

2023



ENVIRONMENTAL  
SOCIAL  
GOVERNANCE  
REPORT





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# A letter from OUR CEO



Dear friends,

I am proud to share Caribou Coffee’s annual environmental, social, and governance (ESG) report with you, covering a detailed account of 2023 programs, accomplishments, and ways forward. This year, we celebrated progress while also deepening our understanding of the challenges and opportunities on our path to greater sustainability.

The practice of annual reporting has greatly increased our focus on data and measurement, while also highlighting areas of our business where further transparency is possible. In 2023, we completed our second corporate carbon footprint and embarked on a climate roadmap, outlining measures to reduce emissions across our operations and supply chain. We mobilized new ways to engage with our teams, enhanced policies, and strengthened benefits to improve overall team member experience. Our dedication to responsible sourcing and progress on ingredient commitments inspired innovations in new food and beverage offerings. These new offerings were designed to meet the increasingly nuanced needs and wants of our guests. We welcomed a transition to sustainable packaging and drove operational efficiencies in our coffeehouses. We continued to show up and give back to our communities through charitable contributions, in-kind donations, and volunteering.

As our coffeehouse footprint expands globally, I see the Caribou team embedding sustainable practices into our day-to-day business in new ways, while also evaluating commitments to ensure they are scalable and impactful. The importance of conducting our business in a sustainable, ethical, and responsible manner guides our brand purpose, and I am energized by the opportunities ahead to deepen our sustainability work and forge even stronger connections within the communities we serve—here, near, and far.

Thank you to our team, our guests, and our partners for your continued support and partnership. I strongly believe that together, we create day-making experiences that spark chain reactions of good.

Sincerely,

**John Butcher**  
President & CEO of Caribou Coffee

**“ I am energized by the opportunities ahead to deepen our sustainability work and forge even stronger connections within the communities we serve—here, near, and far. ”**





# WHO WE ARE OUR *Story*

**Our founders opened the very first Caribou Coffee in 1992 with a vision to build personal connection into the coffeehouse experience. For over thirty years, that focus has cultivated our global standard for high-quality ingredients, specialty-grade coffee, sustainable practices, and real connections.**

At the heart of every cup and interaction lies our purpose: Together, we create day-making experiences that spark chain reactions of good. Our purpose gives us focus every day, shaping our actions and decisions. Whether it's elevating daily coffee runs, committing to the future of coffee with our partners at origin, or investing in our coffeehouse communities, day-making happens when we take the ordinary and spark it into the extraordinary.

We are a global brand with local coffeehouses offering handcrafted beverages and crave-worthy food to guests in more than 800 locations worldwide, including 333 company-owned, 140 non-traditional franchise, and 338 traditional franchise locations in 11 countries.<sup>1</sup> Our coffeehouses serve as welcoming, cozy destinations for genuine connection among those who share our belief that life is not only what you make of it, but how you live it.

## CARIBOU *at a Glance*

Founded in

1992

Team members

6,875

Coffeehouses

800+

Locations in

11 COUNTRIES

Brooklyn Center, Minnesota: headquarters, roastery,<sup>2</sup> distribution center

### 2023 ACCOMPLISHMENTS AND NOTABLE PROGRESS

- ✓ Drafted greenhouse gas (GHG) emissions-related science-based targets
- ✓ Initiated climate roadmap to identify emission reduction pathways
- ✓ Conducted second corporate GHG emissions inventory
- ✓ Began transition to energy efficient lighting in coffeehouses
- ✓ Expanded plant-based beverage and food menu offerings
- ✓ Implemented no additional charges for non-dairy milk for Caribou Perks<sup>®</sup> members<sup>3</sup>
- ✓ Made significant progress on commitment to cage-free eggs as secondary ingredients, transitioning key bakery menu items
- ✓ Analyzed sustainable opportunities for food service packaging assortment
- ✓ Employee Resource Group (ERG) platform launched inaugural Women's and LGBTQ+ groups
- ✓ Refreshed Team Member Handbook, with new policies launching in 2024

<sup>1</sup> As of December 26, 2023

<sup>2</sup> More details on Caribou's roastery can be found in the About This Report section

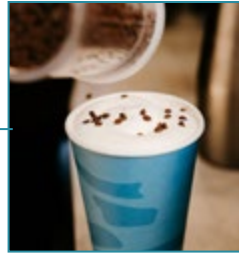
<sup>3</sup> Must be a Caribou Perks<sup>®</sup> member and order ahead with the Caribou Coffee app

# BREWING A Better World



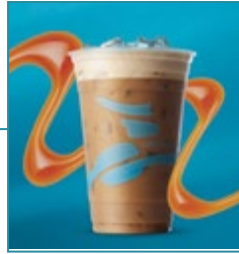
**2006**

Roasted our first Rainforest Alliance Certified beans—find out more at [ra.org](http://ra.org)



**2010**

Began using real chocolate chips in hot beverages in the pursuit of better taste



**2016**

Broadened our clean label commitment to include more ingredients, including caramel, vanilla, and real pumpkin puree



**2020**

Launched our Diversity, Equity, and Inclusion Alliance



**2021**

Expanded our cage-free egg commitment to include secondary supply (eggs as ingredients) by the end of 2025 and conducted our first materiality assessment to identify priority ESG issues



**2004**

Built a world-class organic- and kosher-certified coffee roasting and manufacturing facility



**2007**

Committed to using dairy without added hormones



**2012**

Became the first U.S. coffeehouse chain with a commitment to 100% Rainforest Alliance Certified coffee and espresso



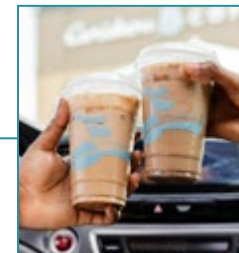
**2015**

Committed to sourcing only cage-free eggs for our all-day breakfast menu and introduced in-store recycling and composting in select store locations



**2017**

Started using compostable hot cups and recyclable lids in select store locations



**2018**

Committed to clean label beverages—no artificial flavors, sweeteners, colors, or preservatives across our handcrafted beverage menu



**2022**

Established leadership structure to oversee ESG strategy and ensure governance and conducted first corporate GHG emissions inventory





<sup>4</sup> Effective March 26, 2024, Caribou entered into a strategic licensing transaction with JDE Peet's. The transaction included a transfer of our roasting operations and office coffee/foodservice business, as well as an agreement for our continued U.S. retail coffee supply.



# ABOUT THIS *Report*

**At Caribou Coffee, we strive to continuously integrate sustainability and social impact into our business. This report details our overall approach to these topics and our progress to date.**

Caribou Coffee is privately owned by JAB Holding Company and is part of Panera Brands, a portfolio of complementary brands bound by common values, which also includes Panera Bread® and Einstein Bros.® Bagels. Panera Brands companies are independently operated. Unless otherwise noted herein, this report covers the period January 1, 2023, through December 31, 2023, and pertains to the initiatives, efforts, programs, and data for Caribou Coffee Operating Company, Inc., and its respective subsidiaries and locations in the U.S., including company-owned store locations as well as Minnesota-based corporate headquarters,<sup>4</sup> roastery and distribution center (“Caribou,” “Caribou Coffee,” “we,” “us,” and “our”). Unless otherwise noted, information in this report does not include domestic or international franchise locations.

Caribou Coffee is responsible for the preparation and accuracy of the information included in this report. We take the views of all our stakeholders seriously and actively seek their input. For any feedback or questions related to our ESG program and initiatives, please contact [community@cariboucoffee.com](mailto:community@cariboucoffee.com).

In line with our commitment to diversity, equity, and inclusion, we partnered with [qb consulting](#), a small, women-owned strategy and communications firm, to develop this report. We also collaborated with [FRINGE22 Studio](#), a BIPOC-owned design and creative strategy studio with a passion for social impact, for the report’s design.

For more information on ESG at Caribou, please visit [cariboucoffee.com/about-us](https://cariboucoffee.com/about-us).





# Our approach TO ESG

**Operating in an environmentally and socially responsible manner is fundamental to Caribou Coffee.** This belief has guided our growth for over thirty years, inspiring real moments of goodness and a commitment to the communities we serve. In recent years, we've begun formalizing these efforts, with our leadership playing a key role in driving and ensuring accountability for ESG initiatives across the company.



OUR APPROACH OUR  
APPROACH OUR APP



## GOVERNANCE APPROACH

**Our robust governance structure, leaders, and team members help us uphold the highest ethical standards and propel us to be a force for good.**

Our dedication to doing the right thing is set out in our Code of Business Ethics and Conduct and Team Member Handbook. Led by senior leaders and overseen by the board of directors, the Code, alongside our Team Member Handbook, guides our team members' actions and helps ensure our values are always at the center of our work.

In 2023, we updated and streamlined our Team Member Handbook and optimized our ethics hotline. Launched in 2024, these improvements help ensure we continue leading by example, promoting a company culture rooted in integrity, transparency, and accountability.

## RISK MANAGEMENT

Our board of directors guides our approach to risk management, including our management of ESG risks. Business teams regularly review ongoing risks, which are reported to our executive leaders and, in turn, to the board or its committees. Additionally, high-priority risks are reported at the board level on an ad hoc basis. In 2023, we enhanced our risk management oversight, formalizing our enterprise risk committee. We also created training modules for employees on the specific risks associated with cyber security and data privacy.

## ESG OVERSIGHT

While many leaders and teams across our business are involved in driving performance on our ESG initiatives, we also maintain a centralized ESG oversight function to help us stay accountable and on track as we advance our commitments. Our Manager of ESG Engagement and Sustainability and our Senior Director of ESG and Enterprise Brand Strategy work cross-functionally to drive our progress. Our Chief Brand and Marketing Officer is responsible for directional oversight and accountability for our ESG team and for ESG performance across Caribou. Our executive leadership oversees ESG efforts and strategy development. We regularly track key metrics and performance indicators, which are reported to JAB Holding Company and our board of directors.

“

**We see our ESG commitments as an ongoing journey, not just a moment in time. As our brand and business continue to grow, we're dedicated to making meaningful progress one step at a time.** ”

**John Walbrun** Chief Operating Officer







# GOVERNANCE APPROACH

## Our ESG strategy

In 2021, we conducted a formal materiality assessment to identify key ESG focus areas and material topics. For additional information on our materiality assessment process, please see our [2022 ESG Report](#).

We have continued to gather stakeholder feedback to inform Caribou's approach to our material topics since completing the assessment and are committed to continue evaluating our programs and improving our efforts in these areas moving forward.

COFFEE COFFEE  
CULTURE CUL  
COMMUNITY

## OUR ESG FOCUS AREAS



### COFFEE AND PRODUCTS

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



### CULTURE AND PEOPLE

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



### COMMUNITIES AND ENVIRONMENT

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



# Our coffee AND PRODUCTS

**Caribou Coffee crafts a coffee experience that delivers fantastic quality in each cup, using only sustainably sourced, specialty-grade coffee.** Caribou insists on premium ingredients for all our handcrafted beverages, and we're committed to using only cage-free eggs in our food items by the end of 2025. While single-use packaging is a current necessity in our business, we are committed to shrinking its environmental impact and paving the way for a more sustainable future. To achieve this vision, Caribou is focused on driving progress across key, interconnected focus areas:

**Product quality**

**Responsible sourcing**

**Sustainable and responsible agriculture**

**Packaging**



OUR COFFEE AND PR  
FEE AND PRODUCTS





## ROOTED IN RESPONSIBILITY

Specialty-grade, sustainably sourced coffee defines Caribou’s commitment to both our guests and coffee communities.

From the initial planting of the seeds to the expertly crafted final brew, we value the enduring relationships built through our long-term partnerships at origin.

“ Our commitment to quality means upholding high standards, not just for our coffee, but for everything on our menu. Keeping up these standards is crucial for giving our guests the exceptional experience they know and love. ”

Carrie Sazama Director, Product Innovation



# ROOTED IN RESPONSIBILITY

## 100% Rainforest Alliance Certified

We are committed to more responsible sourcing practices that benefit both people and the planet. Since 2003, our partnership with the [Rainforest Alliance](#) has been an important part of our sourcing efforts. In 2012, we made history by becoming the first coffeehouse in the U.S. to source all our coffee from Rainforest Alliance Certified farms. This certification mandates that farmers employ more sustainable land management practices, protect critical forest lands and biodiversity, and uphold human rights with a commitment to continuous improvement and regular audits. These requirements ensure our coffee not only tastes good, but also does good by supporting the ecosystems and communities where our coffee is grown.



Caribou is working to mitigate the environmental impacts associated with our coffee production, particularly with respect to Scope 3 GHG emissions. This is why we source coffee from Rainforest Alliance Certified farms. For instance, the Rainforest Alliance Certification prohibits deforestation, which means Certified farms are often surrounded by mature trees and vegetation, likely having a lower carbon impact as compared to farms on recently deforested land.

We strive to source all of our beans from more sustainable suppliers, even if that means paying a premium for each pound of Rainforest Alliance Certified coffee. These premiums fund on-the-ground work by the Rainforest Alliance, expanding the number of sustainable farms, providing farmer training, and fostering community investments.

## Assuring coffee quality and knowledge

After receiving unroasted coffee samples from partners at origin, our coffee is roasted and brewed in small batches to our exacting standards. Each sample is evaluated against taste criteria specific to different regions so that every sip meets our high standards. The coffee is evaluated again upon reaching our warehouse. In addition to essential quality checks, we also deepen our team’s understanding of our coffee and refine their ability to identify origins, tasting notes, and descriptors during daily “coffee talks.” These talks arm our team members with the specialized knowledge they need to bring our coffee’s story to life for guests.

## SOURCING SUSTAINABLE *Excellence*

Located on the slopes of Turrialba Volcano in Costa Rica, Aquiares is the country’s largest coffee estate and a pioneer in regenerative agriculture. Since 1890, Aquiares has seamlessly blended traditional cultivation with innovative sustainability practices, becoming the first coffee farm in Costa Rica to achieve carbon neutrality. Caribou is proud to source from Aquiares and support its vibrant coffee community. Their commitment to quality, social responsibility, and environmental stewardship, along with their Rainforest Alliance Certification, aligns perfectly with our values, ensuring our coffee delivers in both superior taste and meaningful impact.







## ROOTED IN RESPONSIBILITY

### Water decaffeination

For over 15 years, Caribou has been using a water-based decaffeination process. This gentle, natural method is a key differentiator of our approach, as it does not rely on chemical solvents like methylene chloride. Instead, water-based decaffeination involves soaking green coffee beans to extract caffeine while retaining flavorful compounds.

### Clean and real ingredients

Our passion for quality means we use real, premium ingredients in our handcrafted beverages. This commitment began in 2010 when we decided to use real chocolate chips instead of chocolate powder in our mocha and hot chocolate drinks. We continued this transition in 2016, when we began using caramel sauce and vanilla syrup made only from real ingredients. By 2018, we fully committed to clean label ingredients, eliminating all artificial flavors, colors, sweeteners, and preservatives from our handcrafted beverages in every single U.S. location. To uphold our rigorous standards and deliver clean, real goodness with every sip, Caribou maintains detailed ingredient requirements that guide our handcrafted beverage innovations.

### Expanding our plant-based menu

As part of our efforts to innovate responsibly and cater to diverse dietary preferences, we enhanced our menu to embrace more inclusive options for our guests. Since May 2023, Caribou Perks members can customize their favorite beverages with non-dairy milk options without any additional charge by ordering through the Caribou Coffee app. Meeting a growing consumer demand for high-quality and health-conscious food choices, we also expanded our menu to include plant-based items such as “oatnog”, an oat milk-based alternative to traditional eggnog, and JUST Egg™ Roasted Tomato and Pesto Flatbread.



## PRODUCT PARTNERSHIPS WITH *Purpose*



We strive to offer guests quality, conscious choices that make every sip or bite count. And we aim to partner with companies and brands like JUST Egg™ who share our values and commitment to people and the planet. We believe that people and brands connecting in small ways can spark even greater impact and meaningful change. Since 2021, Caribou Coffee has also partnered with GIVN Water, which supplies the bottled water that we sell in over 470 of our coffeehouses. Through this partnership, our guests have funded over 1.2 million days of clean water for people in need and helped launch the Women’s Well Repair Initiative—where women are given the training and resources to provide clean water solutions to their local communities.



# SUSTAINABLE AND RESPONSIBLE AGRICULTURE

**As part of our responsibility to both the planet and the communities we source from, we work with trusted suppliers to provide our beverage and food ingredients, as well as other goods needed to operate our business. Our expectations and requirements for our suppliers are outlined in our new Supplier Code of Conduct.**

Animal welfare is a key consideration for Caribou. In recent years, we have taken steps to ensure laying hens and broiler chickens have the right environment to thrive through our cage-free eggs commitment and Better Chicken Commitment. We made important progress in 2023 on our commitment to source 100% cage-free eggs in our primary and secondary supply globally. Primary eggs refer to whole eggs used in our menu items, while secondary eggs are those incorporated as ingredients in products like baked goods.

In 2023, our U.S. locations expanded the use of cage-free eggs in our bakery and bread products, aiming to transition all remaining items in these categories to cage-free by the second half of 2024. Caribou aims to use cage-free eggs across all our menu items by the end of 2025. We continue to work with our global franchise partners to make progress in using more cage-free eggs in their sourcing regions of the world.

Caribou is also in the process of adopting the Better Chicken Commitment. A comprehensive set of broiler chicken welfare standards that guide the food industry towards higher welfare practices, the Better Chicken Commitment emphasizes the importance of animal wellbeing in our supply chain. Meeting these standards will help ensure the chicken in our products is raised ethically and without antibiotics. We aim to meet all Better Chicken Commitment-required Global Animal Partnership (GAP) standards, other than GAP-approved chicken breeds. We continue to work with our vendor partners on this specific requirement.

## Cocoa Horizons

To promote the sustainability and prosperity of cocoa farming communities, we source our chocolate chips from a vendor partner that aligns with the Cocoa Horizons Foundation. This impact-driven program enhances the livelihoods of cocoa farmers, advocates for entrepreneurial farming, and contributes to community development while ensuring the protection of nature and children.

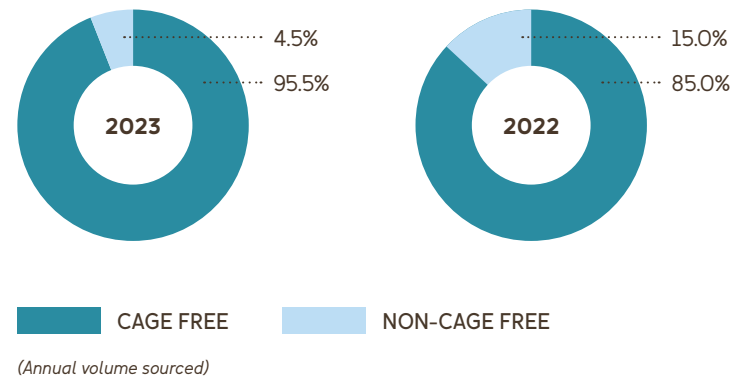


## CAGE-FREE EGG COMMITMENT

2023 (U.S. only)	Cage free	Non-cage free
Primary eggs (Used in sandwiches and grab & go)	99.2%	0.8%
Secondary ingredient eggs (Used in baked goods)	29.3%	70.7%
2022 (U.S. only)	Cage free	Non-cage free
Primary eggs (Used in sandwiches and grab & go)	99.2%	0.8%
Secondary ingredient eggs (Used in baked goods)	2.1%	97.9%

## TOTAL EGG USAGE

(U.S. only)



## Supplier Code of Conduct

Our commitment to sustainable sourcing practices extends beyond the quality of our ingredients. We are also working to ensure that our suppliers align with our commitment to minimize environmental impacts and uphold ethical working conditions. In 2023, we created our Supplier Code of Conduct, enabling us to promote ethical social and environmental practices in our sourcing strategy and honor Caribou’s dedication to quality, sustainability, and social responsibility.





# PACKAGING

**We continuously seek to enhance recyclability and reduce the environmental impact of our packaging choices.**

In 2023, we switched from grease-resistant bakery bags to kraft bakery bags. The latter lack chemical coatings, making them more recyclable and environmentally friendly. We also took measures to confirm that the type of label we use meets protocol for paper recycling compatibility. These changes led to an increase in our overall percentage of recyclable packaging in our assortment and are part of our broader effort to increase sustainable packaging options, a commitment we will continue to expand.

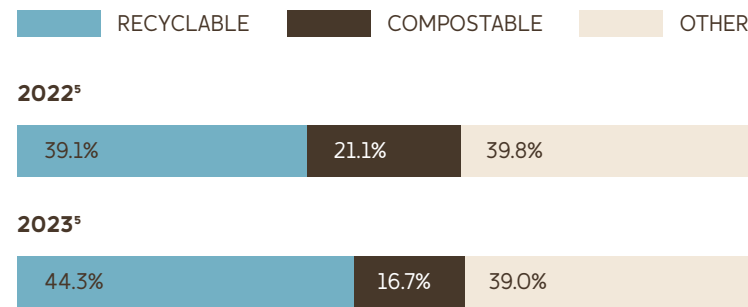
We've also continued to reduce our dependency on single-use plastic products. We began cutting our straw use with the introduction of strawless lids in 2022 and are currently poised to continue this downward trend.

## Preventing PFAS

PFAS, also known as forever chemicals, are used in many products, including food packaging, for their water and grease resistance. However, concerns about the potential health risks associated with PFAS have surfaced in recent years. Throughout 2023, we continued to partner with existing and new suppliers to remove intentionally added PFAS in packaging materials.



## RECYCLABILITY AND COMPOSTABILITY PROGRESS:



<sup>5</sup> Based on food service packaging volume

## STRAW USAGE REDUCTION:

% Decline from baseline

2021 BASELINE

2022 -16.6%

2023 -25.5%



# Our culture AND PEOPLE

Across all our spaces, we strive to create an inclusive, welcoming environment where our team members feel like they belong. To make Caribou a great place to work, we prioritize and cultivate the following interconnected focus areas:

Inclusive culture

Workforce diversity

Wages and benefits

Talent recruitment and retention



OUR CULTURE AND  
CULTURE AND PEOPLE





# CARIBOU'S CULTURE

## Caribou Coffee’s success stems from our culture and the people who cultivate it.

Our founders envisioned a friendly, down-to-earth coffeehouse experience—a place where both guests and team members could be their authentic selves. Today, we continue to uphold this ethos across all our locations, creating moments of connection and community with every cup we pour.



**We understand our team members are the driving force behind our shared sense of purpose, and that when we prioritize their wellbeing and development, our business and the places we’re a part of thrive.**

Stacey Garry Chief Human Resources Officer

## OUR CULTURE IS BREWED FROM OUR CORE VALUES, WHICH GUIDE EVERYTHING WE DO:

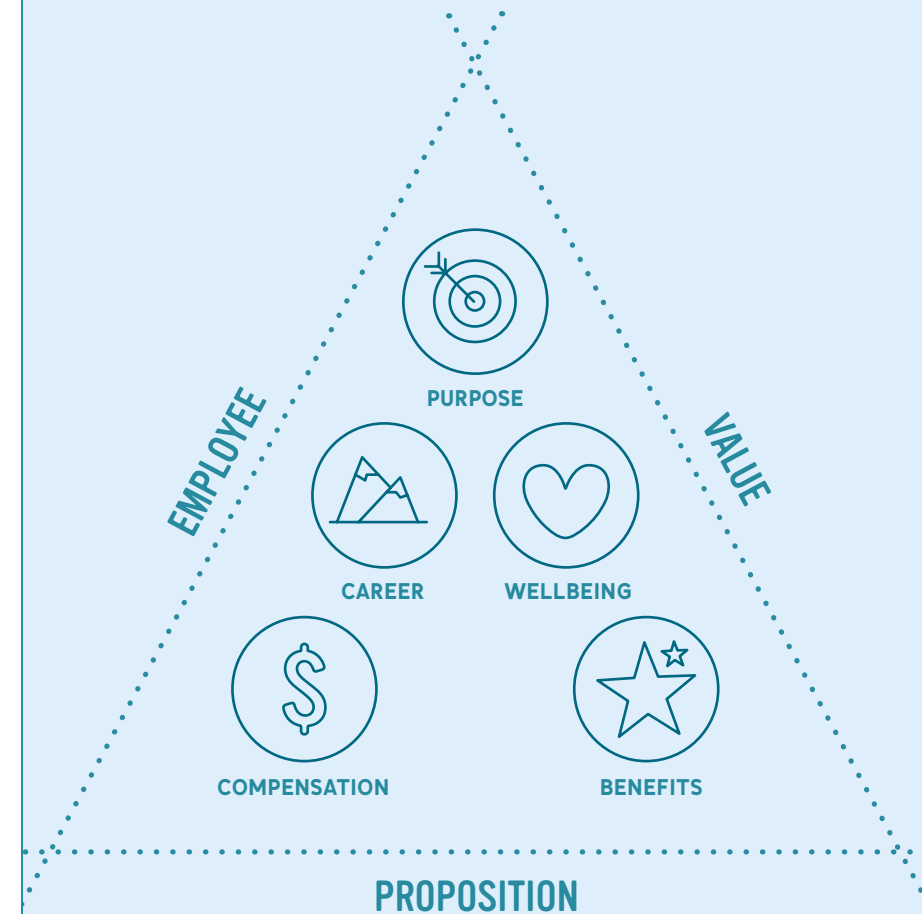


We have fun working together to serve our guests, treat each other with respect, look after our team members, and seek to inspire fulfilling careers that allow our team members to achieve their potential. Our caring culture is why people choose to work at Caribou and, more importantly, why they choose to stay. It’s a foundational part of our team member experience and contributes to our success as a business.

In 2022, we set out to enhance the ways we show up for and engage our teams, seeking a closer alignment with our core values by deepening our commitment to providing competitive career opportunities. To this end, we formally launched an initiative to continue to evolve our Employee Value Proposition.

In 2023, we launched our employee listening strategy and leveraged two surveys to gather insight from our team and provide a benchmark for reference as we launch new initiatives. The first focused on our Total Rewards offering while the second aimed to provide us with insight into how well we are living our values, empowering our teams, and enabling our culture. We believe surveys are a valuable listening tool, guiding our path toward ensuring that team members continue to feel valued, heard, and connected to the Caribou mission. As an annual exercise, engagement surveys also allow us to keep our finger on the cultural pulse of our organization.

# EMPLOYEE VALUE PROPOSITION





# CULTIVATING BELONGING

**Belonging is a hallmark of Caribou’s culture, with diversity, equity, and inclusion (DEI) being core to our purpose.**

Created in 2020, our Diversity, Equity, and Inclusion Alliance (DEIA) is instrumental in infusing a strong sense of belonging into our workplace. DEIA’s efforts are bolstered by our DEI Advisory Board, which was launched in 2021 and is composed of store team members and leaders as well as Support Center team members.

Looking ahead to 2024, we’re focused on continuing to embed our DEI strategies throughout the organization. At Caribou Coffee, DEI isn’t the work of a committee, it’s the output of a strongly woven culture. We are dedicated to ensuring a strong sense of belonging and inclusivity is felt by our team members, guests, and communities.



## OUR DEI JOURNEY

### 2020

Our DEIA was assembled in January 2020, with a vision to **co-create progress and possibility for all with big hearts, curiosity, and humility**

### 2021

Launched **DEI Advisory Board** comprised of store team members and leaders as well as support center team members

### 2022

ESG strategy developed with **Inclusive Culture and Diverse Workforce** deemed as priority issues to our stakeholders

### 2023

Inaugural **Employee Resource Groups (ERGs)** launched







# BUILDING A DIVERSE ‘BOU CREW

**Our team members and guests represent a wide range of backgrounds and experiences.**

Our approach to DEI is rooted in the understanding that our workforce reflects the communities and guests we serve. We bring this to life every day by treating everyone with fairness and respect while striving to acknowledge and understand differences.

With the aim of co-creating progress and possibility for all, 2023 saw the grassroots development of our first ever ERGs: Our Women’s and LGBTQ+ ERGs. Caribou’s ERGs aren’t just about bringing employees with common identities and their allies together; they’re safe spaces that facilitate discussion on difficult topics, drive impactful initiatives, and propel the personal and career development of their members. The shared mission of Caribou’s ERGs is to “unleash the impact of authentic leadership to drive incredible business results.” ERGs advance our efforts to create an organization that reflects our communities and encourages team members to bring their authentic selves to work.

Though still growing, our ERGs are already seeing strong participation. In 2023, our Women’s ERG hosted a talk with Lisa Sun, author of the award-winning business best seller *Gravitas: The 8 Strengths That Redefine Confidence*, to share how everyone can identify their ‘superpowers’ and lead better by knowing and owning their personal strengths. This ERG also introduced a weekly Monday Meditation session, offering a 15-minute space for team members to focus on self-care and mindfulness.

## THE ‘BOU CREW AT A GLANCE<sup>6</sup>

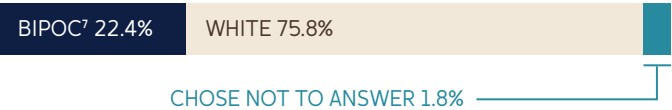
### TEAM MEMBERS

**TOTAL 6,874**  
**STORES 6,552**  
**SUPPORT CENTER, WAREHOUSE, ROASTERY 322**

### GENDER



### RACE/ETHNICITY



### WOMEN IN LEADERSHIP

**DIRECTOR-LEVEL AND ABOVE 52.0%**  
**GENERAL MANAGERS AND ABOVE 66.7%**

### BIPOC<sup>7</sup> IN LEADERSHIP

**DIRECTOR-LEVEL AND ABOVE 4.0%**  
**GENERAL MANAGERS AND ABOVE 13.0%**

<sup>6</sup> As of December 26th, 2023

<sup>7</sup> Black, indigenous, and people of color



## Empowering Women AT CARIBOU



### Rianna’s Story

Rianna Matter began her journey with us in 2005, starting as a team member at her local Caribou Coffee in Baxter, Minnesota. Under the mentorship of the women leaders she met at Caribou, she worked her way up through various roles before stepping into her current one as Director, Store Operations in 2024. Now, as co-chair of our newly minted Women’s ERG, Rianna wants to help equip and support all Caribou women with the leadership skills they need to find success in their own careers.



# EMPOWERING WELLBEING

**Caribou’s benefits serve to attract top talent by providing an inclusive, comprehensive total rewards package designed to meet the unique and evolving needs of our team members and their families.**

As we listened to our employees through our Total Rewards survey, their feedback was clear: Team members want comprehensive insurance options without high premiums. Taking this to heart, we successfully negotiated to maintain neutral premiums for health insurance while lowering our deductible, directly responding to our team members’ feedback. We’re also proud to offer more robust programs supporting chronic health conditions and physical wellbeing. New additions include Hinge Health and Omada for type 2 diabetes, providing resources to help our employees lead healthier, more active lives. Additionally, we’ve improved our flexible spending accounts by allowing employees to roll over up to \$550 to the next year, giving them more flexibility and keeping more money in their pockets.

Our Total Rewards survey also revealed that our team members wanted better knowledge of, and communication about, the full range of benefit offerings. To address this desire, we’ve enhanced our communication in order to better equip every team member with the information they need to fully leverage the benefits available to them.

## Adoption assistance program

We provide financial assistance to team members embarking on the adoption process, reflecting our commitment to show up in meaningful ways. Eligible team members can receive up to \$5,000 to offset expenses associated with adopting a child under the age of 18. Claiming benefits is straightforward: after adoption finalization, eligible team members submit their documents to HR. Upon approval, they receive reimbursement through payroll.

## Other Time Off Policy

Our Other Time Off policy promotes work-life balance by offering:

- ✓ **Volunteering:** Up to 16 paid hours annually for community engagement
- ✓ **Sabbaticals:** Four-week paid breaks for team members with 15+ years of service to pursue personal interests ([learn more](#))
- ✓ **Voting:** Unpaid leave to vote in all levels of elections
- ✓ **Jury Duty:** Paid leave to fulfill mandatory civic responsibilities

## Caribou Cares: A culture of support

Established in 2011, Caribou Cares helps our team members navigate unexpected hardships, such as illness or natural disasters, through financial aid. The program makes sure we’re there for team members in the moments that matter most and is funded by voluntary payroll contributions, one-time gifts, and fundraising efforts. In 2023, Caribou Cares provided \$33,721 in support, demonstrating our commitment to nurturing a caring culture.

## Learn to Live Program

In 2023, we enhanced the Learn to Live program to support mental wellbeing. This complimentary and confidential service provides online programs for stress, anxiety, depression, and other mental health challenges. The program now includes unlimited coaching, on-demand webinars, and resources for team members and their families to foster mental resilience.





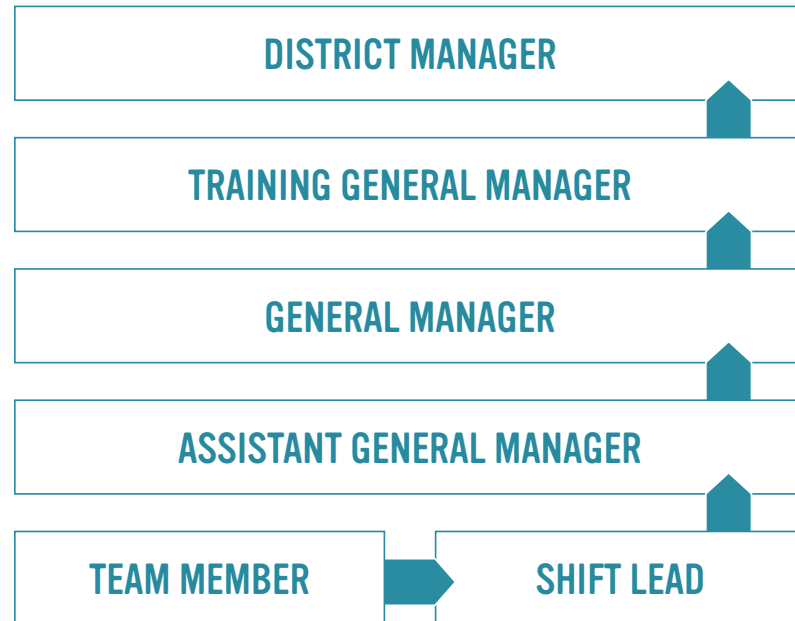


# OUR TALENT STRATEGY

**Our commitment to quality goes beyond the guest experience—it's woven into our workplace through a dedicated focus on our employee's experience from their first interaction with us through their entire career at Caribou.**

## Recruitment

Launched in 2023, our recruitment process brings a transformative approach to engaging with store-level applicants. We've streamlined the interview process with the introduction of an automated interview scheduler, which has substantially decreased the time required to fill open positions. This added efficiency helps us place candidates faster and keeps Caribou at the forefront of talent acquisition innovation.



## Retention

We're proud of our success in creating an engaging work environment that people want to be a part of, as evidenced by our low non-retail team member turnover rate of 16.4%. This stability helps foster a culture of accountability to our team and guests through a focus on operational excellence. For Caribou, the benefit of retaining experienced team members is evident: Knowledgeable and engaged team members are more equipped to make informed decisions that impact operations, quality and guest satisfaction, which in turn drives overall business performance and enhances the guest experience.

## Training and communication

In 2023, we refreshed our general manager training program with a focus on providing a unified approach across all our locations. This refocused program, which pairs aspiring managers with our most experienced general managers for mentorship, not only ensures greater quality alignment, but also empowers new general managers with the tools to succeed and advance their careers at Caribou. The program is designed to cultivate confident, competent leaders and brand ambassadors capable of creating day-making experiences. It achieves this by providing the tools, resources, and development that ensure each leader gains proficiency in the expectations of their role and a solid understanding of Caribou's Standard Operating Procedures, which are crucial to upholding our culture.

Because we know that communication is the key to effective collaboration, we use a mobile-first platform designed for frontline workers to improve our training process and streamline internal messaging capabilities. Through mobile app and desktop interfaces, we foster dynamic two-way communication with our team members and gather invaluable real-time feedback. 100% of our managers are active on the platform, helping our teams communicate with each other and promoting continuous learning while facilitating dialogue and organic idea exchanges across Caribou.



**I came to Caribou with strong interpersonal skills from my time as a worship pastor and high school choir teacher, but with little business acumen. I graduated from the General Manager Training Program in 2017, and my mentor's insights and expertise were invaluable in advancing my career here. Now, as a manager myself, I've had the pleasure of participating in the training program again as a mentor and contributing insights to help redesign the program in 2023.**

**Brian Daniel** Area Manager



# Our communities AND ENVIRONMENT

**We believe in doing good for and with our global communities here, near, and far.**

That means we do what we can to support and give back through partnerships, community engagement, corporate giving, and empowering our team members to engage in their communities with intention. We're also focused on doing our part to protect the planet, implementing and promoting sustainable practices in our coffeehouses, operations, and throughout our supply chain. Our priority topics complement one another and reflect our holistic approach to fostering both social and environmental wellbeing:

**Community impact**

**Climate change**

**Operational waste**

**Sustainable coffeehouses**



OUR COMMUNITIES  
AND ENVIRONMENT





# SUPPORTING OUR COMMUNITIES

**We view our community impact as a catalyst for the positive changes we want to see in the world.**

Our approach mobilizes team members to support local causes and organizations in our communities through intentional giving both at the corporate and store level, radiating our efforts outwards to make a tangible difference in our broader communities. We strive to support platforms that spark purpose and connection and causes that resonate with our guests and team members. Our initiatives are diverse, ranging from community canteens and donations for new store openings to community giveback partnerships and cause-marketing collaborations.



## Community engagement and giving

Caribou Coffee’s community impact is central to our vision. Through our “Here, Near, and Far” approach, we empower each of our coffeehouses to actively support local causes and organizations that resonate with their own communities. This strategy is reflected in initiatives like our Community Canteens program, which allows stores to donate resources to local nonprofits, enhancing their ability to serve their community and make a difference.

Our commitment to local engagement expands with every new coffeehouse we open. We dedicate the first weekend of every new location to community giveback, partnering with local organizations making impacts in their area. This approach ensures that our presence in a community is synonymous with support and positive contribution from the very beginning.

At home in Minnesota and across the country, our team members are deeply involved in charitable activities that uphold our commitment to broader social impacts. Some 2023 highlights include our participation in the Minneapolis Polar Plunge benefiting [Special Olympics Minnesota](#), where our team raised over \$20,000, and our continued support for [Girls on the Run](#) through the Amy’s Blend initiative, contributing \$50,000 to help empower young women. Our team also supported the [Kids In Need Foundation](#) by preparing 500 backpacks filled with school supplies and raised significant funds through the Cold Press for Cancer campaign to support pediatric cancer research at M Health Fairview Masonic Children’s Hospital. These efforts exemplify our dedication to making a meaningful difference in every community we touch.







# SUPPORTING OUR COMMUNITIES

## Unitrade Coffee and Coffee Care

Unitrade Coffee, a key partner of Caribou in Guatemala, has sourced sustainably grown coffee beans for over two decades. Unitrade has a robust commitment to its communities, and in 2004 established Coffee Care, a nonprofit dedicated to enhancing the lives of local coffee farmers by improving access to education, healthcare, and sustainable farming practices. Caribou Coffee proudly supports Coffee Care, contributing to its efforts to make a meaningful impact.



## BREWING A *Brighter Future*



### Supporting education in Guatemala

As part of Unitrade's Coffee Care program, in 2023 Caribou Coffee sponsored the R10 scholarship program in Santa Bárbara, Huehuetenango, Guatemala, supporting teenagers from coffee-producing families so they can finish their secondary studies. Nancy Gómez, one of the four students we supported, will graduate high school in 2024.



Artwork by Guatemalan designer, Alejandro Marre. Inspired by Caribou's support of the Coffee Care R10 program.





# COFFEE FOR CLIMATE

**Because of our intrinsic connection to coffee—a crop that depends on specific conditions for cultivation and quality—Caribou recognizes the importance of environmental sustainability.**

We're keenly aware of the environmental challenges that define our time, including climate change, resource scarcity, and waste, and are eager to do our part to help address these issues and mitigate our impact.

## Making progress on our climate roadmap

After completing our first corporate carbon footprint for 2021, we drafted a set of science-based targets. Using these potential targets we then created a climate roadmap to dive deeper into our emissions data and explore future actions to reduce emissions. This initiative is a foundational step toward building a successful climate strategy that will inform the long-term sustainability of our business.



We completed a second GHG emissions inventory in 2023, capturing data from our entire value chain to update our carbon footprint. This analysis revealed that the majority of our emissions—Scope 3 emissions—stem from our supply chain, notably from green coffee production, dairy products, upstream transport, and our franchise operations. These indirect emissions significantly surpass our direct operational emissions (Scope 1 and Scope 2).

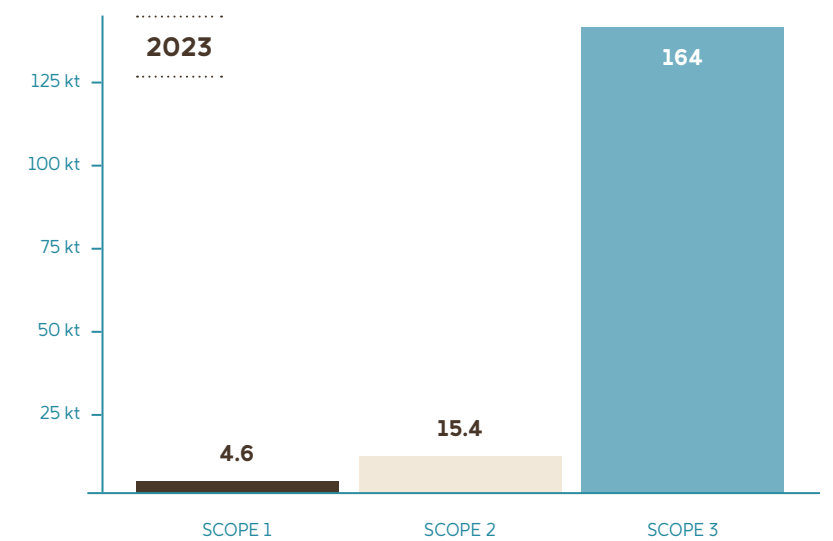
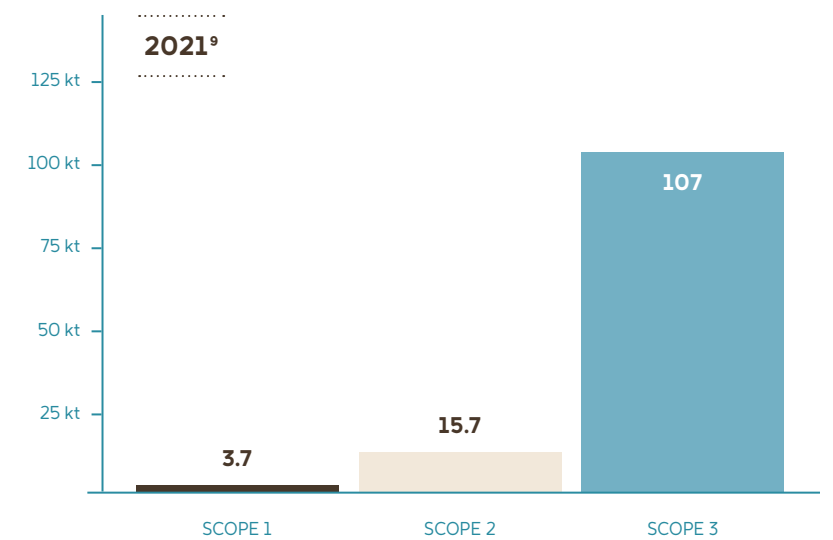
In 2023, our corporate carbon footprint saw a 46% increase compared to 2021. This rise was primarily due to expanded operations after completing our first comprehensive GHG inventory, including additional stores and increased purchasing of goods. We also adopted more consistent assumptions for Scope 3 data, benefiting from additional and more accurate data collection. As is common with GHG emission inventories, our methodology for data gathering has become more refined, allowing for greater granularity. Updates to the emission factor database versions since 2021 have prompted some changes in our methodology. Caribou remains committed to continually improving our data precision in future assessments.

Using the insights from our roadmap, we have identified opportunities for emissions reduction through enhancing energy efficiency across our operations, increasing the use of renewable energy sources, optimizing our supply chain, and considering innovative options for the production and procurement of green coffee and food and beverage menu items. Armed with this information, we are better equipped to drive business efficiencies and make more sustainable choices to help reduce our environmental impact and mitigate business risks.

<sup>8</sup> kt = 1,000 metric tons = 1,000,000 kg

<sup>9</sup> Caribou did not conduct a carbon footprint assessment for 2022, focusing instead on preparing for the comprehensive 2023 inventory.

## OUR CARBON FOOTPRINT (KT<sup>8</sup> CO<sub>2</sub>E)







## OPERATIONAL SUSTAINABILITY

**Sustainability has always been at the heart of Caribou's operations, influencing our teams to take small actions that lead to bigger, more positive impact.**

Burlap bags, historically used for transporting green coffee beans, are now repurposed for community projects and internal operations, extending their usefulness. In our roastery, when coffee is roasted and the outer skin of the bean breaks off, a material called chaff is discarded. We collect this chaff and send it out weekly to be composted. Similarly, recycling cardboard is a standard practice across our coffeehouses, which has decreased the volume of waste we send to landfills.

SUSTAINABILITY  
AT THE HEART  
OF CARIBOU







# BUILDING FOR SUSTAINABILITY

At Caribou, we integrate sustainability into several aspects of our coffeehouses, including their construction.



We advanced this approach in 2023 through the following initiatives:

### Upcycling construction

We began exploring the use of upcycled shipping containers as part of our store design. This initiative would repurpose containers into the inviting spaces that define our coffeehouse experience, showcasing our commitment to promoting creative and sustainable building practices.

### Efficient lighting

We introduced energy-efficient lighting across many of our locations in 2023. This initiative was aimed at significantly reducing our energy consumption while maintaining the ambience our guests love.

### Drive-thru only prototype

In 2019, Caribou Coffee launched a drive-thru only coffeehouse concept, with 67 locations by the end of 2023 (company and franchise-owned). Our drive-thru only coffeehouses take advantage of sustainability in multiple categories, such as energy efficiency, water use, and sustainable materials. Innovations include tankless water heaters, which reduce gas consumption, and LED lighting, which uses much less energy and has an extended lifespan. We also use low-flow faucets to reduce water usage and have installed systems that minimize water runoff, reducing the risk of pollutants.

### Sustainable materials

We prioritize sustainable and regenerative materials in our construction process, such as recycled content for building materials and 100% recyclable stainless steel countertops to minimize environmental impacts.

### Energy management systems

Our drive-thru only locations feature advanced energy management systems that monitor and regulate heating, ventilation, air conditioning, lighting, and water temperature, optimizing efficiency and utility cost savings while nearly eliminating equipment downtime.



## GLOBAL COFFEEHOUSE *Sustainability*



With a focus on reducing our environmental footprint as we grow, Caribou Coffee’s franchise partners are focused on driving sustainability across the brand’s coffeehouse footprint in the Middle East, North Africa, and Turkey. In the United Arab Emirates, our franchise partners have embraced innovative packaging solutions by introducing plant-based straws, biodegradable plastics, and cups with recycled content, significantly cutting down on waste and setting a new standard for our industry in the region.

Our franchise partners’ efforts don’t stop at packaging. They’re also lowering emissions by improving operational efficiency—from revamping delivery routes to reducing travel needs—making proof of our commitment to actionable change. As the Caribou Coffee brand reaches more communities, we remain dedicated to impactful collaboration, learnings, and partnerships that will collectively drive us toward a more sustainable future.

TOGETHER WE



CREATE DAY-MAKING

EXPERIENCES THAT

SPARK CHAIN

REACTIONS OF GOOD