

STAND FOR SOMETHING GOOD®
2021 SUMMARY

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ABOUT THIS SUMMARY

This summary provides a high-level overview of Shake Shack's domestic, company-owned operations for the 2021 calendar year (unless otherwise noted).

Also included are new or upcoming responsible business initiatives. We're taking this opportunity to share our status and, as we continue to evolve our strategy, we'll share our progress through subsequent updates. In creating this report, we've engaged stakeholders; collected and audited our environmental, social, and governance (ESG) data; worked with our leadership team to ensure alignment; partnered with suppliers to highlight their like-minded practices; and identified key wins and opportunities in the future.

Building on our previous summaries, we have now included our first Scope 1 & 2 emissions analysis, with insights that set the foundation for the next part of this journey in Standing For Something Good. As we continue to elevate our brand and global impact, we're genuinely thankful for you taking the time to read our summary. ESG reporting is an evolving journey, and we're always looking for opportunities to do better. We look forward to any feedback or questions you might have. Questions or requests can be sent to investor@shakeshack.com.



LETTER FROM OUR CEO

Stand For Something Good. It's a simple mission that guides everything we do: using the best ingredients, looking out for our communities, and providing unforgettable experiences for our guests, teammates, and partners. Doing good is in our roots, a part of our DNA—and, 20 years later, we continue to expand and evolve what that means in all areas of our business.

In 2021, Standing For Something Good took on a whole new level of importance as we continued to come together to face COVID-19. Our teams' health, safety, well-being, and that of our guests remained our top priorities. While we are still managing the impact of the global pandemic, I continue to be humbled by the actions of the entire Shake Shack family, who have led with hard work and commitment while doing what we all love. Our core values—the very values detailed in this third installment of our Stand For Something Good Summary—are never more important than during times of crisis.

I am so proud of everything our team accomplished in 2021. We doubled down on safety, brought awareness to important causes we are passionate about in our local communities, and collaborated with world-renowned chefs as we continued to serve elevated food made with premium ingredients. We opened new locations at home and abroad, while enhancing our digital platforms and creating more convenience for the Shack experience.

We made commitments to drive positive change as a company, which you'll see detailed throughout this report. These commitments included fostering and growing our Employee Resource Groups, partnering with The Trevor Project to support the LGBTQ+ community, advancing our

"As we move into the next chapter of the Shake Shack story, we remain committed to investing in what makes us so unique: our amazing teams, premium ingredients, innovative digital offerings, incredible spaces, and an uplifting guest experience."



sustainability efforts by investing in regenerative farming, and—for the very first time—measuring our Scope 1 & 2 emissions to take informed steps toward progress.

I am grateful for our teams worldwide, who continue to embody the values we've held since Shake Shack began as a hot dog cart to raise funds for a public arts project to help revitalize Madison Square Park. We still have work to do, but I'm excited for the year ahead as we're getting back to what we do best: bringing people together over a great meal.

Randy Garutti, CEO



OUR COMMITMENTS

We Stand For Something Good® in everything we do. That means carefully sourced premium ingredients from like-minded purveyors we admire and love; thoughtful, well-crafted, responsible design for its place; and a deep commitment to community support through donations, events, and volunteering.

“Having elevated food and being an asset to our neighborhoods (and making sure our guests understand that) are table stakes for getting our brand purpose across. We are emphasizing ingredients and experiences more than ever in our owned and earned channels, and as we continue to tell our brand story, you’ll see us focus even more on experiences while continuing to define what Standing For Something Good really means.”

– Jay Livingston, Chief Marketing Officer



WE ELEVATE EVERYTHING WE DO

**WE DELIVER ENLIGHTENED
HOSPITALITY AT EVERY TOUCHPOINT**

**WE GATHER COMMUNITIES AND
ENRICH OUR NEIGHBORHOODS**

**WE DO THE RIGHT THING AND HOLD
OURSELVES ACCOUNTABLE**

**WE EMPOWER OUR TEAM TO ACT LIKE
ENTREPRENEURS**



BUSINESS SNAPSHOT



9,695

Team Members

NYC

Headquarters

369

Total Shacks

218

Domestic
Company-Operated
Shacks

25

Domestic Licensed
Shacks

32

States &
Washington, D.C.

126

International
Licensed Shacks

15

Countries

Data as of Q4 2021

2021 Openings

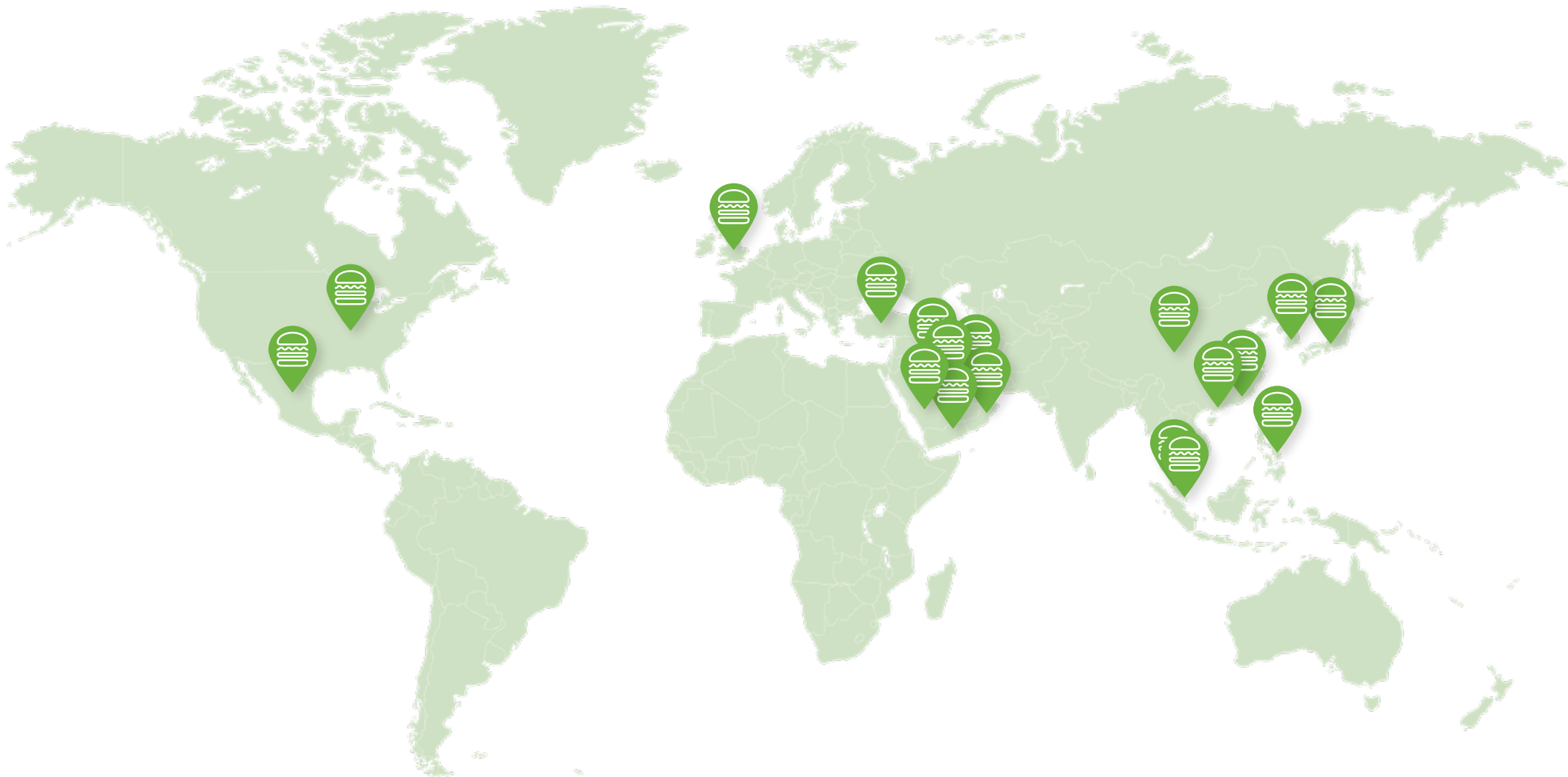
26

New Licensed
Shacks

4

International
Markets

We made a home in new cities around the world including Macau, Shenzhen, Hangzhou, and Monterrey.



2021 Recognition



Thrillist's Fasties Awards: Thrillist's second-annual fast-food awards, The Fasties, honored the best foods from guests' favorite chains (this is not one we submitted for, they selected winners themselves).



This year, for the fourth year in a row, we earned a 100% score on the Human Rights Campaign Corporate Equality Index and they named us a best place to work for LGBTQ+.



QSR Magazine's QSR 50 Contenders: While Shake Shack's numbers fell just outside the QSR 50 list, we were placed atop the "Contenders" list (the next 15).



NAVIGATING A GLOBAL PANDEMIC

Throughout the COVID-19 pandemic, our Shake Shack suppliers, guests, and communities have been resilient and uplifting in the face of unprecedented challenges. Our actions in 2021 to date have been guided by key pillars we established toward the beginning of the pandemic:

- **Health + well-being of our team members, guests and suppliers:**

Enhanced our cleaning and safety protocols in our Shacks and our home office.

- **Deliver responsible and enlightened hospitality at every touchpoint while serving our communities:**

Leveraged contactless channels to deliver our food to guests.



SOCIAL IMPACT

“Doing good is in our roots, a part of our DNA since day one. 20 years later, we’re still continuing to expand and evolve our mission to Stand For Something Good in everything we do.”

– Randy Garutti, CEO



2021 SOCIAL IMPACT MILESTONES



January

For the fourth year in a row, we earned a 100% score on the Human Rights Campaign's Corporate Equality Index for our support of LGBTQ+ team members in the workplace



June

Created a new Employee Resource Group (ERG) focused on the AAPI Community—as of 2021, we now have five ERGs (Refer to page 25 for more on ERGs)



November

Executed five Stand Together Series events to drive additional diversity education and awareness for our team members



April

Investment in our team members, including wage increases for Shack level team members, over half of our Shack team members received raises, and sign-on bonuses for new hires at our Shacks starting in Q2 2021. Impact of more than \$9Million of wage increases



August

Launched two custom DEI 101 courses in August for all team members to drive awareness and action in support of companywide diversity, equity, and inclusion goals



December

Launched two additional cohorts of Shift Up (a leadership development program providing Shift Managers with the professional skills needed to advance to Manager roles), and doubled the number of graduates from our ongoing cohort



GIVING BACK

Corporate Social Responsibility

In 2021, Shake Shack raised nearly a quarter of a million dollars of direct financial contributions for causes we believe in, including:



\$50K
Pride Shake

We have a strong history of supporting the LGBTQ+ community and rolling out national Pride campaigns. We collaborated with The Trevor Project to support its mission of ending suicide amongst LGBTQ+ youth. We also continue to pledge year-round internal support via our HRC Corporate Equality Index 100% score and HEROIQ+ Employee Resource Group.

\$111K
25% Donation Days

We support our communities and neighbors through these traditional restaurant fundraisers. Scheduled in advance with a local nonprofit, 25% of all participating checks are donated back to the organizer, and in 2021, we nearly doubled our donation amount.

\$34K
1% for the Planet

As a longtime partner, Shake Shack donates 1% of sales from our bottled water to 1% for the Planet, which directs funds to environmental nonprofits around the world, a contribution that grew by nearly 50% vs. last year.

\$32K
Fresh Air Fund

As part of our virtual summertime event series “Shack Camp,” we partnered with our longtime friends at New York City-based Fresh Air Fund to directly support campers impacted by COVID-19 facility shutdowns.

\$21K
Now Serving

We raised \$21K across seven collaborations for nonprofits supporting restaurant communities. Nonprofit partners included ROAR, Heart of Dinner, Southern Smoke, Rethink Food, Giving Kitchen ATL, and Inspiration Kitchen.



NOW SERVING

In 2021, we launched Now Serving: a program where we partnered with 6 renowned chefs (from Michelin starred to the World’s 50 Best Restaurants) across 5 cities nationwide, with multi-day activations, that brought one-of-a-kind culinary creations and experiences to life. Proceeds from our events went to 7 different nonprofits—all supporting restaurants and chefs impacted by the pandemic—with \$21K in total donations.



NOW SERVING

A COLLAB SERIES BY
SHAKE SHACK



And more collabs comin' up
across the country!

CHRIS SHEPHERD

HOUSTON | 3.04

PINKY COLE

ATLANTA + NEW YORK | 4.08

JUNGHYUN PARK

NEW YORK | 5.06

SARAH GRUENEBERG

CHICAGO | 6.17

DOMINIQUE CRENN

SAN FRANCISCO | 7.22

JJ JOHNSON

NEW YORK | 9.23

Chris Shephard

Location: Rice Village & Montrose (TX)

Menu item: Crispy chicken sandwich topped with Chris Shephard’s spicy bacon jam

Donation Amount: \$3,849

Southern Smoke: a Houston-based, national crisis relief organization that provides support for individuals in the food and beverage industry.

“To come by and put some money toward Southern Smoke, you can’t ask for more than that,” he said. “**The team has been so supportive and that’s the thing Shake Shack exemplifies: courtesy and kindness—it’s been a pleasure and an honor working with them.**”



Pinky Cole

Location: Old Fourth Ward (Atlanta) + NYC (Harlem)

Menu item: 100% vegan SluttyShack burger featuring Shake Shack’s veggie patty

Atlanta Donation Amount: \$2,787 + **Harlem Donation Amount:** \$3,008

Giving Kitchen (Atlanta): a local Atlanta nonprofit that provides crisis mitigation for food service workers through financial support and a network of community resources.

ROAR (NYC): a community of hospitality leaders advocating for New York City’s independent restaurant industry and creating a path to a sustainable future.

“Philanthropy is the core of who I am, and **I’m encouraged by Shake Shack’s aligned outlook on giving back to its communities.** Our goal with this collab is to build support for communities and industries close to our hearts.”

Junghyun Park

Location: Madison Square Park NYC

Menu item: Atoboy Shrimp Burger

Donation Amount: \$2,892

Heart of Dinner: a nonprofit that supports Asian restaurants in an effort to combat food insecurity and isolation within New York City’s elderly Asian American community.

“I am thrilled to be partnering with Shake Shack to present our Atoburger, inspired by the contemporary trend of shrimp burgers in Korea, with added elements such as the crispy hash brown and Atoboy’s hot sauce,” said Chef Junghyun Park. “**We’re grateful for the philanthropic core of the Now Serving series** to highlight the amazing work of Heart of Dinner, providing food security to seniors in the local Asian American community.”



Sarah Grueneberg

Location: River North, Chicago

Menu item: Monteverde Chicken Parm

Donation Amount: \$2,569

Inspiration Kitchens: a nonprofit that trains low-income and homeless Chicagoans for careers in the food industry—giving them the opportunity to leave poverty for good.

“**We’re so happy to find a fun and delicious way to support Inspiration Kitchens**, a charity that’s near and dear to our hearts. The money raised from the Parm will provide meals, job training and mentorship to the Chicago community.”

Dominique Crenn

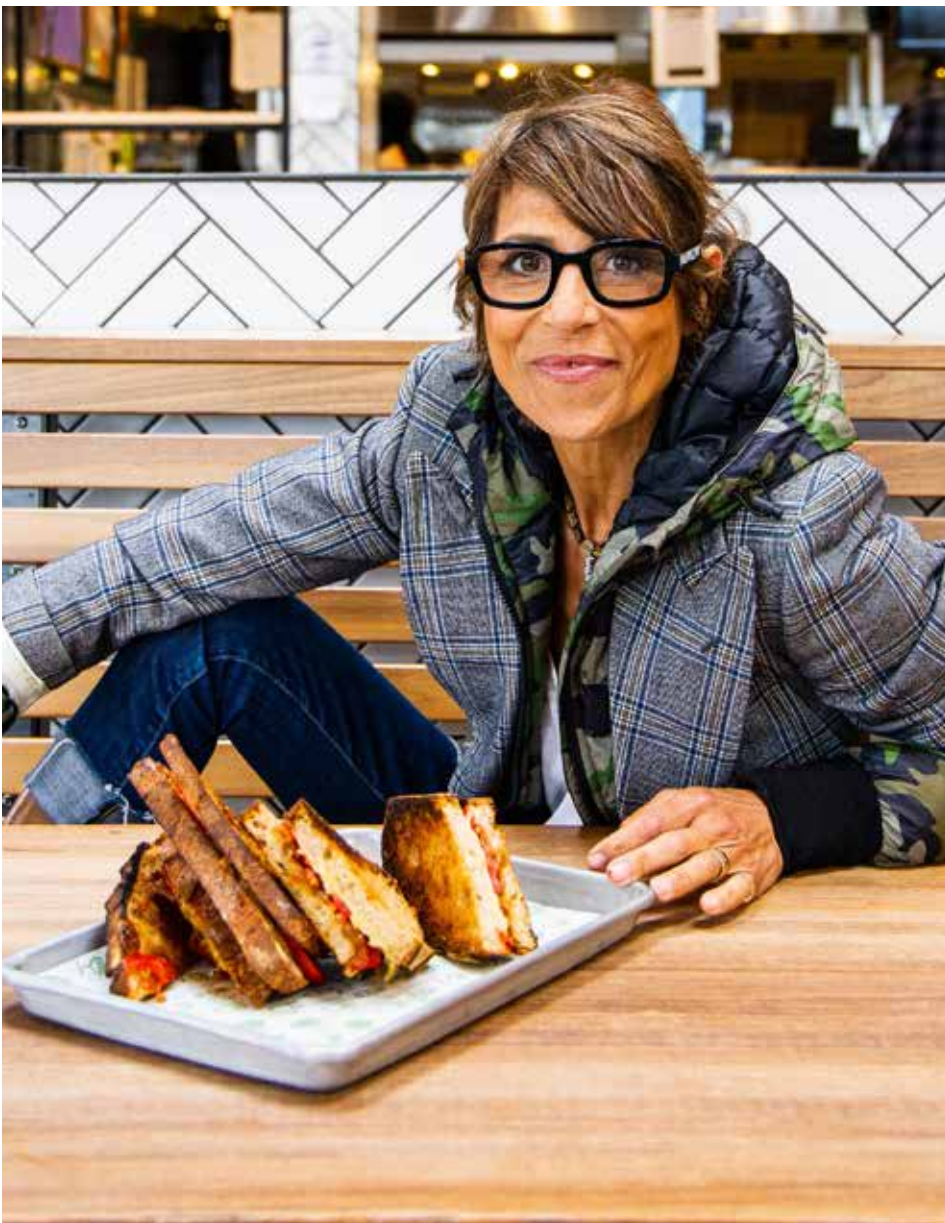
Location: Cow Hollow (San Francisco)

Menu item: Dominique Crenn’s Grilled Cheese

Donation Amount: \$5,560

La Cocina: cultivates and creates economic opportunities for low-income food entrepreneurs, primarily immigrant women and women of color, as they formalize and grow their restaurant businesses.

“I am a big fan of Shake Shack and jumped at the chance to work with Mark Rosati on the “Now Serving” collaboration series,” says Dominique Crenn. “I’m so excited to share my grilled cheese sandwich with the neighborhood. It will highlight two of my favorite local purveyors, Bohemian Creamery and Tartine Bakery, and showcase the beautiful tomatoes grown in Sonoma at my very own Bleu Belle Farm. I’m very grateful for the inspiration that San Francisco provides me daily and will take this opportunity to also give back to one of my favorite local nonprofits, La Cocina.”



JJ Johnson

Location: Harlem

Menu item: Little J’s BurgerCurry + Crunch Fries

Donation Amount: \$1,367

Rethink Food: collects food excess from restaurants, grocery stores, and corporate kitchens to provide nutritious meals for people living without food security at low cost.

“When I think of collaborations for myself and FIELDTRIP, I always look to align with brands that have similar views and values. **Shake Shack is all about the community and what better place to collaborate than with the Harlem Shake Shack**, in the place I call home.”



SHAKE SHACK AROUND THE WORLD

MEXICO



Burger by Chef Jorge Vallejo of Quintonil (CDMX)

In June of 2021, we hosted our first-ever chef collaboration in Mexico City alongside Chef Jorge Vallejo of Quintonil, one of “The World’s 50 Best Restaurants.” Shack fans were eager to line up early to get their hands on our one-of-a-kind burger featuring: Quintonil guacamole, a Shack beef patty with Alma Tierra queso, and pork belly topped with agave BBQ sauce, heirloom tomatoes, and spicy Shack Sauce. The Quintonil Burger sold out both days and was the perfect way to celebrate our two-year anniversary in Mexico.



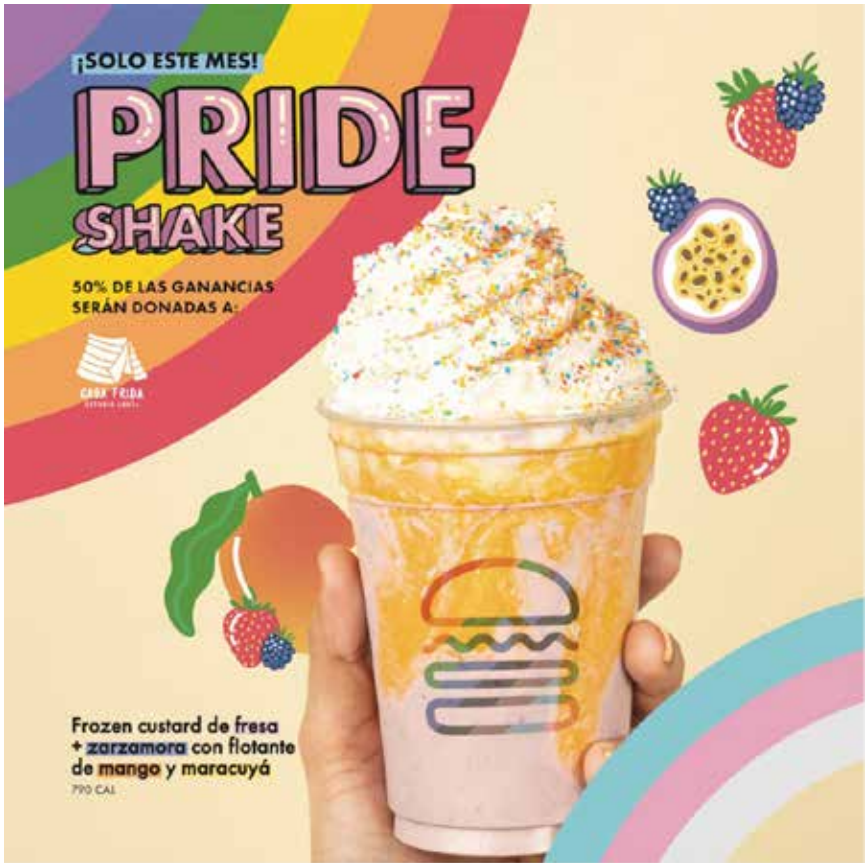
Retail Collab with Acapella (Monterrey)

In celebration of our first Shack in Monterrey, we partnered with Acapella, a premium T-shirt brand born in Monterrey, to create a co-branded graphic T-shirt. Shirts were seeded to local influencers ahead of the opening day events, and many guests proudly sported their shirts at the Arboleda Shack Housewarming Party. The Shake Shack x Acapella shirts were available for purchase in the Arboleda Shack as well as on Acapella’s website, while supplies lasted.



Local Artist Collab for Shack Opening (Roma, CDMX)

We partnered with local artists Ana Elena Mallet + Mariana Lozano to announce our arrival in Mexico City’s vibrant Roma neighborhood. The design has also been adapted as permanent artwork inside the Shack. It highlights the places, design, and culture that embody the spirit of the Roma neighborhood.



Pride Shake (CDMX)

During Pride Month in Mexico City, 50% of proceeds from our Pride Shake sales went to Casa Frida, a shelter in Mexico City that provides rescue, accommodation, care, and comprehensive health care for LGBTQ+ people fleeing extreme violence, persecution, and displacement.



Huracan Art Studio Shack Mural (Arboleda, Monterrey)

In celebration of our arrival in Monterrey, we partnered with a local design studio, Huracan, to create a mural that brings to life the spirit of Monterrey through colorful illustrations of the local neighborhood combined with New York City elements.



Local Filipiana Design in Shack by Hacienda Crafts (Greenbelt, Manila)

The first Shack to feature Filipiana elements throughout its design, Shake Shack Greenbelt collaborated with local designers to make a distinct community gathering place. Inspired by the texture and lightness of the Filipino handwoven mat, or banig, and pendant lamps handcrafted and handwoven out of Arurog vine by Hacienda Crafts, Shake Shack Greenbelt uses natural materials such as rattan and timber, affording a localized design to the space.



Anniversary Collab with Yardbird (Hong Kong)

In celebrating the third anniversary in Hong Kong, we collaborated with Michelin-starred modern Japanese izakaya restaurant Yardbird HK at Shake Shack ifc. Mark Rosati worked with Chef-Owner Matt Abergel for three limited menu items: Chicken Katsu Sando—Yardbird HK's locally raised triple yellow chicken topped with Bulldog Japanese tonkatsu sauce and creamy shredded cabbage slaw—Flaming Chick'n Bites tossed with Flaming Hot Sauce, and Sunday's 50/50 Whisky, a canned cocktail made with Shake Shack's Fifty/Fifty (half lemonade, half organic iced tea) and Sunday's Whisky.



Anniversary Collab with Hanilkwan (Korea)

We've officially been in the Korean market for five years! To celebrate, South Korean Shacks served a Bulgogi Burger topped with traditional bulgogi from old-school local restaurant Hanilkwan, bulgogi mayo, sesame seeds, gouda cheese, lettuce, and pickled vegetables, as well as a Makgeolli Shake using makgeolli from Jipyeong (a third-generation family business).

OUR CULTURE

“At Shake Shack, people are the core of who we are and what we stand for. Our people are central to all our decisions, and we actively work to foster an environment of hope, optimism, affirmation, and ongoing learning.”

– Diane Neville, Chief People Officer



OUR TEAM



Working at Shake Shack is more than making a great burger. It's all about **creating elevated experiences for our team members and guests.**

We provide the skills and ongoing learning to build a rewarding career at one of the fastest-growing hospitality brands in the world. We are in an endless pursuit to ensure every team member is empowered to make an impact in both our restaurants and the communities we call home.

Our inclusive culture and welcoming environment complement our modern take on classic food.

We are **committed to doing the right thing for our teams, guests, and communities.** We challenge ourselves, hold each other accountable and take care of one another.
We Stand For Something Good.



2021 PEOPLE MILESTONES

**1,522
New Jobs Created**

Expanded our parental leave benefits to include additional bonding leave for birth and non-birth parents

Launched new development programs that support women and people of color. **Including a women's leadership development program with senior Shake Shack women participating**

Earned a 100% score on Human Rights Campaign's Corporate Equality Index for the fourth year in a row, further underscoring our support of the **LGBTQ+ community** in the workplace

2,835 internal promotions, with 56% going to women and 73% going to people of color, almost double the number of promotions from 2020

Continue to pilot a four-day work week schedule for hourly team members in select Shacks to provide a more stable schedule and **support a better work-life balance**

Made incremental progress toward achieving our five year diversity targets focused on increasing the representation of women and people of color in leadership roles

Disbursed over \$84,000 in grants to team members from the **HUG Fund**; highest amount disbursed in the history of the **HUG Fund**



HUG FUND

The **HUG (Help Us Give) Fund** is our 501(c)(3) organization created by Shake Shack to support our internal expression of the First Tenet of Enlightened Hospitality—taking care of each other. The HUG Fund is a way for us to **provide quick financial assistance to team members impacted by emergency circumstances beyond their control and means.**

Since launching in 2017, the **HUG Fund** has **helped nearly 90 team members** deal with hardships such as loss of income due to the pandemic, major medical setbacks, homelessness or housing insecurity, and other family emergencies. **In 2021 alone, we helped 44 team members get back on their feet by providing just-in-time grants averaging approximately \$1,960.**

Shack Shake team members fully fund the HUG Fund, and last year, team member contributions **increased by 38%** over the prior year and the highest in the history of the Hug Fund.



88

Grants Made Since Program’s Inception

44

Team Members Received Grants in 2021

\$1,960

Average Grant

Fully Funded

By Shake Shack Team Members



TALENT DEVELOPMENT

Our new Learning and Talent Development strategy encompasses an intentional mission and a leadership journey rooted in our organizational competencies, which will serve as the bedrock of our talent strategy for years to come. They will be interwoven into every facet of our people business, from job descriptions to performance reviews, and help focus team members' behavior on things that matter most to an organization and help drive success.

Our mission is to provide opportunities for growth by promoting, supporting, and enabling learning across the enterprise.

Promote:

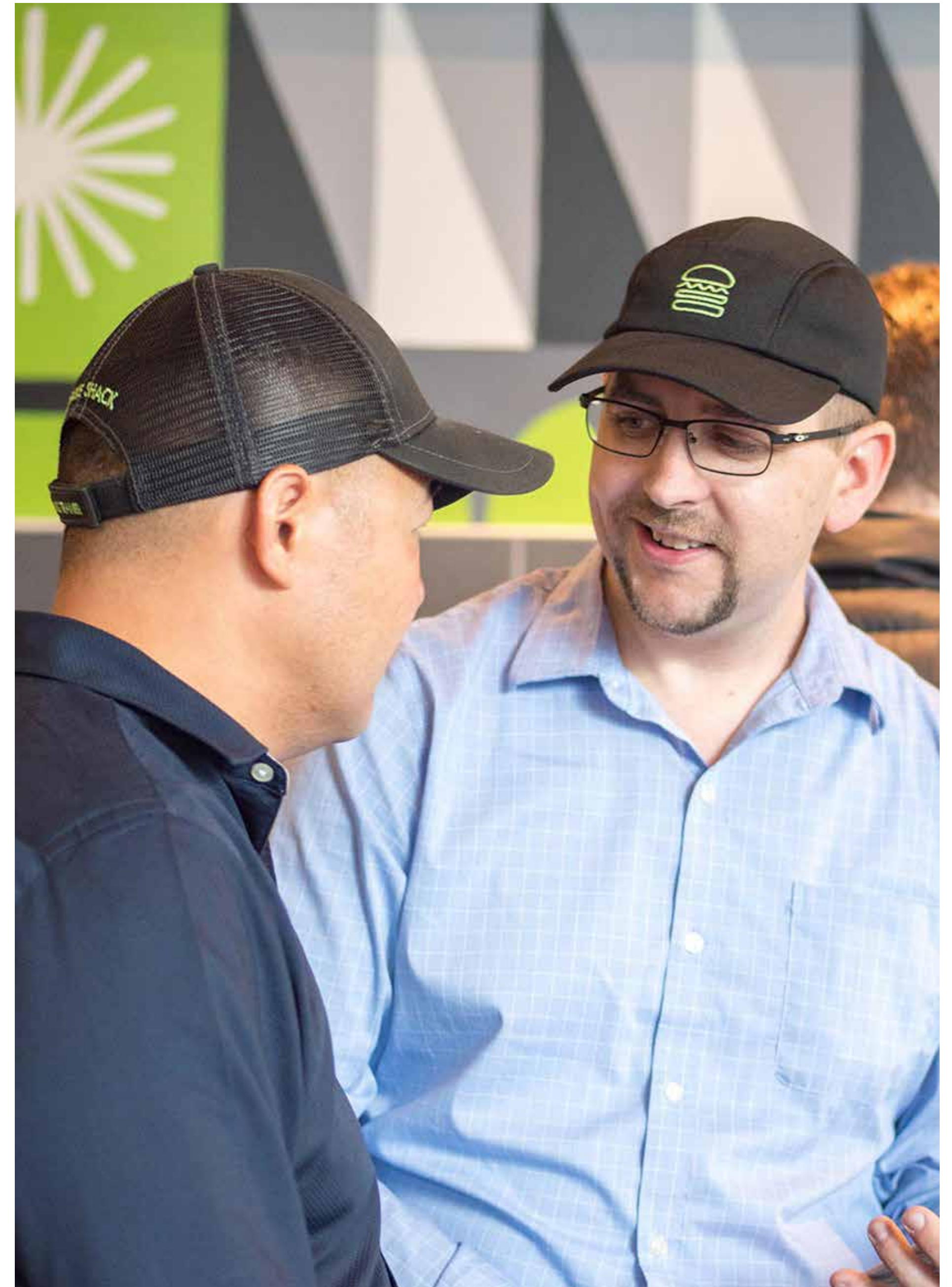
Continue to ensure awareness and help team members take responsibility for their own continuous personal learning and development by launching our new organizational competency series.

Support:

We will help managers develop individual potential and talent and build their coaching and leadership skills.

Enable:

We enable growth for all team members by creating modern content via training software, partnering to build a new DEI curriculum, elevating our mentoring program, and providing unique, robust developmental experiences at our retreats and events.



TALENT DEVELOPMENT PROGRAMS

Through classroom-based instruction, experiential learning, and peer-to-peer networking, participants develop their skills in professional and business communications, finances, personal life management, and leadership.

- Since launching in 2020, we have **graduated three cohorts of Shift Up**, our new leadership development program for early career managers. **Shift Up provides team members with training to help improve their skill set and grow their confidence to become senior leaders in our Shacks.**
- In 2021, we **piloted** a women's specific development program in partnership with **Bonfire**. Their **cohort experience approach prioritizes diversity and inclusion**, to create a powerful collective dynamic where women find a sense of belonging, a network for accountability, and a community for support and growth.
- In 2022 we are evolving our **MentorSHACK** program to **better harness the impact these critical relationships can have for every team member involved.**
- This May, we will gather 1,000 of our top leaders from our Shacks and home offices for a chance to connect, learn, and grow at our Leadership Retreat.



COMPENSATION + BENEFITS

We evaluate our benefits + comp practices with a diverse workforce in mind, and:

Expanded Parental Care Benefits

- Increased the paid leave to 12 weeks for birth parents
- Increased bonding time for non-birth parents to four weeks
- Extended these parental leave benefits to our Shift Manager population
- Companywide eligibility for our employee assistance program, which includes access to free counseling services and housing assistance

Continued to Pilot a Four-Day Work Week

Piloting four-day work weeks for hourly team members to provide more consistent and stable schedules that allow for more work-life balance.

\$9 Million in Wage Increases

Over half of our Shack team members received raises and new hires received sign-on bonuses starting in Q2 in 2021. **Impact of \$9 million for wage increases.**



DIVERSITY, EQUITY + INCLUSION

At Shake Shack, our commitment to our teams and their success is unwavering. We strive to uplift, inspire, and connect people and do so in an environment that is welcoming and inclusive. We believe that recognizing, appreciating, and applying the diverse insights, perspectives, and backgrounds of each person cultivate an atmosphere of belonging where everyone can contribute and do their best work.

Fostering a culture that is equitable and reflective of the rich diversity that exists within our communities is consistent with our mission to Stand For Something Good. Building on the momentum after formalizing our DEI strategy last year, in 2021 we:

Launched our fifth employee resource group focused on the Asian American and Pacific Islander community

Created two custom diversity, equity, and inclusion eLearning modules as part of our diversity, equity, and inclusion curriculum

Continued our efforts to educate, connect, and inspire action through our Stand Together Series

Increased the number of women and people of color in leadership positions in our Shacks



EMPLOYEE RESOURCE GROUPS

Our Employee Resource Groups (ERGs) were created to help empower our team members and strengthen the Shake Shack community.

Led by volunteers and sponsored by members of our Executive Team, our ERGs actively work to educate the broader company on their demographic group; support each other through mentoring, networking, and professional development; and provide their unique perspective on business initiatives.



Allies Committed to
the Contribution Empowerment,
Success, Support, & Inclusion
of Black Leaders Everywhere



Support, Hustle, Empower



Helping to Educate Regarding
Orientation, Identity & Queerness+



Asian Americans Represented
Connected Heard!



Amplifying Latinx/Hispanic
Inclusion by Ableing Development,
Opportunities, and Support

“Our employee resource groups provide a different type of workspace for members to share perspectives, ideas, and solutions that serve to enhance the team member experience and our overall business.”

– Zach Koff, Chief Operating Officer



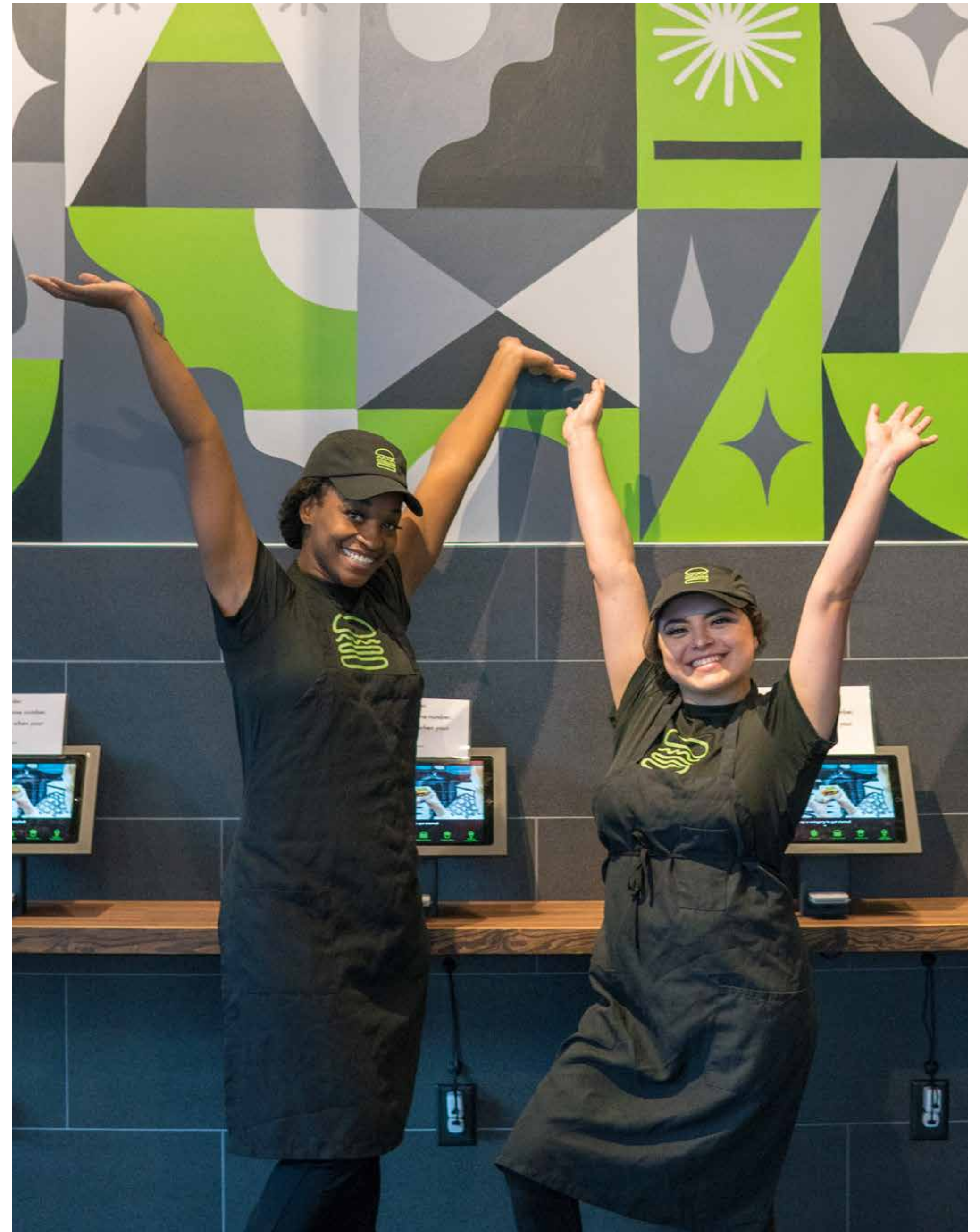
EDUCATION + AWARENESS

We created a custom diversity, equity, and inclusion course as part of our growing leadership curriculum. This foundational course was rolled out to all Shake Shack team members, with the goal of developing a common language and understanding for why diversity, equity, and inclusion matter to our organization.

Our Stand Together Series, is an internal storytelling platform used to educate, connect, and inspire our team members to take action to create a more equitable and inclusive world. Through the series, we have amplified the stories, experiences, and voices of diverse team members, vendors and suppliers, and community partners.

The 2021 Stand Together Series featured a fireside chat with representatives from Equal Justice Initiative, a Fearless Female Leaders of Shack panel discussion with top women within the company; conversations on the Asian American experience with prominent Asian American chefs; and community organizations.

The Trevor Project joined us as part of the June series event to help educate our teams on the issues impacting the LGBTQ+ community, and we wrapped up the year with a feature of Latinx leaders from two of our supplier partners sharing their personal stories and lessons on leading dynamic and diverse teams.



LGBTQ+ INCLUSION

The Human Rights Campaign recognized Shake Shack as a Best Place to Work for LGBTQ+ Equality for our inclusive benefits policies and workplace practices. We are committed to creating welcoming spaces for our team members and guests, and continue to do so by:

Educating our team members on how to be an ally through our new ally guide, created by our LGBTQ+ ERG.

Encouraging team members to share their pronouns and gender identity beyond binary classifications within our internal human capital system.

Taking action to reclassify more single-stall restroom facilities as gender inclusive.

Pride Shake X The Trevor Project

In 2021 we featured a nationally available Pride Shake, with 5% of proceeds going to our long-time partners at The Trevor Project. We've continued our partnership in 2022, with proceeds from our limited-edition shake trio going towards the great cause once again.



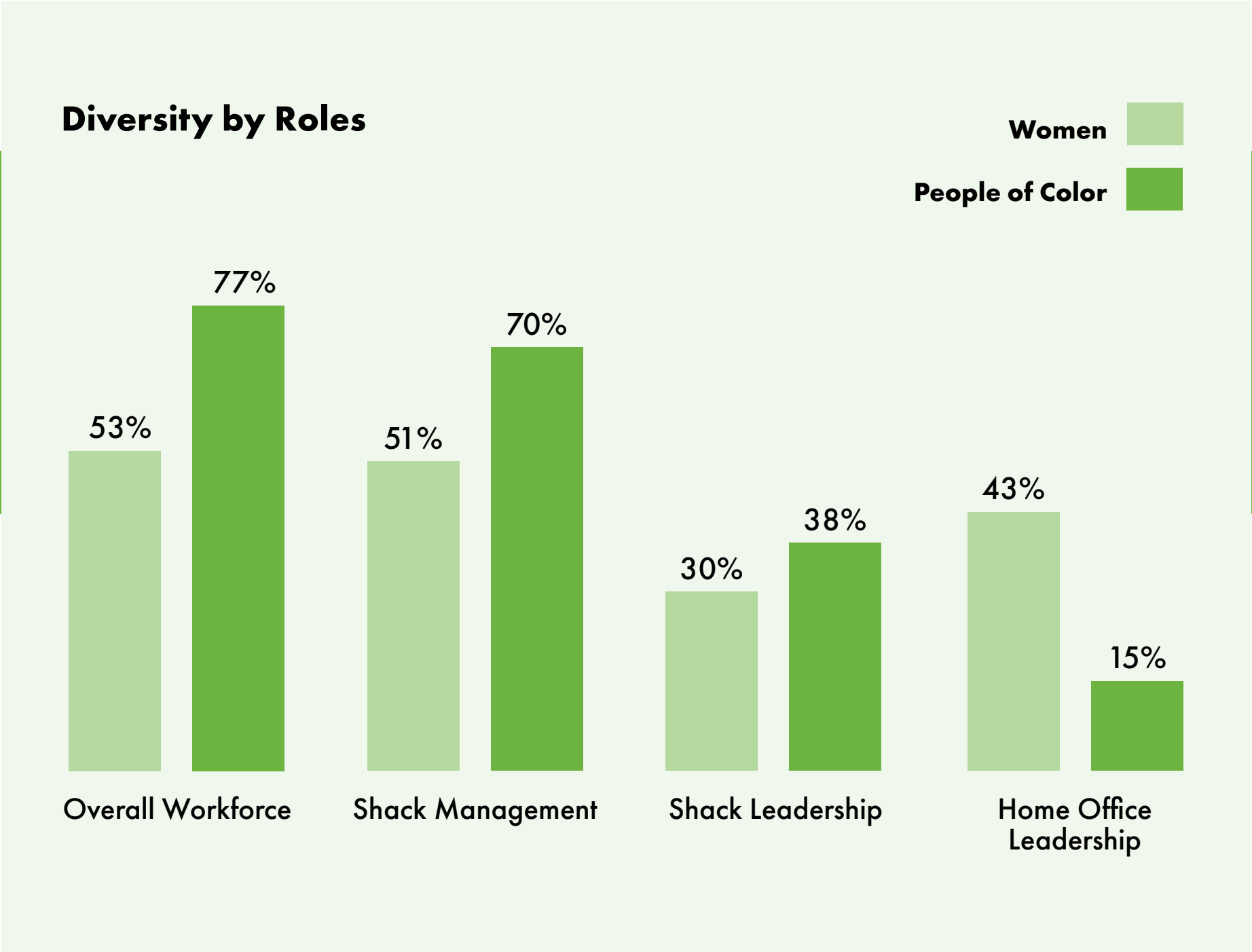
Strawberry + blackberry
frozen custard topped with a
mango + passion fruit blend

790 CAL

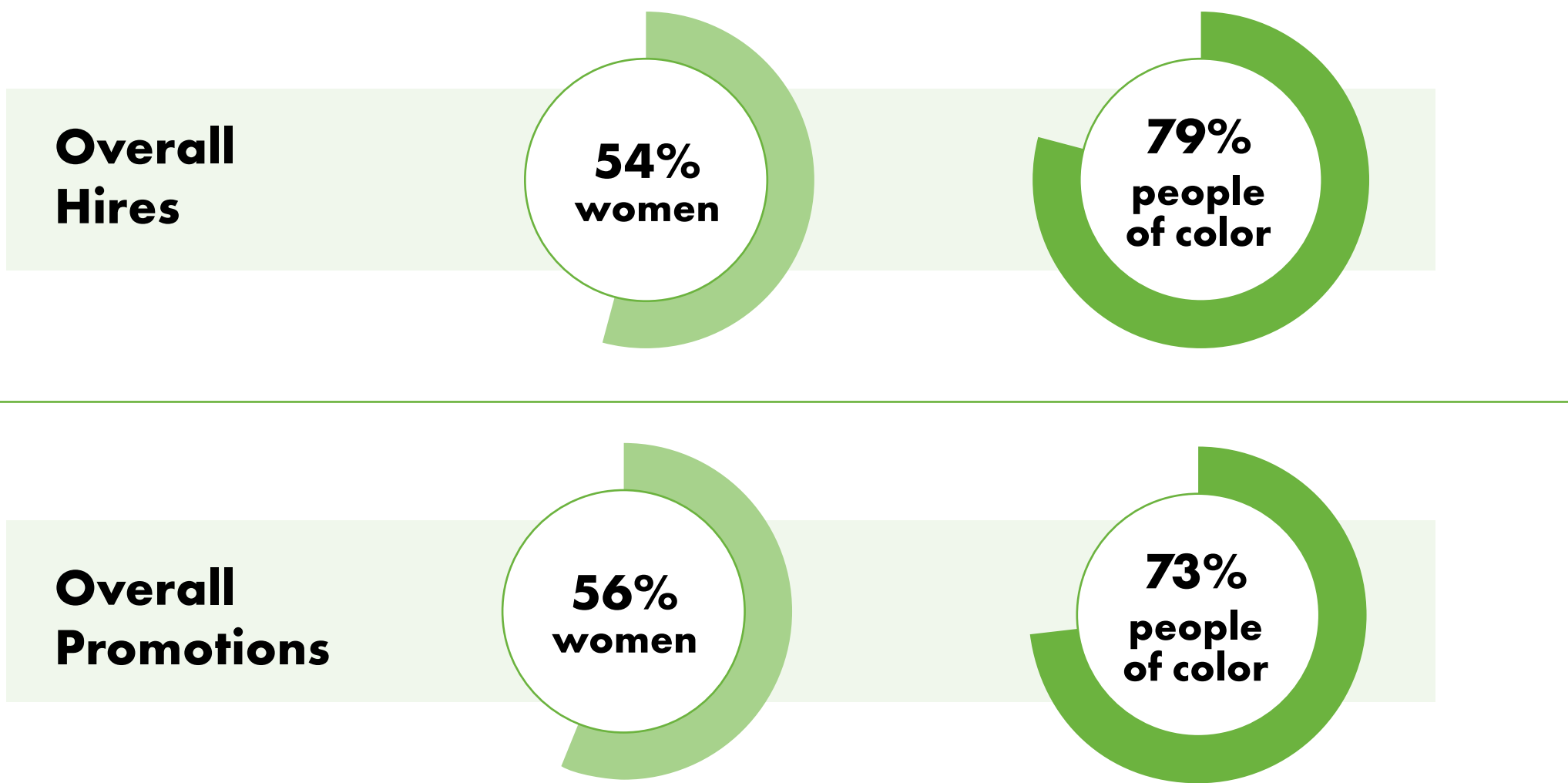


WORKFORCE DIVERSITY

Our company aims to be as diverse as the communities we serve. Women make up 53% of our total workforce and 77% of our team members are people of color. Having diverse representation across all functions and levels of our business is key to our success and continued future growth.



Home office leadership includes Director, Sr. Director, VP, SVP, and Executive
Shack leadership includes General Manager, Sr. General Manager, Area Director & Regional VP of Operations
Shack management includes Shift Manager, Manager, and Assistant General Manager



“With where we plan to be in five years, growing and cultivating a diverse leadership team requires us to identify our gaps and be intentional with our talent strategies.”

– Idris Stover, Director of Diversity, Equity & Inclusion

By 2025, we want 50% of our Shack Leadership and 30% of our Home Office Leadership roles to be filled by people of color and to achieve gender parity across all leadership roles.

In 2021, we increased the representation of people of color in Shack leadership by 4% and women by nearly 7% (These goals were set in 2020).

Ensuring that our candidate slates for Shack and our home office leadership roles always include women and people of color is an important part of our strategy to have diverse leadership at all levels within the company. We are actively developing new partnerships with minority and women-focused organizations are leveraging mentorship and targeted development programs to prepare more women and people of color for leadership.

ENVIRONMENTAL RESPONSIBILITY

“Shake Shack’s focus on premium ingredients, thoughtful sourcing, and animal welfare has always been at the core of who we are. We’re looking forward to learning from and collaborating with our peers to better understand barriers and potential solutions for accelerating improvements more broadly.”

— Jeffrey Amoscato, SVP of Supply
Chain & Menu Innovation



NETWORK OF LIKE-MINDED SUPPLIERS

We source our world-class ingredients from the best suppliers out there who all share our values.



The Best Ingredients

We take the time and effort to find and only use the best—from fresh and antibiotic-free meat to cage-free eggs and real cane sugar.



OUR CORE PRINCIPLES

Through our domestic food supply chain, we're committed to working with best-in-class, diverse suppliers. We pride ourselves on **sourcing premium ingredients from like-minded ranchers, farmers, and supply partners—using real, premium ingredients like 100% antibiotic- and hormone-free proteins** (beef, chicken, and pork) that are always vegetarian fed, humanely raised and source verified, plus raised and harvested in the USA. We continue to increase our investment in regeneratively farmed beef.

All our buns are **non-GMO**, and our vanilla and chocolate frozen custard recipes use only real sugar (**no high-fructose corn syrup**) and milk from dairy farmers who pledge not to use artificial growth hormones.

100%
antibiotic- and
hormone-free proteins

Humanely Raised

Always Fresh

Non-GMO



ANIMAL WELFARE

We are committed to Stand For Something Good in everything we do. This mission begins on the farms and ranches, from which we carefully source all our premium ingredients.

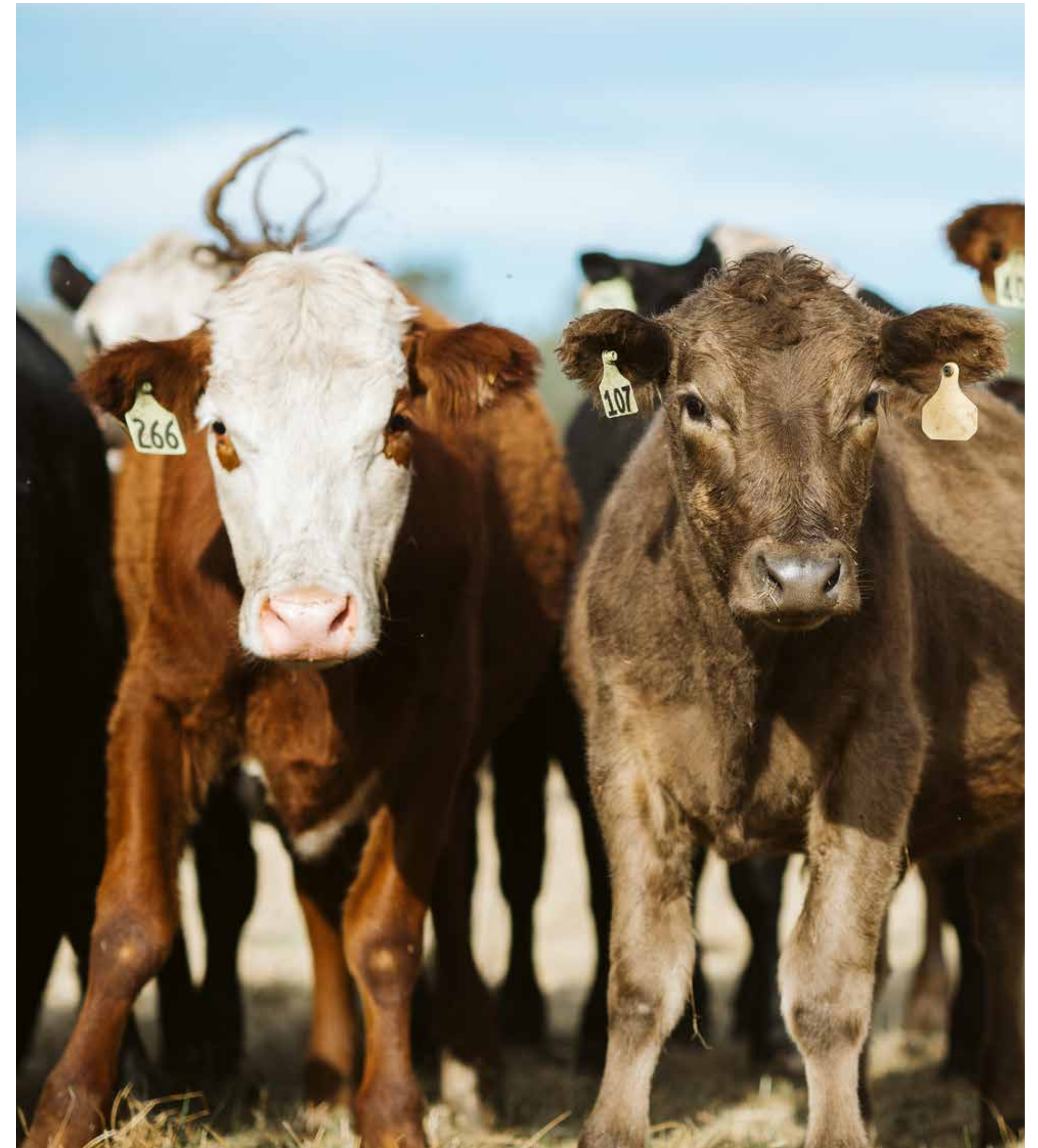
We work closely with our farmers, ranchers, bakers, food purveyors, and animal welfare experts to achieve ethical and humane practices, and constantly strive to raise the bar for ourselves and the restaurant industry. To further transparency for our team, guests, and suppliers, we're sharing our U.S. Animal Welfare Policy to outline our core beliefs, where we're at, and where we're going.

We stand firmly behind the Five Freedoms of each species: a comprehensive framework formalized by the UK Farm Animal Welfare Council that ensures farm animals have lives that are worth living.

For all farm animals being raised for Shake Shack's supply chain or that provide milk and eggs, We Stand For:

- **Freedom from hunger and thirst**
- **Freedom from discomfort**
- **Freedom from pain, injury, or disease**
- **Freedom to express normal behavior**
- **Freedom from fear and distress**

This means we have a zero-tolerance policy for animal abuse across the entire life span of an animal. Animals must be handled by staff who've been trained in the correct handling procedures of each species. If any of our suppliers are found to have been abusing animals, we will immediately terminate the relationship until sufficient evidence is shown that employees have been retrained and practices have been corrected to meet our standards.



<https://shakeshack.com/us-animal-welfare-policy>

To further transparency for our team, guests, and suppliers, our [Animal Welfare Policy](https://shakeshack.com/stand-for-something-good), which can be found on our website at [www.shakeshack.com/stand-for-something-good](https://shakeshack.com/stand-for-something-good), outlines our core beliefs regarding responsible animal husbandry.



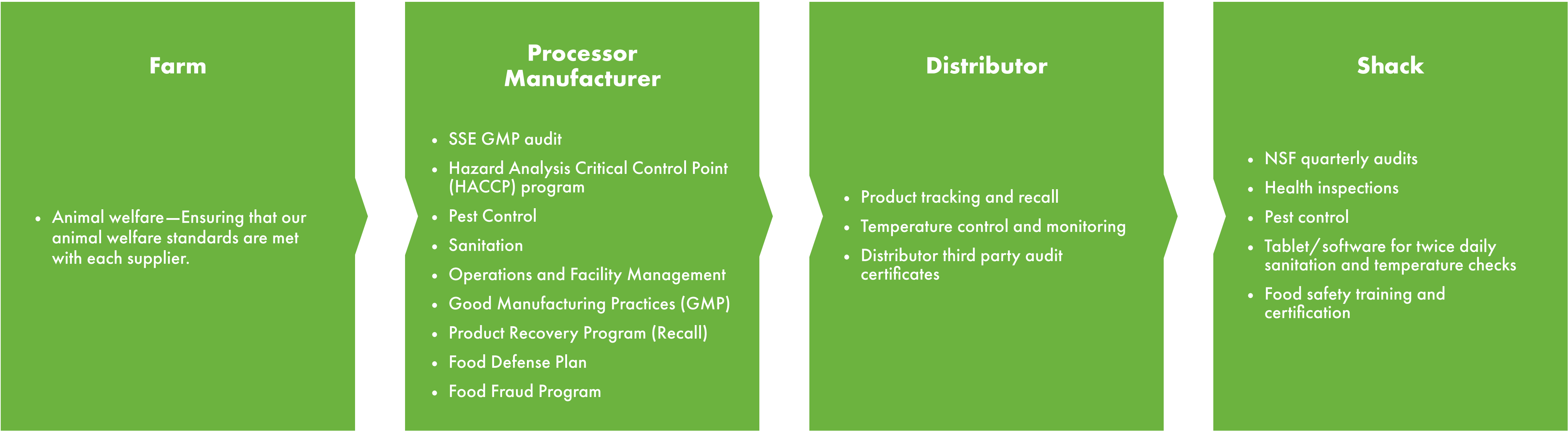
COMMITMENT TO FOOD SAFETY + QUALITY

Food safety and quality is the top priority at Shake Shack and is a primary focus in all our restaurants worldwide. We maintain a commitment to providing industry-leading food safety programs, including rigorous standards, surveillance routines, and monitoring of all our supplier partners.

Our supplier quality management system includes food safety and quality requirements that support our goal to Stand For Something Good. When selecting a supplier partner, Shake Shack looks for key performance indicators for food safety, including:



In addition to measuring and testing food safety and security practices, Shake Shack requires outstanding performance in quality control. The Shake Shack food safety and quality management program is designed to promote effective control in each step of the supply chain.



CORE MENU

We have always been committed to sourcing only the best ingredients from like-minded purveyors.



*Federal regulations prohibit the use of hormones or steroids in poultry and pork



BEEF

- . No hormones, ever
- . No antibiotics, ever
- . 100% Angus
- . Pasture raised, grain-finished
- . Vegetarian-fed
- . Humanely raised
- . Source-verified



CHICKEN

- . No antibiotics, ever
- . No hormones, ever*
- . Vegetarian fed
- . Whole muscle
- . All white meat



PORK

- . No antibiotics, ever
- . No hormones, ever*
- . Certified Humane®
- . Vegetarian fed
- . Raised free-range + in deeply bedded pens
- . Nitrite-free
- . Supplied by Niman Ranch



FLAT-TOP DOGS

- . No hormones, ever
- . No antibiotics, ever
- . 100% beef
- . MSG-free
- . Supplied by Vienna® Beef



BUNS

- . Non-GMO
- . Supplied by Martin's Potato Rolls



FROZEN CUSTARD

- . Only real sugar (no high-fructose corn syrup)
- . Cage-free eggs
- . Milk from dairy farmers who pledge not to use artificial growth hormones



CONDIMENTS/SAUCES

- . Non-GMO
- . Cage-free eggs
- . No high-fructose corn syrup



BEVERAGES (NON-ALCOHOLIC & SPARKLING)

- . Organic iced tea
- . Real lemon juice
- . Non-GMO



CAGE-FREE EGGS

In 2016, we successfully achieved our goal of converting all products that contain eggs as an ingredient to using only cage-free eggs in our domestic restaurants.

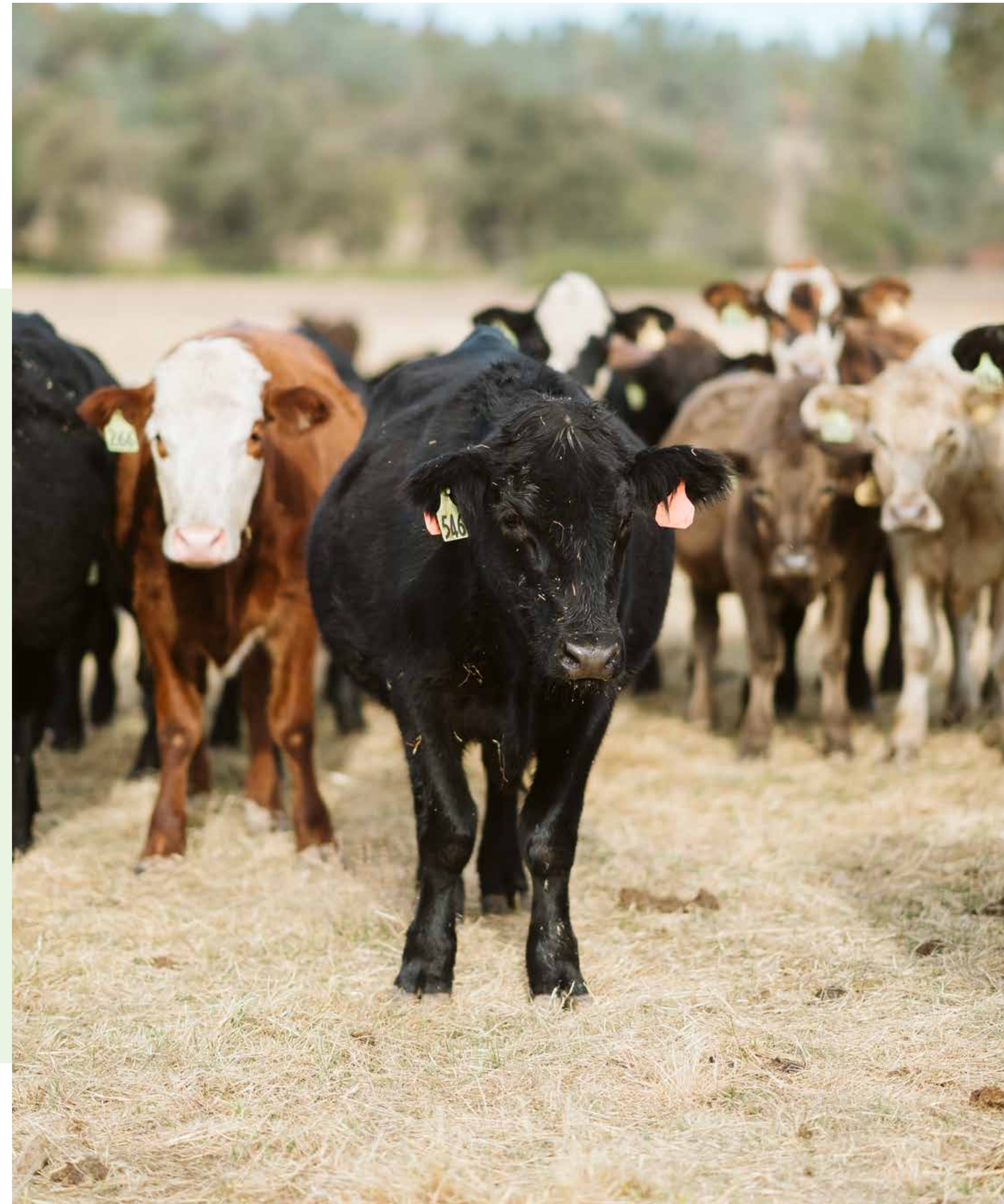
We are currently sourcing 100% cage-free eggs for both the U.S. and UK supply chains and are committed to sourcing 100% cage-free eggs for our global supply chain by 2025.



NETWORK OF LIKE-MINDED SUPPLIERS

“Our approach to culinary creativity and excellence attracts award-winning chefs, talented bakers, farmers, and food purveyors who want to collaborate with us in new and engaging ways. We never stop looking for the best products and best companies to partner with. We put small businesses on the map and support their growth. We do this all in the service of our guests to exceed their expectations at every point of their experience.”

— Lisa Kartzman, VP Supply Chain



COUNTRY NATURAL BEEF

Supplier Highlight

Country Natural Beef has been a pioneer in producing a healthy and sustainable meat source for decades. CNB ranchers are committed to engage in regenerative practices, verify their progress with scientific evidence, and share it with their customers.

In January 2020, all CNB Ranchers committed to the Grazewell™ Regenerative program—a comprehensive commitment to improve their land using livestock grazing and measure the progress.

CNB collaborated with Sustainable Northwest, one of the West’s most credible nonprofit environmental organizations, to support its work and monitoring efforts. SustainableNorthwest.org

- ✔ G.A.P animal welfare certified
- ✔ Pasture raised
- ✔ No antibiotics
- ✔ No added growth hormones
- ✔ 100% vegetarian fed

“Raise the right animal, in the right land, in the right way, and you’ll always have the right meal.”

– Dan Probert, Marketing Director



Looking Ahead

- ✔ By 2022, in partnership with Sustainable Northwest and other nonprofit environmental groups, CNB will adopt and begin testing carbon, biodiversity, and effective water and soil measurements to drive continuous improvement in ecosystem health.
- ✔ They will also complete development of Regenerative Ranching standards for formal adoption by all CNB members toward a neutral or negative carbon goal.



NIMAN RANCH

Supplier Highlight

Having bought **over a million pounds of natural, sustainable & humanely raised pork** in 2021 from our partners at **Niman Ranch**, we know firsthand that ethical, sustainable practices make a difference you can taste.

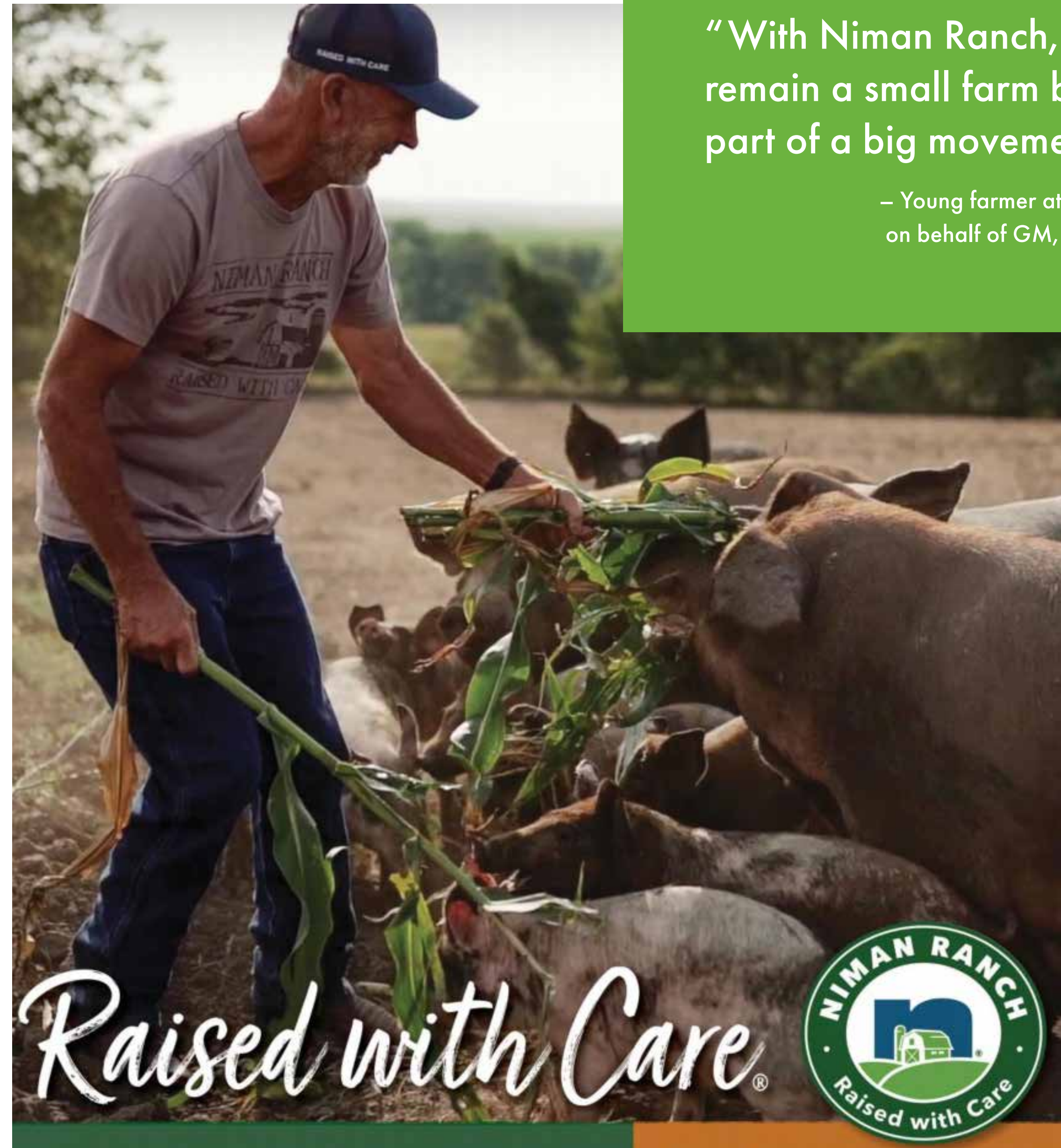
Niman Ranch is a network of 750 independent family farmers and ranchers raising beef, pork, and lamb sustainably and humanely. Each farm and ranch are unique but all share a commitment to raising livestock with care and preserving the land for future generations.

Raised with Care®

- Raised outdoors or in deeply bedded pens, pigs are free to be pigs
- 100% vegetarian diet

Our Bacon Benchmarks

- ✔ Certified Humane®
- ✔ No antibiotics, ever
- ✔ Nitrite- and nitrate-free
- ✔ No crates or cages, ever



“With Niman Ranch, I can remain a small farm but be part of a big movement.”

— Young farmer at Niman Ranch
on behalf of GM, Chris Oliviero



RICHARDS GRASSFED BEEF

Supplier Highlight

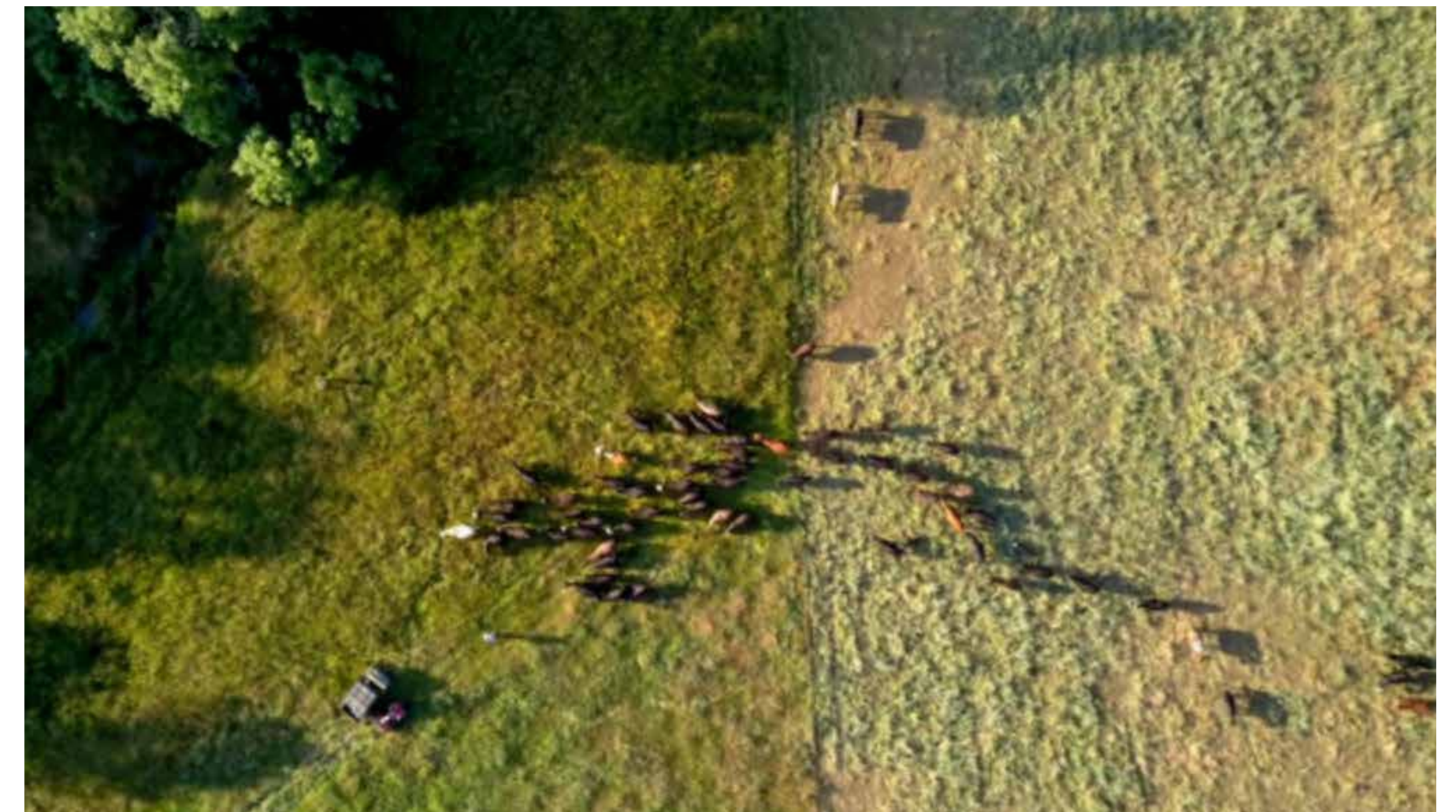
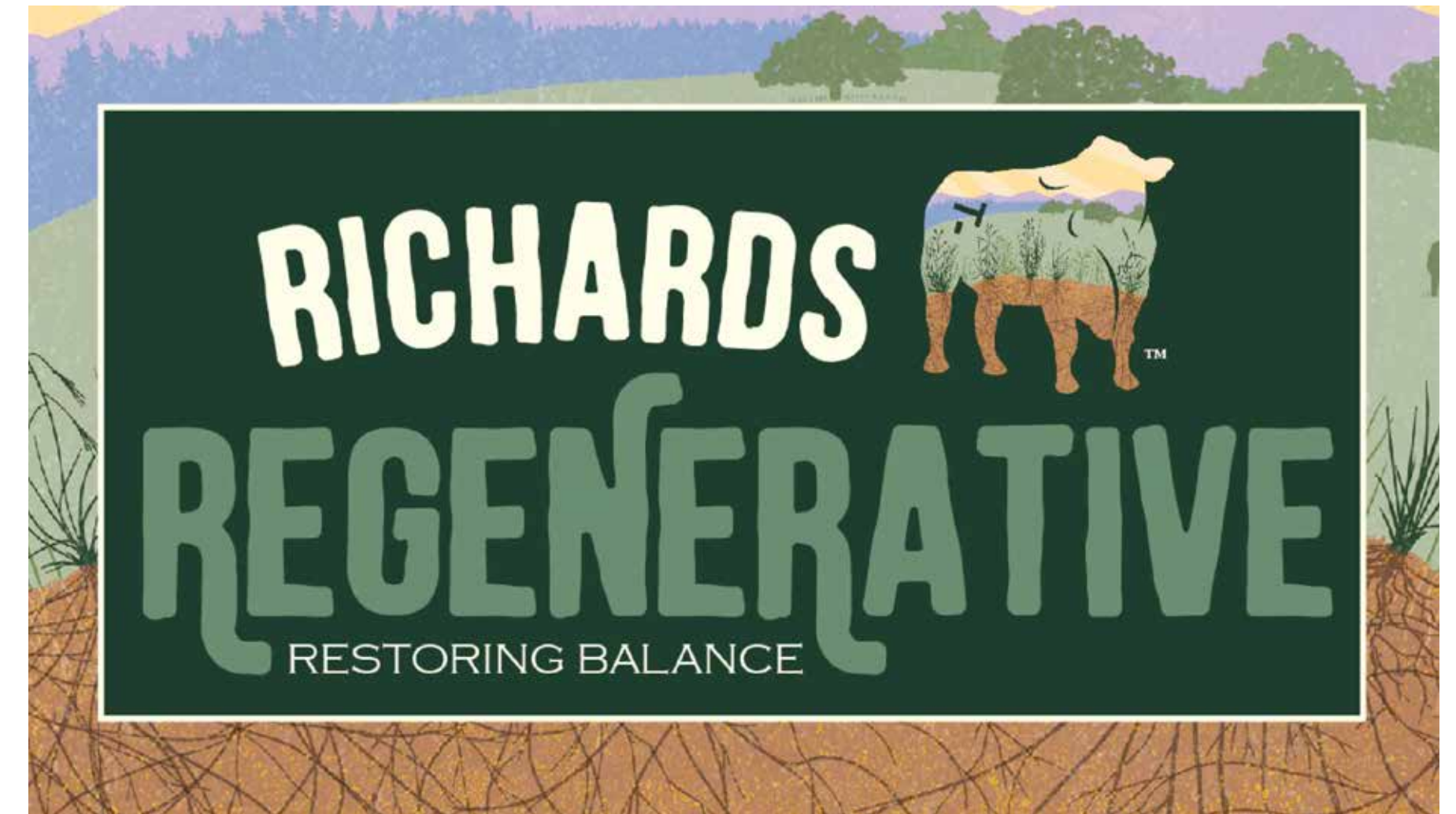
Quality Care

Richards Grassfed Beef is a family-owned (woman-led) ranch on a mission to provide the highest quality grass-fed beef to their guests and do so in the most transparent and sustainable way possible. Its animals are never fed grain, corn products, given antibiotics or growth hormones. Richards Grassfed Beef ranches provide the highest quality care for their animals to reduce stress and ensure proper care and feeding:

- Cattle are grass-fed and grass-finished
- Born and raised on the family ranches
- Graze on thousands of acres of lush, green, natural grasses
- Part of a holistic grazing system
- Pastures are never artificially fertilized
- Never fed hormones or antibiotics
- Not taken to feedlots to be “finished,”—they fatten on natural grass

“I’m excited to be a part of a business selling meat I would feed to my family any day of the week and I could stand behind whole heartedly.”

— Carrie Richards, VP Compliance & Marketing



[Richards Grassfed Beef:](#)
[What is Regenerative Agriculture?](#)



BROOKLYN BREWERY - HOME OF THE SHACKMEISTER

Supplier Highlight

Shake Shack has been partnering with Brooklyn Brewery and its Brewmaster Garrett Oliver several years, in the creation of our very own Shackmeister beer.

Brooklyn Brewery is a leading global independent craft brewer and a pioneer of the American craft beer revolution. From its home in Williamsburg, Brooklyn, it draws inspiration from local communities of innovators and makers to spread the culture and creativity of craft beer to over 30 states and more than 30 countries on five continents. Learn more at brooklynbrewery.com.

We pride ourselves in working with partners who have a like-minded approach to serving the communities they are a part of as well as taking a sustainable approach toward the future. Brooklyn Brewery continues to do that by:

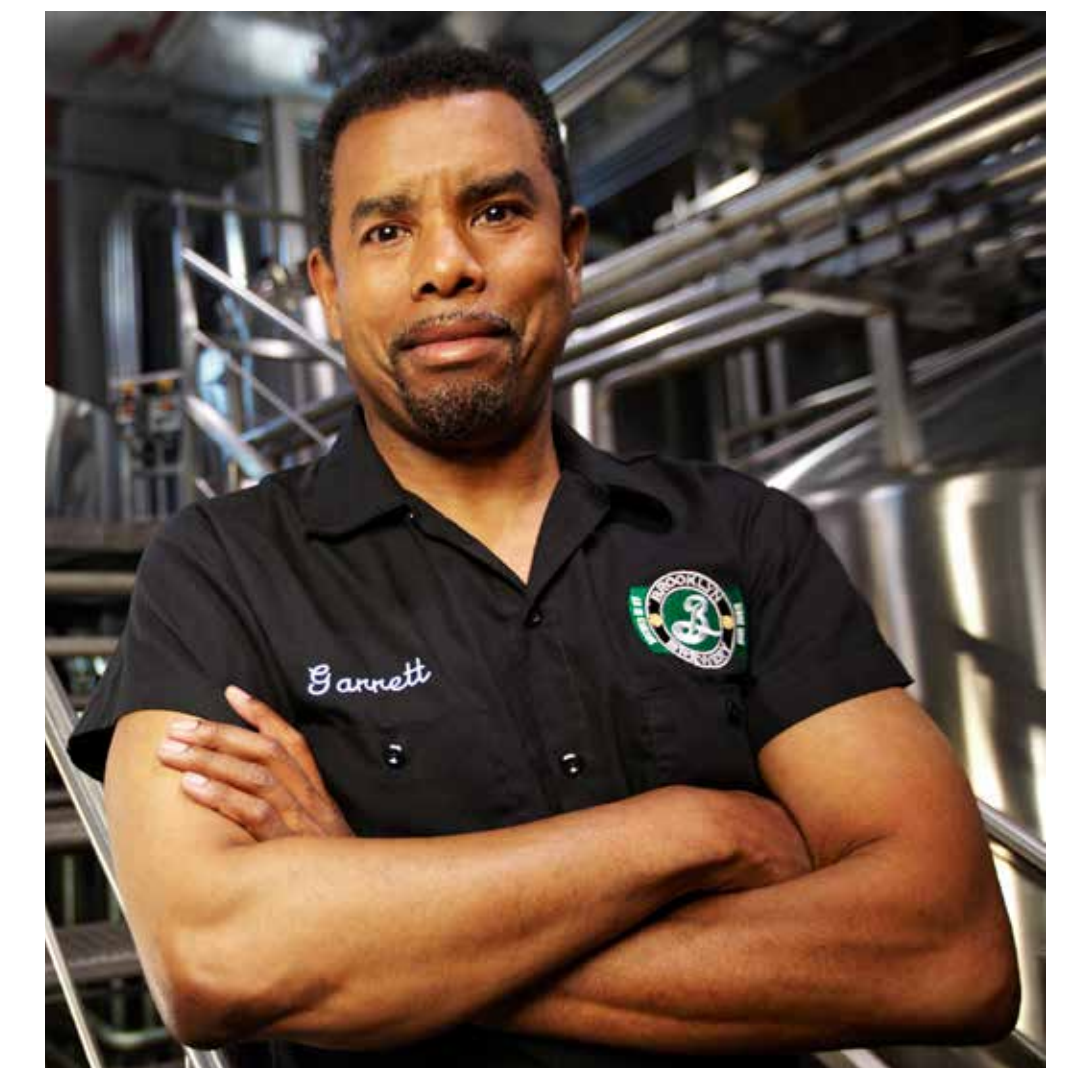


Supporting Stonewall Inn Gives Back

- Each year, Brooklyn Brewery brews The Stonewall Inn IPA to support SIGBI (Stonewall Inn Gives Back Initiative) and the LGBTQ+ community.
 - Through its Stonewall Inn IPA (offered at select Shacks as of April 2022 year-round!), Brooklyn Brewery is implementing fundraising efforts, directing more donations to LGBTQ+ causes, and working to create a more inclusive and welcoming environment for LGBTQ+ people

Sustainable Initiatives

- 100% windmill powered
- Use of an aerobic digester at FX Matt (production facility) to reduce wastewater
- Participating in an energy demand response program to lower energy use during peak periods



Garrett Oliver, Brewmaster



SHACK WINE BY GOTHAM PROJECT

Supplier Highlight

Since 2018, Gotham Project has teamed up with Shake Shack to produce all Shake Shack wines.

In 2010, Gotham Projects co-founders Bruce Schneider & Charles Bieler have been the pioneers and leading suppliers of wine in reusable stainless-steel kegs and cans.

The EPA estimates that less than **30% of all wine bottles get recycled***. Three billion* wine bottles per year end up in landfill. **More than 50% of the carbon footprint*** from a bottle of wine comes from the energy required to produce the bottle itself.

The Gotham model reduces this component significantly by transporting wine in bulk until it is packaged and even once it is packaged it is going into aluminum (cans) and stainless steel (kegs), which are both **much lighter than glass**.

Since 2010, Gotham Project has eliminated six million+ bottles from the waste stream, which is approximately **6,000,000 pounds of CO2e.***



Shack Wine Sustainability Highlights

Since 2018 the Shack wine program has eliminated 180,000 pounds of CO2e.*

Shake Shack has sold approximately **2,400 kegs** and **350,000 cans** of wine and in 2021 alone **600 kegs** and **140,000 cans**. **Each keg is the equivalent of 26 bottles of wine and three cans are the equivalent of one bottle of wine** (production of a typical 750 ml wine bottle emits about a pound of CO2e).*

The average aluminum can is made of **~60% post-consumer recycled aluminum.***



*Calculations and Statistics are from the Wine Institute 2021 provided by Gotham Project



2021 SUPPLY CHAIN MILESTONES



At Shake Shack, we've been sourcing regenerative beef since **2018**, and **continue to look for opportunities to expand in this area**. In **2021** alone, we purchased **54,824 pounds** of regeneratively ranches beef purchased from a Savory Institute Ecological Outcome Verified ranch in Northern California

358,053 pounds of non-GMO GAP-certified beef purchased from Pacific Northwest Co-Op

1.75 million pounds of waste oil recycled thanks to our partnership with Restaurant Technologies Inc.

May 2022 test on non-dairy custard and shakes in select markets



MENU INNOVATION

“The Culinary Team is always raising the bar when it comes to innovation, from our Hot Honey Chicken and best-selling Black Truffle Menu, to collabs with Milk Bar, some of the nation’s best chefs + way more. The Shake Shack team is always finding ways to surprise and delight our guests at the same time while always finding the best ingredients out there.”

— Michael McGarry, VP Brand Marketing



OUR FOOD RAISES THE BAR



Made To Order

Our food is always freshly made to order. We pride ourselves in providing our guests with food that raises the bar from the ingredients we source to the moment they take their first bite!

Culinary Excellence

Our team of chefs is dedicated to culinary excellence (we have our own Innovation Kitchen in NYC!) and bringing exciting new items to our menus all over the world.



MENU INNOVATION

Veggie Burger

Our Culinary Team has been testing and learning, considering both guest and Operations feedback to continue innovating in the kitchen. We are on an endless pursuit to look for new ways to transform our veggie offering in a way that satisfies our guests' palate and continues to raise the bar.

As plant-based eating becomes increasingly popular, we can reach more people with a veggie burger option done the Shake Shack way—with **premium, real ingredients**.



'Shroom Burger: Our fan-favorite, has been a menu staple from the beginning: crisp-fried portobello mushroom filled with melted muenster and cheddar cheeses, topped with lettuce, tomato and Shack Sauce.

Veggie Shack: In 2021, **153,900 patties were sold**—a testament to our work to create an optimized patty that delivers the delicious food you expect from Shake Shack with a patty built from real veggies and grains. We currently have the option **available in about 30 test Shacks**.





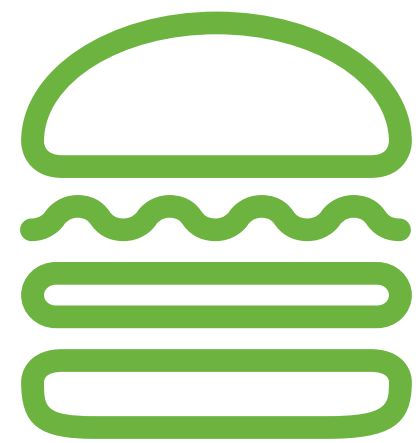
Crispy Shallot Burger (UK): Recognizing the need for a vegan offering for diners in London, we developed this product specifically geared toward their preferences of a more “meat-like” burger that delivered on the delicious and indulgent elements of a traditional Shake Shack burger. This item features a custom patty made in collaboration with one of London’s most respected vegan chefs, Neil Rankin. Made of roasted mushrooms and onions, miso, and smoked chipotle powder amongst other spices—the patty delivers a hearty, savory taste with a subtle smoke, reminiscent of a true beef burger. Due to the item’s success as an LTO, our UK team decided to put this on the menu permanently.

Falafel Shack (MENA): This product was born out of a request in 2020 from our partners in the Middle East. As our brand continues to mature throughout the region, we recognized the need to utilize local flavor profiles that would be easily understood and widely appealing. Falafel Shack is inspired by the ingredients and dishes throughout the Middle East. Our custom falafel patty is made with real chickpeas, lemon, parsley, and a touch of fresh green chili for a bold kick of heat. We then top it with fresh cucumbers and lightly pickled red cabbage tossed with lemon and olive oil. A generous spread of our housemade herbed labneh and spiced tahini round out the sandwich.



MENU INNOVATION

Dairy-Free Shakes



x



We are excited to be testing a **non-dairy chocolate shake and frozen custard** made in collaboration with **NotCo** in select Shacks starting in May. The inspiration behind our non-dairy shake came from our guests, and supported by the increasing popularity of non-dairy frozen desserts in the retail space. We spent a long time working on just the right recipe to achieve a delicious chocolatey frozen dessert with the rich, creamy texture of our beloved frozen custard. Our guests have high expectations for our shakes (we are called Shake Shack after all), and these non-dairy chocolate shakes live up to our elevated quality standards, including being hand-spun to order just like our classic ones.

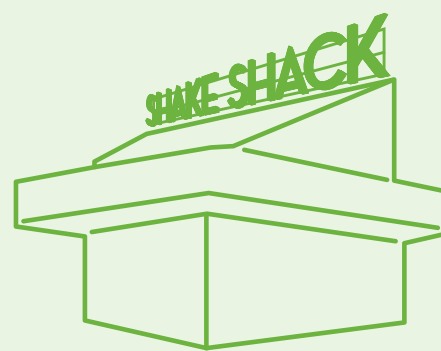


2021 SUSTAINABLE PACKAGING HIGHLIGHTS

In 2021, we continued to mitigate impact by removing unnecessary packaging elements and switching to more sustainable, certified materials whenever possible.

- 1. As soon as we were safely and effectively able to, we transitioned to some of our pre-covid packaging standards, leading to a decrease in the packaging being used to fulfill **72% of sales**, compared to covid standards.
- 2. Transitioned to-go bags to be produced with **100% recycled fiber, materialized by 95% post-consumer content**. *(Our paper bags have always been recyclable if clean, dry, and free of grease.)*
- 3. In Q4 of 2021, we increased our burger case pack by **4.5 pounds** per case, effectively **reducing our cardboard usage** by over **1,000 pounds weekly**.
- 4. Launch tested a home/industrially compostable, plastic-free and carbon-negative straw produced by **Restore Foodware** in several markets. Since testing we have transitioned to utilizing this **product permanently** in some of our largest markets including NYC.
- 5. Piloting a new packaging re-design test in **Q3/4 2022**, to optimize guest experience, in and off-premise dining and reassess material composition.

What does using Restore’s AirCarbon® foodware at one Shake Shack location for one month mean?



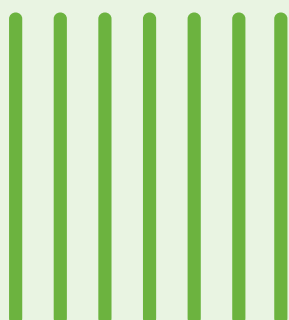
1 Shack

X



1 Month

X



AirCarbon Straws

Saving 4.146 Metric Tons of CO2 Equivalents

CO2E Emissions Saved =



52 Tree Seedlings



OUR SHACKS

“We are looking to better understand and ultimately reduce the environmental impact of our operation brick-and-mortar restaurant locations. Everything from energy and water usage to air purity and transportation footprint. Reducing our energy usage, via efficiency efforts and on site production, is a key pillar in our approach and something we will continue to evaluate.”

– Andrew McCaughan, Chief Development Officer



SHACK SOLAR PANELS

Renewable Energy

We currently have **five locations with solar panels** as well as **one additional location planned for 2022, with more to follow**. Generating an average of 18 megawatt hours of electricity per year, that means that each of those Shacks is:

- **Saving** the equivalent of **1,427 gallons of gasoline** or **29 barrels of crude oil per year**
- Producing the equivalent **energy savings of 4.3 tons of waste being recycled instead of landfilled**. Figures based on EPA Greenhouse Gas Equivalencies Calculator.



ENERGY MANAGEMENT

Energy + Water Usage:

30% of Shacks openings in 2021 realized a **20% YOY reduction** in Kitchen Exhaust System energy usage, with further testing in the works to continue improving our efficiencies at future locations.

- Every Shack has been installed with **UV lighting via our HVAC system as of May 2021** (including our test kitchen and our home office).

Safety + Air Purity:

System-wide UV PHI technology rollout that purifies indoor air as well as piloting a new Dedicated Outdoor Air System for more efficient ventilation.



OUR SHACKS

Sustainable Design

New Shack Sustainable Design Elements

- Repurposed boarding
- Digital menu boards (food court locations)
- LED/Motion Sensor Lights
- Energy efficient equipment

GHG Emission:

Regionalized vendors with the goal of minimizing our furniture's transportation footprint

Locally Sourced Craft Furniture:

We've achieved our goal of fabricating all our interior furniture in the United States utilizing only suppliers with similar sustainability initiatives including planting a tree for each tabletop that is fabricated. We're also currently expanding our network of furniture suppliers in different parts of the country to reduce our overall carbon footprint.

EV Charging:

Evaluating the inclusion of Electric Vehicle charging stations in future site designs



SCOPE 1 + 2 EMISSIONS SOURCES

In 2021, we completed our very first Scope 1 & 2 emissions reporting in compliance with industry standards, with **Schneider Electric LLC**. This is the first step for us to assess our current standing as we establish a baseline and can continue to implement action plans toward progress and our environmental impact.

Our **Scope 1** direct emission sources include diesel, natural gas, propane, and fugitive emissions from refrigerants from our restaurants, corporate offices, and food trucks.

Our **Scope 2** indirect emission sources include electric power used at all restaurants and offices.



SUMMARY OF EMISSIONS CALCULATIONS

We have access to utility and invoice data for our corporate sites and restaurants all over the United States. For sites where we may be missing data, we use a third-party company to calculate emissions per site to have a complete picture of our emissions across the business. The methodology used to extrapolate this data first utilizes surrounding month data to determine a high-quality estimate grounded in invoiced data. In the absence of invoiced data from a particular site, we use the Energy Information Administration's 2018 commercial buildings energy consumption survey (CBECS) to estimate natural gas and electric power usage by square footage before applying the relevant emission factors.

Electric power and natural gas are tracked at the site level, while all other sources are tracked at the corporate level. To calculate our emissions inventory, we use both location-based and market-based methodologies per the recommendation of the World Resources Institute's Greenhouse Gas Protocol Scope 2 guidance. Our location-based and market-based calculations apply the US EPA MRR emission factor set for natural gas, diesel, and propane, and the IPCC Fifth Assessment Report for refrigerant global warming potentials. In accordance with the GHG Protocol's guidance, our location-based methodology leverages the US EPA eGRID emission factors to calculate emissions from our electric power. Our market-based calculations for electric power employs utility specific emission factors and U.S. residual mix factors in addition to eGRID to account for contractual instruments.

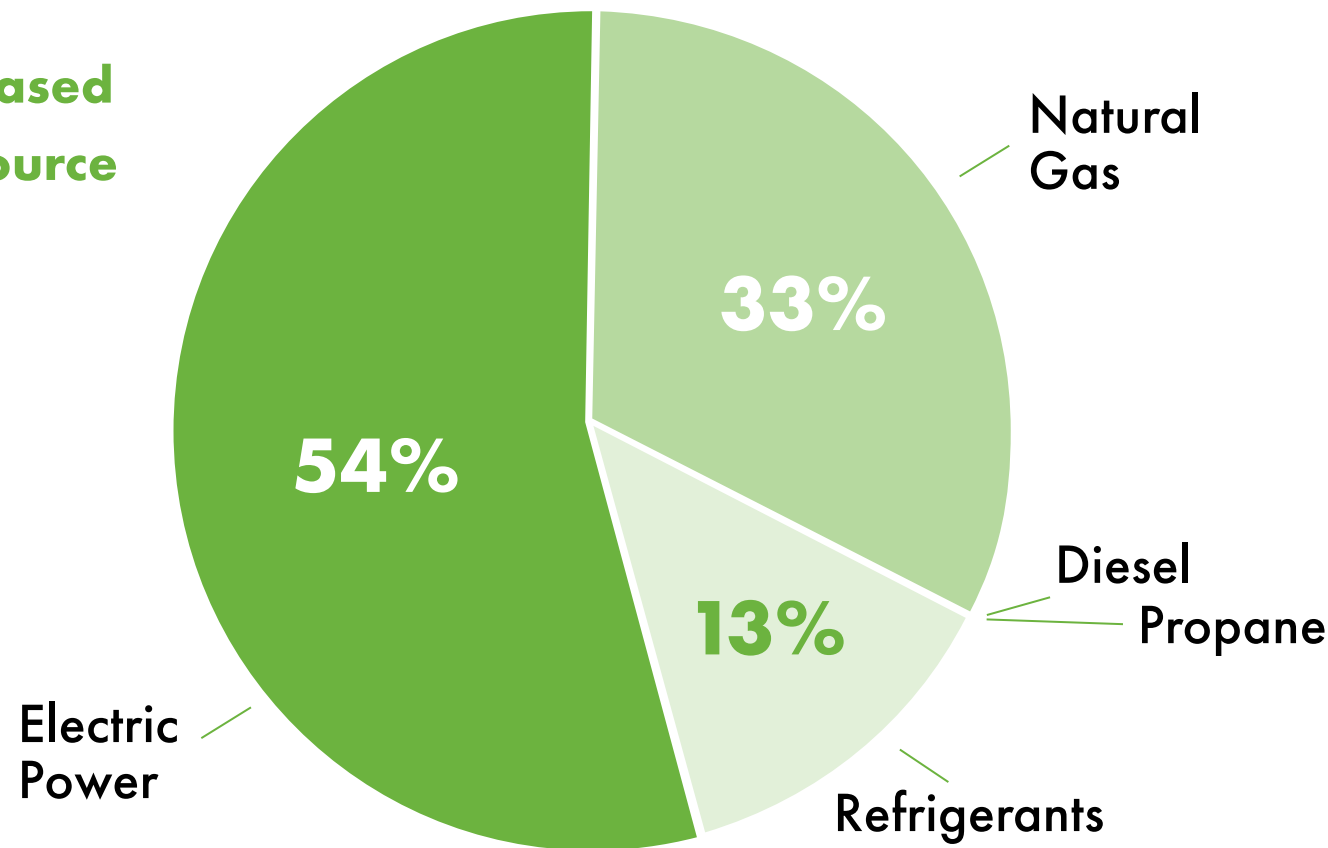
Once emissions are calculated, they are converted to CO₂e using the global warming potentials derived from the IPCC Fifth Assessment Report. **Our accounting methodology follows the standards set forth by the WRI's Greenhouse Gas Protocol Corporate Standard, and our data was checked by a third party for completeness and accuracy.**



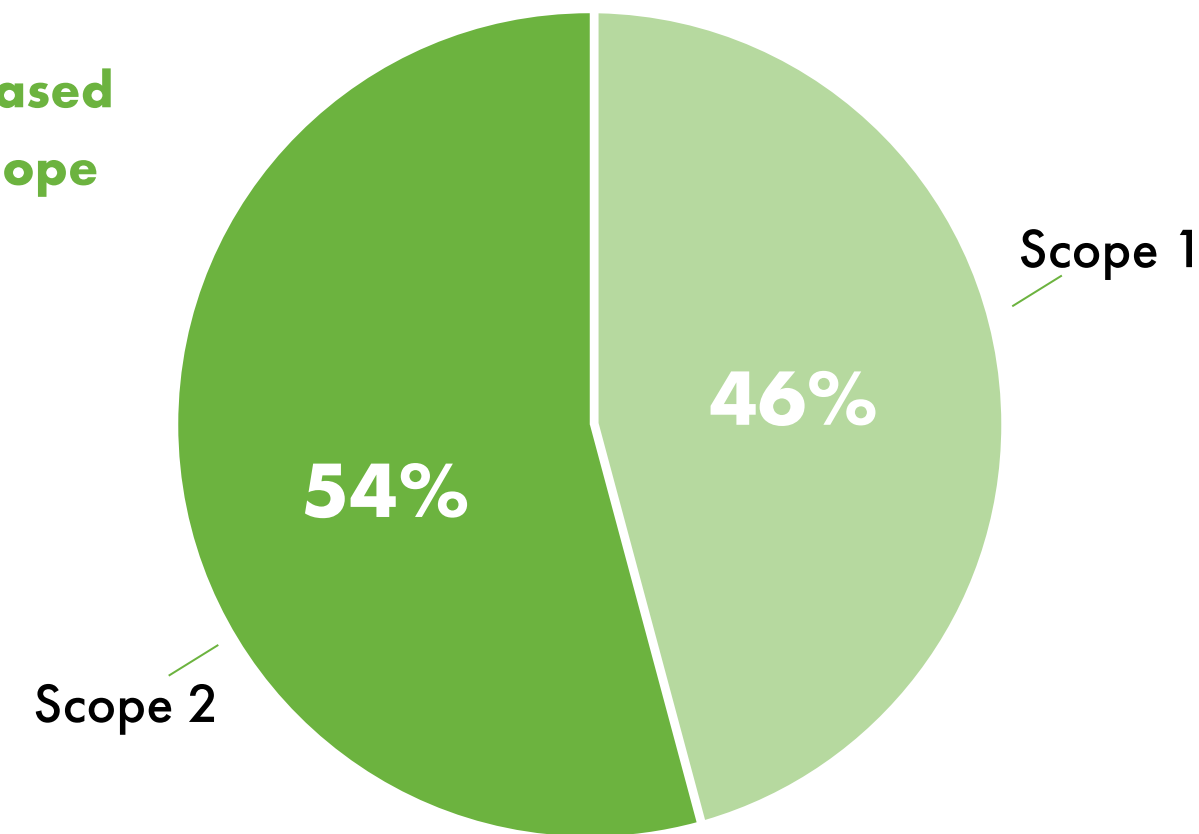
SCOPE 1 + 2 EMISSIONS

With the completion of our very first Scope 1 & 2 emissions assessment, we are on a mission to **continue monitoring our progress in addition to finding ways to efficiently reduce our environmental impact.** Whether it is expanding our use of renewable energy, reducing waste through resource efficiency or offsetting emissions that cannot be otherwise reduced we are actively measuring our impact.

2021 Market-Based Emissions by Source (mtons CO2e)



2021 Market-Based Emissions by Scope (mtons CO2e)



2021 Emissions by Source

Source	Primary (MB) mtons CO2e	Secondary (LB) mtons CO2e	% of Total Footprint
Scope 1			
Natural Gas	8,667.04	8,667.04	33%
Diesel	15.65	15.65	0.06%
Propane	3.23	3.23	0.01%
Refrigerants	3,448.28	3,448.28	13%
Scope 2			
Electric Power	14,355.35	14,215.35	54%
Total	26,489.55	26,349.55	100%

2021 Emissions by Scope

Scope	Primary (MB) mtons CO2e	Secondary (LB) mtons CO2e
Scope 1	12,134.20	12,134.20
Scope 2	14,355.35	14,215.35
Total	26,489.55	26,349.55



OUR RESPONSIBLE FUTURE



We are excited for this next step and will be partnering with **HowGood** to continue the assessment of our environmental impact by analyzing our business within the following key impact metrics: **GHG emissions, water usage, labor risk, biodiversity, soil health, land use, processing, and animal welfare.**

We look forward to reporting on our findings and steps toward progress in our 2022 Stand For Something Good Summary.

Sustainability impact measurement of our menu items and responsibly sourced ingredients is provided by **HowGood's** sustainability intelligence platform, **Latis**, **powered by the world's largest ingredient impact database.** **HowGood** aggregates information from our suppliers and **over 550 unique data sources**, including peer-reviewed research, industry findings, and government and non-governmental organizations, to calculate the average carbon emissions plus other environmental and social impacts for over 200 menu items.

www.howgood.com



CORPORATE GOVERNANCE

“We take an integrated approach to managing ESG performance and disclosure. We are committed to managing the risks, opportunities, and responsibilities that arise from environmental, social, and governance (ESG) matters.”

– Ron Palmese, SVP & General Counsel



CORPORATE POLICIES + CHARTERS

We are committed to the ethical operation of our day-to-day business and to maintaining our principles as we continue to grow.



Policies

[Corporate Governance Guidelines](#)

[Code of Business Conduct and Ethics](#)

[Code of Ethics for Senior Financial Officers](#)

[Insider Trading Compliance Policy](#)

[Related Person Transaction Policy and Procedures](#)

[Audit and Non-Audit Services Pre-Approval Policy](#)

[Global Anti-Corruption Compliance Policy](#)

[International Trade Compliance Policy](#)

[Non-Employee Director Compensation Policy](#)

Charters

[Audit Committee Charter](#)

[Compensation Committee Charter](#)

[Nominating and Corporate Governance Committee Charter](#)

These principles form the foundation of our approach to corporate governance and apply to our team members, our guests, our suppliers, our investors and the communities in which we operate. All Governance Documents can be found on www.investor.shakeshack.com.



OUR BOARD OF DIRECTORS



Daniel Meyer
Founder & Chairman of the Board



Randy Garutti
CEO & Director



Jeff Flug
Director



Jenna Lyons
Director



Joshua Silverman
Director



Tristan Walker
Director



Anna Fieler
Director



Robert Vivian
Lead Director



Jonathan D. Sokoloff
Director



Sumaiya Balbale
Director

OUR BOARD OF DIRECTORS II

The members of our Board of Directors are individuals with a high level of personal, and professional integrity and strong ethics and values. Our Board monitors the mix of specific experience, qualifications and skills, as well as diversity, of its directors to assure that the Board, as a whole, has the necessary tools to perform its oversight function effectively.

- The average tenure of Shake Shack's Board of Directors since its IPO is approximately five years
- Eight of 10 directors are independent
- Our Board is diverse in terms of gender, race, and ethnicity: three of our Board members are women, one member identifies as Asian, one member identifies as South Asian American and Muslim, one member identifies as Black or African American, and one member identifies as gay
- All committees and committee chairs are independent
- The positions of Chairman of the Board and Chief Executive Officer are separate
- The Board has created the position of Lead Director to serve as the lead non-management director of the Board
- There is active outreach and engagement with major shareholders in relation to corporate governance and ESG priorities
- Robust oversight by the Board is consistent with Board and committee charters

More details can be found at www.investor.shakeshack.com.



EXECUTIVE COMPENSATION PRACTICES

The compensation arrangements for each of our Named Executive Officers (NEOs) are intended to encourage performance and growth and to align the NEOs' interests with those of our stockholders.

NEOs are eligible to receive short-term cash incentives, which focuses our executives on achieving financial, strategic, and individual goals.

- Our executive compensation program also includes the granting of long-term incentives in the form of performance-based and time-based awards under our 2015 Incentive Award plan.
- Performance-based awards, in the form of Performance Stock Units (PSUs), are payable to the extent the Company achieves financial goals, such as Total Revenue and Adjusted EBITDA.
- Our PSU awards are granted with an annual performance period that then vest ratably over four years or with a three-year performance period that vest after the three-year measurement.
- Time-based awards, in the form of Restricted Stock Units (RSUs), vest ratably over four years.

The objective of our executive compensation program is to attract, retain, and motivate individuals who share our dedication to our community and are committed to our mission to Stand For Something Good. Our program includes:

- A Compensation Committee that's comprised of fully independent directors
- We cap annual cash incentive and performance stock unit (PSU) payouts to mitigate risk
- We maintain stock ownership guidelines for our CEO, CFO, COO, and our Board of Directors
- We prohibit hedging and pledging of company stock
- We hold an annual say-on-pay vote



DATA PRIVACY + INFORMATION SECURITY

Governance + Oversight

Our Audit Committee’s charter includes oversight over information security and data privacy. The committee meets quarterly to review substantiated risks, metrics & KPIs, pertinent industry developments and potential threat vectors.

Our Director of Information Security is responsible for leading governance of our information security program and works with a cross-functional team to maintain our policies.

Transparency

Shake Shack makes our privacy policies publicly available for each of our sales channels. The privacy policies posted describe the data (inclusive of personally identifiable information) we collect, why we collect it, how we use it, how long we retain it, and the rights guests have regarding their data.

We are committed to complying with applicable Federal and State laws, including the California Consumer Privacy Act.

Controls, Policies + Education

Shake Shack is committed to implementing leading security and PCI-compliant controls to protect the data entrusted to us by our guests. We conduct regular vulnerability scans and audits of our information security program.

We have mandatory annual data privacy and security awareness training for all employees and annual payment card handling training for all Shake Shack General Managers. We are also conducting additional security training for all remote workers.



FORWARD-LOOKING STATEMENTS

This Summary report contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to known and unknown risks, uncertainties and other important factors that may cause the Company's actual results, performance and achievements to differ materially from the results expressed or implied in this Summary report.

All statements other than statements of historical fact included in this Summary report are forward-looking statements, including, but not limited to, statements regarding our business plans and objectives, our strategies and systems for implementing our goals, our operations, our commitments to programs and policies, and our expectations and priorities for measuring our goals and the metrics we use with respect to corporate responsibility, sustainability and environmental matters, employees, policy, business, our supply chain standards, and other risks and opportunities. All forward-looking statements are expressly qualified in their entirety by these cautionary statements.

You should evaluate all forward-looking statements made in this Summary report in the context of the risks and uncertainties disclosed in the Company's annual report on Form 10-K for the fiscal year ended December 30, 2020, and quarterly reports on Form 10-Q, as filed with the Securities and Exchange Commission (the SEC), as well as in our other public statements. All of the Company's SEC filings are available online at www.sec.gov, www.shakeshack.com or upon request from Shake Shack Inc. The forward-looking statements included in this Summary report are made only as of the date hereof and are not guarantees of future performance or commitments. The Company undertakes no obligation to publicly update any of the statements in this Summary, except as required by law.

Website references are provided for convenience only. The content on the referenced websites is not incorporated by reference into this report, nor does it constitute a part of this report. We assume no liability for any third-party content contained on the referenced websites.





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