

BE IT RESOLVED: Shareholders request that Brinker International, Inc. report to shareholders on the outcomes of the Company’s diversity, equity, and inclusion efforts in its human capital management strategy, by providing comprehensive quantitative metrics and data on progress toward its goals. This includes disclosure of its EEO-1 Report no later than 60 days after the date of its submission to the EEOC as well as recruitment, retention, and promotion rates and pay data of employees by gender, race, ethnicity, sexual orientation, age, disability and veteran status. The reporting should be done at reasonable expense and exclude proprietary information.

SUPPORTING STATEMENT: Quantitative data is sought so that investors are able to compare, understand, and assess the effectiveness of companies’ diversity, equity, and inclusion programs.

WHEREAS: The restaurant industry faces numerous social and governance risks, including workforce management, which could impact companies’ abilities to retain employees. The importance of workforce management, including diversity, equity and inclusion, is recognized by the Company. The Company’s annual report states “Our restaurants are built on the foundation of a culture of inclusion. Our team members are diverse in gender, race, ethnicity, sexual orientation, disability, religion, age, cultural background and life experiences. We celebrate the differences that make us stronger.” It also recognizes failure to manage workforce effectively is a significant risk:

Our restaurant-level management and team members are largely responsible for the quality of our service. Our guests may be dissatisfied and our sales may decline if we fail to recruit, train and retain managers and team members that effectively implement our business strategy and provide high quality guest service. There is active competition for [employees]... as we are experiencing an increasingly tight and competitive labor market. These challenges may continue to result in higher labor costs increased turnover and a shortage of adequate management personnel and hourly team members required for operations and for future growth, which can lead to lower guest satisfaction and decreased profitability.

Numerous studies have pointed to the material benefits of effective workforce management:

- Morgan Stanley has found that retention rate data above industry peer averages “can indicate the presence of competitive advantage.”
- Companies in the top quartile for gender diversity are 21 percent more likely to outperform on profitability and 27 percent more likely to have superior value creation.
- A 2019 study of the S&P 500 found that the 20 most diverse companies had an average annual five-year stock return that was 5.8 percent higher than the 20 least-diverse companies.

While Brinker has released some data, it has not shared sufficient information for investors to determine the effectiveness of its commitments and overall human capital management programs. A report such as the one requested would assist shareholders in assessing whether Brinker is bringing new talent into the company, whether these employees are retained, how effectively their talents are nurtured and whether there is overall improvement in its management of the workforce.