# 2020 Chick-fil-A<sup>®</sup> Corporate Social Responsibility Report







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Welcome to Chick-fil-A's 2020 Corporate Social Responsibility (CSR) Report, and thank you for your interest in our stories, lived out every day by our people.

2020 was a difficult year for people everywhere. Millions of lives were lost to the pandemic. Related disruptions led to untold job losses and economic heartache. And, in the wake of great tragedy, citizens and communities nationwide looked for new ways to overcome racial unrest.

Chick-fil-A has always sought to be a caring company, one that looks out for our people, communities, customers and planet. Our people are building on the legacy of my dad, Chick-fil-A Founder S. Truett Cathy, who was eager to serve others when he opened his first restaurant, later renamed Dwarf House, 75 years ago in 1946. From the beginning, he believed the timeless wisdom that those who refresh others also will be refreshed.

Dad started Chick-fil-A in 1967. In the decades since, our country and communities have faced many challenges, from recessions and oil shocks to financial crises and terror attacks. But I think it's safe to say that none of us has ever seen anything like the disruptions and difficulties of 2020.



I'm inspired by the way our people came together last year to care for each other, our customers and communities. Through it all, our Operators, Team Members and Support Center staff have been determined, innovative and resilient. With our dining rooms closed to protect public health, our Operators implemented new health protocols and a host of changes to serve their customers.

Again and again, our Operators found new ways to care—providing food to health care workers, teachers and people in need, offering financial support to Team Members, encouraging guests and even saluting the class of 2020 in safe, creative ways. And Chick-fil-A supported these efforts with a dedicated \$10.8 million COVID-19 relief fund.

While we've been fighting hunger and food waste for years, this work took on a new urgency last year. Toronto Operator Wilson Yang, for example, continues to give away 100 chicken sandwiches a week. Through our Shared Table™ initiative, our Operators work with senior centers, soup kitchens, churches and other groups to feed those in need. Since 2012, our system has donated more than eight million meals.

In 2015, we launched the True Inspiration Awards<sup>™</sup> to honor my dad's legacy and support exceptional nonprofits. For our 2021 awards (announced in late 2020), these grants—totaling \$5 million—went to 34 organizations serving communities of color and making a positive difference on the front lines of racial inclusion and opportunity in the areas of education, hunger and homelessness.

In these pages, you'll find more stories about how Chick-fil-A cares for our people, customers, communities and planet. We see caring for others not as a destination but as an ongoing journey, and we'll keep striving to make a larger positive difference.

On behalf of our Operators, Team Members and Support Center staff, thank you again for your interest in Chick-fil-A. As always, it remains our pleasure to serve you, your family and the communities we call home.

With gratitude,



## About Chick-fil-A

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Atlanta-based Chick-fil-A, Inc. is a family-owned and privately held restaurant company founded in 1967 by S. Truett Cathy. Devoted to serving the local communities where our franchised restaurants and Support Center operate – and known for our original Chick-fil-A® Chicken Sandwich – Chick-fil-A restaurants serve freshly prepared food in more than 2,600 restaurants across 47 states, Washington, D.C., and Canada.

Truett focused on providing the highest level of care through food, service and hospitality in a welcoming environment where everyone was treated with honor, dignity and respect. He viewed his restaurants as extensions of his home and the people there – both Team Members and customers – as cherished guests. Truett believed a "great company is a caring company," and his vision of caring for others continues to guide the nearly 200,000 Team Members who represent our brand today.

2020 BY THE NUMBERS

134

new restaurants

nearly

200,000

Team Members

more than

370 million

chicken sandwiches sold

1.2 billion

guests served





## Shaped by our purpose and values

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Our corporate purpose is to glorify God by being a faithful steward of all that is entrusted to us and to have a positive influence on all who come in contact with Chick-fil-A. This purpose is reflected in our core values, which shape the work experience of our Chick-fil-A teams:

We're here to serve. We're better together. We are purpose driven. We pursue what's next.

#### Our recipe for success

Our business model places local restaurant ownership with Operators who personally know and care for their Team Members, guests, neighbors and communities. These independent franchised Operators are full-time, hands-on, local business owners who serve as faithful stewards of our purpose. They share Truett Cathy's vision to be a positive influence on the people and communities we serve. To attract the very best people to represent our brand, Chick-fil-A only selects Operators who have demonstrated a commitment to high personal and business standards.

Because our company's success is predicated on the success of Operators and their restaurants, we call our Atlanta corporate headquarters the "Support Center." Support Center staff work together to serve Operators and Team Members, so they can best serve their guests.

#### **CSR** governance

Our vice president of corporate social responsibility leads our CSR efforts, supported by a cross-functional team of leaders who help shape our strategy. This team works with Operators, Support Center staff, Team Members, partners and others to ensure we fulfill our CSR commitments across the company.



We're honored to be recognized



2020-2021 American
Customer Satisfaction Index

No. 1 in Customer Satisfaction 7 Years Straight

**QSR** 

2020 Drive-Thru Study

Drive-Thru Restaurant of the year

glassdoor

Top 100 best places to work 2020





## Our CSR strategy

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At Chick-fil-A, we believe kindness is a higher calling. In 2020, our communities needed care more than ever, and it was our privilege to serve our neighbors across the four pillars of our Corporate Social Responsibility (CSR) strategy:



Caring for people by cultivating a positive work environment where people feel known and cared for



#### **Caring for our communities**

by strengthening the cities and neighborhoods we serve



#### Caring for others through our food

by serving great food people can feel good about



Caring for our planet by acting as good stewards of the planet we share

This report highlights acts of service by our Operators and Team Members. Visit chick-fil-a.com for more information about Chick-fil-A and our CSR efforts.



### **Our CSR journey**

#### The Beginning

We celebrated our founder S. Truett Cathy's 90th birthday in 2011 by doing what mattered most to him — serving a local community in need — and CSR at Chick-fil-A was born.

#### 2015-2019

From 2015-2019, we expanded the reach of our positive influence by helping Operators across the country form national partnerships and launch local programs. These initiatives included expanding Team Member scholarships, launching our True Inspiration Awards™ program for community nonprofits, beginning our ongoing collaboration with Junior Achievement and growing our Chick-fil-A Shared Table™ food donation program. We also defined our four pillars of caring and published our inaugural CSR Report.

#### 2011-2014

From 2011-2014, we grew our programs serving Atlanta's historic Westside neighborhood and deepened relationships in our hometown, building a blueprint of service we could scale to more communities as our company continues to grow.

#### **Today**

Today, in partnership with our Operators, we continue to grow our service to our neighbors across all four pillars of our CSR strategy, helping address some of the most critical issues impacting our communities.



## Chick-fil-A's 2020 impact

Despite closed dining rooms and other unexpected challenges in 2020, our Operators and Team Members created incredible moments of care for their communities. Here are just a few of our favorites:

#### Donated more than \$3

million to provide more than 14.2 million meals to Feeding America and Second Harvest in celebration of restaurant openings in the U.S. and Canada to feed those in need

#### Served 36,000 people,

including health care workers and others on the front lines or at risk in our hometown, with donations of food and cash from Chick-fil-A, Inc. company leaders and Support Center staff



Launched Chick-fil-A® Bottled Sauces in retail stores, with 100% of the royalties received by Chick-fil-A going toward our Team Member scholarships initiative

Performed 440,100 hours of change-making community service from Chick-fil-A Leader Academy students for the class of 2020

Helped Operators assist their communities with a \$10.8 million COVID-19 relief fund



Reached the milestone of donating more than eight million meals to local organizations through the Chick-fil-A Shared Table  $^{\text{TM}}$  program

Became the first quick-service restaurant to join the **Association of Plastic Recyclers' Recycling Demand Champion** Program

Volunteered to serve our Atlanta neighbors in a variety of ways, supporting community initiatives from Hard to Recycle Day to coat drives to virtual tutoring to help students continue to learn as schools moved online



Empowered Atlanta's Black entrepreneurs with a \$1 million donation to the Russell Center for Innovation and Entrepreneurship

Taught students the skills needed for success by partnering with Junior Achievement USA to redesign and relaunch the JA Be Entrepreneurial® program

Supported Black-led nonprofits and those serving communities of color with \$5 million in grants through the True Inspiration Awards™ initiative



Helped 6,700 Team Members pursue higher education through \$17 million in scholarships



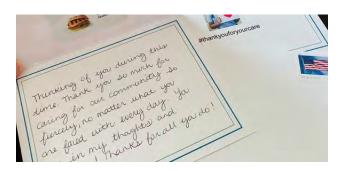
# Responding to the COVID-19 pandemic

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When the global COVID-19 pandemic emerged, we immediately knew Chick-fil-A had to do our best to help protect our Operators, their Team Members, our Support Center staff and the communities we serve.

#### Serving guests safely

Our founder, S. Truett Cathy, wanted customers to know they would receive "Grade-A" top-quality service every time they visited one of our restaurants, and that's why he capitalized the 'A' in Chick-fil-A. Safe service has always been our priority, so we quickly evolved our practices to ensure we could continue to safely deliver quality to our guests and communities during the pandemic. Chick-fil-A restaurants were some of the first quick-service restaurants to introduce outdoor handwashing stations for Team Members working our drive-thrus. We also launched a contactless process for ordering, payment and delivery, as well as social distancing guidelines, to protect both guests and Team Members.



#### \$10.8 million for local communities

When COVID-19 struck, Chick-fil-A Operators did what they do best; they found unique and meaningful ways to support their teams and communities. For Team Members, they helped purchase groceries and pay rent. For our first responders, health care workers and school children missing nutritious lunches, they stepped in to offer a warm meal. They even wrote notes of encouragement to their guests.

Inspired by their acts of kindness, Chick-fil-A established a \$10.8 million COVID-19 relief fund that Operators used to assist their local communities in the ways they found most impactful. Here are just a few examples of how they put the funds to use:

- Dave Baumgartner, Sandusky, Ohio, partnered with a local church to serve 600 meals to people in his community who lost their jobs or were laid off.
- Bryan Beasley, Commack, New York, donated meals to school social workers to give to families in need.
- Lori Allred, Holly Springs, North Carolina, donated meals to local teachers.
- Dustin Andrews, Lincoln, Nebraska, threw a graduation celebration to virtually honor the class of 2020 after their ceremonies were canceled.

"When the pandemic hit, it was our privilege to tap into Chick-fil-A's COVID-19 Operators relief fund to help feed more people in our community. In partnership with the Yonge Street Mission, we shared 100 chicken sandwiches each week and continue to do so," said Operator Wilson Yang of Toronto, Ontario, Canada. To read more ways Yang serves his community, see page 13.

To help our Atlanta-area neighbors, Chick-fil-A, Inc. contributed \$196,000 in food donations, individual executives donated an additional \$27,000 and Support Center staff gave \$63,000 through a voluntary payroll deduction program. Together, these gifts helped us impact 36,000 people nationwide.

### Making working from home a little easier

Like billions of people around the world, staff working at our Support Center had to quickly transition to working from home. To make this change easier, we provided funds to help offset the costs of setting up home offices. We also offered monthly reimbursements for family care expenses to help with childcare, tutoring services, afterschool programs and eldercare. We also were pleased to give people additional time off of work to care for themselves and their families, and encouraged them to proactively manage their health using our wellness resources.

Our wellness program, which is available to employees at no cost, includes one-on-one wellness coaching; access to dieticians, diabetes specialists, personal trainers, mental health specialists and others; online health assessments and biometric screenings; and a toolkit to help employees and their families find ways to achieve their wellness goals together.

### **Engaging guests in helping** communities

Many of our guests were eager to help families in need around them, so Chick-fil-A restaurants accepted donations to Feeding America via the Chick-fil-A® App, matching each one. More than 4,700 guests made contributions to help increase our impact throughout the communities we serve.

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The COVID-19 pandemic brought new urgency to the fight against hunger, and Chick-fil-A stepped up in momentous ways to help provide food to children and families in need during this critical time. Feeding America is grateful to Chick-fil-A and the generous support they provided to continue nourishing the potential of every child throughout a year of unprecedented challenges.

Claire Babineaux-Fontenot, CEO at Feeding America





# Fighting hunger and reducing food waste

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## Protecting food resources to benefit people and the planet

It's estimated that 25-40% percent of food grown, processed and transported in the U.S. is never eaten. With more people than ever facing hunger during the COVID-19 pandemic and landfills running out of space, we must develop better solutions to our nation's food waste problem.

At Chick-fil-A, we have a three-step approach to help us reduce our food waste:

Step 1: Reduce the amount of food that goes unsold

Step 2: Donate extra food to feed people facing hunger

**Step 3:** Divert food waste from landfills by feeding animals, composting or producing renewable energy through anaerobic digestion

To reduce the amount of food that goes unsold, we rely on LEAN concepts. LEAN delivers customer value through the elimination of waste, and encourages a culture of continuous improvement, a mindset and a toolbox for seeing and thinking differently.

For example, we prepare smaller batches of food more frequently, so we end up with less waste to dispose of for not meeting our strict freshness guidelines.

When we do have extra food, wherever possible, we donate it to people in our communities. In 2020, Chick-fil-A restaurants and our Support Center reached the milestone of serving more than eight million meals through our Chick-fil-A Shared Table™ initiative, which pairs participating restaurants with local organizations in need of quality food, like senior centers, soup kitchens and after-school programs.

"At Clermont Senior Services Lifelong Learning Centers in Cincinnati, Ohio, we have the opportunity to distribute food to seniors in our community. We're thankful to be a part of the Chick-fil-A Shared Table™ program, which helps us provide meals to hundreds of people in need every week," said Bill DeHass, Clermont's director of community servies. "Through this partnership, seniors can enjoy a hot meal at our centers and take a meal home with them. They love the dishes that incorporate Chick-fil-A items."

"About 80% of what would have gone unused in our restaurant is now distributed through our Chick-fil-A Shared Table™ program. This includes chicken, eggs, biscuits, salads and wraps. It's our pleasure to support our community in this way," said Operator Steve Lowery, Springfield, Missouri.

We also work hard to keep any other food that cannot be donated out of landfills. When possible, they are donated for animal feed or collected by community composting programs. Anaerobic digestion, a process that breaks down food waste with naturally occurring micro-organisms to produce methane or natural gas, is another option adopted by some Operators.

"The renewable natural gas we produce from food waste has the capacity to supply enough energy to power about 15,000 homes," said Morgan Bowerman, sustainability manager with our anaerobic digestion partner Wasatch Resource Recovery in North Salt Lake, Utah.



## Caring for people

We cultivate a positive work environment where people feel known and cared for

Between our more than 2,600 restaurants, our Support Center and other locations, nearly 200,000 people represent the Chick-fil-A brand. Our aim is to make sure each one of them feels known, supported and cared for.

From wellness programs and community volunteering opportunities at the Support Center, to leadership opportunities and a supportive work environment in Chick-fil-A restaurants, we aim to provide an environment where people can thrive. In turn, they make our guests feel welcome and contribute to our company's continued growth. Perhaps that's why Glassdoor named Chick-fil-A, Inc. one of the top 100 best places to work again in 2020.

#### Remarkable Futures™ await

Access to education is the key that unlocks a brighter future. That's why Truett set an empty mayonnaise jar on his restaurant counter to start a college fund for Team Member Eddie White in the late 1940s. Through Chickfil-A's scholarship program, officially established in 1973, Chick-fil-A carries on Truett's legacy of generosity and passion for youth and education. Since its inception, Chick-fil-A has invested \$92 million in scholarships to help more than 59,000 Team Members pursue a college education.

Each year, we award 12 <u>True Inspiration Scholarships</u> of \$25,000 and thousands of \$2,500 Leadership Scholarships to restaurant employees like Adar Hussein, often changing the course of their lives.

2020 Remarkable Futures™ recipient, Adar, battles doubt and fear, but found a positive environment at Chick-fil-A North Decatur, Georgia, which allows her to shine. One of 11 children in a family that immigrated to the U.S. from East Africa, Adar's work as a manager and leader in the restaurant helps support her family, and her business administration studies at Georgia State University are helping shape her future. Despite a hectic schedule, Adar knows she will succeed. "Every problem has a solution," she says.

To further help our Remarkable Futures™ scholarship recipients create their own remarkable futures, Chickfil-A launched the Leadership Development Program for scholarship recipients in 2020. Fifteen participants gather virtually each month to discuss the heart of leadership and hear from nonprofit leaders. After completing this program, they will join the Alumni Network and mentor other scholarship recipients.

### Advancing diversity, equity and inclusion (DE&I)

For more than 50 years, a cornerstone principle at Chick-fil-A, dating back to our founder, has been the importance of treating everyone with honor, dignity and respect. These core values have manifested themselves in everything from day-to-day interactions between customers and Team Members in our restaurants to our decades-long commitment to help those who need it most in communities around the country.

In mid-2020, this commitment took on special significance for us as we proactively pursued new ways to work against racism, systemic or subtle, throughout the communities we serve. We hosted dozens of listening sessions and encouraged open dialogue, approaching conversations with care and empathy as we worked together to better understand and address racial injustice. Members of our African American Operators Network also hosted a series of cultural conversation webinars featuring well-known community speakers, starting with Jemar Tisby, author of "The Color of Compromise" and "How to Fight Racism."

Collectively, these efforts helped shape the strategic planning for our approach to continuing to address racial injustice as part of our diversity, equity and inclusion (DE&I) efforts at Chick-fil-A. We assembled an Advisory Council of diverse representatives from across the company to offer their unique knowledge and perspectives on DE&I, supported by a new cross-functional Strategy Team devoted to strengthening our commitment to DE&I across the company.



This is a time that we must love our neighbors more than we have ever done before, with greater empathy than ever before."

Dan Cathy
Chairman and CEO, Chick-fil-A, Inc.

"Our vision for DE&I at Chick-fil-A is to be a place where we can all thrive and belong," said Erick McReynolds, vice president, DE&I. "I truly believe our corporate purpose of being faithful stewards of all that is entrusted to us and having a positive influence on all who come in contact with Chick-fil-A calls us to do this work. At our essence, we're dedicated to helping each individual, our teams and the entire organization see all people through a lens of honor, dignity and respect."

DE&I is directly linked to our corporate purpose and we're building the infrastructure to incorporate this integral work into every part of our organization systemwide. Additionally, we're identifying opportunities to positively influence change beyond our restaurants. Furthering our pledge to take action, we announced that \$5 million in True Inspiration Awards<sup>TM</sup> grants in 2020 and 2021 would be focused on Black-led nonprofits and those serving communities of color.

At Chick-fil-A, we accept the responsibility of joining other businesses and institutions in creating work environments and opportunities that celebrate and value diversity.



#### **Operator Stories**

The first time I visited the Yonge Street Mission (YSM), I knew I wanted to get involved. Its focus on responding to people's immediate needs and helping them move from surviving to thriving mirrors my leadership approach, which isn't just one lane — it's multifaceted. YSM also called to me because my family benefited from similar services when I was a child.

Since we opened our restaurant in September 2019, we've made weekly food donations through the Chick-fil-A Shared Table™ program (see page 11) to one of YSM's meal sites. The chicken we provide adds important protein to the meals they prepare for clients. During the pandemic, we've also been making 100 chicken sandwiches a week for another YSM meal site. We've seen the tremendous impact YSM has on our community, which is why my wife, Drew, and I nominated them for a Chick-fil-A True Inspiration Awards<sup>™</sup> grant (see page 15). We were elated to learn YSM was selected from many worthwhile organizations to receive \$300,000!

Wilson Yang, Operator, Toronto, Ontario, Canada



## Growing by sharing our experiences

To successfully grow our business, it's important that we support the personal growth of our Operators and Support Center staff. Chick-fil-A Community Groups help provide both a sense of belonging and tailored development while allowing us to connect with and learn from one another. Our African American Operators Network (AAON) and Women in Business (WIB) are two of these groups.

Keith Shelton has been with Chick-fil-A for more than 20 years, serving in Human Resources at our Support Center from 1998 to 2005 before becoming an Operator in Decatur, Georgia. Today, Keith is the AAON Chair, serving the group of Operators that are committed to helping us better serve our communities through fostering collaboration and deepening understanding of African American cultural values.

"We truly believe and support the 'better together' ideal. As we collaborate to deepen cultural understanding, AAON is helping all of Chick-fil-A broaden our perspectives. We're learning and growing together, and we're excited to be part of the healthy change underway across our society," Keith said.

Eight years ago, two passionate Chick-fil-A leaders — Khalilah Cooper and Tiffany Greenway — founded Women in Business (WIB). "Our goal was to help strengthen the business by investing in women so they can reach their full potential," Tiffany said. WIB was instrumental in setting up our Operator Partnerships: one-on-one relationships between Support Center staff and Operators. "We believe a Chick-fil-A leader can only reach her full potential with a deep understanding of the Operator's role and restaurant realities," Tiffany said.

Today, WIB has more than 700 members from the Chick-fil-A Support Center and subsidiary staff, and has helped create a deep bench of future leaders for the organization. AAON, which is open to all Operators, Dwarf House® and Truett's Grill® Managers, has also helped build leadership among its members. Our approach to DE&I includes our restaurants, corporate and subsidiary Staff, and our suppliers, vendors and community partners. We will advance DE&I through learning and development, reviewing and strengthening our processes and practices, understanding and measuring data and informing and inspiring through communications and messaging.

"Together, we are pursuing our goals to have our processes and practices free from bias, provide equal access to opportunity, create a culture of belonging and represent the diversity of the communities we serve," Erick said.





## Caring for our communities

## Strengthening the cities and neighborhoods we serve

Caring for others is at the core of Chick-fil-A. It inspires us, connects us to our purpose and guides how we serve others in and around our restaurants. At Chick-fil-A, we welcome and serve guests in large cities, small towns and many places in between. Though every location is different, our zeal for working together to build stronger communities never wavers.

### Bolstering nonprofits serving communities of color

Each year since 2015, Chick-fil-A has honored nonprofits doing inspiring things in their communities through our True Inspiration Awards™ program. Created to honor the legacy of our founder, S. Truett Cathy, the Awards have contributed more than \$12 million to organizations nominated by our Operators and voted on by Chick-fil-A One® members through the Chick-fil-A® App.

As part of our commitment to take action against racial injustice, our 2021 True Inspiration Awards™ (awarded in December 2020) recognized 34 Black-led nonprofits serving communities of color.

Grants totaling \$5 million will help organizations tackle an array of issues our communities face, from fighting hunger to providing equitable opportunities for education and jobs. This year's recipients included:

- Riverdale, Georgia's DuBois Integrity Academy, recognized for teaching STEM (science, technology, engineering and math) skills to BIPOC children in an underserved area near Atlanta
- Los Angeles' Homeboy Industries, the largest gang rehabilitation and reentry program in the world
- The Wheeler Mission helping people in the Indianapolis area experiencing homelessness, hunger and addiction
- The Good News Community Kitchen providing hunger relief in Northern Virginia, the Washington, D.C. metropolitan area and Columbia, South Carolina

"As DuBois Integrity Academy continues to be a pillar in this community, we are impacting students and families on a daily basis," said Craig Cason, executive director. "We do everything we can to support these children because when they are supported, they learn, and when they learn, they become very successful. Receiving a Chick-fil-A True Inspiration Awards<sup>TM</sup> grant is certainly the best way I can think of to honor these families."



## Empowering students to make an impact through action

Some people think leaders are born, not made. We disagree. That's why our Chick-fil-A Leader Academy™ pairs Operators with high schools across the U.S. to inspire students to become leaders who make a difference in their communities. Since 2013, more than 100,000 students have participated in Chick-fil-A Leader Academy and Chick-fil-A has performed over 1.5 million hours of service through the program.

In 2020, as schools pivoted to virtual learning in the face of COVID-19, Chick-fil-A Leader Academy followed suit, teaching participants leadership principles like teamwork, communication and innovation in monthly Leader Labs offered in person and online.

For Operators Shelly and Jack Young, San Antonio, Texas, working with young people is not only part of their daily life in the restaurant — it's a way to give back. Five years ago, the Youngs began a Chick-fil-A Leader Academy with two nearby high schools. Since then, hundreds of students have learned tangible leadership skills and participated in student-led impact projects in the community.

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The growth we see in our Chick-fil-A Leader Academy students is their confidence ... When they graduate from the program, they know what it looks like to be a servant leader.

Shelly Young
Chick-fil-A Leader Academy & Operator

Kelsey Davis was among the first group of students to participate in Chick-fil-A Leader Academy in 2013, and she still applies many of the leadership lessons she learned today. Kelsey is the founder of CLLCTVE, a talent marketplace that connects brands with content creators. She has been recognized as a "next-generation leader" by national media outlets. "I'm the perfect example of what can happen when you invest in young people and empower them to lead change and serve others," she said.



#### **Operator Stories**

Young people don't think about leadership as service; they think it's a chance to be in charge. I love sponsoring Chick-fil-A's Leader Academy™ in local high schools because it gives me an opportunity to take people with the qualities of a leader and fine-tune their skills. We introduce them to the servant leadership model that is so important.

Thirty years ago, when I was a Chick-fil-A Team Member, my Operator taught me these same skills. Today, I get excited when our Leader Academy participants work together to do things like raise money to help those with disabilities in our community. It's also thrilling to see one of our Team Members who participated in Leader Academy win a \$25,000 Chick-fil-A True Inspiration scholarship for academic success and community service.

Christy Proctor,
Operator, Wilson, North Carolina





#### **Inspiring entrepreneurs**

There's more to being entrepreneurial than just starting your own business. It means finding solutions, being innovative and not being afraid to learn from mistakes. To help high school students develop their entrepreneurial skills, Chick-fil-A awarded a \$3 million grant to Junior Achievement to launch JA Be Entrepreneurial®. The program helps teens establish the mindset they need to add value to any organization — even one they may start themselves someday.



You don't have to be a business owner to have an entrepreneurial mindset ... The ability to innovate benefits society as a whole.

Jack E. Kasokowski
President & CEO, Junior Achievement

As part of the JA Be Entrepreneurial program, students use design thinking to transform their ideas into concise, effective and actionable business plans. Then, they share their innovative ideas for improving their communities at a virtual competition, the JA Social Innovation Challenge.

Since 2013, Chick-fil-A has supported many of Junior Achievement's efforts, including its 3DE education initiative, proven to drive student engagement and academic performance in high schoolers. Chick-fil-A Operators have sought input from 3DE student teams on topics like improving our restaurant experience for young guests. The teams approach challenges from a multidisciplinary perspective, then share their ideas. Other Operators like Isaac Holbert sponsor the JA BizTown program to help young people discover how real-world business works as they learn important financial literacy concepts.



#### **Operator Stories**

The work of Junior Achievement (JA) mirrors the vision I have for my business and how to support our community. I believe in making an impact and giving back, which is why I invest in education and help young people. You see, my parents sold everything to bring our family of seven from Nigeria to America. They lived in a two-bedroom apartment for 11 years until I was able to help them purchase a home

Early in my work with JA, I was a judge for its local Entrepreneur Week. Given my background, I was especially pulling for a group of young women who wanted to make sustainable products that supported bringing water and other resources to people in countries who often went without. Today, my team continues to support JA. And since many of our Team Members are first-generation immigrants like me, I do my best to help them thrive with budgeting classes, a 401K and health insurance. It's important that they know how to maximize the opportunities they have been given

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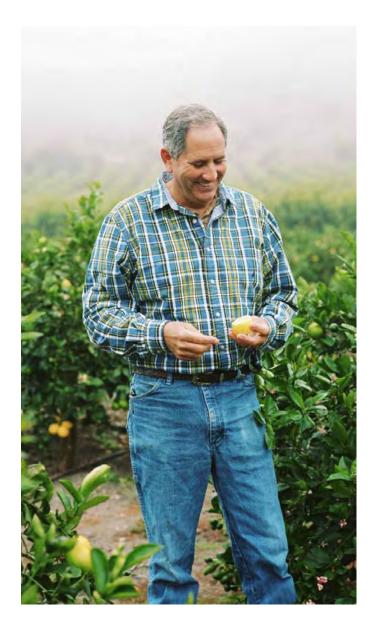
Adaobi Gwacham, Operator Pasadena California

In one-on-one meetings with my Team Members and our leaders, I often review a dashboard that covers their spiritual, physical, emotional, relational and financial wellbeing. And every time, no matter how well everything else is going, if their financial health is off, everything suffers. That's why our partnership with Junior Achievement's new BizTown program in Dalton, Georgia, is so important to me. Through BizTown, we're working with other Chick-fil-A Operators and local businesses to bring financial literacy to local sixth- and seventh-grade students. The students gain this experience by running the "town" and local businesses like ours.

BizTown is a fun way to introduce students to the idea that they need to take financial responsibility for their lives. The insights we provide can help break cyclical problems families have faced for generations. As the father of two children, ages six and four, it was an automatic "yes" when we were asked to help young people learn to make sound financial decisions for the rest of their lives.

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Isaac Holbert, Operator, Dalton, Georgia



## Caring for others through our food

Serving great food people can feel good about

Prepared with care, a meal can do much more than taste great — it should nourish the body and spirit. That's what we at Chick-fil-A strive for every day, focusing on handmade, safely prepared food made with fresh and simple ingredients.

## A more sustainable approach to lemon juicing

Ever since Truett created the chicken sandwich in 1964, we have always looked for better ways to run our operations. We recently moved to centralized lemon squeezing to help Operators and their Team Members keep up with demand and ensure quality. Though our process has evolved, our regular Chick-fil-A Lemonade still contains just three simple ingredients — real lemon juice, sugar and water — while our environmental impact is reduced:

- By shipping lemon juice instead of whole lemons, we've removed the equivalent of the emissions produced by 689 gas-powered cars annually
- We need far less cardboard for packaging, saving the equivalent of 20,400 trees each year
- We save 14.1 million gallons of water annually from our restaurants
   equivalent to enough drinking water for more than 38,000
   people for a year
- We can divert over 100 million pounds of leftover lemon materials from landfills

#### **Animal wellbeing matters**

As the nation's largest chicken chain, we take the treatment of animals very seriously. In fact, we have a well-defined set of Animal Wellbeing Standards in place, and we only partner with suppliers who commit to meet or exceed our standards for farm animal welfare. Our Animal Wellbeing Council of outside experts — academics, scientists and a veterinarian — provide feedback on our policies and practices, and we conduct regular third-party audits to monitor that our high standards are enforced.

For starters, Chick-fil-A® restaurants source smaller breeds of chickens, which typically aren't subject to the

same health conditions associated with larger birds. And as part of our No Antibiotics Ever commitment, they must be raised with proper nutrition and without any antibiotics.

Chickens served in Chick-fil-A® restaurants must be hatched, raised and harvested in the U.S. or Canada in climate-controlled barns with closely controlled temperature, ventilation and lighting to reduce stress on the animals. Chickens must be free to roam, protected from adverse weather and predators, and have full access to feed and water.

We continue to evaluate our animal wellbeing policies to keep pace with evolving standards and our guests' expectations.

#### Suppliers who share our values

We are committed to caring for others through our food, but we can't do it alone. It takes the combined efforts of the nearly 200,000 people who represent our brand and the suppliers we partner with — for everything from Team Member uniforms to Waffle Potato Fries®.

For 36 years, Eagle, Idaho-based potato company Lamb Weston has provided Waffle Potato Fries™ and Hash Browns to all Chick-fil-A restaurants.

Like us, Lamb Weston believes what we do today can have an impact for years to come. They are working to reduce their impact on the environment, using less water and energy, creating less waste and developing foodservice packaging that is fully recyclable in multiple waste streams. The company has also implemented sustainable potato growing practices on its farm and shared those practices with more than 100 farmers working 170,000 acres of land.

Through the Soil Health Initiative, Lamb Weston promotes sustainable soil management practices such as crop rotation and cover cropping, helping to reduce runoff and erosion, decrease soil compaction and improve crop yields. And if a Chick-fil-A Operator ever wants to know where in North America their potatoes were grown, the information is just a click away using the Lamb Weston Trace My Fries app.

We're proud of our long-standing partnership with Lamb Weston. It's an important pathway to fulfill our commitment to serving great food people can feel good about.





## Caring for our planet

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## Acting as good stewards of the planet we share

Chick-fil-A's corporate purpose calls on us to have a positive influence on all who come in contact with our company. We believe this purpose also extends to having a positive influence on our environment and our planet, so across our company, we're working to reduce our packaging footprint and energy use to help protect the world we share.



## **Creating demand** for recycled plastics

Every day, people and businesses recycle to do their part to help our environment, but unfortunately, that's only half of the equation. To truly achieve the goal of a circular economy where waste is eliminated, we must find new uses for recycled items like plastics.

It's estimated that just 9% of all plastics is recycled — not because people don't recycle, but because we lack a marketplace for goods made with recycled plastic or post-

consumer recycled resin (PCR). That's where Chick-fil-A® restaurants come in as the first quick-service restaurant chain to join the Association of Plastic Recyclers' Recycling Demand Champions Program. As a Demand Champion, we're focused on generating demand for recycled products and boosting a circular economy by increasing our use of PCR.

We have already switched to 60-gallon plastic trash bags made from PCR and we're evaluating more opportunities to incorporate recycled materials across our restaurants and company as part of our commitment to care for our planet.



#### Grilling chicken with renewable energy

Every day, Chick-fil-A restaurants prepare hundreds of thousands of Original Chick-fil-A® Chicken Sandwiches and other menu items, requiring energy to power our lights, heat and cool our restaurants, and operate our kitchen equipment. If there's a power outage, we lose our ability to serve our guests — and when the community has experienced a hurricane, tornado or forest fire, it could be just the moment our guests need us most.

Soon, our restaurants may become their own source of power with a new <u>sunlight-storing microgrid</u> we're piloting in select restaurants. Power generated by solar panels can be used during an outage or even during peak-load times to reduce our company's draw on electrical grids across the U.S. and Canada. An accompanying intelligent system gives Operators information they need to make starting up their restaurants each day more efficient, helping them gradually power up to reduce energy spikes.

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Community stewardship is part of Chick-fil-A's legacy, and this program is another step in that mission ... The microgrid will help us improve not only our restaurants, but also the places and people we serve.

April Farage,
Operator, March Lane in Stockton, California

Our microgrid initiative is just one way we are working to reduce energy consumption.

#### Washing dishes the energy-saving way

Chick-fil-A restaurants recently installed energy-efficient dishwashers to save both water and electricity. These and other ENERGY STAR®-rated appliances go a long way toward reducing energy use across our restaurant locations.



#### **Operator Stories**

I'm always looking for ways to improve our processes and composting makes good sense. It fits with Chick-fil-A's purpose of being good stewards and sets a positive example for our Team Members who are very aware of the impact we have on the planet. And, it's just a smart business decision. Composting reduces our waste pickup costs while also benefiting our community.

Any excess food we have is first donated to our Chick-fil-A Shared Table™ program to feed people in need (see page 12). But that still leaves a lot of excess food that's ideal for composting, like produce scraps and tea bags. Once we put a system in place and trained our team, composting became an easy and beneficial part of our routine. In 2020 alone, we sent more than 72,400 pounds of food waste to composting that previously would have gone to the landfill.

Jimmer Szatkowski, Operator, Cicero, New York



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When I was growing up, my father was an advocate for recognizing and supporting others. He was a pastor and leader in our community, and I learned from him and my mother that we accomplish more when we work together. This early lesson never left me, and I think it applies today more than ever.

At Chick-fil-A, we believe we all have a role to play in ensuring our communities are strong and able – and that no one is left behind. We understand that we all have gifts to give. My gift may be different from yours, but that doesn't make it any less of a gift. That's why collaborating with others across our company and communities is such an important part of our corporate social responsibility strategy.

Our passion for solving problems and creating opportunities through partnerships comes to life in multiple ways. As the first quick-service restaurant to join the Association of Plastic Recyclers Demand Champions program, we're helping build a critical recycling economy.

Together with our Operators and high schools, the Chick-fil-A Leader Academy is instilling the same sense of leadership in today's young people that our parents and teachers instilled in us. We've shared information on these and additional efforts in this report.

Across the spectrum, we realize that we can't achieve our CSR goals alone. We value the partnerships we're forging with those who share a similar vision for our communities' futures. Our desire to help solve real, authentic problems and to create opportunity is imperative, as both a business and a neighbor. We sincerely thank our partners – Operators, staff, Team Members, suppliers, guests, community organizations, government leaders and others – who join us on this journey. Together, we are making a difference.

Thank you for your support,

Hodrey D. Bullar

**Rodney Bullard** 

Vice President
Corporate Social Responsibility





### Thank you

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Thank you for your interest in learning more about Chick-fil-A's commitment to caring for people, others through our food, our communities and our planet. We invite you to continue following our CSR journey at <a href="mailto:chick-fil-a.com">chick-fil-a.com</a>.