



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 and share your thoughts and questions about sustainability at Chipotle.

Thank you,

Brian Niccol
Chairman and CEO,
Chipotle





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

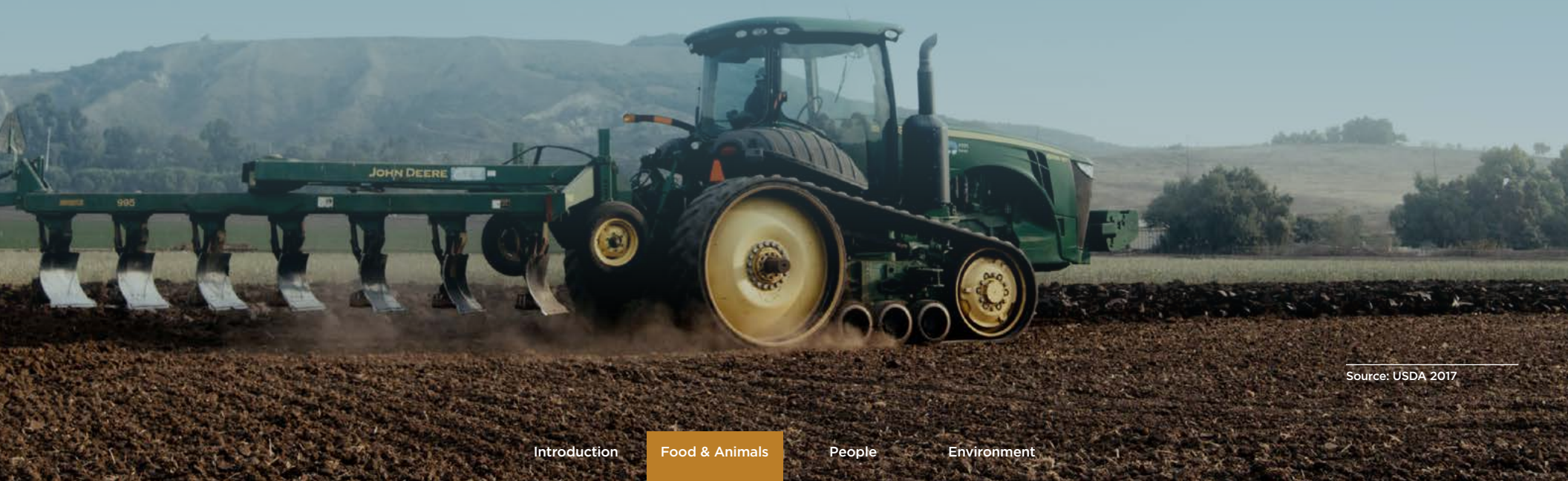
ACRES

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



Source: USDA 2017



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

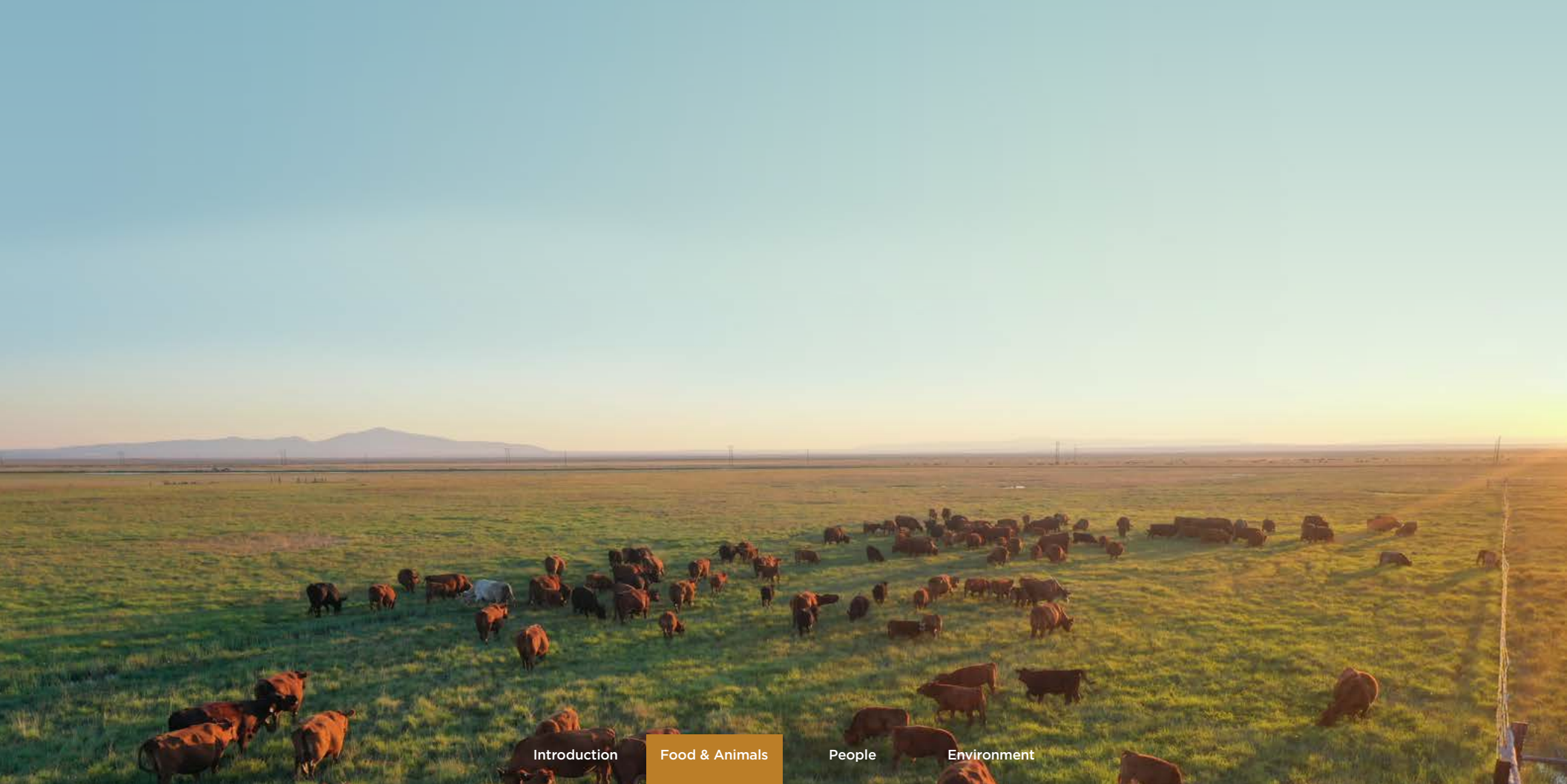
All Tractor Beverages sold by Chipotle help support the U.S. agricultural industry, with 5% of Chipotle's profits from its sale of these beverages being donated to causes that benefit farmers. Funds expand Chipotle's existing farmer programs including scholarships and grants to start, run, or grow farming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

"Super Bowl" is a trademark of the National Football League.



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.

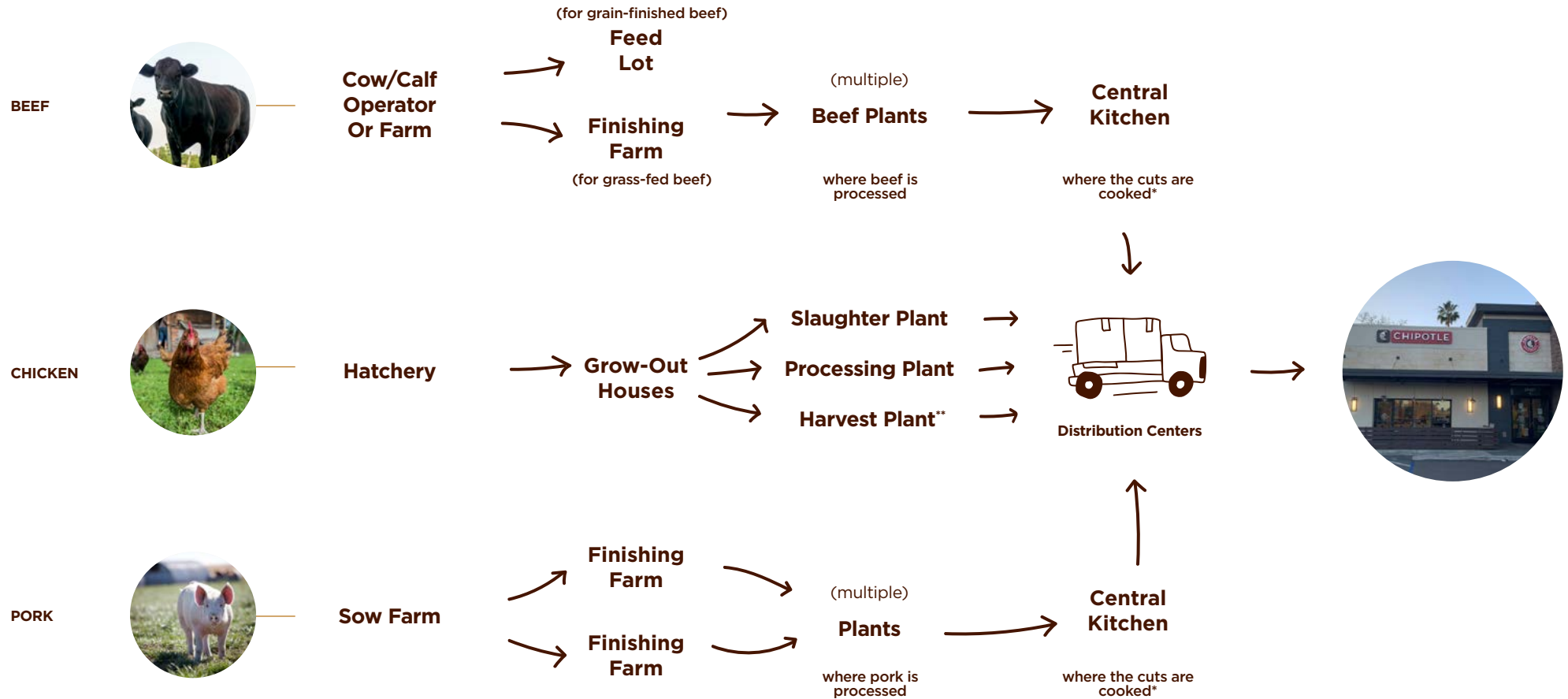




MEAT & DAIRY

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 & 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.

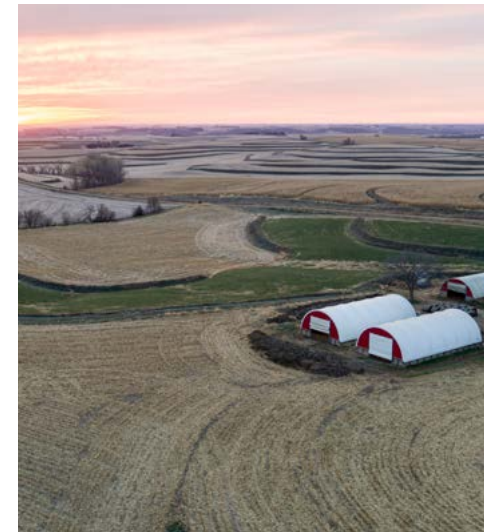
OUR DAIRY

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.



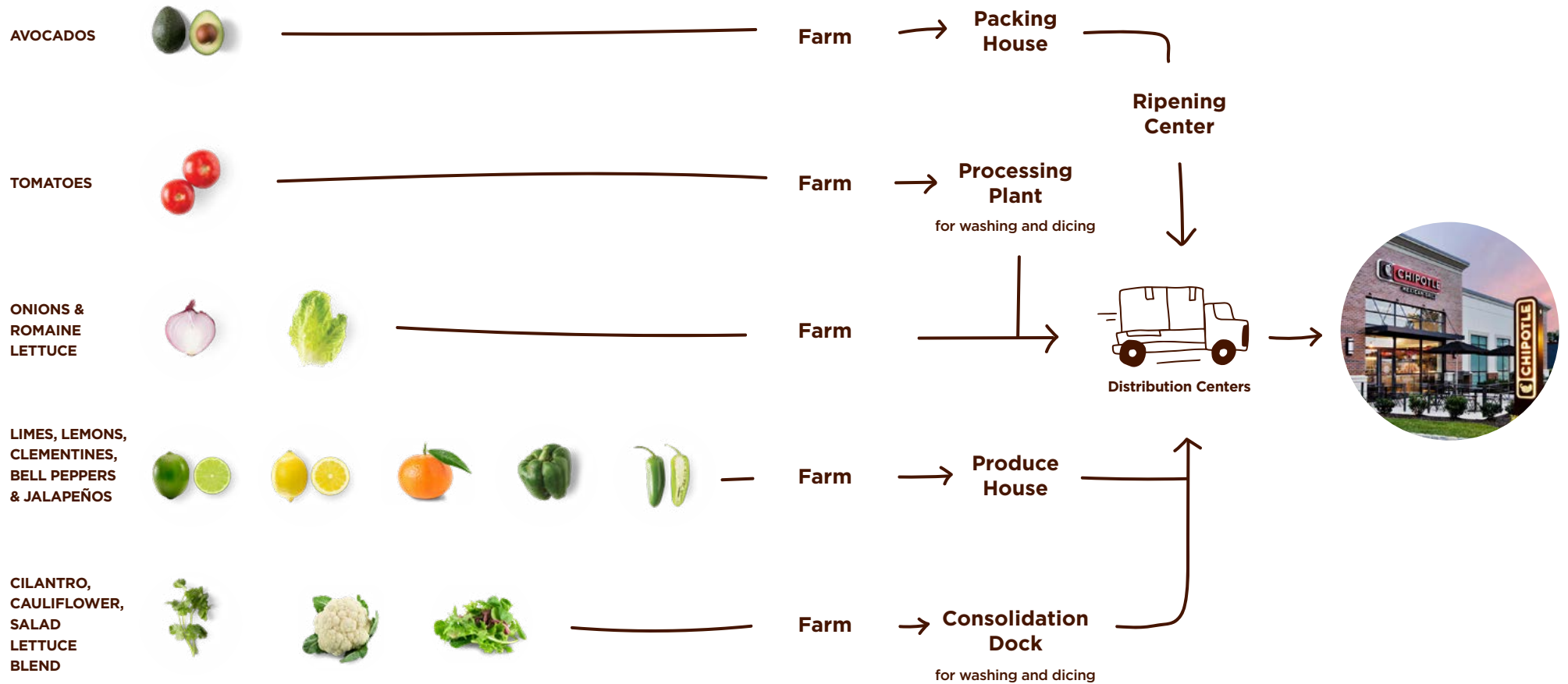


PRODUCE

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:



BELL PEPPERS

46.8 MILLION
POUNDS



JALAPEÑO PEPPERS

4.9 MILLION
POUNDS



CILANTRO

9.1 MILLION
POUNDS



LEMONS

788,000
POUNDS



LIMES

7.7 MILLION
POUNDS



RED ONIONS

39 MILLION
POUNDS



AVOCADOS

124 MILLION
POUNDS



TOMATOES

83 MILLION
POUNDS



ROMAINE LETTUCE

49 MILLION
POUNDS



CLEMENTINES

886,000
POUNDS



SALAD LETTUCE BLEND

4.3 MILLION
POUNDS



CAULIFLOWER

8.5 MILLION
POUNDS

*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 nutritional information on our website and in our restaurant. Allergen & Special Diet cards are also available upon guest request.

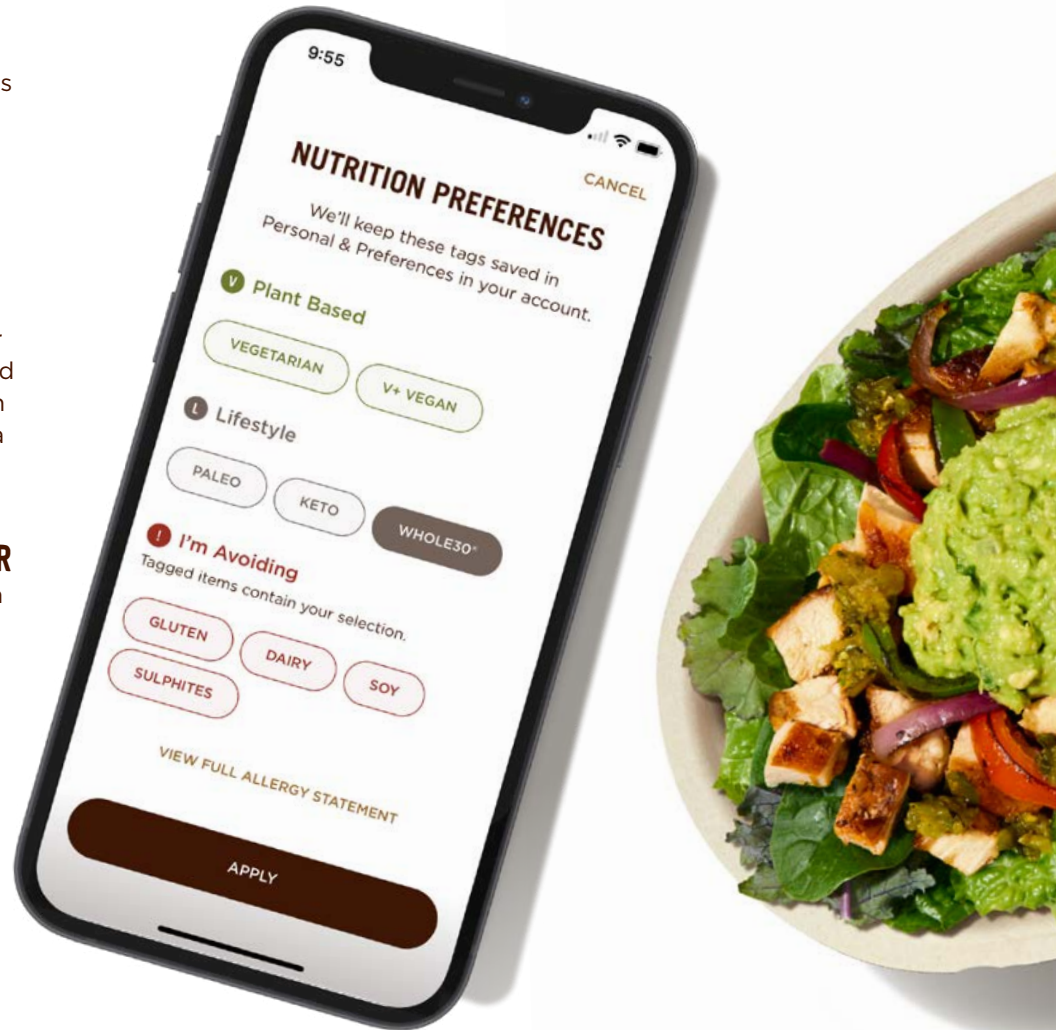
HEALTH AND WELLNESS

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.





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 & 2 Emissions

Emission Category	Subcategory	Emissions (MT CO ₂ e/yr)	Percent Contribution
Scope 1 Emissions		126,374	50%
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
Scope 2 Emissions		128,786	50%
Restaurants	Electricity	126,413	49%
Corporate Offices	Electricity	2,362	1%
Other	Electricity	11	0%
Total Scope 1 & 2 Emissions		255,160	100%

Table 2: 2021 Scope 3 Emissions

Emission Category	Subcategory	Emissions (MT CO ₂ e/yr)	Percent Contribution
Scope 3 Emissions		3,567,125*	100%
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 Treatement 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 ₂ e/yr)
2020	244,164 MT CO ₂ e/yr
2019	257,999 MT CO ₂ e/yr
2018	239,339 MT CO ₂ e/yr
2017	235,955 MT CO ₂ e/yr
2016	236,245 MT CO ₂ 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.





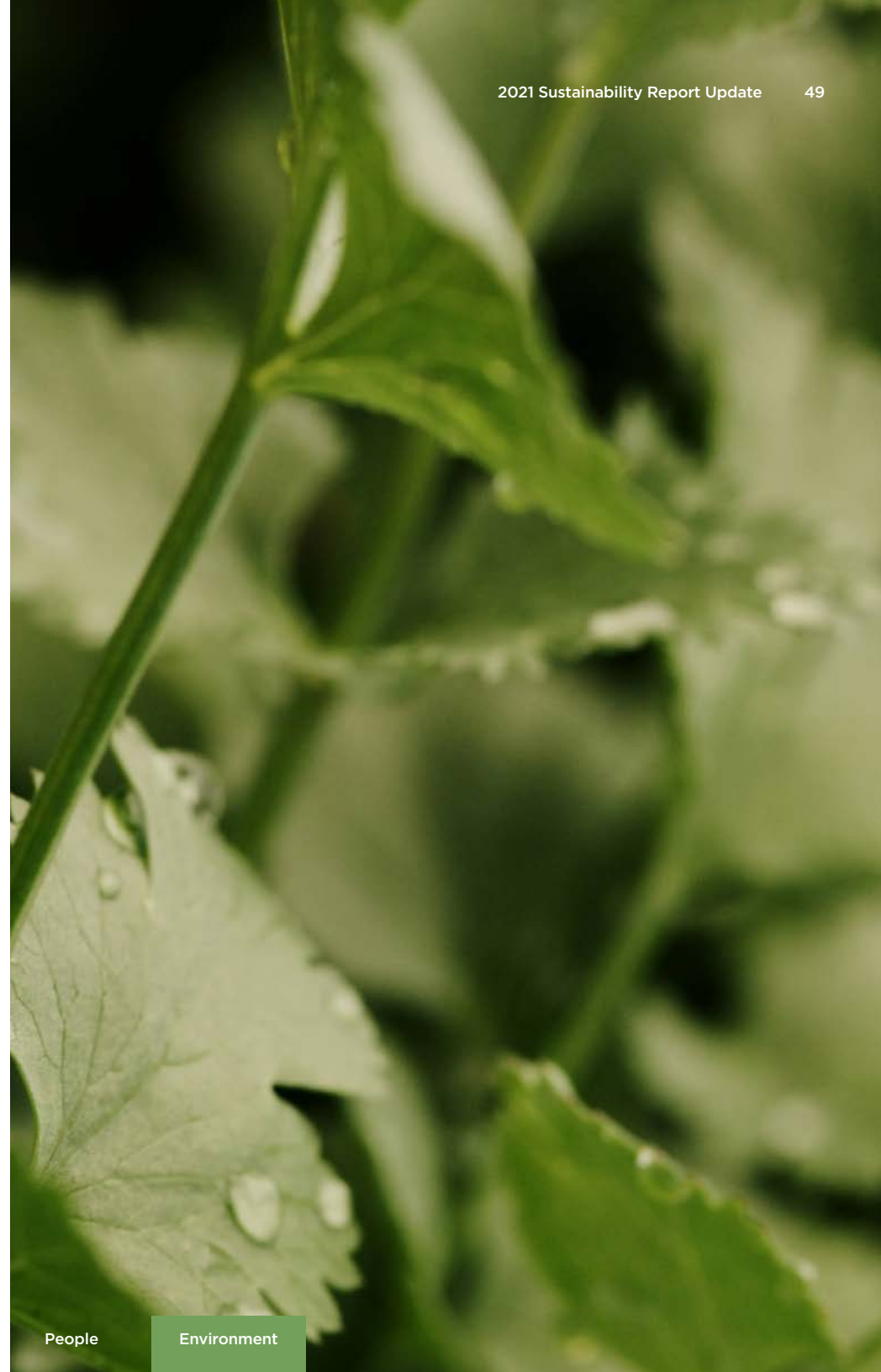
CLIMATE WATER

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



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.

