



Shake Shack Inc.

Locations: New York (HQ)

Industries: Food Beverage and Tobacco

RISK LEVEL:



High Risk

DESCRIPTION:

Shake Shack is High Risk. The company yields to political activism in shaping corporate governance, potentially alienating consumers, dividing employees, and harming shareholders. The company implements race and identity-based policies that replace merit, excellence, and integrity with preferential treatment and outcomes. Shake Shack embraces corporate initiatives that redirect its central focus from business goals to partisan policies and divisive issues. This approach fails to safeguard free exercise, free speech, and free enterprise.

Corporate Weaponization

Has canceled customers, suppliers, or vendors due to their political views or religious beliefs OR corporately boycotts, divests, or sanctions regions, people groups, or industries. Medium Risk

Shake Shack received a score of 100 on the 2025 Corporate Equality Index (CEI) from the Human Rights Campaign (HRC), a political stakeholder group. The company recruits employees based on sexual identity issues. The company discriminates against vendors that do not promote divisive sex and gender policies, indicating it prioritizes sexual issues over merit (1)(2). However, Shake Shack has not canceled customers, suppliers, or vendors based on political views or religious beliefs (3).

Charitable giving (including employee matching programs) policies or practices discriminate against charitable organizations based on views or religious beliefs. High Risk

Shake Shack's HRC 2025 CEI rating indicates the company will not donate to non-religious charities unless they embrace controversial sexual identity policies (1)(2). However, the company does not appear to discriminate against charitable organizations based on views or beliefs (3).

Employment policies fail to protect against viewpoint or other discrimination and/or are ideological in nature. High Risk

Shake Shack's HRC 2025 CEI rating indicates the company forces employees to attend multiple, controversial trainings on gender identity, sexual orientation, transgender issues, and divisive racial ideology. The company provides gender transition guidelines for its employees and a specific benefits guide with a comprehensive explanation of transgender services funded by the company (1)(2). In April 2024 America First Legal filed a letter with the EEOC requesting a civil rights investigation into Shake Shack over discriminatory practices in employment (3)(4). Shake Shack launched two custom DEI 101 courses for its employees (5). Shake Shack requires its employees to complete a DEI course within 90 days of being hired, and it requires leaders to take an unconscious bias course (6). Shake Shack appears to prioritize diversity over merit in its hiring and leadership composition through the establishment of racial quotas. Shake Shack is aiming for "50% people of color in Shack Leadership" and "30% in Home Office Leadership roles" (7). The company does not provide viewpoint protections for its employees (8).

Corporate Governance and Public Policy

Uses corporate reputation to support causes, organizations, or policies hostile to freedom of expression. High Risk

Shake Shack's HRC 2025 CEI rating indicates the company agrees to allow a controversial stakeholder group focused on sexual identity issues to dictate marketing or advertising strategy. By doing so, the company risks dividing employees, alienating customers and harming shareholders (1)(2). Shake Shack offers anti-racism resources for its employees and publishes these resources online. Concerning anti-racism, Shake Shack is committed to "ongoing proactive education" (3). The company hosts a Diversity, Equity, and Inclusion function (4).

Uses corporate funds to advance ideological causes, organizations, or policies hostile to freedom of expression. High Risk

Shake Shack's HRC 2025 CEI rating indicates the company covers transgender related costs for its employees and their children, including paid short-term leave, puberty blockers, cross-sex hormones, chest surgeries, genital surgeries, medical visits and lab monitoring, travel and lodging. Additionally, the company has pledged philanthropic support of at least one organization or event that promotes sex and gender ideology. By allowing a political stakeholder group to dictate operations, the company increases health care costs and risks dividing employees, alienating customers and harming shareholders (1)(2). The company was a Silver Tier corporate sponsor of the Trevor Project, an organization that advocates for controversial sex and gender ideology, including "gender transition" drugs and surgeries for minors, through legislation, litigation, advertising, and PR campaigns. The organization also hosts online chatrooms that allow adults to communicate with minors as young as 13 about sexually explicit topics. Adults in these chatrooms have encouraged minors to adopt transgender identities and withhold this information from their parents (3)(4)(5)(6)(7). Shake Shack is a leader partner of PFLAG, an LGBTQ+ activist group that promotes books for children with sexually explicit and gender fluid content and advocates against laws that inform parents of their child's gender dysphoria or prevent unapproved transgender medical treatments for minors (8)(9)(10). In June 2021, Shake Shack featured a Pride shake and "donat[ed] 5% of the sales price to The Trevor Project, with a minimum donation of \$50,000" (11). During June 14-16, 2021, certain Shake Shack locations donated 25% of sales to Seattle Pride when customers mentioned the promotion (12). In 2020, Shake Shack donated \$100,000 to the Equal Justice Initiative (13). Shake Shack donates 1% of bottled water sales to "1% for the Planet", which directs funds to environmental nonprofits (14). Otherwise, there are no publicly known cases of Shake Shack using corporate funds to advance ideological causes, organizations, or policies (15).

Uses corporate political actions and/or financial contributions for ideological, non-business purposes. High Risk

Shake Shack's HRC 2025 CEI rating indicates the company publicly advocated for controversial sex and gender ideology through local, state or federal legislation or initiatives. By allowing a political stakeholder group to dictate operations, the company risks dividing employees, alienating customers and harming shareholders (1)(2). Shake Shack does not operate a PAC or engage in lobbying at this time (3)(4)(5).

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