



**BETTER, DELIVERED.**

**2020 Corporate Responsibility Highlights Report**



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## ABOUT THIS REPORT

This corporate responsibility highlights report provides an update to Papa John's first report published in 2020. It covers the fiscal year ending December 27, 2020. The data in this report, unless otherwise indicated, covers our U.S. business. We expect that future reports will cover our global operations. Similarly, because of the independent nature of our franchise structure, data covers only our corporate headquarters, corporate-owned restaurants and Quality Control Centers.

We value and welcome feedback from all interested stakeholders. Please send comments or questions about this report to: [corporate\\_responsibility@papajohns.com](mailto:corporate_responsibility@papajohns.com).

## FORWARD-LOOKING STATEMENTS

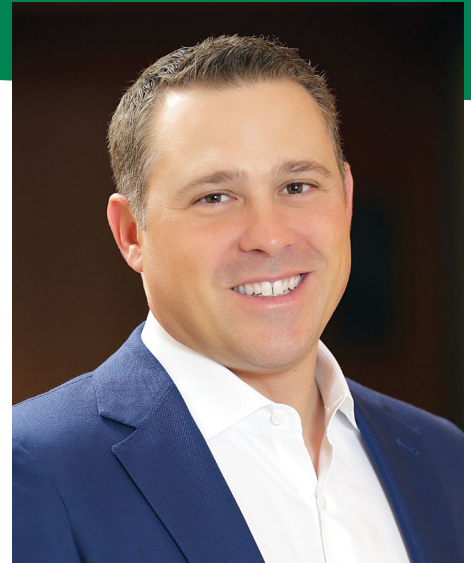
Certain matters discussed in this report which are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Part I. Item 1A. – Risk Factors" of the Annual Report on Form 10-K for the fiscal year ended December 27, 2020, as well as subsequent filings. We undertake no obligation to update publicly any forward-looking statements, whether as a result of future events, new information or otherwise.



# SECTION 2

## LETTER FROM OUR PRESIDENT AND CEO

### "BETTER, DELIVERED" – OUR COMMITMENT TO YOU



2020 was a year unlike any other, as the world faced unprecedented challenges from the COVID-19 pandemic. The impact of the pandemic has been felt by everyone, and many have incurred tremendous losses. At no other time in recent history has the call to support our communities and each other been more critical.

Papa John's delivery and carryout model has enabled us to remain open throughout the pandemic. This has presented both a tremendous responsibility and opportunity: to protect the health and safety of our team members and customers, while continuing to serve our customers across the globe with delicious, high-quality food.

Throughout it all, Papa John's team members and franchisees have delivered, with hard work and an unrelenting commitment to our values. From delivering meals to healthcare workers, first responders and families, to supporting blood drives and the organizations on the frontlines of this crisis, the Papa John's family served more than 1 million meals to our neighbors in need.

The financial impact of the pandemic has also taken an enormous toll on many individuals and families. We were fortunate to be able to help thousands of people who had been displaced from other jobs by hiring more than 30,000 new team members. And we extended a special end-of-year bonus for approximately 14,000 front-line team members in the company's corporate restaurants and supply chain, totaling approximately \$2.7 million.

COVID-19 was not the only challenge we faced in 2020. We also experienced the fight for racial and social justice and stood together with our Black team members, franchisees and customers. These events reminded us how important it is to continue to foster a culture within Papa John's where everyone belongs. We will continue to create the kind of diverse and inclusive culture we want to see in the world, from our restaurants to our executive team, which I'm proud to say is one of the most diverse in our industry.

We also added new talent to our Diversity, Equity & Inclusion team, continued to support our employee resource groups and achieved a 100 on the Human Rights Campaign Foundation's 2021 Corporate Equality Index. We are not yet where we aspire to be, but the progress we have made gives us the foundation to persevere through these challenging times.

This year, we look forward to brighter days ahead for our communities around the globe. And as we do, we remain committed to our roadmap to better. While Papa John's has been defined by "better" since its founding, the events of the past year have put us on a path to reaching our goal of becoming the best pizza delivery company in the world.

Despite the challenges of 2020, I am pleased to share the progress we have made as we continue to move forward on a path to long-term, sustainable growth.

**Rob Lynch, President and CEO**



## COMPANY PROFILE

**Our mission is simple: We love pizza. It brings us all together.  
The world deserves better pizza and we deliver it.**

Papa John's International, Inc. (NASDAQ: PZZA) is the world's third-largest pizza delivery company with more than 5,400 restaurants in 48 countries and territories. The company is built on its promise of BETTER INGREDIENTS. BETTER PIZZA.®

Papa John's was named QSR Magazine's Most Transformational Brand in 2020, driven by a renewed focus on innovation across every facet of our business, from our menu and products, to our culture and community.

Papa John's is driven by five strategic priorities:

1. Build a culture of leaders who believe in inclusivity, diversity and winning
2. Improve unit level profitability of our operations and franchisees
3. Establish the superiority of our pizza via commercial platforms
4. Build a technology infrastructure that enables our business operations
5. Expand our footprint domestically and internationally

## PAPA JOHN'S IS GUIDED BY ITS CORPORATE VALUES:

- ▶ PEOPLE FIRST
- ▶ EVERYONE BELONGS
- ▶ DO THE RIGHT THING
- ▶ INNOVATE TO WIN
- ▶ HAVE FUN

## OPENING A NEW HEADQUARTERS IN ATLANTA



In September, Papa John's announced plans to open a new global 60,000-square-foot headquarters in Atlanta, GA to create an additional hub for our growing business and increase access to top diverse talent. Beginning in summer 2021, team members from the company's marketing, customer experience, human resources, DEI, communications, operations, FP&A, and development functions will work from the new headquarters while IT, supply chain, accounting and legal teams will remain in the Louisville, KY headquarters. Designed with the future of workspace in mind, the new headquarters will feature an innovative test kitchen and state-of-the-art media studio, and promote a collaborative work environment for all team members.


Papa John's expects to add 200 new jobs in Atlanta and continue to expand positions in both Atlanta and Louisville over the next few years. Papa John's also centralized in 2020 its international operations in its office in the London area (Milton Keynes, UK).



# COMPANY PROFILE

## NUMBERS AT A GLANCE

Year established: 1984



	TOTAL		NORTH AMERICA		INTERNATIONAL	
	2020	2019	2020	2019	2020	2019
<b>Operations</b>	<b>5,413</b>	<b>5,408</b>	<b>3,301</b>	<b>3,300</b>	<b>2,112</b>	<b>2,108</b>
Company-owned restaurants	588	598	588	598	0	0
Franchise restaurants	4,812	4,797	2,701	2,690	2,111	2,107
Quality Control Centers (QCC) <sup>1</sup>	13	13	12	12	1	1

<sup>1</sup>Slight discrepancies in the data between reports are due to standardizing our metrics gathering processes to more closely align with our financial filings. These numbers only include corporate-owned Quality Control Centers.

	2020	2019
<b>Revenue</b>	<b>\$1.81B</b>	<b>\$1.62B</b>
# of countries with Papa John's restaurants	48	49

	2020	2019
<b>U.S. Employees Total</b>	<b>16,347</b>	<b>16,364</b>
Restaurant team members	13,164	11,915
Restaurant management personnel	2,219	2,668
Corporate personnel	695	742
QCC personnel	1,005	1,039

As of the end of 2020, 89 percent of our restaurants were franchise-owned.

For more information about Papa John's, please see our corporate website at [www.papajohns.com](http://www.papajohns.com)



# OUR ROADMAP TO BETTER, DELIVERED

## WHAT MATTERS MOST



**PEOPLE**

**PIZZA**

**PLANET**

## WHAT BETTER LOOKS LIKE

Building a culture of leaders who believe in diversity, inclusivity and winning

Providing a superior, high-quality pizza by using simple ingredients

Taking steps to reduce our impact on the environment

## OUR BETTER PRIORITIES

- Diversity & Equal Opportunity
- Occupational Health & Safety
- Employee Compensation & Benefits
- Employee Recruitment & Retention

- Food Safety & Hygiene
- Food Quality
- Traceability of Ingredients
- Nutrition & Allergen Labeling

- Sustainable Packaging
- Waste Management & Recycling
- Food Waste Reduction
- Energy Efficiency

## STRONG FOUNDATION

Ethics, Governance & Compliance • Information Security & Data Privacy

### Corporate Responsibility Governance

In 2019, Papa John's formalized its long-standing Corporate Social Responsibility Committee composed of senior leaders across multiple functions including Supply Chain; Legal and Risk; Communications and Corporate Affairs; Diversity, Equity and Inclusion; Safety and Security; People Operations and Corporate Governance. It includes three members of our Executive Leadership Team and is overseen by the Corporate Governance and Nominating Committee of the Papa John's Board of Directors. Papa John's Senior Vice President of Communications and Corporate Affairs has operational responsibility for corporate responsibility reporting and communications to third-party rating agencies.

### Political Contributions

Consistent with previous years' reporting, we did not contribute to any political campaigns in 2020.

### Cyber Security

Papa John's relies heavily on information systems to operate our business, including the collection and retention of employee and customer data. In 2020, we continued efforts to ensure data protection and privacy through our enterprise-wide security program and Global Information Security Policies and Procedures. Initiatives included:

- Quarterly updates to our Board of Directors on key cyber security issues, and an annual review each October
- Employee training, including monthly phishing awareness campaigns, two mandatory cyber security awareness courses and an annual PCI training
- Following certification standards including the Payment Card Industry Data Security Standard, National Institute of Standards and Technology, Center for Internet Security, and Open Web Application Security Project.

# CORPORATE RESPONSIBILITY AT PAPA JOHN'S

## Q&A WITH OUR NEW DIRECTOR OF CORPORATE AFFAIRS AND SUSTAINABILITY



**Jenn Garner joins Papa John's as its first director of Corporate Affairs and Sustainability. Here she shares what brought her to the company and plans to help accelerate the roadmap to better.**

**Q: What inspired you to join Papa John's in this new role?**

I was drawn to the opportunity to help shape and build Papa John's long-term corporate responsibility strategy. I've been impressed with Papa John's commitment to empowering entrepreneurs and supporting local communities, as well as its recent transformation efforts to position the company for long-term success.

**Q: What are your most urgent priorities?**

The initial focus is to develop a long-term corporate responsibility strategy, including programs and partnerships to accelerate our progress, goals to hold ourselves accountable, and ongoing communications to drive stakeholder engagement.

**Q: Where is Papa John's uniquely positioned to have a positive impact?**

Our company is defined by being better – this extends across every aspect of our business, including being better corporate citizens, better stewards of the environment, and creating a better place to work.

We're also focused on building a culture of leaders who believe in diversity, inclusivity and winning. Following an initiative led by our LGBTQ+ employee resource group to apply an inclusive lens to a number of our policies, we received a score of 100 on the Human Rights Campaign Foundation's 2021 Corporate Equality Index. This is a significant milestone for the company – one that demonstrates our commitment to inviting all voices to the table to drive meaningful action.

**Q: How does Papa John's leverage stakeholder voices in its business and corporate responsibility approach?**

Stakeholder engagement is a critical step in implementing our corporate responsibility roadmap. While COVID-19 made in-person engagement more difficult, we continued to connect virtually with investors, team members, community partners, and our franchisees, including hosting our first-ever virtual Papa John's Franchise Conference. We also remain involved with our industry peers and stakeholders through groups such as the American Pizza Community, National Retail Federation and various community organizations. Together, this dialogue helps inform and guide our approach to better.



# SECTION 3

## OUR RESPONSE TO COVID-19

The COVID-19 pandemic presented challenges at a scale never witnessed before in history, affecting virtually every continent, sector and community. We share how we responded to the pandemic throughout this highlights report, including how we protected the safety and wellbeing of our team members and customers (page 11) and worked to support local communities through safer food delivery and financial support to organizations in need (page 21).

# \$2.5M



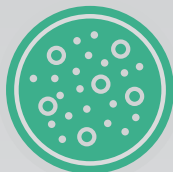
Total year-end **"hero pay" bonuses** to 14,000 front-line team members in corporate restaurants, PJ Food Service and our supply chain team

# \$3.6M

Raised through the **Shaq-a-Roni** campaign and donated to The Papa John's Foundation to support its partners and COVID relief efforts

# 500K

**Pizzas donated** to front-line workers



# 30K

Team members **hired**



# \$181K+

**Raised for the Papa Fund**, our team member emergency relief fund



# 10K

**Meals donated** to underserved communities through World Central Kitchen

# 200+ Families

**Supported Boys & Girls Clubs kids and families** affected by COVID-19 by donating pizzas, fulfilling Amazon wish lists, and providing pizza and gift cards to 200+ families

# FREE



**Team Member benefits:** Free virtual doctor visits, existing benefits with no-cost mental health support, affordable health plan options

## SECTION 4

### DELIVERING ON OUR COMMITMENT TO OUR PEOPLE

Creating a culture of leaders who believe in diversity, inclusivity and winning is one of Papa John's five strategic priorities introduced in 2019. It is grounded in our core value that everyone belongs and the belief that our company's long-term success is based on creating a culture where people of different backgrounds and experiences come together to drive innovation. It also means investing in their development, providing them with competitive pay and unique benefits, and creating a fun work environment.



## 4.1 PRIORITIZING EMPLOYEE WELLNESS IN THE FACE OF COVID-19

Our team members' health and safety are always our top priority. With the emergence of the pandemic in early 2020, we took swift and immediate action to protect the health and wellbeing of team members and their families.

In March, we quickly transitioned all corporate office workers who could do so to a work-from-home environment, helping to ensure a seamless transition through enhanced technology solutions and IT support. We created new ways to engage with employees through regular webcasts, podcasts and emails, as well as by launching SLICE, a new internal portal with unique sites for corporate team members and franchisees.

For those team members working in our Quality Control Centers and restaurants, we implemented stringent safety protocols to reduce the transmission of the virus. Steps included:

- **Closing a restaurant if a team member tested positive for COVID-19 and only reopening following professional cleaning and sanitizing by a third-party vendor.**
- **Providing crisis pay while on leave for quarantine to any team member who tested positive as a result of being exposed at work.**
- **Establishing a no-signature, no-contact process between our commercial drivers delivering pizza dough and ingredients and store employees, as well as offering a limited interaction food drop-off experience and online payment for customers**
- **Providing all employees with masks and requiring them to attest to daily temperature checks when reporting to work.**
- **Working with our franchise partners to ensure appropriate COVID-19 precautions were applied across all restaurants.**
- **For all employees, we expanded our benefits to include free virtual doctor visits, in addition to existing benefits of no-cost mental health support and affordable health plan options. Eligible team members and franchisees can also access our Emergency Relief Funds – known as the PAPA Funds – which provides financial assistance in the face of emergency, injury, illness or natural disaster.**

We also extended a special end-of-year bonus for approximately 14,000 front-line team members in the company's corporate restaurants and supply chain, totaling approximately \$2.7 million. Earlier in the year, the company also provided targeted bonuses, incentives and crisis pay for some corporate restaurant and supply chain team members, in addition to expanding health, wellness and paid time-off.

**▲▲ Never has Papa John's growth and success depended on our team member's hard work, steadfast dedication and commitment to safety as much as this year. In particular, our front-line workers in our restaurants and supply chain have been a constant source of positivity and commitment throughout this challenging year, enabling Papa John's to take care of our customers and communities. ▼▼**

– Marvin Bookye, Chief People & Diversity Officer

## 4.2 DIVERSITY, EQUITY & INCLUSION

In 2020, Papa John's continued to advance its company-wide Diversity, Equity & Inclusion (DEI) strategy, supporting the company's top strategic priority to build a culture of leaders who believe in diversity, inclusivity and winning. Like many, we also experienced tragic reminders that more must be done to realize true diversity, equity and inclusion in both our workplace and in our communities. While our commitment to DEI did not begin with the fight for racial justice witnessed across the United States in 2020, these events reinforced our commitment to create a culture in our company where everyone feels they belong.

### *Papa John's DEI Strategic Objectives*

- *Diversify our workforce and leadership pipeline by attracting, recruiting, developing and supporting talent who represent our customers and communities.*
- *Embed policies and practices that ensure fairness, build trust and hold ourselves accountable.*
- *Instill and reward behaviors across the organization that foster belonging and increase employee engagement.*



## Responding to Racial Injustice Challenges

The peaceful protests spurred by ongoing social and racial injustice in the United States resonated with Papa John's and our employees. Following the death of Breonna Taylor, our African American Employee Resource Group and allies came together to support the Louisville community by serving pizza at a vigil hosted by Breonna's family. Internally, we introduced a series of "Real Talks" to create space where employees could share their perspectives and concerns about the challenges facing the country. In addition, Papa John's President and CEO Rob Lynch joined the governing committee of the "CEO Action for Racial Equity," a fellowship program that engages corporate leaders to advance racial equity through public policy.

## 2020 Progress and Highlights

- Continued to strengthen the capabilities of our Executive Leadership Team and general managers through inclusive leadership training. Our CEO and Executive Leadership Team completed individual DEI assessments, received coaching and came together as a team to align on how to accelerate the implementation of the company's DEI strategy within their organizations. We also rolled out Managing Inclusion™ for our top 300 people leaders. This virtual session is designed to help leaders become more aware of their biases and uncover untapped talent in their teams.
- Achieved 100 percent employee completion of unconscious bias training, and made training available to franchise owners for use with their team members.



- Expanded team member benefits to same-sex partners, leading to our score of 100 on the Human Rights Campaign Foundation's 2021 Corporate Equality Index, the nation's foremost benchmarking survey and report measuring corporate policies and practices related to LGBTQ workplace equality. Papa John's is the

only pizza company to earn a score of 100, and one of only 42 companies in the food, beverage and grocery category to earn top marks this year.

- Completed third-party assessment of our DEI efforts, policies and programs and identified gaps and areas for improvement that we executed against during the year.
- Expanded our Diversity, Equity & Inclusion team with experienced professionals to drive global execution of the strategy.
- Established a review committee to monitor and implement policies in support of pay equity.
- Continued to build the infrastructure necessary to sustain our eight employee resource groups (ERGs), and collaborated with them to recruit diverse talent, drive awareness of DEI and increase engagement among all employees.
- Launched two new ERGs representing Asian-American Pacific Islanders and differently abled people living with disabilities.



**▲▲ We believe in the power of bringing people together and inviting everyone to the table, where each person's unique flavor is respected, embraced, and valued. ▼▼**

— Marvin Boakye, Chief People & Diversity Officer

**▲▲ It's clear we've turned our focus to the future and I'm honored to be a part of shaping the next chapter of Papa John's DEI story. ▼▼**

—Kim Adams, Vice President of Diversity, Equity and Inclusion



## Leadership & Senior Management

33 percent of employees in Management Functions (VP and above) are female – an 11 percent increase from 2019.

MANAGEMENT	2020	2019
Females in management positions (VP and above)	33%	22%
Executive Leadership Team	2020	2019
Total positions	11	10
Female members	4	3
Black/African American members	2	2
LGBTQ+	1	1

WORKFORCE: PAPA JOHN'S CORPORATE OFFICES AND CORPORATE-OWNED STORES*			
Demographics		2020	2019
Gender	Female	30%	29%
	Male	70%	71%
Ethnicity	White	65%	63%
	Black/African American	21%	22%
	Hispanic/Latino	7%	7%
	Asian	2%	2%
	Not Specified	3%	3%
	Two or More	2%	2%
Age	Gen Z [1996-tbd]	46%	40%
	Millennial [1977-1995]	30%	33%
	Gen X [1965-1976]	17%	18%
	Baby Boomers [1946-1964]	7%	8%
	Traditionalists [>1945]	<1%	<1%
Veteran Status [yes]**		5%	5%
Disability Status [yes]**		6%	5%

\*Slight discrepancies in the data between reports are due to standardizing our metrics gathering processes to more closely align with our financial filings. These numbers only include corporate-owned Quality Control Centers.

\*\*Based on employee self-identification

## Looking Ahead

In 2021, we will continue to execute against our DEI strategy by diversifying our workforce, embedding fair policies and practices, and instilling and rewarding behaviors that foster belonging and increase employee engagement. We plan to:

- Develop a DEI corporate scorecard and governance structure
- Launch professional development programs for women, Black/African American and Latinx team members
- In partnership with UNCF, establish an internship program for Black students as part of Papa John's new RISE program [Recruiting Interns to Succeed & Excel]
- Launch phase two of our DEI training workshops for all team members
- Execute global ERG programming for corporate, store and franchise employees
- Invest in national community and professional partnerships that promote DEI in the communities where we operate

### 4.3 EMPLOYEE DEVELOPMENT

One year after launch, Papa John's expanded "Dough & Degrees," our best-in-class college tuition benefit program, by adding a new partner – the University of Maryland Global Campus. UMGC joins Purdue University Global in offering Papa John's corporate and franchise team members, as well as their immediate family members, significantly reduced college tuition options. Through Dough & Degrees, team members have the opportunity to earn not only a paycheck, but also a college degree in a variety of undergraduate and graduate programs. Sixty-eight percent of participants work in restaurant operations roles, with business and information technology as the top two fields of study.

### 4.4. EMPLOYEE SAFETY & SECURITY

As part of the company's enterprise-wide safety management system, Papa John's continues to invest in training, technology and team members to get to zero – zero injuries and zero accidents in its warehouses, offices, restaurants and on the road.

In 2020, all Papa John's team members received annual safety training based on requirements of their roles. In addition, the company expanded its annual safety audits beyond its Quality Control Centers and restaurant operations to corporate-owned restaurants by hiring additional regional safety managers.

#### Driver Safety

The company's investment in driver safety training and on-road safety systems continued to reap positive results, with ongoing reductions in accidents among both commercial tractor-trailer and pizza delivery drivers.

Within our corporate-owned restaurants we continue to use the driver safety system Drivosity to detect certain driving behaviors such as speeding, rapid acceleration, harsh braking and aggressive cornering. Corporate general managers, whose bonuses are in part based on driver safety scores, monitor deliveries and provide

immediate feedback on both high and low driving scores. In 2020, our driver safety scores improved 12 percent. In addition, better driving habits typically translate into reduced fuel use, which is better for the environment as well.

**▲▲ Papa John's is 100 percent committed to the safety of our employees, our restaurants and the communities where we live and work. ▼▼**

– Sammy Davis, Vice President, Safety & Security

#### Employee Security

In our corporate-owned restaurants, all team members receive training at time-of-hire that focuses on security topics in and around the store. In 2020, and continuing in 2021, we are enhancing this training with on-site visits by our corporate security team and collaboration with local law enforcement. Since 2018, we have reduced overall security incidents 57 percent [combined corporate restaurants and off-site driver security].

#### 2021 Commitments

- Roll out a new Safety Management System based on ANSI Z10. Although originally planned for 2020, focus on keeping team members and customers safer against COVID-19 took priority.
- Continue to implement new ergonomic training at our Quality Control Centers to reduce workplace injuries.
- Launch a cloud-based security system in all corporate restaurants that will allow for centralized security monitoring and real-time response and partnership with law enforcement in the case of a store emergency.

## Workplace Safety<sup>1</sup>

Since 2014



OSHA recordable injuries **down 46%**



Total Recordable Injury Rate **down 50%**



Lost work days from injuries **down 66%**



Lost Time Case Rate **down 70%**

Since 2017



**30% decrease** in actual OSHA recordable injuries



**63% decrease** in lost time



**74% decrease** in workers' comp

## Road Safety<sup>2</sup>

Since 2014



Preventable crash reductions by **23%**



Commercial crashes **down 46%**



Crashes per million miles **down 27%**



Auto physical damage cost **down 52%**

## Security Metrics

Since 2018



Off-site driver security events **decreased by 57%**



On-site store security events **decreased by 50%**

# 0

Papa John's has a clear goal when it comes to health and safety:

**Zero incidents**

<sup>1</sup>2014-2017 data cover Quality Control Centers only.

<sup>2</sup>Covers only Trans Papa Logistics





## SECTION 5

### PIZZA: DELIVERING ON OUR COMMITMENT TO OUR CUSTOMERS

There is nothing more important or vital to our business and to earning customer trust than providing high-quality food in a safer way. This starts with how we source ingredients, to how our pizzas get to your door.

#### 5.1 SAFETY FIRST

Throughout 2020, including during the height of the COVID-19 pandemic, Papa John's remained committed to meeting the high demand for quality meals. Within our restaurants, we introduced No Contact Delivery to protect our team members and customers, offering customers a limited-interaction food drop-off experience and online payment.

All Papa John's food service and restaurant team members continued to undergo annual food safety training. In addition, we continued to conduct annual food safety and quality audits of all Papa John's Quality Control Centers and ensured all suppliers underwent a third-party food safety audit.

#### 5.2 PRODUCT INNOVATION

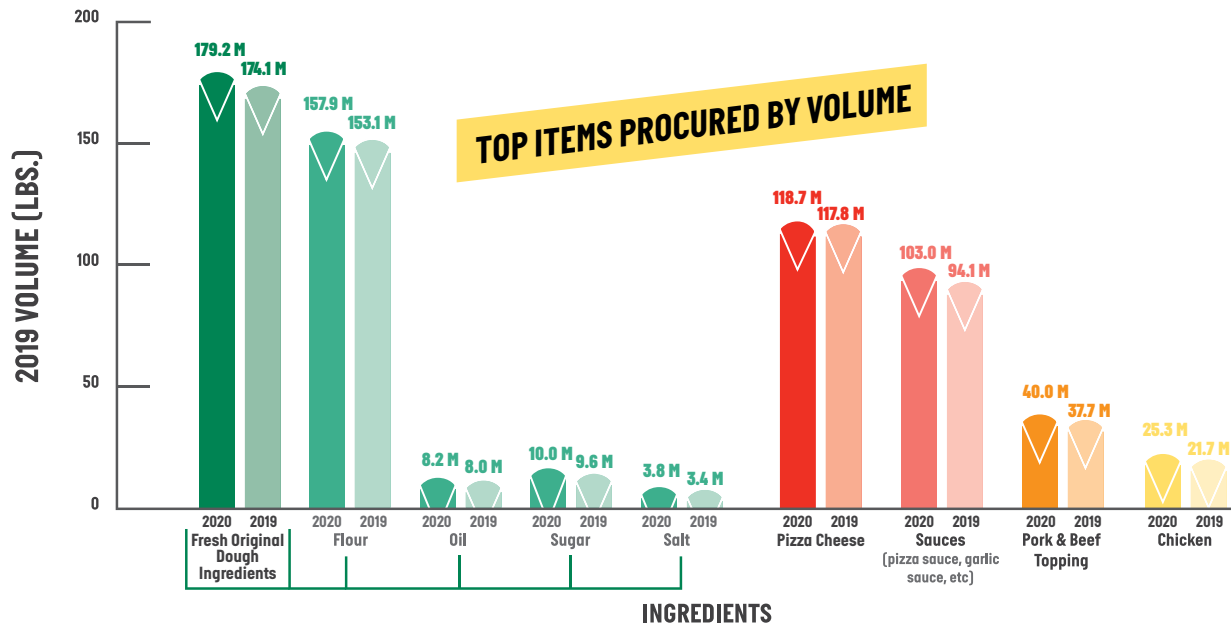
At Papa John's we are committed to innovation and meeting customer's changing preferences for delicious food. In 2020, we introduced several new products, which have been enthusiastically welcomed by our customers. Examples include:

- **PAPADIAS®**, an Italian flatbread-style sandwich
- **Epic Stuffed Crust**, an enhanced version of our original crust hand stuffed with extra cheese
- **Jalapeno Popper Rolls**, chopped jalapenos with cream cheese, wrapped in our original dough
- **Shaq-a-Roni pizza**, an extra-large pizza, topped with extra cheese and extra pepperoni. For each purchase, \$1 was donated to The Papa John's Foundation for Building Community.

#### 5.3 RESPONSIBLE SOURCING

We are committed to sustainable sourcing practices throughout our supply chain. Our supply chain is complex and comprised of diverse products, from cleaning supplies and pizza ovens to cheese and chicken – all of which need to be available at the right place at the right time. In 2020, our sourcing efforts were primarily focused on managing the supply chain impacts of COVID-19. With sophisticated forecasting methods already in place, we were able to avoid major disruptions across our supply chain.





### Our Commitment to Animal Welfare

We remain committed to improving animal welfare throughout our supply chain, including:

- By 2022, achieve significant movement away from traditional gestation crates and increased use of alternative pregnant sow housing options
- By 2024, improve conditions for broiler chickens across our supply chain
- By 2025, ensure the sourcing of all local products for our core menu items exclusively from cage-free certified suppliers globally

Additional information about our UK animal welfare policy and commitments is available [here](#).



## 5.4 SUPPLIER DIVERSITY

In 2020, we continued to strengthen our Global Supplier Diversity Program by implementing a new supplier diversity portal. This tool provides comprehensive insight into our diversity spend and allows our procurement professionals access to identify diverse suppliers. Our technology investments streamline efforts to source, identify and vet diverse suppliers, provide visibility across the supply chain and enable fact-based decision making and collaboration across functions for more equitable sourcing.

*Papa John's supports the growth and development of minority-, women-, disabled-, veteran- and LGBTQ+-owned businesses.*

▲▲ **Embracing a diverse supply chain maximizes Papa John's value proposition by creating unmatched sourcing solutions and opportunities.** ▼▼

– Keya Grant, Supplier Diversity, Director



# SECTION 6

## PLANET: DELIVERING ON OUR COMMITMENT TO THE ENVIRONMENT

**Papa John's is committed to being a good steward of the environment and integrating environmental sustainability into our operations.**

### **Energy & Greenhouse Gas Emissions**

Our energy consumption and associated greenhouse gas emissions are primarily driven by fuel used to heat our Quality Control Centers and restaurants, including pizza ovens; electricity used for lighting, refrigeration and machinery; and our Quality Control Center delivery fleet.

### **6.1 MINIMIZING RESOURCE CONSUMPTION**

In 2020, Papa John's continued to take steps to improve the efficiency of our restaurants, commercial operations and corporate offices.

#### *Quality Control Centers*

We completed the roll out of a new route optimization program across our Quality Control Centers that helps ensure truck drivers take the most efficient routes. This has reduced the travel of our trucking fleet by more than 6,000 miles each week on average.

We made progress during the first quarter of 2020 on the following two commitments.

- Implement new techniques to sanitize our reusable dough trays, which will reduce hot water and natural gas use, while maintaining high hygiene standards
- Transition our refrigerated tractor-trailers to run on electricity during loading and storage instead of diesel fuel at all our Quality Control Centers

Complete implementation of these initiatives in 2020 stalled due to the disruption created by COVID-19 that required us to shift our attention to business continuity, and employee and customer safety. We anticipate completing both in 2021. We also plan to outfit our 100,000-square-foot Quality Control Centers in Texas with LED lighting.

#### *Restaurants*

All new restaurants in 2020 were built with LED lighting and energy-efficient technology, including pizza ovens and water heaters.



## 6.2 WASTE

Our main sources of waste are food packaging and food waste in our restaurants, and shipping materials, food packaging and dough waste in our Quality Control Centers.

### **Reduction, Reuse & Recycling**

We continue to increase the recycling of cardboard, corrugated paper and other paper products at our restaurant and commissary operations. We also continued our use of reusable dough trays when transporting our fresh original pizza dough from our Quality Control Centers to our restaurants. When no longer fit for use, we grind and repurpose the trays. In 2020, this helped to divert more than 78,975 trays – nearly 237,000 pounds of waste – from landfills.

### **Combatting Food Waste**

By using forecasting tools and our upgraded inventory management system, we continued to more accurately source the ingredients we need, when we need them.

When we do have surplus food, we work with partners to deliver food to people in need. Since 2010, we have donated 3.2 million meals through Papa John's Harvest Program by the Food Donation Connection. This included 246,000 meals in 2020. More than 400 nonprofits across the nation used the donated food to supplement their menu and offset their food budget. They can then use the saved funds for their main mission – helping the homeless, children, battered women, after-school care, addiction recovery and senior centers.





## SECTION 7

# DELIVERING ON OUR COMMITMENT TO OUR COMMUNITIES

In 2020, Papa John's continued to strive to be a strong corporate citizen by making our communities a better place to work, live and play.

### 7.1 ECONOMIC IMPACT

- Papa John's corporate and franchise restaurants hired more than 30,000 new team members, many of whom had been displaced from other jobs by the pandemic.
- Paid more than \$217M in taxes to local communities across the United States.

2020 was a year like no other. We recognize the fortunate position we were in as a food delivery business to stay open and serve our communities during this challenging time. We donated more than 500,000 pizzas to first responders, front-line workers and communities in need but didn't stop there. With the help of our franchisees, customers and employees, we also raised more than \$3.6 million for COVID-19 relief efforts and the fight for racial justice.

### 7.2 PAPA JOHN'S FOUNDATION FOR BUILDING COMMUNITY

#### Building Communities for Better

**Mission:** We support communities as they work together for equality, fairness, respect and opportunity for all.

**Vision:** We believe empowered communities overcome divides through civility and unity.

The Papa John's Foundation for Building Community is governed by a Board of Directors including three Papa John's executives and four independent directors.



#### BOYS & GIRLS CLUBS OF AMERICA'S 2020-21 NATIONAL YOUTH OF THE YEAR, JOSIAS R.



Over the past two years, Papa John's has supported Boys and Girls Clubs of America National Youth of the Year celebration, which recognizes teens for outstanding leadership, community engagement and academic performance. Papa John's leaders have participated as judges for the events, including Amanda Clark, Papa John's Chief Development Officer, who served as a judge for the 2020 National Youth of the Year event.



In 2020, The Papa John's Foundation continued to support non-profit partners working for equality, fairness, respect and opportunity for all – and we found a unique and authentic way to expand our giving.

In collaboration with board member, franchisee and Brand Ambassador Shaquille O'Neal, Papa John's introduced the Shaq-a-Roni, an extra-large pizza topped with extra cheese and extra pepperoni. For each pizza sold, \$1 was donated to the Foundation, raising more than \$3.6 million to support COVID-19 relief efforts and the fight against racial injustice, including:

- **World Central Kitchen** to support “Restaurants for the People,” a program that attacks the growing hunger and economic crises on two fronts: By paying local restaurants to cook fresh meals for their neighbors in need, the organization gets food to hungry people and helps keep restaurants open and their teams working.
- **Boys & Girls Clubs of America** to help address the challenges posed by COVID-19 for kids and families, and to drive leadership development programs for kids in local communities.
- **UNCF** to support initiatives designed to move historically Black college and university students to and through college. Specifically, the donation will benefit UNCF's Emergency Student Aid program providing COVID-19 relief, as well as scholarships and leadership development.
- **Goodr** to help reach food insecure communities, especially challenged during the COVID-19 pandemic.
- **GLI (Greater Louisville Inc., The Metro Chamber of Commerce)** to support the Business Council to End Racism, designed to support diverse-owned small businesses with financial access, business planning and other needs to scale and grow their operations.

## 7.3 DISASTER RELIEF



When disaster strikes, Papa John's mobile kitchen is there to help. In 2020, Papa John's mobile kitchen supported the community in Leesville, LA, following a series of devastating hurricanes that swept through leaving many homeless and others without power. In coordination with the American Red Cross, and with the help of team members and franchisees, we served 10,000 pizzas to people in Leesville.

## 7.4 EMPLOYEE COMMUNITY INVOLVEMENT

Due to the COVID-19 pandemic, Papa John's second annual Day of Service went virtual in 2020. We provided pizza for holiday parties at Boys & Girls Clubs of America in eight cities and our Director of Culinary Innovation, showed kids how to make pizza in a “behind-the-scenes” video. The Foundation also fulfilled Amazon wish lists for Clubs in Louisville and Atlanta, and provided pizza and gift cards to more than 200 Club families in Brooklyn, New York.

## #CHEFSFORAMERICA

In response to the humanitarian and economic impacts of COVID-19, World Central Kitchen has provided meals throughout the United States by employing a unique model. During the pandemic, the organization tapped into its network of local, independent restaurants to provide fresh, delicious food for affected communities. These partnerships are a win-win, providing critical resources that enable restaurants to stay open and employ their staff, while also delivering meals to people impacted by the pandemic.

With a grant from The Papa John's Foundation, World Central Kitchen provided 10,000 meals through this new model.

“It is estimated that every \$1 spent at a local restaurant contributes \$2 or more to the state's economy,” said Erin Gore, Vice President of Development, World Central Kitchen. “With your partnership, we have supported small businesses that have been devastated throughout the pandemic and have needed all the help they can get to keep their doors open and lights on.”



**Harlem, NY:** Working with World Central Kitchen, Chef Melba, owner of Melba's in Harlem, has been able to continue to pay her staff living wages, while feeding frontline workers and the Harlem community.



**Houston, TX:** At Mastrantos restaurant in Houston, Chef Xavier Godoy joined up with Restaurants for the People when business to his restaurant dropped off due to COVID. The program has helped the restaurant boost revenue and serve nearly 3,000 meals to residents in a nearby subsidized senior apartment building.





**BETTER, DELIVERED.**