

Sustainability

At the heart of The Cheesecake Factory Incorporated is a set of guiding principles based on excellence and quality in everything we do. To achieve excellence, we know we must strive to continuously improve upon our past accomplishments. We are committed to doing what is right, conducting ourselves with integrity and ensuring that our actions follow the highest ethical and professional standards.

We embrace sustainability with these values in mind. For us, the term “sustainability” informs how we operate in relation to the environment as well as our relationship with the food we serve, the people we employ, and the communities that we are a part of.

We recognize that there is an opportunity to go beyond what we are doing today, and our management is investing resources to address sustainability challenges and create value for our business. As a part of this commitment, we partnered with [Hunter Lovins](#), an award-winning sustainability expert, and her consulting firm, [Natural Capitalism Solutions](#) (NCS). Our goal in working with NCS is to develop a sustainability platform that is aligned with our culture and values, and one that is feasible for the complexity of our restaurant operations and financially responsible.

We recognize that sustainability is an evolutionary process of learning and doing—a work-in-progress. The information shared here is a beginning, and as our sustainability work continues to evolve, we will update you on our progress.

OUR FOOD

INGREDIENTS: We prepare our menu items from scratch daily at our restaurants using high quality, fresh ingredients. We use all-natural chicken with no added hormones; premium beef that is Certified Angus, U.S.D.A. American Style Kobe Wagyu; Prime or Choice; fresh fish that is either longline or hook and line caught whenever possible; cooking oils that contain no trans fat according to the U.S. Food & Drug Administration Food Labeling Guidelines; and produce that is mainly sourced directly from premium growers. In addition, we offer Rainforest Alliance certified, sustainably grown coffee, and certified organic black, green and herbal teas.

FOOD SAFETY: Our food safety systems are focused on preventing contamination and illness. Our systems adhere to government regulations and include comprehensive standards and training of our staff, and monthly audits. Our bakery facilities conduct daily food safety and good manufacturing practice audits, and annual regulatory agency audits and food safety and quality systems’ certifications.

In selecting suppliers, we look for key performance indicators relating to sanitation, operations and facility management, good manufacturing and agricultural practices, product protection, recovery and food security. In addition to measuring and testing food safety and security practices, we require all suppliers to have annual food safety and quality system audits, with higher frequency based on risk and performance levels.

SOURCING: While we are committed to providing quality products and services to our guests, we also believe that we should strive to purchase products that are produced, grown, manufactured and/or transported in a manner that addresses the risk of slavery and human trafficking in our supply chain. One of the initial steps we are taking is to formulate processes to evaluate and address the potential presence of this risk in our direct product supply chain, including processes for determining where we are most susceptible to such risks. We are in the formative stages of developing such processes. Once completed, we intend to review our internal compliance on a periodic basis. To learn more about our supply chain practices, please visit the [Supply Chain](#) page on our website.

We continuously evaluate our supply chain to source the best possible ingredients. We believe in responsible food sourcing and recently took the step to work with our pork suppliers to eliminate gestation crates from our supply chain by a 2022 target date.

OUR PEOPLE

We know that our success stems from our exceptional team of more than 32,000 managers and staff in our restaurants, bakery facilities and our corporate support center.

DEVELOPMENT: We devote considerable resources to training and development. By making this area one of our highest priorities we have what we believe to be the most comprehensive training program in the industry. We offer tools ranging from a state-of-the-art online Learning Management System to extensive and continuous restaurant management training and development, including mentoring and coaching. We design unique programs for our new managers, provide broad classroom and side-by-side restaurant staff member training programs, and corporate and bakery training programs targeted to specific professional and skill development requirements.

BENEFITS: We take a holistic look at the total rewards package that we offer to our staff members, including competitive wages/salaries, benefits and wellness programs. We currently offer full-time benefits to all staff members who work 25 hours per week or more and place an emphasis on staff member wellness.

RETENTION: Our customized selection process enables us to select the best talent in the industry, matched to the right position. This approach, combined with our dedication to the growth and development of our people through innovative training and sustaining learning, are significant factors in our industry-leading retention levels.

DIVERSITY: For over 10 years, we have supported the Women's Foodservice Forum, which provides a platform for our women leaders to focus on their professional development. We continue to increase the percentage of women and minorities hired into management and promoted into senior positions. In addition, recognizing that a large percentage of our staff members in our bakery facilities and in our restaurants are not native English speakers, we provide many of our documents and communications in Spanish to ensure that we are effective in our outreach to staff, and we are piloting a program that provides English as a Second Language training.

OUR RESOURCES

ENERGY:

- **Lighting:** Following an assessment of the light bulbs we use in all of our restaurants, we completed a re-lamp in each restaurant by installing low wattage bulbs. This reduces our kilowatt usage by 2% to 3% each year based on a standard 10,000 square foot restaurant. In addition, we upgrade our lighting to more energy efficient products as they become available, and we are currently testing new LED lighting to replace neon lights, which is currently being used in certain areas of our restaurants.
- **Heating, Ventilation, Air Conditioning (HVAC):** We are installing energy efficient HVAC models in all of our new restaurants and as replacement units in our older restaurants. We select HVAC units with the highest possible Seasonal Energy Efficiency Ratio (SEER) rating.
- **Kitchen Ventilation:** We are testing a new demand ventilation system, which automatically adjusts the exhaust and make up air fan speed by measuring the temperature, steam and smoke in the hood. The fan speed ramps up or down as needed, reducing the amount of fan energy utilized as well as conditioned air brought in during slower or idle cooking times.
- **Solar Thermal System:** We installed a solar thermal system consisting of 20 solar panels and an 800-gallon solar water tank in one restaurant to test the use a renewable energy source to heat our water. Based on an evaluation by Pacific Gas & Electric (PG&E), this solar thermal system may help us reduce our carbon emissions by approximately 43,000 pounds per year. To learn more about this test, please

read the [PG&E case study](#), which is available on our website.

- **Energy Saving Best Practices Guide:** Working in conjunction with an energy consultant, we prepared a best practices guide to educate our restaurant operators on ways to minimize energy consumption in their restaurants.

WATER: We are in the process of installing flow control valves in all of the sinks in our restaurants (including restroom, utility and hand sinks), as well as switching to water brooms to clean our patio floors. The valves and the water brooms restrict the water outflow, thereby reducing our water and sewer usage.

WASTE:

- **Organic Waste Digester:** In a number of our restaurants, we installed an 800-pound organic waste decomposition machines that process leftover food, such as fruits, vegetables, meats, poultry, fish and other food waste. These machines' only byproduct is wastewater that drains into our sewer system. In addition to reducing the volume of our waste that goes into landfills, the digester also reduces the frequency of our trash pick up and our use of industrial trash bags.

- **Waste Services:** In 2012, we consolidated our waste services vendor into one national supplier. There are a number of benefits to doing so, including an evaluation of current waste services in each of our restaurants and a 'right-sizing' program to modify trash collection at each restaurant based on need rather than a standardized schedule.

RECYCLING: We mandate the use of 100% recycled material in our paper napkins and paper towels. In addition, our paper napkins are made by a new, state-of-the-art machine that produces napkins twice as fast while using half the amount of energy. In our West Coast bakery facility, we are in our second year of a recycling program, which includes scrap metals, organic waste and paper, plastic and corrugated cardboard waste. From the inception of the program in April 2011 through the end of last year, our West Coast bakery saved approximately 5,000 trees, 100,000 gallons of oil, 1 million kilowatts of electricity, 15,000 pounds of air pollution, 2 million gallons of water and 1,000 cubic yards of landfill space. We are developing a similar program at our East Coast bakery.

PACKAGING: Our restaurant to-go boxes are made of a Polypropylene (PP) base and a Polyethylene (PETE) lid. Both PP and PETE are the most recycled resins in the country. In addition, we established a specific case size of our to-go boxes to maximize each truckload, resulting in fewer deliveries, less fuel utilized and fewer emissions. In our bakery facilities, we eliminated the use of Styrofoam in packaging our cheesecakes for shipment of ecommerce orders. All of our bakery products ship in recyclable corrugated containers from suppliers that are members of the Corrugated Packaging Alliance.

GREEN TEAMS: Our restaurants are encouraged to form 'Green Teams' to establish goals for their restaurants on additional sustainability actions that can be taken at a local level. Projects include recycling, waste reduction, water conservation, and other steps to drive awareness and change.

OUR COMMUNITIES

FOUNDATION: Recognizing our ability and responsibility to serve a greater purpose, we established The Cheesecake Factory Oscar & Evelyn Overton Charitable Foundation (Foundation) over a decade ago to give back to the communities our restaurants serve, as well as unite and support our staff members in causes important to them.

Although our Foundation is involved in numerous programs, its most profound avenues of support include:

- **Annual Invitational Charity Golf Tournament** to raise money for the City of Hope, a leading research and treatment center for cancer, diabetes and other life-threatening diseases. Since the inception of this event in 2003, the Foundation raised more than \$2 million for City of Hope.

- Annual Thanksgiving Day Feast for The Salvation Army. Staff from our restaurants join forces with volunteers from our corporate support center and bakery facilities to prepare and serve a full-service, traditional Thanksgiving dinner to those in need. Now in its 11th year, the event has grown to more than 3,000 staff members serving over 6,000 meals in 13 cities across the U.S.

- Sponsorship of The Cheesecake Factory ‘Secret Ingredients’ staff member teams. This is our way of inspiring staff to get involved in local or national fundraising or community service projects. Organizations receiving support include the American Cancer Society, Juvenile Diabetes Research Foundation, Make-a-Wish Foundation, Autism Speaks and AIDS Walk, to name just a few.

COMPANY: In addition to the work done by our Foundation, we are also active in community service. As a “Mission Partner” to Feeding America®, the nation's leading domestic hunger-relief charity, we donated more than \$2 million to this organization since 2008. In addition, each September, staff members across the country support “Hunger Action Month,” Feeding America’s month-long campaign to bring awareness to and help fight domestic hunger, by donating peanut butter to local food banks. In 2012, we donated over 175,000 pounds of peanut butter.

We also participate in the Harvest Program®, a national program through which our restaurants donate surplus food to local and regional feeding agencies for distribution to soup kitchens and homeless shelters. Since inception of the program in 2008, our restaurants donated 1.8 million pounds of food, the equivalent of 1.8 million meals.

Each of our restaurants also participates in a Gift Card Donation Program, providing gift cards to local schools and charities for fundraisers and auctions. Since formalizing our Gift Card Donation Program in 2006, we have donated more than \$3.6 million in gift cards to our local communities.