



WHEREAS:

Discarded food service and product packaging is a source of waste and greenhouse gas (GHG) emissions, a significant consumer of natural resources and energy, and implicated in impairment and death of marine animals. About half of U.S. product packaging is discarded rather than recycled. Recyclable paper packaging creates methane, a potent greenhouse gas, when dumped in landfills. Only a negligible amount of food service packaging is recycled in the U.S. Just 14% of all plastic packaging is recycled. The value of wasted packaging is estimated at \$11 billion annually.

Packaging waste is a large component of marine debris. Nine of the top 10 reported beach debris items are packaging or containers: caps/lids, plastic bags, food wrappers, plastic utensils, plastic straws, paper bags, plastic bottles, glass bottles, and metal cans. Studies by the Environmental Protection Agency suggest a synergistic effect between plastic debris and persistent, bio-accumulative, toxic chemicals in the marine environment. Plastics absorb toxics such as polychlorinated biphenyls and dioxins from water or sediment and transfer them to the marine food web and potentially to human diets. Ingestion of plastics by marine animals can compromise their ability to capture and digest food, sense hunger, escape from predators, and reproduce; sometimes it is fatal.

Recycling of food service packaging could cut emissions of GHGs and reduce the volume of materials that ends up as ocean debris. Increased recycling can also reduce reliance on virgin raw materials, make more materials available to provide recycled content in new packaging, and reduce energy usage.

Chipotle does not routinely provide recycling or composting bins for consumers at its restaurants, nor does it have a packaging recycling policy with stated goals or a timeline for collecting and recycling the containers in which its food and beverages are sold. Several entrees are packaged in fully recyclable aluminum, usually placed in a trash bin, representing an enormous waste of embedded energy and resources. More than \$1 billion worth of aluminum is landfilled annually.

Chipotle lags its competitors. Panera Bread serves most on-site entrees on reusable china. McDonald's has pledged to reduce waste, including packaging, by 50% in top markets by 2020. Starbucks committed to recycle all paper and plastic cups left in its cafes and offers a discount for customers who provide reusable beverage containers.

BE IT RESOLVED:

Shareowners of Chipotle request the board of directors to prepare a report on the feasibility of developing a comprehensive recycling policy for on-site food and beverage packaging by the end of 2016. The report, to be prepared at reasonable cost, may omit confidential information.

SUPPORTING STATEMENT:

The report should include discussion of adopting aggressive recycling and composting goals for on-site food service packaging (front and back of house) and recycled content goals for packaging. We believe the requested report is in the best interest of Chipotle and its shareholders. Leadership in this area will protect our brand and enhance the company's reputation.