

March 2022

Report on Chipotle’s Use of Arbitration for Employment-Related Claims

Chipotle believes there are benefits to both parties in utilizing arbitration to resolve employment-related disputes, including privacy, speed of resolution, the informal nature of the proceeding, convenience of location and timing and the fact that the complainant is not required to testify in a public court. To that end, all of Chipotle’s employees sign arbitration agreements at the commencement of their employment.¹ Starting in September 2020, we incorporated an opt out provision into our arbitration agreements, allowing all new employees to opt out of the arbitration agreement.

In 2021, there were 4 arbitrations initiated² against Chipotle. None of the arbitrations initiated in 2021 have proceeded to a final ruling by an arbitrator, so it is not known how many of them ultimately will be decided in favor of the employee or Chipotle. One arbitration initiated in 2020 was decided in Chipotle’s favor in 2021, several others initiated in 2020 were resolved through settlement.

¹ Excluding claims of sexual assault or sexual harassment covered by federal statute H.R. 4445. California’s law banning arbitration agreements as a condition of employment is currently stayed pending decision. If California or any jurisdiction restricts arbitration of employment-related claims, Chipotle will comply with all legal requirements.

² Chipotle defines “initiated” as proceeding to the stage when an arbitrator is selected by the parties.