

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Environmental Health Advocates, Inc. (“EHA”), on the one hand, and Panera, LLC (“Panera”), on the other hand, with EHA and Panera each individually referred to as a “Party” and collectively as the “Parties.”

1.2 General Allegations

EHA alleges that certain Panera Bread-branded Creamy Tomato Soup and Lobster Bisque (defined below as the “Covered Products”) manufactured, distributed, offered for sale, and/or sold to consumers in grocery and retail stores in California by a licensee of Panera contain cadmium and that it does so without first providing the health hazard warning required by the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code § 25249.6 *et seq.* (“Proposition 65”). Cadmium is listed pursuant to Proposition 65 as a chemical known to cause reproductive toxicity.

1.3 Product Description

The products covered by this Settlement Agreement are defined as, and expressly limited to Panera Bread Creamy Tomato Soup and Panera Bread Lobster Bisque (“Covered Products”), that are manufactured, sold and/or distributed for sale in grocery and other retail stores in California by Panera’s licensee for the Covered Products.

1.4 Notices of Violation

On or around 11/14/2025, 11/26/2025, and 5/15/2026, EHA served Panera, the California Attorney General, and certain other public enforcement agencies with 60-Day Notices of Violation of Proposition 65 (“Notices”). The Notices alleged that Panera had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to cadmium contained in Covered Products.

To the best of the parties’ knowledge, no public enforcer has commenced or is otherwise prosecuting an action to enforce the violations alleged in the Notices.

1.5 No Admission

Panera denies the material, factual, and legal allegations in the Notices and maintains that all of the products sold and/or distributed for sale in grocery and retail stores in California by licensees of Panera, including Covered Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Panera of any fact, finding, conclusion, issue of law or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Panera of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Panera. This Section shall not, however, diminish or otherwise affect Panera's obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term “Effective Date” shall mean the date this Settlement Agreement is executed by the Parties.

1.7 Compliance Date

For purposes of this Settlement, the term “Compliance Date” means 30 days from the Effective Date.

2. INJUNCTIVE RELIEF

2.1 Reformulation Standard

Beginning on or before the Compliance Date, Panera’s licensee for the Covered Products shall not distribute or directly sell, in grocery and retail stores in the State of California, any Covered Product that exposes a person to a “Daily Cadmium Exposure Level” of more than 4.1 micrograms of Cadmium above naturally occurring levels, based on a single serving per day, unless such Covered Products comply with the warning requirements of Section 2.2. The “Daily Cadmium Exposure Level” shall be calculated by multiplying the recommended serving size in Covered Product by the concentration of Cadmium in Covered Products. As used in this Section 2, “distributed for sale in California” means to directly ship Covered Products into California for sale in grocery and retail stores or to sell Covered Products to a distributor Panera’s licensee for

the Covered Product knows will sell Covered Products in grocery and retail stores in California.

2.2 General Warning Requirements

Commencing on the Compliance Date, Panera’s licensee for the Covered Products agrees any Covered Product sold that exceeds the level set forth in paragraph 2.1 shall contain a Proposition 65 warning. Panera’s licensee for the Covered Products agrees that each warning shall be prominently placed with such conspicuousness, as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which *specific* Covered Products the warning applies, so as to minimize the risk of consumer confusion.

For purposes of this Settlement Agreement, to the extent that a warning is required, a clear and reasonable warning for the Covered Products shall consist of a warning affixed to the packaging, label, tag, directly to each Covered Products sold in California by Panera’s licensee fo the Covered Products, or on a placard, shelf tag, sign or electronic device or automatic process that contains one of the following statements:

SHORT FORM

1) **“WARNING:” [or] “CA WARNING:” [or] “CALIFORNIA WARNING:”** Consuming this product can expose you to cadmium, which is known to the State of California to cause birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov/food.

OR

2) **“WARNING:” [or] “CA WARNING:” [or] “CALIFORNIA WARNING:”** Risk of reproductive harm from exposure to cadmium. See www.P65Warnings.ca.gov/food.

OR

SHORT FORM

3) **“WARNING:” [or] “CA WARNING:” [or] “CALIFORNIA WARNING:”** Can expose you to cadmium, a reproductive toxicant. See www.P65Warnings.ca.gov/food.

OR

**SHORT FORM ON
A PRODUCT
MANUFACTURED/
LABELED PRIOR
TO 1/1/28,
REGARDLESS OF
DATE OF SALE**

4) WARNING: Reproductive Harm – www.P65Warnings.ca.gov/food .
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To the extent that a warning is required, the size, style, context, and prominence of any warning shall comply with all applicable regulations in 27 CCR Art. 6. Where a sign, labeling, or label as defined in Section 25600.1 is used to provide a warning that includes consumer information about a product in a language other than English, the warning must also be provided in that language in addition to English.

As set forth in Cal. Code Regs. Tit. 27, § 25602(b), to the extent Covered Products are sold online, and to the extent that a warning is required, a warning that complies with the content requirements of Cal. Code Regs Tit. 27, § 25603 must be provided via of the following methods: (1) A warning on the product display page; (2) A clearly marked hyperlink using the word “WARNING” or the words “CA WARNING” or “CALIFORNIA WARNING” on the product display page that links to the warning; or (3) An otherwise prominently displayed warning provided to the purchaser prior to completing the purchase. If a warning is provided using the short-form label content pursuant to Section 25602(a)(4), the warning provided on the website may use the same content. Online warnings, to the extent a warning is required, shall comply with the requirements of applicable regulations in 27 CCR Art. 6. These requirements extend to any websites under the exclusive control of Panera or its licensee for the Covered Product where Covered Products are sold directly to consumers located in California. In addition, Panera’s licensee for the Covered Product shall instruct any third-party website to which it directly sells its

Covered Products to include the same online warning, as set forth above, as a condition of selling the Covered Products in California.

There shall be no obligation for Panera or its licensee for the Covered Products to provide a warning for Covered Products that entered the stream of commerce prior to the Effective Date, and the Section 4 release applies to all such Covered Products. Nothing in this Agreement requires Panera's licensee of the Covered Products to provide warnings not otherwise required by relevant Sections of the Proposition 65, to the extent that warnings are required. In case of any divergence between the warnings requirements provided in this Agreement and those mandated under Proposition 65, the requirements of Proposition 65 will control.

(i) Changes in Warning Regulations or Statutes

In the event that the Office of Environmental Health Hazard Assessment promulgates one or more regulations requiring or permitting Proposition 65 warning text and/or methods of transmission applicable to the Covered Products and the chemical at issue, which are different than those set forth above, Panera's licensee of the Covered Product shall be entitled to use, at its discretion, such other warning text and/or method of transmission without being deemed in breach of this Agreement, to the extent a warning is required. If regulations or legislation are enacted providing that Proposition 65 warnings as to cadmium in this product are no longer required, a lack of warning by Panera's licensee of the Covered Product will not thereafter be a breach of this Agreement.

2.3 Grace Period for Existing Inventory of Covered Products

The injunctive requirements of Section 2 shall not apply to Covered Products that are already in the stream of commerce as of the Effective Date, which Covered Products are expressly subject to the releases provided in Section 4.1. For the avoidance of doubt, Covered Products in the stream of commerce specifically include, but are not limited to, Covered Products in the process of manufacture.

3. MONETARY SETTLEMENT TERMS

3.1 Total Settlement Amount

In full satisfaction of all potential civil penalties, attorneys' fees, costs, and other expenses incurred by EHA and its counsel in connection with the Covered Products, and in exchange for EHA's release of all liability in connection with the Covered Product, Panera's licensee for the Covered Products shall pay a total of \$35,000 (Total Settlement Amount) as set forth in this Section. No other payment is required by Panera under this Settlement Agreement.

3.2 Civil Penalty Payment

Pursuant to Health and Safety Code § 25249.7(b)(2), and in settlement of all claims alleged in the Notices or referred to in this Settlement Agreement, Panera agrees to pay three thousand dollars (\$3,000.00) in full satisfaction of any potential civil penalties. The penalty payment will be allocated in accordance with California Health and Safety Code §§ 25249.12(c)(1) & (d), with 75% of the penalty amount paid to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty amount retained by EHA. Panera's licensee for the Covered Products shall issue two separate checks for the initial civil penalty payment to (a) "OEHHA" and (b) Environmental Health Advocates, Inc. as follows:

- One payment of \$2,250.00 to OEHHA, due (14) days after the Effective Date.
- One payment of \$750.00 to EHA, due (14) days after the Effective Date.

All payments owed to OEHHA (EIN: 68-0284486), pursuant to this Section shall be delivered directly to OEHHA (Memo Line "Prop 65 Penalties") at the following addresses:

For United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA 95812-4010

For Non-United States Postal Service Delivery:

Mike Gyurics

Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street
Sacramento, CA 95814

All penalty payments owed to EHA shall be sent to:

Environmental Health Advocates
225 Broadway, Suite 1900
San Diego, CA 92101

3.3 Attorney Fees and Costs

The Parties reached an accord on the compensation due to EHA and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, Panera's licensee for the Covered Products agrees to pay thirty two thousand dollars (\$32,000.00) to EHA and its counsel for all fees and costs incurred in investigating, bringing this matter to the attention of Panera, and negotiating a settlement. The thirty two thousand dollars (\$32,000.00) is due fourteen (14) days after the Effective Date.

All payments required under this Section shall be made payable to Entorno Law, LLP and delivered to:

Isaac Fayman
Entorno Law, LLP
225 Broadway, Suite 1900
San Diego, CA 92101

3.4 Tax Documentation

Panera's licensee for the Covered Products agrees to provide a completed IRS 1099 for its payments to, and EHA agrees to provide IRS W-9 forms for, each of the payees under this Settlement Agreement, including EHA and Entorno Law LLP. The Parties acknowledge that Panera's licensee for the Covered Products cannot issue any settlement payments pursuant to Section 3.1 and 3.2 above until after Panera receives the requisite W-9 forms from EHA's counsel.

4. CLAIMS COVERED AND RELEASED

4.1 EHA's Release of Panera

This Settlement Agreement is a full, final, and binding resolution of all claims between EHA, on its own behalf, and Panera for all claims that can or could have been asserted by EHA, on its own behalf, on behalf of its past and current agents, representatives, attorneys, successors and assignees, against Panera and each of its respective parents, subsidiaries, affiliated entities under common ownership, directors, officers, members, employees, attorneys, and any entity, including, but not limited to, Panera's licensee for the Covered Products and each entity to whom Panera or Panera's licensee for the Covered Products directly or indirectly distributes or sells the Covered Products, including, but not limited to, its upstream vendors, suppliers, and manufacturers and downstream distributors, wholesalers, customers, retailers (including but not limited to Sprouts Farmers Market, Inc. and Ralphs Grocery Company), franchisees, cooperative members and licensees ("Releasees"), based on the failure to warn about exposures to cadmium required under Proposition 65 in the Covered Products sold or distributed for sale in grocery and retail stores in California by Panera's licensee for the Covered Products before the Effective Date, as alleged in the Notices, or for any other reason.

In further consideration of the promises and agreements herein contained, EHA on its own behalf, on behalf of its past and current agents, representatives, attorneys, successors and assignees hereby waives any and all rights it may have to institute or participate in, directly or indirectly, any form of legal action and releases all claims against Panera and Releasees including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses including, but not exclusively, investigation fees, expert fees and attorney fees arising under Proposition 65 with respect to the alleged or actual failure to warn about exposures to cadmium required under Proposition 65 in the Covered Products distributed, sold or offered for sale by Panera's licensee for the Covered Products, before the Effective Date.

4.2 Panera's Release of EHA

Panera, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, its licensee for the Covered Products, and assignees, hereby waives any and all claims against EHA and its attorneys and other representatives, for any and all actions taken or statements made by EHA and its attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Covered Products.

4.3 California Civil Code Section 1542

It is possible that other claims not known to the Parties arising out of the facts alleged in the Notices and relating to the Covered Products will develop or be discovered. EHA on behalf of itself only, on one hand, and Panera on behalf of itself only, on the other hand, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through the Effective Date. The Parties acknowledge that the claims released in Sections 4.1 and 4.2 may include unknown claims, and nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

EHA and Panera each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5. PUBLIC BENEFIT

It is the Parties' belief that the terms of this Settlement Agreement confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. Therefore, it is the intent of Panera and its licensee for the Covered Products that to the extent any other private party serves a notice and/or initiates an action alleging a violation of Proposition 65 with respect to the alleged failure to provide a warning concerning actual or alleged exposure to cadmium prior to use of the Covered Products Panera's licensee for

the Covered Products has manufactured, distributed, sold, or offered for sale in grocery or retail stores in California, or will manufacture, distribute, sell, or offer for sale in grocery or retail stores in California, such private party action would not confer a significant benefit on the general public as to those Covered Products addressed in this Settlement Agreement, provided that Panera's licensee for the Covered Products is in material compliance with this Settlement Agreement.

6. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any provision of this Settlement Agreement is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

7. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California.

8. ENFORCEMENT

In any action to enforce the terms of this Settlement Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

9. NOTICE

Unless specified herein, all correspondence and notice required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; or (c) a recognized overnight courier on any Party by the other at the following addresses:

For Panera:

August T. Horvath
Foley Hoag LLP
1301 Avenue of the Americas, 25th Floor
New York, NY 10019
ahorvath@foleyhoag.com

For EHA:

Noam Glick
Entorno Law, LLP
225 Broadway, Suite 1900
San Diego, CA 92101

Any Party may, from time to time, specify in writing to the other a change of address to which all notices and other communications shall be sent.

10. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

11. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

EHA and its attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f).

12. MODIFICATION

This Settlement Agreement may be modified only by written agreement of the Parties.

13. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood, and agree to all of the terms and conditions of this Settlement Agreement.

AGREED TO:

AGREED TO:

Date: 8/6/26

Date: 8/5/26

By: 
ENVIRONMENTAL HEALTH
ADVOCATES, INC.

By: 
PANERA, LLC