





A LETTER FROM OUR CEO, BRIAN NICCOL

As I reflect back on 2020, I'm in awe of the resilience I witnessed during this unprecedented time. Despite the challenges presented by the global pandemic and civil unrest, Chipotle employees persevered and continued to find innovative solutions to propel the company's mission of Cultivating A Better World. Our greatest priority is to safely serve our communities delicious food from real ingredients made fresh daily. We remain committed to that more today than ever and will continue to push the boundaries of innovation to better serve you.

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. The events of this past year have shifted consumer behavior to lean towards a community-focused society. This has further ignited a passion inside of many for making purchasing decisions that 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.

Last year, we published a progress report against our sustainability goals through 2019. We're committed to transparently showcasing our progress against these targets to ensure that we're successfully meeting goals across people, food and animals, and the environment. Today, I'm thrilled to share the outcome with you. While more work can always be done, we've made strides to showcase real meaningful action and measurable change.

"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."

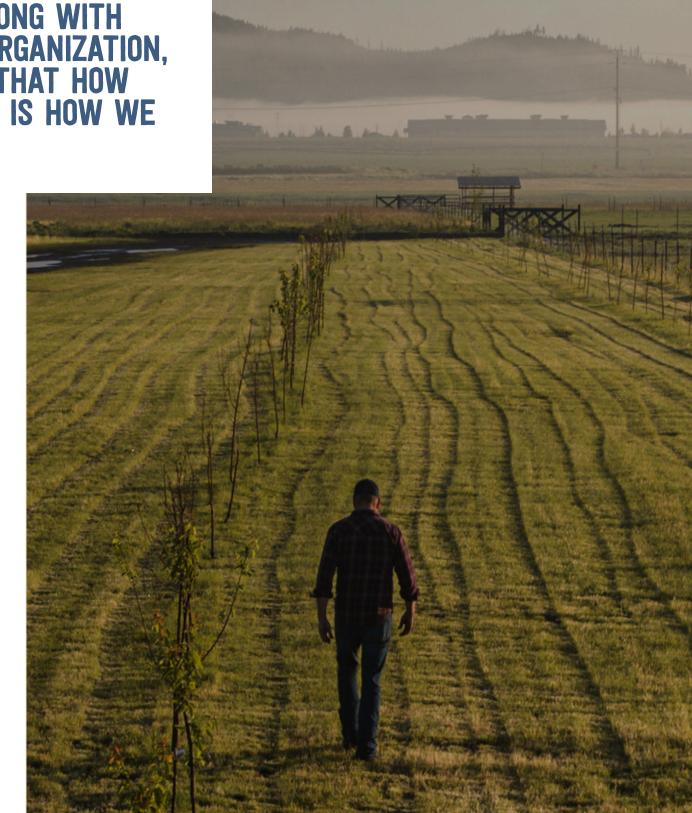
Our third full Sustainability Report demonstrates how we are leading the industry by example, open sourcing initiatives in an effort to welcome everyone to join us on this mission. You'll hear directly from leaders across our organization about how they're embedding sustainability into the work we do together every day. This purpose-driven mindset cascades throughout the organization to team members who take pride in making the Chipotle experience exceptional, serving the highest quality food from real ingredients. At the core of that experience is sustainability—influencing our strategy from our restaurants, to our company offices, to the farms from which we source our ingredients.

We're already hard at work identifying ways we can make a positive impact on the world in 2021. We are optimistic about the future and look forward to continuing to deliver on our promises. I invite you to reach out to us at SustainabilityReporting@chipotle.com and share your thoughts and questions about what sustainability means to Chipotle.

We're all in this together.

Thank you,

Brian NiccolChairman and CEO,
Chipotle





WHAT WE'RE MADE OF

At Chipotle, we believe real ingredients just taste better. That's why we cultivate relationships with some of the finest farmers, ranchers, and other producers around.

OUR FOOD BEGINS WITH THINGS LIKE:

Real ingredients you could find in your kitchen

Responsibly Raised® meat and dairy

Non-GMO ingredients

Sourcing a portion of our ingredients from organic producers

Produce from local growers, on a seasonal basis

AND ENDS WITH:

No artificial preservatives

No artificial colors

No artificial flavors





OUR VALUES KEEP US REAL



THE LINE IS THE MOMENT OF TRUTH

When our guests win, so do we.

Everything we do starts with our restaurants. Serving great food, with great service in a safe, quick, clean, and happy environment is always priority one.



TEACH AND TASTE CHIPOTLE

Take pride in making the Chipotle experience exceptional.

Take the time to learn it well, teach it right, and hold others to the same standard.



AUTHENTICITY LIVES HERE

Our food is real and so are we.

Be your full self and make a difference.



THE MOVEMENT IS REAL

Stand up for what's important, even when it's hard.

We source better ingredients, hire better people and work hard to change the world. Talk about what makes you proud, so we can do more of it.



LINKING COMPE TO SUSTA

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

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

Ten percent of officers' annual incentive bonus will be tied to the company's progress toward achieving these ESG goals.

Starting this year, Chipotle's executive leadership team will be evaluated on the company's progress toward the following overarching company goals.



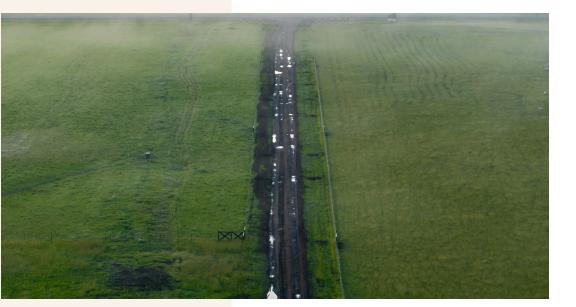
FOOD & ANIMALS

In effort to support more sustainable small farms, Chipotle is committed to increasing pounds of organic, local, and/or regeneratively grown and raised food used in our restaurants year over year.



PEOPLE

Chipotle has set out to maintain both racial and gender pay equity. We are also implementing a program to accelerate the development of our diverse field organization and support center employees for promotion to above restaurant and next level roles.



ENVIRONMENT

Originally announced for 2025, we are moving up our goal to publish Scope 3 emissions to December 31, 2021.



ANIMAL WELFARE





RESPONSIBLY RAISED MEAT AND DAIRY

- The meat and dairy we serve come from animals raised according to our strict animal welfare protocols, which include rules for humane treatment.
- Our meat and dairy come from animals never given nontherapeutic antibiotics or added growth hormones.
- Our protocols prohibit animal byproducts in feed.
- Our animal welfare team regularly conducts audits to ensure that our suppliers meet these standards.





FOOD & ANIMALS

24.8 MILLION

OF GLOBAL ANIMAL PARTNERSHIP™
(G.A.P.) STEP 1 CERTIFIED PORK AND BEEF

158.4 MILLION

OF CERTIFIED HUMANE™ PORK, CHICKEN, AND BEEF

45 MILLION

OF SOUR CREAM MADE FROM THE MILK OF COWS GIVEN 365 DAYS OF ACCESS TO PASTURE

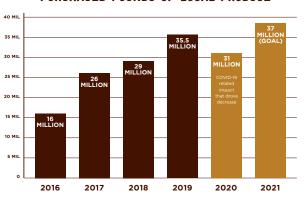


Food With Integrity means fresh, high quality produce, meat, and dairy that's responsibly raised and responsibly sourced. That's why we're so passionate about working with local farmers and suppliers to source the highest quality ingredients and support the communities we serve.

GOALS ACHIEVED

Increase both the total pounds of produce purchased from local growers and the number of growers in our Local Growers Program in 2019

PURCHASED POUNDS OF LOCAL PRODUCE



Increase total pounds of pork produced domestically by small to medium sized farms (those that sell 10 to 1,000 hogs per year) by 5% in 2019 and 2020

Continue to work with our chicken suppliers to advance broiler chicken welfare with respect to environmental enrichments, natural lighting, improved stocking density, and controlled atmospheric stun

NEW GOALS

Purchase **over 37 million pounds of produce** in 2021 from local farmers through our Local Growers Program

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

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

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

AWARDS











"WE'RE PASSIONATE IN OUR PURSUIT OF INNOVATORS AND ARE COMMITTED TO SUPPORTING THEM AS THEY NAVIGATE THEIR RESPECTIVE CHIPOTLE JOURNEYS."

Marissa Andrada

Chief Diversity, Inclusion, and People Officer

GOALS ACHIEVED

Make our **Employee Assistance Program (EAP)** available to all employees so they have access to quality mental health care by 2020

Expand tuition assistance for all employees to cover the cost of their dependents for General Education Development (GED) and English as a Second Language (ESL) classes by 2020

Create at least three Employee Resource Groups (ERGs) throughout the organization in 2019 that will spark discussions and allow for employees to play an active role in shaping our culture and company practices



NEW GOALS

Enrich our benefits offering around **employee wellness** including mental health, financial, and physical **wellbeing** including providing preventive healthcare for all employees through Telemedicine

Develop a robust **Supplier Diversity program where** we continue to identify opportunities for minority owned businesses to increase access to our sourcing opportunities by 2021 and develop a method to measure amount paid annually to minority-owned businesses by 2022

From our employees to our farmers, our customers to our entire communities - we know we have an opportunity to make a real difference in people's lives. That's why we've set up programs, partnerships, and initiatives to make sure we're providing more than just burritos.

\$5+ MILLION

TO LOCAL COMMUNITY ORGANIZATIONS THROUGH 26.000+ FUNDRAISERS IN OUR **RESTAURANTS**

TO YOUNG FARMERS

455,000+ MEALS \$525,000

TO THOSE IN NEED IN OUR COMMUNITIES

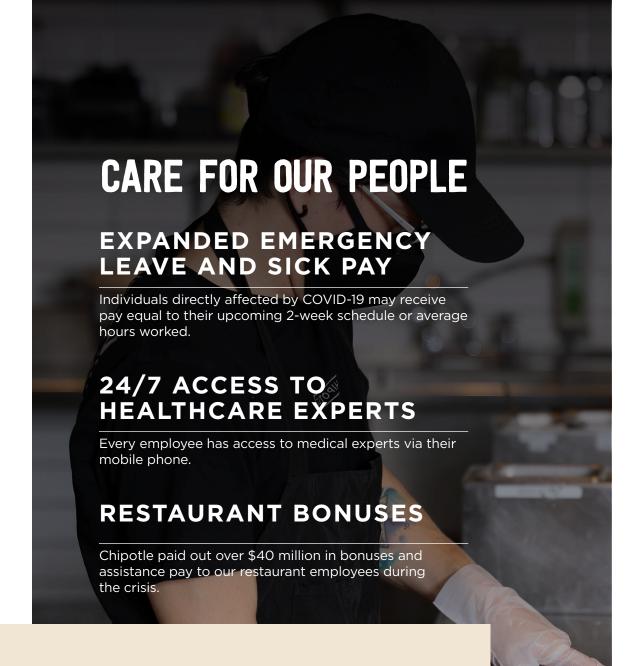
TO THE NATIONAL URBAN LEAGUE AS PART OF OUR DIVERSITY EQUITY & INCLUSION COMMITMENT

13,492 PEOPLE

ACROSS THE CHIPOTLE ORGANIZATION AT **ALL LEVELS**



COVID-19 RESPONSE



CARE FOR OUR COMMUNITY

1/

GRADUATION GIVE BACK

With many students missing the tradition of graduation ceremonies this year, Chipotle donated 10% of graduation themed E-Gift Card sales to Scholarship America from May 21 – June 30.



HEALTHCARE HEROES

Chipotle has donated 200,000 Burritos to Healthcare Heroes at 2,607 facilities across the country and launched an E-Gift Card program that donated 10% of digital sales to Direct Relief.



BURRITOSE

SEND E-GIFT CARD

LEARN MORE

THE CHIPOTLE WAY

NEW PROTOCOLS TO ENSURE GUEST SAFETY AS WE WELCOME YOU BACK INTO OUR DINING ROOMS



HAND SANITIZER FOR GUESTS

Chipotle restaurants have a hand sanitizer station right as you enter the restaurant.



FACE MASKS FOR OUR CREWS

Our crews have been provided masks to wear at all times.



DEDICATED DINING ROOM STEWARD

We've added a dedicated team member responsible for continuously cleaning, sanitizing, and directing pickup orders to assist with physical distancing.



HANDWASHING EVERY 30 MINUTES

We have heightened our hand washing protocol for all employees to wash their hands every 30 minutes and after every task at minimum throughout the day.

STEPS WE WILL CONTINUE TO MAINTAIN: CARE FOR OUR GUESTS

TAMPER-EVIDENT BAGS: New tamperevident packaging seals on every pick-up or delivery order bags.

CONTACTLESS DELIVERY AND PICKUP:

Contactless delivery and pickup available for all digital orders.

SOCIAL DISTANCING IN RESTAURANTS:

Guests are separated by 6 feet using line markers in the restaurant and by limiting Dining Room capacity.

DAILY WELLNESS CHECKS: Every employee signs a daily wellness check to

employee signs a daily wellness check to ensure they are healthy and symptom-free.

LEADING FOOD SAFETY STANDARDS:

We maintain a clean environment in our restaurants and employ safe food handling practices.symptom-free.

SANITIZING ALL HIGH-CONTACT AREAS:

We clean and sanitize our restaurants and high-touch areas using sanitizer that has been validated by the EPA to be effective against COVID-19.

COOK IN SMALL BATCHES: Our food is prepared in small batches to ensure freshness and safety.

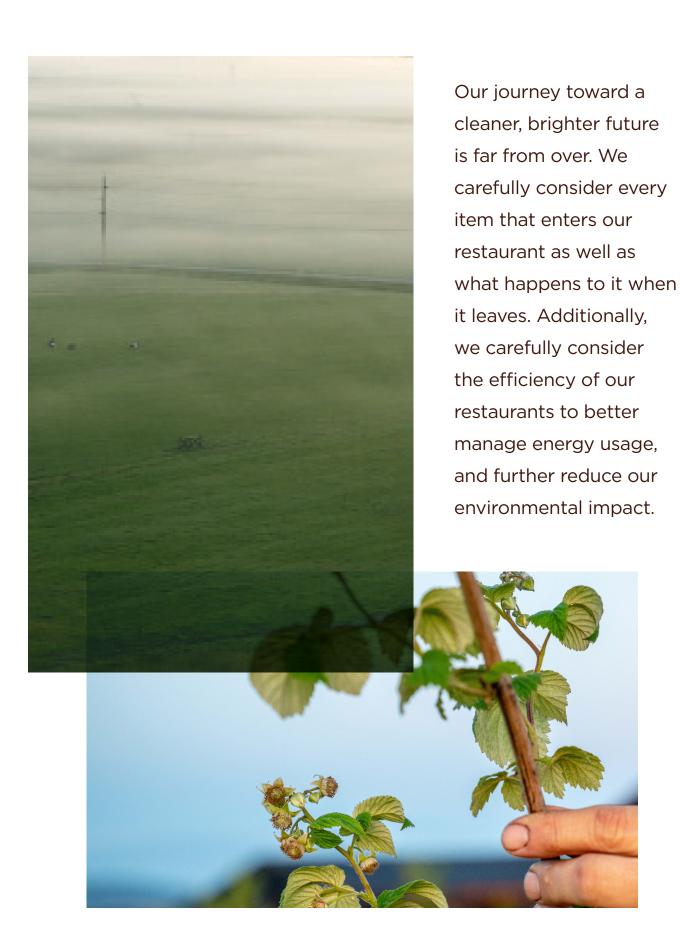
GLOVES AND HANDWASHING: Chipotle team members wear gloves at all times when handling food and are washing their hands every 30 minutes at minimum.

STATE OF THE ART AIR PURIFICATION:

Every Chipotle has an air purification system to eliminate pollutants, mold, bacteria and viruses.



ENVIRONMENT





GOALS ACHIEVED

Divert 50% of our waste from landfills by 2020 against a baseline of a 37% diversion rate at the end of 2016

Set up and maintain a **composting program at 25% of all restaurants** by 2020, against a baseline of 10% at the end of 2016 (18% at the end of 2018)

Expand the **closed-loop glove-to-trash bag pilot program** to include more restaurants



NEW GOALS

Identify **key biodiversity hotspots** throughout our operation by 2025

Set **science-based emissions reduction targets** verified by the Science-Based Targets Initiative (SBTi) by end of 2021

Identify **key water risk areas and ingredients** throughout supply chain in an effort to inform our water conservation strategy

Pilot **scalable diversion program** for construction projects by end of 2021

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

2,071,583

DIVERTED THROUGH RECYCLING, COMPOSTING, WASTE TO ENERGY

60,000+

AVOCADO PITS UPCYCLEI

INTO NATURAL CLOTHING DYE AS PART OF THE AWARD-WINNING CHIPOTLE GOODS NATURAL DYE LINE

51%
LANDFILL DIVERSION RATE

ACHIEVED AS PART OF A SUSTAINABILITY GOAL FROM 2019

62,582 MWH

VIA OUR ENERGY MANAGEMENT SYSTEMS





Real FOODPRINT



real ingredients reduce the impact on the planet compared to conventional ingredients.

Less Carbon in 183.6 GRAMS

REAL FOODPRINT

Your order makes a difference. See how Chipotle's

42.8 Less Carbon in the Atmosphere

Improved Soil 13.4
Health SQ. FEET

MILLIGRAMS

Real Foodprint is a first-of-its-kind education tool that provides customers with detailed impact data about their order.

AVUIUCU

At the order confirmation screen on the Chipotle app and Chipotle.com, guests receive data on five key metrics computed based on averages for the ingredients included in their order.

Real Foodprint compares average values for each of Chipotle's 53 real ingredients to their conventional counterparts against the following five key metrics:

- Less Carbon in the Atmosphere
- Gallons of Water Saved
- Improved Soil Health
- Organic Land Supported
- Antibiotics Avoided

The impact data is tracked on an ongoing basis, so that customers are able to see their lessened impact over a period of time. Real Foodprint gives our guests a look into our sourcing efforts and allows them to track how they can help Chipotle Cultivate A Better World.

HowGood Partnership

Metrics for Real Foodprint are provided by HowGood, an independent research company with the world's largest sustainability database for products and ingredients. HowGood aggregates information from Chipotle's suppliers and over 450 unique data sources, including peer-reviewed scientific literature, industry findings, and research from government and non-governmental organizations, to evaluate the average impact of Chipotle's 53 real ingredients on the environment and animal welfare. Chipotle is the first restaurant brand to partner with HowGood.

Methodology

To develop Real Foodprint, HowGood evaluated Chipotle's award-winning sourcing standards for all 53 ingredients to demonstrate the impact each Chipotle digital order is helping to have on the planet. The positive change in impact across the five key metrics is the difference between average data for each ingredient based on Chipotle's sourcing standards and conventional, industry-average standards.

HowGood also aggregated data on the percentage of each ingredient used in each Chipotle menu item, to help tailor each guest's Real Foodprint tracker.

Defining Conventional Sourcing

To establish the industry average, HowGood used data from authoritative sources like the United States Department of Agriculture, World Health Organization, and United States Food & Drug Administration to determine a baseline for conventional production of food.



COMMITMENT TO FARMERS OR B

Farmers inspire us. How we grow food is how we grow our future. That's why we're giving \$5 million over the next five years to help young farmers.

TRACTOR BEVERAGE CO.

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 long-term contracts, increased local sourcing, and scholarships and grants to start, run or grow farming operations, among others.

VIRTUAL FARMERS MARKET

Chipotle is supporting farmers in its supply chain by assisting in the development of eCommerce sites within the CHIPOTLE VIRTUAL FARMERS MARKET, an online marketplace where consumers can buy real ingredients online, directly from the brand's suppliers.

FARMLINK PROJECT

During winter 2020-2021, Chipotle's real change partnership with THE FARMLINK PROJECT raised awareness of food waste across the United States and allowed Farmlink to donate more than 9.5 million meals to those who needed it most. In addition, by engaging our supply chain with the non-profit, Chipotle has set an example for companies looking to make sustainable long-term change in the fight against food insecurity.

ALUMINARIES

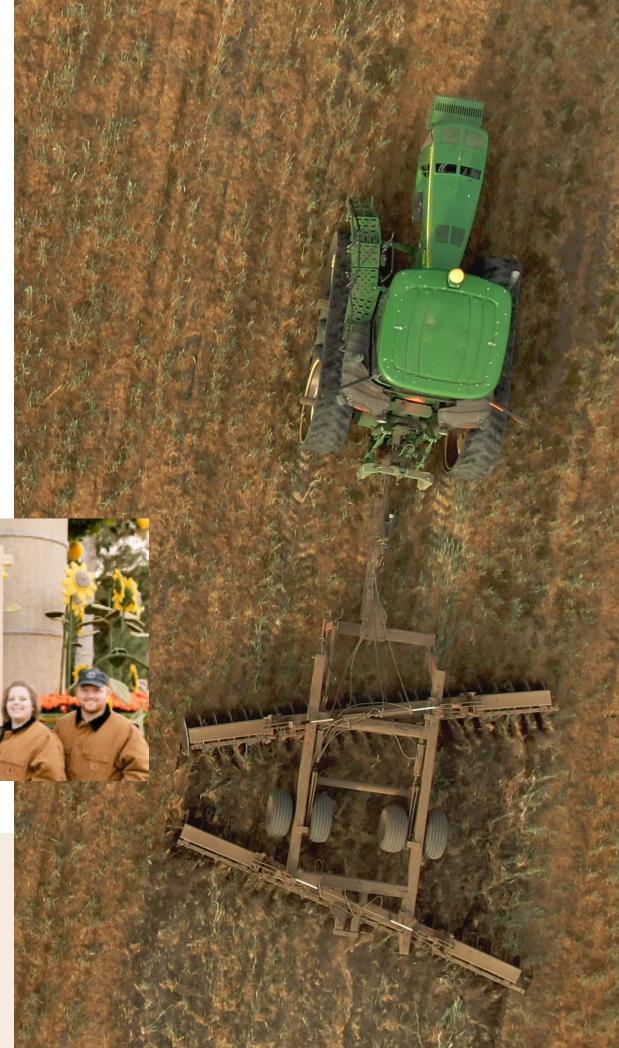
Chipotle's ALUMINARIES PROJECT 2.0 accelerator program, in conjunction with Chipotle Cultivate Foundation, has helped growth stage ventures across the country advance innovative solutions in farming.

YOUNG FARMER GRANT PROGRAM

To date, Chipotle and the Chipotle Cultivate Foundation have contributed over \$500,000 to support the next generation of farmers. The brand is empowering the industry by offering education, scholarships, grants, and three-year contracts to young farmers.



By focusing on young farmers in particular, we're ensuring our support of sustainable agriculture. According to the NYFC Young Farmer Census, more than 80% of young farmers are farming sustainably. Through these programs, and all of the assistance we're offering young farmers, we hope to help farming remain a sustainable vocation for generations to come.





This past year I have spent a lot of time watching, listening, and thinking about the racial and social injustice many in our world face. I still believe America stands for hope and opportunity, and I see a lot of brave people finding ways to create positive change. At Chipotle Mexican Grill, we want to do our part to create an equitable society. We ask that you join us in our effort to do the same.

Chipotle pledged \$1,000,000 in support of organizations advocating against systemic racism, beginning with a commitment of \$500,000 to the National Urban League, an organization with a deep history and proven track record for supporting Black communities with comprehensive action and impactful plans that drive reform and accountability across the country.

This past year we leveraged the Chipotle app and Chipotle.com as a donation platform to allow others to give back to Black and at-risk communities. Using a new technology feature, guests can round up their bill to the next highest dollar amount at checkout to donate to various organizations.

As a company, we are committed to learning and listening to ensure we are fostering an inclusive environment. Listening sessions are already taking place across our organization to better understand how we can evolve as a company and provide equal opportunities for all. In addition, we'll be working with our employees to identify the organizations to spotlight in our round up program throughout the year. There is also inequity in access to healthy foods in our society, and we are working to provide access to healthy foods across different social demographics.

At Chipotle, our mission has always been to Cultivate A Better World. This isn't just through real food, but through real, meaningful action. We need to do better and we encourage our community and fans to join us in our fight for equality.

Snia Nice

Brian Niccol Chairman and CEO, Chipotle



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







TO LOCAL COMMUNITY ORGANIZATIONS THROUGH 26.000 FUNDRAISERS IN OUR **RESTAURANTS**



\$3.8+ MILLION

FOR SIX NON-PROFITS WITH ROUND UP FOR **REAL CHANGE**



455,000+ MEALS

TO THOSE IN NEED IN OVER 468 COMMUNITY **ORGANIZATIONS**



\$377,997

TO NATIONAL YOUNG FARMERS COALITION ON BEHALF OF CHIPOTLE CULTIVATE FOUNDATION



\$22,000+

TO THE DIRECT RELIEF FOUNDATION FOR **DISASTER RELIEF**



TO COMMUNITY ORGANIZATIONS IN COOKWARE AND REFRIDGERATORS



\$250,000

TO 232 ORGANIZATIONS THROUGH COMMUNITY OUTREACH GRANTS



\$50,000

TO THE CULINARY INSTITUTE OF AMERICA, MAKE A WISH, WOMEN ON BOARDS, ORANGE COUNTY PROFESSIONAL FIREFIGHTERS ASSOCIATION, THE ART OF EATING MAGAZINE



WE'RE GIVING \$5 MILLION OVER THE NEXT FIVE YEARS TO HELP YOUNG FARMERS



ADDITIONALLY, WITH THE HELP OF OUR CUSTOMERS THROUGH THE ROUND UP FOR REAL CHANGE FEATURE, WE DONATED: \$1 MILLION+ TO THE NATIONAL URBAN LEAGUE.





IN JUNE 2020, WE PLEDGED \$1,000,000 IN SUPPORT OF ORGANIZATIONS ADVOCATING AGAINST SYSTEMIC RACISM, SOME OF THE WAYS WE HAVE GIVEN ARE: \$500,000 TO THE NATIONAL URBAN LEAGUE. \$250K TO 232 UNIQUE COMMUNITY ORGANIZATIONS, **NOMINATED FROM OUR GMS (COGS)**





We acknowledge climate change as

one of the most pressing issues of our

time and recognize our organization's

impact on this issue. It is with this

acknowledgment that we are able

to make a change for the better and

further drive our climate strategies.

Last year, as a result of our energy management systems (EMS), we saved an estimated 65,582 MWh of energy, which is the emissions equivalent of:







At the time of publication, we have made extensive internal and external commitments to better understand our impacts and develop strategies to reduce them. We have committed to the following actions as a first step and invite you to follow along on our journey:

Committing to emissions reduction targets in line with climate science and verified by the Science-Based Targets initiative

Developing an internal climate steering committee with a focus on curbing emissions

Categorically expanding our carbon offset program beyond corporate transportation

Further reducing restaurant emissions through the implementation of smart energy management systems at all restaurants, and fine-tuning reduction strategies already in place Enlisting the assistance of industry-leading experts to improve accounting methodologies, develop Scope 3 road mapping, and determine areas of climate focus

Conducting an initial Scope 3 screening as a first step in developing our full empirical measurement model and strategy

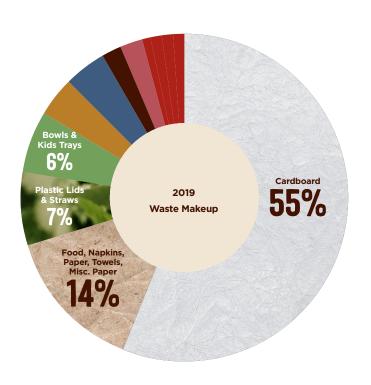
Acknowledging climate risk and the potential impacts on our supply chain





INNOVATION WASTE

WASTE MAKEUP



Plastic Wrap & Gloves 4%

Paper Soda Cup 4%

Aluminum Foil **2%**

Bathroom Waste **2%**

(Less than 1%)

Plastic Portion
Cups & Margarita
Cups
2%

Rigid Plastic

Chip Bags 1%

Outside Waste

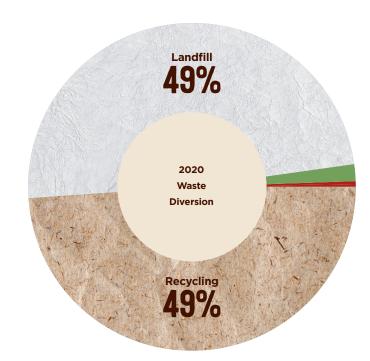
Cutlery 1%

Glass Bottles 0.0%

Plastic Beverage Bottles 0.0%

(Less than 1%)

51% DIVERSION RATE

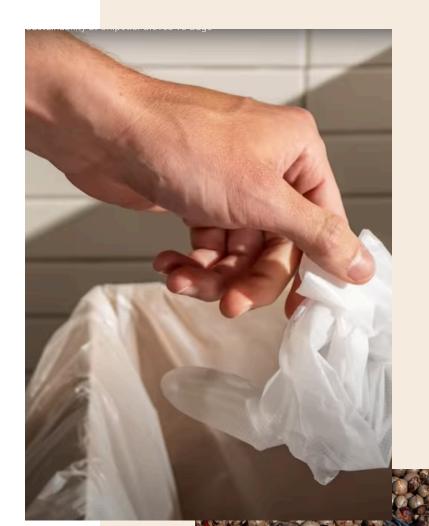


Composting 2%

Food Donations <1%

oil <**1%**

Waste to Energy <1%



WASTE INNOVATION

CASE STUDY: THE GLOVE-TO-BAG PROJECT

While single-use gloves are a necessity in our industry, the vast majority of these gloves end up in the landfill. It is an industry wide problem we wanted to try and tackle. So in 2018, we piloted a program in Portland, Oregon, where our employees used plastic gloves were upcycled into waste bags, which we use in over half of our restaurants. In 2019 and 2020 we continued to expand this program to 4 markets. We plan on continuing to expand this initiative across additional markets in 2021 and beyond.

CASE STUDY: CHIPOTLE GOODS: AVOCADO DYE

In 2020, we began exploring ways to reuse food waste from our restaurants. We created our first-ever natural dye line as part of our Chipotle Goods clothing launch. The natural dye capsule utilized nearly 60,000 of our avocado pits, collected to dye clothing and accessories.

By leveraging food scrap items from our restaurants, we were able to give them a second life and ensure they would not end up in the landfill. All while avoiding the use of toxic dyes commonly found in the textile industry.





FORBES

Best Employers for Diversity 2020

World's Best Employers



FORTUNE

World's Most **Admired Companies**



NEWSWEEK

America's Most Responsible Companies 2020



RESTAURANT DIVE

Dive Awards, Company of the Year

BLOOMBERG



2020 Gender Equality Index



HUMAN RIGHTS CAMPAIGN 2021 Corporate Equality Index - 100%

COMPARABLY









COMPARABLY

Best Companies for Women

Best Company Culture

Top Companies for Best Perks and Benefits

Best Companies for Professional Development

Top Companies With the Happiest Employees

Best Companies for Diversity



SHORTY

Shorty Social Good Awards,

Best in Environment and

sustainability: Gold -**Reducing Food Waste: Upcycling Avocado Pits**



GOOD FOOD INDEX (GFI SCORECARD): 9/10 Plant Based Offering



FAST CASUAL

VEGOUT AWARD

Excellence in Food Safety

Best Vegan-Friendly Fast Food



HALLBARS

Sustainability Report Awards, National Winner USA, **Best Overall**



Sustainability Report Awards, National Winner USA,

Restaurant and Catering



BIG (BUSINESS INTELLIGENCE GROUP) BIG Award: Gloves to Bags



CAMPAIGN LIVE

Power of Purpose Awards: Sustainability Category -**Gloves to Bags**





WORLD ANIMAL PROTECTION "QUIT STALLING REPORT" Highest Ranking Restaurant

NATION'S RESTAURANT NEWS

Innovations Category

MenuMasters Award. Healthful



INSTITUTIONAL INVESTOR Financially Material ESG Disclosures







FOR THE FULL SUSTAINABILITY REPORT VISIT CHIPOTLE.COM/SUSTAINABILITY