenhouse gas (GHG) emissions. A high percentage of our Scope 3 emissions are attributed to our coffee supply chain, including impacts related to land use changes.

Many of the Rainforest Alliance Certified farms that supply Caribou's coffee have been in existence for more than 20 years and are surrounded by mature trees and vegetation. These established farms have a significantly smaller carbon footprint than newer farms that are situated on recently deforested land. Read more about our carbon footprint [here](#).

Caribou pays a premium for each pound of coffee sourced from a Rainforest Alliance Certified farm. These premiums help to fund the organization's on-the-ground presence in coffee communities and enable the Rainforest Alliance to increase the number of more sustainable farms while also providing farmer training and community investments. Worldwide, there are more than 1,000,000 Rainforest Alliance Certified coffee producers, which includes famers as well as coffee exporters.

Unitrade Coffee and Coffee Care

One of our most valued partners in Guatemala is Unitrade Coffee, a Rainforest Alliance Certified coffee exporter. For more than 20 years, Unitrade has worked directly with Guatemalan farmers and processors to procure the coffee we purchase. Because of Unitrade's deep connection to Guatemala's coffee farming communities, it has dedicated resources to improve education, health care and sustainable farming practices through [Coffee Care](#), a nonprofit it established in 2004.

Caribou Coffee has been a funder of Coffee Care since the organization's earliest days, where dollars are stretched far to create meaningful impact.

IN 2022, CARIBOU CONTRIBUTED \$15,000 TO COFFEE CARE.

Caribou's initial investment helped Coffee Care build a health clinic that serves the local farming community in Guatemala's Huehuetenango region, a project Caribou still supports. Investments in the health clinic have allowed it to thrive as well as add services, such as a much-needed pharmacy that is self-sustaining today. The clinic is staffed with one nurse who charges patients a nominal fee. These fees are contributed to a community fund and, depending on what the community needs, may be used to improve roads or construct lavatories.

Coffee Care's Rescue 10 (R10) program also receives funds from Caribou. The funds are used to provide scholarships for youth education. In 2022 the program covered the secondary school costs for four students.

Beyond the social impact Coffee Care delivers, it also provides smallholder farmers with the tools and resources needed to adopt more sustainable farming practices. These investments not only help farmers improve the quality of their crops, but they also enable farmers to market and sell their green coffee at better prices to Caribou and other buyers who are in search of high-quality, specialty beans.



OUR COFFEE AND PRODUCTS



CLEAN LABEL AND REAL INGREDIENTS

OUR PASSION FOR HIGH-QUALITY COFFEE EXPLAINS WHY WE ARE ADAMANT ABOUT USING *premium ingredients* IN OUR HANDCRAFTED BEVERAGES.

Back in 2010, we established a Caribou rule that we would use real chocolate chips instead of chocolate powder to make our mocha coffee beverages and hot chocolate drinks.

By 2016, we expanded our commitment to include caramel sauce and vanilla syrup, the latter of which is made with four simple ingredients: pure cane sugar, water, natural vanilla flavor, and organic vanilla extract. Our reason was simple:

REAL INGREDIENTS TASTE BETTER AND ADD PREMIUM QUALITY TO OUR ARRAY OF COFFEE OFFERINGS.

Fast forward to 2018 when all handcrafted beverages served in U.S. locations were made using clean label ingredients.

What clean label means to Caribou

We began working on a clean label plan in 2014, focusing on the elimination of artificial flavors, colors, sweeteners, and/or preservatives in our handcrafted beverages. We engaged our supply partners to ensure we could source high-quality ingredients that delivered a better tasting drink. By 2018, we had created an “off-limit list” of 70+ ingredients that included, among others, high-fructose corn syrup, partially hydrogenated oils, and aspartame.

As we evaluate what future clean label commitments might look like, we are mindful of what our guests care about and are considering how we can simplify our beverages by using fewer ingredients, always focused on quality.

Water decaffeination

We believe that every cup of coffee brewed and served should be of the highest quality, and that includes our decaffeinated coffees too. We have been using a water decaffeination process for many years instead of the traditional chemical-based method. This gentle process uses water to soak away caffeine while preserving the coffee's original nuance and flavor and is 100% chemical-free.

What's on the horizon

Many of our guests request to have their beverages made with non-dairy products, such as oatmilk or almondmilk, which is a customization that has traditionally come with an upcharge. In 2022 we tested eliminating the upcharge for these alternatives in certain markets and have plans for a larger rollout in 2023. We know that plant-based and non-dairy offerings will be a continued focus for us, not just because of guest preference but because we will continue to consider the climate impact of the products that we source.



OUR COFFEE AND PRODUCTS

SUSTAINABLE & RESPONSIBLE AGRICULTURE

Caribou works with trusted suppliers to provide our beverage and food ingredients, as well as other goods needed to operate our business. In 2023, Caribou will introduce a new Supplier Code of Conduct that will outline our expectations and requirements with which our suppliers will be expected to comply.

Animal welfare

Caribou has made two major commitments in recent years to ensure laying hens and broiler chickens have the right environment in which to thrive.

Cage-free eggs

When our guests order a food item that features an egg as a main ingredient from our menu, such as our Ham, Egg & Swiss Croissant, they can be assured it's a cage-free egg, meaning the laying hen had room to walk, spread her wings and lay her eggs in a nest. In 2015, Caribou made a commitment to transition to cage-free eggs for our primary egg supply in all domestic locations, which was achieved in 2018.*

We have since expanded our cage-free egg commitment to cover Caribou's secondary egg supply, including eggs as an ingredient in things like bakery items. We have identified a roadmap to achieve 100% cage-free eggs in our secondary supply in all domestic locations by 2025. By the end of 2023, we plan to begin using cage-free eggs in our Cake Pops and in several other bakery items in 2024. We will report progress in future reports.

Broiler chicken welfare

Currently, three items on Caribou's menu contain chicken. Caribou is committed to working with our suppliers, franchisees, and industry partners to improve the welfare of broiler chickens that we source for our U.S. locations. Our commitment aligns with Version 2 of the Better Chicken Commitment (BCC), which focuses on the following standards set by the Global Animal Partnership (GAP), an international farmed animal welfare certification program:

- Source only chicken breeds approved by GAP as having higher welfare outcomes
- Source only chickens that are given improved space to reduce stocking density per GAP standards
- Offer improved living environment to include lighting, litter, and enrichment per GAP standards
- Process all chickens more humanely through a multi-step, controlled-atmosphere processing system
- Demonstrate compliance with the above standards via a third-party audit

Currently our limited assortment does not meet the Better Chicken Commitment standards, but we are actively working in collaboration with our vendor partners to identify chicken sources that will meet our high standards for quality, sustainability, and commitment to animal welfare by the end of 2024.

The one standard that we are not able to commit to in this report is the BCC's time requirement of using only BCC-approved breeds by 2024. This will take us longer to achieve, and updates will be provided in future reports.



	PRIMARY	SECONDARY	TOTAL
	% Mix	% Mix	% Mix
CAGE-FREE	99.24%	2.13%	84.98%
NON CAGE-FREE	0.76%	97.87%	15.02%

*We achieved 100% cage-free eggs in our primary supply in 2018 but had .76% non-cage free eggs in our primary supply in 2022. This small supply, which is from hard boiled eggs used in one ready-to-eat item from our assortment, will be addressed in 2023.

**At the end of 2022, 0% of eggs used by international franchisees were cage-free. Our franchisees are committed to continued progress on our collective goal to achieve 100% cage-free eggs globally by 2025.

OUR COFFEE AND PRODUCTS

PACKAGING

As a beverage and food company, packaging is a necessity in our business in order to serve, protect and transport our products. We believe packaging can be more sustainable while still providing optimal functionality. Sustainable packaging refers to the use of materials and design techniques that reduce environmental impact and promote sustainability throughout the packaging lifecycle.



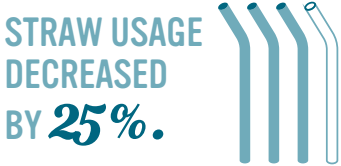
Our approach

Caribou's current packaging footprint accounts for less than 2% of our carbon footprint (Scope 3 emissions) with hot cups, lids, and sleeves, and cold beverage packaging representing our greatest packaging impact outside of coffee manufacturing packaging.

Caribou has begun the journey of evaluating opportunities for using more recyclable and compostable materials that will help to reduce our overall packaging footprint and result in less impact on the environment.

Strawless win

We believe that plastic straws can be harmful to the environment as they are difficult to recycle and can take hundreds of years to decompose, polluting the oceans and harming wildlife. In May 2022, we introduced a strawless lid for iced and Nitro beverages that provide guests the option of forgoing the straw. Our early data indicates



In 2023, we will be launching a strawless lid for our XL cold drinks which will further help to reduce our straw usage.

PFAS in packaging

Forever chemicals, or PFAS (per- and polyfluoroalkyl substances), are a group of man-made substances used in various products, including food packaging, because of their ability to repel water and grease. However, there are concerns that the presence of PFAS in packaging may present potential health risks to people. With this in mind, in 2022, Caribou endeavored to survey each of our vendors and suppliers to confirm that they are removing intentionally added PFAS in packaging materials.

Next steps

We are strong believers in the old adage, "what gets measured, gets managed." This is why we are creating a more comprehensive tracking system for the types and quantities of materials that go into our packaging. Having better data will allow us to develop more sustainable packaging solutions in the future and ultimately reduce our carbon footprint and environmental impact.



Our Culture and People

From our coffeehouses to our support center headquarters, we strive to create a welcoming and inclusive culture where our guests feel at home and our team members feel they belong.

We also strive to provide an employee experience that offers competitive and equitable wages and benefits, equal opportunities for growth, and support for our team members' wellbeing. These are the real ingredients that make Caribou a great place to work.

Priority topics:

- Inclusive culture
- Workforce diversity
- Wages & benefits
- Talent recruitment & retention



OUR CULTURE AND PEOPLE

Supporting one another through Caribou Cares

We know that sometimes the unexpected strikes—illness, natural disaster, or tragedy—and it can be emotionally tough as well as a financial burden. Caribou Cares is a way for us to take care of each other when we need it most. Established as a nonprofit organization in 2011, Caribou Cares is funded by voluntary team members' paycheck donations as well as one-time gifts and fundraisers. There is also an annual employee giving campaign that the company matches. The funds contributed by team members to Caribou Cares provided more than \$18,000 in support to their peers in 2022. At Caribou, we are committed to Supporting One Another by nurturing a culture of care and support that extends far beyond the boundaries of our coffeehouses.

CARIBOU'S CULTURE

Our founders sought to inspire a new type of coffeehouse experience—one that was friendly and down-to-earth—a place where guests and employees could be themselves. They also wanted the simple act of enjoying a good cup of coffee to be something that could make people's day.

This ethos is alive and well in every Caribou location today. In fact, it was witnessed firsthand by our President & CEO John Butcher while participating in his in-store experience shortly after joining the company (something every Caribou support center team member does). While John was working the drive thru, one of our guests offered to pay for the drink of the next car in line, who then offered to do the same for the next in line, which continued to domino until every guest had been touched by this simple act of kindness.

So inspired by what he saw, this experience confirmed Caribou's purpose: *To create day-making experiences that spark a chain reaction of good.*

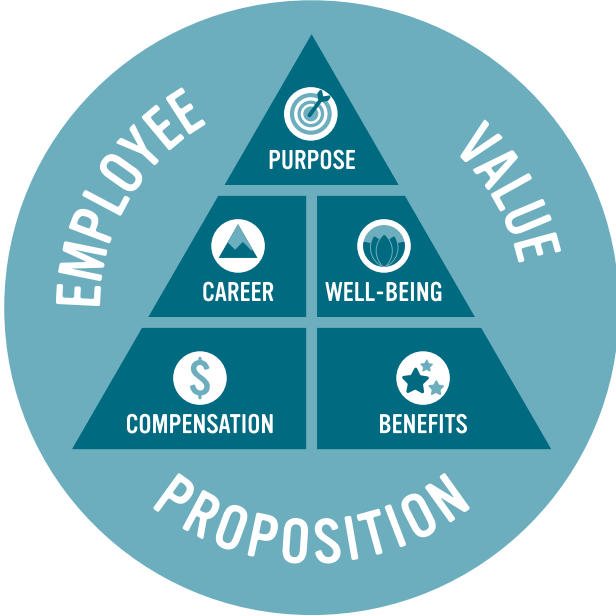
Our purpose, along with our five core values, **Support One Another, Take Ownership, Make Fun Happen, Serve with Love, and Be Yourself**, guide every interaction we have. We treat each other with respect, look after our team members, and seek to inspire fulfilling and fun careers. Our caring culture is why people choose to work at Caribou, and more importantly, why they choose to stay. It's foundational to the employee experience at Caribou and contributes to our success as a company.

Employee Value Proposition

Over the past several years, our entire industry has faced many challenges—from COVID-19 to staffing shortages. We recognized the opportunity to take stock of the strengths of our employee experience and identify opportunities to improve.

In 2021, we started the process of refreshing our Employee Value Proposition (EVP) to offer more competitive employment in the marketplace. We looked at our new-hire and six-month post-hire surveys to understand how to better support our employees.

What followed was the creation of an EVP roadmap that highlights key focus areas for improvement over the next few years: compensation and benefits, recruitment and retention, and employee wellbeing.



OUR CULTURE AND PEOPLE

A significant priority identified in our roadmap was a review of our compensation and benefits. In 2022, we analyzed pay and benefits packages across our company and compared them with industry averages. We identified areas where we could be more competitive and could better communicate benefits information—especially with general managers and store teams—and have since worked to make significant investments and updates over the course of 2022.

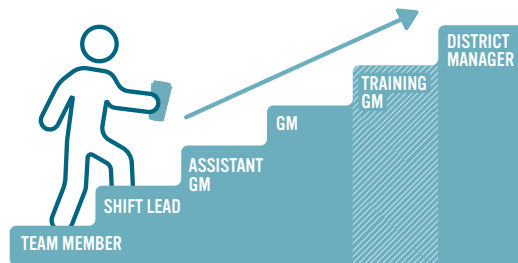
Over the past few years, many guests have migrated to digital and/or cashless payment forms. To encourage more tipping, which greatly benefits our hourly team members, we updated our digital ordering platforms so tips can easily be left, should a guest choose to do so.

As we fine-tune our benefit offerings and strengthen our EVP, we will rely on an all-employee survey that Caribou conducted in early 2023 to determine if there are other opportunities for improvement. In addition to other efforts, we will continue to build on Caribou’s strong culture, which helps to attract and retain our talent, allowing our business to grow.

Growing careers at Caribou

We want our team members to be assured that Caribou is a place where they can acquire skills, advance their careers, and have a long tenure, whether in our stores or at our Support Center. As an example, many of our store team members start as hourly team members and over time, they can gain the necessary experience to take on more responsibility and eventually become general manager (GM) of a store and perhaps someday, serve in a district manager (DM) role.

Our general managers play a critical role in our coffeehouses and are essential to our business. To help support the trajectory from team member to GM, we have a special position—assistant general manager—that acts as a steppingstone, where an employee can learn on the job before advancing. We also have a “GM in Training” program that taps the experience of more than 60 GMs who train aspiring general managers. As we look to grow our store count, we will need more team members in the future who are eager to engage in Caribou’s training programs, develop new skills and grow their careers.



Diversity, equity and inclusion

In the same way we envisioned creating a coffeehouse experience that was personal, friendly, and kind, we also want this same sense of belonging in our workplace environment. To us, this means welcoming and respecting our fellow team members for who they are and ensuring we are fostering an environment that encourages our core value of *being yourself*.

We put this into practice in January 2020 when we launched Caribou’s Diversity, Equity and Inclusion Alliance (DEIA), with a vision to co-create progress and possibility for all with big hearts, curiosity, and humility. We have since reaffirmed our strong commitment to diversity, equity, inclusion and belonging, and to the road ahead.

CARIBOU 2022 DIVERSITY DATA

Our Workforce

TEAM MEMBERS

6,879 (Total)
6,567 (Stores)
312 (Support Center)

GENDER

81% Women
19% Male

RACE/ETHNICITY

21% BIPOC*
77% White
2% Chose not to answer

*Includes employees who identify as two or more races

WOMEN IN LEADERSHIP

52%
% women of
director-level
and above

61%
% women of
general manager
and above

BIPOC IN LEADERSHIP

1%
% BIPOC
director-level
and above

14%
% BIPOC
general manager
and above

OUR CULTURE AND PEOPLE

Since launching our DEIA, we've focused on several priorities. First, we created and strengthened internal structures to lead and advance our efforts, including a leadership team that was formed in 2020. From there, we established a team member-based Advisory Board in 2021 that included store team members to ensure their voices are heard as we reshape our programs. The Advisory Board has already spoken up about the importance of Caribou continuing to show support for our teams, guests, and communities, and influenced future plans for Employee Resource Groups (ERGs), which are planned to kick off in 2023.

A priority in 2022 has been to ensure Caribou's leadership team and management have strong female representation, given that 81% of our team members are women. In 2022, 52% of director-level and above positions were held by women. We will continue to look for opportunities to increase the number of women in leadership. At the same time, we are working to improve representation of Black, Indigenous and/or people of color (BIPOC) at all levels of our workforce.

Celebrating who we are

We use our [Behind the 'Bou blog](#) on [cariboucoffee.com](#) to celebrate our culture at Caribou Coffee. In 2022, our "Self-Pourtraits Series" celebrated Black History Month, International Women's Day, Asian American and Pacific Islander (AAPI) Heritage Month, Hispanic Heritage Month and Veterans Day. Each blog post spotlighted an employee or a group of team members, providing a venue to share diverse experiences.

Supporting the LGBTQ+ community is important to our team members and our company. We took an active role in supporting the Twin Cities (TC) Pride Festival in our home state, bringing our 'Bou Truck along to serve coffee and raise much needed funds. We raised \$9,000 to support TC Pride's mission of nurturing a future where all LGBTQ+ people are valued and celebrated for who they are.

In 2022, we launched limited edition merchandise to celebrate Pride with our teams and guests, and we also provided branded pronoun pins for all team members. The pins helped team members communicate their pronoun preferences, while also helping us to honor, validate, and recognize each other. To complement the pronoun pins, a "Gender and Pronouns" video training was created by the Diversity, Equity & Inclusion Alliance (DEIA) for team members. These efforts underscore that Caribou coffeehouses are inclusive, safe, and supportive of team members and guests.

Corporate Equality Index

Our commitment to supporting LGBTQ+ employees is evidenced by Caribou's score on the Human Rights Campaign Foundation's Corporate Equality Index. The Index measures and benchmarks the equality of policies, practices, and benefits that U.S. corporations provide for LGBTQ+ employees.

CARIBOU'S SCORE INCREASED FROM 45 IN 2020, TO 85 IN 2022

(out of 100). The rise in score was due to creating gender neutral bathrooms in our stores and adding additional and optional pronouns for employee records within our human resources information system, as well as more intentional participation in community engagement, employee training, and overall company communications.



Our Communities and Environment

At Caribou, we believe in doing good for our communities—both here, near, and far.

To us, this means giving back in our hometowns and helping serve those in need, while also empowering our team members to take part. It also means striving to create a positive impact for our planet, through the practices we adopt in our coffeehouses, operations, and throughout our supply chain.

Priority topics:

- Community impact
- Operational waste
- Climate change
- Sustainable coffeehouses



OUR COMMUNITIES AND ENVIRONMENT

Serving our community



Painted a bright shade of “Cariblu” and staffed with eager Caribou team members, our ‘Bou Truck ventures out to support many community events. Team members make and serve coffee—sometimes providing beverages for free or charging a fee that then gets donated back to a nonprofit community partner. A sampling of the events we supported in 2022 included the Minneapolis Polar Plunge benefitting Special Olympics Minnesota; Girls on the Run Spring and Fall 5K runs; and Brooklyn Center schools’ Teacher Appreciation Day.



COMMUNITY ENGAGEMENT AND GIVING

Together with our teams, guests, and communities, we strive to *spark a chain reaction of good* in the world and in the places we call home.

Our approach to community giving reflects our heritage as a company with a long history in Minnesota. We have a positive impact by engaging in meaningful partnerships and giving opportunities, encouraging and empowering team members to be of service, and donating product to those who need their cups filled. Our goal is to create the most impactful programming we can while involving our team members, guests, and community members. And as we expand our network of Caribou franchisees, we are encouraging them to do the same.

There are three distinct segments of Caribou’s giving strategy: Hometown, Team, and Origin.

Hometown

Whether it’s in our hometown of Minneapolis, Minn. or one of the many other markets Caribou has a store presence, we seek to give back to the people and places that can use a helping hand.

M Health Fairview Masonic Children’s Hospital

Like a good cup of coffee, a great cause has a way of bringing people together. For the past five years, we have supported M Health Fairview Masonic Children’s Hospital, located in Minneapolis, through various cause-marketing initiatives, fundraising events, and in-kind donations. In September 2022, we kicked off our month-long Cold Press for Cancer campaign that raised awareness and generated funds to support the fight against childhood cancer. Caribou donated \$1 for every Cold Press purchased on each Friday in September,

TOTALING \$28,060 TO SUPPORT PEDIATRIC CANCER RESEARCH AT THE HOSPITAL.

In recognition of our ongoing partnership, Caribou Coffee received the Community Impact Award in 2022 from the M Health Fairview system.



Caribou Coffee receiving Community Impact award from M Health Fairview Masonic Children’s Hospital.

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Second Harvest Heartland

Our giving extends beyond our backyard to serve a larger surrounding region. One ongoing partner that we are proud to support is [Second Harvest Heartland](#), one of the nation's largest food banks that brings stability to hungry households across Minnesota and western Wisconsin. Over 70% of Caribou Coffee U.S. locations are in communities that Second Harvest Heartland serves.

We launched Caribou's Give Points Fill Plates initiative in November 2022 in partnership with Second Harvest Heartland. Caribou Perks® members were invited to donate their Perks points to help fight hunger in local communities served by Second Harvest Heartland.



When Caribou Perks points were donated, Caribou tacked on an additional contribution, doubling the impact. The chain reaction was huge, culminating in

90,000 MEALS THAT WERE DELIVERED THROUGH SECOND HARVEST HEARTLAND TO PEOPLE AND FAMILIES FACING HUNGER.

Minnesota Business Coalition for Racial Equity (MBCRE)

We became involved with MBCRE shortly after its inception in 2021 so we could contribute to the much-needed conversation on systemic racism and inequalities in our community. Through MBCRE, we are doing just that: We have joined with other businesses from across our state to share ideas and to better understand what we can do to build a more inclusive, equitable community—and, of course, how we can translate these learnings into strengthening our own organizations.

Store openings are a giving opportunity



With the opening of every new Caribou Coffee location, we set aside one weekend for community giveback. This tradition is one of the most significant ways Caribou gives back at a very local level.

Because of our growth over the past few years, we have extended our "hometown" giving to many communities across our footprint. In 2022, we donated over \$15,000 to 22 different organizations including local food banks, YMCA programs, and a variety of family and social services organizations.

Team

Caribou's culture and strong values tend to attract likeminded team members who are connected to the local community and passionate about giving back. This explains why Caribou devotes a lot of our community giving resources to support the causes our team members care about most.

Amy's Blend & Girls on the Run (GOTR)

Every year, Caribou releases a special edition coffee, Amy's Blend, honoring our original roastmaster, Amy Erickson. Amy was a powerful force at Caribou. She developed our coffee standards and many of the innovative brewing techniques we use today. Amy passed away in 1995, and shortly after we launched Amy's Blend to honor her memory and the impact she had and continues to have on our organization. Caribou Coffee donates 10% of proceeds to charitable causes from Amy's Blend ever since. Since 2019, we have partnered with [Girls on the Run \(GOTR\)](#), an organization that helps girls unlock their potential to become strong leaders like Amy. In addition to the 10% of proceeds in 2022,



IN 2022, WE DONATED \$15,144 TO 22 DIFFERENT ORGANIZATIONS TO CELEBRATE NEW STORE OPENINGS.

TOTAL DONATION OF \$61,000 TO GIRLS ON THE RUN.

Our teams look forward to the time of year when Amy's Blend hits our shelves because it is something we can all rally around and share with each other. Amy's Blend has always had a purpose at Caribou Coffee, but our partnership with GOTR has further infused Amy's spirit into our culture and in the hearts of our team members.

American Red Cross

As a U.S. Army veteran who did three deployments in the Middle East, Veterans Day has special meaning to Caribou District Manager, Cory. In fact, Veterans Day has become a day of gratitude for Cory, grateful for what he has. But it's also a day he uses to connect with and celebrate those he served with.



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Cory is aware that suicide, substance abuse, and trauma affect a disproportionate number of veterans. Providing an open ear to someone can make all the difference. And so can organizations like the [American Red Cross](#), which provides a crucial lifeline to service members when deployed. Being away on deployment means not being there when a family member back home gets sick, needs surgery, or even passes away, as Cory knows first-hand. When his father-in-law had brain surgery, the American Red Cross bridged the gap between Cory's family and his Command Team, coordinating logistics to get him home during this critical time.

Cory's experience resonated with us at Caribou and inspired us to do something special on Veterans Day in 2022. Caribou donated \$0.25 for every purchase made at participating Caribou Coffee coffeehouses and through the Caribou Coffee app to support active-duty service members, veterans, and military families. The campaign, along with an additional corporate donation, raised \$50,000 for the American Red Cross Service to the Armed Forces (SAF) program. SAF supports our nation's service men and women, veterans, and their families by providing emergency services, supporting family resiliency, and providing care and comfort at military and veterans' healthcare facilities.

Employee volunteerism

We know the powerful force our team members can be when they support a cause they believe in.

While we provide many ways for our employees to get involved, we also want to support the issues that matter most to them. The best way to do this is by offering paid time off to volunteer—16 hours annually for support center employees and 8 hours annually for store team members. In 2022, 209 employees took advantage of this benefit, giving 3,995 hours of their time to their communities.



Origin

With a firm grasp of the challenges faced by many of our coffee origin communities and an understanding of our interconnectedness, we embrace our role in supporting diverse initiatives that foster sustainable livelihoods and enhance social services. One of the ways we do this is through our commitment to sourcing Rainforest Alliance Certified coffee, which in turn allows RA to support initiatives in the countries where our coffee is grown. Another is through on-the-ground partnerships with longstanding partners at origin. [Read more](#) on how we supported Unitrade and its nonprofit arm, Coffee Care.

ENVIRONMENTAL STEWARDSHIP

Given the intrinsic nature of coffee as a farm crop that heavily relies on specific environmental and climatic conditions for its growth and prosperity, we deeply cherish its future.

Recognizing the broader environmental challenges that our business operations, though relatively modest compared to other industries, contribute to issues such as climate change, resource scarcity, and waste, we are acutely aware of our responsibility. We are dedicated to taking proactive measures and playing our part in safeguarding the environment for the betterment of all.

Believing we have a responsibility to lessen our impact, we engaged in a formal assessment in 2022 to identify the most significant environmental impacts associated with our business.

Our approach to managing our impacts

Our assessment confirmed that Caribou's greatest environmental impact associated with our business is our carbon footprint, primarily the greenhouse gas (GHG) emissions generated from our supply chain and, to a much lesser degree, our store operations. Waste in our roastery and store operations is another impact area. In order to properly manage and reduce our impacts—we must fully understand the drivers and what strategies are needed to change the trendlines. But first, good measurement tools that can provide year-over-year data are needed, which we are currently working to establish.

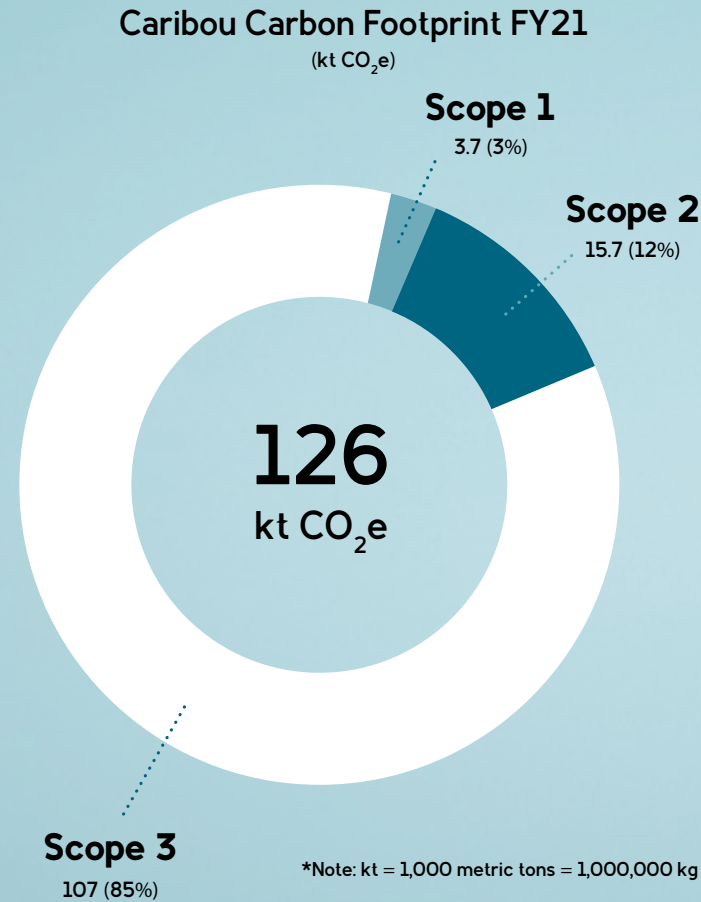
OUR COMMUNITIES AND ENVIRONMENT

CARIBOU'S 2021 CARBON FOOTPRINT

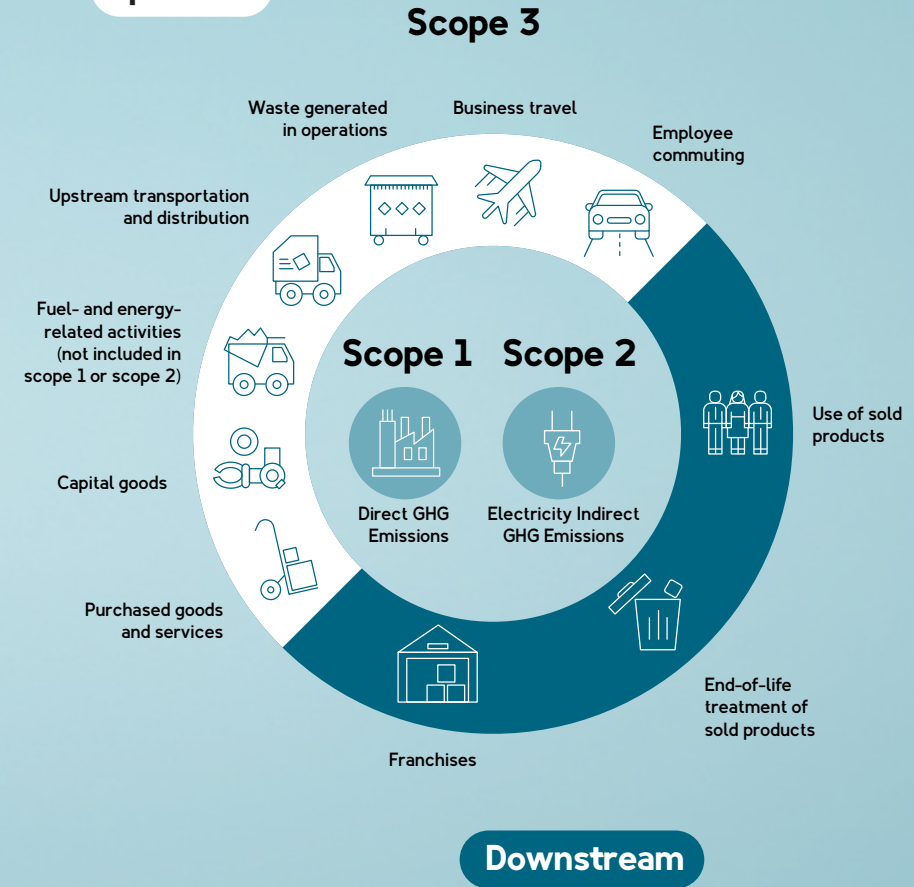
Reducing our carbon footprint

In 2022, we conducted Caribou's first company-wide carbon footprint using 2021 data. As expected, Caribou's Scope 1 and 2 GHG emissions stemming from our day-to-day company operations were minor in comparison to Scope 3 emissions, which are associated with our supply chain—the largest portion attributed to green coffee production, followed by food products (especially dairy), franchisee operations, and upstream transport. Specifically, Scope 1 and Scope 2 emissions accounted for 15% of Caribou's emissions collectively, while 85% were Scope 3 emissions.

The most enlightening and encouraging insight we learned from Caribou's carbon footprint is the benefit of having 100% Rainforest Alliance Certified coffee. The Rainforest Alliance has longstanding relationships with coffee farmers, many who have been farming the same land for decades. Coffee farms that are this established have smaller carbon footprints because there has not been significant land use change on their farmlands in 20+ years. Newer farms are often on land that has been deforested to make way for planting fields, making the carbon impact much greater.



Upstream



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Science-based targets

Caribou Coffee has taken steps to set science-based carbon reduction targets. Our next step is to determine what type of reduction target is achievable in the short run, and what our vision is for the longer term. Once our targets are established, we will develop and begin implementing a roadmap aimed at achieving our goals.

Managing our waste

By focusing on reducing the overall volume of material that goes to waste, maximizing recycling efforts, composting organic waste, and actively promoting the reuse or repurposing of items, we create a more sustainable cycle. One of our priorities is to improve our data collection, which will help to inform any future reduction targets and initiatives aimed at managing our waste outputs.

Just like our menu offerings, we pride ourselves on creativity and innovation in other initiatives. After traveling the globe and transporting our precious coffee beans back to the roastery, we are left with many large burlap bean bags that pain us to throw away. We contacted Bachman's Garden Center, a longstanding floral, home and garden company in Minneapolis, Minn. and asked whether they could use our burlap bags for their gardening and farming endeavors. Bachman's operates a 670-acre growing range where burlap is highly valued because of its natural plant fiber that is both permeable and biodegradable. The donation of burlap helps reduce a significant contributor to our roastery's waste stream; and for Bachman's, the burlap adds a layer of protection to their harvested trees. In 2022, approximately 13% of our burlap bags were provided to Bachman's.

Sustainable coffeehouses

Caribou's coffeehouses are a prime target for our environmental initiatives. We consider the materials used in constructing new builds and when we refurbish existing locations, selecting items that last longer but may cost a little more in the short term. This approach ultimately saves resources and reduces waste over the longer term.

We also invest in equipment that is more efficient and uses less energy and/or water. Caribou recently purchased new energy efficient espresso makers that have fewer parts, making them easier to operate and repair.

The ovens in many of our stores have been replaced with smaller units that take up less space and use less energy. Conversely, we have increased the size of our refrigerators in some stores. The bigger size provides more capacity for cold storage so larger volumes of supplies can be delivered once a week rather than multiple deliveries in a single week. This has helped to make our distribution network more efficient and reduces the amount of fuel needed for trucking.

In our unwavering commitment to sustainability, we strive to inspire our guests to recycle and compost within our stores. However, we acknowledge that not all locations currently benefit from dedicated commercial recycling and composting services.

It's important to recognize that waste management is a multifaceted process that varies significantly depending on the municipality. We typically design our store service areas to accommodate multiple waste streams so that we are set up for effective sorting and can work towards continuous improvement as non-landfill options like recycling and composting collection become available in the communities where our stores are located.

Our growth strategy over the past three years is also helping to reduce our environmental impact as we focus on building smaller footprint Caribou Coffee locations. The Caribou cabin store prototype is about 600 sq. ft. in size and provides drive-thru and pick-up window service. By the end of 2022 we had 30 Caribou cabin locations, with plans to open more of this type in 2023.



