





SHAKE SHACK®

STAND FOR SOMETHING GOOD

2020 SUMMARY

A Letter From Our CEO



This past year was defined by challenge, innovation, perseverance, and strength. It forced us to make tough decisions on a daily basis, prioritizing the safety and wellbeing of our employees and guests above all else. Our core values—the very values detailed in this, the second 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 2020. We doubled down on safety, provided meals to front line workers and grassroots nonprofits. We continued to serve elevated food made with premium ingredients, while introducing more convenience to the Shack experience, adding more ways to order digitally and ease the pickup and delivery experience. We opened new locations at home and abroad, continuing to build opportunity for our communities.

Along the way, we had difficult, honest conversations about issues affecting our country. As a company, we made commitments to drive positive change, which you'll see detailed throughout this report. These commitments included launching four Employee Resource Groups, partnering with Equal Justice Initiative, creating our first paid time off Voting Policy, hosting internal virtual events to facilitate open dialogue, and more. I am grateful for the candor and passion I've heard from our team this year.

Our teams around the world continue to embody the values we've held since Shake Shack started as a hot dog cart in Madison Square Park. Our mission at that time was simple: raise funds for a public art project. Doing good is in our roots, a part of our DNA—and here we are, 20 years later, continuing to expand and evolve our mission to **Stand For Something Good**.

It's been a challenging twelve months—and we're not through full recovery just yet—but we started 2021 full of hope, acting with reality, and leading with hope looking ahead. We learn from what's behind us and look forward to all the exciting things to come.

– Randy Garutti

Our Mission



We are on an endless pursuit to create uplifting experiences. Our products are elevated, modern and fun versions of the classics, and our mission is to **Stand For Something Good** in all aspects of our business.

This prioritizes taking care of our team, sourcing premium ingredients from like-minded supply partners, well-crafted and responsible design of our Shacks, and community support through donations, events, and volunteering.

OUR COMMITMENTS

- We elevate everything we do
- We deliver *Enlighted 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





Our Business + About this Summary









As of December 31, 2020, **183 domestic company-operated Shacks** and 22 domestic licensed Shacks were operating in 30 states and Washington, D.C.; outside of the United States, there were 106 international licensed Shacks in 15 countries.

Despite COVID-related development delays, we expanded our domestic, company-operated footprint by opening **20 new Shacks**, representing a 12% increase in our domestic company-operated Shack count. We made a home in new cities including Sacramento, Oakland, and Madison.

This Summary provides a high-level overview of **Shake Shack's domestic, company-owned operations** for the **2020 calendar year** (unless otherwise noted). Also included are new or upcoming responsible business initiatives. We're taking this opportunity to share our current status and, as we continue to evolve our strategy, we'll share our progress through subsequent updates. Questions or requests for more information can be sent to **investor@shakeshack.com.**

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SOCIAL IMPACT

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2020 Company Milestones

JANUARY

For the second year in a row, earned a **100% score on Human Rights Campaign's Corporate Equality Index** for our support of LGBTQ+ employees in the workplace

MARCH

Provided **11,000+ meals to healthcare and frontline workers** at the start of the pandemic

APRIL

Implemented **10% premium pay for all hourly employees**, plus a guaranteed bonus for managers

JUNE

Launched **four Employee Resource Groups (ERGs)**

Hosted the first of nine internal **"Stand Together Series"** virtual events

Donated **$100K to Equal Justice Initiative** in support of their mission to end mass incarceration and challenge racial and economic injustice

JULY

Launched company-wide **unconscious bias training** for 7,000 team members

SEPTEMBER

Distributed **6,500+ custom-designed Black Lives Matter uniform shirts** to team members

NOVEMBER

Empowered team members to vote by providing educational resources and developing a **paid time off Voting Policy** in support of #ShacktheVote

DECEMBER

Launched **Shift Up,** a leadership development program providing Shift Managers with the professional skills needed to advance to Manager roles at Shake Shack

Cumulatively invested an **additional $6M** (approx.) in employees, including premium pay and up to a $400 holiday bonus for all hourly team members, plus guaranteed bonus for managers

2020 Corporate Giving

In 2020, Shake Shack raised nearly a quarter of a million dollars of direct financial contributions for causes we believe in, including:

25% Donation Days ($50K)

One of the ways we support our communities and neighbors is through these traditional restaurant fundraisers. Scheduled in advance with a local nonprofit, 25% of all participating checks are donated back to the organizer.

Equal Justice Initiative ($100K)

EJI was founded in 1989 to help end mass incarceration and excessive punishment in the United States, challenging racial and economic injustice and to protect basic human rights for the most vulnerable people in American society.

Fresh Air Fund ($32K)

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 who were impacted by COVID-19 facility shutdowns.

1% for the Planet ($20K)

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.

Relief Opportunities for All Restaurants ($3K)

Net proceeds from our Bar Sardine burger collaboration benefitted ROAR, whose mission is to support and advocate for the small independent restaurants and restaurant workers who've been devastated by COVID-19. The burger was available for one day only at the Madison Square Park Shake Shack in October.

5% Concrete Donations ($8K)

At the beginning of 2020, every domestic, company-owned location was donating 5% of sales of a specific concrete to a local non-profit partner. Concretes were removed from our menus as part of a menu simplification process to better equip Shack teams to handle adjusted service styles in response to the COVID-19 pandemic.

Community Meal Donations

We're proud of our teams' grassroots efforts to donate Shake Shack meals at the neighborhood-level.

Grassroots Donations (11,000+ Meals)

In response to the unprecedented strain on frontline and healthcare workers at the start of the pandemic, Shake Shack teams around the country banded together to deliver over 6,000 meals directly to the frontlines from February to April 2020.

An additional 5,000+ meals were generously funded by guests, then delivered to first responders by Shake Shack teams.

Opening Day Donations (Nearly 5,000 Meals)

When we resumed opening new restaurants in June 2020, we kicked off a local meal matching program. For every meal ordered on opening day, we committed to donating a meal to a neighborhood nonprofit, resulting in nearly 5,000 meals being donated at the hyper-local community level.







Spotlight on Oakland

When we were finally able to open our doors at Uptown Station in Oakland, CA back in October, we knew we had to do something special to capture the spirit of the community. We partnered with mural artist **Andre Jones** who brought this vibrant and beautiful scene to life.

Andre is a muralist and founder of Oakland-based nonprofit Bay Area Mural Project (BAMP). He's created installations from NY to Ethiopia using his passion for social justice and art to inspire urban areas.

In addition, Shake Shack donated $1 per order from opening day to BAMP, Andre's nonprofit dedicated to facilitating and creating public art.





Andre Jones
Oakland, CA

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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 on-going learning.





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 on an endless pursuit to ensure every team member at Shake Shack is empowered to make an impact in both our restaurants and the communities we call home.

Our modern take on classic food is complimented by our **inclusive culture and welcoming environment.** We are a family of passionate, fun-loving, and hardworking people who encourage and uplift each other.

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.**

2020 People Milestones



- Created more than **1,097 new jobs** company-wide
- **1,500+ internal promotions**, with **56% going to women** and **76% going to people of color**
- Provided **over $6M** in additional compensation and bonuses to our team members to support them during pandemic struggles
- Established a **dedicated Diversity, Equity and Inclusion function** to advance our commitment to fostering a culture of belonging and equal opportunity for growth
- Earned a **100% score on Human Rights Campaign's Corporate Equality Index** for the second year in a row further underscoring our support of the LGBTQ+ community in the workplace
- Provided **paid time off to vote** during the general election to ensure our team members had the time and support to vote
- Launched **Shift Up**, a leadership development program providing Shift Managers with the professional skills needed to advance to Manager roles at Shake Shack
- **Tripled our support** to team members in need via the HUG Fund, our 501c3 non-profit fund during the COVID-19 pandemic

Compensation + Benefits

We evaluate our compensation practices and benefits with a lens for meeting the needs of a diverse workforce and strive to be inclusive in our approach to serving team member needs.

Compensation

- General Managers are eligible to for an equity grant of $10,000 in SHAK stock annually
- Quarterly incentive bonus payouts for Shack Management

Benefits

- Employer-paid short-term disability for all employees
- 401(K) with match eligibility
- Parental leave for both birth and adoptive parents
- Generous paid time off policy
- Dependent Care FSA
- Group life insurance and long-term disability benefits
- Service award program for career milestones
- Team Member dining discounts
- Commuter benefits

COVID-19 Compensation and Benefits Actions

- Provided a 10% premium pay to all hourly team members supporting operations from April through August 2020
- Awarded year-end bonuses to all hourly team members supporting Shack Operations based on position and service time
- Guaranteed bonus payouts to Shack Management for Quarters 2 through 4
- Paid 100% of elected benefits premiums for team members furloughed

Diversity, Equity + Inclusion

We are on a journey to foster a great place to work for all. **All-In**, our diversity, equity and inclusion initiative, launched in 2018 with a focus on attracting, developing, and enabling a highly diverse and inclusive workforce across all functions and levels of the company.

2020 HIGHLIGHTS

- Established a dedicated diversity, equity and inclusion function within the People Resources Department
- Created an Executive Council, comprised of senior leaders from across the company to oversee our strategy and drive accountability at the highest level
- Launched four Employee Resources Groups (ERGs) to help drive cultural awareness and foster community
- Created the Stand Together Series, an all-company diversity educational forum used to drive dialogue and foster a more inclusive workplace



*Includes African American/Black, Asian & Pacific Islander, Hispanic/Latinx, Native .

Employee Resource Groups

We launched four **Employee Resource Groups** (ERGs) to empower our team members and give a collective voice to diverse communities within our workforce. ERGs are sponsored by a member of our Executive Team and led by volunteers from across the company. They 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.

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

ALIADOS: Amplifying Latinx/Hispanic Inclusion by Abling Development, Opportunities, and Support

HEROIQ+: Helping to Educate Regarding Orientation, Identity & Queerness+

SHE: Support, Hustle, Empower



Stand Together Series

In the wake of the national civil unrest, we kicked off an internal conversation series to amplify the stories and voices of team members with diverse backgrounds. Our goal is to foster stronger feelings of inclusion and belonging while promoting allyship. The series has helped to raise awareness about the successes and challenges impacting our 7,000+ team members.

In 2020, we hosted **nine virtual events** with 36 independent speakers and hosts from all over the country and across all levels of the organization. The series featured Shake Shack partners and external stakeholders such as motivational speakers **Eric Legrand** and **Rick Rigsby** as well as Board Member **Jenna Lyons** and Vote.org CEO **Andrea Hailey.**

In 2020, over 1,500 team members participated in live events and recorded events have received 600+ views.

The series continues in 2021, with a fireside chat with representatives from **Equal Justice Initiative**, a **Fearless Female Leaders of Shack** panel discussion, conversations on the **Asian American experience** and much more.



LGBTQ+ Inclusion

The Human Rights Campaign recognized Shake Shack as a **Best Place to Work for LGBT 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:

- Encouraging team members to share their **pronouns and gender identity** beyond binary classifications within our internal human capital system
- Addressing gender identity and sexual orientation discrimination as part of required **anti-harassment training** explicitly
- Enabling an **"LGBTQ-Friendly" attribute to all Google business listings** to further indicate that our locations are safe spaces for everyone
- Taking action to reclassify more single-stall **restroom facilities as gender inclusive**
- Featuring a nationally available **Pride Shake in the** upcoming 2021 Pride campaign, with 5% of proceeds going to long-time partners at **The Trevor Project**

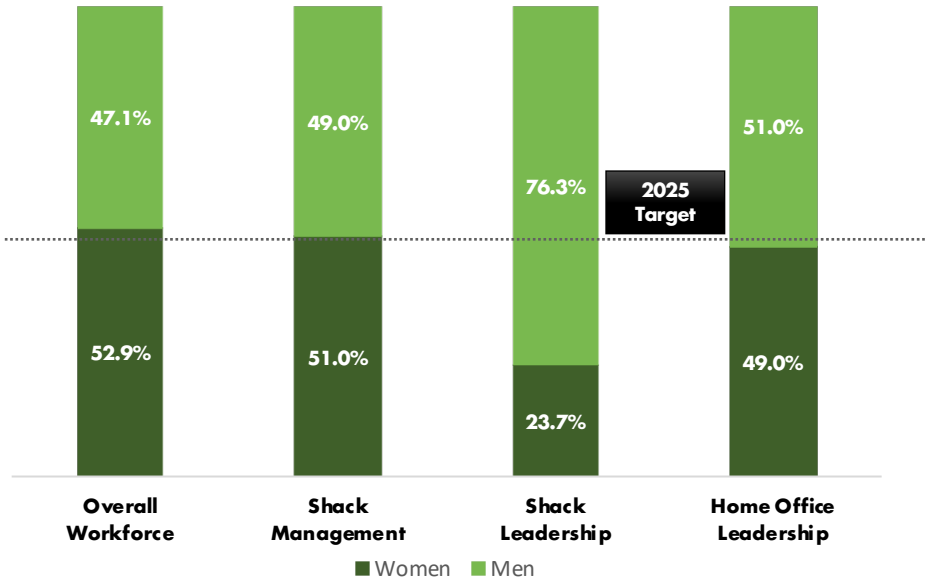


2019 Pride March
New York, NY

Workforce Diversity

Our company is as diverse as the communities we serve. Women make up 53% of our workforce and people of color 76%. Having diverse representation across all functions and levels of our business is key to our success and continued future growth.

Gender Diversity by Roles



Overall Hires – Women

52%

Overall Promotions – Women

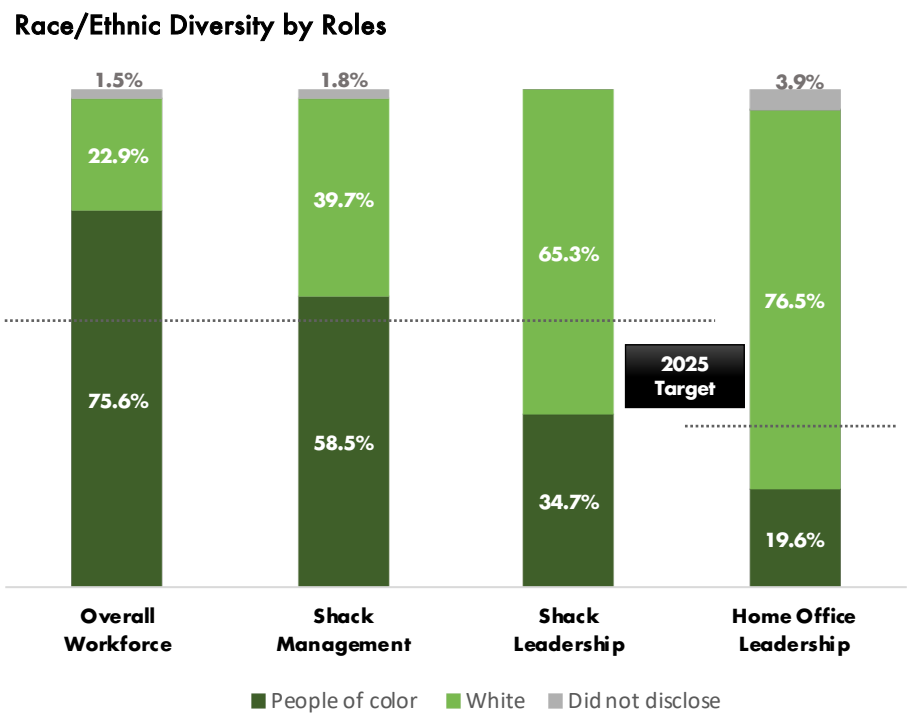
56%

By 2025, we want to have gender parity in Shack Leadership and Home Office Leadership roles.

Ensuring that our candidate slates for Shack and 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 with the company. We are actively developing new partnerships with minority and women focused organizations such as the National Society of Minorities in Hospitality and Historically Black Colleges and Universities to help fuel this pipeline.

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

Workforce Diversity



Overall Hires – People of Color

77%

Overall Promotions – People of Color

76%

Our 2025 Target is to have 50% people of color in Shack Leadership and 30% in Home Office Leadership roles.

Our **Shack Management Team** represents a very strong pipeline for General Manager roles within the company. People of color are 58% of this population and women are 51%. We are deepening our commitment to developing and preparing this population for career growth through programs like Shift Up.

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

Talent Development



Shift Up is our new development program for entry-level managers at Shake Shack. We partnered with **Food Education Fund**, a nonprofit specializing in culinary arts to develop a curriculum and program.

Shift Up provides Shift Managers with training to help improve their skill set and grow their confidence to become senior leaders in our Shacks. Through classroom-based instruction, experiential learning and peer-to-peer networking, participants develop their skills in professional and business communications, digital literacy, finances, personal life management, and leadership.

Seventy-five percent of our inaugural cohort of Shift Managers participating in the program are women and people of color. Our next class launches in the summer, and we will continue to enroll women and people of color in the program to help diversify and strengthen our leadership pipeline.

"Shift Up has been a major blessing. I have been able to improve my writing skills and I am also practicing how to use spreadsheets. I am anxious to learn as much as possible to help me improve not only my managerial skills but also life skills. "

- Shift Up Participant, Class 1

Social Justice Initiatives



Shake Shack is, and always will be, a company that takes action to support equity and inclusion. This means listening to, and standing up for, ALL of our diverse communities.

All-In and the ABLED ERG were instrumental in shaping our response to the social unrest and calls for equal justice in response to the deaths of George Floyd, Ahmaud Arbery, and Breonna Taylor.

Under the direction of these groups, we mobilized to make a **$100,000 donation to Equal Justice Initiative** in June 2020.

Additionally, the ABLED ERG led the creation of a custom-designed uniform t-shirt to demonstrate our support for Black team members and the community at large. Since September, over **7,200 Black Lives Matter uniform shirts** have been distributed to team members in the field and home office.

Continuing into 2021, we listened to our Asian American and Pacific Islander (AAPI) team members in the wake of increased acts of violence against their communities. Internally, we educated our team broadly on the issues and promoted allyship; empowered leaders to take action to ensure the safety of their People; and encouraged teams to utilize available mental health resources. Externally, we issued a statement in **solidarity with the AAPI community** and condemnation of violent attacks on company-owned channels in March.

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 provides a way for team members company-wide to take care of each other by providing quick financial assistance to other team members impacted by financially devastating circumstances that are beyond their control and means. The Fund is run by a board of directors and Shake Shack employees volunteer to sit on the Grant Committee.

In 2020, the Grant Committee mobilized to distribute necessary funds to **almost 30 team members** experiencing loss of income due to the pandemic, major medical setbacks, home damage due to flood, and other family emergencies to help alleviate their stress. And Team Members contributed an **additional $33K** into the fund through payroll contributions and supporting fundraising campaigns.



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Our Core Principles



Through our domestic food supply chain, we're committed to working with best-in-class 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**, **source verified**, plus **raised and harvested in the USA**. Our beef and chicken are always **fresh, never frozen**. We continue to increase our investment in regeneratively farmed beef.

Additionally, we have remained committed to using **cage-free eggs** in all our food and have done so for the past three years. 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**.

Despite the uniqueness of 2020, we continued to mitigate impact by **removing unnecessary packaging elements** and switching to more **sustainable, certified materials** whenever possible.

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

2020 Supply Chain Milestones

36,288 **pounds of regeneratively ranched beef** purchased from a Savory Institute Ecological Outcome Verified ranch in Northern California

222,086 **pounds of non-GMO GAP-certified beef** purchased from Pacific Northwest Co-Op

164,134 **pounds of trash eliminated** and **1.8 Million** **pounds of waste oil recycled** thanks to our partnership with Restaurant Technologies Inc.

2,854 **pounds of food donated** to local food banks around the country

23% **of sugar** in our Shack-made lemonade **reduced**

Expanded our Animal Welfare Policy to include a **Global Cage-Free Egg** policy and a Foie Gras policy



The **Golden State Double** features regeneratively ranched beef from **Richards Grassfed Beef**, available at select Bay Area locations

Our Core Menu

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

BEEF

- No hormones, ever
- No antibiotics, ever
- 100% Angus
- Pasture-raised, grain finished
- Vegetarian fed
- Humanely raised
- Source verified
- We work with a variety of suppliers including **Meyer Natural Angus**, **Creekstone Farms** and **Aspen Ridge**

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

CHICKEN

- No antibiotics, ever
- No hormones, ever*
- Vegetarian fed
- Whole muscle
- All white meat
- Supplied by **Perdue Harvestland**

PORK

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

BUNS

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

FLAT-TOP DOGS

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

FROZEN CUSTARD

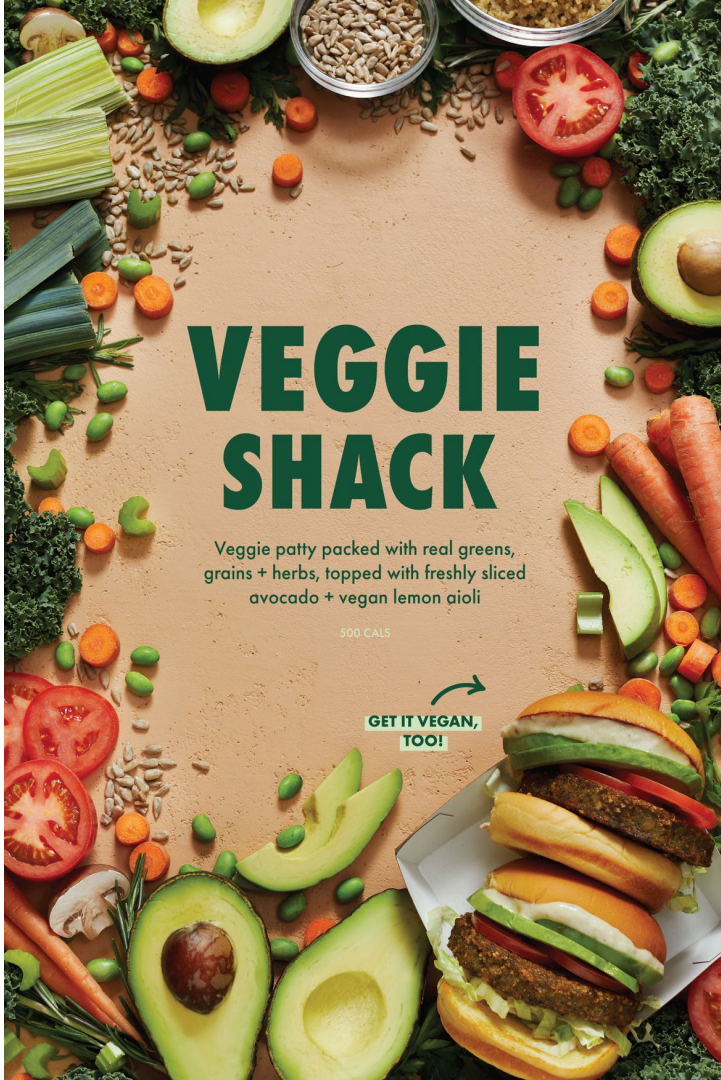
- Only real sugar (no high-fructose corn syrup)
- Cage-free eggs
- Milk from dairy farmers who pledge not to use artificial growth hormones

Veggie Innovation

We've been working to expand vegetarian options beyond our beloved 'Shroom Burger, testing various Veggie Shack builds at **30+ Shacks in key markets**

- Our fan-favorite **'Shroom Burger** has been a menu staple from the beginning: crisp-fried portobello mushroom filled with melted muenster and cheddar cheeses, topped with lettuce, tomato, ShackSauce
- As plant-based eating becomes increasingly popular, we have the opportunity to reach more people with a veggie burger option done the Shake Shack way–with **premium, real ingredients**
- Our Culinary Team has been testing and learning, taking into account both guest and Operations feedback. A new item is currently in development that will be **vegan**, higher in protein, and will deliver on texture and the unique "**Shake Shack Experience**"
- Expect to see more vegetarian and vegan options on our menu in the future!

The current build of our **Veggie Shack,** soon to be perfected!



Spotlight on Niman Ranch

Having bought **over a million pounds of natural, sustainable & humanely raised pork** in 2020 from our partners at **Niman Ranch**, we know firsthand that ethical, sustainable practices make a difference you can taste.



Our Bacon Benchmarks

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

Raised with Care®

Raised outdoors or in deeply bedded pens, pigs are free to be pigs

100% vegetarian diet

Support the Future

Boasts the nation's largest network of independent family hog farmers–650 and growing

Sustainable farming balances the needs we have today without compromising the needs we will have tomorrow, from an environmental, economic, and people perspective

Our Responsible Future

In 2021, we are actively working to better understand our carbon footprint and will continue to find opportunities to reduce impact:

1. **Measuring the impact of our supply chain,** with a focus on protein & dairy categories

2. **Packaging**: continuing the momentum from our industry-leading switch to compostable straws in 2019, we are further optimizing straws and expanding to reusable water bottles, to-go packaging & utensils. In 2021, we are piloting regenerative bioplastic alternatives and are currently engaged with a third-party expert in packaging design and sustainability.

3. **Restaurant building operations**: our focus is on energy management and efficiency, as well as construction and furniture materials



2020 Packaging Highlights

The dramatic switch to delivery and to-go, caused by the removal of indoor dining and increased safety precautions to combat COVID-19, surged to a **200% YOY increase** in paper goods usage. On the bright side, we saw **40% YOY reduction** in overall plastics usage.

- **Reduced over 125,000 pounds of plastic** since our 2019 switch to compostable PLA straws
- Eliminated polystyrene from our water drinking cups by switching entirely to paper, effectively reducing annual consumption of polystyrene by 162 tons, the equivalent of **12 garbage trucks**
- Eliminated a cardboard insert in our to-go bags at most of our locations, **reducing cardboard use by 954,063 lbs**
- To reduce frequently touched areas and encourage social distancing, we removed condiment stations from dining rooms. While these items continue to be available upon request, we believe the removal of these items from dining areas has made a positive impact, compelling guests to rethink needs. A resulting estimated **10,371,000 fewer utensils were used**, an overall reduction of 48,221 lbs. of plastic



2021 Sustainable Packaging Pilots

REGENERATIVE STRAWS + CUTLERY



Piloting **AirCarbon® straws and cutlery** at select Shacks starting March 2021

Made with AirCarbon®, a natural, **carbon-negative biomaterial** that feels like plastic, but degrades naturally if it ends up in the environment

Contains zero synthetic plastics, PLA or synthetic glues, requires no food crops for production and is completely **compostable**, soil degradable, and **marine degradable**

REUSABLE ALUMINUM WATER BOTTLES



Coming soon! Reusable aluminum water bottles will be replacing existing Shack|^{2}O plastic water bottles at select Shacks in April 2021

BPA-free bottles are entirely **refillable**, **reusable**, and **recyclable**

For our initial pilot, we will avoid buying **50,000 single-use water bottles**

Material is **100% aluminum** (widely recognized as the most recyclable material) with absolutely no plastic components, so guests can feel good about recycling

Light weight and durable, the bottles can be kept in good condition and reused many times over

Our Shacks

We are looking to better understand and ultimately reduce the environmental impact of operating our brick-and-mortar restaurant locations, everything from energy and water usage to air purity and transportation footprint.

2020 HIGHLIGHTS

- Our Shacks feature **reclaimed, salvaged**, and Forest Stewardship Council (FSC) **certified materials**
- Shack mechanical systems provided on average **50% more outdoor air than required by local code**
- Shifted to efficient motion-activated water fixtures, a first step in **reducing water usage**
- **50% of engineer consultants are BIPOC or women-owned businesses**, a dramatic increase from 0% YP
- Piloted new **Energy Management System**, with a goal to lend greater visibility into our overall energy usage and opportunities for reduction at company-owned Shacks

2021 INITIATIVES

- **ENERGY & WATER USAGE**: 30% of Shacks opening in 2021 will realize a 20% YOY reduction in Kitchen Exhaust System energy usage. Additionally, working with Energy Management System, mechanical system selections, and implementing means to thoroughly evaluate water usage and find efficiencies.
- **EV CHARGING:** Evaluating the inclusion of Electric Vehicle charging stations in future site designs
- **GHG EMISSIONS**: Regionalize vendors with the goal of minimizing our furniture's transportation footprint
- **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



CORPORATE GOVERNANCE

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Executive Compensation Practices

Data Privacy + Information Security



Governance 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.

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.

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

Our Board of Directors



Daniel Meyer
Founder & Chairman of the Board



Randy Garutti
CEO & Director



Jeff Flug
Director



Jenna Lyons
Director



Joshua Silverman
Director



Jonathan D. Sokoloff
Director



Robert Vivian
Director



Anna Fieler
Director



Tristan Walker
Director



Sumaiya Balbale
Director

Our Board of Directors

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 ten 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
- 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 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, 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, our President & CFO, our COO, and our Board of Directors
- We prohibit hedging and pledging of Company stock
- We hold an annual say-on-pay vote

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 an annual cash incentive which focuses our executives on achieving annual financial, strategic, and individual goals.
- Our executive compensation program also includes the opportunity to receive long-term incentives in the form of time-based and performance-based awards under our 2015 Incentive Award plan.
- The level of benefit received by our NEOs is dependent on the achievement of pre-determined goals over each annual performance period.
- Time-based awards, in the form of PSUs, are payable in restricted stock units (RSUs) to the extent the Company achieves the Total Revenue and Adjusted EBITDA performance goals over an annual performance period. PSUs are 50% of the total long-term award value and vest ratably over four years.
- RSUs are 50% of the total award value and vest ratably over four years.

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 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. All statements other than statements of historical fact included in this Summary 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. 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 in the context of the risks and uncertainties disclosed in the Company's Form 10-K for the fiscal year ended December 30, 2020, as filed with the Securities and Exchange Commission (the SEC). 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 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.