

## CALA Consulting

<u>Team Member Name</u>	<u>Year</u>	<u>Major</u>
Amory Pescariu	2022	International Business
Andressa Angelini Souza	2023	International Business
Carlos Marrero	2022	Finance
Leahanna Sine	2022	International Business & SCM

**Advisor(s):** David Wernick

**Topic:** Shake Shack's Sustainability Squeeze – Creating an Environmentally Friendly Menu

**Audience:** Shake Shack, Inc. Board of Directors

### Sustainable Development Goal

SDG #12 - Ensure Sustainable Consumption and Production Patterns

SDG #13 - Take Urgent Action to Combat Climate Change and its Impacts

SDG #15 - Protect, Restore and Promote Sustainable Use of Terrestrial Ecosystems, Sustainably Manage Forests, Combat Desertification, and Halt and Reverse Land Degradation and Halt Biodiversity Loss

### Executive Summary

Starting from their humble roots in New York City in 2001, Shake Shack now serves as one of the top names in the gourmet fast food industry, with 383 locations worldwide. Through its IPO, the company became public in 2015 and now currently has a value of \$3.03 billion in market capitalization. While increasing annual sales and total revenue over the past decade, Shake Shack has also been considering moving towards more sustainable practices to better align with its company philosophy and goals.

Shake Shack has implemented multiple different practices to help decrease its emissions. For example, it locally composts its waste, adheres to proper recycling rules, and purchases "wind credits" to counter its energy emissions. However, Shake Shack's main product, hamburgers, are very damaging to the environment, with around 9.4% of global emissions coming from beef and dairy production.

To address this issue, CALA Consulting proposes that Shake Shack develop environmentally friendly menu options across their 383 locations to allow them to cut back on their meat and dairy usage. Starting with the introduction of cricket protein in burgers and dairy-free milkshakes in their major urban markets, Shake Shack can allow customers to explore more sustainable alternatives. We also believe that focusing on enhancements for cattle diets is a great way to improve emissions, with studies showing that certain diet changes can reduce a cow's methane emissions by up to 80%. With this, Shake Shack can also focus on a longer-term goal: to be the first major fast-food chain to serve lab-grown meat burgers in the US. This will be done through a partnership with Israeli startup MeaTech and will satisfy the hunger for both burgers and environmentalism.