

Chipotle Mexican Grill, Inc.
Summary of 2023 Independent Talent Management Equity Audit

In early 2023 an independent third-party consultant retained by Chipotle conducted a Talent Management Equity Audit (the “Audit”) to identify areas in Chipotle’s talent management cycle where we may need to eliminate bias and/or create more equitable policies, practices, and procedures; identify potential blockers and new opportunities to create and sustain equity in talent management; and identify key strengths and areas of opportunities. A summary of the consultant’s Audit methodology and findings, and Chipotle’s response to the Audit findings, are summarized below.

Audit Methodology

The Audit was conducted from January through May 2023 and the process included:

- stakeholder interviews with a wide range of employees, executive leaders, and members of the board of directors;
- collection and review of programmatic processes, practices, and policies regarding recruitment, development, and retention;
- review of Chipotle workforce data and employee engagement survey results;
- conduct of an equity audit survey;
- focus group discussions with employee groups at varying levels of senior leaders, managers and individual contributors across Chipotle’s Restaurant Support Centers, restaurants and field support; and
- benchmarking Chipotle’s workforce data with publicly available reports of other retail and consumer companies, the Bureau of Labor Statistics and the consultant’s proprietary database of cross-industry clientele data.

Audit Findings

The independent third-party consultant concluded that Chipotle has a robust set of processes, practices and policies to enable equitable talent recruiting, development and retention throughout the company. They also concluded that Chipotle’s diversity, equity and inclusion (DE&I) strategy is integrated with its business strategy and values as a critical enabler for achieving growth, as evidenced by tying DE&I goals to a portion of executive officer compensation. The consultant also identified opportunities to strengthen Chipotle’s existing practices, including the following:

- Chipotle has created many talent equity tools for recruitment, retention and development, but these tools could be utilized more consistently throughout the company.
- Chipotle has clear DE&I strategy pillars but it does not have a separate DE&I function, leader or staffing, which creates an opportunity for Chipotle to strengthen the accountability and governance structures around its DE&I goals.

- Diversity is highest among Chipotle's restaurant employees, and there is an opportunity to develop more defined pathways to leverage the diversity of the field into positions within the restaurant support centers and senior management.

Action Plans

After the Audit findings were compiled, the consultant facilitated an activation workshop to develop a responsive action plan. Some of the actions Chipotle intends to implement in response to the Audit findings include:

- Create more structure to the interview process by including standard questions and a consistent assessment rubric.
- Develop an internal job board to provide restaurant employees with greater access to all open positions within the restaurant support centers and senior management.
- Provide inclusive leadership skills development to people leaders and incorporate competencies into performance management in order to drive accountability.
- Create a consistent tone from the top by activating communications from a broader group of senior management.