



CORPORATE SUSTAINABILITY REPORT

2022



FOOD • COMMUNITY • EMPLOYEES • CONSERVATION



Texas Roadhouse is proud to donate \$50,000 each year to support the communities we serve and contribute to the Arbor Day Foundation's ambitious goal of planting 500 million trees in the next five years.

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ABOUT TEXAS ROADHOUSE

Texas Roadhouse first opened its doors in 1993. Since then, the company has grown to over 600 locations in 49 states and nearly 40 international locations in 10 foreign countries. Known as the hometown favorite, Texas Roadhouse is proud to provide made-from-scratch food at a value served with friendly, attentive service. Menu items the restaurant is famous for include Hand-Cut Steaks, Fall-Off-The-Bone Ribs, Made-From-Scratch Sides, and Fresh-Baked Bread.

As a people-first company focused on more than just serving steak, Texas Roadhouse believes in serving local communities and taking care of their Roadies.



OUR REPORT

In this report, you will find an overview of Texas Roadhouse's Corporate Sustainability program. The four main pillars of our sustainability efforts are **Food, Community, Employees, and Conservation**. Our report provides additional information outlined in our current Proxy Statement and 10-K. In early 2021, Texas Roadhouse formed a cross-functional committee consisting of members from Communications, Finance, Financial Reporting, Legal, People, and Purchasing. These subject matter experts have collaborated to contribute to this report. Our Corporate Sustainability Report is updated annually and presented to the Leadership Team and Board of Directors.



CORPORATE SUSTAINABILITY

FOOD • COMMUNITY • EMPLOYEES • CONSERVATION

DEAR SHAREHOLDERS,

Throughout 2022, we saw a return to normal seasonality on sales trends following the challenges of the pandemic in recent years. Although we felt the pressure of inflation, particularly on higher commodity costs, we remained consistent in our commitment to our corporate sustainability initiatives.

Our sustainability mission is to leave every community better than we found it through focusing on four pillars – food, community, employees, and conservation. As we test and roll out new programs, we continue to build champions who are invested in furthering our sustainability efforts. Ongoing initiatives such as our meat cutter program, support of non-profits, employee development, and focus on conservation, create steady progress for our overall corporate sustainability program and are integrated into our daily operations.

WE MAKE IT OUR MISSION TO LEAVE EVERY COMMUNITY BETTER THAN WE FOUND IT.

From our in-house bakers to our meat cutters, serving safe, made-from-scratch food is something we take great pride in. Our meat cutters, who hand-cut every steak we serve, receive ongoing expert-level training on providing the highest quality cuts and reducing waste. They are incentivized through bonuses and an annual Meat Cutter of the Year Competition with a grand prize of \$25,000. This program is a great example of celebrating our people while also making a positive impact on sustainability.

Partnering with local non-profits, causes, and schools is one of the ways we give back to our local communities. On average, each store hosts four local fundraisers per month, and we also proudly supported select partners on the national level in 2022. To honor our late founder, Kent Taylor, our stores across the country banded together to raise over \$730,000 for the American Tinnitus Association, which was the largest corporate donation in the organization's 50-year history. For the second year in a row, we raised awareness and funds for our partners at The Bee Conservancy and The Breast Cancer Research Foundation. We were also there for our employees and guests following Hurricane Ian. We donated meals, supplies, and over \$70,000 to hurricane relief efforts through fundraisers in our stores and a donation from our company. In addition, Andy's Outreach, our employee assistance fund, granted \$1,251,950 to 3,965 employees following the devastation.

We continued supporting and honoring our nation's military heroes through our partnership

with Homes for Our Troops and our annual Veterans Day celebration. In 2022, employees from our local stores participated in 10 Homes for Our Troops Community Kick-Offs and 10 Volunteer Days. As part of these volunteer opportunities, our employees provide meals and help with landscaping of the project. We also hosted fundraisers, motorcycle rides, and featured Homes for Our Troops as our fourth quarter gift card partner to support their mission of building specially adapted custom homes for severely injured post-9/11 veterans. For Veterans Day, we were proud to serve 681,047 free meals to veterans and active military across the country.

In 2022, employee development remained a priority through training and DE&I events. Over 400,000 trainings were completed covering a variety of subjects such as responsible alcohol service, food safety, harassment-free workplace training, and anti-corruption practices. In addition to these courses, learning opportunities were offered throughout the year at our

Women's Leadership Summit, Hispanic Leaders Panel, and more. With the addition of our Human Rights Policy last year, we began partnering with Refuge for Women, a non-profit organization providing specialized long-term housing and emergency housing for women who have escaped human trafficking or sexual exploitation. Through monetary donations, we have supported the development of housing for the organization and are exploring additional ways we can help survivors.

At the Support Center, our Accounting Team is leveraging an electronic invoicing system, which not only reduces paper usage across our entire company, but ultimately saved a total emissions of 83,639 kgCO₂e. Another notable achievement in 2022 was the hands-on outreach efforts put into motion. Throughout the year, our Support Center Sustainability Committee coordinated and executed three trash pick-up events at local parks. The team's efforts were both by foot and by kayak to clean up in and around the waterways in Louisville, KY.

Since the roll out of our Vendor Partner Expectations, our cross-functional Corporate Sustainability Risk Committee continues to meet with our vendor partners to understand their commitments and how we can continue to partner on their sustainability efforts. For example, our distribution partners at SYGMA are committed to reducing their emissions and we are proud to partner with them on freight consolidation, which lessens the number of deliveries to our stores and ensures full trucks arrive at our stores.

Another major initiative of our committee during 2022 was partnering with an energy management firm to calculate our greenhouse gas emissions at both our stores and our Support Center. Now that we have collected the data, we are focused on confirming the accuracy before releasing the information. The goal is to determine a baseline based off the data, take a deeper dive into our equipment, and focus on ways to reduce our energy usage in the future.

Throughout 2023, we will continue to focus on our four pillars with ongoing initiatives and tests. In our stores, we have determined an opportunity to evaluate our equipment maintenance programs, which ultimately reduces energy usage and extends the life of equipment. In addition, we are interested in learning more about composting from our locations in California that are currently composting. As part of these learnings, we hope to find solutions to some of the obstacles we have heard in the past such as space and properly balancing the materials. On the national level, we renewed our agreement with the Arbor Day Foundation. We will donate \$50,000 each year to support the communities we serve and contribute to the Arbor Day Foundation's ambitious goal of planting 500 million trees in the next five years.

From an employee development perspective, Texas Roadhouse believes diversity, equity, and inclusion are vital parts of our culture and what truly makes us legendary. In 2023, we will be implementing our first English as a Second Language Program. The pilot program will be available to Hispanic/Latino operators who are interested in professional development and growth. The 90-day pilot will be available for 20 Roadies, with a full year program to follow. We will also launch a management/Managing Partner Mentorship Program with a focus on reaching African American Roadies interested in professional development. The purpose is to provide support through the knowledge of others, while increasing confidence and achieving career goals.

We are excited about the momentum we have going into 2023 while building champions, providing opportunities, testing initiatives, and learning more through our committees and teams. To review our full 2022 Sustainability Report, visit our website at texasroadhouse.com/sustainability.

Travis Doster
Vice President of Communications
and Public Affairs



A STAKE IN THE FUTURE

We make it our mission to leave every community better than when we found it.



An appetite to do better. Serving safe, made-from-scratch food starts with responsible sourcing and delicious Hand-Cut Steaks.



At the heart of it all. Whether it's supporting veterans and first responders, local sports teams, or natural disaster relief efforts, we're proud to be part of it all.



Our secret to success. For an inclusive culture and people-first culture, our core values are everything – **Passion, Partnership, Integrity, and Fun... All with Purpose.**



Waste not. Want not. From bees to trees, and preserving natural resources — reducing food, water, and energy waste is just the start.



SERVING SAFE MADE-FROM-SCRATCH FOOD

Hand-Cut Steaks to Made-From-Scratch Sides

We're a restaurant you can trust to make dining out with your family fun. And because we take your trust very seriously, we place the utmost importance on food safety and food quality. We have stringent sourcing guidelines, conduct third-party audits, and make sure everything we serve is prepared by our well-trained staff.

We also expect a management-level employee to inspect every entree before it leaves the kitchen to confirm it matches the guest's order and meets our standards for quality, appearance, and presentation.

Additionally, having in-house Meat Cutters provides higher-quality steaks to our guests and helps reduce millions of pounds of food waste each year. All of our food is cooked-to-order, which is another way we reduce waste.

Taste the Hand-Cut Difference

Meat cutting is considered a lost art, but not at Texas Roadhouse. Each Texas Roadhouse restaurant employs a butcher or Meat Cutter, so your steak is always fresh, never frozen. Our Meat Cutters, who hand-cut every steak we serve, work in 34°F coolers and cut an average of \$1 million of meat each year per store. They receive extensive training as they focus on perfecting their craft.

One way we celebrate our hard-working Meat Cutters is with our annual National Meat Cutter Competition. Texas Roadhouse butchers strive for a spot in cut-offs across the nation, first at the local or state level, then advancing regionally. The top 30 challengers from these regional competitions compete in the final round. Meat Cutters are judged on quality, yield, and speed in this timed cut-off. The winner is the cutter who yields the most steaks, with the highest quality cut in the allotted time. The grand prize is \$25,000 and being crowned Meat Cutter of the Year at the Texas Roadhouse annual Managing Partner Conference in April.





PROUD OF THE FOOD WE SERVE

Why Made-From-Scratch Food?

From bacon bits to croutons to dressings — knowing the quality of each ingredient allows us (and our guests) to feel confident in the quality and value of our food. We are proud of our daily commitment to made-from-scratch food and our guests can taste the difference. We believe this adds value and flexibility to each guest's experience, this includes our salads, which are made-to-order.

Fresh-Baked Bread Every 5 Minutes

Legendary food starts with taking no shortcuts. Our bakers are responsible for making our yeast rolls from scratch every day. Our legendary bread is baked fresh every five minutes and served piping hot along with our homemade honey cinnamon butter to guests as they are seated.



Something for Everyone

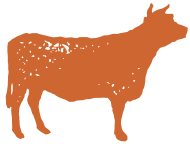
We believe in variety—so guests can choose the options best for them and easily manage caloric intake and personal dietary needs. Detailed nutritional information and gluten-friendly options are available at all of our restaurants and on our website. Our Nutrition Calculator and Interactive Nutrition Menu help our guests make informed decisions about their orders. We pride ourselves on the legendary service we provide to all of our guests, especially those guests with food allergies.



INTEGRITY IS ALWAYS ON OUR MENU

Strict Sourcing Guidelines and Expert Employees

Texas Roadhouse is a value-based steak restaurant. It's what we're known for and we take great care with each steak we serve, which is why they are hand-cut in-house by our highly skilled Meat Cutters. But, what happens before the food we prepare arrives at our restaurants?



BEEF

We Partner with Industry Leaders

Our beef suppliers adhere to North American Meat Institute (NAMI) and National Cattlemen's Beef Association's (NCBA) Beef Quality Assurance (BQA) animal handling standards. These suppliers are also leaders in humane and sustainable beef production practices, participating in industry organizations that are committed to upholding and reviewing these standards. In addition, 100% of our beef supply is sourced from the United States and Canada – which are areas not known for their beef related deforestation activities.



CHICKEN

We Put Safety First

All the products we source meet USDA guidelines for safety and follow FDA regulations for the responsible use of antibiotics. Our poultry suppliers follow the National Chicken Council (NCC) poultry welfare guidelines, and we are working towards using suppliers that deliver meat from farm-raised and cage-free chickens.



EGG

United Egg Producers Certification

Our egg suppliers participate in the United Egg Producers (UEP) certification. This certification includes: a code of conduct signed by employees trained in animal care; annual compliance assessment conducted by independent, third-party auditors; scientifically-supported standards for allotment of space for hens in various housing environments; feed, clean water, and fresh air 24/7.



SALMON

100% Norwegian Harvested Responsibly

Texas Roadhouse serves 100% Norwegian Salmon harvested responsibly from the clear, cold waters of Norway. The salmon are raised antibiotic-free, fed an all-natural diet, and given sufficient swimming space and time for slow growth.





VENDOR PARTNER EXPECTATIONS

We expect that our franchise partners, vendors, suppliers, consultants, and other business partners will act with the same level of partnership and integrity as we do. In addition to our Code of Conduct, we have established Vendor Partner Expectations outlining our standards with our vendor partners, including how they conduct their business, how they treat their employees, and our expectation that our vendors will comply with all applicable laws and regulations relating to their business operations. This commitment can be found in our Vendor Partner Expectations at texasroadhouse.com.

HUMAN RIGHTS STATEMENT

Consistent with our own commitment to wage and hour and labor compliance, we expect that our vendors comply with all applicable wage and hour laws, including those related to minimum wage and overtime, meal and rest breaks, proper exempt classification, child labor, paying for all hours worked (including overtime), and proper handling of tips. We also are committed to, and expect our vendor partners to comply with, any laws prohibiting the use of forced labor or the facilitation of slavery and human trafficking.

FOOD SAFETY: DELIVERING FRESH

Every truck, trailer, or delivery of fresh chicken and ground beef from our vendors is required to have a temperature monitor that provides us with the temperature and location of the truck in real-time. This technology is known as cold chain monitoring, which allows our Food Safety Team, along with our vendor partners, to take action if needed before an issue occurs.

Once ingredients arrive at our restaurants, we adhere to Hazard Analysis Critical Control Points (HACCP) principles and critical procedures in each recipe to maximize food safety protocols.

Our Highly-Trained Staff Prioritizes Food Safety

Our Product Coaches provide continual, hands-on training and education to the kitchen staff in our restaurants for the purpose of reinforcing food quality, recipe consistency, food preparation procedures, food safety and sanitation standards, food appearance, freshness, and portion size. The Product Coach Team supports all restaurants systemwide. On average, our Product Coaches have 11 stores they visit and coach every month.

Because our Product Coaches and Food Team members are dedicated to serving quality food, they have (or are in the process of obtaining) their Certified Professional — Food Safety designation from the National Environmental Health Association. Our Product Coaches and third-party teams perform regular food safety and sanitation audits.



GIVING BACK TO EVERY COMMUNITY WE SERVE

Why Being Part of It All Matters

We know that our restaurants have a substantial economic impact in every community we operate in. We offer time, support, food donations, and fundraising opportunities to give back to many local charities. In addition, we provide corporate support to select organizations across the country.

When They Need Us, We Are There

In 2022, we were proud to host many local, regional, and national Dine-to-Donate Fundraisers at our locations across the country. These events helped raise funds for different causes such as tinnitus, cancer, and natural disaster relief efforts following Hurricane Ian.

American Tinnitus Association

To honor our Founder, Kent Taylor, our stores across the country banded together to raise over \$700,000 for the American Tinnitus Association, which was the largest corporate donation in the organization's 50-year history.



The V Foundation for Cancer Research

All of our Bubba's 33 locations across the country feature the Dickie V pizza on their menu and \$1 for every pizza purchased is donated to the V Foundation for Cancer Research. In 2022, Bubba's 33 donated over \$92,000 as a result of the fundraiser.



Hurricane Ian Relief Efforts

We were also there for our employees and guests following Hurricane Ian. We donated meals, supplies, and over \$70,000 to hurricane relief efforts through fundraisers in our stores and a donation from our company. In addition, Andy's Outreach, our employee assistance fund, granted \$1,251,950 to 3,965 employees following the devastation.





HOME IS WHERE OUR HEART IS

Providing Jobs, Raising Funds, Making a Difference

Each Texas Roadhouse restaurant supports economic growth in its community with an annual average of \$1.2 million in economic impact, as well as and 200 jobs.

Giving Meals, Too. Every Little Bit Helps

Our restaurants average four local fundraisers a month at each location, raising thousands of dollars for local non-profits, causes, and schools. In addition to funds, millions of meals are donated to people in Texas Roadhouse communities across the country.

WE ♥ OUR COMMUNITY
+\$3.2 MILLION

RAISED AND DONATED TO LOCAL NON-PROFITS, SCHOOLS,
AND ORGANIZATIONS IN THE COMMUNITIES WE SERVED IN 2022



WE HONOR HEROES

Serving Those Who Serve Our Country

To our nation's veterans, thank you. Throughout the year, we support our nation's veterans and service members at both the local and national level. Every day, veterans and active military members will find reserved parking at our restaurants. Many locations also proudly offer military and first responder discounts throughout the year. On Veterans Day, we're honored to offer free meals to veterans and active military service members across the country.




+681,047
FREE MEAL VOUCHERS
GIVEN TO VETERANS ON
VETERANS DAY

BUILDING MORE THAN HOMES FOR OUR TROOPS

We've been a national and influential partner with Homes For Our Troops (HFOT) for more than 19 years, helping to complete over 330 mortgage-free, custom-built homes for the most severely injured post-9/11 veterans. From motorcycle rides to donating a portion of our yearly gift card sales, from fundraising events to providing food to hundreds of volunteers at almost every new project Key Ceremony and Volunteer Day, we're honored to support this organization.





**Special
Olympics**
Kentucky



PROUD TO SUPPORT SPECIAL OLYMPICS

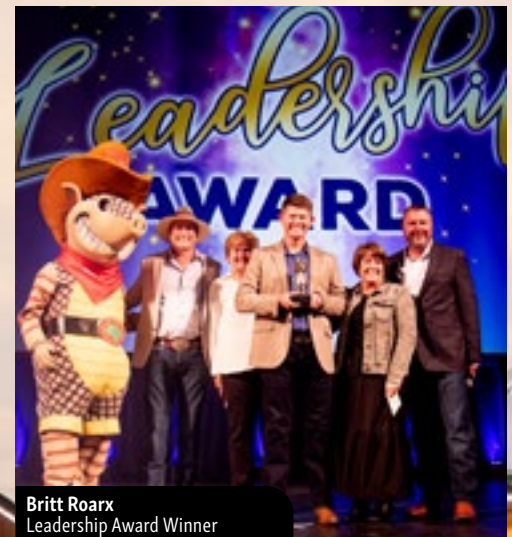
We've been a proud supporter of the Special Olympics for multiple years, most notably in Kentucky, Texas, and Illinois. The Armadillo Classic Golf Scramble has donated more than \$2.3 million to Special Olympics of Kentucky since 2000; and Tip-A-Cop Fundraisers have donated \$1,746,602 to Special Olympics of Texas over the past 14 years.



WE ARE FAMILY

People-First Mentality

Since the beginning, we've been committed to being a people-first company. From 1:1s to fun budgets to Andy's Outreach and promoting from within, these are just a few examples of how we take care of our people. We support our employees through programs that encourage an inclusive culture, people development, community outreach, and fun. **Passion, Partnership, Integrity, and Fun... All with Purpose** are the core values we strive for every day.



Britt Roarx
Leadership Award Winner



Chad Noble
Managing Partner of the Year





LEGENDARY FOOD. LEGENDARY PEOPLE.

Support Center Roadies: The Power Of Partnership

Our Support Center Roadies believe in the power of partnership. They provide the tools and expertise, so our Operators can focus on providing Legendary Food and Legendary Service to our guests.

Restaurant Roadies: The Heart And Soul

Our restaurant Roadies are the heart and soul of our company, bringing Legendary Food and Legendary Service to our local communities across the country.





GIVING BACK ANDY'S WAY

There For One Another In Good Times And Bad

Andy's Outreach Fund is the Texas Roadhouse way of helping our family members (any employee) who are experiencing a financial hardship. Resources for the Andy's Outreach Fund are available to current Texas Roadhouse employees only and are designated for crisis situations such as: death, fire, natural disasters, dire illnesses, personal injury, crisis counseling, emergency travel, or other financial hardships.

Since its inception Andy's Outreach has...

helped 19,225 employees

distributed over \$23 million



TALENT ATTRACTION, RETENTION, AND DEVELOPMENT

Our Managing Partners are the center of our universe. Our ability to attract, retain, and develop employees is key to our success.

ROADIE SPOTLIGHTS



"I've been with Texas Roadhouse 11 years and I love my job! If someone would have told me that I could walk in as a Server and become an owner... I would have never believed them."

Managing Partner, Keila Brock



"I started my career with Texas Roadhouse as a Cold Prep. I realized I wanted to make this a career after just two weeks of working here. I saw what was possible and was inspired by the culture. I made it my goal to have my own store someday and here I am. I am so grateful I decided to stop by that hiring trailer 22 years ago. It changed my life and I am a Roadie for life."

Managing Partner, James Andros

A DIVERSE & INCLUSIVE CULTURE

We believe that diversity and inclusion are vital parts of our culture and what truly makes us legendary. We value and welcome employees of all walks of life to share their talents, gifts, and strengths while working in our restaurants and the Support Center, as we strive to reflect the communities we are proud to serve. We are passionate about treating everyone with respect, appreciation, and fairness every day to ensure that we remain a legendary place to work. From educational resources shared with our employees throughout the year to events and spotlights – educating and celebrating diversity and inclusion is important to our Roadies. Our Diversity and Inclusion Committee has members from our Support Center and Operations who focus on providing these opportunities. Visit careers.texasroadhouse.com/culture to learn more.



EMPLOYEE BENEFITS

At Texas Roadhouse, we have a fun culture with flexible work schedules, discounts in our restaurants, recognition, formal training, and affordable benefits. We offer one of the industry's most competitive total rewards packages, including medical, dental, and vision; tuition reimbursement; flexible spending accounts; an employee assistance program; and more. The tuition reimbursement program offers \$5,250 in annual reimbursement for classes at an accredited university to Support Center and restaurant employees who qualify for benefits and work 30 hours or more weekly.



Roadie Development

We focus on Roadie development through a variety of programs, including our Women's Leadership Series and our monthly Let's Talk D&I Series, to name a few. In 2022, we offered a number of compliance training courses for our Roadies, including Code of Conduct review, harassment-free workplace training, and OSHA training. Over 400,000 training courses were completed through our learning management platform.



Celebrating Legendary Achievements

Throughout the year, Roadies are recognized and rewarded for their hard work, acts of Service with HEART, and results. As a company, top performers from both the restaurants and the Support Center are celebrated at the company's annual Managing Partner Conference with the title of Managing Partner of the Year as the highest honor. This award recognizes the Managing Partner who best displays characteristics of an operational leader. The conference and awards serve as an annual opportunity to celebrate and motivate our people.



Employee Health And Safety

As a people-first company, we continue to keep employee health and safety our top priority. With trainings, policies, and programs dedicated to efforts such as OSHA training, slip-resistant footwear, handwashing, and installing panic buttons, to name a few – we are focused on keeping our Roadies safe. We are proud to offer our Employee Assistance Program (EAP) to all benefits-eligible employees. In the event of a crisis, we provide counselors on-site to help our Roadies navigate difficult times. De-escalation Training has also been an impactful addition to our training courses to prepare our Management Teams if difficult situations arise in their restaurants.





EVERYONE IS A PARTNER

From Managing Partners To Profit Sharing Partners, We're In This Together

The Managing Partner at each Texas Roadhouse lives and works in the community. They have an ownership mentality because a large part of their compensation is based on the success of the restaurant. One of our Managing Partners said it best, "Other companies teach you how to *run* a restaurant, but Texas Roadhouse teaches you how to *own* a restaurant."

We believe the ancillary benefit of this is that they are also incentivized to control waste and be good stewards of their resources, which is a key driver of our sustainability efforts. For example, having in-house Meat Cutters provides higher-quality steaks to our guests and helps to reduce millions of pounds of food waste each year.

Sharing the Love: Profit Sharing Program

From Kitchen Managers to Service Managers to Support Center employees to our Executive Team, we share the profits of our restaurants with employees at many levels. We give stock to thousands of our employees every quarter. We are proud of our approach to compensation, as we believe having "skin in the game" keeps us committed to our mission of Legendary Food and Legendary Service every day.

Managing Partners and Market Partners are required, as a condition of employment, to sign a multi-year employment agreement. The annual compensation of our Managing Partners and Market Partners includes a base salary plus a percentage of the pre-tax income of the restaurant(s) they operate or supervise.



TEXAS-SIZED RECOGNITION

a few of our recent accolades

2022

Named one of Fortune Magazine's Most Admired Companies.

2021

Recognized by Forbes as one of America's Best Employers for Diversity.

2020

Named one of the top 10 brands resonating with consumers amid coronavirus by influencer marketing and social data firm Influential.

2019

Recognized by Newsweek as one of America's Best Customer Service restaurants in the Casual Dining category.

2018

Named one of America's Best Large Employers by Forbes.

2017

Ranked #16 on Fortune Magazine's Best Workplaces for Millennials.

2016

Named #1 Full-Service Chain in Sales and Satisfaction by Restaurant Business.



CORPORATE GOVERNANCE

We believe that strong corporate governance practices are important for the sustainability of our company and for driving long-term value for our shareholders, employees, guests, and communities in which we serve. Our Corporate Governance Guidelines can be found on our website at investor.texasroadhouse.com and were most recently updated in October 2021.



Role of Our Board And Management

The Board's role is to enhance the long-term value of the company for its shareholders. The Board is elected annually by the shareholders to oversee management and to ensure that the long-term interests of the shareholders are being served. In order to fulfill this obligation, the Board is responsible for establishing broad corporate policies, setting strategic direction and overseeing the management of the company. As discussed in our current Proxy Statement, our Board seeks diverse candidates, taking into account diversity in all respects (including gender, race, age, board service, background, education, skill set, and financial acumen, along with knowledge and experience in areas that are relevant to the company's business), when evaluating potential nominees. Of our seven directors, two are female and one is African American. All of our directors have a diverse background, education, knowledge, and experience that are relevant to our business. To learn more about our Board and its Committees, visit investor.texasroadhouse.com.

Risk Oversight

In addition to the broad responsibilities described above, the Board is responsible for overseeing our risk management strategies, including the Company's implementation of appropriate processes to administer day-to-day risk management. The Board executes its oversight responsibility directly and through its committees, who regularly report back to the Board. The Board is informed about risk management matters as part of its role in the general oversight and approval of corporate matters. The Board gives clear guidance to the company's management on the risks it believes face the company, such as the matters disclosed as risk factors in the company's Annual Report on Form 10-K. Furthermore, the Board has delegated certain risk management responsibilities to its Audit Committee and Compensation Committee. As part of this delegation, our Audit Committee oversees our risk assessment and risk management policies, which includes regularly and comprehensively reviewing specific risk matters and routinely being advised of strategic, operational, financial legal, cybersecurity, and other business risks both during and outside of regularly scheduled meetings.



Ethics And Compliance

The Board has approved and adopted a Code of Conduct that applies to all directors, officers, and employees. We are committed to our core values of **Passion, Partnership, Integrity and Fun... All with Purpose!** The Code of Conduct is our guide as we apply these core values in our treatment of our fellow employees and how we run our business. Our Code of Conduct also encompasses our principles and practices relating to the ethical conduct of the Company's business and commitment to complying with all laws affecting the Company's business. In addition to following the laws and regulations of all federal, state, and local jurisdictions, we expect our Board, executive officers and employees to adhere to the Company's Code of Conduct, policies and procedures.

We encourage our employees to report any concern or potential violation of the Code, policies and procedures. The Code of Conduct establishes three separate ways in which any person may submit confidential and anonymous reports of suspected or actual violations of the Code of Conduct. The Company's Ethics Hotline is accessible 24 hours a day, 7 days a week and is maintained by a third-party, so the reporting person can be anonymous unless they choose to identify themselves. All reports and investigations will be handled with discretion, and we will make every effort to keep our investigations as confidential as possible. We do not retaliate against any person who raises questions, reports concerns, or who participates in an investigation related to the Code of Conduct.

INFORMATION SECURITY AND DATA PRIVACY

Texas Roadhouse receives and maintains certain sensitive information from our guests, employees, partners, and from business operations. The use and handling, including security, of this information is regulated by evolving and increasingly demanding data privacy laws and regulations in various jurisdictions, as well as by certain third-party contracts, frameworks, and industry standards, such as the Payment Card Industry Data Security Standard ("PCI-DSS"). To protect this information, we have created and implemented a detailed set of Information Security Policies and Procedures that are informed by recognized national and international standards.

Under the guidance of the Information Governance Steering Committee, a cross-functional team, including a dedicated Director of Cybersecurity, is focused on performing assessments to identify areas of concern and implement appropriate changes to enhance its cybersecurity and privacy policies and procedures. Updates on cybersecurity and privacy risk are provided to the Audit Committee at appropriate intervals. In addition, communications and trainings are shared throughout the company each year. Both internal and third-party auditing are performed frequently to verify our controls are effective.



PRESERVING RESOURCES

We actively pursue partnerships and opportunities that help our locations conserve resources, reduce waste, and have a positive impact on our environment.

Planting It Forward

As of November 1, 2022, a long-term partnership with the Arbor Day Foundation was signed to support the communities we serve and contribute to the Arbor Day Foundation's ambitious goal of planting 500 million trees in the next five years. Texas Roadhouse will donate \$50,000 each year through 2027.



During 2022, we hosted projects in cities across the country with Texas Roadhouse locations stepping up to make a difference in their local communities through hosting tree distribution events. During the tree distribution events, 1,298 trees were given out to local residents in Cookeville, TN; Shreveport, LA; and Port Arthur, TX

Impact of 1,298 trees over 40 years

841 metric tons of CO₂ sequestered

625,520 gallons avoided water runoff

2.32 tons of air pollutants removed





WHY IT PAYS TO 'BEE' KIND

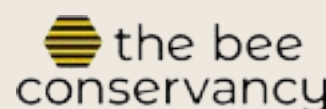


Starting in 2019, to further our commitment of supporting the bee population, we began partnering with the Bee Conservancy, a 501c3 non-profit that works to bolster bee populations by placing honey and solitary bees in 'bee sanctuaries' across the U.S. As part of our partnership, we will place hives in communities across the country to educate the community and inspire others to get involved.

To help inform people (especially our kids) about struggling bee populations and the importance of bees to agriculture, our Louisville Support Center partnered with the Oldham County Beekeepers Association to install four beehives behind our offices, plus two more hives and one observation hive in the community.

In 2022, we partnered with the Bee Conservancy to offer six scholarships eCornell's Master Beekeeping Certificate program. These scholarships were awarded to mid-level beekeepers with a minimum of three years of beekeeping experience whose work with bees advances environmental stewardship, community resilience, and/or food justice.

In addition, nearly 300 Texas Roadhouse locations participated in a month-long fundraiser during the month of August and raised \$55,000 for The Bee Conservancy.





SAVE LIVES WITH SAFE WATER

We are proud to partner with WaterStep to fund WaterBalls, which help women and children in developing countries gather water for their families. Instead of carrying limited quantities of water on top of their heads, the WaterBalls are a safer and more efficient solution.

In addition, we have also partnered with WaterStep to purchase a WOW (Water on Wheels) Cart. The WOW Cart was developed in collaboration with the EPA Office of Research and Development, Homeland Security Research Program. The cart is a mini-water treatment plant on wheels and is capable of producing up to 10,000 gallons of safe water each day to be used for drinking, cooking, and cleaning. The WOW Cart helps Texas Roadhouse be resilient when responding to natural disasters that affect it and its community.

We are also doing our part to support oceanic restoration and research through the purchase of BAC-D® hand sanitizer stations for Texas Roadhouse locations across the country and at our Support Center.





GREEN INITIATIVES AT OUR SUPPORT CENTER

During our Support Center building remodel, environmental and social factors were at the forefront of our planning and execution. As a result, we took the following steps:

🌿 Converted all interior lighting to LED

🌿 Converted parking lot lighting to LED

🌿 Converted lighting to motion sensor-controlled lighting

🌿 Added several electric vehicle charging stations

🌿 Added touchless, low-flow faucets in the restrooms

🌿 Put in a new HVAC building management system with unoccupied setting to reduce energy usage

🌿 Converted to recycled paper towels in the restrooms

🌿 Added water bottle filling stations on every floor

🌿 Installed handicap accessible doors to the entry of the building

🌿 Added designated parking for veterans and mothers-to-be, in addition to ADA accessible parking

🌿 Added two new gender-neutral restrooms

🌿 Added three new nursing mothers' rooms





OUR EXPECTATION FOR CONSERVATION

When it comes to conservation, we consider all positive changes, both big and small, to be valuable. We are proud of the efforts described throughout this section and know we have even more opportunities down the road on our journey to make every community better than we found it.

Scope 1 and Scope 2 Emissions

We have partnered with an energy management firm to calculate our greenhouse gas emissions at our stores. The Scope 1 and Scope 2 emissions are generated based on the natural gas, propane, and electricity we use to operate. Our plan is to determine a baseline based off the data, take a deeper dive into our buildings and equipment, and potentially find ways to reduce our energy usage in the future.

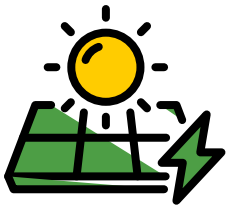
Sum of CO2 Emissions (mtons CO2-e)	2021	2022
Scope 1		
Natural gas	90,629	97,589
Propane	745	682
Scope 2		
Electric power	160,203	170,096
Grand total	251,577	268,367
Site count & revenue		
Total site count	568	599
Revenue (in millions)	\$3,464	\$4,015
Total Scope 1 and 2		
Total Scope 1 and 2 per site	443	448
Total Scope 1 and 2 per \$1M in revenue	72.63	66.84

*This chart includes data for our company-owned Texas Roadhouse, Bubba’s 33, and Jagers restaurants, as well as our Support Center.

Responsible Use of Energy



We are committed to reducing our energy consumption from high-efficiency kitchen equipment to internal LED lights. All of our new store openings are using Energy Star (E.S.) or Air Conditioning, Heating & Refrigeration Institute (AHRI) certified equipment. Having energy efficient equipment in our stores further reduces our carbon footprint by saving on electric, gas, and water usage. We have converted hundreds of stores to LED and we continue to open all of our new stores with LED. The average LED lasts 30,000 operating hours to 100,000 operating hours or more. With a longer operational life, LEDs can reduce labor costs of replacing bulbs in commercial situations, achieving a lower maintenance lighting system. LEDs are extremely energy efficient and consume up to 90% less power than incandescent bulbs and about 50% less electricity than traditional fluorescent and halogen options. In addition, LEDs do not have the environmental issues common to traditional lighting solutions like fluorescent or mercury vapor lights.



Shine On

We took our responsible use a step further and have installed solar panels in two of our Arizona stores. These two systems combined will generate about 500 kWh to our stores. The sun provides an abundant amount of energy to our planet and Texas Roadhouse is excited to make use of it.



Revving Up for the Future

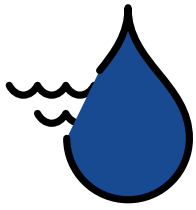
In 2022, one of our new store builds included five total EV chargers for guests to use. We have added charging stations for electric cars at our Support Center. We provide free charges to our guests and employees in an effort to encourage more adaptation to electric vehicles.



Turn Down for Watt

Many of our restaurants have smart thermostats, which enables them to manage their HVAC from their phone or computer. This allows them to control energy use and temperatures to help optimize HVAC performance. In addition, we have many stores with kitchen equipment controllers, which keeps equipment from running overnight. Our Bubba's 33 restaurants are being designed with tankless water heaters. The current offering for tankless water heaters in existing restaurant builds in 5 years of annual service to try and incentivize their use. All of these energy monitoring programs further reduce our energy usage. We are continuing to explore other ways to manage our energy usage.





We're Saving Water

All new stores open with touchless faucets and many existing stores are making the switch. In addition, we have three stores with waterless urinals as well. We will continue to focus on opportunities to reduce our water usage.



Waste Not. Want Not.

Less food waste is a great byproduct of our made-from-scratch model because we can make use of excess product. For example, we utilize Meat Cutters in each restaurant to hand-cut our steaks. After they cut our legendary steaks, we can use the steak trimmings in other products, such as chili grind and kabobs, rather than wasting that product. Any excess trimmings are converted to render fat for our grills. Another example is our bacon bits. We make our own bacon bits in-house, which are used as a topping for salads, potatoes, and to add flavor to our green beans.



Change is in the Bag

2021 continued to present many challenges with To-Go supply shortages, but our stores were able to shift to paper squat cups and wax paper bags for our Fresh-Baked Bread to help reduce plastic. Starting in 2018, we moved to paperless employee applications for our company. In addition, our Support Center Finance Team went paperless that year.



From Oil to Biofuel

All of our stores recycle their used cooking oil. Stores either have a traditional grease bin to dispose of all oil and grease or a direct connect/auto-system. With the direct connect system, a pump is installed that automatically sends the used fryer oil to a storage container for pickup. This reduces contamination and employee risk by not having employees manually carry oil to the storage container.



Reduce. Reuse. Recycle.

From recycling to composting, we're actively working to reduce our carbon footprint. While we continue to focus on recycling, we saw a drop in the number of stores participating in recycling programs from 67% to 65% in 2021. This drop is attributed to an excess of recyclables after China stopped importing from the U.S. and other countries.





CORPORATE SUSTAINABILITY

FOOD • COMMUNITY • EMPLOYEES • CONSERVATION