



New York State Comptroller THOMAS P. DiNAPOLI

Resolved: Shareholders request the Board of Directors oversee the preparation of an annual public report describing and quantifying the effectiveness and outcomes of efforts by Chipotle Mexican Grill, Inc., (Chipotle) to prevent harassment and discrimination against its protected classes of employees. In its discretion, the Board may wish to consider including disclosures such as:

- the total number and aggregate dollar amount of disputes settled by the company related to abuse, harassment or discrimination in the previous three years;
- the total number of pending harassment or discrimination complaints the company is seeking to resolve through internal processes, arbitration, or litigation;
- the retention rates of employees who raise harassment or discrimination concerns, relative to total workforce retention;
- the aggregate dollar amount associated with the enforcement of arbitration clauses;
- the number of enforceable contracts for current or past employees which include concealment clauses, such as non-disclosure agreements or arbitration requirements, that restrict discussions of harassment or discrimination; and
- the aggregate dollar amount associated with agreements containing concealment clauses.

This report should not include the names of accusers or details of their settlements without their consent and should be prepared at a reasonable cost and omit any information that is proprietary, privileged, or violative of contractual obligations.

Supporting Statement

Chipotle states in its Code of Ethics, “We will not tolerate any form of harassment. Harassment includes but is not limited to any unwanted conduct based on a person’s protected characteristics that creates an intimidating, degrading, offensive or hostile work environment that interferes with an employee’s ability to do their work or adversely affects their employment opportunities.”

Yet, there have recently been allegations of sexual harassment and religious discrimination at Chipotle, including:

- In September 2023 Chipotle settled a suit filed by the U.S. Equal Employment Opportunity Commission (EEOC). The settlement requires Chipotle to pay \$400,000 to three former employees and appoint an internal consent decree coordinator to review, revise and implement anti-discriminatory policies and procedures that prohibit sexual harassment and retaliation.
- Also in 2023, the EEOC sued Chipotle, charging it violated federal law when a manager harassed a teen worker for wearing a hijab and when the company retaliated against her after she complained. The EEOC further alleged the teen was forced to resign because of the discriminatory treatment.

There have been several high-profile derivative suits settled including at Twentieth Century Fox, Wynn Resorts, and Alphabet, alleging boards breached their duties by failing to protect employees from discrimination and harassment, injuring the companies and their shareholders.

Civil rights violations within the workplace can result in substantial costs to companies, including fines and penalties, legal costs, costs related to absenteeism, reduced productivity, challenges recruiting, and distraction of leadership. A company’s failure to properly manage its workforce can have significant ramifications, jeopardizing relationships with customers and other partners.

A public report such as the one requested would assist shareholders in assessing whether the Company is improving its workforce management.