

2021 CHIPOTLE SUSTAINABILITY REPORT UPDATE

# CULTIVATE

## A BETTER WORLD





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2021 CHIPOTLE SUSTAINABILITY REPORT UPDATE

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## A LETTER FROM OUR CHAIRMAN AND CEO, BRIAN NICCOL

When I reflect on 2021, I am amazed by the resilience of our employees during this unprecedented time. Chipotle remained true to its purpose by continuously delivering delicious culinary and great guest experiences. We prioritized sustainability alongside innovation, enhancing our menu of real, responsibly sourced ingredients while staying true to our Food With Integrity Principles.

Sustainability is and always will be a strategic priority for Chipotle. I, along with the rest of the organization, strongly believe that how we grow our food is how we grow our future.

Our real ingredients are responsibly sourced and classically prepared with people, animals, and the environment in mind. We understand the importance

of transparency, and annually showcase our progress across people, food and animals and the environment so that guests can make purchasing decisions they feel good about – and ultimately ones that can drive difference in the world around them. Greater awareness of where food comes from and how it's grown can have an impact far larger than Chipotle.

Today, I'm thrilled to share Chipotle's 2021 Sustainability Report Update with you, which highlights the steps that we have made against our goals outlined in the 2020 Sustainability Report. We even tied a portion of our executive compensation to achieving various goals to ensure we held ourselves accountable for making business decisions that cultivate a better world. We invested in our people, supported our communities, and worked to reduce our environmental impact. Next year, we will publish a full report with supplemental information across each of the three areas. While more work can always be done, we've made strides to showcase real meaningful action and measurable change.

**“WE CONTINUE TO IDENTIFY OPPORTUNITIES TO INNOVATE, EXPAND UPON OUR MISSION AND CREATE MEANINGFUL CHANGE AT SCALE. I AM OPTIMISTIC ABOUT OUR FUTURE AND LOOK FORWARD TO DELIVERING ON OUR AGGRESSIVE GOALS.”**

We continue to identify opportunities to innovate, expand upon our mission and create meaningful change at scale. I am optimistic about our future and look forward to delivering on our aggressive goals.

I welcome you to reach out to us at [sustainability@chipotle.com](mailto:sustainability@chipotle.com) and share your thoughts and questions about sustainability at Chipotle.

Thank you,

**Brian Niccol**  
Chairman and CEO,  
Chipotle





# 2021 IMPACT REVIEW

## CONTINUING TO CULTIVATE A BETTER WORLD

In 2021, we sought to continue making a real impact for our communities, people, and planet. Here is a glimpse of what we were able to achieve.





## 2021 IMPACT OVERVIEW

# FOOD & ANIMALS

## PURCHASED

**Over 40.7 million pounds** of organic & transitional ingredients

**Over 35.7 million pounds of local produce\***—an investment of more than \$40.2 million in support of local food systems

**77 million pounds** of American Humane Certified™ Chicken

**10.6 million pounds** of Global Animal Partnership (G.A.P.)™ Certified Beef

**9.5 million pounds** of Global Animal Partnership (G.A.P.)™ Step 1 Certified Pork

**7.9 million pounds** Certified Humane™ Pork

**53.5 million pounds of sour cream made** from the milk of cows given daily access to pasture

## INCREASED

**The amount of Food Alliance\*\* and transitional beans** we buy from 10.4 million pounds in 2020 to 19.2 million pounds in 2021

## PLEGGED

**\$1.3 million of the \$5 million** committed to young farmers by the end of 2025

\* Chipotle's definition for "locally sourced" means that an ingredient was grown within 350 miles from our distribution centers.  
\*\* Details on the Food Alliance certification can be found here: <http://foodalliance.org/operations>



## 2021 IMPACT OVERVIEW

# PEOPLE

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**90%** of our restaurant management roles were **internal promotions**

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**Promoted almost 19,000 team members**

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**Offered free & confidential Employee Assistance Program (EAP) services** to all Chipotle Employees

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Achieved **Human Rights Campaign Corporate Equality Index** score of 100 in 2021

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**Established award-winning culture**

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**Expanded the debt-free degree program** to include agriculture, hospitality, and culinary degrees to **advance employee education opportunities**



2021 IMPACT OVERVIEW

# ENVIRONMENT

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**100% of our new restaurant openings** participated in our food donation “Harvest Program”

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**Set up and maintained composting programs** at 31% of all restaurants

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Increased the amount of renewable energy that we utilized from **22% in 2020 to 23.6% in 2021**

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**Reduced our Gloves to Bag program** to 16 restaurants and are exploring alternative solutions to glove waste

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Our Energy Management Systems (EMS) enabled us to **reach a reduction of 12.7% or 50,771 MWh of energy in all utility usage**

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**Diverted 2.6 million cubic yards of waste** through recycling, composting, and waste to energy

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**Recycled 2.4 million cubic yards** of waste

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Turned **68,490 cubic yards of waste into energy**

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Achieved a **50% landfill diversion rate**

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**Composted 107,900 cubic yards** of waste

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# 2021 UPDATE ON GOALS

## FOOD & ANIMALS



### ACHIEVED

Continue increasing the total pounds of produce purchased from local farmers every year

**Over 4.7 million pound increase from 2020 to 2021**

Increase pounds of organic, local, and/or regeneratively grown and raised food year over year

**Approximately 55 million pounds purchased in 2021**

Develop and pilot at least one new plant-based protein offering by end of 2021

**Plant-Based Chorizo tested in 2021, nationally launched for a limited time in 2022**



### ON TRACK

Partner with our growers to convert over 400 acres of conventional farmland to organic farmland via transitional growing methods by 2025

**110 acres converted in 2021**

Donate \$5 million by the end of 2025 to help young farmers

**Pledged \$1.3 million of the funds**

Work with dairies to ensure stable income and fair wages with a fixed multi-year price by end of 2021

**Revising the goal to indexed pricing instead of fixed**



### BELOW TARGET

Achieve 100% third-party humane certification for chicken by end of 2021

**Revising the goal to 100% of chicken will be American Humane Certified by end of 2022**





# UPDATE ON GOALS

## PEOPLE

### ACHIEVED

Enrich our employee benefits to include mental health, financial, and physical wellbeing including providing preventive healthcare for all employees through Telemedicine

**Benefits available to all eligible employees \*Must be enrolled in a medical plan for Telemedicine**

Fill more than 70% of salaried manager positions with current employees who've been internally developed and promoted

**Internal promotion rate was 77% for Apprentice & GM roles in 2021**

Provide learning resources to our employees through our Employee Resource Groups and speaker series

**Leveraged our ERGs, and launched pilots in the field with UNIFIED and HUSTLE**

**Culture Committee continued providing culture support to RSC employees while employees were working remotely**

**Hosted 14 diverse speakers on "The Real Scoop with Marissa"**

**Initiated partnership with Paul Quinn College to co-host a speaker series with diverse Chipotle leaders for the students and restaurant employees in 2022**



# GOALS CONTINUED

## PEOPLE

### ON TRACK

Develop a robust Supplier Diversity program and develop a method to measure amount paid annually to minority-owned businesses by 2022

**We identified our minority vendors and created a process for tracking spend**

Launch Emerging Leader and Mentoring programs to ensure we have a diverse slate of “ready now” internal talent for critical roles

**Program Launched, currently 45 Emerging Leaders identified across the field and the RSC**

**Initiated partnership with a mentorship platform**

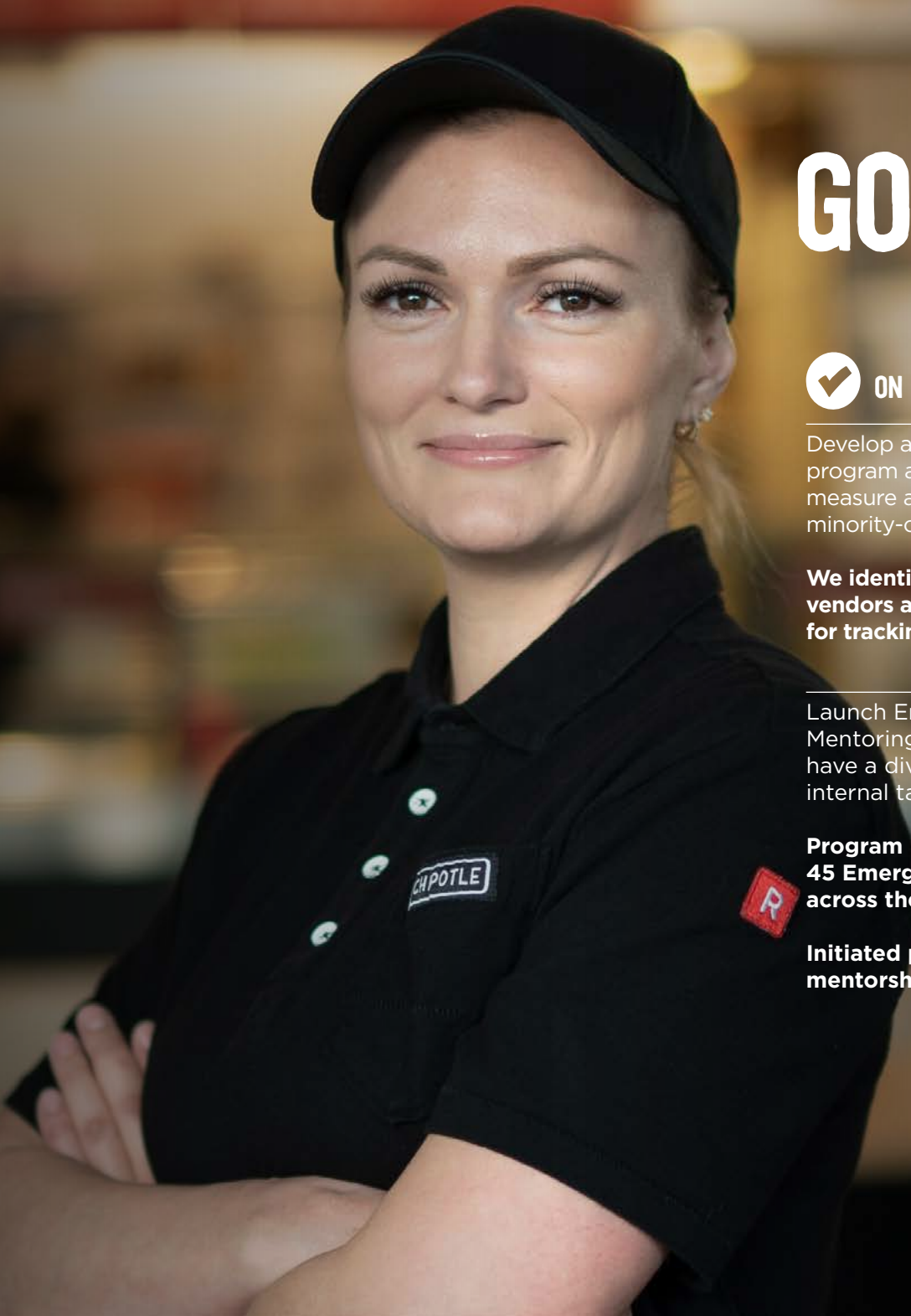
Continue our partnership with Guild to expand debt-free degrees. Add more HBCUs; and increase employee participation by adding professional certification tracts

**Expanded Debt-free Degree program and launched Career Certificates. 5,000 employees took advantage of Cultivate Education in 2021**

### ON HOLD

In partnership with our Serves Community Service ERG, re-launch our service days for RSC and our Field employees

**On Hold in 2021 due to COVID-19 restrictions**





# UPDATE ON GOALS

## ENVIRONMENT



### ACHIEVED

Maintain 90% recycling rate

**91% recycling rate maintained at all restaurants in 2021**

Pilot new material innovations to reduce our waste by end of 2021

**Piloted forks that use 20% less plastic by replacing polypropylene with calcium carbonate**

Increase the percentage of renewable energy utilized year over year

**1.6% increase from 2020 to 2021**

**Set science-based emissions reduction targets in 2021**

Diversion program for construction projects by end of 2021

**7 construction diversion pilots completed**

**Created internal Climate Committee focused on curbing companywide GHG emissions in 2021**

Ensure we open 90% of new restaurants with a diversion program in 2021

**95% of new restaurants opened with a diversion program**



### BELOW TARGET

Pilot at least one innovative new packaging design that reduces plastic in 2021

**Prioritized our new fork design to reduce plastic**

Pilot supply chain food waste reduction project by end of 2021

**Not achieved due to supply chain restraints from COVID-19**



### ON TRACK

5% overall waste reduction by 2025, as compared to a 2020 baseline

**Overall waste increased by 7.5% from 2020 to 2021 due to growth**

Baseline food waste throughout supply chain and identify key areas of impact opportunity by 2023

Identify key biodiversity hotspots throughout our operation by 2025

Identify key water risk areas and ingredients in our supply chain to inform our water conservation strategy

**Started water assessment for general water risks and ingredient specific risks**

Add compost programs to an additional 125 restaurants by the end of 2022

**Added compost programs to an additional 106 restaurants in 2021**

Conduct updated water use baseline at the restaurant level by end of 2021

**Started a water risk assessment**

Baseline construction diversion rate by end of 2022

Increase energy savings at restaurant level through improvements to Energy Management Systems by end of 2022

Pilot closed-loop recycling program for our cutlery by end of 2021

**Developed program in 2021 and began testing in-restaurant in April 2022**



# ESG GOALS

## LINKING COMPENSATION TO SUSTAINABILITY



**Laurie Schalow,**  
Chief Corporate  
Affairs and Food  
Safety Officer

**“CHIPOTLE’S ESG GOALS ARE DESIGNED TO MOTIVATE OUR EXECUTIVE LEADERSHIP TEAM TO MAKE RESPONSIBLE BUSINESS DECISIONS THAT CULTIVATE A BETTER WORLD.”**

In March of 2021, we introduced a new Environmental, Social, and Governance (ESG) metric that ties a portion of executive compensation to ESG goals.

The objectives, which are categorized by Food & Animals, People, and the Environment, held our executive leadership team responsible to make business decisions that Cultivate A Better World.

In 2021, 10% of officers’ annual incentive bonus was tied to the company’s progress toward achieving these ESG goals.



**ACHIEVED**

**2021 ESG Goals**

### FOOD

Increase total pounds of produce purchased from local farmers year over year

**Over 35.7 million pounds purchased**

### PEOPLE

Maintain racial & gender pay equity; implement program to accelerate development of diverse team members

**We identified isolated discrepancies; made pay adjustments to close gaps**

### ENVIRONMENT

Originally announced for 2025:

**Published 2019 Scope 3 emissions of 1,419,298 MT CO<sub>2</sub>e in November 2021**



**ON TRACK**

**2022 ESG Goals**

### FOOD

Purchase at least 57 million pounds of organic, transitional and/or locally grown ingredients \*Rice and beans are excluded

### PEOPLE

Increase diversity above the current 60% rate within our internal pipeline of candidates for all promotions into these positions

### ENVIRONMENT

Reduce Scope 1 and 2 greenhouse gas (GHG) emissions by at least 5%



CHAPTER 1

# FOOD & ANIMALS





# AWARDS

Winning awards isn't what drives us, but we are proud of what they represent.

## SCORECARD

### 2021 CHAIN REACTION VI BEEF SCORECARD

<b>A</b>	
<b>A-</b>	
<b>C</b>	  
<b>D</b>	  
<b>F</b>	        
	  



**MERCY FOR ANIMALS, CANADA'S ANIMAL WELFARE SCORECARD**  
Gold Tier



**FAST CASUAL**  
Excellence in Food Safety



**NRDC CHAIN REACTION VI BEEF SCORECARD**  
A Rating



**WORLD ANIMAL PROTECTION QUIT STALLING PORK PROGRESS**  
Gold Tier



**WORLD ANIMAL PROTECTION "MOVING THE MENU REPORT"**  
Five Stars



# SUPPLY CHAIN

Chipotle is committed to sourcing high-quality ingredients that are grown, raised, and harvested with respect for people, animals, and the land they inhabit.

## SUPPLY CHAIN PRIORITIES:

We work to create and celebrate integrity in all aspects of our business, especially how farmers are valued, crops are grown, animals are treated, and the environment is impacted. In 2021, Chipotle and its industry faced a number of supply chain challenges: from shortages in supplier staffing and ingredients to increased costs for shipping, beef, and other ingredients. Despite these challenges, we have continued to uphold our values for Food With Integrity, food safety, quality, efficiency, and supporting young farmers.

### Food With Integrity

Since the first Chipotle opened in 1993, we have served fresh, wholesome ingredients prepared using classic cooking techniques. It has long been a top priority to ensure our food is safe, delicious, and made from responsibly sourced ingredients.

### Food Safety

We work to ensure all the food Chipotle serves is safe, wholesome, and delicious. More details on our industry-leading food safety program can be found later in this section.

### Quality

We assure the quality of our food across a number of metrics including animal welfare, environmental considerations, and taste. We also measure the quality against the standards we set for our meats from animals raised responsibly (our Food With Integrity guidelines).

### Efficiency

Our approach to efficiency is founded on establishing long-term relationships with our suppliers. We work to help them meet our exacting sustainability and quality standards, while setting equitable prices.





# OUR COMMITMENT TO YOUNG FARMERS

In the United States, young farmers are facing more challenges than ever.

**40X**

MORE FARMERS WERE LOST IN RECENT YEARS THAN GAINED

**56%**

OF FARMERS LOST MONEY LAST YEAR

**100 MILLION**

ACRES

OF U.S. FARMLAND WILL CHANGE OWNERSHIP IN THE NEXT 5 YEARS

**20 MILLION**

ACRES

OF U.S. FARMLAND LOST IN THE LAST DECADE, A TREND THAT CONTINUES TO GROW AT AN AVERAGE RATE OF 2 MILLION ACRES A YEAR



## OUR COMMITMENT TO YOUNG FARMERS

### Farmers inspire us. How we grow our food is how we grow our future.

By focusing on young farmers, we are ensuring our support of sustainable agriculture. According to the National Young Farmers Coalition's Young Farmer Census, more than 80% of young farmers are farming sustainably.

Since 2019, Chipotle has pledged to help reinvigorate the fading farming industry for future generations.

### SOME OF OUR PROGRAMS INCLUDE:

#### A Future Begins

In November 2021, we launched '[A Future Begins](#),' a sequel to our award-winning 2011 film, *Back to the Start*, to raise awareness for the challenges farmers face.



#### Young Farmers

In partnership with the National Young Farmers Coalition, we are building a movement to advocate for policy change in the 2023 Farm Bill that would facilitate equitable access to one million acres of land for the next generation of farmers. Signatures will help the National Young Farmers Coalition advocate for Congress to invest \$2.5 billion toward farmland.

Chipotle and the Chipotle Cultivate Foundation have funded education, scholarships, and grants with three-year contracts to young farmers. Additionally, we launched a limited-edition collaboration with Carhartt, with all proceeds donated to initiatives focused on supporting young farmers and making apparel and food more sustainable.

#### Can a Burrito Change the World?

Chipotle announced its pledge of \$5 million over five years to help remove barriers and ensure the future of the farming industry during our commercial in the National Football League's [Super Bowl championship game](#). The spot highlighted the potential impact that Chipotle's 'Food With Integrity' standards could have on the world, including reducing carbon emissions, saving water, and supporting local growers.

#### Tractor Beverages

All Tractor Beverages sold by Chipotle help support the U.S. agricultural industry, with 5% of Chipotle's profits from its sale of these beverages being donated to causes that benefit farmers. Funds expand Chipotle's existing farmer programs including scholarships and grants to start, run, or grow farming operations, among others.



# MEAT & DAIRY

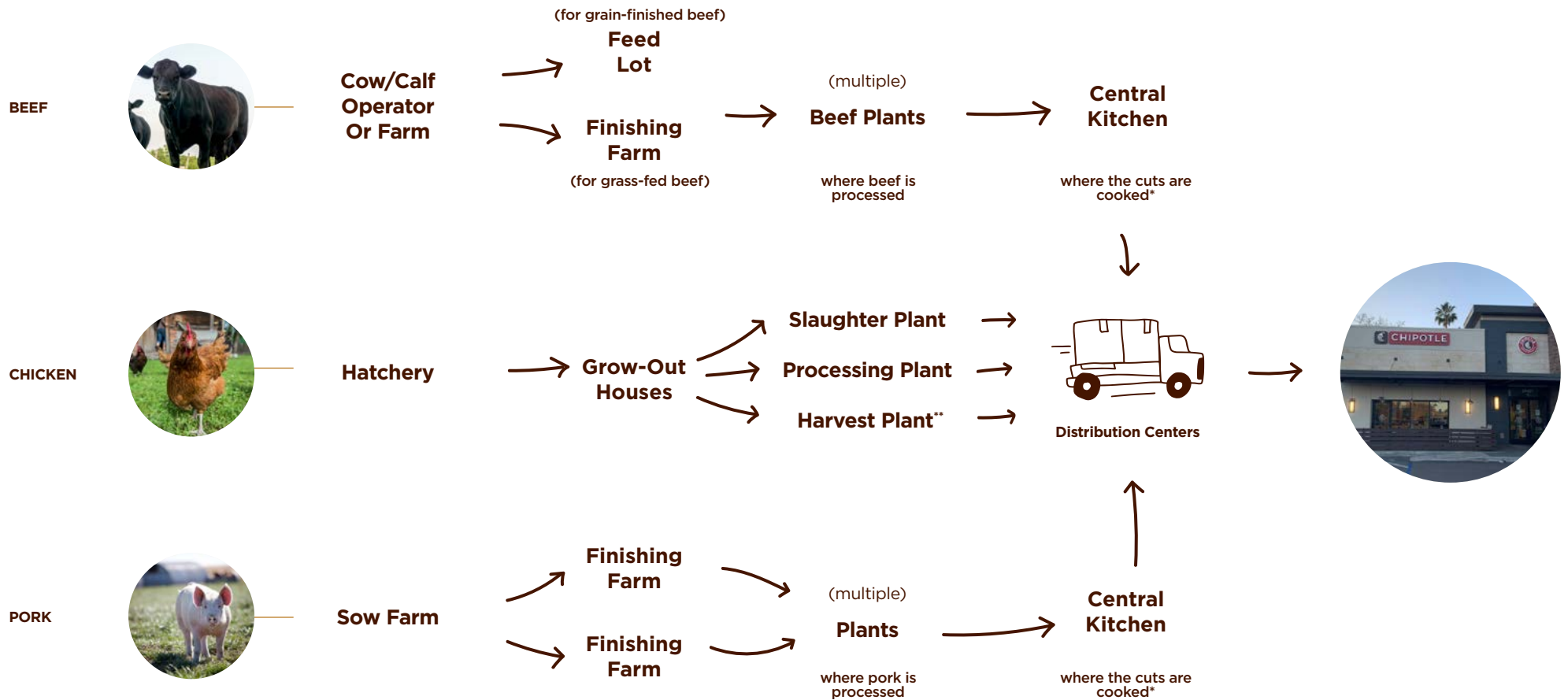
The meat and dairy we use goes beyond providing fresh and delicious meals for our customers. It's also a priority of ours to support suppliers and farmers who responsibly and humanely raise their animals.





# MEAT & DAIRY SUPPLY CHAIN

From farm to foil, we're transparent about the journey of our meat and dairy products.



\* There are three domestic central kitchens where our beef and pork is cooked. Our tofu (Sofritas®) and beans are also cooked in these central kitchens.  
 \*\* Where the chicken is cut, deboned, and pre-marinated in adobo.



MEAT & DAIRY

# OVERVIEW

In 2021 we purchased:

\*MILLIONS OF POUNDS



189.7



CHICKEN



14.6



PORK



84.3



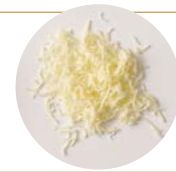
BEEF



53.6



SOUR CREAM



88.2



CHEESE

## MEAT &amp; DAIRY

# ANIMAL WELFARE

We take pride in what we serve so you can take pride in what you eat.

## OUR CHICKEN

All our chicken is boneless, skinless thigh, and whole leg. In 2021, 100% was from suppliers meeting our animal welfare standards. 77 million pounds of chicken purchased were American Humane Certified, which was below our 2020 goal that 100% of our chicken will be third-party humane certified by the end of 2021. Since the transition requires changes to our existing suppliers, we were unable to take this step in 2021. We are confident about reaching this milestone and revised our goal that 100% of our chicken will be American Humane Certified by the end of 2022. In 2017, we made a public commitment in partnership with Compassion in World Farming and The Humane Society of the United States to improve welfare practices around raising broiler chickens by meeting the standards of the Better Chicken Commitment by 2024. We continued working with suppliers to advance broiler welfare by adding environmental enrichments, natural lighting, improved stocking density, and controlled atmospheric

stun and have taken the following actions:

**Living Conditions:** In 2021, we updated our policy to require enrichments in the United States starting in 2022. All of our suppliers are implementing this policy and are at different stages of implementation due to delays stemming from biosecurity measures taken to protect the birds and shipping delays. All of our suppliers currently have their enrichments except one, which has been impacted by shipping delays. We still anticipate achieving this milestone of 100% enrichments by mid-year 2022. Additionally, all of our suppliers are in compliance with allowing for at least six hours of darkness and we are partnering with suppliers with other lighting improvements.

**Slaughter:** 14% of our U.S. chicken suppliers utilizes controlled atmospheric stun.

**Spacing:** Our stocking density is lighter than industry standards at no more than 7 lbs. per square foot.

We conducted remote audits of all of

our suppliers in 2021 and have on-site audits scheduled for all U.S. chicken suppliers in 2022.

## OUR BEEF

In 2021, we purchased beef from the U.S., Canada, Ireland, Australia, and Uruguay. We focus on efficient transport, factoring in our commitments to ensuring cost efficiency, environmental responsibility, humane handling, and reducing food waste.

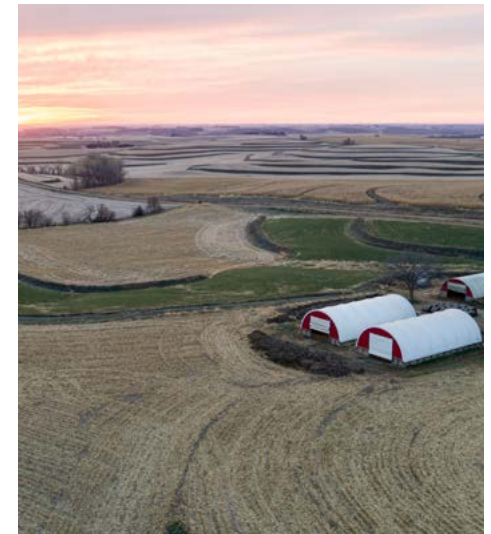
## OUR DAIRY

We purchased cheese for both shredded cheese and queso. Our dairy farmers raise cows on pasture, rather than through conventional methods. In 2021, we ensured all cows that produced milk to make our shredded cheese and sour cream have daily access to the outdoors.

## OUR PORK

Our pork comes from the U.S., Canada, the U.K., and Denmark. Our pigs are fed an all vegetarian diet and are never administered growth promotants or

subtherapeutic antibiotics. In 2021, 100% of our pork came from suppliers meeting our animal welfare standards, meaning they do not use gestation and farrowing crates, routine tail docking, or teeth clipping, and are raised outdoors in bedded barns. In 2021, we increased our pork purchased from domestic small-to-midsized farms by 44%. In 2021, we also continued to invest in the growth of small-to-midsized farms through our partnership with Niman Ranch.





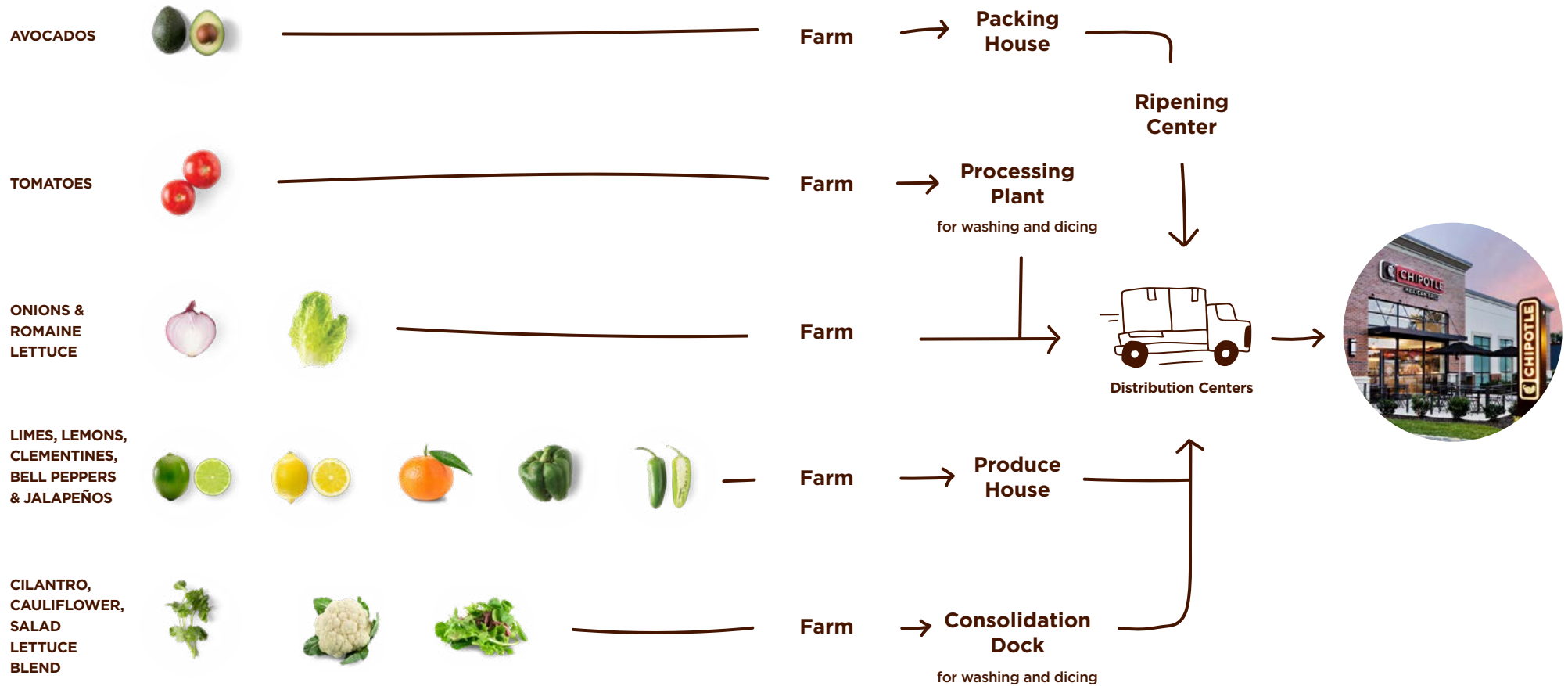
# PRODUCE

Fresh ingredients means fresh produce. That's why we're so passionate about working with local growers to source the highest quality produce and support the communities we serve.



# PRODUCE SUPPLY CHAIN

Real ingredients just taste better, that's why we're committed to local farms and farmers.





# PRODUCE OVERVIEW

In 2021, we purchased: **380 million pounds** of total produce including **37 million pounds** of local produce\* and **10.8 million pounds** of organic produce:



\*Chipotle's definition for "locally sourced" means that an ingredient was grown within 350 miles from our distribution centers.

# OUR REAL INGREDIENTS

## OUR GUESTS

We have always worked to be transparent with our guests about the ingredients we use and where we source from. Our commitment to transparency is just one of the reasons we created this report and continue sharing our ingredients online.

We created a service model that allows customers to select their ingredients and to influence the quantity of each ingredient. Our online tool provides complete nutrition information, assists customers in building their meals to meet their needs, and discloses allergens and dietary restrictions.

We want our guests to be part of the conversation about our ingredients. This is why we are proud to provide nutritional information for all menu items in our app, as well as complete nutritionals on our website and in our restaurant. Allergen & Special Diet cards are also available upon guest request.

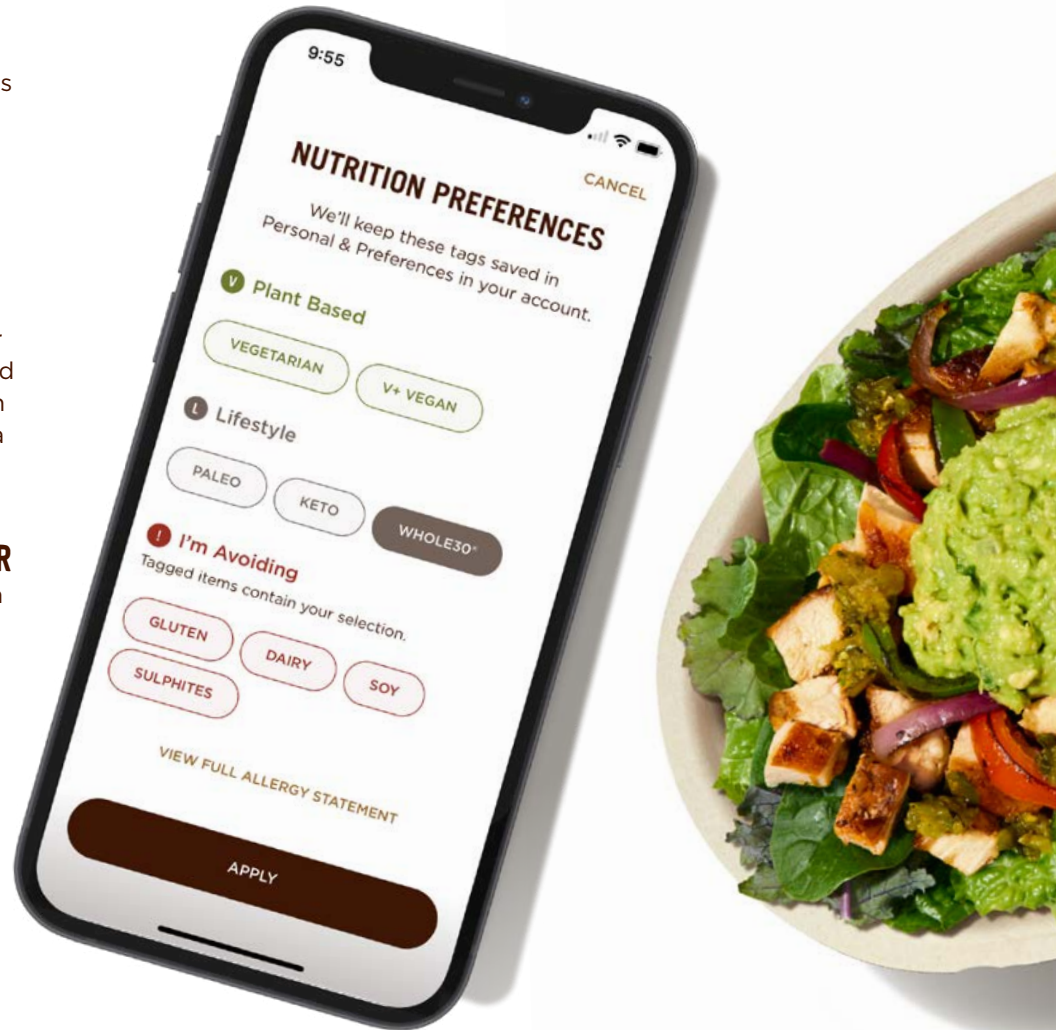
## HEALTH AND WELLNESS

We cook with simple, whole ingredients and avoid processed ingredients wherever possible. Therefore, we use only ingredients with no artificial flavors, colors, or preservatives.

Chipotle has options for nearly all dietary needs. Our Real Ingredients page offers information about all our ingredients, nutrition information, and an online tool to help customers with special dietary requirements create a meal that is right for them.

## NUTRITION PREFERENCES FILTER

Chipotle introduced a new Nutrition Preferences Filter on the Chipotle app and Chipotle.com, allowing guests to control their digital menu experience based on their health goals and needs through filtering preferences that can be saved for future ordering.





# FOOD SAFETY

## Food safety is part of our culture at Chipotle.

We have a Food Safety Advisory Council that is comprised of some of the nation's foremost food safety authorities. The Food Safety Advisory Council and our Board of Directors oversee our food safety policies and practices to ensure they are appropriately designed and implemented.

We take the safety of our food extremely seriously. We make it a top priority to adhere to safety and quality standards to prevent health risks that can arise from the handling, preparation, and storage of food. From our supply chain to our restaurants, ensuring the safety of our food impacts every aspect of our business, and we are committed to prioritizing safety moving forward.





# CHAPTER 2

# PEOPLE





# AWARDS

We have some of the best people in the business, and it's important it stays that way. So we've taken steps to make sure we keep our employees happy. Apparently, the industry has taken notice.



**BLOOMBERG**  
Gender Equality Index



**FORBES**  
World's Best Employers

America's Best Employers  
for Diversity

America's Best Employers



**FORTUNE**  
Most Admired Companies 2021



**HRO TODAY**  
Most Admired Employer Brand



**LATINO LEADERS**  
Best Places to Work  
for Latinos



**NEWSWEEK**  
America's Most  
Loved Companies



**COMPARABLY**  
Best Company for  
Career Growth

Best Company Culture

Best Company for Women

Best Company for  
Best Perks and Benefits



**HUMAN RIGHTS CAMPAIGN**  
Corporate Equality Index  
- 100 score

# BENEFITS

**We want to make sure our employees are well taken care of. Our “Cultivate Me” benefits program makes up a vital role in an employee’s tenure at Chipotle. We know that competitive benefits help retain our employees and we’re proud to offer best in class options.**

Chipotle announced an increase in our average hourly wage to \$15 in May of 2021 and introduced a new employee referral bonus program. In addition, we teamed up with ADURO to introduce a wellness platform called Strive that will cultivate a holistic, proactive, and inclusive approach to improving mental health among employees. We also expanded our debt-free degrees program to include additional majors including culinary, hospitality, and agricultural degrees.

## HEALTHCARE

Good work begins with good health, which is why we offer all employees affordable health insurance. All part-time and full-time employees, their spouses, and dependents are eligible for health insurance as of the first of the month following 30 days from their date of hire. This includes medical, dental, and vision plans.

Employees have access to HealthAdvocate, an advocacy service enabled by technology, at no cost. We added this service with the aim of making healthcare accessible to all our employees.

## EDUCATIONAL ASSISTANCE

Chipotle’s Tuition Assistance Plan helps employees cultivate their knowledge and, in turn, Cultivate A Better World. Chipotle is committed to assisting all

employees in meeting their educational goals by offering tuition assistance of up to \$5,250 per year.

In 2020, over 4,400 employees received over \$13 million in tuition assistance. This number jumped to 5,000 employees participating in tuition reimbursement in 2021 and we paid more than \$15 million in tuition support.

We also support employees in their education goals by offering access to a personal education coach, tuition discounts, college credits for on-the-job training, and access to degrees in business and technology. We provide assistance for employees’ immediate family members completing designated English as a Second Language and general education classes.

## TRAINING

In 2021, we provided ongoing learning and development for all levels within the Field and Restaurant Support Centers. In addition, we launched a Leadership Evolution and Development program to support internal growth for Field Leaders, Team Directors and other above restaurant leadership roles.

## EMPLOYEE ASSISTANCE PROGRAM (EAP)

We offer an Employee Assistance Program to help our employees and their dependents better deal with any of life’s issues. Employees and their dependents can speak with licensed counselors in a confidential manner at no cost.



## BENEFITS OVERVIEW

### PARENTAL LEAVE

Chipotle provides Paid Parental Leave for Restaurant Support Center and eligible field employees up to 12 weeks for birth moms and four weeks for new dads and individuals adopting children. We also offer short-term disability insurance for birth mothers that covers 60% of an employee's pay (up to \$2,500 a week). The company recognizes that giving its employees plenty of time to bond with a new child is crucial to their development. Chipotle also covers costs for nursing mothers to utilize breastmilk shipping services during work travel. In 2021, 467 people took Parental Leave, 73% were female, and 27% were male.

We are committed to building a better work environment for mothers and understand the demands that come with juggling both a full-time job and parenthood. Chipotle has partnered with The Mom Project, Inc. to help new moms adjust back to full time corporate life after having a child or children.

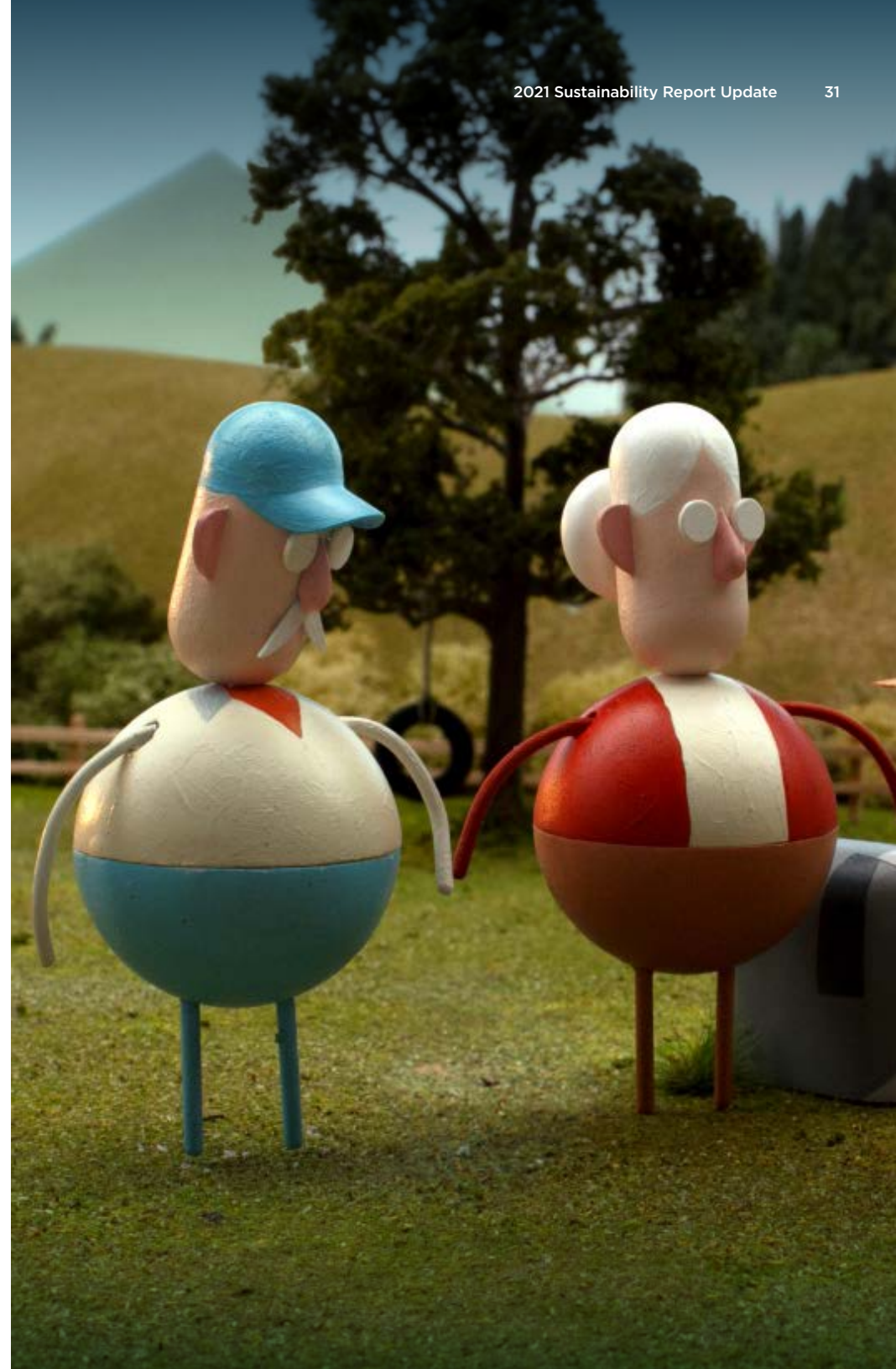
We believe in creating an inclusive work environment that includes equal support for adoptive parents, same-sex couples, and paternity leave.

### RETIREMENT SUPPORT

Every Chipotle employee is eligible to contribute to their retirement savings after 30 days of employment.

### PAID TIME OFF

Everyone deserves a life outside of work. That's why employees are eligible to receive paid time off, whether to spend time with their loved ones or do something they love.



# BENEFIT DETAIL

## Hourly Restaurant Employees

(Crew, Kitchen Manager & Service Manager Benefits)

### HEALTHCARE

Whether full-time or part-time, all employees have access to health insurance, including their loved ones. Employees are eligible for coverage on the first of the month following 30 days of hire. Our medical plans cover preventative care, office visits, urgent care, behavioral health care, and substance abuse care. Our healthcare also includes optional vision and dental plans. Available coverage varies by position and location.

### EXPANSION OF DEBT FREE DEGREES

Our program now includes nearly 100 degrees in Business, Technology, Hospitality, Agriculture and Culinary Services across 10 different universities. New Career Certificates further enhance our Tuition Assistance benefits by providing on-demand Certificate programs to help Chipotle employees advance their careers in as little as 8 weeks.

### WELLNESS DISCOUNTS

We offer discount programs which allow employees the opportunity to select from thousands of fitness centers and studios. These programs offer a variety of workout classes available anytime online.

### SAVINGS 401(k)

Our 401(k) includes a company match of 100% on the first 3% of the compensation an employee contributes, and 50% on the next 2% of compensation an employee contributes. The match is available once the employee reaches 1,000 hours worked in a plan year. All funds are fully vested from day one.



### Employee Stock Purchase Program

Eligible employees who have worked at Chipotle for at least 12 months can contribute a percentage of their base pay through payroll deductions. At the end of each quarter, those contributions are used to purchase whole and fractional shares of Chipotle stock at a discounted price.

### Discounts

All employees are eligible to receive discounts and savings from national and local merchants as well as service providers through our employee discount program.



## BENEFIT DETAIL

### Hourly Restaurant Employees

#### PAID TIME OFF

##### Sick Time & Vacation Time

We offer our hourly employees paid sick time. They can accrue paid vacation time after a year of employment. Parental leave eligible Kitchen Managers & Service Managers are given five days of paid parental leave following the birth of their child or the placement of a child in connection with adoption or foster care.

#### PERFORMANCE-BASED PAY MERIT REVIEW (PAY INCREASES)

We hold semi-annual performance reviews. Crew, Kitchen Managers, and Service Managers are eligible to receive a merit increase after each review based on their performance and overall contribution to the restaurant.

#### IN 2021, CHIPOTLE PAID \$37 MILLION IN BONUSES TO RESTAURANT EMPLOYEES.

##### Crew Bonus

All full-time Crew, Kitchen Managers, and Service Managers (those that work more than 32 hours per week on average) who have been with the company for at least a year are eligible for a bonus every December. All full-time Crew, Kitchen Managers, and Service Managers who have worked the full quarter at their restaurant will be eligible to receive an additional week of pay if their restaurant achieves predetermined performance metrics for that quarter.

#### PERKS

##### Free Meals While Working

Every employee gets a free meal during their shift.

##### 50% Discount When Not Working

Every employee gets 50% off of food and soft drinks purchased at their home restaurant when they're not working.

##### Free Uniforms

We provide all restaurant employees comfortable organic cotton tees and hats custom-made for Chipotle.

##### Life & Disability Insurance

We offer company-paid basic life insurance to employees, their spouses, and their children and short-term disability benefits in case of an illness or non-work-related injury to all Kitchen Managers and Service Managers. Temporary or non-employee/ contingent workers are not eligible for benefits.

**We are constantly looking for ways to make our benefits more competitive.**

For more information on employee benefits, please visit [www.jobs.chipotle.com](http://www.jobs.chipotle.com)



# EMPLOYEE SAFETY

**CREATING A SAFE WORK ENVIRONMENT IS A TOP PRIORITY AND WE WORK HARD TO ENSURE ALL EMPLOYEES UNDERSTAND AND ENGAGE IN SAFE WORKING PRACTICES.**

In 2021, Chipotle had seven non-COVID-19 related Occupational Safety and Health (OSHA) complaints, and approximately 10 COVID-19 related OSHA complaints across our 2,950+ restaurants. There were no workplace related deaths. We have been able to resolve our OSHA complaints quickly.

We maintain a number of additional health and safety policies designed to protect our employees while they work. We also have Heat Illness Prevention Plans for our restaurants in California and Oregon, as required by state law. Chipotle has corresponding Heat Illness Prevention training and we also train all New York employees on the New York Airborne Infectious Model Plan as required by law.



# GUESTS

## Protecting Our Guests

**The safety of our guests is a top priority. Now more than ever we're taking real steps to take care of our people and our customers.**

Restaurant team members continue to be skilled on safety procedures as needed throughout their training. We have transitioned our previously printed Cleaning & Maintenance cards to be digital, allowing for easy access and keeping procedures consistently up to date.

Every Operations employee, from Crew to Regional Vice President (RVP), is responsible for completing our Quarterly Food Safety Training.

We have partnered with our Environmental Health and Safety team, newly formed in 2021, to build more robust safety training based on local mandates or company needs. For example, we introduced Heat Illness Prevention training in Oregon and are finalizing Back and Proper Lifting training to help reduce workers' comp claims related to back injuries. We have also begun to expand our in-restaurant safety meetings to locations outside of California, with the goal of having them held at least quarterly in all restaurants by the end of 2022.



### HAND SANITIZER FOR GUESTS

Chipotle restaurants have hand sanitizer available at the entrance of our restaurants.



### HANDWASHING EVERY 30 MINUTES

In 2021, we heightened our hand washing protocol for all employees to wash their hands every 30 minutes and after every task at a minimum throughout the day.

# TURNOVER & DEVELOPMENT

We continually work to retain our incredible employees.

**Retaining our top talent is paramount to Chipotle’s future growth and success.**

We’re working to improve every stage of the employee life cycle. By enhancing the candidate experience, onboarding, and training, we are poised to improve retention. We know if we can set our employees up for success early on, we can improve the guest and employee experience, as well as other key metrics. Like most companies, we experienced higher than normal turnover in 2021 and we are working hard to normalize these numbers.

## 2020 TURNOVER:

**141%**

**Restaurant Hourly**  
(Crew, Kitchen Manager, Service Manager)

**31%**

**Restaurant Salary**  
(Apprentice, General Manager, Restaurateur)

**16%**

**Restaurant Field Managers**  
(Field Leaders, Team Directors, Regional Vice Presidents)

**12%**

**Staff Employees**  
(Support Center Employees and Field Support Employees)

## 2021 TURNOVER:

**194%**

**Restaurant Hourly**  
(Crew, Kitchen Manager, Service Manager)

**43%**

**Restaurant Salary**  
(Apprentice, General Manager, Restaurateur)

**21%**

**Restaurant Field Managers**  
(Field Leaders, Team Directors, Regional Vice Presidents)

**21%**

**Staff Employees**  
(Support Center Employees and Field Support Employees)



# COMPENSATION & CULTURE

## WE WANT TO BE A PLACE WHERE PEOPLE WANT TO WORK.

Developing our people is a cornerstone of our success. By developing and engaging with our employees, we can retain our best talent. It's important that all leaders know their employees and are invested in their success. That's why we encourage every People Leader to have a performance conversation with each employee they oversee four times per year.

We know keeping employees informed about significant operational changes is important and that is why we utilize a cascaded approach. Information is disseminated by Regional Training Managers to support the full Crew. At a minimum, employees are given at least one week of notice before a change is made to their schedules, but our managers strive to provide at least two weeks' notice before making schedule changes.

We conducted additional Restaurant Leader and Field Leader Pulse Surveys in 2021. Over 80% of our employees surveyed said they like the work they do and have confidence in Chipotle's future. We are continually engaging with our staff to understand their needs and address challenges to our workforce.

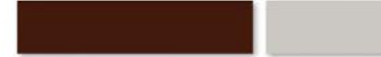
In 2021, we encouraged employees to get involved with our ERGs as well as culture committee to spark conversations. ERGs provided community, culture support, and career advancement opportunities for many of our employees who were no longer in offices because of COVID-19.



**CREW, FULL TIME \$40,700**



**KITCHEN MANAGER \$45,500**



**SERVICE MANAGER \$48,600**



**APPRENTICE \$65,500**



**GENERAL MANAGER \$86,100**



**CERTIFIED TRAINING MANAGER \$103,900**



**RESTAURANTEUR \$108,800**



**BASE PAY & BONUSES\* BENEFITS**

\*Salaries reflect total compensation, which is inclusive of base, bonuses, and equity if applicable

# DIVERSITY, EQUITY & INCLUSION





# DIVERSITY, EQUITY & INCLUSION

Chipotle’s Diversity, Equity, and Inclusion strategy is centered around four pillars:

**LEARN** to create awareness

**DEVELOP** to activate our talent

**CREATE ACCESS AND EQUITY**  
by eliminating barriers for diverse candidates and employees

**SUPPORT OUR COMMUNITIES**  
by creating pathways to healthier food, education, and jobs

We believe in diversity, creating access and equity, and in providing a workplace free from discrimination and all forms of harassment. These values improve our business and ensure we maintain an inclusive working environment for all employees.

Our purpose of Cultivating A Better World starts with our workforce. We strive to create an organization where diverse ideas, backgrounds, and experiences are championed. We take seriously our values of “Authenticity Lives Here” and “The Movement is Real” because they are not just representative of our food, but our people as well. We strive to cultivate an environment where all our employees can thrive. Collectively, our employees are our competitive advantage. That’s why we work to implement programs and partner with organizations that allow us to be stronger as a company — one that is focused on supporting innovative

ideas fueled by the diverse backgrounds of each of our employees.

Chipotle has set out to maintain both racial and gender pay equity. We met this goal by maintaining racial and gender pay equity as well as implementing a program to accelerate the development of diverse team members.

**During 2021 Chipotle:**

Conducted an independent pay equity analysis of our U.S. workforce to identify risks and pay gaps in our organization by gender and race/ethnicity to support our commitment to pay our employees equally across gender and race/ethnicity. The results did not identify preferential treatment to any class of employee; however, we identified several isolated discrepancies between actual compensation and our policies, and we quickly made pay adjustments to close all identified gaps.

Expanded our Diversity and Inclusion program through strategic recruiting

and development practices. For example, in 2021 our Diversity and Inclusions Foundations e-learning had approximately 70 leaders (FL and above in the Field as well as RSC employees). We will continue to roll out Unconscious Bias training in 2022. As of December 31, 2021, 53% of our U.S.-based employee population is female and approximately 70% of our U.S based employee population is comprised of racial and ethnic minorities.

Actively participated on the National Urban League Advisory Council.

Began participating in MLT’s Black Equity at Work Certification program that requires and supports employers to apply comprehensive, sustained rigor to meaningfully increase Black equity.

Continued our listening sessions, which allowed leaders to hear directly from team members on how they were feeling about important issues.



# GIVING

We're nothing without the communities we serve.  
That's why we've set up several programs and partnerships  
to give back to all the communities we're proud to call home.





# GIVING



## COMMUNITY ORGANIZATIONS

**Over \$7 million** donated from over 36,000 local community fundraisers



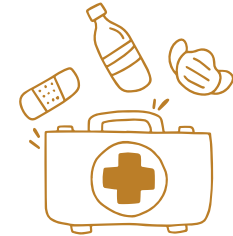
## ROUNDUP FOR REAL CHANGE

**\$6.2 million** raised for nine non-profits



## FOOD DONATION

**558,130 meals** were donated to members of our communities with a retail value of \$5.3 million



## DISASTER RELIEF

Chipotle and The Farmlink Project **provided over 300,000** pounds of produce to food banks across Texas in response to Winter Storm Uri



## DISASTER RELIEF

**Donated \$50,000** to Texas Organic Farmers and Gardeners Association for the Texas Farmer Winter Storm Relief



## CORPORATE GIVING

**\$318,110** given to the American Cancer Society, 50/50 Women on Boards, Niman Ranch Next Generation Foundation, Orange County Professional Firefighters Association, among others



## CHIPOTLE CULTIVATE FOUNDATION

**\$246,600** granted to the Aluminaries Project and accelerated eight growth stage ventures



## COMMUNITY OUTREACH GRANTS

Delivered a total of **\$175,000** to **48 organizations**, nominated by our General Managers

# CHAPTER 3

# ENVIRONMENT





# AWARDS

As we've continued down this road of becoming a more sustainable company, we've taken many strides toward a better future. These awards represent the progress we've made toward that goal. But we know there's still work to be done.



**FAST COMPANY'S MOST INNOVATIVE COMPANIES**  
Chipotle was named one of the 10 Most Innovative Dining Companies for its Real Foodprint tool



**INVESTOR'S BUSINESS DAILY**  
Named Chipotle to its list of 100 Best ESG Companies



**SMARTBRIEF**  
Innovation Awards  
**Selected as the Sustainable Solution winner**



**FOODBEAST'S**  
Top Climate Friendly Fast-Food Chain

# CLIMATE

Chipotle acknowledges that climate change is one of the most pressing issues our world is facing, and we recognize our organization's responsibility to understand and address our impacts on this issue. With this acknowledgement, we can further drive our climate strategies to enact change in our sphere of influence.

We have committed to reducing our absolute Scope 1, 2, and 3 greenhouse gas, or GHG, emissions by 50% by 2030, from a 2019 base year. Our science-based targets have been verified by the Science Based Targets initiative (SBTi) and classified as in-line with a long-term global temperature increasing trajectory of 1.5 degrees Celsius. To keep ourselves on track with our 2030 goal, we have also committed to reducing our Scope 1 and 2 emissions by 5% by the end of 2022.

At this time of publication, we have made extensive internal and external commitments to better understand our impacts and develop strategies to reduce them. We have engaged our cross-functional stakeholders and employed the services of third-party experts to assess, review, and develop a path forward for implementing our climate strategy. An internal climate steering committee has been created to guide decision making, determine reduction targets, and drive strategy forward.

**We invite you to learn more about our plans, strategies, and big picture thinking around climate in the following sections.**



## CLIMATE

# EMISSIONS

### SCOPE 1 AND 2

Our Scope 1 direct emissions include emissions from our fleet of vehicles and two jets, as well as stationary combustion in our restaurants and corporate offices. Our Scope 2 indirect emissions include our purchased electricity used at our domestic and international restaurants and in our corporate offices. Our Scope 1 and Scope 2 emissions were independently validated by a third party.

To calculate our Scope 1 and 2 emissions, we use our gas and electricity usage data from a third-party organization that handles our utility bills. For the small number of our restaurants where we do not receive actual gas or electric bills, we calculate a per-restaurant company average emissions value and add it to the totals derived from our actual utility data. This extrapolation provides us with a complete estimate of our emissions across all restaurants.

For our corporate offices estimation, we use the Energy Information Administration (EIA) 2018 Commercial Buildings Energy Consumption Survey (CBECS). With CBECS, we estimate gas and electricity usage by square footage and climate zone, then apply the appropriate emissions factors, in the same way we do for our restaurants.



### SCOPE 3

For us to fully understand our carbon footprint and environmental impacts, we must consider our Scope 3 emissions. Scope 3 emissions encompass all our indirect emissions not reported in Scope 2 and all our supplier's emissions as well. We focus on the top seven categories in Scope 3, which include: purchased goods and services, capital goods, fuel and energy-related activities (not included in Scope 1 and 2), upstream transport, waste disposal, business travel, and employee commuting. Collaborating with our suppliers and other upstream partners is key for reducing our carbon footprint in this space.

In 2021, Scope 3 emissions accounted for over 93% of our total greenhouse gas emissions (Scope 1, 2 and 3). Our Scope 3 emissions were derived from both mass based and financial spend data. To ensure accuracy, we enlisted the help of a third-party consulting company to calculate the emissions.

# CLIMATE EMISSIONS

Table 1: 2021 Scope 1 &amp; 2 Emissions

Emission Category	Subcategory	Emissions (MT CO <sub>2</sub> e/yr)	Percent Contribution
<b>Scope 1 Emissions</b>		<b>126,374</b>	<b>50%</b>
Restaurants	Natural Gas	119,069	47%
Corporate Offices	Natural Gas	608	0%
Other	Natural Gas	6	0%
Restaurants	Propane	600	0%
Vehicle Fleet	Gasoline	3,043	1%
Corporate Jets	Jet Fuel	3,047	1%
Refrigerants	Not Applicable	Not Applicable	Not Applicable
<b>Scope 2 Emissions</b>		<b>128,786</b>	<b>50%</b>
Restaurants	Electricity	126,413	49%
Corporate Offices	Electricity	2,362	1%
Other	Electricity	11	0%
<b>Total Scope 1 &amp; 2 Emissions</b>		<b>255,160</b>	<b>100%</b>

Table 2: 2021 Scope 3 Emissions

Emission Category	Subcategory	Emissions (MT CO <sub>2</sub> e/yr)	Percent Contribution
<b>Scope 3 Emissions</b>		<b>3,567,125*</b>	<b>100%</b>
Category 1	Purchased Goods and Services	2,974,374	83%
Category 2	Capital goods	125,208	4%
Category 3	Fuel- and energy-related activities	28,788	1%
Category 4	Upstream Transportation and Distribution	120,307	3%
Category 5	Waste generated in operations	115,111	3%
Category 6	Business travel	4,760	0%
Category 7	Employee commuting	133,620	4%
Category 8	Upstream leased assets	Not Applicable	Not applicable
Category 9	Downstream Transportation and Distribution	29,931	1%
Category 10	Processing of sold products	Not Applicable	Not Applicable
Category 11	Use of sold products	Not Applicable	Not Applicable
Category 12	End of Life Treatment of Sold Products	35,026	1%
Category 13	Downstream leased assets	Not Applicable	Not Applicable
Category 14	Franchises	Not Applicable	Not Applicable
Category 15	Investments	Not Applicable	Not Applicable

Table 3: Historical Emissions

Scope 1 & 2 Emissions	Emissions (MT CO <sub>2</sub> e/yr)
2020	244,164 MT CO <sub>2</sub> e/yr
2019	257,999 MT CO <sub>2</sub> e/yr
2018	239,339 MT CO <sub>2</sub> e/yr
2017	235,955 MT CO <sub>2</sub> e/yr
2016	236,245 MT CO <sub>2</sub> e/yr

\*Given the industry-wide challenges surrounding Scope 3 emissions, data, and methods, Chipotle is constantly aiming to improve the empirical nature of its Scope 3 emissions calculations and data management. For the 2021 inventory, Chipotle made significant improvements to key Scope 3 emissions categories (e.g., Purchased Goods & Services) by using supplier-based data and calculations compared to the previous 2019 spend-based (Quantis) calculations. These improvements increase the accuracy and ability to track, monitor, and demonstrate SBT achievement in the future, however, they also result in shifts in the emission calculations.



## CLIMATE

# WORKING GROUPS AT CHIPOTLE

To help us achieve our SBTi 50% emissions reduction goal by 2030, Chipotle has developed internal Climate working groups that span across four sectors of our operations. Each aim to address climate issues from their own unique perspectives.

## Restaurants

Implement sustainable design and development in our new and existing restaurants

Explore scalable construction diversion to reclaim and recycle building materials for future use

Reduce emissions through smart Energy Management Systems at our restaurants to increase utility efficiencies

Explore renewable energy and energy efficient equipment to be introduced into restaurants

## Transportation and Warehousing

Leverage partners and innovation to reduce emissions associated with the transportation and warehousing of ingredients and products

Optimize inbound payloads and increase average order sizes to maximize truck loads

## Waste and Packaging

Pursue closed-loop packaging solutions and leverage new market innovations to reduce end-of-life impact

Optimize responsible waste management through utilizing data to reduce overall waste, increase landfill diversion programs, and enhance food waste solutions

## Food Supply Chain

Explore protein and animal management solutions to decrease carbon footprint

Promote carbon-reduction practices for products within the supply chain



## CLIMATE

# ENERGY

**Energy efficiency has become a key driver in reducing our environmental impact and we have worked diligently to reduce energy use in our restaurants.**

We have achieved this by developing energy efficient restaurants, procuring energy efficient equipment, and installing energy management systems, or EMS, at all applicable restaurants. These systems assist us in decreasing usage and emissions by monitoring and managing the thermostats and lighting in our restaurants remotely, and ensuring our usage is optimal by efficiency standards. EMS allows us to create a comfortable atmosphere for our crew members and guests, while decreasing usage where possible by setting temperatures to energy efficient presets and ensuring lighting is off during unoccupied hours.

In 2021, we saved approximately 59,770 MWh of energy, totaling a 12.7% reduction in our utilities through energy management systems in our restaurants.

**59,770 = 12.7%**  
**MWh of energy**                      **reduction in**  
**our utilities**

We expect these savings to continue to grow in 2022, as we implement more efficiency projects and explore additional efficiency opportunities.





## CLIMATE

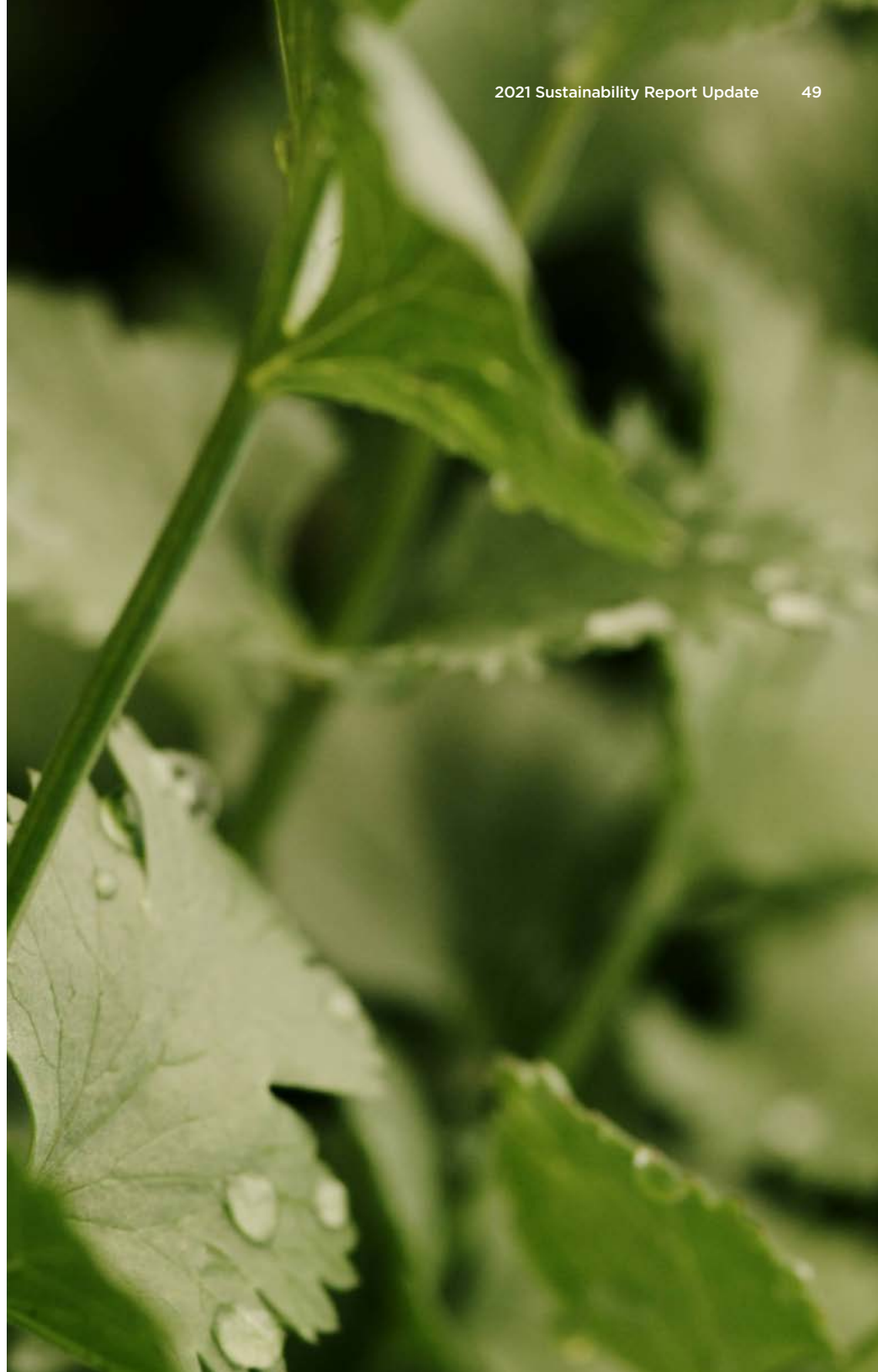
# WATER

### **Water plays an integral role in our business and operations.**




From our supply chain to our facilities, water is a valuable resource to our operations. Therefore, we are exploring opportunities to conserve and restore water supplies wherever possible.

In 2021, we developed a program to assess our water risks to be rolled out in 2022. Through this timeline, along with the work of our climate working groups, we have developed a program to address water usage across our supply chain, ingredients, and restaurants. With this assessment, we can better understand where our key water risks and impacts lie in order to advise next steps for water stewardship projects in our facilities and supply chains.

We manage water use in our restaurants through recovery, reuse, recycling, and proper wastewater disposal. At a minimum, we strive for total compliance with local regulations pertaining to effluent discharge and have had very few issues of noncompliance.



### WATER RISK ASSESSMENT AND STEWARDSHIP TIMELINE

RESTAURANTS	Q1 2022	Q2 2022	Q3 2022	Q4 2022
	<p>Review water usage in our operations and facilities using baseline data from previous years to track impacts of future water projects</p>	<p>Consider potential water efficiency opportunities and partners to decrease water usage</p>	<p>Select water impact programs and partners based on water risk assessment results</p>	<p>Propose budget and resourcing strategies for restaurant efficiency partnerships and projects</p>
INGREDIENTS	Q1 2022	Q2 2022	Q3 2022	Q4 2022
	<p>Kick-off a water risk assessment at the ingredient level to determine our topmost water intensive ingredients</p>	<p>Review water usage at ingredient level coordinating across internal teams</p>	<p>Consider current supplier practices in conjunction with their locations, climate, and water risks</p>	<p>Finalize ingredient and sourcing strategies aimed at decreasing water risks throughout our sourcing</p>
SUPPLY CHAIN	Q1 2022	Q2 2022	Q3 2022	Q4 2022
	<p>Food supply chain team to pull country of origin and certification data to frame up what water usage looks like in our current supply chains</p>	<p>Develop future scenario risk assessment using the WRI's (World Resources Institute) Aqueduct Tool and WWF's (World Wildlife Fund) Water Risk Filter tools</p>	<p>Develop detailed agricultural input assessment using WRI and WWF tools in order to determine water in our upstream sourcing</p>	<p>Complete Water Risk Mitigation Actions roadmap to determine best course of action to establish water stewardship through our operations and climate working groups</p>



# WASTE

We understand that taking a holistic approach to waste management is essential for reaching our sustainability goals.

We are exploring ways to reduce the amount of waste generated at all levels of our operations. In our supply chains, we request that suppliers practice payload optimization, shipping more of each item in fewer shipments to reduce excess packaging materials. At the restaurant level, we train each employee to mindfully prepare and cook our ingredients in ways that minimize waste.

For any waste that cannot be avoided, we want to ensure it's being disposed of correctly and are continuously working to increase diversion at our restaurants.

We diverted 50% of our waste from landfills through recycling and compost programs.

At the end of 2021, **91% of our restaurants participated in recycling programs and 31% participated in compost programs.**

Out of 5.1 million cubic yards of waste produced\*, **we recycled 2.4 million cubic yards, composted 107,900 cubic yards, and turned 68,490 cubic yards of waste into energy.**

Through our Harvest Program, **we donated 551,725 pounds** of food to those in need through 360 community partners, an estimated cost of \$5.3 million.

Our ability to manage waste at each restaurant depends on who is responsible for the waste services and infrastructure at that location. At 62% of our restaurants, we are responsible for those services and utilize a waste management company to manage our portfolio. At the other 38% of restaurants, landlords manage the waste. In those cases, we collaborate

with our landlord partners as much as possible and encourage them to implement diversion streams for tenants to utilize.

\*Does not include construction waste.

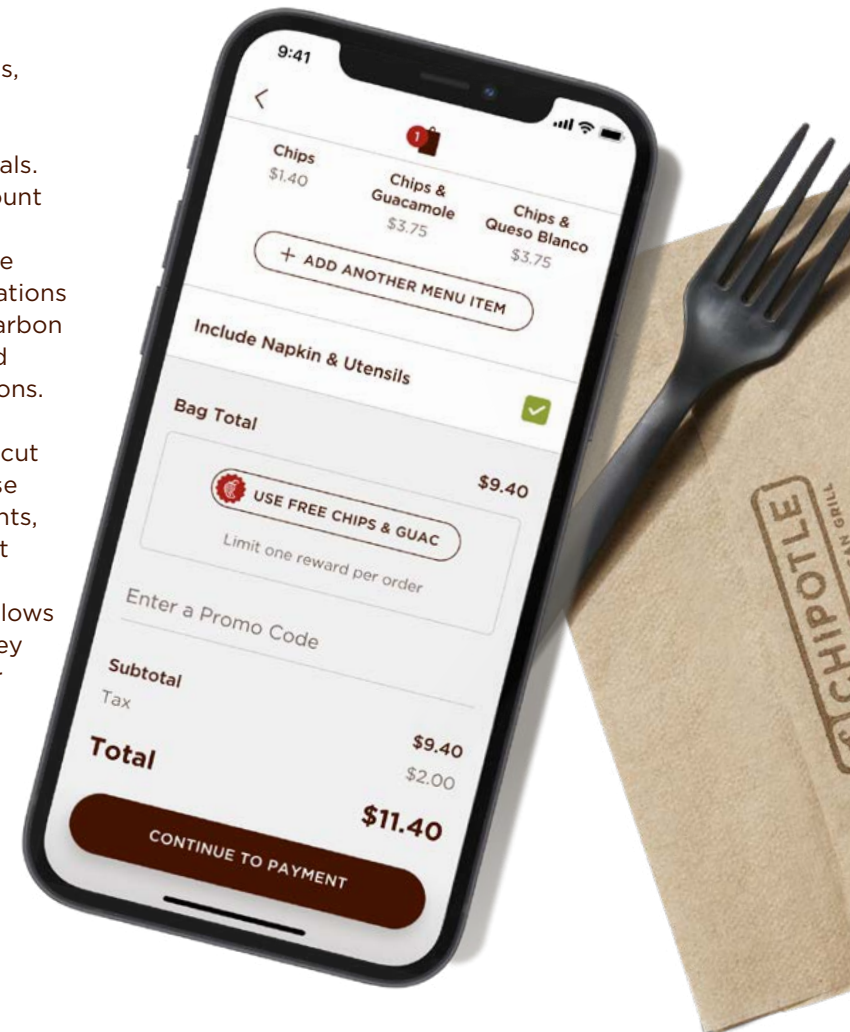
# PACKAGING

**We are always looking for new and innovative ways to improve the overall sustainability of our packaging.**

We believe a sustainable packaging program must include both a diversion and reduction component, so we are introducing more compostable and recyclable material into our restaurants while also reducing the material used in our packaging. Our bowls, kid's trays, chip bags, and liners contain no added PFAS, and our packaging suppliers have confirmed that they do not use PFAS in the manufacturing of the products they supply to us. The only PFAS found in these packaging items come from naturally occurring environmental factors and fall within the allowable limits of PFAS according to Biodegradable Products Institute (BPI) and a number of regulatory standards worldwide.

In 2021, 100% of our burrito bowls, chip bags, napkins, and kid's meal trays were made with 100% compostable natural fiber materials. In addition to increasing the amount of compostable and recyclable materials in our restaurant, we are also exploring new market innovations including materials made from carbon sequestration practices, upcycled materials, and closed-loop solutions.

To reduce our cutlery usage and cut down on the number of single-use disposables used at our restaurants, we have piloted an opt in/opt out program for utensils and napkins through our Chipotle app. This allows customers to choose whether they want to receive cutlery with their digital order.







CULTIVATE

A BETTER

WORLD

chipotle.com

We look forward to making progress on our aggressive goals across Food and Animals, People, and the Environment in 2022, and furthering our mission to Cultivate a Better World.

Watch the [short film](#) supporting the next generation of farmers.

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**[CHIPOTLE.COM/SUSTAINABILITY](https://www.chipotle.com/sustainability)**

Please send us any feedback or questions at [sustainability@chipotle.com](mailto:sustainability@chipotle.com)