



# 2021 CORPORATE SUSTAINABILITY REPORT

FOOD • COMMUNITY • EMPLOYEES • CONSERVATION





Four honeybee hives have been installed at our company Support Center to help bolster bee populations and educate visitors.

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## ABOUT TEXAS ROADHOUSE

Texas Roadhouse first opened its doors in 1993. Since then, the company has grown to nearly 600 locations in 49 states and 31 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.



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## 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,

Despite the many challenges we faced during the pandemic, our Corporate Sustainability program remained strong throughout 2021. We continued to focus on our four pillars - Food, Community, Employees, and Conservation - and remain committed to our sustainability mission to make every community we serve better than we found it.

As we have mentioned several times, we believe that our Managing Partner Model is the foundation of our sustainability efforts. Our MP Model provides our Managing Partners with 10% of their restaurant profits, which encourages stewardship of resources. Because of this ownership mentality, our Managing Partners are incentivized to reduce waste, conserve energy, and become sustainability champions.

Our commitment to hand-cut steaks also includes a sustainability benefit. Our in-house Meat Cutters not only provide higher quality steaks to our guests, but the program also helps reduce millions of pounds of food waste each year. Also, our food is cooked-to-order, which is another way we reduce waste.

Throughout the year, we were proud to host many local, regional, and national dine-to-donate fundraisers at our restaurants across the country. During the month of October, stores that opted in to participate in raising money and awareness for breast cancer raised \$120,000 for the Breast Cancer Research Foundation. At the end of the year, we hosted dine-to-donate fundraisers in restaurants across Kentucky, Indiana, Georgia, West Virginia, and Pennsylvania. The restaurants collected donations and donated their profits for the night to the Western Kentucky Tornado Relief Fund. As a result, we were able to donate \$85,000 to the fund. In addition, several departments at the Support Center and many individual Roadies donated money, toys, gift cards, and time to help support organizations selected by our operators in Western Kentucky.

We also continued our commitment to veterans. We hosted our 12th annual Veterans Day where we provided over 480,000 free meal vouchers to active and retired military. The vouchers allowed the recipients to dine at their convenience. In addition, our CEO, Jerry Morgan, was appointed to the Homes for Our Troops Board of Directors. To date, we have donated more than \$2 million to help build handicap accessible homes for post-9/11 veterans.

We know that the fundraising efforts mentioned above and providing Legendary Food, Legendary Service® every day is only made possible by the commitment and pride our Roadies have for their work. Whether it's training, development, or benefits - we are always looking for ways to grow and develop our employees.

In 2021, we continued to 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. We also offered a number of compliance training courses for our Roadies, including Code of Conduct review, harassment-free workplace training, and OSHA training. In addition, Roadies in our restaurants and at the Support Center, were offered development courses throughout the year both in-person and through virtual options. Over 273,000 training courses were completed through our learning management platform.

From an employee benefits perspective, in 2021, we were also proud to announce our new tuition reimbursement program for restaurant employees, which offers \$5,250 in annual reimbursement for classes at an accredited university to team members who qualify for benefits and work 30 hours or more weekly.

When it comes to conservation, bees, trees, and water are three resources we are passionate about protecting and preserving as a company. Last year, we partnered with the Bee Conservancy to sponsor 120 native beehives at non-profits, schools, and other community organizations across the country. As part of our partnership with the Arbor Day Foundation, we hosted tree distribution events at Texas Roadhouse locations in Cedar Rapids, IA; Houston, TX; and Miami, FL. Over 1,200 (1-5 gallon) trees were given out to members of these communities that were recently impacted by natural disasters.

On the recycling front, in 2021 we were proud to announce that we replaced all third-party plastic gift cards with paper gift cards in an effort to reduce plastic ending up in landfills. We also are continuing our test with uniforms made from recycled bottles. The feedback from employees thus far has been positive. Unfortunately, we saw another drop in the number of stores participating in recycling programs from 67% to 65%. However, as a result of our recycling program, 15,689 tons were diverted from the landfill with a 16.2% diversion rate. This equates to 71,448 trees saved and 36,696 GHG emissions saved.

At the Support Center, our Sustainability Committee continues to offer opportunities for Roadies to get involved in sustainability projects,

such as trash pick-ups and electronic recycling events. During the spring, the committee hosted a lunch and learn for Roadies to learn more about composting. This helped kick off composting in the Support Center café, which is a great way for us to test and understand the challenges of composting from an operations perspective.

We continued to focus on bringing water to communities around the world with our partnership with WaterStep, whose mission is to save lives with safe water. In addition, we are proud to partner with Doc Hendley, founder of Wine to Water, and his team on their initiative to provide clean water to indigenous communities. Our partnership focuses on bringing clean water to Native American communities in New Mexico.

As we approach 4 years of highlighting our Corporate Sustainability efforts, we formed a cross-functional committee to understand and capture the various programs and initiatives throughout the company. The committee is comprised of representatives from Communications, Finance, Financial Reporting, Legal, People, and Purchasing. While 2021 was all about gaining a clearer understanding of our areas of success and opportunity, committee efforts such as developing Vendor Partner Expectations are now included in our Corporate Sustainability Report.

We are excited to continue to develop our Corporate Sustainability program through building champions, providing opportunities, testing initiatives, and learning more through our committees and teams. To review our full 2021 Sustainability Report, visit our website at [texasroadhouse.com/sustainability](https://texasroadhouse.com/sustainability). This report is updated annually, and we meet with our Board of Directors each year to share updates.

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?

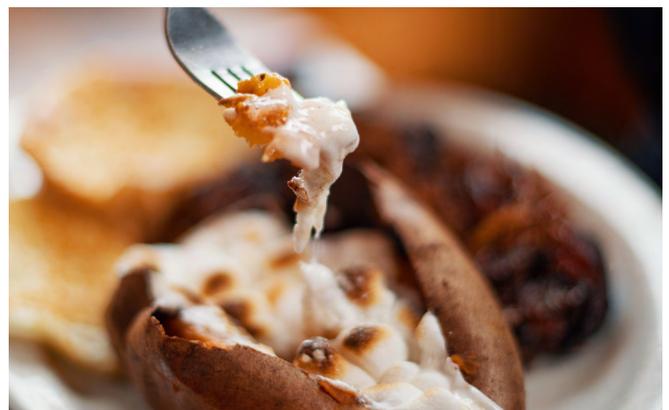
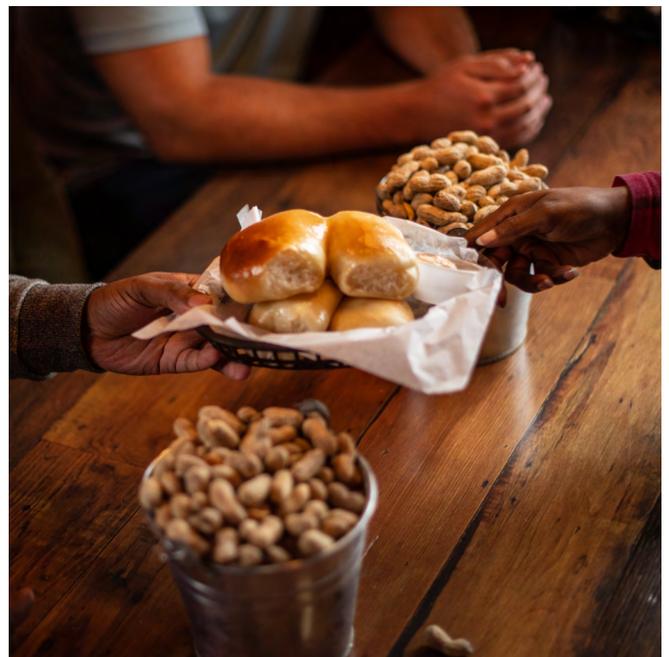
From bacon bits to croutons to dressings — knowing the quality of each ingredient allows us (and our guests) to feel confident in the quality and value of our food. We are proud of our daily commitment to made-from-scratch food and our guests can taste the difference. We believe this adds value and flexibility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



# 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.

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**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.

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**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.

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**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

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](https://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.

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## When They Need Us, We Are There

In 2021, 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 breast cancer research, Camp Sunshine, and tornado relief efforts following the devastating storms that destructed parts of Western Kentucky in December.

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## Breast Cancer Research Foundation

During the month of October, stores across the country participated in raising money and awareness for breast cancer. We were able to raise more than \$120,000 for the Breast Cancer Research Foundation.

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## Camp Sunshine

For the past 10 years, New England Texas Roadhouse locations have supported Camp Sunshine, which is a camp for children with life-threatening illnesses and their families through the various stages of a child's illness. Camp Sunshine's program is offered year-round and has the distinction of having been designed to serve the entire family in a retreat model. The program is free of charge to families and includes on-site medical support. To date, the partnership has raised nearly \$900,000.

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## Tornado Relief Fund

In December, we hosted Dine-to-Donate Fundraisers in restaurants across Kentucky, Indiana, Georgia, West Virginia, and Pennsylvania. The restaurants collected donations and donated their profits for the night to the Western Kentucky Relief Fund. As a result, we were able to donate \$85,000 to the fund. In addition, several departments at the Support Center and many individual Roadies donated money, toys, gift cards, and time to help support organizations that our operators in Western Kentucky selected.





## 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  
+\$1.6 MILLION

RAISED AND DONATED TO LOCAL NON-PROFITS, SCHOOLS,  
AND ORGANIZATIONS IN THE COMMUNITIES WE SERVED IN 2021



# 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.



**+483,898**  
**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 18 years, helping to complete over 300 mortgage-free, custom-built homes for the most severely injured post-9/11 veterans. From motorcycle rides in 15 states 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.





# 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 \$2.3 million to Special Olympics of Kentucky since 2000; and Tip-A-Cop Fundraisers have donated \$1,489,333 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.



Lisa Twohey  
Leadership Award Winner



David Hollinger  
2021 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...

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helped 14,071 employees

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distributed \$19.2 million

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# 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.

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## 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**

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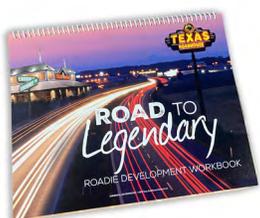
## A DIVERSE & INCLUSIVE CULTURE

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](https://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 2021, we offered a number of compliance training courses for our Roadies, including Code of Conduct review, harassment-free workplace training, and OSHA training. Over 273,000 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

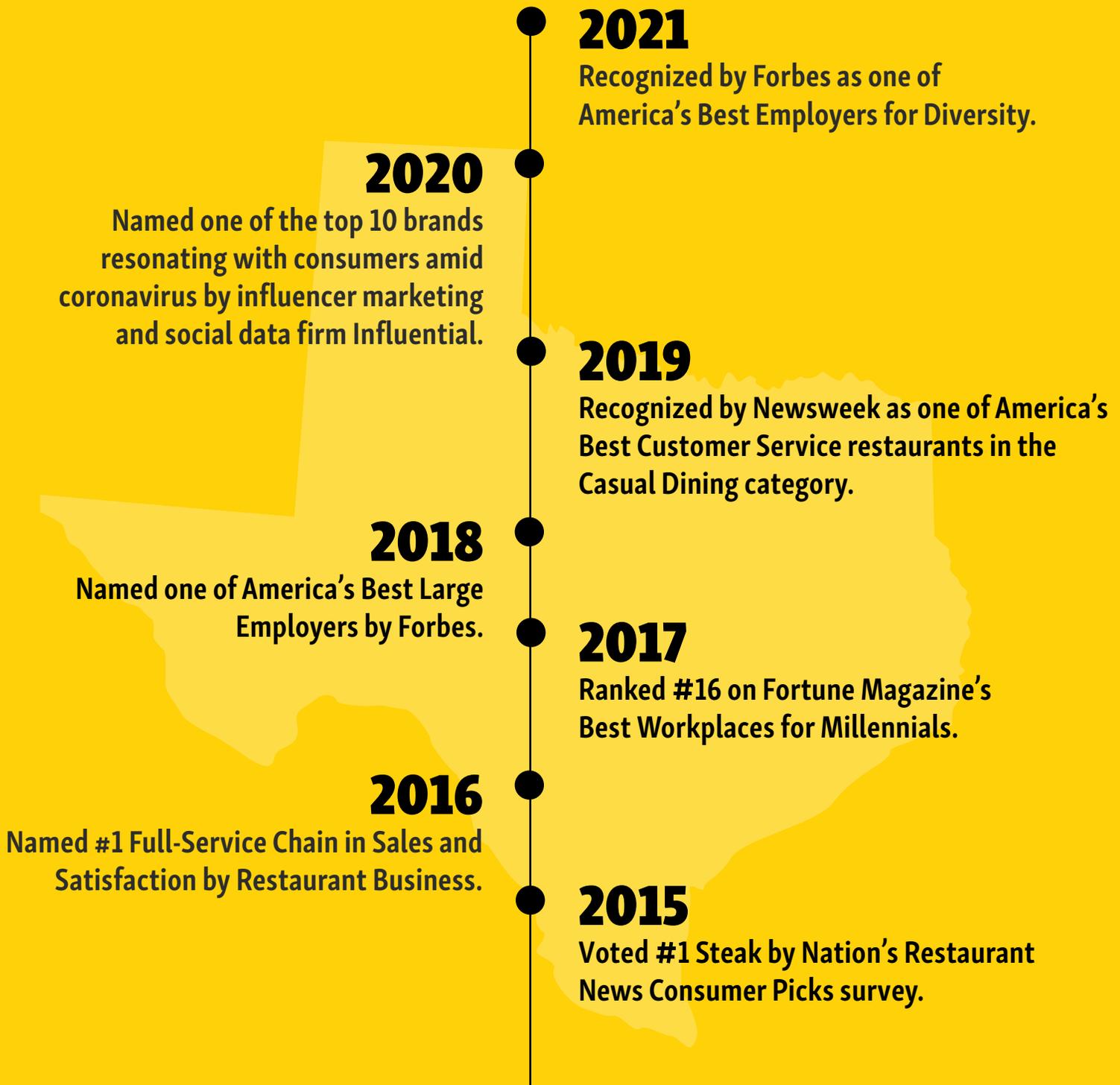
From Kitchen Managers to Service Managers to Support Center employees to our Executive Team, we share the profits of our restaurants with employees at many levels. We give stock to thousands of our employees every quarter. We are proud of our approach to compensation, as we believe having "skin in the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



# 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](http://investor.texasroadhouse.com) and were most recently updated in October 2021.

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## 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](http://investor.texasroadhouse.com).

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## 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.



## 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.

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# 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 October 20, 2017, a long-term partnership with the Arbor Day Foundation was signed to support the replanting of trees in areas affected by natural disasters. Texas Roadhouse has donated \$50,000 each year through 2021.



During 2020 and 2021, we hosted a total of 5 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, 260 trees were planted and 2,492 trees were given out to local residents in Miami, FL; Kingwood, TX; Cedar Rapids, IA; Mobile, AL; and Wilmington, NC.

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**Impact of 2,752 trees over 40 years**

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**Rainwater runoff avoided: 6,712,533 gallons**

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**Air pollution reduced: 14.7 tons**

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**CO<sub>2</sub> sequestered & avoided: 3,321.49 metric tons**

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## 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 2021, we partnered with the Bee Conservancy to sponsor 120 native beehives at non-profits, schools, and other community organizations across the country. These bee homes are low maintenance and provide a healthy habitat for bees to flourish.





## 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.





TEXAS roadhouse



# 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

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☛ Converted parking lot lighting to LED

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☛ Converted lighting to motion sensor-controlled lighting

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☛ Added several electric vehicle charging stations

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☛ Added touchless, low-flow faucets in the restrooms

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

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☛ Converted to recycled paper towels in the restrooms

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☛ Added water bottle filling stations on every floor

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☛ Installed handicap accessible doors to the entry of the building

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

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☛ Added two new gender-neutral restrooms

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☛ Added three new nursing mothers' rooms

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## OUR EXPECTATION FOR CONSERVATION

### 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 Institution (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.

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## Revvng Up for the Future

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.

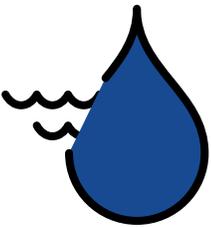
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## Turn Down for Watt

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 over 30 stores with kitchen equipment controllers, which keeps equipment from running overnight. All of these energy monitoring programs further reduce our energy usage. We are continuing to explore other ways to manage our energy usage.

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## We're Saving Water

All new stores open with touchless faucets and many existing stores are making the switch. Currently, approximately 12 of our locations are working on water reduction through a Utility Management System, which hasn't been as impactful as we had hoped. In addition, we have two stores with waterless urinals as well. We will continue to focus on opportunities to reduce our water usage.

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## 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.

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## 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. We are testing a new automated fresh oil system that allows for more efficient filtration. A tank at each store is filled with fresh oil each week by a truck. A piping system delivers the oil from the tank to the fry station automatically. So, it's a two-part sustainability system – less oil consumption and zero plastic cartons going into landfills.

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## 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. As a result of our recycling program, 15,689 tons were diverted from the landfill with a 16.2% diversion rate. This equates to 71,448 trees saved and 39,696 GHG emissions saved. In addition, we have 10 stores that are composting at their locations. We are currently testing composting at our Support Center café too.

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**CORPORATE  
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