

# **BOLDLY EMBRACING CHANGE**

**2021 RESPONSIBILITY REPORT**

**Panera**  
BREAD®



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# A NOTE FROM NIREN



Dear Friends,

Throughout my 30 years in the global hospitality and food retail businesses, I have always been drawn to category-leading brands that disrupt and lead in service of their core beliefs and values. Brands that relentlessly strive to do better and to be better. That is why I feel deeply privileged to serve as the CEO of Panera Bread, a brand committed to being a force multiplier for good.

Our mission and purpose is “One Panera for a Healthier and Happier World.” “One Panera” with our entire team united around our mission and vision. “Healthier” because of our commitment to high-quality ingredients and our bold impact agenda. And “Happier” as we bring joy to our guests through elevated eating experiences.

This year we translated our mission and purpose into our brand essence, dare to live generously. We want our brand to serve as a badge for those who believe that living generously is an energizing way of life. That meals are meant to be savored for both how they taste and how they make you feel. And that comfort and community go hand-in-hand, extending generosity to our communities and the planet. We translate this simply as generous to self, to others and to the planet. This ethos helps bring to life the positive impact we can make when we act in service of one another, especially during challenging times.

With supply chain challenges and labor shortages, inequity in our communities, the ongoing financial and humanitarian impacts of the global pandemic and environmental issues driven by the climate crisis, 2021 was a turbulent year. While no one company can solve these problems alone, we acknowledge and embrace our responsibility to act in service of our associates, guests, communities, shareholders and the planet. In true Panera spirit, we met these challenges head on, and we refreshed our Environmental, Social and Governance (ESG) strategy and crafted new bold goals.



We began with our most important stakeholders: our associates. We believe that when our associates feel cared for, supported and respected, they will be equipped to delight our guests and serve our communities, in turn creating long term value for all our stakeholders. We launched new initiatives to strengthen our culture and build a more diverse and inclusive workplace, enhanced associate wages, benefits and training and invested in our bakery-cafe general managers as our #1 leaders. Following our 2020 launch of Diversity, Equity and Inclusion goals that set a clear path for progress, in 2021 we built our new flagship Panera Dream Project™, offering a leadership acceleration program for underserved talent.

Our approach to positive impact in our communities continued our legacy of serving those in need. Our Day-End Dough-Nation® program continued providing bread and baked goods to thousands of non-profits across the nation during a time when need is at unprecedented levels. Meeting the moment as vaccinations became widely available, we partnered with the White House Month of Action to encourage COVID-19 vaccination by offering free bagels to Panera guests who showed proof of vaccination.

Beyond our local communities, we recognize the impact we have on the planet, including our role in the global climate crisis. In 2021, we kept emissions below our 2022 target for a second year running, meeting our goal of reducing our direct emissions per square foot by 15% versus 2016 two years early. Given the urgency and gravity of the climate crisis, in October 2021 Panera announced our plan to become Climate Positive – removing more carbon from the atmosphere than we emit – by 2050. In addition, we announced our intent to make progress by 2025 with targets for renewable electricity, low carbon Cool Food Meals and packaging circularity.

As we continued to strengthen our impact agenda over the past several years, we have also grown and strengthened our business.

In the summer of 2021, we proudly joined the Panera Brands platform alongside Caribou Coffee® and Einstein Bros. Bagels®. Each of these exceptional businesses is a leader in its respective category.

Our three brands are united by shared values and our commitment to creating elevated eating experiences. We believe together we can leverage each other's strengths and competencies to have a positive impact on all our stakeholders: associates, guests, communities, shareholders and the planet.

This 2021 Responsibility Report reflects Panera Bread's progress toward achieving our mission and purpose as well as our social and environmental commitments. You will find more details on the topics outlined above as well as an overview of the ESG priorities of Caribou Coffee and Einstein Bros. Bagels in our appendix. We intend to transition our ESG reporting in future years to encompass the entire Panera Brands portfolio. We always welcome feedback and invite you to share your perspective on Panera's social and environmental priorities. You may contact us at [responsibility@panerabread.com](mailto:responsibility@panerabread.com).

This report reflects much more than status updates or a summary of initiatives. It also reflects our team's tenacity and dedication during a challenging year. In a year with major challenges for businesses in the food space, we stayed focused and remained committed to our mission and purpose. I am deeply proud of that. We know our efforts are ongoing as we work toward achieving our mission and purpose of contributing to a healthier, happier world. We are committed to seeing it through – because that is who we are and that is what we do.



**Niren Chaudhary (He/Him)**  
Chief Executive Officer  
Panera Bread and Panera Brands



# OUR COMPANY



## IN THIS SECTION

**OUR BUSINESS** >

**OUR TEAM** >

**OUR JOURNEY** >

**A CHAT WITH SARA BURNETT** >

Our first community bakery-cafe opened in Saint Louis in 1987, founded with a sourdough starter and a vision that great bread can impact the world. That idea was the spark that started it all. Since then, our business has grown, yet we still use that same sourdough starter and the craft of baking bread fresh each day remains at the heart of how we create elevated eating experiences – all day, every day – serving delicious food you feel great about eating.

The food we serve is freshly-prepared with Clean ingredients, inspired by chefs and bakers and delivered with distinctive Panera warmth. While our company has grown, our values, purpose and core beliefs remain as strong as ever, as does our commitment to our mission. With thousands of locations, we have an opportunity to positively impact our associates, our communities and the planet – an opportunity we enthusiastically embrace.



# OUR BUSINESS

Panera's first location opened in Kirkwood, Missouri as St. Louis Bread Company. Today we are headquartered in Saint Louis, Missouri with support centers in Oakbrook, Illinois and Newton, Massachusetts. Panera, LLC operates as both Panera Bread and regionally as St. Louis Bread Company. Panera Bread is part of **Panera Brands**, one of the largest fast-casual restaurant platforms in the U.S., composed of Panera Bread, Caribou Coffee and Einstein Bros. Bagels. For more information on corporate responsibility at Caribou and Einstein, please see [our Appendix](#).



## 18 FRESH DOUGH FACILITIES (FDFS)



## 2,133 BAKERY-CAFES

1,003 COMPANY-OWNED  
BAKERY-CAFES

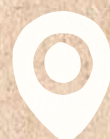
1,130 FRANCHISED  
BAKERY-CAFES



## 46.6M MYPANERA LOYALTY MEMBERS



## MORE THAN 385M TRANSACTIONS IN 2021



## BAKERY-CAFE LOCATIONS IN 48 STATES, THE DISTRICT OF COLUMBIA AND CANADA



## MORE THAN 53,000 ASSOCIATES IN COMPANY-OWNED OPERATIONS AND 50,500 FRANCHISE-EMPLOYED ASSOCIATES

As of December 31, 2021



# ABOUT THIS REPORT

This is our fifth Responsibility Report, covering certain ESG topics and activities in fiscal year 2021, between January 1, 2021 – December 31, 2021. This report covers activities by Panera, LLC (dba Panera Bread and also referred to in this report as Panera) U.S. company-owned operations and bakery-cafes, including discussions of management approach, programs and performance data. In some instances, the boundary is enlarged to include U.S. franchised locations including the following:

- ➔ Packaging data and references to our menu cover Panera Bread company-owned operations and franchised operations.
- ➔ Environmental performance data (GHG emissions, energy, water and waste); animal welfare data; references to ingredients, sourcing or our supply chain; or data related to guest transactions cover company-owned and franchised operations and cafes.
- ➔ Panera Bread Canadian locations are included in our cage-free egg commitment and reporting.

The report does not include data for Paradise Bakery and Cafe®, Au Bon Pain¹ except environmental data for a small number of remaining locations, Panera Brands, Caribou Coffee® or Einstein Bros. Bagels® locations or any international operations, except as noted previously. For more information about Caribou Coffee® and Einstein Bros. Bagels®, please see [our Appendix](#).

This Report was produced in accordance with the Global Reporting Initiative (GRI) Standards at the Core level. Additional disclosures can be found in our [2021 GRI Index](#). We conducted a materiality

assessment in 2019 and amended the assessment in 2021 to reflect our stakeholders' evolving priorities. For more on our materiality process, please view the [2017-2019 GRI Index](#).

This Report uses certain terms, including those that the GRI Standards refer to as “material” topics, to reflect the issues of greatest importance to Panera and our stakeholders. Used in this context, these terms are distinct from, and should not be confused with, the terms “material” and “materiality” as defined by or construed in accordance with securities law or as used in the context of financial statements and reporting. For the purposes of the initial climate-related risk assessment described in this report, material risks and opportunities ranking in the top 33 percent (rounded to the nearest whole number) of their respective category.

Panera is responsible for the preparation and integrity of the information in this report. All subject matter experts who contributed to the report, as well as company leadership, have reviewed and approved the report's content and data. The Board of Directors had the opportunity to review the report before publication. This report was not externally assured.

We welcome feedback on our responsibility efforts and this report. Please submit questions or feedback to [responsibility@panerabread.com](mailto:responsibility@panerabread.com).



# OUR TEAM

We are inspired by our mission and purpose – “One Panera for a Healthier and Happier World” – in everything we do. Living out this mission starts with our team, and we believe that if we first support and respect our associates, they will then deliver exceptional experiences for our guests and better serve our communities. The workplace culture we cultivate stems from this belief and is rooted in treating everyone with warmth, kindness and respect. We strive to create a workplace where our associates can learn, laugh, be supported, be themselves and achieve their goals.

We achieve this through:

- ➔ Our culture of warmth, rooted in our Guiding Values and Behaviors called The Panera Way
- ➔ Prioritizing health, safety and well-being, especially during the pandemic
- ➔ Our diversity, equity and inclusion (DE&I) efforts
- ➔ Clear pathways for growth from associate to General Manager
- ➔ Competitive benefits and compensation

Read more about how we care for our team in [Our Associates](#). We have published a standalone [DE&I report](#), further detailing the stories behind our work to improve representation across the company.

<sup>1</sup> Panera acquired Au Bon Pain in 2017 and sold the majority of the Au Bon Pain locations in mid-2021. Panera has retained ownership of a limited number of locations for conversion to Panera Bread bakery-cafes.



# OUR JOURNEY

1987

Opened first location in Kirkwood, MO.

2004

Chicken raised without antibiotics debuted on our menu.

2007

Artificial trans fats were removed from our food.

2010

Became first national restaurant company to post calorie information on menu boards.



2015

**NOVEMBER**

Continued focus on animal welfare with commitment to transition to cage-free eggs.

**MAY**

Published our No No List, listing all artificial ingredients you won't find in our **Clean** ingredient statements.

**DECEMBER**

Announced commitment to reduce confinement for pigs.

2014

**JUNE**

Published our Food Policy and began our transition to Clean ingredients.





## OUR JOURNEY CONTINUED

2016

### AUGUST

Announced our Kids Meal Promise, pledging tasty, wholesome and **Clean** options for kids.

2017

### JANUARY

Achieved our **Clean food** goal.

### MARCH

Became first national restaurant to post added sugar at the point of pour for self-serve beverage.

2018

### OCTOBER

Launched **Food Interrupted**, an Emmy-nominated digital series highlighting serious challenges within our food system.



2022

### MARCH

Launched Panera Bread Foundation to support children and youth in our communities.

### JANUARY

Launched the Panera Dream Project™, a leadership acceleration program for underserved talent.

### OCTOBER

Became first national restaurant chain to set target to become Climate Positive by 2050.

2021

### AUGUST

Formed Panera Brands portfolio bringing together Panera Bread, Caribou Coffee and Einstein Bros. Bagels.

### MARCH

Set bold DE&I goals for women and Black, Indigenous, or People of Color (BIPOC) associates.

2020

### OCTOBER

Became first restaurant to partner with the World Resources Institute (WRI) to label low carbon Cool Food Meals.





**Sara Burnett,**  
Vice President of Food Beliefs,  
Sustainability and Public Relations  
at Panera Bread

# A CHAT WITH SARA BURNETT

Sara joined Panera Bread in June 2005 as a food scientist on our Quality Assurance team, helping to launch our program to serve meats raised without antibiotics. Over the 17 years that followed, her career at Panera grew, bringing her, in 2020, to Vice President of Food Beliefs, Sustainability and PR, a role that also encompasses our philanthropic work and is part of our Brand and Concept team. She spoke with us about Panera's approach to sustainability.

## Q: Why has Panera made sustainability central to its strategy?

Ever since Panera was founded, we have acknowledged that our impact extends well beyond the soup we ladle into the bowl. We recognize that Panera exists in service of people, communities and our planet. ESG began at Panera with Day-End Dough-Nation® in our first bakery-cafe in Kirkwood, MO and continues today as we invest across our value chain from our associates' well-being to our bold climate goals. We believe that by acting in service of all our stakeholders, we will not only have a positive impact on those stakeholders but also grow our business.

## Q: What was your proudest ESG achievement in 2021?

We recognize that our planet is not simply experiencing climate change but rather that we are in a climate crisis. In response, we boldly committed to become Climate Positive by 2050, removing more carbon than we emit. A 2050 goal doesn't mean we are waiting until 2049 to start work. We have been measuring and working to reduce our impact since 2016 and achieved our most recent

climate target, 15 percent reduction in our emissions intensity from direct operations by 2021 compared to 2016, two years early. To hold ourselves accountable in the short term, we set three additional **interim targets** as we prepare our longer-term roadmap.

## Q: How is ESG evolving at Panera Bread?

We have a long history of transparency with actions like being the first to label calories on menu or added sugar on self-serve beverages. We are committed to our plans to report on ESG annually but are also looking for ways to provide more detailed and actionable information for all our stakeholders. For example, we just completed our first Task Force on Climate-related Financial Disclosures (TCFD) risk assessment, which is reflected in this year's report.

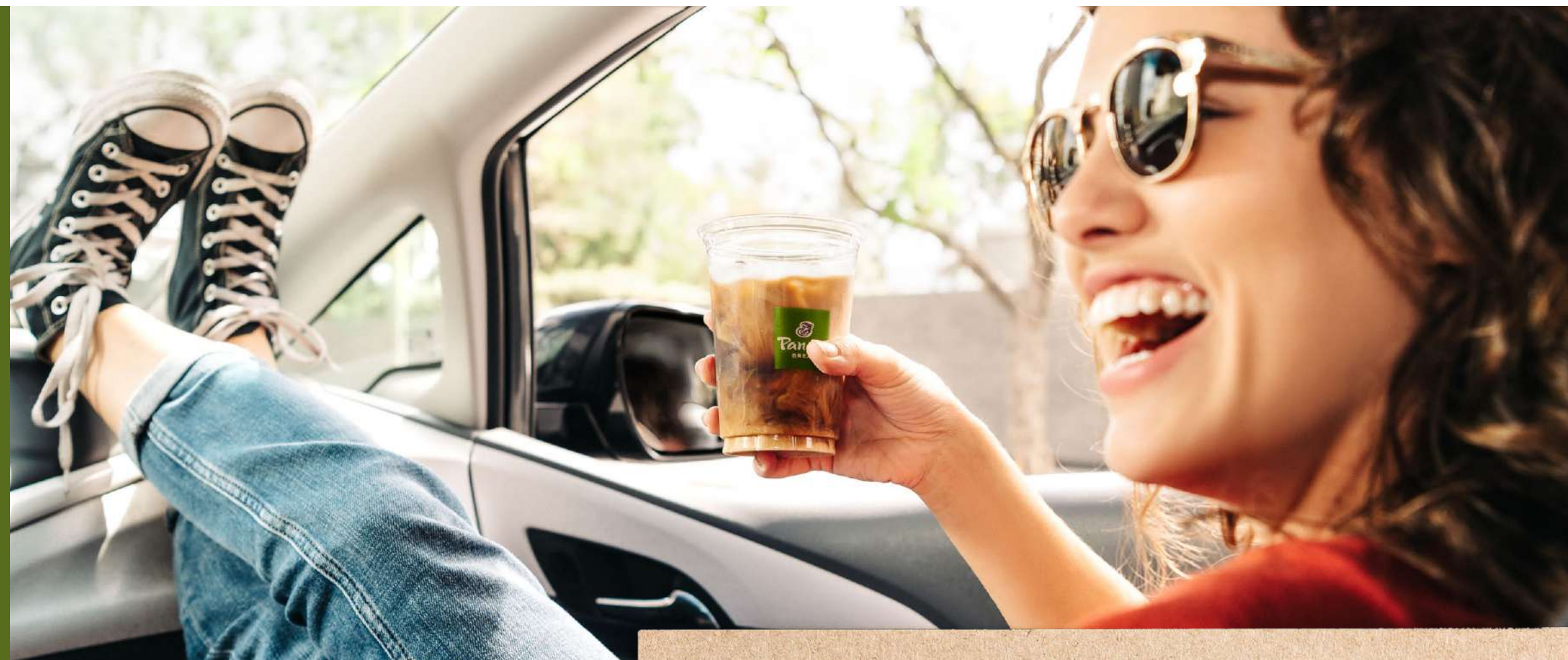
## Q: What are your ESG priorities for 2022 and beyond?

Rooted in our desire to have the greatest impact, we are committed to being champions for **Clean** eating, advocates for responsibly raised proteins, allies for a Climate Positive future and continuing to build a more diverse, equitable and inclusive Panera.

## Q: What's your favorite Cool Food Meal on the menu and why?

My favorite is the Baja Grain Bowl. This bowl has bright flavor from the salsa verde that is perfectly balanced with fresh, creamy avocado and is hearty and filling. I order the Baja Grain Bowl without chicken and customize to add extra black bean and corn salsa.





# OUR STRATEGY

Our ESG strategy is a natural extension of our mission, “One Panera for a Healthier and Happier World.” “Healthier” signifies our commitment to our bold impact agenda. “Happier” means we aim to bring joy to our guests through elevated eating experiences. Our sustainability team develops and executes our strategy based on our material topics, engagement with stakeholders, business priorities and external factors, with oversight from our Board of Directors. We consider impacts across our value chain, from growing ingredients to operating our FDFs and serving our guests.

## IN THIS SECTION

**ALIGNING WITH THE SUSTAINABLE  
DEVELOPMENT GOALS** ➤

**OUR ESG COMMITMENTS** ➤

**OUR MATERIAL TOPICS  
AND STAKEHOLDER ENGAGEMENT** ➤



# ALIGNING WITH THE SUSTAINABLE DEVELOPMENT GOALS

The **17 Sustainable Development Goals (SDGs)**, created by the United Nations in 2015, provide a shared blueprint for global development. We support the SDG agenda and aim to align our business with the goals most closely related to our impact areas. We keep the SDGs in mind when determining our short- and long-term **ESG commitments**, including our goal of becoming Climate Positive by 2050. Below are the SDGs that map to our goals and summaries of our high-level approach to each.



SUSTAINABLE DEVELOPMENT GOAL	OUR IMPACT	SUSTAINABLE DEVELOPMENT GOAL	OUR IMPACT
<b>2 ZERO HUNGER</b> 	<ul style="list-style-type: none"><li>We donate unsold bread and baked goods through our Day-End Dough-Nation® program at bakery-cafes across the nation to local non-profit organizations.</li><li>In 2021, we partnered with the Urban League of Metropolitan St. Louis to open the Panera Pantry, providing food items including fresh produce and bread from the bakery-cafes to community members in need.</li></ul>	<b>10 REDUCED INEQUALITIES</b> 	<ul style="list-style-type: none"><li>We have set goals for diverse representation in leadership, and we provide <b>pathways</b> to leadership for underrepresented groups.</li><li>We support numerous non-profits with in-kind and financial donations.</li><li>The Panera Bread Foundation's<sup>1</sup> mission is to support and strengthen our communities by investing in underserved and at-risk children and youth.</li></ul>
<b>7 AFFORDABLE AND CLEAN ENERGY</b> 	<ul style="list-style-type: none"><li>We have a goal to source green, renewable energy for at least 50 percent of our company-owned operations by the end of 2025.</li><li>We invest in energy efficiency improvements like LED lightbulbs, high-efficiency HVAC and systems and kitchen equipment.</li></ul>	<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> 	<ul style="list-style-type: none"><li>We make efforts to source ingredients responsibly, especially animal products, and reduce waste through food donation and through composting where required.</li></ul>
<b>8 DECENT WORK AND ECONOMIC GROWTH</b> 	<ul style="list-style-type: none"><li>We and our franchisees employ over 100,000 associates across our retail and corporate operations and strive to provide competitive wages and pathways for career growth.</li></ul>	<b>13 CLIMATE ACTION</b> 	<ul style="list-style-type: none"><li>We have adopted certain energy efficient design practices in our stores, like LED lighting.</li><li>We increase the fuel efficiency of our fleet through route optimization, avoiding empty truckloads and improving truck space utilization.</li></ul>

<sup>1</sup> The Panera Bread Foundation, Inc. is a public charity and exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).



# OUR ESG COMMITMENTS

We have set the following targets to make progress toward achieving our sustainability vision.<sup>1</sup>  
Please see our [Appendix](#) for complete details.

TOPIC	COMMITMENT	2021 PROGRESS as of end of year
FOOD BELIEFS <sup>2</sup>	100% of eggs sourced are cage-free by the end of 2025.	71%
	100% of poultry sourced is raised without antibiotics. <sup>3</sup>	Achieved
	100% of pork products are sourced from pigs raised without antibiotics <sup>3</sup> , vegetarian-fed and pregnant sows are raised in group housing.	Achieved
	Our bakery-cafe food is Clean, as defined by our <a href="#">No No List</a> .	Achieved

TOPIC	COMMITMENT	2021 PROGRESS as of end of year
CLIMATE	Become Climate Positive by 2050. <ul style="list-style-type: none"><li>Remove more carbon than we emit</li><li>Publicly committed to set a Science Based Target by 2023</li></ul>	Committed via <a href="#">SBTi</a> to set a Science Based Target (SBT).
	60% of bakery-cafe entrees are low carbon Cool Food Meals by the end of 2025.	55%
	50% of electricity used by company-owned operations is renewable by the end of 2025.	In progress
	100% of packaging is circular (reusable, recyclable and compostable) by the end of 2025.	70%
DIVERSITY, EQUITY AND INCLUSION	50% of people in Director and above management roles are women by the end of 2023.	36.6%
	30% of people in Director and above management roles are BIPOC by the end of 2026.	13.6%
WASTE	100% of company-owned bakery-cafes have established a recycling program by end of 2021.	50%
PHILANTHROPY	Donate unsold bread and baked goods from company-owned cafes each evening.	3,433 non-profit partners nationwide

<sup>1</sup> By committing to a goal (“goal”, “target”, “commitment”) we intend to seriously pursue that goal, but external or internal events or conditions may occur which prevent us from reasonably achieving that goal or within that time. We may also reevaluate our commitments from time to time.

<sup>2</sup> From time to time, external factors such as supply chain disruptions or product recalls may require us to use conventional products or ingredients.

<sup>3</sup> This applies to proteins used in salads, sandwiches, flatbread pizzas and warm bowls in U.S. company-owned and franchised operations.



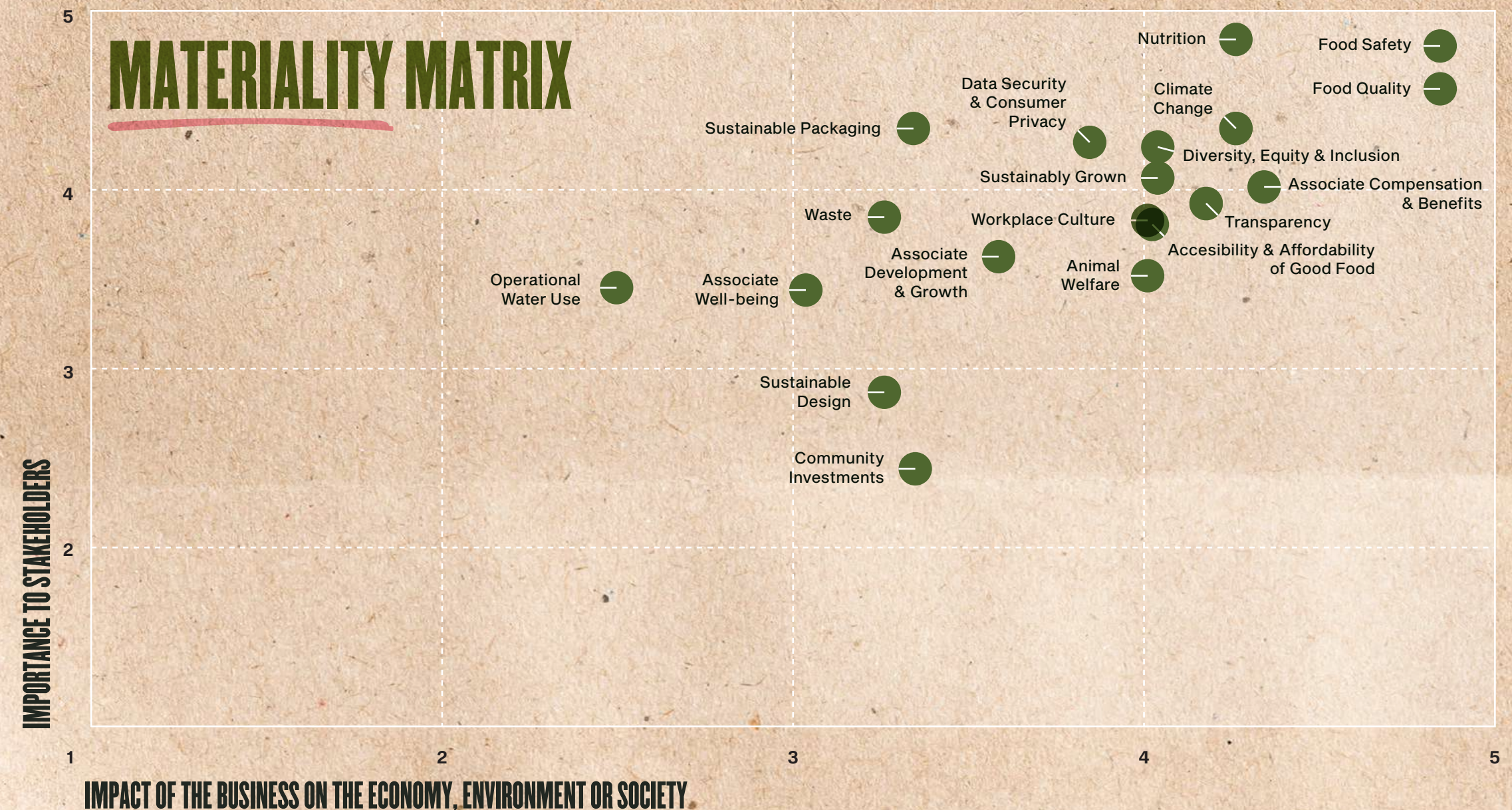
# OUR MATERIAL TOPICS AND STAKEHOLDER ENGAGEMENT

Using the GRI reporting framework, we conducted a **materiality assessment** in 2019 to identify the most salient ESG issues to Panera Bread and our stakeholders. We identified a list of 20 topics and 90 sub-topics through an analysis of our business priorities and key risks. This list was narrowed and ranked via feedback provided through interviews with 30 internal and external stakeholders, including senior leaders and subject matter experts. In 2021, we re-interviewed key stakeholders to validate the materiality assessment. Adjustments were made to increase prioritization of climate and DE&I.

We regularly communicate with a wide variety of stakeholders to solicit feedback on our practices. We connect with stakeholders through surveys, email, social media posts, webinars, meetings, workshops, field visits and more.

## Our key stakeholder groups include:

- Associates
- Guests
- Franchisees
- Local Communities (includes local and national charities)
- Suppliers
- Investors
- Industry Associations
- Experts and influencers (i.e., NGOs, universities, experts)
- Media





# OUR FOOD

## IN THIS SECTION

**CLEAN, WHOLESOME FOODS >**

**SELECTIVE SOURCING >**

**RESPONSIBLY RAISED >**

**PRODUCT DEVELOPMENT & INNOVATION >**

**FOOD SAFETY & QUALITY >**

At Panera our chefs and bakers create delicious dishes to delight the senses. Because we believe life should be savored and food well-flavored, our food strategy is rooted in delivering food and beverages that our guests crave and feel great about eating. Our U.S. food menus feature freshly prepared items that are crafted with high quality, Clean ingredients by our expert chefs and bakers.

Our approach to food takes into consideration its impact on our guests, associates, supply partners and the planet. This approach is guided by a set of principles we call our Food Beliefs. Using our Food Beliefs as a compass, we seek to provide meals that we are proud to serve to our own families – wholesome, delicious food made with high quality, select, fresh ingredients.



# CLEAN, WHOLESDOME FOODS

COMMITMENT	2021 PROGRESS as of end of year
All our bakery-cafe ingredients and Panera Bread grocery products are Clean, as defined by our No No list.	<b>Achieved</b>

We are committed to serving food that is Clean for all our U.S. bakery-cafe food and grocery products. At Panera, Clean describes food that does not contain the artificial preservatives, sweeteners, flavors and colors from artificial sources that are detailed on our **No No List**. This list of items that are not found in our pantry covers over 96 ingredients and additives, including ingredients such as high fructose corn syrup, artificial smoke flavor, sodium benzoate and certified FD&C colors. The full list of precluded ingredients, collectively known as our No No List, was crafted to support our belief that simpler food tastes better. Ultimately, serving Clean food allows our guests to choose food they can feel good about eating.

Maintaining our supply of high-quality, wholesome ingredients depends on the health of our planet. Read more about our commitment to reducing our environmental impact and our Cool Food Meals in **Our Environment**.

In addition to using high-quality, Clean ingredients, we have long been committed to nutrition and ingredient transparency. Since 2005, we have provided full nutrition, ingredient and allergen information to help our guests feel confident in their choice. As more guests access our menu online, the same information is available in our

digital properties. Additionally, nutrition information automatically updates on the app and on our website when guests customize their orders. Our nutrition team is continuously evaluating our ingredients and recipes, including carrying out lab analyses of our ingredients to ensure we are providing the most accurate information to our guests.





# SELECTIVE SOURCING

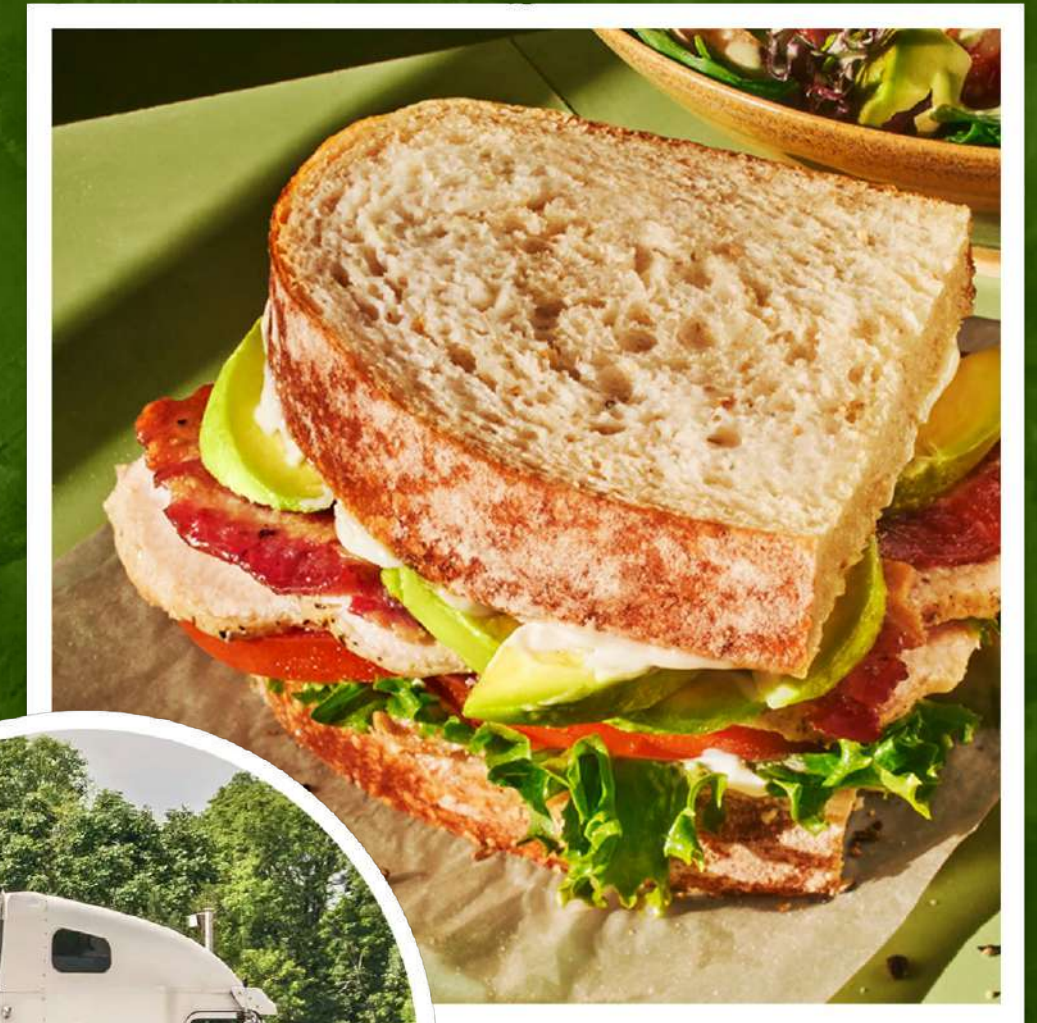
We know that freshly prepared meals begin with select, seasonal and high-quality ingredients, from farms in North America whenever possible. For example, all our romaine lettuce and eggs come from North America and our spring wheat, a key ingredient in our bread, comes from the Northern U.S. and Canada. Before we begin business with a supplier, we require compliance with our **Supplier Code of Conduct**, which outlines our expectations of suppliers regarding human rights, environmental practices and more.

Over the past two years, we have evolved our approach to sourcing by creating a strategic program called Spend Smarter that aims to make sourcing an enabler for growth at Panera. Spend Smarter is designed to expand sourcing decisions to include other functional teams beyond finance and supply chain to find the right suppliers for the right products and to increase quality while finding efficiencies. We believe these efforts increase resiliency among our diverse supplier network to flexibly respond to business needs and external pressures. The program has already provided sustainability benefits through improved efficiencies such as **optimizing pack sizes** to reduce waste. As the program develops, we are working to add sustainability criteria to our supplier selection process and our new product scorecard.

We recognize that our freshly prepared meals are only as good as the freshness of our ingredients, especially items like strawberries, tomatoes and fresh herbs such as cilantro and basil. As part of Spend Smarter, we reviewed our produce supply chain to optimize our partner network, product specifications and pack sizes. Through this process we were able to increase quality, decrease waste and deliver economic efficiency for the business.

In 2021, our sourcing team focused on addressing volatility in the global supply chain. Since most of our ingredients are sourced domestically, Panera's supply chain challenges stemmed mostly from labor shortages at our suppliers' locations. Global shipping of packaging products and certain imported ingredients were affected as well but to a lesser degree. We have nevertheless maintained our selective sourcing for quality and are steadfast in our commitments. Volatility will continue to require innovative and flexible approaches to supply chain management.

To continue to meet our commitments to animal welfare despite supply chain volatility and the limited number of suppliers meeting such high standards, we are working directly with suppliers to grow their capabilities. For example, we only source raised without antibiotics pork products from supply chains with group housing for pregnant sows. Only roughly five percent of pork in the market meets this standard, making this ingredient particularly susceptible to unstable market conditions. When supply was unavailable for a period in 2021, we temporarily removed select menu items with bacon to remain in adherence with our standards.





# RESPONSIBLY RAISED

COMMITMENT <sup>1</sup>	2021 PROGRESS as of end of year
100% of eggs sourced are cage-free by the end of 2025.	71%
100% of poultry sourced is raised without antibiotics. <sup>2</sup>	<b>Achieved</b>
100% of pork products are sourced from farms where pigs are raised without antibiotics <sup>2</sup> , vegetarian-fed and pregnant sows are raised in group housing.	<b>Achieved</b>
100% of steak products sourced are grass-fed and pasture-raised, and raised with judicious use of antibiotics. <sup>2</sup>	<b>Achieved</b>
<sup>1</sup> From time to time, certain external factors such as foodborne illness outbreaks, supply chain disruptions or product recalls may require us to use conventional products or ingredients.	
<sup>2</sup> Proteins used in salads, sandwiches, Flatbread Pizzas and Warm Bowls in U.S. company-owned and franchised operations.	

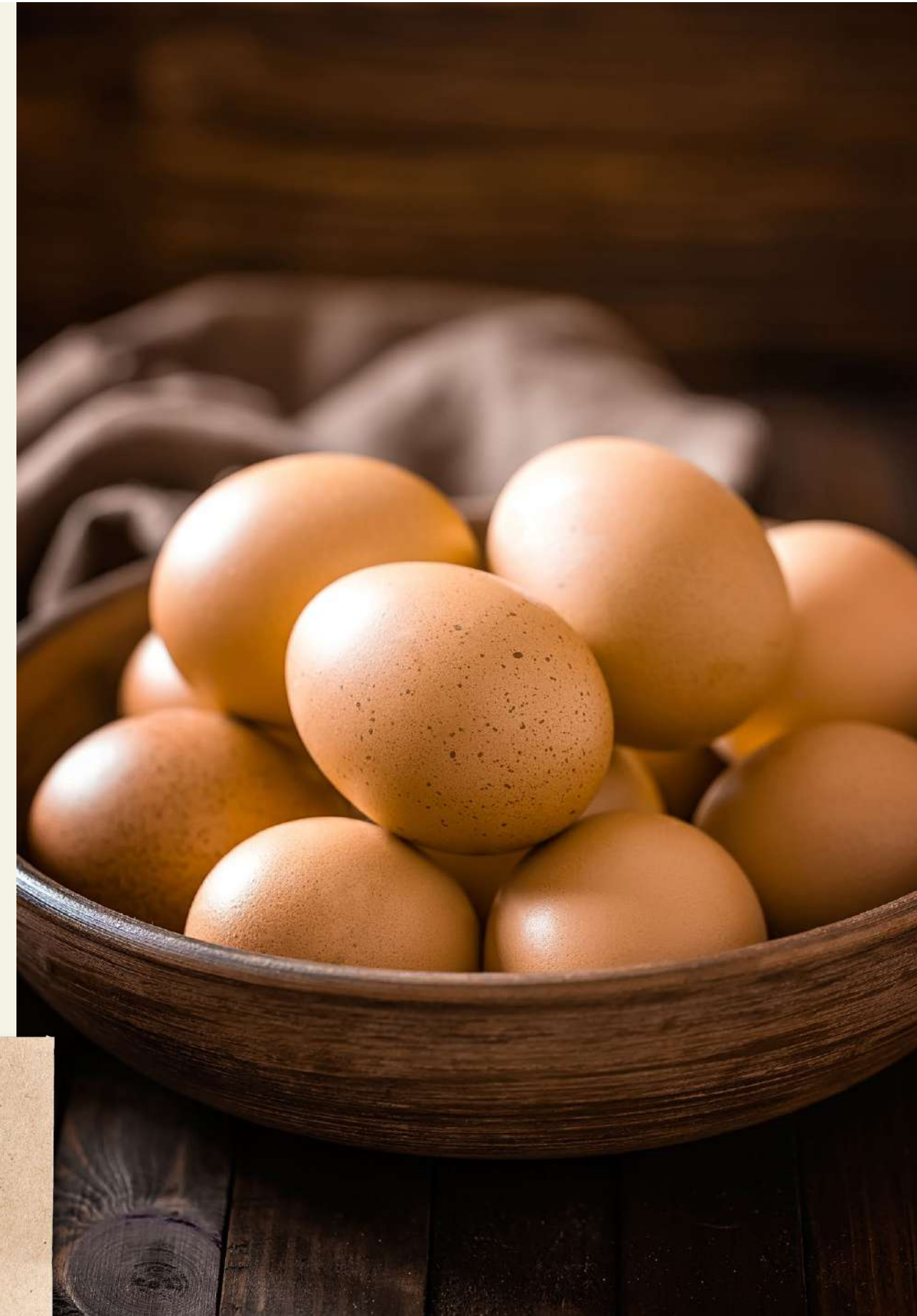
We have long believed in and pursued high standards in animal welfare when selecting suppliers for our animal proteins. Our **animal welfare beliefs** outline our standards on humane husbandry, as defined by the UK Farm Animal Welfare Committee's Five Freedoms:

- 01. Freedom from hunger or thirst** through ready access to fresh water and a diet to maintain full health and vigor.
- 02. Freedom from discomfort** by providing an appropriate environment, including shelter and a comfortable resting area.
- 03. Freedom from pain, injury or disease** through prevention or rapid diagnosis and treatment.
- 04. Freedom to express normal behavior** by providing sufficient space, proper facilities and company of the animal's own kind.
- 05. Freedom from fear and distress** by ensuring conditions and treatment that avoid mental suffering.

In 2021, 100 percent of the turkey, chicken, pork and steak served in our U.S. bakery-cafes for all our sandwiches, salads, warm bowls and flatbreads met our animal welfare requirements. This means chicken, turkey and pork raised without antibiotics; grass-fed and pasture raised steak; and sows raised in group housing once pregnancy is confirmed. We believe these practices are not only better for the animals, but also result in better tasting ingredients.

A-

**Our rating among restaurants included in NRDC's Sixth Chain Reaction Scorecard (2021).**





## OUR 2021 ANIMAL WELFARE PROGRESS UPDATE

### TOTAL SOURCED AS OF END OF YEAR



**100 % OF POULTRY** RAISED WITHOUT ANTIBIOTICS<sup>1</sup>

**42M POUNDS**



**71 % OF EGGS CAGE-FREE**<sup>2,3</sup>

**150M EGGS**



**100 % OF PORK** RAISED WITHOUT ANTIBIOTICS, VEGETARIAN-FED, AND SOWS PROVIDED WITH GROUP HOUSING ONCE PREGNANCY IS CONFIRMED<sup>1</sup>

**6.11M POUNDS**



**100 % OF STEAK** GRASS-FED, GRASS-FINISHED AND PASTURE RAISED<sup>1</sup>

**4.17M POUNDS**

<sup>1</sup> Figures refer to chicken, pork and steak primary proteins used in salads, sandwiches, Flatbread Pizzas and Warm Bowls in U.S. company-owned and franchised operations.

<sup>2</sup> One-hundred percent of primary egg supply was cage-free in 2021. The 71 percent figure covers primary and secondary supply.

<sup>3</sup> In late 2021, temporary supply chain disruption of cage-free eggs meant that, for a limited amount of time, select distribution centers in our network, and the Panera bakery-cafes they supply, had to revert to conventional supply for primary eggs. As of Dec. 31, 2021, they have all been switched back to cage-free eggs again.

## CAGE-FREE EGGS

In June 2021, we completed our transition to sourcing 100 percent of our primary supply of eggs (used in our salads, warm bowls and sandwiches) from cage-free sources.<sup>2</sup> Primary egg supply accounts for 71 percent of our total egg sourcing in the U.S. We remain committed to sourcing 100% cage-free eggs across all products by the end of 2025. Secondary supply includes eggs used as an ingredient in foods such as our baked goods and salad dressings. To accelerate this transition, we are targeting cage-free egg conversion of at least two ingredient categories per year in 2023, 2024 and 2025. For additional information on egg products, see our [Appendix](#).

## BROILER CHICKEN WELFARE

Chicken is Panera's most commonly ordered protein. We engage producers around the country to promote improved welfare for broiler<sup>3</sup> chickens, including enriching housing with lighting and materials to encourage natural behaviors, as part of our commitment to have a positive impact on the food system and enhance welfare practices for chickens. Our target is to make progress towards the G.A.P Better Chicken Project's requirements for environment, stocking density, and humane slaughter by 2024, and to source only higher welfare breeds by 2026. However, we recognize that these are significant and complex changes that will require us to partner with animal welfare experts, producers, growers, competitors and other market participants to identify economically viable and sustainable models to reach these targets. Therefore, in 2021, we became one of the founding members in the U.S. Working Group for Broiler Welfare, a project of Compassion in World Farming, to explore ways to transition our supply chain. We plan to report annually on our progress towards these targets. [See 2021 data here.](#)



# PRODUCT DEVELOPMENT & INNOVATION

## FOOD INNOVATION

Our culture of creativity and innovation has led to our menu of delicious, exciting, inspired food. While we are known for our familiar lunchtime classics like soup, salads and sandwiches, our chefs and bakers continue to develop new innovations and in 2021 developed a product pipeline of over 100 new recipes. Our culinary team starts with the high-quality, seasonal ingredients from our pantry and adds our own Panera twist to each recipe. We keep four key Culinary Beliefs in mind during product development:

- **The Familiar, Made Fantastic™**
- **Inspired by the Seasons**
- **Uniquely Panera**
- **Bread as Our Superpower**

In 2021, we added several new menu items including our new Four Cheese, Pepperoni and Sausage and Pepperoni Flatbread Pizzas, Teriyaki Chicken Bowl and Grilled Mac & Cheese Sandwich.

As more of our guests ask for plant-based options, we work to develop more menu items that are vegan, vegetarian or can be easily customized to be so. In 2021, we piloted a California Goddess Flatbread Pizza – a new vegetable pizza with our signature Green Goddess dressing – and a Teriyaki Portobello Bowl – a hearty mushroom and grain Warm Bowl – in ten locations. We expect to refine and launch plant-based items nationally in the coming years. Today, our meals are designed to enable customization to empower guests to choose the proteins that meet their personal dietary and lifestyle needs. Currently, 60 percent of our menu items can be customized to be vegetarian or vegan. Our digital properties, such as our Panera Bread app, facilitate easy ingredient swaps like trading out chicken on a salad for fresh avocado.

## TECH POWERED MENUS

We strive to provide our guests with a transparent, easy and frictionless experience whether they're ordering in the bakery-cafe or through our digital properties like our app, website or in-cafe digital kiosks. We continuously invest in digital tools and services to reduce friction for our guests, including improving accuracy and reducing wait times while enabling and empowering guests to personalize their orders. In 2021, we introduced a new guest-facing enhancement to our digital suite of tools every week of the year. By the end of 2021, 46 percent of our orders were placed using one of our digital platforms.

One new innovation, Digital Recovery, allows guests to flag a specific issue with a recent order directly in the app or on the web, such as a missing or incorrect item. This notifies bakery-cafe associates so they work to remedy the situation promptly. Digital Recovery helps us provide excellent guest service, which in turn helps us retain guests.

# NEW DIGITAL FEATURES ROLLED OUT IN 2021

- Text message updates to show order status
- Digitally-enabled drive-thru with contactless payment
- Search capabilities so guests can filter the menu by their diet and lifestyle preferences
- Personalization of services, such as the option to reorder a favorite item
- A cutlery opt-out feature, allowing guests to decline plastic cutlery and reduce **waste**



## EXPANDING VALUE OPTIONS

In addition to developing menu items our guests crave, our food and menu innovation teams also consider ways to provide guests with more cost-efficient ways to enjoy their Panera favorites. We continue to offer our Value Duets, which are menu pairings, like Grilled Cheese and Creamy Tomato soup, at a lower price. We also offer value-friendly Family Feast meals for breakfast, lunch and dinner which offer hearty bundles of menu items perfect for families and groups. In 2020, we launched our MyPanera+ Coffee Subscription, a unique offering in the market providing disruptive value. In 2021, we tested expanding that subscription to include all self-serve beverages and, in 2022, launched the Unlimited Sip Club nationwide for only \$10.99 a month (plus tax).

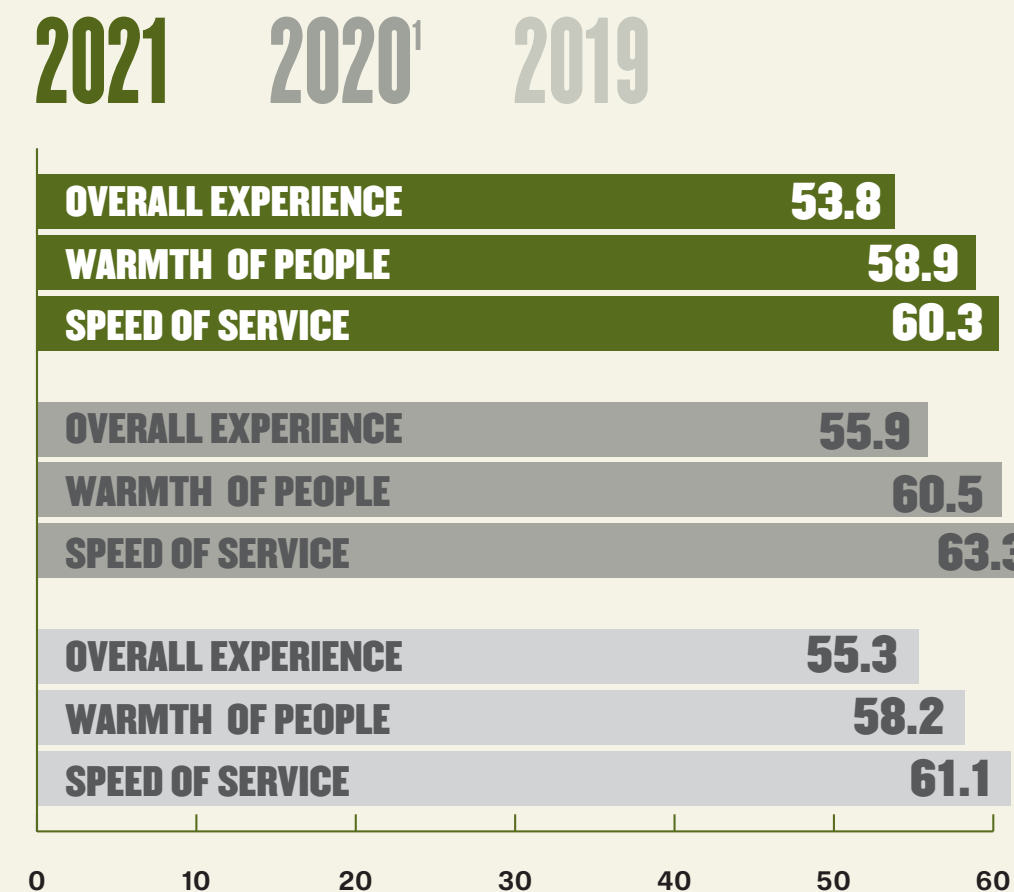
## GUEST EXPERIENCE

We seek to maintain trust with our guests by listening to their feedback and responding to their needs. We solicit guest feedback shortly after their transaction has been completed to understand what guests are enjoying and areas for improvement. This feedback is synthesized into a rating called our Cafe Health score. We aim to receive a perfect five out of five score from at least 60 percent of our guests.

In 2021, we heard directly from guests about their appreciation for our Curbside, Rapid Pick-Up® and Drive-Thru services, which allowed them to continue enjoying Panera while practicing social distancing. On delivery, we expanded our partnership with DoorDash® to widen our delivery radius and serve more guests. During the first full year of the pandemic, guest experience was impacted by reduced cafe hours, longer than usual waits and product shortages

due to supply chain instability and labor shortages. Despite these issues, we performed better than the industry average on guest satisfaction<sup>2</sup>, as measured through our Cafe Health Score, though our numbers did decline versus 2020. We addressed these issues in part by prioritizing retention and recruitment of cafe associates and stabilizing our supply chain by diversifying our supplier base. By the end of the year, our Cafe Health scores began to recover, setting us up for a strong start in 2022.

## CAFE HEALTH SCORES



<sup>1</sup> 2020 data excludes Q2 because we temporarily paused Cafe Health scoring after the start of the pandemic and did not restart it until the beginning of Q3.

<sup>2</sup> Source: Sense360 Restaurant Customer Experience Benchmark





# FOOD SAFETY & QUALITY

Maintaining high food safety and quality standards is a top priority for us at Panera. We implement food safety procedures throughout our supply chain, from setting supplier standards to food ingredient traceability to training in our bakery-cafes. We closely monitor and track ingredient complaints and work with our supply chain and bakery-cafe partners to address issues. We conduct field visits of our suppliers' facilities to assess food handling procedures and require our ingredient suppliers to be certified under the Global Food Safety Initiative.

In our bakery-cafes and FDFs, we have food safety programs in place, and we provide associates with regular trainings on safe practices. Our food safety program helps us mitigate the risk of instances of food-borne illnesses or outbreaks originating in our FDFs or bakery-cafes. See our [GRI index](#) for more detail. Bakery-cafe management teams are ServSafe-certified and we conduct third-party food safety audits of our bakery-cafes multiple times each year. For food safety month in September 2021, we ran a program rewarding bakery-cafes that achieved a perfect score on their food safety audits and their associates were rewarded with a raffle for a \$500 prize.





# OUR ENVIRONMENT



## IN THIS SECTION

**CLIMATE** >

**PACKAGING** >

**WASTE** >

**WATER** >

Respect for the planet is one of our core Food Beliefs because growing and producing good food is dependent on a healthy and vibrant natural environment. We recognize that our environmental impact extends well beyond our bakery-cafe direct operations and our guests' impact extends well beyond their plate. Food systems account for over 30 percent of global greenhouse gas (GHG) emissions<sup>1</sup>, and we are taking steps to reduce our carbon footprint.

To this end, we are focusing on four key impact areas: partnering with suppliers to reduce the footprint of our ingredients, improving energy efficiency and seeking lower-carbon energy sources, optimizing our distribution and delivery systems and opting for circular and recyclable packaging. Furthermore, in 2021, we set a goal to become Climate Positive, removing more carbon than we emit by 2050, and interim targets to reduce our carbon footprint by the end of 2025.

<sup>1</sup> According to a 2021 [United Nations Food and Agricultural Organization study](#).



# CLIMATE

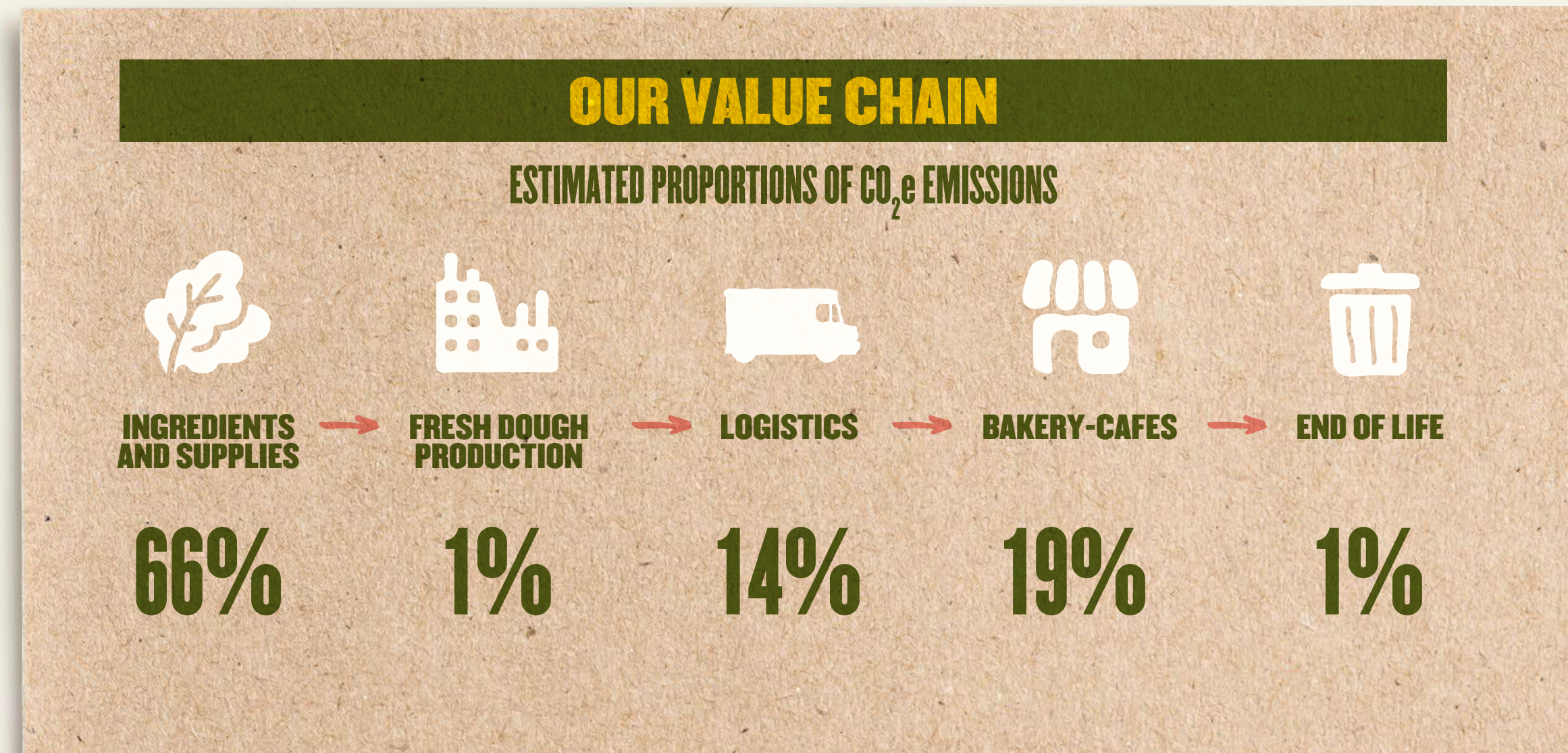
COMMITMENT	2021 PROGRESS as of end of year
<p>Become Climate Positive by 2050.</p> <ul style="list-style-type: none"> <li>Remove more carbon than we emit</li> <li>Publicly committed to set a Science Based Target by end of 2023</li> </ul>	<p>Committed via <b>SBTi</b> to set Science Based Target (SBT).</p>
<p>100% of packaging is circular (reusable, recyclable or compostable) by end of 2025.</p>	<p>70%</p>
<p>60% of bakery-cafe entrees are low carbon Cool Food Meals by the end of 2025.<sup>1</sup></p>	<p>55%</p>
<p>50% of electricity used by company-owned operations is renewable by the end of 2025.</p>	<p>In progress</p>

Our supply chain and ability to provide guests with freshly made, delicious offerings depend upon a healthy and functional agricultural ecosystem. Impacts from climate change could threaten our ability to operate, from severe weather shutting down locations to fluctuating climate patterns affecting our ability to source ingredients. Companies, including Panera, have an incentive and opportunity to help promote the development of a net zero economy.

Panera has set an aim to become net Climate Positive by 2050 – removing more carbon than we emit. To achieve this, we are developing a Science Based Target (SBT) that will support us in setting 2030 and 2050 targets across our value chain (see graphic below) and build upon our existing partnerships, such as **Cool Food Meals**. We have estimated our targets based on the current

SBT guidance and plan to submit our targets to the Science Based Targets initiative (SBTi) for approval following their planned release of updated guidance relevant for our sector in the Q3 of 2022. To enable progress toward these targets, we are developing a long-term climate roadmap.

In 2021, we also began the process of completing a **TCFD-aligned qualitative scenario analysis** and expect to complete it by mid-2022. We also see opportunities in addressing climate risk such as building a more resilient product offering, engaging our guests by encouraging them toward low carbon meals and better preparing our supply chain to adapt to shocks and longer-term shifts due to climate change. For our full list of climate-related goals, see **Our Strategy**.



<sup>1</sup> For more on Cool Food Meals, see [our website](#) and the section below in this chapter.



# WHY CLIMATE POSITIVE?

In 2021, we became the first national fast-casual restaurant to publicly commit to remove more carbon from the atmosphere than we emit by 2050, because we recognize the outsized role agriculture and food production play in global emissions and the responsibility food companies have to reduce their impact. This is not the only environmental first for Panera: from our Day-End Dough-Nation® program to our Cool Food Meals commitment, we have been early adopters of a more sustainable menu. Our climate commitment is just one more sign of how seriously we take the climate crisis and our willingness to take action on it.



## KEY ACHIEVEMENTS TO DATE

**WE HAVE REDUCED THE CARBON EMISSIONS FROM OUR OPERATIONS BY 26% PER SQUARE FOOT SINCE 2016**

**70% OF OUR TO-GO PACKAGING IN 2021 WAS REUSABLE, RECYCLABLE OR COMPOSTABLE**

**60% OF OUR ENTREES CAN BE VEGETARIAN OR VEGAN WITH CUSTOMIZATION**

**55% OF OUR ENTREES ARE LOW-CARBON COOL FOOD MEALS AS OF THE END OF 2021**

**WE HAVE ASSESSED OUR CLIMATE RISKS AND OPPORTUNITIES IN LINE WITH THE RELEVANT TCFD RECOMMENDATIONS**

**WE HAVE ESTIMATED OUR TARGETS AND HAVE COMMITTED TO SET AN SBT**



# ASSESSING OUR CLIMATE RISK

The effects of climate change are already apparent, such as the extreme weather events, droughts and fires of recent years. Recognizing the risks that these and other climate impacts present to our business, in 2021, we registered **our support** for the recommendations of the **TCFD**. In 2022, we engaged a third party to conduct research, interviews and internal workshops to analyze the climate risk and opportunity landscape for our business and complete a qualitative climate scenario analysis. We have identified priority findings and actions across the four TCFD pillars of Governance, Strategy, Risk Management and Targets & Metrics.



## INTERNAL INPUTS:



### Risk Surveys



### Stakeholder Interviews

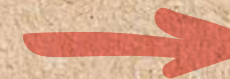
## EXTERNAL INPUTS:



### Literature Review



### Industry & Market Trends



## Physical Risks

- Extreme weather causing possible implications/potentially affecting:
  - Limited or interrupted supply
  - Increased transport cost
  - Facility damage

## Transition Risks

- Rising costs
- Investor pressure
- Carbon taxes

## Opportunities

- Mission and values to attract and retain talent
- Supply chain transparency and resiliency
- Reputation and branding



# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

## Governance

The Panera Bread Board of Directors conducts an annual review of the company's ESG strategy, which includes monitoring progress toward reduction of the company's GHG footprint and reducing environmental impacts.

Our existing ESG governance structure is being used to develop our first climate-related risk assessment and scenario analysis, and the assessment and management of climate-related risks and opportunities. This governance structure includes the Sustainability Team, led by the VP of Food Beliefs, Sustainability & Public Relations, and members of senior management representing business strategy, finance, legal, supply chain and operations, who participate in the ESG Steering Committee. They work together to identify, evaluate and prioritize climate-related risks and opportunities.

In the future, Panera plans to explore further integration of climate-related risk assessment across our existing formal ESG and Enterprise Risk Management (ERM) processes and governance structures, including annual review by our Board as part of our corporate risk review. See the **Governance** section of this report for more details on our ESG management.

## Strategy

In early 2022, we undertook a materiality assessment focused specifically on climate, conducted in alignment with the TCFD recommendations and supplementary guidance. This assessment identified climate-related risks and opportunities and categorized them based on the level of impact they pose to the company and in what timeframe impacts may occur.

We are now using scenario analysis to qualitatively evaluate the resilience of our business model in the context of two public climate scenarios:

- 01.** A "Failed Transition Scenario" considering high physical risk associated with global temperature rise reaching approximately 2.4°C by 2050 and 4.4°C by 2100 (Physical Reference Scenario: IPCC SSP5-8.5).
- 02.** A "Net Zero by 2050 Scenario" considering high transition risk associated with a rapid and persistent transition to a low-carbon economy, such that global temperature rise is limited to 1.5°C by 2050 and maintained through 2100 (Physical Reference Scenario: IPCC SSP1-1.9; Transition Reference Scenario: IEA Net Zero Emissions by 2050).

During scenario analysis, key leaders and decision-makers from across the company were asked to reflect on:

- 01.** The business impacts of each identified material climate-related risk and opportunity
- 02.** Risk mitigation actions and key enabling factors currently implemented or necessary for future climate resilience
- 03.** How Panera's climate resilience differs across the two defined climate scenarios and the three established time horizons (Present - 2027, 2027-2032, 2032-2052).

In future iterations of our climate-related risk assessment, we may add financial impact assessment to quantify the impacts of these climate scenarios and our ability to remain resilient to them.

## Risk Management

We used a combination of internal and external insights to identify and prioritize potential climate-related risks and opportunities. Stakeholder interviews and research uncovered nine physical risks, eight transition risks and 11 opportunities. For the purposes of this initial climate-related risk assessment, materiality has been defined as the material risks and opportunities ranking in the top 33 percent (rounded to the nearest whole number) of their respective category. We are currently reviewing the top third of identified risks and opportunities and developing risk management plans.

## Targets & Metrics

We continue to report on our annual **GHG emissions** and work toward setting our SBT for **emissions reduction**. We plan to update key metrics and milestones following approval of our SBT. Please see our **Appendix** for our more detailed current TCFD disclosures.



# OUR EMISSIONS

We measure our GHG emissions according to the Greenhouse Gas Protocol. Panera's Scope 1 and 2 emissions are generated from the natural gas, transportation fuel, refrigerants and electricity we use to run our own operations. Scope 3 emissions are generated upstream in transportation and purchased goods like packaging and ingredients from our agricultural supply chain, and downstream in delivery and waste. We currently track our GHG emissions against a 2016 baseline and plan to reset our baseline year to our most recent 2021 inventory for our new SBT to represent our most current footprint and available data.

In 2021, as our operations ramped back up following the initial disruption of the pandemic in 2020, our total value chain emissions rose overall as well. Our Scope 1 and 2 emissions fell slightly due in part to improved efficiency, a greener electrical grid and use of the latest emissions factors in our inventory that reflect this improvement. The Scope 1 and 2 decline contributed to an improvement in our emissions intensity per square foot as shown in the chart to the right.

**A DECLINE IN SCOPE 1 AND 2 CONTRIBUTED TO AN IMPROVEMENT IN OUR EMISSIONS INTENSITY PER SQUARE FOOT.**

## Scope 1 and 2 GHG Emissions Intensity: Progress Against 2016

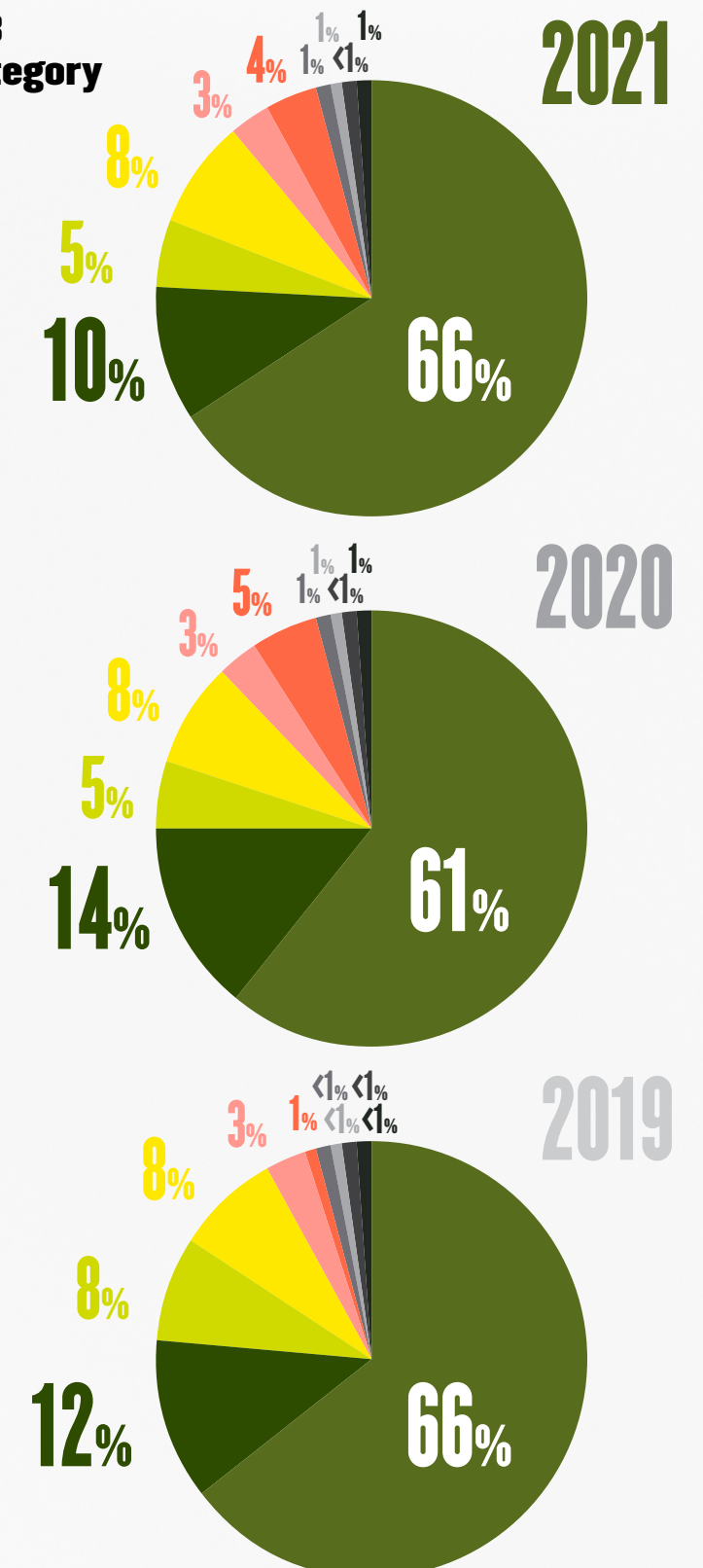
	2016 BASELINE	2019	2020	2021
<b>Total Scope 1 &amp; 2 (MT CO<sub>2</sub>e)</b>	259,298	282,357	230,413	<b>216,515</b>
<b>Scope 1 &amp; 2 Intensity (MT CO<sub>2</sub>e/sq ft)</b>	0.065	0.058	0.050	<b>0.048</b>
<b>Percent Reduction vs. Baseline</b>		11%	23%	<b>26%</b>

## GHG Emissions Footprint (MT CO<sub>2</sub>e)

	2019	2020	2021
<b>Scope 1 (MT CO<sub>2</sub>e)</b>	107,730	87,272	<b>89,742</b>
Scope 1 (% of total)	5%	5%	<b>5%</b>
<b>Scope 2 (MT CO<sub>2</sub>e)</b>	174,627	143,141	<b>126,773</b>
Scope 2 (% of total)	7%	8%	<b>6%</b>
<b>Scope 3 (MT CO<sub>2</sub>e)</b>	2,135,307	1,519,466	<b>1,782,166</b>
Scope 3 (% of total)	88%	87%	<b>89%</b>
<b>Total Scope 1, 2 &amp; 3</b>	<b>2,417,664</b>	<b>1,749,879</b>	<b>1,998,681</b>

## Panera's Scope 3 Emissions by Category

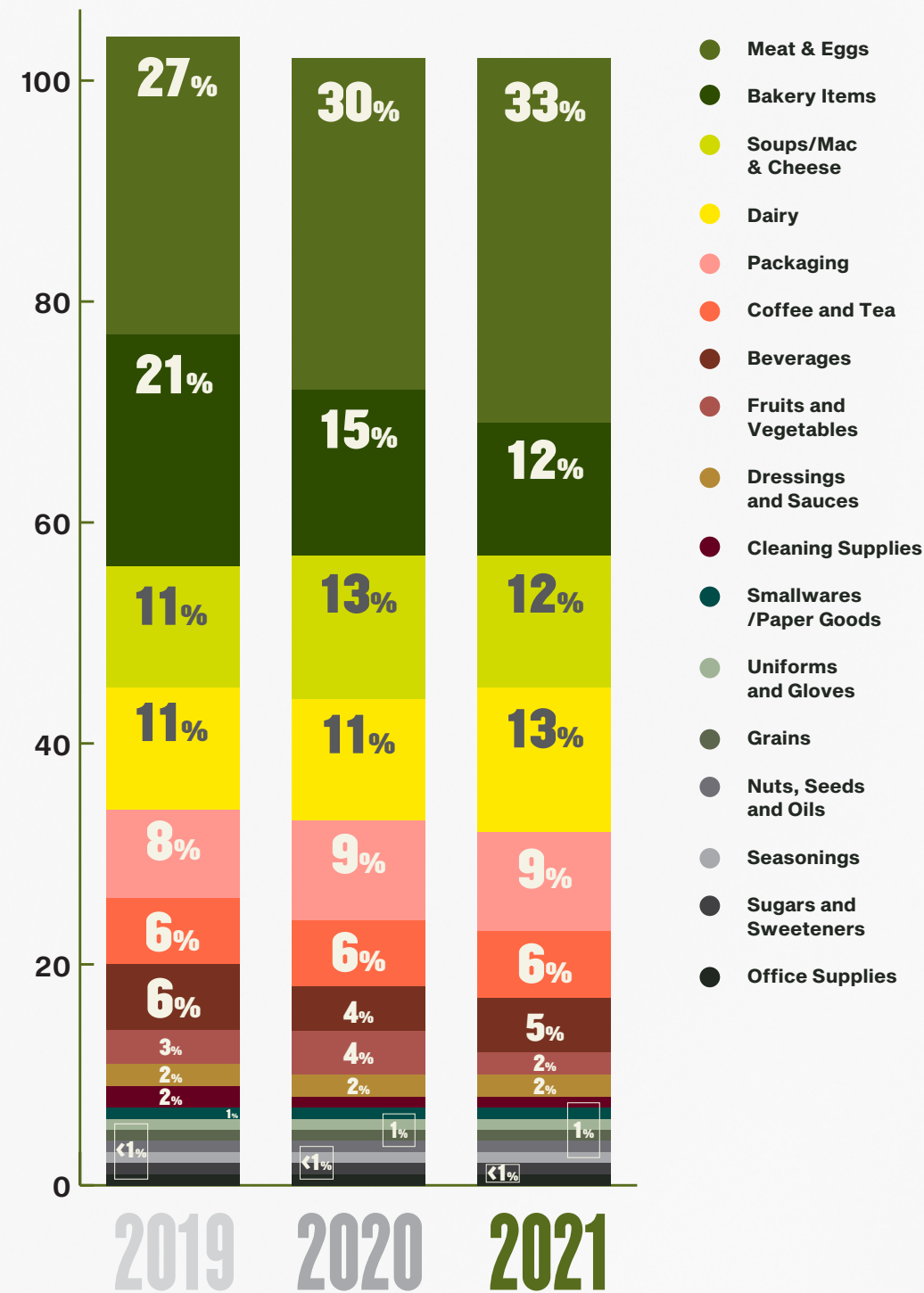
- Purchased Goods & Services
- Franchised Operations
- Capital Goods
- Downstream Transport
- Fuel & Energy-Related Activities
- Upstream Transport
- Waste Generated in Operations
- Associate Commuting
- Business Travel
- End of Life of Sold Products



Please see our [Appendix](#) for full emission data



## Panera's Purchased Goods and Services Scope 3 Emissions Breakdown



## GHG REDUCTIONS

In an effort to meet our goal of being Climate Positive by 2050, we actively look for opportunities to reduce our carbon footprint in large ways and small. We invest in upgrading the facilities and equipment in our bakery-cafes on an ongoing basis and build new bakery-cafes with efficiency in mind.

In 2021, we began to shift our bakers from overnight baking to day-baking, which not only creates a better guest experience but also allows us to fully shut down our bakery-cafes for several hours overnight, providing energy savings. We have also begun the process of replacing our oldest sandwich and salad production stations, replacing 18 percent in 2021, which also provides energy efficiency benefits. Due to supply chain backlogs in 2021, we were unable to meet our original timeline of upgrading other older equipment,

such as HVAC units. We remain in close contact with our suppliers to accelerate replacement.

Another source of emissions we proactively work to reduce comes from our fleet of leased delivery trucks. Our fleet is divided among our 18 FDFs which each manage the trucks assigned to their location using a centrally provided suite of tools and practices. One such tool is a state-of-the-art telematics tracking system which provides real-time visibility into the location and operational status of all our vehicles. This tool, and others, help us reduce our fuel use by optimizing delivery routes, ensuring full truckloads and reducing our use of packing materials.

In 2021, we operated 301 leased and rented trucks, driving 28.7 million miles and using nearly 3.4 million gallons of diesel fuel, maintaining efficiencies introduced when we had fewer cafes in operation and reduced delivery volumes during the initial stages of the pandemic.

### Our fleet

	2019	2020	2021
Number of Trucks	290	267	301
Miles Driven (millions)	26	25	28.7
Fuel Consumed (million gallons)	3.7	3.4	3.4



**MORE TRUCKS,  
MORE MILES,  
SAME FUEL**



# COOL FOOD MEALS

COMMITMENT	2021 PROGRESS as of end of year
<ul style="list-style-type: none"> <li>60% of bakery-cafe entrees are low-carbon Cool Food Meals by the end of 2025.</li> </ul>	55%

Central to reducing our climate impact is reducing the footprint of our menu and ingredients. While our team pursues reductions through the ingredients we source and the recipes we develop, another critical step in reducing our carbon footprint is engaging guests to nudge them towards options that are more climate friendly.

To support our guests, we partnered with the World Resources Institute (WRI) on their **Cool Food initiative** to assess our menu and label low-carbon entrees using their **Cool Food Meal** certification. WRI's leading-edge methodology quantifies a maximum recommended daily and per meal carbon budget for an individual's diet, which aligns with globally recognized goals to help curb climate change. Cool Food Meals have a carbon footprint that falls below that threshold while still meeting nutritional standards.



As noted elsewhere, food systems play a significant role in climate change. The Cool Food initiative's lifecycle approach is unique in that it connects ingredient sourcing, something in Panera's direct control, with food consumption, something within our sphere of influence. We were the first national restaurant company to feature Cool Food Meals on our menus and we expect to continue to expand our Cool Food offering.

In 2021, 55% of our menu entrees were certified Cool Food Meals, and in 2021, we served over 226 million Cool Food Meal entrees. With each menu change throughout the year, we analyze the impact on that entrée's carbon footprint and publish the results for our Cool Food Meals – and all items on our menu – **on our website**.

# OUR MENU STRATEGY

Increasing guest awareness of the climate crisis and interest in eating well for both oneself and the planet help to inform our **menu strategy**. New menu items introduced in early 2022 – our Mexican Street Corn Chowder Soup, Thai Chicken Soup and Citrus Asian Crunch Salad with Chicken – support our 2025 goal of having 60% of entrees Cool Food Meal certified. In 2021, we also began work on a calculator for our Culinary Team to assess the carbon impact of menu items during the development process to provide early insight and encourage low carbon recipe development. In addition, given that **plant-forward entrees often have lower carbon footprints**, we continue to pursue menu innovation that highlights these options (read more in **Our Food**). We value the opportunity to showcase to our guests just how tasty low-carbon meals can be and, hopefully, inspire them in their food choices outside our cafes.





# PACKAGING

COMMITMENT	2021 PROGRESS as of end of year
100% of to-go packaging is circular (reusable, recyclable or compostable) by the end of 2025.	70%

We are continuously seeking ways to reduce the impact of the packaging we use for guest orders. We set a goal to transition all of our packaging to circular options – reusable, recyclable or compostable – by the end of 2025.

In our bakery-cafes, we typically offer reusable silverware and plateware to elevate the guest experience and reduce our packaging footprint. However, during the pandemic, our volume of off-premises sales increased significantly, resulting in a decrease in the use of reusable plate and silverware in our bakery-cafes and an increased reliance on disposable packaging. To mitigate the environmental impact of our packaging, we have employed several strategies.

→ **Better materials** – We have been working to increase our use of compostable packaging and packaging that can be recycled by most curbside municipal recycling programs. In 2021, 66 percent of our packaging was made from renewable materials including fibers and PLA, and 52 percent contained recycled content.

→ **Fewer harmful chemicals** – We formulate our disposable to-go packaging without the intentional addition of substances harmful to the environment or human health in adherence with our restricted substances list (RSL). In 2021, we replaced our bread bags with an alternative containing no intentionally-added PFAS and committed to removing intentionally-added PFAS from all of our to-go packaging by the end of 2022.\* As a result of our efforts to reduce chemicals, our grade on Retailer Report Card's Who's Minding the Store? scoring of retailers' use of toxic chemicals improved by one grade year over year in 2021 garnering the highest score of the restaurants rated. Our RSL also prohibits the use of PVC gloves in food handling and restricts the use of cleaning products with chemicals of high concern.

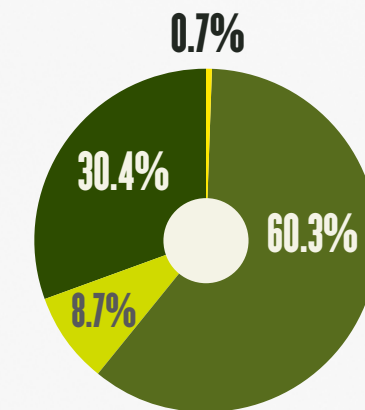
→ **Reducing use** – We introduced the option for guests ordering via our digital properties to decline plastic cutlery with their order, which resulted in a reduction in cutlery use from over six million orders, or approximately 161,000 lbs of single-use plastic use avoided. In 2022, we are testing changes to this user experience to further decrease the use of disposable cutlery. As the pandemic subsides, we also look forward to welcoming more guests back into bakery-cafe locations and resuming the use of reusable tableware.

→ **Enabling recycling** – We have improved the labeling of our packaging by using the How2Recycle logo for our branded packaging, such as coffee sleeves and to-go bags, in an effort to reduce contamination of recycling streams and encourage recycling behavior. As of the end of 2021, 26% of our branded packaging, which was approximately 28% of our total packaging by weight, carried the How2Recycle label, and we continue to add the label as we renovate our packaging.

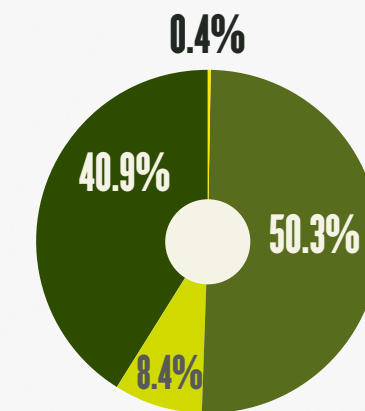
\* We recognize that perfluorinated compounds are known to be historically persistent in the environment. We are committed to not intentionally adding fluorinated compounds through our processes, but note that fluorinated compounds present in the local environment make it difficult to remove all traces of fluorine from packaging.

## Our Packaging Breakdown

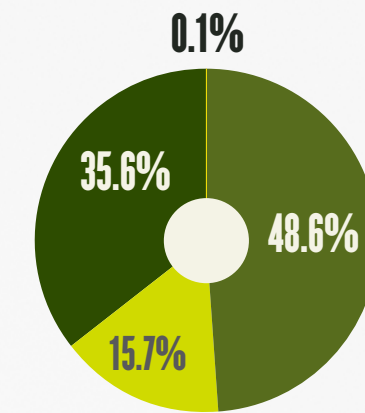
2021 TOTAL  
89,069,069



2020 TOTAL  
74,352,095



2019 TOTAL  
94,318,983



● Compostable ● Recyclable ● Recyclable (depending on local availability) ● Not Recyclable





# WASTE

COMMITMENT	2021 PROGRESS as of end of year
100% of company-owned bakery-cafes have established a recycling program by end of 2021.	50%

We primarily generate two types of waste in our operations: food waste and packaging waste. When approaching waste reduction, we follow the reduce, reuse and recycle hierarchy and first work to identify areas where we can eliminate excess before it happens. In light of cafe closures and pandemic restrictions, we paused data collection on current recycling infrastructure across all our owned locations and were therefore unable to meet our original 2021 target. This work has now resumed.

## Food Waste

We work to optimize our product selection to meet our guests' needs and reduce food waste. One way we have reduced food waste is through prevention: throughout the pandemic we streamlined our menu items to reduce the number of ingredients we source that may go unused. The majority of our food waste generated is bread and baked goods, which fill our bakery cases throughout the day. Through our **Day-End Dough-Nation®** program, we donate these unpurchased baked goods to local nonprofits addressing food insecurity in the communities where we operate. Over 17 million pounds of products were donated through the program in 2021.

Finally, about 10 percent of our company-owned and franchised bakery-cafes are in cities that require or provide municipal composting. In these locations, we compost our remaining food waste and offer composting to guests as well.

**As the seasons change, Panera Bread refreshes its menu, adding seasonal items. With these menu changes, along with normal distribution variability, we periodically have excess ingredients and are committed to donating those to food banks in the Feeding America network. In 2021, we donated \$88,000 worth of excess ingredients to a Feeding America member food bank.**

**WHEN APPROACHING WASTE REDUCTION, WE FOLLOW THE REDUCE, REUSE AND RECYCLE HIERARCHY AND FIRST WORK TO IDENTIFY AREAS WHERE WE CAN ELIMINATE EXCESS BEFORE IT HAPPENS.**



## Packaging Waste

We have resumed service in bakery-cafes using reusable cutlery and plateware, but our in-cafe activity has not yet returned to pre-pandemic levels, so our use of reusable tableware did not reach pre-pandemic levels in 2021.

In addition, we have focused our efforts on improving the compostability and recyclability of our **packaging**. In 2021, we implemented efficiency initiatives for incoming packaging from deliveries to our bakery-cafes. We made two pack-size changes for produce coming into our cafes: we doubled our avocado pack size from 30 to 60 count and increased our tomato pack size by 25 percent, reducing the total number of shipping boxes required. We also streamlined our selection of cleaning products, which reduced the amount of related packaging waste.

### Our Waste Breakdown (Pounds)

	2019	2020	2021
Solid Waste	1,663,031	1,483,628	1,768,487
Recycling – Mixed	1,048,626	765,202	825,998
Composting	6,594	28,589	24,894
Total Solid Waste	2,718,251	2,277,419	2,619,379

# WATER

Our ESG **materiality assessment** did not rank water use as a top material issue to our business, but we know that water risks are closely linked with climate change, and believe it is responsible practice to monitor and mitigate our use of water where possible. We are also careful to consider our water use in regions of water scarcity, such as California. To better understand these risks, as reported in our 2017-2019 Responsibility Report, we used the **World Wildlife Fund Water Risk Filter** to determine which bakery-cafes are most affected by water stress and we plan to periodically assess any changing or emerging water risks to our business. The analysis found that none of our bakery-cafes face significant risks due to water scarcity and do not use significant amounts of water in water-scarce regions.

Most of the water we do use goes to food preparation, dishwashing and handwashing. In 2021, we installed handwashing levers in our bakery-cafe kitchens to reduce water wasted during handwashing.

### Our Water Withdrawal (Million Gallons)

	2019	2020	2021
Total Water Use	929	559	822





# OUR COMMUNITIES



We believe that all people should have the opportunity to eat well, spend time with their loved ones and care for themselves and others. At Panera, comfort and community go hand-in-hand and true generosity extends to each community member. We proudly serve our communities by donating to charities dedicated to fighting hunger and food insecurity, awarding grant funding to local non-profits through the Panera Bread Foundation and through associate volunteerism.

Panera received the Civic Leadership Award, 2022 MLK Day of Service

## IN THIS SECTION

**DAY-END DOUGH-NATION® PROGRAM** >

**THE PANERA BREAD FOUNDATION** >

**COMMUNITY PARTNERSHIPS** >

**SUPPORTING OUR ASSOCIATES** >

**ASSOCIATE VOLUNTEERISM** >



# DAY-END DOUGH-NATION® PROGRAM

COMMITMENT	2021 PROGRESS as of end of year
Donate unsold bread and baked goods from our company-owned cafes each evening.	3,433 non-profit partners nationwide

Through our signature in-kind food donation program, **Day-End Dough-Nation®**, Panera donates unsold bread and baked goods from bakery-cafes at the end of the night to local nonprofits, feeding our neighbors in need. In 2021, our U.S. company-owned bakery-cafes donate their baked goods to over 3,400 charity partners. Our donation partners typically serve from 25 to over 500 people weekly. These partners include nonprofits such as food pantries, veteran services, youth shelters and outreach programs. In 2021, we donated a retail value of \$80 million in unsold baked goods through our Day-End Dough-Nation® program.<sup>1</sup>

<sup>1</sup> This represents over 70% reporting for the year, so we anticipate a higher total figure once reporting is complete.

## Sample Day-End Dough-Nation® nonprofit partners

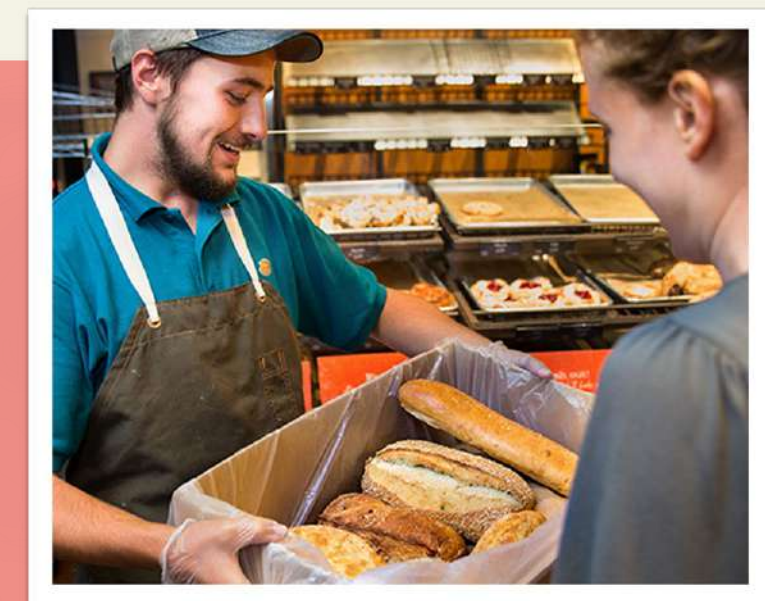
IMPACT FOCUS	ORGANIZATION	LOCATION
Fighting Food Insecurity and/or Poverty Issues	Grace Klein Community, Inc.	Birmingham, Alabama
	Pennies Feed Many Charity, Inc.	South Elgin, Illinois
	Inter-Faith Council for Social Service	Carrboro, North Carolina
	Many Helping Hands	Irving, Texas
Family Services	Child Crisis Arizona	Mesa, Arizona
Youth Programs and Services	Bannock Youth Foundation	Pocatello, Idaho

“

One day a three-year-old who comes to our food pantry with her family looked up at me and said, ‘I am hungry.’ I gave her a Panera muffin and some milk. She sat down to eat it and, with her mouth full, said ‘Thank you’ with a big smile. Panera is a key to being able to help so many in food distress. Thank you for all you do.

”

— Donor Liaison,  
at Deermeadows Baptist Church in Jacksonville,  
Florida, Day-End Dough-Nation® partner since  
August 2020



BIG  
SMILE



# THE PANERA BREAD FOUNDATION

The Panera Bread Foundation is Panera Bread's 501(c)(3) nonprofit organization (the "Foundation") dedicated to supporting and strengthening our communities by investing in underserved and at-risk children and youth to become future leaders. The Foundation envisions a world in which young people can unlock their full potential and dare to dream — a world in which opportunity and economic mobility are accessible and equitable for all. We pursue our mission through two primary outlets:

- Our new **grant program**, launched in 2021, provides funding to nonprofit organizations that support children and youth through programs such as mentoring, post-secondary education planning and career path coaching. We received over 200 applications in 2021 and, after a rigorous selection process, granted a total of \$527,500 to 17 local nonprofits from across the country.
- Our **Give Change for Children** program, launched in our company-owned bakery-cafes in February 2022, enables our guests to support the Foundation. Guests can donate by rounding up their check total to the nearest dollar on purchases in-cafe or through Panera's digital platforms. Guest donations help the Foundation award additional grant funding to nonprofits focused on creating future opportunities for children and youth.

In January 2021, it was estimated that more than 50 million people had become food insecure during the COVID-19 pandemic<sup>1</sup>. Recognizing this need, in addition to their core work, the Foundation partnered with Panera, LLC and Feeding America to provide Chicken Noodle Soup to local food banks and food pantries. Together, Panera, LLC and the Foundation donated more than 390,000 bowls of soup to our neighbors in need.



“The generous donation from the Panera Bread Foundation will provide critical funding to support expanding youth mentorship programs in Southwest Louisiana. Our youth have struggled the past two years from the global pandemic and other natural disasters that have impacted our region. The grant comes at a critical time where we must step up and defend the potential of all youth to reach their full potential.”

— Erin Davison,  
Executive Director of Big Brothers  
Big Sisters of Southwest Louisiana



WE MUST  
STEP UP

<sup>1</sup> Feeding America, The Impact of the Coronavirus on Food Insecurity in 2020 & 2021.



# COMMUNITY PARTNERSHIPS

In addition to our signature programs, Panera bakery-cafes support their local communities through a range of other partnerships and programs. These include:

- Through the **Panera Fundraising** program, local nonprofits can host fundraising events at their local bakery-cafe to “raise dough.” When the event is completed, the nonprofit receives up to 20 percent of net food and beverage sales. In 2021, 3,805 organizations raised \$390,705 through the program.
- Our **Pink Ribbon Bagel®** program supported Susan G. Komen for Breast Cancer Awareness Month. A portion of proceeds from the sale of limited edition Pink Ribbon Bagels (Cherry Vanilla flavored) sold at participating company bakery-cafes and Pink Ribbon eGift cards sold online in October were donated to the charity. In 2021, our company bakery-cafes donated a total of \$100,000 to Susan G. Komen.
- The **Scrip Fundraising** program, supported through ShopWithScrip, enables nonprofits to purchase gift cards at a discount and sell them at full price, netting the difference for their charity. In 2021, nearly 10,000 nonprofits raised approximately \$400,000 through Panera Bread ShopWithScrip gift cards.

- In March 2021, Panera, LLC partnered with **World Central Kitchen (WCK)** and its founder, celebrity Chef José Andrés, to raise awareness about the global hunger crisis. As part of the partnership, we donated \$100,000 to WCK, donated 1,500 meals to people experiencing food insecurity in Washington, D.C., where WCK is headquartered, and we promoted their charity and programs through our Food Interrupted video series. In August, we also donated the use of a refrigerated truck from our Houston FDF to WCK to support their relief efforts following Hurricane Ida.
- As the seasons change, Panera Bread refreshes its menu, adding seasonal items. With these menu changes, along with normal distribution variability, we periodically have excess ingredients and are committed to donating those to food banks in the Feeding America network. In 2021, we donated \$88,000 worth of excess ingredients to a **Feeding America** member Food Bank.
- As a founding member of the **Healthy Living Coalition**, we lobbied for the Food Donation Improvement Act of 2021, an amendment to the 1996 Bill Emerson Good Samaritan Food Donation Act. The amendment seeks to clarify vague terms in the original act, with the goal of providing retailers and other providers with greater confidence when donating unsold food to reduce hunger and waste.
- As part of our five-year commitment starting in 2020 to donate \$500,000 to the **Urban League of Metropolitan St. Louis**, we supported the opening of a new food pantry, called Panera Pantry, at Urban League’s headquarters to serve our community members in need. We also sponsored the Urban League of Detroit & Southeastern Michigan’s annual golf tournament, which is a critical fundraiser to support their ongoing work enabling people of color to reach their full potential.

- Through our partnership with **Girls Inc. of St. Louis**, we provided a \$25,000 donation to purchase 100 laptops for girls to help close the technology gap during the pandemic, and hosted five minority high school juniors in an IT summer internship program.
- We sold a limited-edition Pieces of Hope Cookie in our Charlotte, NC and Toledo, OH cafe markets to raise donations and awareness about autism. We additionally supported the same charity through a cash donation. In total, we donated just over \$15,000 to **Autism Speaks** in 2021.

Through community partnerships, we provided nearly \$1 million in charitable contributions in 2021 through a combination of in-kind and cash donations and event sponsorships, not including donations made through our Day-End Dough-Nation® program or the Panera Bread Foundation.





# SUPPORTING OUR ASSOCIATES

Through our Friends in Knead program, launched in 2011, we seek to enable associates to support each other during times of need by donating to a central fund directly out of their paycheck. Associates can choose to donate as much or as little as they want every pay period. Associates experiencing financial hardships can apply for a grant when unexpected or challenging circumstances arise, such as illnesses, natural disasters or funerals. For associates in need who do not quite meet the grant eligibility criteria, we created an associate match option where they can request co-workers to offer support and Friends in Knead will match the amount raised up to \$750. In 2021, 135 associates received a total of \$219,000 in grant funding from the program and 24 associates received matching grants. In addition, in 2021, \$761,000 COVID-19-specific relief grants were provided to approximately 3,100 associates from a separate dedicated fund within our Friends in Knead program, in light of the continuing challenges brought on by the pandemic.





# ASSOCIATE VOLUNTEERISM

In 2021, we implemented Volunteer Time Off for our above-cafe associates. Eligible associates received eight hours of paid time off to volunteer in their communities per calendar year. The Volunteer Time Off program was launched by recognizing and serving our communities on our inaugural Martin Luther King Jr. (MLK) Day of Service. On Monday, January 18, 2021, associates logged 105 volunteer hours. In January 2022, we launched a new program, Team Panera Doing Good, to connect our associates with opportunities to utilize their eight hours of Volunteer Time Off. Through an online tech platform, our above-cafe associates can select volunteer opportunities, donate to giving campaigns and participate in cause-related challenges. We kicked off Team Panera Doing Good with our second annual MLK Day of Service. In 2022, 135 associates volunteered at a nonprofit organization and served a total of 330 hours.

In addition to traditional volunteerism, our Panera Pride Alliance Business Resource Group (“BRG”) created an internal campaign to raise awareness and fundraise for The Trevor Project, the world’s largest suicide prevention and mental health organization for LGBTQ young people. During June, for Pride Month, our company associates donated \$20,648 to support the campaign.



**FROM 2021 TO 2022, WE TRIPLED ASSOCIATE SERVICE HOURS ON MLK DAY OF SERVICE. ASSOCIATES DISTRIBUTED FOOD, WROTE CARDS FOR HEALTH CARE WORKERS, COLLECTED CLOTHING DONATIONS, BUILT RESOURCE KITS FOR NEW IMMIGRANTS AND MORE.**





# OUR ASSOCIATES



If the challenges of the last few years have taught us anything, it's that we are stronger together. Investing in the health, well-being and growth of our associates means they can in turn give their best to our guests and each other. Our guiding values and behaviors, The Panera Way, help us create a great workplace experience for everyone. We believe all should experience the **warmth** of meaningful interpersonal connections; a sense of **belonging** where everyone feels accepted; opportunities for career and personal **growth** and the ability to **trust** each other. Our associate programs and policies are intended to create this experience for each associate from our bakery-cafes to our support center.

## IN THIS SECTION

**OUR CULTURE: THE PANERA WAY >**

**HIRING & RETENTION >**

**GROWTH & DEVELOPMENT >**

**DIVERSITY, EQUITY & INCLUSION >**

**ASSOCIATE WELL-BEING >**

**COMPENSATION & BENEFITS >**



# OUR CULTURE THE PANERA WAY

In 2021, we codified our guiding values and behaviors that we call The Panera Way. The Panera Way stems from our mission, One Panera for a Healthier and Happier World. In support of our mission, The Panera Way outlines the values and behaviors that guide us in all of our interactions with guests and each other. The Panera Way's six guiding values and behaviors are:

- **Warmth for Our Guests** – We work hard to connect with our guests and ensure we eliminate barriers to exceed their expectations.
- **Bold Thoughts, Brave Actions** – We dream freely, courageously try new things and take bold actions. We carefully balance leading with our heads and our heart, combining data with instincts.
- **Own It** – We take ownership of our decisions and their outcomes. When problems arise, we hold ourselves and others accountable for finding solutions together.
- **Win Together** – We are only as strong as each link between our team members. We speak with courage, listen with curiosity and disagree with respect as we seek to align and execute well together.

- **Inspire & Celebrate** – We coach, support and inspire each other to unlock our full potential. We celebrate and reward not only exceptional performance but also achievements done in the spirit of The Panera Way.
- **Rooted in Respect** – We foster an environment of diversity, openness and equity. We believe in each other and treat all with respect, honesty and compassion.

Building and integrating culture takes time and continuous effort. We held culture alignment and immersion workshops for all our leaders, from the Executive Team to all Vice Presidents, and a culture experience for all our General Managers to connect our culture with our business strategy. We also trained and certified ten internal facilitators to provide culture training and workshops across our organization to maintain momentum into the future.

A key input to our culture is ongoing associate feedback. One way we collect feedback is through our associate engagement surveys. We regularly survey our Support Center, retail and FDF associates to understand if they feel a sense of belonging at Panera, among other questions. On belonging, 70 percent or more of associates across all surveyed groups say they feel they belong at Panera. In 2021, these scores remained stable or improved across our different segments of associates.



“Having worked at several other companies before coming to Panera, I know how important and transformative a strong culture can be. Panera's culture has always been one of our greatest strengths and it's why I've made this place my home for the last 14 years. When the opportunity to become a Facilitator came along, I knew I had to be a part of sharing The Panera Way across the organization. It has been an amazing ride thus far and I can't wait to continue sharing amazing stories across the company.”

— **Josh Kennedy**,  
Director, Payables  
& Receivables



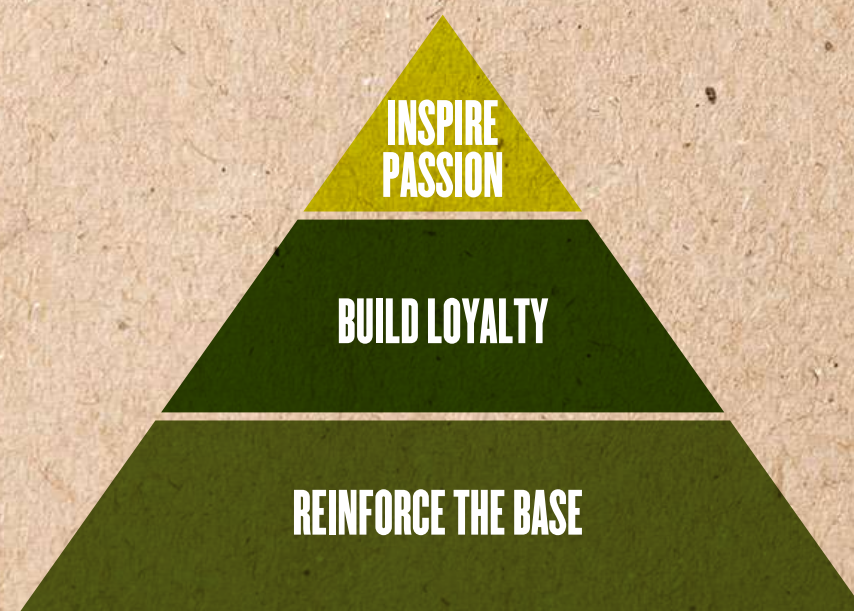
# STRONG CULTURE



# HIRING AND RETENTION

In 2021, we updated our people strategy to better align with our One Panera mission and The Panera Way. Our new strategy, visualized below, focuses on reinforcing our core policies and programs and our base, such as our compensation and benefits package and associate outreach, while building loyalty by providing opportunities to develop and grow and empowering and enabling associates to contribute through outreach efforts that inspire and drive our passion for positive impact within our communities.

## OUR PEOPLE STRATEGY



While Panera Bread's strategy starts with strong and committed executive leaders, we believe that our bakery-cafe General Managers (GMs) are the most important leaders, and our job is to serve them. When we do that, our GMs can look after our associates who, in turn, can delight our guests and serve our communities. We have a powerful value proposition to be the employer of choice for our bakery-cafe GMs. We offer more than restaurant business training, striving to educate on leadership and life skills, create opportunities to serve the community and the planet and enable financial freedom. We also have a differentiated associate value proposition that offers competitive wages and an environment where they experience warmth, belonging, growth and trust.

In addition, we believe in providing our GMs the opportunity to share in the success of their bakery-cafe. Our GMs are incentivized through a bonus program that rewards them based on exceeding performance goals related to both financial metrics and guest satisfaction. We believe that our approach improves operator performance and quality, increases management retention and creates team stability, which generally results in a higher level of consistency and guest service for the bakery-cafe.

**Our GMs have an extremely strong tenure of seven years on average and over 87 percent of them were promoted from within, reflecting our unwavering commitment to our associates. In 2021, all of our new GMs were internal promotions.**

Panera, like many other organizations, faced higher than normal turnover in 2020 and 2021 due to store closures and broader socioeconomic trends. We experienced a turnover rate of 118% among our retail associates, which, though high compared to pre-pandemic levels, is far lower than the 50th percentile of >140% in our industry<sup>1</sup>. As we began reopening locations in early 2021, we created a task force dedicated to retaining existing associates and filling open positions as part of our new people strategy. As a result, we set out to hire 1,000 field associates per week and surpassed that goal, hiring 55,000 associates by the end of the year. To support our goal of being an employer of choice, we invested millions of dollars in wages and benefits for our associates and GMs.

<sup>1</sup> Source: Black Box Intelligence. Industry represents the Fast Casual segment of restaurants.





# GROWTH & DEVELOPMENT

We recognize that every Panera associate is continuously learning. We support growth and development at every stage of an associate's path, no matter the starting point. We want jobs at Panera to provide more than a paycheck. We create career pathways that build new skills, expose associates to enriching experiences and, ultimately, enable them to pursue their aspirations.

We provide functional, leadership and cultural development through a mixed portfolio of learning modalities ranging from online, classroom and hands-on in-person training to our associates. Our onboarding focuses on our mission and The Panera Way, our brand, our guests, health and safety and operational standards. We build on this with food production and guest service training and continue the learning journey with training on team management and key attributes of leadership success.

For both franchise and Panera, LLC populations, our learning and development programs seek to deliver best-in-class career pathways through defined training programs and resources. In 2021, we launched "Growth Unleashed," a learning series for Support Center associates focused on our culture with monthly additions – from deep-dive online courses to podcasts, team activities and fireside chats by our leadership. The use of our learning platform has increased 10-fold since the program began.

Our broad training programming ensures that every cafe associate receives a minimum of 25 hours of introductory training, followed by additional skill-building trainings and role certifications that can accumulate to 100 hours in total. For leadership and management roles, associates typically receive around 280 hours of training. Our Support Center staff all attend a multi-day orientation program and, like cafe associates, have on-demand access to an extensive library of trainings.

Associates receive regular Heart Checks – discussions to review performance, cultural values and beliefs and career planning to help support their success at Panera. For example, in our bakery-cafes and FDFs, hourly associates with at least a 90-day tenure participate in reviews three times per year and salaried associates and bakers participate annually. In 2021, 39 percent of hourly and salaried non-bakery-cafe associates and 49 percent of all FDF hourly associates received regular Heart Checks. Hourly associates who depart after less than 90 days or those who leave mid-cycle may miss reviews.

**FOR LEADERSHIP AND  
MANAGEMENT ROLES,  
ASSOCIATES TYPICALLY  
RECEIVE AROUND  
280 HOURS OF TRAINING.**



Being a Panera Way Immersion Facilitator grounds me in why I work for Panera – our dedicated, talented and caring people. I have been blessed to work for Panera for over 20 years. Our culture has impacted my career and opened doors that I didn't think were possible.



— Rachel Pantier,  
Director of Learning, Panera Bread



WHY I WORK FOR  
PANERA



# DIVERSITY, EQUITY AND INCLUSION

COMMITMENT	2021 PROGRESS as of end of year
50% of people in Director and above management roles are women by the end of 2023.	On Track
37% of people in Director and above management roles are women by the end of 2021.	Achieved
30% of people in Director and above management roles are BIPOC by the end of 2026.	On Track
10% of people in Director and above management roles are BIPOC by the end of 2021.	Achieved

We have a vision for diversity, equity and inclusion (DE&I) that guides our strategy and approach: At Panera, all are welcomed, know they belong and can dare to dream. At our core, we believe in being an organization rooted in respect and know that diversity in thought, experiences and beliefs makes us stronger. We aspire to transform our organization into a celebrated leader in DE&I.

We have three key focus areas to drive this cultural transformation:

- 01. Creating an inclusive culture** – We are working to achieve this through cultural awareness training enterprise-wide and continuing to grow and deepen the impact of our Business Resource Groups and amplify the voices of our associates.
- 02. Increasing diverse representation in leadership** – We have set bold goals to ensure our leadership reflects the diversity of our enterprise and world.
- 03. Engaging with our communities** – We collaborate with organizations that share our dream of an inclusive and equitable world in service our communities.



“At Panera, it is our differences that have made us strong, whether it’s our race, gender, religion, sexual orientation, abilities or even our thinking. We will be better – stronger – when all are welcomed, know they belong and can dare to dream.”

— **Niren Chaudhary (He/Him)**  
Chief Executive Officer,  
Panera Bread and  
Panera Brands



OUR  
DIFFERENCES  
HAVE MADE US  
STRONG



# DIVERSE REPRESENTATION TARGETS

Our aspirational goal is for our leadership to mirror our total associate population in terms of diversity. For example, while roughly 63 percent of our associates are women and 49 percent are BIPOC, these numbers are not yet reflected at the leadership level. To improve diverse representation at leadership levels, we have set the following goals:

- 100% diverse candidate slates for Vice President roles and above
- 50% women Directors and above by the end of 2023
- 30% BIPOC Directors and above by the end of 2026

Through our new signature program, **The Panera Dream Project™**, and training on cultural competence we are working to steadily increase diverse representation among our leaders. In 2021, we made progress toward achieving these goals – our figures for women and diverse associates increased across all associate categories.

To build representative and diverse leadership we thoughtfully and intentionally approach promotion and hiring. As part of our initial DE&I commitments, we set out to increase the quality of our hiring process with more diverse candidate slates and have now adopted this practice for all VP roles and above providing the opportunity for greater diversity in our leadership. We are also making progress with internal promotions. In 2021 we saw a five percent increase in the proportion of BIPOC promotions, while promotions for women held steady.

# OUR WORKFORCE

## Associates

ASSOCIATES TOTAL	2021	53,472
	2020	51,858
	2019	61,177
WOMEN	2021	63%
	2020	60%
	2019	58%
BIPOC	2021	49%
	2020	45%
	2019	47%

## By Position

DIRECTOR - LEVEL & ABOVE TOTAL	2021	382
	2020	331
	2019	354
WOMEN DIRECTOR-LEVEL & ABOVE	2021	36.6%
	2020	34%
	2019	32%
BIPOC DIRECTOR-LEVEL & ABOVE	2021	13.6%
	2020	9%
	2019	7%
GENERAL MANAGERS TOTAL	2021	958
	2020	969
	2019	1,039
WOMEN GENERAL MANAGERS	2021	49.3%
	2020	49%
	2019*	46%
BIPOC GENERAL MANAGERS	2021	27.3%
	2020	23%
	2019*	23%

\* 2019 figures updated vs. prior publication with best available data.



## OUR BUSINESS RESOURCE GROUPS

Our Business Resource Groups (BRGs) are places where Panera team members can gather around a shared identity or experiences. They also play a vital role in providing feedback about how Panera can make their communities feel more included as associates and guests. Members and allies support each other and strengthen the Panera team by sharing their authentic selves. BRGs host speaker events, sponsor volunteer activities, provide networking and career development opportunities and much more. Each BRG is sponsored by an executive-level associate. In 2021, we hosted the following six BRGs, with over 580 members:

“This may be early in our journey, but we are gaining momentum by dreaming boldly, thinking broadly and acting locally.”

— Pamela Morris  
-Thornton,  
VP, Diversity,  
Equity & Inclusion



- ➔ **BLAAC** (Black, Latinx, African-American, African and Caribbean) seeks to foster respect and awareness by contributing to the inclusive environment that results from a diverse workplace and centers on recruiting and retaining the best talent, enhancing the professional development of associates and recognizing their achievements.
- ➔ **The Panera Pride Alliance** is dedicated to creating a world where the LGBTQ+ community and Allies are safe and proud to be their most authentic selves – a world where we all can confidently say “I Belong”.
- ➔ **PWN** (Panera Women’s Network) is dedicated to uplifting the voices of women within the Panera family. Women and allies come together to network and discuss professional development.
- ➔ **Panera Salute** elevates awareness of the challenges veterans may experience navigating the corporate workspace by acknowledging, appreciating and advocating for the men and women who have served as well as their families.
- ➔ **MCNG** (Multi-Cultural Network Group) encourages everyone to bring their best authentic self to work, embracing the different backgrounds, experiences, culture, ethnicity and beliefs that make us unique yet bring us together.
- ➔ **Panera ENABLED** is dedicated to ENhancing ABilities and LEveraging Disabilities within the Panera family. The group works to increase education, awareness and acceptance of those with disabilities in the workplace.

To read more about the goals and activities of each of our BRGs, read our [DE&I 2021 Progress Report](#).

## THE PANERA DREAM PROJECT™

In 2021, we launched The Panera Dream Project™, a leadership acceleration program for diverse talent that is focused on creating meaningful and lasting impact. Focused on our BIPOC associates and associates facing financial hardship, the project aims to create new opportunities for associates by providing access to education through scholarships, access to experiences through an in-house rotational training program and access to leadership by creating a pathway to single-unit ownership. The project achieves this through three tracks:

- ➔ **Track 1: Education** – We launched a scholarship program providing a total of \$250,000 in scholarships, open to all associates, enterprise-wide (franchisees too). This track is designed to enable associates to advance their career to become General Managers.
- ➔ **Track 2: Experience** – We are offering our high-potential women and diverse General Managers a one-year rotational job program to learn about and experience the core functions of our business and prepare to become a Multi-unit Manager or a Support Center associate.
- ➔ **Track 3: Ownership** – We are developing a program to provide Multi-unit Managers with tools to take the step towards financial independence.

We look forward to sharing more highlights and results from the project as it develops. You can also read more in our [DE&I 2021 Progress Report](#).





**Harold Wheeler,**  
Panera's Regional Vice President  
for the Northwest Region

# A CHAT WITH HAROLD WHEELER

With over 18 years of tenure, Harold Wheeler is Panera's Regional Vice President for the Northwest Region, managing 74 bakery-cafes across Kentucky, Indiana and Tennessee. We spoke with him to hear his take on the importance of investing in DE&I and ensuring our associates of color have access to opportunities.

## **Q: What brought you to Panera?**

My previous job managing a fast-food restaurant was very taxing. So, when I came into Panera to do a day-in-the-life for my interview, what sold me was the quality of life and work-life balance: no grease, no 24-hours. The culture of people was definitely there.

## **Q: What has kept you here for 18 years?**

Working at a fast-food chain was kind of robotic. Panera has given me the opportunity to be my most authentic self. For example, when we make announcements on the in-cafe speaker, I could sing on the microphone or do raffles and giveaways. That freedom helped me become a more confident version of myself. In my 18 years, the way I felt in year one is still the way I feel in year 18.

## **Q: What makes Panera stand out from other companies?**

The culture of family, belonging and inclusion is huge. As General Managers, we ensure that each individual associate is treated as a human first and we meet them at the point of their needs – and that is something the pandemic did not erode even through some tough situations.

## **Q: Why is diversity important?**

The world that we currently live in is a melting pot of different races, religions and genders. Why should we be prisoners of the past? I'm a believer that opportunity should be given to everyone. Minorities and people of color don't want any handouts. We're asking leadership to give us a real opportunity. Not overlooking us because we talk differently or have a language barrier or educational deficiencies or something else. Those don't take away from the heart and passion to get the job done. It might require a different path, meaning maybe a different way to support that individual through the training. But ultimately, you're going to get results.

## **Q: Tell us about The Panera Dream Project™?**

The Panera Dream Project™: it's about what's possible. I truly believe there are a lot of qualified individuals within our cafes. I want to be the face of what opportunity looks like at Panera. It was 14 years before I got my first promotion even though my performance assessment was "Exceeds Expectations" every one of those 14 years. However, with the right leaders and Panera behind me, I am now in a role that I love and am challenged by. The Panera Dream Project™ will make that possible for even more associates.

## **Q: What's your favorite Cool Food Meal on the menu?**

The new Citrus Asian Crunch Salad with Chicken. It is awesome.



## BUSINESS FOR INCLUSIVE GROWTH

Panera is committed to tackling inequality and promoting diversity not just within our workplaces but also in partnership with other companies. In 2019, Panera signed the Business for Inclusive Growth pledge. The pledge was spearheaded by the Organisation for Economic Co-operation and Development (OECD) and unites businesses across the globe through a commitment to advance human rights in their direct corporate operations and supply chains, build inclusive workplaces and strengthen inclusion in their value chains and business ecosystems. Throughout a multiyear program, we are focusing on building inclusive workplaces and sharing lessons learned with other participating member companies. We are also exploring the best practices in areas such as inclusive sourcing, impact measurement and responsible transformation.

## COMMUNITY PARTNERSHIPS

A critical part of our DE&I strategy is connecting with and serving our communities. Through partnerships with organizations that share our dream of an inclusive and equitable world, we are not only able to support those in need but also learn from our community members. Given our roots in Missouri, we have paid special attention to organizations operating in the St. Louis region. In 2021, we supported the Urban Leagues of Metropolitan St. Louis and Detroit, Girls Inc., Autism Speaks, It's Your Birthday, the Daisie Foundation and others. For more about our philanthropic work and the work of The Panera Bread Foundation, see [Our Communities](#).



## ASSOCIATE WELL-BEING

We design our policies and programs to enable every associate to live our aspiration of “Healthy & Happy from the Inside Out.” This includes their physical, mental, emotional, social, financial and career well-being. We gave associates in our Support Center functions extended holiday weekends and an extra week of personal well-being time off in 2021. We also extended the amount of paid time off that General Managers can carry over from year to year. To allow support center associates flextime at the end of their workweek, we have also restricted meetings on Friday afternoons. Our 2022 engagement survey<sup>1</sup> found that over 90 percent of Support Center staff felt strongly that their manager genuinely cares about their wellbeing, demonstrating that a critical building block for well-being is solidly in place at Panera.

## CONTINUING SUPPORT DURING THE PANDEMIC

Entering our second year of the pandemic in 2021, we continued to adapt to risks and national health and safety guidance as it evolved to keep our associates safe. In addition to existing in-person safety precautions, such as antimicrobial screens on tech devices, social distancing, masking and providing hand sanitizer, we also continued our COVID-19 sick leave policy into 2021.

<sup>1</sup> This question had a sample size of ~1,600 Support Center associates and a ~70% response rate.



If associates became ill, were diagnosed with COVID-19 or needed to care for a sick family member, we provided two weeks of paid leave to all associates so they could stay home. In 2021, this policy allowed associates to follow through with required self-isolation or quarantine, without losing pay, in the event of exposure to someone with a suspected or confirmed case of COVID-19. In 2021, over 19,500 associates accessed these benefits, accruing approximately 529,000 hours of emergency sick leave. The policy has been adjusted for 2022 to incorporate new CDC guidance around vaccinations and quarantine periods.

As vaccines became available, we held a Vaccine Sweepstakes, giving away over \$200,000 in prizes to encourage associates to get vaccinated. We also continued carrying out associate wellness checks prior to each shift, adding thermometers in all company-owned locations to simplify the process and installed handwashing levers in our kitchens to facilitate hygiene. As a result of the success of our safety culture, we were invited by Ecolab to speak with their guests on how we created a food safety culture during the pandemic.



## WORKPLACE SAFETY

We follow OSHA requirements and other relevant local, state and federal regulations governing worker safety at all of our locations, including bakery-cafes and FDFs. Our FDFs employ formal safety management protocols to identify, prevent and address hazards and injuries. We investigate all incidents that occur and regularly conduct internal health and safety audits. In 2021, our Days Away, Restricted or Transferred (DART) rate at our FDFs fell significantly year-over-year due to a decrease in severe injuries. Our DART rate increased in 2020 due to a shift in incidents from larger to smaller facilities with fewer hours worked.

	2019	2020	2021
<b>Total Recordable Incident Rate (TRIR)</b>	3.67	2.68	<b>2.90</b>
<b>Days Away, Restricted or Transferred (DART)</b>	1.91	67.46	<b>24.59</b>
<b>Fatalities</b>	0	0	<b>0</b>

**WE GAVE AWAY OVER \$200,000  
IN PRIZES TO ENCOURAGE  
ASSOCIATES TO GET VACCINATED**

## COMPENSATION & BENEFITS

Our attractive compensation and benefits package is another important element of our caring and inclusive culture. We continually monitor competitive benchmarks and have developed a long-term roadmap to ensure we are an employer of choice. We have made investments in base pay, appreciation bonuses, increased food discounts and long-term incentives, as well as lowering the associate cost-share of our health insurance options.

We provide our full-time associates with medical, dental and vision coverage, life insurance, discounted disability insurance and, for some associates, paid maternity leave. For our part-time associates, we also offer limited medical coverage and vision and dental coverage. All associates are eligible for discounts on childcare and college tuition, a 401(k)-retirement plan with a matching contribution, accrued paid time off, access to our Employee Assistance Program for themselves and their family members and other wellness and lifestyle benefits, such as protection against identity theft and support for out-of-pocket medical expenses. Our retail associates can also enjoy one free meal during their shift.

As health insurance costs continued to rise across the country, we understood the harsh financial realities that many of our associates and their families were facing during the pandemic. We reduced the per paycheck cost for the most common healthcare plans selected by Panera General Managers, and we ensured 2021 health care premiums for other plans remained flat for associates by covering the difference between the 2020 and 2021 premium cost.



# GOVERNANCE



Our leadership undertakes decision-making with our mission for “One Panera for a Healthier and Happier World” in mind. ESG matters form a critical component of pursuing our mission. In 2021, we created an ESG steering committee composed of Panera Bread executive leaders to ensure our team is aligned and decisions across the organization are grounded in our ESG strategy. In addition, ESG strategy, reporting and progress was reviewed by the Panera Bread Board. Our ESG governance framework is currently being updated to include additional oversight by the Panera Brands Board of Directors.

## IN THIS SECTION

**ETHICS & HUMAN RIGHTS** ➤

**DATA PRIVACY & SECURITY** ➤



## OUR BOARD OF DIRECTORS

In 2021, the Panera Bread Board was comprised of 14 members, four of whom were independent. The Board, including its Audit and Compensation Committees, oversees the Senior Leadership Team to ensure the company meets its goals and objectives and conducts business legally and ethically. There is no specific Board committee dedicated to corporate responsibility and sustainability, but the Board is regularly briefed on relevant social and environmental issues.

## OUR ESG TEAM

The ESG team at Panera consists of seven team members who specialize in sustainability, philanthropy, DE&I and food policy. The ESG team is part of the Brand and Concept department at Panera Bread, which is led by the Chief Brand and Concept Officer. The ESG team's mandate includes oversight of regular materiality assessments to prioritize our key ESG issues, development of our

**ESG STRATEGY IS DIRECTLY OVERSEEN AND APPROVED BY THE ESG STEERING COMMITTEE AND, ULTIMATELY, BY THE BOARD OF DIRECTORS.**

ESG strategy, defining and executing on Key Performance Indicators (KPIs) that align with the strategy. The team also manages external relations and communications for all ESG programs.

ESG strategy is directly overseen and approved by the ESG Steering Committee and, ultimately, by the Board of Directors. The ESG Steering Committee includes our Chief Executive Officer, Chief Financial Officer, Chief Brand and Concept Officer, Chief Supply Chain Officer, Chief Procurement Officer, Head Chef and the ESG team. ESG strategy, progress and reporting is reported to the Board at least once per year. In 2021, this review occurred during two board meetings with an overview of ESG focused on environmental sustainability and a review of associate and DE&I programs.

Once strategy and KPIs are approved by the ESG Steering Committee and the Board, the ESG team works cross-functionally within Panera Bread to integrate responsibility for ESG issues across the organization.

### Representative KPIs Tracked by our ESG Team

- Measuring Scope 1, 2 and 3 emissions
- Developing a science previously defined
- Disclosing based on TCFD guidelines
- Percentage of packaging that is reusable, recyclable and compostable
- Waste diversion from landfills
- Amount of non-profits served and baked goods donated through our Day-End Dough-Nation® program





# ETHICS & HUMAN RIGHTS

We aim to hold ourselves, our associates and our suppliers to the highest standards of ethical and responsible behavior. These standards flow from our steadfast commitment to our mission and purpose of “One Panera for a Healthier and Happier World” and **The Panera Way**. We outline our expectations for ethical behavior in our Code of Standards of Business for associates, our **Supplier Code of Conduct** and other policies such as the **California Transparency in Supply Chain Act of 2010**.

## ASSOCIATE CODE OF CONDUCT

Our Code of Conduct guides associates in all their interactions with each other, suppliers, guests, community partners and others. The Code covers topics such as protecting confidential information, accepting gifts, engaging with government officials and reporting violations. Associates are protected from retaliation if they report a violation of the Code and can do so by informing their manager, Panera Bread executives or Board members or by using our anonymous **Panera Bread Ethics Hotline**, available 24/7 by phone or online.

## SUPPLIER CODE OF CONDUCT

As part of our approach to selective sourcing, we seek out suppliers who share our commitment to sustainability and can consistently meet our standards as laid out in our Supplier Code of Conduct. Our Supplier Code covers topics including:

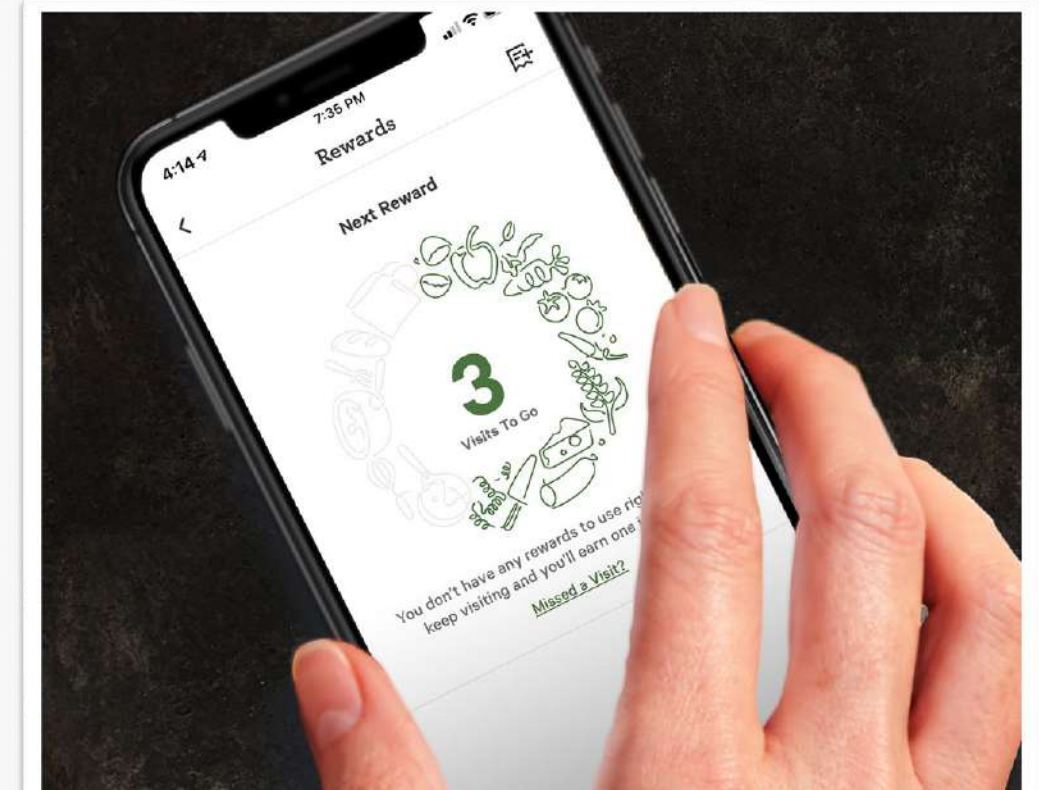
- **Humane and equitable treatment of workers**, including prohibitions against discrimination, harassment and the use of child or forced labor
- **Environmental criteria**, including encouraging measurement and reduction of greenhouse gas emissions, water use and waste
- **Business integrity**, including anti-corruption and privacy and data protection
- **Maintaining compliance with the Supplier Code**, all relevant laws and regulations and audits

We regularly review and update the Supplier Code as needed.

**WE AIM TO HOLD OURSELVES, OUR ASSOCIATES AND OUR SUPPLIERS TO THE HIGHEST STANDARDS OF ETHICAL AND RESPONSIBLE BEHAVIOR.**

# DATA PRIVACY & SECURITY

Panera actively monitors and manages compliance with applicable privacy regulatory requirements and maintains policies and practices with respect to data security. Panera maintains a comprehensive information security program consistent with current industry standards which includes physical, administrative and technical safeguards to protect against threats to the security and integrity of Panera’s technology infrastructure. To learn more about how we manage data privacy and security, [visit our website](#).





# APPENDIX

## IN THIS SECTION

DATA SUMMARY >

TCFD >

PANERA BRANDS OVERVIEW >

GRI INDEX >





# DATA SUMMARY

This appendix presents Panera’s ESG metrics. Please see our Responsibility Report, [GRI Index](#), and [TCFD Disclosures](#) for additional information.

## OUR FOOD

### Animal Welfare

#### Raised Without Antibiotics

	2019	2020	2021
Chicken	100%	100%	100%
Turkey	100%	100%	100%
Pork	97%	99%	100%

The above totals include proteins used in salads, sandwiches, Flatbread Pizzas and Warm Bowls in U.S. company-owned and franchised operations.

#### Pasture raised, grass fed and judicious use of antibiotics

	2019	2020	2021
Steak	99%	100%	100%

The above totals include proteins used in salads, sandwiches, Flatbread Pizzas and Warm Bowls in U.S. company-owned and franchised operations.

#### Cage-Free Eggs

	2019	2020	2021
Primary	31%	32%	100%
Secondary	—	—	29%
Total	11%	11%	71%

Primary supply represents approximately 65% of Panera’s total egg supply in our U.S. bakery-cafes. We began including secondary eggs in our totals in 2019.

#### Cage-Free Primary Eggs by Type

	FULL YEAR 2021*
Liquid Whole	60.22%
Egg White	62.23%
Shell	74.97%
Hardboiled	100%

\* As of June 30, 2021, all primary egg types were cage-free.

#### Better Chicken Commitment (BCC)

BCC COMPONENT	2021
<b>Stocking Density:</b> % chicken raised with a maximum stocking density of 6.0 lbs./sq. foot	0%
<b>Lighting:</b> % chicken meets BCC standards for lighting.	3%
<b>Litter:</b> % chicken meets BCC standards for litter.	89%
<b>Environmental Enrichments:</b> % chicken meets BCC standards for environmental enrichments.	0%
<b>Controlled Atmosphere Stun:</b> % chicken processed in a manner that avoids pre-stun handling and instead utilizes a multi-step controlled-atmosphere processing system that induces an irreversible stun.	0%
<b>Better Welfare Breeds:</b> % chicken from breeds that demonstrate higher welfare outcomes that meet the criteria of the BCC.	0%

To learn more about the Better Chicken Commitment, visit: <https://betterchickencommitment.com/policy/>

#### Cool Food Meals

	2020	2021
U.S. Bakery-Cafe Entrees that are Cool Food Meals	55%	55%



# OUR ENVIRONMENT

## Greenhouse Gas Emissions (MT CO<sub>2</sub>e)

INVENTORY SUMMARY	2016 BASELINE	2019	2020	2021
<b>Scope 1</b>	<b>89,828</b>	<b>107,730</b>	<b>87,272</b>	<b>89,742</b>
Stationary		68,317	51,382	<b>54,075</b>
Mobile		39,414	35,889	<b>35,668</b>
<b>Scope 2</b>	<b>169,470</b>	<b>174,627</b>	<b>143,141</b>	<b>126,773</b>
<b>Total Scope 1 &amp; 2</b>	<b>259,298</b>	<b>282,357</b>	<b>230,413</b>	<b>216,515</b>
<b>Scope 3</b>	<b>1,898,784</b>	<b>2,135,307</b>	<b>1,519,466</b>	<b>1,782,166</b>
Purchased goods and services	—	66%	60.8%	<b>66.4%</b>
Capital goods	—	8%	5.4%	<b>4.6%</b>
Fuel and energy-related activities	—	3%	3.3%	<b>2.7%</b>
Upstream transport	—	1%	5.2%	<b>3.7%</b>
Waste generated in operations	—	<1%	1.2%	<b>1.3%</b>
Business travel	—	<1%	0.2%	<b>0.2%</b>
Associate commuting	—	<1%	1.4%	<b>1.1%</b>
Downstream transport	—	8%	7.7%	<b>8.2%</b>
EoL of sold products	—	<1%	1.2%	<b>1.3%</b>
Franchises	—	12%	13.6%	<b>10.5%</b>
<b>Total Scope 1, 2 &amp; 3</b>	<b>2,158,082</b>	<b>2,417,664</b>	<b>1,749,879</b>	<b>1,998,681</b>

Panera Bread and franchise greenhouse gas emissions: Where landlords pay utilities, estimates for energy use were made based upon landlord billings. All GHG emissions were calculated in metric tons of pollutant (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs) and converted to metric tons of CO<sub>2</sub> equivalent (CO<sub>2</sub>e) using the global warming potentials (GWPs), which were taken from the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) 2007 using 100-year values. The inventory was prepared in accordance with the WRI/WBCSD Greenhouse Gas (GHG) Protocol — A Corporate Accounting and Reporting Standard (Revised Edition 2004).

- Emissions factors for natural gas and diesel (fleet) were calculated using the U.S. [EPA Center for Corporate Climate Leadership — Emissions Factors for Greenhouse Gas Inventories](#) (2021).
- Emissions factors for electric power were calculated using U.S. [EPA eGRID2020](#) and [Environment Canada 2021 National Inventory Report](#).
- Emissions factors were calculated using the U.S. EPA Center for Corporate Climate Leadership — Emissions Factors for Greenhouse Gas Inventories (2021), GHG Protocol Scope 3 Evaluator, and Ecoinvent v3.5, J. Poore, and T. Nemecek Science 2018; 360:987-992.



## Greenhouse Gas Emissions Intensity (MT CO<sub>2</sub>e/sq ft)

GHG INTENSITY — COMPANY CAFES	2016 BASELINE	2019	2020	2021
Scope 1 & 2 GHG Intensity	0.065	0.058	0.050	0.048

Panera’s 2021 Greenhouse Gas Emissions Inventory, page 29. Panera measures GHG emissions per square foot of bakery-cafe. This ratio includes Scope 1 and 2 GHG emissions and CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.

## Energy (GJ)

ENERGY CONSUMPTION	2019	2020	2021
Total fuel consumption from non-renewable sources	1,624,172	1,382,971	1,286,031
Total fuel consumption from renewable sources	0	0	0
Total electricity consumption	1,453,045	1,272,441	1,138,275
Total energy consumption	3,077,217	2,655,412	2,424,306

Panera does not sell energy. The GHG Protocol was the standard used and conversion factors are from the U.S. Energy Information Administration (eia.gov).

Energy consumption used outside of our organization is estimated and reported as Scope 3 GHG emissions in Panera’s 2021 Greenhouse Gas Emissions Inventory

## Energy Intensity (GJ/sq ft)

ENERGY INTENSITY	2016 BASELINE	2019	2020	2021
Energy intensity (electricity, natural gas & diesel)	0.66	0.63	0.58	0.54

Total energy consumption has decreased against our 2016 baseline due in part during 2020 to temporary closures during the pandemic. Panera measures energy intensity on a per square foot basis. Energy intensity includes electricity, natural gas and diesel fuel consumed within the organization.

## Reduction of Energy Consumption (GJ)

REDUCTION OF ENERGY CONSUMPTION	2019	2020	2021
Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples	148,029	342,187	442,475

Electricity, natural gas and diesel are included in the figures above. Calculations were made based on an absolute reduction in energy use against the 2016 baseline year. The reduction is estimated by calculating the change in energy intensity per cafe square footage against the 2016 baseline year and multiplying by the total cafe square footage.



# MATERIALS & WASTE

## Packaging

### To-Go Packaging Material

	UNITS	2019	2020	2021
Total volume of to-go packaging material	Lbs	94.3 million	74.3 million	89.0 million
Total volume of non-renewable materials used in to-go packaging	Lbs	37.4 million	25.8 million	30.1 million
Total volume of renewable materials used in to-go packaging	Lbs	56.8 million	48.5 million	58.9 million
Total percentage of recycled input materials in to-go packaging	%	30%	32%	52%
Total recyclable, reusable or compostable*	%	64.4%	59.1%	69.6%
Compostable	%	0.1%	0.4%	0.7%
Recyclable	%	48.6%	50.3%	60.3%
Recyclable (depending on local availability)	%	15.7%	8.4%	8.7%
Not recyclable	%	35.6%	40.9%	30.4%

\* Panera is unable to track the percentage of packaging that is actually reclaimed as guests most often dispose of it offsite. 2019 total recyclable, reusable, and compostable has been previously reported with an estimate of reusable plateware from in-cafe dining contributing 21.5%. This figure is revised for consistency in year-over-year reporting with subsequent years.

## Water

### Withdrawals (Million gallons)

	2019	2020	2021
Water Withdrawal	929	559	822

## Solid Waste

### Waste Generation (Cubic yards)

	2019	2020	2021
Solid Waste	1,663,031	1,483,628	1,768,487
Recycling – Mixed	1,048,626	765,202	825,998
Composting	6,594	28,589	24,894
Total Solid Waste	2,718,251	2,277,419	2,619,379



# OUR ASSOCIATES

	2019	2020	2021
Associates	61,177	51,858	53,472
Women	58%	60%	63%
BIPOC	47%	45%	49%

WORKFORCE AGE	2019	2020	2021
30 and under	69%	71%	72%
31-50	21%	20%	18%
51 and over	10%	9%	9%

NON-EXEMPT WORKFORCE	2019	2020	2021
Total	96%	96%	96%
Women	56%	58%	61%
BIPOC	46%	44%	50%

BY POSITION	2019	2020	2021
Director-level & above	354	331	382
Women Director-level & above	32%	34%	36.6%
BIPOC Director-level & above	7%	9%	13.6%
General Manager	1,039	969	958
Women General Managers	46%*	49%	49.3%
BIPOC General Managers	23%*	23%	27.3%

\* Figures updated since prior publication with best available data.

## Safety

### Safety Incidents at our Fresh Dough Facilities (FDFs)

	2019	2020	2021
Total Recordable Incident Rate (TRIR)	3.67	2.68	2.90
Days Away, Restricted or Transferred (DART)	1.91	67.46	24.59
Fatalities	0	0	0

The above data covers all Panera FDFs, not cafe associates in company-owned and -controlled operations. Only associates work in these facilities.





## TCFD DISCLOSURE

In 2021, we registered our support for the recommendations of the Task Force on Climate-related Financial Disclosures (**TCFD**). Through research, interviews and internal workshops, we have analyzed the climate risk and opportunity landscape for our business and completed qualitative climate scenario analysis. We have identified priority findings and actions across the four TCFD pillars of Governance, Strategy, Risk Management and Targets & Metrics. This is our first TCFD-aligned disclosure, and we aim to iterate and further develop it as we address our findings and as our business evolves in the future.

## GOVERNANCE

**Disclose the organization’s governance around climate-related risks and opportunities.**

### **A. Describe the board’s oversight of climate-related risks and opportunities.**

The Board of Directors (“BOD” or “the Board”) of Panera, LLC (“Panera”) conducts annual review and approval of Panera’s Environmental, Social and Governance (ESG) strategy. The ESG strategy includes tracking and monitoring progress toward reduction of the corporate carbon footprint, initiatives for reducing negative environmental impacts and compliance with environmental laws

and regulations. The Chairman of the Board participated in the process to identify Panera’s material climate-related risks and opportunities and will review final outcomes and deliverables upon completion along with other members of the Board. The Board’s oversight of climate-related risk assessment and TCFD reporting is a key enabling factor for encouraging Panera’s associates to focus on climate-related risks and opportunities and their impact on the company, strategy, and financial planning.

In the future, when climate-related risk assessment has been integrated with Panera’s formal Enterprise Risk Management (ERM) process, we plan to have the Board review climate-related risks as part of their annual review of all corporate risks.

### **B. Describe management’s role in assessing and managing climate-related risks and opportunities.**

Our existing ESG governance structure is being used for development of our first climate-related risk assessment and scenario analysis, and the assessment and management of climate-related risks and opportunities. This process includes the Sustainability Team, led by the VP of Food Beliefs, Sustainability & Public Relations. Members of senior management, such as those representing the ESG Steering Committee, are participants in the process of identifying, evaluating and prioritizing climate-related risks and opportunities.



# STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning where such information is material.

**A. Describe the climate-related risks & opportunities the organization has identified over the short, medium and long term.**

In early 2022, Panera undertook a materiality assessment focused specifically on climate. Panera leveraged the process explained in detail in section **(A), of Risk Management** below to identify material risks and opportunities and categorize them based on the level of impact they pose to the company and in what timeframe Panera is likely to begin experiencing their impacts.

**B. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.**

We recently conducted our first scenario analysis to evaluate how each identified material risk and opportunity might impact our business, strategy and financial planning. We plan to share the results of this process in a future report. However, based on the results of our climate risk assessment up to this point, we can observe some key trends in how our business is likely to be impacted. Transition risks impacting guest prices for menu items and delivery may have the greatest negative impact on the company, as increased prices to our guests directly impacts revenue and market reach. Physical risks causing damage or interruption of the supply chain or operations are predicted to have a lesser impact but will still need to be considered in our business strategy and financial planning. Key opportunities have been identified in two main areas: bolstering brand reputation and supply chain resilience.

RISK/OPPORTUNITY	IMPACT	TIMEFRAME
Physical Risks		
Extreme weather events <ul style="list-style-type: none"><li>Resulting in limited availability or interrupted supply of purchased goods</li><li>Causing transportation costs to increase</li><li>Causing damage or closure at Panera facilities</li></ul>	Medium-Low	Short-term (0-5 years)
Transition Risks		
Rising cost of menu items reducing the broad affordability of Panera’s products	Medium-High	Short-term (0-5 years)
Increased demand from investors and other suppliers of capital for corporate climate targets, strategy and risk management	Medium-Low	Short-term (0-5 years)
New duties and taxes placed on carbon-intensive transportation reducing guest accessibility to Panera Cafes and/or increasing costs of third-party food delivery services	Medium	Medium-Term (6-10 years)
Opportunities		
Leveraging Panera’s mission and values to attract talent with aligned priorities	Medium	Short-term (0-5 years)
Issuing branding and communications that demonstrate Panera’s commitment to climate action and sustainability to generate brand value and guest loyalty	Medium-High	Short-term (0-5 years)
Increasing supply chain transparency to better understand upstream risks and increase influence over supplier practices	Medium	Short-term (0-5 years)
Diversifying suppliers and strengthening Panera’s Supplier Code of Conduct to support resilience in the supply chain	Medium	Short-term (0-5 years)



Effectively communicating Panera’s aspiration to becoming a Climate Positive business and demonstrating respect for the planet have the potential to build brand value leading to talent acquisition and guest loyalty. Acquisition of top tier talent has the potential to improve our internal capacity to deliver our mission, while guest loyalty has the potential to increase revenues. By working with our suppliers, Panera can better understand upstream climate risks and work collaboratively to mitigate them. Resilience in our supply chain has the potential to reduce direct costs, avoid interruptions and use our connection to agriculture to further integrate sustainability into our business model.

### C. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Panera’s first climate-related risk assessment (in progress in 2022) includes scenario analysis conducted in alignment with the TCFD recommendations and supplementary guidance. Scenario analysis was used to qualitatively evaluate the resilience of Panera’s business model in the context of two climate scenarios:

01. A “Failed Transition Scenario” considering high physical risk associated with global temperature rise reaching approximately 2.4°C by 2050 and 4.4°C by 2100.
02. A “Net Zero by 2050 Scenario” considering high transition risk associated with a rapid and persistent transition to a low-carbon economy, such that global temperature rise is limited to 1.5°C by 2050 and maintained through 2100.

The two climate scenarios were informed by the most recent physical and transition models published by the Intergovernmental Panel on Climate Change (IPCC) and International Energy Agency (IEA) in their respective 2021 reports. The climate scenarios were evaluated across short-term (0-5 years), medium-term (5-10 years), and long-term (10-30 years) time horizons.

During scenario analysis, key leaders and decision-makers from across the company were asked to reflect on:

01. The business impacts of each identified material climate-related risk and opportunity
02. Risk mitigation actions and key enabling factors currently implemented or necessary for future climate resilience
03. How Panera’s climate resilience differs across the two defined climate scenarios and across the three established time horizons.

In future iterations of Panera’s climate-related risk assessment, scenario analysis may be amended with a financial impact assessment to quantify the impacts of these climate scenarios and Panera’s ability to remain resilient to them.

# RISK MANAGEMENT

**Disclose how the organization identifies, assesses and manages climate-related risks.**

## A. Describe the organization’s processes for identifying and assessing climate-related risks.

Panera used a combination of internal and external insights to identify and prioritize climate-related risks and opportunities. This process entailed:

01. Informational interviews held with 11 key internal stakeholders to begin to identify Panera’s **climate risk universe** (i.e., a comprehensive list of climate-related risks and opportunities that could potentially affect the organization [Climate Risk Universe]).
02. A cross-check of the climate risk universe identified by internal stakeholders against commonly identified climate-related risks and opportunities in the restaurant industry and relevant markets to help ensure completeness.
03. A survey distributed to a broader and more diverse group of internal stakeholders evaluated the identified risks and opportunities based on when and how drastically those stakeholders thought they would impact Panera’s business model.
04. Analysis of survey results to narrow the focus of the assessment from the entire climate risk universe to only those most material to the business.



For the purposes of this initial climate-related risk assessment, material risks and opportunities refer to those ranking in the top 33% (rounded to the nearest whole number) of their respective category. Stakeholder interviews and research uncovered nine physical risks, eight transition risks and 11 opportunities. Therefore, the list of prioritized material risks and opportunities includes three physical risks, three transition risks and four opportunities. The process is depicted in our [main report](#) and the resulting risks and opportunities are shown in the table in this Appendix section.

**B. Describe the organization’s processes for managing climate-related risks.**

This report discloses the methodology and outcomes of Panera’s first climate-related risk and opportunity assessment. Panera is reviewing the identified risks and opportunities and working on development of risk management plans. Historically, any climate-related risks identified through Panera’s broader corporate risk assessment were managed through our existing ERM process.

**C. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management.**

This report discloses the methodology and outcomes of Panera’s first climate-related risk and opportunity assessment. Historically, the TCFD approach for identifying, assessing, and managing climate-related risks has not been part of our existing ERM process. Please see [section \(B\), within Governance](#) above for more information on how Panera is considering integrating climate-related risks and opportunities into our existing ERM process and oversight.

# METRICS AND TARGETS

**Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.**

**A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.**

For this first iteration of the climate-related risk assessment, Panera used a risk/opportunity matrix produced from an internal survey to evaluate the materiality of identified climate-related risks and opportunities. See [section \(A\), within Risk Management](#) above for a complete description of the process we used.

For scenario analysis, Panera used the IPCC’s SSP5-8.5 and SSP1-1.9 physical climate scenarios (with most likely 2100 temperature outcomes of 4.4°C and 1.4°C, respectively) and the IEA’s “Net Zero Emissions by 2050” climate transition scenario. Relevant data and analysis from the IPCC and IEA were used to partially quantify the parameters, assumptions and limitations of our two defined climate scenarios. See [section \(C\), within Strategy](#) above for additional detail on the scenario analysis approach.

**B. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.**

We believe Panera’s history of emissions reductions and ambitious climate strategy for the future position us to continue to mitigate our Scope 1, 2 and 3 greenhouse gas emissions in alignment with our climate targets.

Please see our [Scope 1, 2 and 3 GHG emissions data](#) and [discussion](#).

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

As of October 2021, Panera has committed to short-term targets for 2025 as well a long-term goal for 2050. By 2025, Panera has committed to achieving:

- 100% circular, reusable and compostable packaging
- Green, renewable energy used for at least 50% of company-owned operations
- Increasing the percentage of Cool Food Meals to 60% of bakery-cafe entrees.

By 2050, Panera has committed to becoming Climate Positive, meaning that we will remove more carbon than we emit. To achieve this goal, Panera has committed to set a Science Based Target. See [Climate](#) for more information.



# PANERA BRANDS OVERVIEW

**PANERA BRANDS IS COMPRISED OF  
PANERA BREAD®, CARIBOU COFFEE®  
AND EINSTEIN BROS.® BAGELS.**

**Panera Brands™**, formed in 2021, is one of the largest fast casual restaurant platforms in the U.S., with nearly 4,000 locations and 120,000 associates, including franchisees globally. A portfolio of complementary brands bound by common values, Panera Brands is comprised of Panera Bread®, Caribou Coffee® (Caribou Coffee) and Einstein Bros.® Bagels (Bagel Brands). Panera Brands companies are independently operated and underpinned by industry leading technology, loyalty, craveability and high-quality ingredients. Panera Brands' companies are united in their mission to be force multipliers for good for their guests, communities, the planet and the shareholders they serve.

Each Panera Brands' company has charted its own sustainability journey based on their unique businesses and material issues. Here we share a brief overview our sister brands' progress and plans. In the future, Panera Brands plans to publish a consolidated report for our platform. All other information and data in this report are for Panera, LLC only, and not reflective of any historical efforts or future plans of Panera Brands, Caribou Coffee® or Einstein Bros.® Bagels.

## CARIBOU COFFEE



Founded in 1992, **Caribou Coffee®** provides innovative, high-quality handcrafted beverages, and an all-day breakfast menu including gluten-free, vegetarian and plant-based items. Each menu item is crafted with a purpose to create day-making experiences that go beyond the beans and ingredients. Caribou Coffee's founders were committed to eradicating impersonal service from the coffeehouse. Team, Guests and Quality have been their focus since the beginning and continue to shape their commitments nearly 30 years later.

### OPERATIONS & TEAM

- Headquarters and roastery in Minneapolis, Minnesota.
- 321 company owned locations nationwide, 139 domestic license locations in 22 states and 261 franchise stores in 9 countries.
- 280 Support Center team members and 6,000 team members in company-owned operations as of July 30, 2021.
- Launched domestic franchising in November 2021.

### PURPOSE

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

### SUSTAINABILITY VISION

Coffee is what brought our company together. It's what brings people together in a million different ways, day after day. Coffee is what we make, but what happens around that coffee is what we really offer. Are we saying coffee can change the world? No, we're not. But the people connecting over that coffee just might.

**People connecting in small ways, sparking greater impact and meaningful change.**



## CARIBOU COFFEE

### ESG JOURNEY

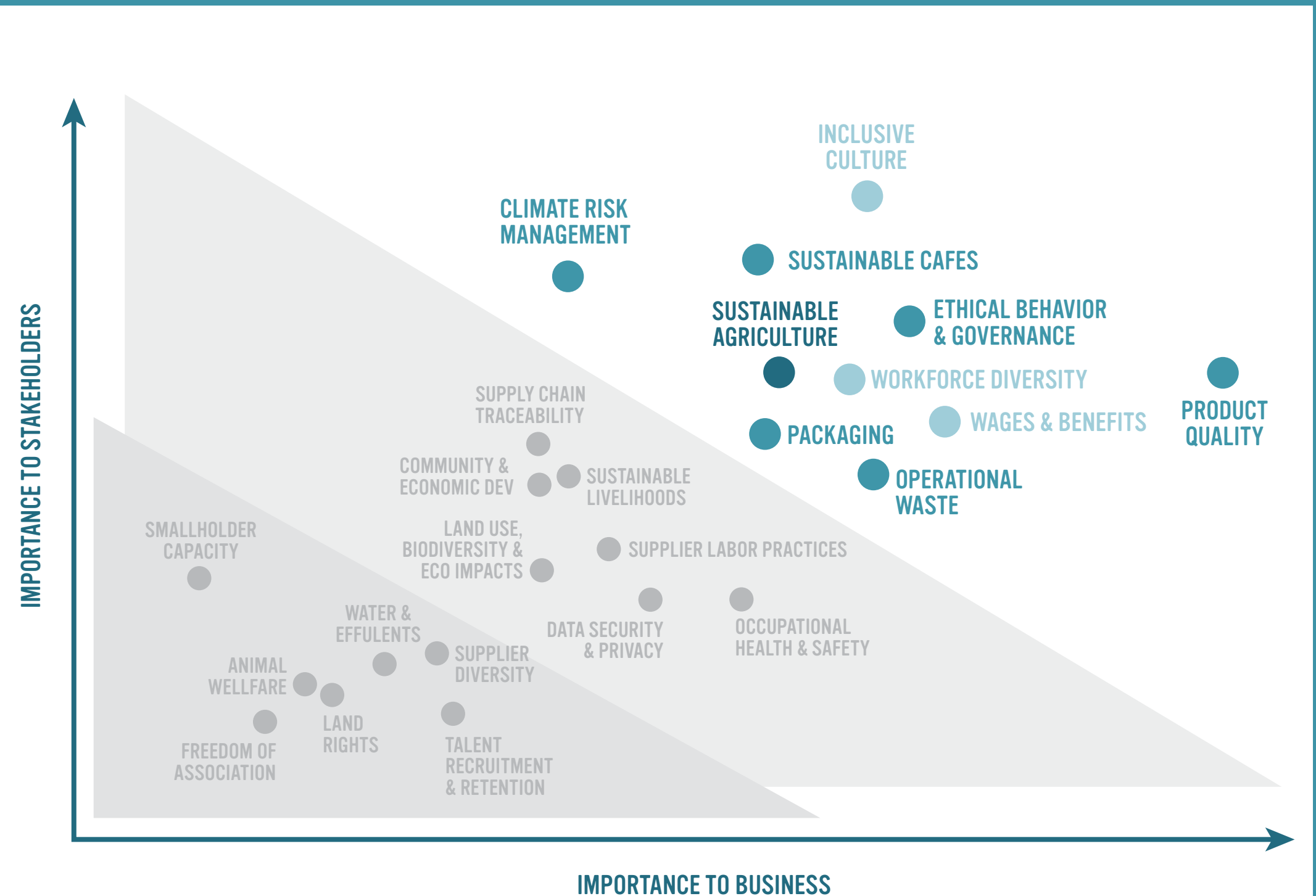


Caribou Coffee published their inaugural **Environmental, Social and Governance report** in December 2021. The report served as a summary of previous milestones – such as being one of the first coffee houses in the U.S. to exclusively source Rainforest Alliance Certified™ beans – and it provided an update on the work that has been done to further develop and build Caribou Coffee’s ESG strategy and overall management approach. In 2021, Caribou Coffee conducted an in-depth materiality assessment to identify key sustainability focus areas. They plan to focus their immediate work and goal setting in the below areas.

COFFEE	CULTURE	COMMUNITY
PRODUCT PRIORITIES	PEOPLE PRIORITIES	PLANET PRIORITIES
<ul style="list-style-type: none"> <li>Product Quality</li> <li>Responsible Sourcing</li> <li>Optimized Packaging</li> </ul>	<ul style="list-style-type: none"> <li>Inclusive Culture</li> <li>Workforce Diversity</li> <li>Wages &amp; Benefits</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Cafes</li> <li>Reduce Operational Waste</li> <li>Climate Risk Management</li> </ul>

Caribou Coffee’s ESG Leadership Team consists of leaders throughout the organization who are responsible for defining the business and sustainability strategies and delivering their goals and commitments. The Governance structure will include this team along with their partners at Panera Brands.

Caribou Coffee is eager to fully integrate ESG strategy into everyday operations, and is committed to doing this work together – with its teams, its guests, its communities and its partners.





# EINSTEIN BROS.® BAGELS



Bagel Brands has ≈ 1,000 bakeries in the United States across four different brands.

Bagel Brands is dedicated to help set up every guest for a brighter future by offering the most crave-able, convenient breakfast experience, starting with high quality ingredients that you can feel good about eating.

## OPERATIONS & TEAM

- Headquarters in Lakewood, CO
- 514 company owned bakeries, 171 Franchisees and 314 License stores\*
- 261 Support Center team members
- 7,161 team members in company-owned operations

\* As of end of 2021.

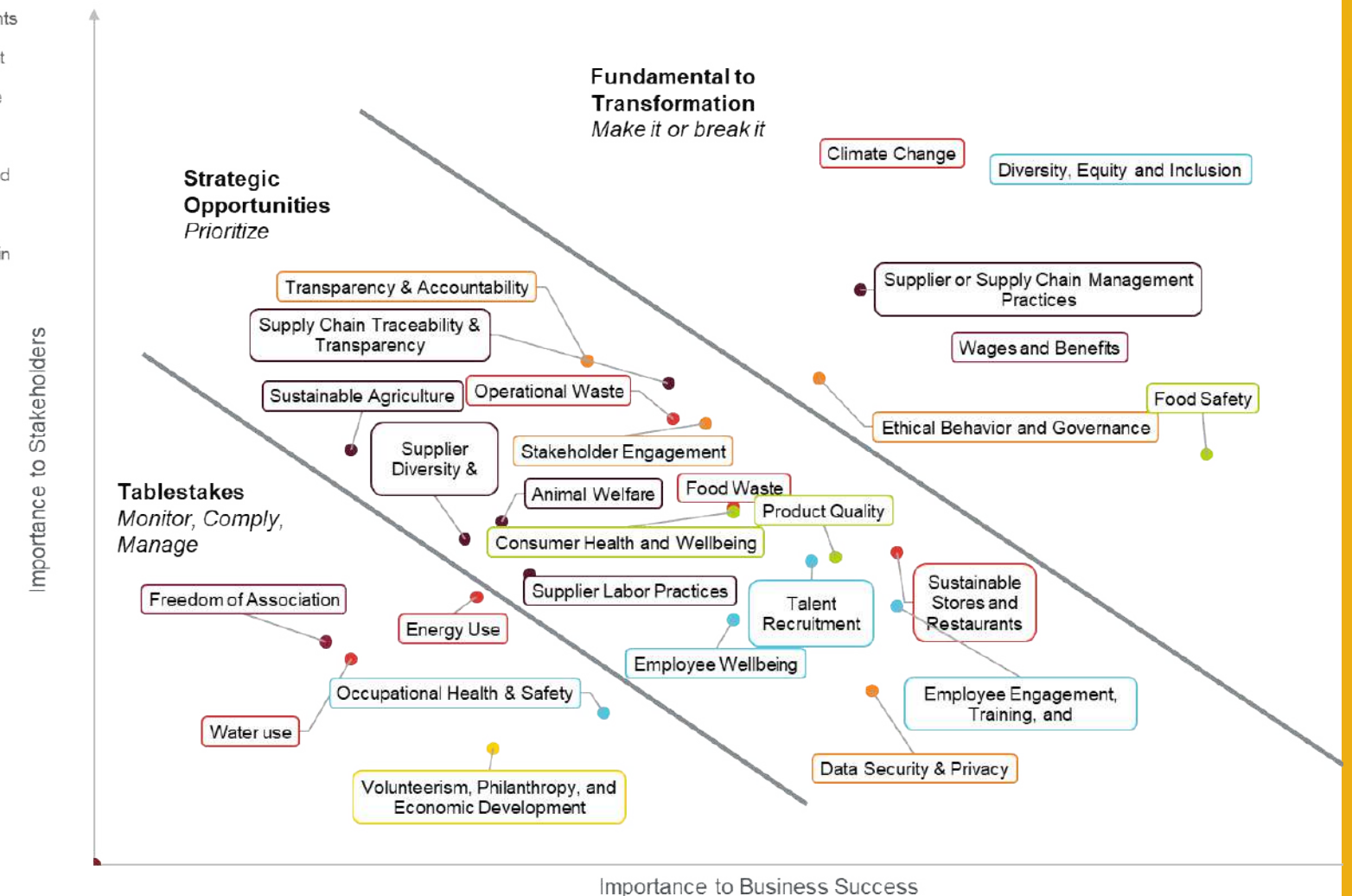
\*\* No colors from artificial sources, No flavors from artificial sources, No trans fats, No HFCS, No artificial preservatives

## ESG JOURNEY

Bagel Brands has partnered with BSR, a multinational consultancy non-profit to conduct a materiality assessment to develop its sustainability priorities.

With the results of this materiality assessment, Bagel Brands is finalizing its strategy for ESG. Progress highlights:

- Over 60% of associates at Bagel Brands bakeries are women
- 100% of breakfast sandwiches use cage free eggs



- 100% of bagels at Einstein Bros. Bagels and Noah's New York Bagels are Clean Label\*\*
- Our salmon is antibiotic, hormone and GMO free, without added nitrates or nitrites
- Recognized by Forbes as one of the top restaurants for Diversity and Inclusion in their America's Best Employers for Diversity 2022 report

Bagel Brands is excited to embark on its ESG journey to build a more sustainable future.



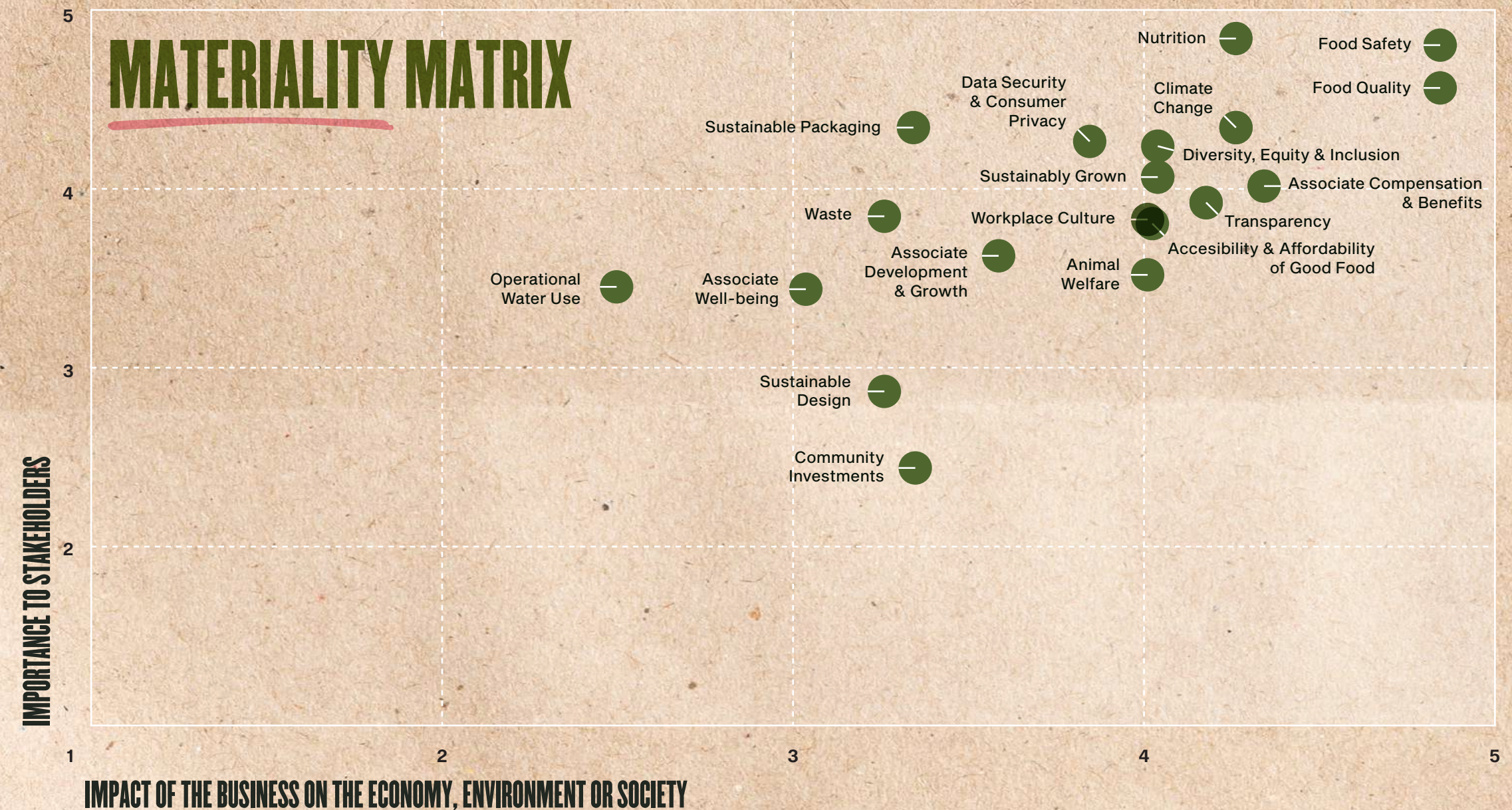
# GRI INDEX

Panera's 2021 Responsibility Report was developed in accordance with the Global Reporting Initiative (GRI) Standards at the Core level. In addition to disclosures included in our Report and Data Appendix, provides responses to certain GRI standards applicable to Panera in this GRI Index.

## MATERIALITY\*

We conducted a materiality assessment in 2019 to identify the most salient issues to Panera Bread and our stakeholders. We identified a long list of 20 topics and 90 sub-topics through an analysis of our business priorities and key risks. This list was narrowed and ranked via feedback provided through interviews with 30 internal and external stakeholders, including senior leaders and subject matter experts. In 2021, we re-interviewed key stakeholders to revalidate the materiality assessment. Based on that assessment, adjustments were made to increase prioritization of the critical issues of Climate and DE&I.

In addition to the materiality assessment process, we also applied GRI Principles for defining report quality in developing this Report: accuracy, balance, clarity, comparability, reliability and timeliness. Panera's approach to managing each material topic is specific to the individual issue and its related impacts. We continually assess potential risks to the enterprise — many of which align with our material topics — and adjust our management approach based on current and evolving situations.



\* This Report uses certain terms, including those that the GRI Standards refer to as "material" topics, to reflect the issues of greatest importance to Panera and our stakeholders. Used in this context, these terms are distinct from, and should not be confused with, the terms "material" and "materiality" as defined by or construed in accordance with securities law or as used in the context of financial statements and reporting. For the purposes of the initial climate-related risk assessment described in this report, material risks and opportunities refer to those ranking in the top 33 percent (rounded to the nearest whole number) of their respective category.



GRI 102: GENERAL DISCLOSURES		DISCLOSURE		RESPONSE
102	Organizational Profile	102 - 1	Name of the Organization	Panera, LLC.
		102-2	Activities, brands, products and services	<p>Panera, LLC operates the Panera Bread brand, a chain of fast-casual restaurants with menu options that feature soups, salads, sandwiches, Warm Bowls, Flatbread Pizzas, coffee, smoothies and other beverages, bakery products and related food items. Panera Bread also includes catering, delivery and grab-and-go format channels, as well as a licensed guest products line sold in grocery retail. The Panera Bread brand is known as St. Louis Bakery Company in the Saint Louis area.</p> <p>Panera, LLC also operates some Au Bon Pain locations and Paradise Bakery and Cafes but in most cases these brands are not included in this Report. See Reporting Scope and Boundaries, <a href="#">page 7</a>.</p>
		102-3	Location of headquarters	About Panera, <a href="#">page 6</a> .
		102-4	Location of operations	About Panera, <a href="#">page 6</a> .
		102-5	Ownership and legal form	Panera, LLC is a limited liability corporation and is privately owned.
		102-6	Markets served	About Panera and Reporting Scope and Boundaries, <a href="#">page 6</a> .
		102-7	Scale of the organization	About Panera. Sales and capitalization data is not provided as Panera was privately held in 2021. For more on Panera’s menu items, see <a href="http://www.panerabread.com">www.panerabread.com</a>
		102-8	Information on associates and other workers	<p>Panera's workforce, <a href="#">page 45</a>.</p> <p>Region is not material. The majority of Panera’s work is performed by associates as opposed to contractors. Panera’s workforce does not experience seasonal variations. Associate data is reported for Panera Bread only and is compiled and reported annually by Panera’s human resources department.</p>
		102-9	Supply chain	<p>Panera’s unique fresh dough facility (FDF) system supplies our bakery-cafes with frequent deliveries of bread dough and select fresh ingredients such as produce to nearly all company-owned and franchise-operated bakery-cafes. Ensuring frequent, fresh deliveries is essential to crafting our high-quality menu items.</p> <p>We contract externally for the manufacturing of the remaining baked goods in the bakery-cafes, referred to as our sweet goods. Nearly all sweet goods and breads are baked at each bakery-cafe by our professionally trained bakers.</p> <p>All other ingredients and supplies for our bakery-cafes are delivered by vendors to independent distributors that deliver the products to our bakery-cafes. We have 544 SKUs and work with three distributors and over 200 direct suppliers (food, packaging, beverage, misc.).</p> <p>Our agricultural produce and ingredients suppliers are primarily located in North America. Our Supplier Code of Conduct sets forth our expectations of suppliers regarding human rights, environmental practices and more. See Our Food, <a href="#">page 15</a>.</p>



GRI 102: GENERAL DISCLOSURES		DISCLOSURE	RESPONSE
		102-10 Significant changes to the organization and its supply chain	In 2021, Panera opened 20 bakery-cafes and closed 10 and closed one FDF.
		102-11 Precautionary Principle or approach	Panera has not formally adopted the precautionary approach, but applies it via its commitment to reduce GHG emissions and avoid use of certain substances. For example, we have undertaken efforts to measure and label low carbon foods (see Cool Food Meals, <a href="#">page 30</a> ) and to restrict certain substances in our packaging (see more on <a href="#">page 31</a> ).
		102-12 External initiatives	In 2015, Panera signed the Campaign for a Commercial-Free Childhood, pledging not to target media and marketing to children. In 2019, Panera signed the Business for Inclusive Growth pledge, committing to advancing human rights and inclusivity in our workplace. In 2020, we joined the Healthy Living Coalition to help improve food systems and close nutrition gaps that disproportionately impact underserved communities.  Panera has mapped its material issues to align with the Sustainable Development Goals (SDGs). See more on Aligning with the UN SDGs' section, <a href="#">page 12</a> .
		102-13 Membership of associations	Culinary Institute of America's Menus of Change Business Council Healthy Living Coalition National Restaurant Association Sustainable Packaging Coalition World Resources Institute Cool Food Initiative
102	Strategy	102-14 Statement from senior decision-maker	A note from Niran <a href="#">page 3</a> , A chat with Sara, <a href="#">page 10</a> .
		102-15 Key impacts, risks and opportunities	Material topics, <a href="#">page 14</a> . Our Environment, <a href="#">page 23</a> . TCFD Disclosure Appendix, <a href="#">page 59</a> .
102	Ethics and Integrity	102-16 Values, principles, standards and norms of behavior	For Panera's values, see "Culture the Panera Way," <a href="#">page 41</a> . Panera measures its ethical practices against the principles outlined in our Standards of Business Conduct. Everyone at Panera is held to these standards, including all newly hired associates.
		102-17 Mechanisms for advice and concerns about ethics	Panera, LLC employs a third party to maintain a confidential ethics hotline, through which associates can report any ethics concern. Reports are investigated and, if warranted, appropriate action is taken. See Governance, <a href="#">page 50</a> .



GRI 102: GENERAL DISCLOSURES		DISCLOSURE		RESPONSE
102	Governance	102-18	Governance structure	<p>In 2021, Panera Bread’s Board was chaired by Jacek Szarzynski. In 2021, the Board was comprised of 14 members, four of whom were independent.</p> <p>The Board, including its Audit and Compensation Committees, oversees the Senior Leadership Team to ensure the company meets its goals and objectives and conducts business legally and ethically. There is no specific Board committee dedicated to corporate responsibility and sustainability, but the Board is regularly briefed on relevant social and environmental issues. See Governance, <a href="#">page 50</a>.</p>
		102-19	Delegating authority	<p>The ESG team is charged with managing Panera’s overall sustainability strategy, reporting and stakeholder engagement, and keeping the Board up to date on relevant issues. The team drives cross-functional initiatives on key environmental, animal welfare and philanthropy programs. In addition, subject matter experts across the company share accountability for driving other responsibility initiatives, such as our focus on health and wellness, “<a href="#">Clean</a>” ingredients and sustainable packaging, among others.</p> <p>Senior leaders throughout the business are accountable for responsibility metrics in the same way they are for general business performance. Their performance is measured through key initiatives (KIs) for each strategic priority and set goals as part of the KIs they manage. KIs include both business and responsibility metrics.</p>
102	Stakeholder Engagement	102-40	List of stakeholder groups	<p>Associates</p> <p>Guests</p> <p>Local communities (includes local and national charities)</p> <p>Suppliers</p> <p>Franchisees</p> <p>Industry associations</p> <p>Shareholders</p> <p>Experts and Influencers (i.e., NGOs, universities, subject experts, etc.)</p> <p>Media</p>
		102-41	Collective bargaining agreements	<p>None of the associates in company-owned operations are covered by collective bargaining agreements.</p>
		102-42	Identifying and selecting stakeholders	<p>Panera selects and engages stakeholders who have expertise on some aspect of our business, industry and/or the broader food system. We also conducted a materiality assessment as part of our reporting process in 2019 that further validates the most critical stakeholders to engage. See the <a href="#">2017-2019 GRI Index</a>.</p>



GRI 102: GENERAL DISCLOSURES		DISCLOSURE	RESPONSE
102	Reporting Process	102-43 Approach to stakeholder engagement	<p>Panera’s approach to stakeholder engagement involves ongoing dialogue and solicitation of feedback through mechanisms that are relevant for each stakeholder group. The groups below are engaged on an ongoing basis through the following channels. These inputs informed the Report preparation process.</p> <p>For more on stakeholder engagement specific to Report preparation, see "Materiality &amp; Stakeholder engagement," <a href="#">page 14</a>.</p> <ul style="list-style-type: none"> <li>• Associates — Pulse surveys, quarterly Heart Checks, internal social media platforms, feedback sessions, listening sessions</li> <li>• Guests — Email, phone, social media, frequent surveys through the MyPanera loyalty program, American Customer Satisfaction Index industry surveys</li> <li>• Local Communities — Community engagement programs, event participation, volunteerism, speeches, local fundraising events held in our bakery-cafes</li> <li>• Suppliers — Contracts, webinars, meetings</li> <li>• Franchisees — Meetings and sharing of best practices and tools, regular phone calls, field visits</li> <li>• Industry Associations — Meetings, conferences, workshops</li> <li>• NGOs, Universities, Subject Experts — One-on-one meetings, conferences, roundtables, partnerships</li> <li>• Media — Proactive outreach to media, dedicated email address, phone</li> </ul> <p>We have also engaged with key stakeholders on climate and low carbon foods (page 10) and sustainability practices in our supply chain, "Selective sourcing," <a href="#">page 17</a>.</p>
		102-44 Key topics and concerns raised	Materiality, <a href="#">page 14</a> .
		102-45 Entities included in the consolidated financial statements	About Panera and Reporting Scope and Boundaries, <a href="#">page 7</a> . As a privately held company, Panera did not publish public financial statements for 2021.
		102-46 Defining report content and topic boundaries	"Materiality and Reporting Scope and Boundaries, see About this report," <a href="#">page 7</a> .
		102-47 List of material topics	Materiality Matrix, <a href="#">page 14</a> .
		102-48 Restatements of information	Certain past year associate demographics data updated to reflect best available data, <a href="#">page 45</a> .
		102-49 Changes in reporting	While there were no significant changes in the material topics in 2021, we made some minor adjustments to reflect our evolving priorities. See <a href="#">Materiality</a> for more details. There were no changes in the topic boundaries.



GRI 102: GENERAL DISCLOSURES		DISCLOSURE		RESPONSE
		102-50	Reporting period	Fiscal year 2021. Panera’s fiscal year follows the calendar year, ending on the last Tuesday of December.
		102-51	Date of most recent report	The last Responsibility Report was published in June 2021 and covered fiscal year 2020.
		102-52	Reporting cycle	Annual
		102-53	Contact point for questions regarding the report	<a href="mailto:Responsibility@panerabread.com">Responsibility@panerabread.com</a>
		102-54	Claims of reporting in accordance with the GRI Standards	This Report has been prepared in accordance with the GRI Standards: Core option.
		102-55	GRI content index	2021 GRI Content Index
		102-56	External assurance	This Report was not externally assured. The content and data were reviewed and approved by internal subject matter experts and senior management to ensure accuracy. The Board of Directors had the opportunity to review the final Report draft before publication.
103	Management Approach to Economic Standards	103-1	Explanation of material topics and its Boundary	About this report, <a href="#">page 7</a> . Our Strategy, <a href="#">page 11</a> .
		103-2	The management approach and its components	Our Environment - Climate, <a href="#">pages 26</a> .
		103-3	Evaluation of the management approach	TCFD, <a href="#">page 59</a> .
201	Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	See assessing our climate risk, <a href="#">page 26</a> and TCFD Appendix. In future iterations of Panera’s climate-related risk assessment, scenario analysis may be amended with a financial impact assessment to quantify the impacts of these climate scenarios and Panera’s ability to remain resilient to them.
103	Management Approach to Environment Standards	103-1	Explanation of material topics and its Boundary	About this report, <a href="#">page 7</a> . Our Strategy, <a href="#">page 11</a> .
		103-2	The management approach and its components	Our Environment, <a href="#">page 23</a> .
		103-3	Evaluation of the management approach	Data Appendix, <a href="#">page 53</a> . TCFD, <a href="#">page 59</a> .







GRI 102: GENERAL DISCLOSURES		DISCLOSURE		RESPONSE
302	Energy	302-1	Energy consumption within the organization	Data Appendix, <a href="#">page 56</a> .
		302-2	Energy consumption outside of the organization	Energy consumption used outside of our organization is estimated and reported as Scope 3 GHG emissions in Panera's 2021 Greenhouse Gas Emissions Inventory on <a href="#">page 28</a> , Data Appendix, <a href="#">page 56</a> .
		302-3	Energy intensity	Data Appendix, <a href="#">page 56</a> . Our Environment, <a href="#">page 23</a> .
		302-4	Reduction of energy consumption	Data Appendix, <a href="#">page 56</a> .
303	Water and Effluents	303-1	Interactions with water as a shared resource	Our Environment, <a href="#">page 23</a> .
		303-2	Management of water discharge-related impacts	Not material as Panera does not have significant water discharge.
		303-3	Water withdrawal	All water was sourced from municipal water supplies. Panera does not break down tracking of water withdrawal from company-owned operations by region or area. Data Appendix, <a href="#">page 57</a> .
305	Emissions	305-1	Direct (Scope 1) GHG emissions	Panera's 2021 Greenhouse Gas Emissions Inventory, <a href="#">page 28</a> . Data Appendix, <a href="#">page 56</a> .
		305-2	Energy indirect (Scope 2) GHG emissions	Panera's 2021 Greenhouse Gas Emissions Inventory, <a href="#">page 28</a> . Data Appendix, <a href="#">page 56</a> .
		305-3	Other indirect (Scope 3) GHG emissions	Panera's 2021 Greenhouse Gas Emissions Inventory, <a href="#">page 28</a> . Data Appendix, <a href="#">page 56</a> .
		305-4	GHG emissions intensity	Panera's 2021 Greenhouse Gas Emissions Inventory, <a href="#">page 28</a> . Data Appendix, <a href="#">page 56</a> .
		305-5	Reduction of GHG emissions	Panera's 2021 Greenhouse Gas Emissions Inventory, <a href="#">page 28</a> . See Data Appendix for methodologies and assumptions used for Scope 1, 2 and 3 calculation, <a href="#">page 56</a> .



GRI 102: GENERAL DISCLOSURES		DISCLOSURE		RESPONSE
306	Waste	306-1	Waste generation and significant waste-related impact	Waste, <a href="#">page 32</a> .
		306-2	Management of significant waste-related impacts	Waste, <a href="#">page 32</a> . Packaging, <a href="#">page 33</a> . Panera works with third-party waste disposal contractors to manage its waste. Vendors are assessed on an ongoing basis to validate they are operating in line with contractual obligations. Panera worked with these contractors to collect the data on waste disposal reported.
		306-3	Waste generated	Waste, <a href="#">page 32</a> . Information on total solid waste volume was provided by waste disposal contractors and/or Panera filled gaps based upon average use. Panera does not create nor dispose of hazardous waste.
		306-4	Waste diverted for disposal	Waste, <a href="#">page 32</a> .
		306-5	Waste directed to disposal	Waste, <a href="#">page 32</a> .
308	Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Panera's Supplier <a href="#">Code of Conduct</a> applies to all suppliers and vendors and lays out environmental expectations to reduce waste, energy and water, and implement sustainable agricultural and livestock production methods.
		308-2	Negative environmental impacts in the supply chain and actions taken	While Panera works with suppliers to help ensure alignment with the company's standards and requirements, we do not evaluate suppliers against formal environmental criteria and therefore do not track negative environmental impacts in our supply chain as part of how suppliers are evaluated.
103	Management Approach to Social Performance	103-1	Explanation of material topics and its Boundary	About this Report, <a href="#">page 7</a> . Our Strategy, <a href="#">page 12</a> .
		103-2	The management approach and its components	Our Associates, <a href="#">page 40</a> . Our Communities, <a href="#">page 34</a> .
		103-3	Evaluation of the management approach	Governance, <a href="#">page 50</a> . TCFD, <a href="#">page 59</a> .



GRI 102: GENERAL DISCLOSURES		DISCLOSURE		RESPONSE
401	Employment	401-1	New associate hires and associate turnover	<p>Our Associates, see <a href="#">page 40</a> for discussion of our Workplace Culture and Well-Being, important components of employment for our associates at Panera.</p> <p>Hiring and Retention, see <a href="#">page 42</a>.</p> <p>Total number and rate of Panera new associate hires: 62,927 associates; 118% of workforce</p> <p>Average Panera associate turnover (includes Support Center, FDF and cafe associates): 111%</p>
		401-2	Benefits provided to full-time associates that are not provided to temporary or part-time associates	Compensation and Benefits, see <a href="#">page 49</a> .
		401-3	Parental leave	Compensation and Benefits, see <a href="#">page 49</a> .
		403-9	Work-related injuries	<p>Panera considers associate well-being to encompass workplace safety as measured through work-related injuries.</p> <p>Approach: Panera bakery-cafes and FDFs have a safety program and train associates on safe practices. The most common incidents are cut/puncture/scrapes, lacerations, slip and fall, struck by object and strains.</p> <p>Steps taken to address incidents: Our FDFs, which are manufacturing plants, follow additional specific OSHA guidelines. In the FDFs, we employ formal programs to proactively identify and address hazards before incidents occur. Additionally, we investigate incidents, set monthly safety goals and hold quarterly safety meetings. We conduct internal Health and Safety Compliance audits to ensure compliance with Panera and regulatory requirements.</p> <p>Reporting: In FDFs, we track a number of metrics required by OSHA (see Data Appendix, <a href="#">page 75</a>). OSHA reporting is not required in cafes.</p>
404	Training and Education	404-1	Average hours of training per year per associate	Our Associates, <a href="#">page 40</a> . Panera does not track average training hours on a per associate basis. Every associate receives at minimum 25 hours of initial training and additional job specific training throughout their tenure.
		404-2	Programs for upgrading associate skills and transition assistance programs	See <a href="#">page 43</a> .
		404-3	Percentage of associates receiving regular performance and career development reviews	<p>Support Center: All Support Center staff receive mid-year and annual performance reviews once they have been employed for 90 days.</p> <p>Bakery-Cafes: See Our Associates - "Growth &amp; Development," <a href="#">page 43</a>.</p> <p>FDFs: All FDF salaried associates receive mid-year and annual performance reviews once they have been employed for 90 days. Panera does not track performance reviews by gender.</p>



GRI 102: GENERAL DISCLOSURES		DISCLOSURE		RESPONSE
405	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and associates	<p>Governance bodies: In early 2021, the Board was reconfigured and the number of Directors was increased to 14. The Board included three women, comprising 21% of the Directors. There were no BIPOC Directors on the Board. Panera does not report information on Board member age.</p> <p>Panera Bread associates: see <a href="#">page 40</a> and Data Appendix, <a href="#">page 58</a>.</p>
408	Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	<p>Panera’s <a href="#">Supplier Code of Conduct</a> applies to all suppliers and vendors and requires adherence to human rights standards, see <a href="#">page 52</a>.</p> <p>The Code requires suppliers to apply the same standards to their supply chains.</p> <p>Panera’s operations and/or direct suppliers are generally considered low risk because of their geographic locations and/or they do not conduct the type of work typically associated with a high risk of child labor or exposing young workers to hazardous conditions.</p>
409	Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>Panera’s <a href="#">Supplier Code of Conduct</a> applies to all suppliers and vendors and requires adherence to human rights standards, see <a href="#">page 52</a>.</p> <p>The Code requires suppliers to apply the same standards to their supply chains.</p> <p>Panera’s operations and/or direct suppliers are generally considered low risk because of their geographic locations and/or they do not conduct the type of work typically associated with a high risk of forced or compulsory labor. We have not conducted a risk assessment on indirect suppliers</p>
413	Local Communities	413-1	Operations with local community engagement, impact assessments and development programs	<p>Panera makes philanthropic and in-kind investments to support community services, specifically focusing on increasing access to affordable and nutritious foods. Panera does not make infrastructure investments. See <a href="#">page 34</a>.</p>
414	Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	<p>For new and renewing vendors, the <a href="#">Supplier Code of Conduct</a> is an integral part of their approval process. We continue to increase the number of suppliers signing the Code. <a href="#">See page 56</a>.</p>
		414-2	Negative social impacts in the supply chain and actions taken	<p>Panera’s <a href="#">Supplier Code of Conduct</a> applies to all suppliers and vendors, which requires adherence to human rights standards. No negative social impacts in the supply chain have surfaced and/or required action.</p>



GRI 102: GENERAL DISCLOSURES		DISCLOSURE		RESPONSE
416	Guest Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	<p>All of Panera’s food products and to-go packaging are assessed for safety and health attributes. See “Our Food,” <a href="#">page 15</a>, and “Better Materials,” <a href="#">page 31</a>.</p> <p>See Panera Bread’s <a href="#">nutritional information</a> for U.S. standard bakery-cafe food items. We disclose calorie and full ingredient information in cafes and online so guests can eat the way that best supports their diet and lifestyle choices.</p>
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2021, company-wide we experienced four food safety events resulting in the need for internal action and two recalls issued for consumer packaged goods by the FDA. The latter two incidents involved products manufactured by a third party for Panera and sold outside of our bakery-cafes. All incidents involved the presence of either ingredients, allergens or contaminants that should not have been present in the meal. None of the incidents involved food-borne pathogens and none resulted in guests falling ill.
418	Guest Privacy	418-1	Substantiated complaints regarding concerning breaches of guest privacy and losses of guest data	Panera received no substantiated complaints, nor did it experience any data exposures or breaches.
Accessibility and Affordability of Good Food		Healthy and Affordable Food		Our Food, <a href="#">page 15</a> . Expanding Value Options, <a href="#">page 21</a> . Healthy Living Coalition, <a href="#">page 37</a> .
Animal Welfare		Breeding and Genetics, FP9		Animal Welfare Progress Update, <a href="#">page 19</a> . Note: Panera reports data on species and/or breed type in pounds of animal protein, not total animals. See Data Appendix for Better Chicken Commitment progress, <a href="#">page 53</a> .
		Transportation, Handling and Slaughter, FP12		Responsibly Raised, <a href="#">page 18</a> .
Food Quality		Product and Service Labeling, PR5		One resource Panera leverages is the American Customer Satisfaction Index for industry surveys to measure guest satisfaction. Panera also gauges guest feedback through its Cafe Health metric. See more on <a href="#">page 21</a> .
		Guest Health and Safety, FP5		100% of ingredient suppliers are certified under the Global Food Safety Initiative. Bakery-cafe management teams are ServSafe certified. Additionally, our bakery-cafes are audited three times per year by a third party and associates receive ongoing food safety training.
Food Safety		Guest Health and Safety, FP5		100% of ingredient suppliers are certified under the Global Food Safety Initiative. Bakery-cafe management teams are ServSafe certified. Additionally, our bakery-cafes are audited multiple times per year by a third party and associates receive ongoing food safety training.



GRI 102: GENERAL DISCLOSURES	DISCLOSURE	RESPONSE
Nutrition	Guest Health and Safety, FP6	Panera products are free of artificial trans fats. See <a href="#">Panera’s U.S. nutritional information</a> that details calories, calories from fat, saturated fat, sodium and total sugars, among other information for standard bakery-cafe food items. Panera does not track nutritional information by sales volume.
	Guest Health and Safety, FP7	See <a href="#">Panera’s U.S. nutritional information</a> that details total dietary fiber and protein for standard bakery-cafe items. Panera does not calculate the percentage of products sold that contain increased nutritious ingredients, although our approach to product development is mindful of these nutritional attributes and this information is provided to guests.
Sustainably Grown	Sourcing, FP2	Since 2014, we’ve worked to ensure that our suppliers adhere to Panera’s standard requiring that palm oil and its derivatives, consistent with available supply, come from certified sources that meet the principles and criteria of Roundtable on Sustainable Palm Oil (RSPO) or an equivalent. Since Panera does not purchase palm oil directly, supplier standards are the most effective means to impact change, <a href="#">page 17</a> .
		Palm oil is sourced from certified sources that meet the principles and criteria of RSPO or an equivalent.
Transparency	Product and Service Labeling	<a href="#">Page 16.</a> <a href="#">Panera Bread® Nutrition Information - US</a>



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