

Welcome to your CDP Climate Change Questionnaire 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Wendy's is primarily engaged in the business of operating, developing, and franchising a system of distinctive quick-service restaurants serving high quality food. Wendy's opened its first restaurant in Columbus, Ohio in 1969. Today, Wendy's is the #2 quick-service restaurant company in the hamburger sandwich segment in the United States (the "U.S.") based on traffic share*, and the third largest globally with 6,828 restaurants in the United States and 30 foreign countries and U.S. territories as of January 3, 2021. (*Based on The NPD Group CREST® data for the twelve months ended December 2020.) At January 3, 2021, there were 5,881 Wendy's restaurants in operation in the United States. Of these restaurants, 361 were operated by the Company and 5,520 were operated by a total of 228 franchisees. In addition, at January 3, 2021, there were 947 Wendy's restaurants in operation in 30 foreign countries and U.S. territories, all of which were franchised. The Company's principal executive offices are located at One Dave Thomas Blvd., Dublin, Ohio 43017, and its telephone number is (614) 764-3100.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2020	December 31, 2020	No

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Canada
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	<p>The highest level of responsibility for climate-related issues within Wendy's is held by the Corporate Social Responsibility (CSR) Committee of our Board of Directors. In 2019, the Board approved the current Charter of the CSR Committee to specifically assign responsibility for the review and oversight of environmental, social, and governance (ESG) matters, including climate risks, to that committee, demonstrating the importance of such issues to Wendy's and its future. The Wendy's Board of Directors and the Senior Leadership Team believe this integrated approach enables climate-related risks to be evaluated in connection with other broad-ranging risks that may affect the company.</p> <p>A number of climate related decisions were made in 2020 by the CSR Committee such as approving the decision to set public-facing ESG goals in 2021. These goals, which were announced in April 2021 as part of the Company's 2020 Corporate Responsibility Report, included committing to responsible sourcing and establishing associated metrics, transitioning to a sustainable packaging portfolio, and committing to setting a science based target (with the process to commence in</p>

	2021). The Company also announced its commitment to report to the CDP Climate Change Questionnaire in 2021.
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C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	<p>The Board discusses various climate-related issues in a number of ways. First, the Corporate Social Responsibility (CSR) Committee of the Board is primarily responsible for ESG matters, including sustainable sourcing, energy consumption and associated emissions, and other climate-related risks. These topics, including the related risks, opportunities, emerging trends, best practices and strategic initiatives, are regularly reported to the Board by the CSR Committee. The CSR Committee met two times during 2020.</p> <p>The Audit Committee (AC) is tasked with overseeing the Company's Enterprise Risk Management (ERM) program, which also includes identifying, assessing and responding to various climate-related risks. The Company's Risk department leads discussions with the AC in reviewing enterprise risks, including climate-related risks, on a semi-annual basis. For example, in the event a climate-related risk that may result in disruptions to operations is discussed with the AC, an appropriate level of mitigation or insurance would be identified to financially protect Wendy's, and an action plan would be established to avoid disruption and mitigate potential impacts.</p> <p>The Chief Corporate Affairs & Sustainability Officer, Chief Financial Officer, and other executive leaders discuss and review various other climate-related issues. These discussions include the Company's ESG-related goals and progress toward these goals.</p> <p>The Board met nine times in 2020. The CEO and the Senior Leadership Team discussed strategy, action,</p>

		business plans, and/or capital expenditure plans and programs with our full Board at each scheduled Board meeting. Part of the Company's capital plans included addressing operations and infrastructure that can be impacted by climate-related events.
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C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Financial Officer (CFO)	Both assessing and managing climate-related risks and opportunities	Half-yearly
Other C-Suite Officer, please specify Chief Corporate Affairs & Sustainability Officer	Both assessing and managing climate-related risks and opportunities	Half-yearly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The highest-level management positions with responsibility for climate-related issues are the Chief Financial Officer (CFO) and Chief Corporate Affairs & Sustainability Officer (CCASO) of Wendy's. Responsibility for climate-related risks has been delegated to the CFO and CCASO because they are members of the Senior Leadership Team and have influence with, communications with, and direct access to the board level. The CFO and CCASO serve as Executive Sponsors of Wendy's ESG Steering Committee, which is comprised of senior management personnel and has direct responsibility for:

- ~ Identifying and monitoring ESG and climate-related risks and opportunities
- ~ Overseeing activities and strategy rollouts across the business.
- ~ Setting the global ESG and climate strategies
- ~ Approving goals, KPIs and metrics, and the Wendy's annual Corporate Responsibility Report

The ESG Steering Committee is supported by Wendy's ESG Working Group. The ESG Working Group is a cross-functional team, led by the CCASO, with direct responsibility for:

- ~ Staying current on ESG and climate-related risks and opportunities
- ~ Implementing activities and executing global ESG and climate strategies
- ~ Recommending goals, KPIs and metrics
- ~ Managing and writing the Wendy's annual Corporate Responsibility Report
- ~ Monitoring performance against KPIs

Additionally, the ESG Steering Committee is comprised of subject matter experts who represent and serve on ESG Topic-Specific Working Groups and Processes covering a range of ESG areas, including but not limited to water, waste, energy, and emissions. The CCASO reports to our President and Chief Executive Officer, and the ESG Steering Committee and ESG Working Group include senior leaders responsible for finance, accounting, human resources, risk, internal audit, investor relations, legal, restaurant and franchise development, operations, technology, marketing, communications, corporate social responsibility, quality assurance, supply chain management, and innovation. The outputs of the ESG Steering Committee and ESG Working Group are, in turn, reported on by the CCASO directly to the CSR Committee, which reports to the Board of Directors.

The CSR and Audit Committees support the Board by addressing various risks within their respective areas of responsibility. For example, the CSR Committee reviews and oversees ESG risks, opportunities and strategic initiatives, including climate-related risks. The Audit Committee oversees the Company's ERM program, which is further supported by management's ERM Committee. The ERM program includes assessing and managing material enterprise risks, including climate-related risks. While each committee is responsible for providing oversight with respect to the management of risks, the entire Board is regularly informed on identified risks through committee reports, minutes of committee meetings and management presentations.

Additionally, climate-related risks and opportunities are elevated across the organization through the proper channels based on their materiality, as identified in our materiality assessment process. In 2020, Wendy's conducted a comprehensive materiality assessment to identify, refine, and assess numerous potential ESG risks and opportunities. As part of this process we solicited input from internal and external stakeholders, prioritized each identified risk and opportunity and analyzed it against criteria that consider the potential to impact our business, communities, the environment, and other stakeholders. The findings from the materiality assessment were integrated into our Company-wide ERM program and processes and were also used to inform the Company's strategy, targets, and reporting on material ESG topics.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Wendy's offers incentives and award programs geared to encourage employees to be proactive problem solvers and support our vision and strategy framework through innovation and resourcefulness.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Efficiency project	<p>Goals and objectives of the Senior Leadership Team are based on monetary incentives tied to organizational performance.</p> <p>Variable compensation is short and long term and based on multiple measures of organization performance. Some performance metrics are tied to profit, which in turn is partially driven by resource efficiency, operational efficiency and energy reduction. Through these performance goals and related Company initiatives, we are able to realize efficiencies. These efficiencies reduce energy and natural resource consumption, decrease associated emissions, and contribute to our climate change mitigation efforts.</p>
Other C-Suite Officer	Monetary reward	Efficiency project	<p>The Chief Corporate Affairs and Sustainability Officer is responsible for leading and executing Wendy's sustainability strategy. This includes finalizing Wendy's ESG materiality assessment process; CSR Report publication, including disclosure regarding Wendy's ESG goals and initiatives; implementation of necessary programs resulting from materiality assessment; aligning with reporting frameworks (CDP/GRI/SASB); stakeholder engagement, including Board and shareholder engagement on CSR/ESG matters; protecting the Wendy's brand against external threats with effective crisis management; and continuing to drive progress on innovative, sustainable product sourcing methods like greenhouse/hydroponic produce, antibiotic tracing/reductions, sustainable packaging and others. Sustainability performance is factored into the CCASO's monetary rewards and incentives.</p>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	10	
Long-term	10	20	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Wendy's multidisciplinary ERM process identifies areas of potential risk to the business, based on the category, anticipated impacts, likelihood of occurrence, velocity of manifestation, and potential to cause disruption to operations, customers, or our supply chain; physical risks to infrastructure, facilities and assets; an increase in external pressure from regulators, customers, and shareholders for immediate review and action on current regulatory risks; or other financial, environmental, and reputational threats to the business as identified through assessments and case-specific bases. Risks are evaluated on two different levels, the enterprise and asset levels. Risk topics and management's plan for addressing them are discussed with the full Board of Directors.

How Wendy's defines substantive financial or strategic impact on our business:

When identifying and evaluating risks, including climate risks, Wendy's assigns impact, likelihood and velocity ratings. Impact rating categories include insignificant, minor, moderate, major, and catastrophic. Impact is quantified based on general materiality definitions, financial equivalents of same restaurant sales (SRS), EBITDA, and sustained drop in Wendy's stock price.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

Process for identifying, assessing and responding to climate related risks/opportunities: Through our multidisciplinary Enterprise Risk Management (ERM) process, we identify events that might affect our business and operations; review risks, impacts and opportunities associated with those events; and develop mitigation activities to reduce the impact, likelihood or velocity of risks.

Climate-related risks and opportunities are identified at the enterprise and asset levels based on their potential to: cause disruptions to the business and operations, customers, and supply chain; threaten restaurants, facilities, infrastructure, and other assets; and increase external pressure from regulators, customers and shareholders for immediate review and action. In any case that residual risk exceeds our risk appetite and is substantive to our business based on magnitude of impact and likelihood of occurrence, we determine the appropriate response strategy to mitigate the potential impacts.

The Audit Committee of the Board is responsible for overseeing the Company's Enterprise Risk Management (ERM) program, and the CSR Committee oversees ESG strategic matters and initiatives, including reviewing and discussing climate-related risks and opportunities. The full Board is regularly informed on material risks and opportunities, including climate-related risks and other ESG topics, through committee reports, minutes of committee meetings and management presentations.

Company-wide, we address climate risks and opportunities by continuing to focus on reducing energy consumption and emissions as well as increasing efficiencies through monitoring and reporting programs, conservation and control programs, and reduction and efficiency initiatives.

Example of a physical risk/opportunity:

Temperature averages and shifting seasons associated with climate change is increasing the severity and frequency of wildfires and impacting water resources and availability in certain regions where Wendy's operates. Wildfires and/or limited water supplies could result in reduced crop yields, which could decrease availability of agricultural commodities and potentially impact our ability to sell products in our restaurants, leading to revenue losses. In response to the wildfire and water scarcity risks associated with climate change, Wendy's was the first quick service restaurant to make a major investment in produce grown in greenhouses. All tomatoes grown for Wendy's restaurants in the U.S. and Canada are greenhouse grown and in 2020,

Wendy's transitioned all lettuce served in Wendy's restaurants in Canada to greenhouse grown lettuce. This initiative resulted in significant water savings compared to traditional growing methods. Wendy's is actively exploring the potential for greenhouse-grown lettuce in the U.S.

Example of a transitional risk/opportunity:

As a quick service restaurant, we often rely on non-renewable sources of energy throughout our operations for cooking, lighting, refrigeration, ventilation, and space heating. Increased external pressure from government, customers, and shareholders for immediate review and action on addressing climate change and reducing emissions, and new and emerging regulations could all pose potential risks and adversely affect Wendy's if not proactively managed. To manage the risks associated with external pressure for immediate action on climate change, emerging regulations and potential rising costs for energy, Wendy's committed to a community solar program in 2020. The program is scheduled to launch in 2022 and is designed to provide Wendy's with solar renewable energy directly through the utility company. Wendy's expects to receive the Solar Renewable Energy Credits (SREC's) to retire and thereby document that approximately 39 of our Company-operated restaurants in Florida are powered by renewable energy. Wendy's is actively exploring the potential to expand its renewable energy portfolio.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>With respect to climate-related risks, two Board Committees play a direct role in overseeing the risk management process. The CSR Committee provides recommendations to the Board on ESG strategic initiatives and reviews and discusses risks and opportunities, emerging trends and evolving best practices relative to ESG strategic initiatives. The Audit Committee oversees the Company's ERM program and receives a comprehensive ERM report on a semi-annual basis and discusses the results with the full Board. The full Board also receives a comprehensive ERM report on an annual basis.</p> <p>Through our multidisciplinary Enterprise Risk Management (ERM) process, we identify events that might affect our business and operations; review risks, impacts and opportunities associated with those events; and develop mitigation activities to reduce the impact, likelihood or velocity of risks.</p> <p>Risks related to current regulation are evaluated at various levels as appropriate, such as enterprise, Company, and asset levels. Material</p>

		<p>risk topics, including current regulations, and management's plans for addressing them are discussed with the full Board of Directors and appropriate Committees, including as part of the review of the Company's ERM program and processes. Management, including members of the Legal, Compliance and Public Affairs teams, regularly assess the external environment to identify emerging risks that could affect the Company.</p> <p>We also monitor closely state/provincial, national and international regulations as they relate to restrictions, caps, taxes, or other controls on emissions of greenhouse gases, that may affect our operations.</p> <p>Any failure to comply with current emissions and other environmental laws and regulations could result in liabilities, increased costs related to fines and penalties, or limitations on operating activities until compliance with applicable requirements is achieved. Additionally, Wendy's may be adversely affected if, for example, a supplier in the Wendy's supply chain was found to be in violation of emissions or other climate-related regulations, which could further result in market and reputational risks for the Company.</p>
Emerging regulation	Relevant, always included	<p>With respect to climate-related risks, two Board Committees play a direct role in overseeing the risk management process. The CSR Committee provides recommendations to the Board on ESG strategic initiatives and reviews and discusses risks and opportunities, emerging trends and evolving best practices relative to ESG strategic initiatives. The Audit Committee oversees the Company's ERM program and receives a comprehensive ERM report on a semi-annual basis and discusses the results with the full Board. The full Board also receives a comprehensive ERM report on an annual basis.</p> <p>Through our multidisciplinary Enterprise Risk Management (ERM) process, we identify events that might affect our business and operations; review risks, impacts and opportunities associated with those events; and develop mitigation activities to reduce the impact, likelihood or velocity of risks.</p> <p>Risks related to emerging regulation are evaluated on two different levels, the enterprise and asset levels. Material risk topics, including emerging regulations, and management's plans for addressing them are discussed with the Audit Committee and the full Board of Directors as part of their review of the Company's ERM program and processes. Additionally, our Compliance and Public Affairs teams continually assess the external environment to identify potential or emerging regulatory activity that could affect the enterprise.</p>

		<p>Wendy's monitors developments in the emerging regulatory area of carbon emissions controls and considers its potential to increase costs and/or precipitate climate-related litigation. For example, Wendy's could face operational or other challenges as a result of tighter or expanded laws or regulations on carbon emissions, or increased costs associated with improving operational efficiency (e.g. investments in innovative kitchen equipment and technologies, or renewable power sources) in order to reduce emissions and keep up with the ongoing transition to a low-carbon economy.</p> <p>To proactively address and account for such regulatory risks, Wendy's has established an ESG Working Group comprised of subject matter experts whose focus is to identify solutions aimed at reducing resource consumption and improving efficiency. These actions are designed to ensure continued regulatory compliance and reduce environmental impacts, including mitigating climate change in the long-term.</p>
Technology	Relevant, always included	<p>With respect to climate-related risks, two Board Committees play a direct role in overseeing the risk management process. The CSR Committee provides recommendations to the Board on ESG strategic initiatives and reviews and discusses risks and opportunities, emerging trends and evolving best practices relative to ESG strategic initiatives. The Audit Committee oversees the Company's ERM program and receives a comprehensive ERM report on a semi-annual basis and discusses the results with the full Board. The full Board also receives a comprehensive ERM report on an annual basis.</p> <p>Through our multidisciplinary Enterprise Risk Management (ERM) process, we identify events that might affect our business and operations; review risks, impacts and opportunities associated with those events; and develop mitigation activities to reduce the impact, likelihood or velocity of risks.</p> <p>Technology risks are evaluated at various levels as appropriate, such as enterprise, Company, and asset levels. Material risk topics, including technology risks, and management's plans for addressing them are discussed with the full Board of Directors and appropriate Committees, including as part of the review of the Company's ERM program and processes. Management, including members of the Legal, Compliance and Public Affairs teams, regularly assess the external environment to identify emerging risks that could affect the Company.</p> <p>Wendy's monitors developments in technology associated with climate change and considers the potential risks and opportunities the Company could be faced with by maintaining a business-as-usual approach and/or considering opportunities for technology</p>

		<p>advancements and innovation. For example, a significant source of energy consumption in our restaurants comes from cooking, heating, cooling and ventilation. Maintaining older equipment versus updating or replacing existing equipment with emerging technologies (e.g. renewable energy, energy efficiency, and carbon capture and storage), may affect the Company's competitiveness, operational costs, and demand for products/services.</p>
Legal	Relevant, always included	<p>With respect to climate-related risks, two Board Committees play a direct role in overseeing the risk management process. The CSR Committee provides recommendations to the Board on ESG strategic initiatives and reviews and discusses risks and opportunities, emerging trends and evolving best practices relative to ESG strategic initiatives. The Audit Committee oversees the Company's ERM program and receives a comprehensive ERM report on a semi-annual basis and discusses the results with the full Board. The full Board also receives a comprehensive ERM report on an annual basis.</p> <p>Through our multidisciplinary Enterprise Risk Management (ERM) process, we identify events that might affect our business and operations; review risks, impacts and opportunities associated with those events; and develop mitigation activities to reduce the impact, likelihood or velocity of risks.</p> <p>Legal risks are evaluated at various levels as appropriate, such as enterprise, Company, and asset levels. Material risk topics, including legal risks, and management's plans for addressing them are discussed with the full Board of Directors and appropriate Committees, including as part of the review of the Company's ERM program and processes. Management, including members of the Legal, Compliance and Public Affairs teams, regularly assess the external environment to identify emerging risks that could affect the Company.</p> <p>As the potential value of climate change related loss and damage increases across our industry, legal risk may also increase. Wendy's monitors legal developments associated with climate change and other ESG topics and considers their potential to result in material climate-related litigation.</p>
Market	Relevant, always included	<p>With respect to climate-related risks, two Board Committees play a direct role in overseeing the risk management process. The CSR Committee provides recommendations to the Board on ESG strategic initiatives and reviews and discusses risks and opportunities, emerging trends and evolving best practices relative to ESG strategic initiatives. The Audit Committee oversees the Company's ERM program and receives a comprehensive ERM report on a semi-annual basis and discusses the results with the full Board. The full Board also receives a</p>

		<p>comprehensive ERM report on an annual basis.</p> <p>Through our multidisciplinary Enterprise Risk Management (ERM) process, we identify events that might affect our business and operations; review risks, impacts and opportunities associated with those events; and develop mitigation activities to reduce the impact, likelihood or velocity of risks.</p> <p>Market risks are evaluated at various levels as appropriate, such as enterprise, Company, and asset levels. Material risk topics, including market risk, and management's plan for addressing them are discussed with the full Board of Directors and appropriate Committees, including as part of the review of the Company's ERM program and processes. Management, including members of the Legal, Compliance and Public Affairs teams, regularly assess the external environment to identify emerging risks that could affect the Company.</p> <p>Wendy's could be affected by market risks associated with climate change through shifts in supply and demand for certain commodities. For example, government regulation and changes in consumer preferences for goods or services relating to more environmentally-friendly products and services could result in increased costs of raw materials or other supply chain impacts.</p>
Reputation	Relevant, always included	<p>With respect to climate-related risks, two Board Committees play a direct role in overseeing the risk management process. The CSR Committee provides recommendations to the Board on ESG strategic initiatives and reviews and discusses risks and opportunities, emerging trends and evolving best practices relative to ESG strategic initiatives. The Audit Committee oversees the Company's ERM program and receives a comprehensive ERM report on a semi-annual basis and discusses the results with the full Board. The full Board also receives a comprehensive ERM report on an annual basis.</p> <p>Through our multidisciplinary Enterprise Risk Management (ERM) process, we identify events that might affect our business and operations; review risks, impacts and opportunities associated with those events; and develop mitigation activities to reduce the impact, likelihood or velocity of risks.</p> <p>Reputational risks are evaluated at various levels as appropriate, such as enterprise, Company, and asset levels. Material risk topics, including reputational risks, and management's plans for addressing them are discussed with the full Board of Directors and appropriate Committees, including as part of the review of the Company's ERM program and processes. Management, including members of the Legal, Compliance</p>

		<p>and Public Affairs teams, regularly assess the external environment to identify emerging risks that could affect the Company.</p> <p>Wendy's could be affected by reputational risks associated with climate change based on how we manage our environmental impacts and implement our overall ESG strategy. For example, negative publicity associated with our inability to sustainably source our core commodities and ingredients that comprise our food offerings or meet our other ESG commitments could compromise the company's reputation, damage consumer trust in our brand and have a material adverse effect on our results of operations and financial condition.</p>
<p>Acute physical</p>	<p>Relevant, always included</p>	<p>With respect to climate-related risks, two Board Committees play a direct role in overseeing the risk management process. The CSR Committee provides recommendations to the Board on ESG strategic initiatives and reviews and discusses risks and opportunities, emerging trends and evolving best practices relative to ESG strategic initiatives. The Audit Committee oversees the Company's ERM program and receives a comprehensive ERM report on a semi-annual basis and discusses the results with the full Board. The full Board also receives a comprehensive ERM report on an annual basis.</p> <p>Through our multidisciplinary Enterprise Risk Management (ERM) process, we identify events that might affect our business and operations; review risks, impacts and opportunities associated with those events, and; develop mitigation activities to reduce the impact, likelihood or velocity of risks.</p> <p>Acute physical risks are evaluated at various levels as appropriate, such as enterprise, Company, and asset levels. Material risk topics, including acute physical risks, and management's plans for addressing them are discussed with the full Board of Directors and appropriate Committees, including as part of the review of the Company's ERM program and processes. Management, including members of the Legal, Compliance and Public Affairs teams, regularly assess the external environment to identify emerging risks that could affect the Company.</p> <p>Wendy's operations may be affected by severe weather or other natural disasters, which could result in significant business interruptions, impact our ability to serve our customers, result in lost sales and revenues for our restaurants and hurt our operating margins and profits.</p> <p>Wendy's mitigates this risk through continuous monitoring of situational intelligence monitoring and notification tools, media sources, weather reporting and other sources to maintain situational awareness and to</p>

		develop advance notice of any natural, manmade or other spontaneous events.
Chronic physical	Relevant, always included	<p>With respect to climate-related risks, two Board Committees play a direct role in overseeing the risk management process. The CSR Committee provides recommendations to the Board on ESG strategic initiatives and reviews and discusses risks and opportunities, emerging trends and evolving best practices relative to ESG strategic initiatives. The Audit Committee oversees the Company's ERM program and receives a comprehensive ERM report on a semi-annual basis and discusses the results with the full Board. The full Board also receives a comprehensive ERM report on an annual basis.</p> <p>Through our multidisciplinary Enterprise Risk Management (ERM) process, we identify events that might affect our business and operations; review risks, impacts and opportunities associated with those events; and develop mitigation activities to reduce the impact, likelihood or velocity of risks.</p> <p>Chronic physical risks are evaluated at various levels as appropriate, such as enterprise, Company, and asset levels. Material risk topics, including chronic physical risks, and management's plans for addressing them are discussed with the full Board of Directors and appropriate Committees, including as part of the review of the Company's ERM program and processes. Management, including members of the Legal, Compliance and Public Affairs teams, regularly assess the external environment to identify emerging risks that could affect the Company.</p> <p>Longer-term shifts in climate patterns, such as increased temperatures and water scarcity could impact growing seasons for certain core commodities we use in our food products and packaging. Limited or no availability of core commodities and ingredients could impact our ability to serve our customers, result in lost sales and revenues for our restaurants and hurt our operating margins and profits.</p> <p>Wendy's mitigates this risk through continuous monitoring of situational intelligence monitoring and notification tools, media sources, weather reporting and other sources to maintain situational awareness and to develop advance notice of any natural, manmade or other spontaneous events.</p>

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

Wendy's has food service operations across the U.S., which may be adversely affected by tornadoes, severe winter storms, hurricanes, floods and other extreme weather conditions that could also adversely affect Wendy's customers and suppliers. Severe weather or other natural disasters could result in significant business interruption and additional costs to repair damaged restaurants, facilities, and other infrastructure. Wendy's has already experienced episodes of extreme weather, including hurricanes and resultant flooding.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

20,000,000

Potential financial impact figure – maximum (currency)

25,000,000

Explanation of financial impact figure

Approach, assumption & figures used in calculation: There were numerous severe weather events in 2020, including tornadoes, severe winter storms and hurricanes. Subsequent impacts from these events resulted in damage, temporary interruptions or flooding to operations across the U.S. Wendy's quantifies an estimated 2020 U.S. Systemwide Sales Impact from these events to be between \$20-25M. This range includes impacts from all types of weather events, including winter storms, hurricanes, flooding, etc. The Wendy's financial model derives direct revenues from Company-operated restaurants (361) and royalty revenues from franchise-operated restaurants. While these figures represent the financial impact from extreme-weather related events in one year, it is not possible for Wendy's to estimate the financial implications of future severe weather related events, as they are highly variable due to severity and length of event and impact.

Without adaptive measures to manage this risk, hurricanes and flooding could result in an increase of lost sales. Emergency preparedness can mitigate the impact of these costs.

Cost of response to risk

182,000

Description of response and explanation of cost calculation

The supply chain cooperative providing procurement services on behalf of the Wendy's North America system tracks costs associated with inclement weather, which includes costs related to obsolescence and assurance. In 2020, obsolescence costs associated with food/beverage items that were unsold/unused due to decreased demand from restaurant closures and assurance costs associated with transporting food/beverage items to their intended destination during severe weather events, including re-routing deliveries and/or taking product out of other distribution centers, totalled approximately \$182,000.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical
Rising mean temperatures

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Climate change is expected to increase the average global mean temperature around the world, with an increased frequency in many locations of extremely hot days during the summer. According to the Fourth National Climate Assessment, electricity demand is projected to increase by 3%–9% by 2040 under the higher scenario and 2%–7% under the lower scenario. This projection includes the reduction in electricity used for space heating in states with warming winters, the associated decrease in heating degree days, and the increase in electricity demand associated with increases in cooling degree days.

It is important to provide a pleasant dining experience in our restaurants and keep temperatures comfortable for customers. Wendy's 361 Company-operated restaurants represent 1,478,986 of square feet located in areas of the US and Canada where the percent increase in cooling degree days per year could increase over the next two decades, resulting in increased energy costs in the summer to cool our restaurants.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

595,470

Potential financial impact figure – maximum (currency)

2,679,610

Explanation of financial impact figure

Approach, assumption & figures used in calculation: This range is calculated based off of the Fourth National Climate Assessment which projects an increase in commercial electricity expenditures by 4%–15% under a lower scenario and 6%–18% under a higher scenario by 2040. Therefore, Wendy's is using a range between 4% -18% to calculate electricity expenditure increases over the next 20 years.

Total electricity spend averaged \$14,886,706 between 2018 and 2020 for Wendy's Company-operated restaurants. To calculate the financial impact, we applied the 4%-

18% projected increase to our average electricity spend, which demonstrates a potential electricity price increase ranging between \$595,470 to \$2,679,610. This is based on an assumption of annual energy price increases experienced in the next 20 years as a result of increased cooling costs. This range is used as an approximation for increased electric power costs for locations where energy information is available. It excludes any sites where energy costs are included as part of the landlord lease, as Wendy's has no insight into energy costs in these locations.

Cost of response to risk

1,797,309

Description of response and explanation of cost calculation

Wendy's manages this opportunity through continued expansion of our global energy management program. In 2020, Wendy's invested \$1,797,309 in 189 energy efficiency initiatives including:

- Installation of 79 energy management software and hardware programs and technologies, and;
- Installation of 110 building automation solutions.

These projects and initiatives are expected to reduce energy spend by an estimated \$675,077 annually and lower metric tons of CO2. In addition they will enable better decisions based on real time data, control HVAC units and site schedules, identify and triage issues remotely, reduce peak demand, avoid maintenance and repair, and ensure customer comfort.

Cost calculation is based on savings extrapolated from International Performance Measurement Verification Protocol (IPMVP) validated pilot project studies that occurred in 2020. The majority of the 189 initiatives occurred late in 2020, such that insufficient data exists to provide actual annual savings.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical
Increased likelihood and severity of wildfires

Primary potential financial impact

Other, please specify
decreased revenues due to reduced supply for products

Company-specific description

Increasing heat, changing rain and snow patterns, and other climate-related changes have contributed to wildfires that start more often and burn more intensely and widely than they have in the past. The risk of wildfires associated with climate change in certain regions where Wendy's sources agricultural commodities may present ongoing challenges related to limited availability of those commodities that are critical to restaurant operations. This, in turn, could lead to restaurant interruptions or closures and subsequent decreases in sales, increase costs of raw materials and commodities, and consequently, price increases of food products.

Wendy's has already experienced losses as a result of worsening fire seasons, including a shortage or interruption in the availability of certain agricultural products and supplies, which further resulted in cost increases.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2,161,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Approach, assumption & figures used in calculation: In March 2017, extreme heat in the desert and severe flooding in California growing areas for lettuce affected the entire food and agricultural industries by reducing crops and creating shortages. To ensure supply of Wendy's approved lettuce, a temporary weather-related surcharge was added per case of lettuce. Across Wendy's U.S. restaurant system, this totalled \$2,161,000 in incremental costs for lettuce. Although this event occurred in 2017, Wendy's uses the financial impact from this event as an example of costs that may be incurred from similar future events related to increased likelihood and severity of wildfires. While this figure represents the financial impact from one extreme-wildfire related event, it is not possible for Wendy's to estimate the financial implications of future wildfires, as these events are highly variable due to severity and length of event and impact.

Without adaptive measures to manage this risk, wildfires could result in an increase of lost sales. Emergency preparedness can mitigate the impact of these costs.

Cost of response to risk

592,475

Description of response and explanation of cost calculation

Partially in response to supply chain events associated with climate change and other severe weather events, Wendy's transitioned all lettuce served in Wendy's Canadian restaurants to greenhouse grown lettuce in 2020. The total net investment of greenhouse grown lettuce across the Wendy's Canada restaurant system was \$794,509 CAD or \$592,475 USD (using the 2020 yearly average exchange rate of 1.341 for converting CAD to USD).

Prior to transitioning to greenhouse grown lettuce, our Canadian restaurants sourced lettuce from California-grown product. In 2020 the lettuce growing regions in California experienced severe wildfires, which disrupted lettuce supply for Wendy's and other buyers. However, as a result of the transition to greenhouses, Wendy's Canadian restaurants did not experience the shortages/outages of lettuce that US restaurants experienced. Wendy's is actively exploring the potential for greenhouse-grown lettuce in the U.S. as well.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

A significant source of energy consumption in our buildings comes from cooking, heating, cooling and ventilation. In an effort to decarbonize Wendy's Company-operated restaurants and buildings, we actively look for ways in which to reduce our energy demand and carbon intensity of both existing buildings and new construction. Additionally, by increasing the energy efficiency of our buildings, we have the opportunity to decrease operating costs and support global efforts to reduce greenhouse gas emissions.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

788,531

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Approach, assumption & figures used in calculation: Wendy's investments in energy efficiency initiatives across Company-operated restaurants achieved an estimated cumulative annual savings of \$675,077 in 2020. This number is based on energy retrofits and technologies that were rolled out as part of our global energy management program and partnerships with third party energy management providers.

Cost to realize opportunity

1,797,309

Strategy to realize opportunity and explanation of cost calculation

Wendy's manages this opportunity through continued expansion of our global energy management program. In 2020, Wendy's invested \$1,797,309 in 189 energy efficiency initiatives including:

- Installation of 79 energy management software and hardware programs and technologies, and;
- Installation of 110 building automation solutions.

These projects and initiatives are expected to reduce energy spend by an estimated \$675,077 annually and lower metric tons of CO₂. In addition they will enable better decisions based on real time data, control HVAC units and site schedules, identify and triage issues remotely, reduce peak demand, avoid maintenance and repair, and ensure customer comfort.

Cost calculation is based on savings extrapolated from International Performance Measurement Verification Protocol (IPMVP) validated pilot project studies that occurred in 2020. The majority of the 189 initiatives occurred late in 2020, such that insufficient data exists to provide actual annual savings.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Other, please specify

increased brand value and favorable customer perceptions

Company-specific description

According to the U.S. EPA, containers and food packaging alone contribute to over 23% of the materials that are sent to the landfills in the U.S. today. Many of these discarded materials are food-related containers and packaging. Eliminating packaging waste is an opportunity that advances our efforts in reducing the environmental impact of materials throughout their entire life cycle, conserving energy, and reducing our waste stream and associated emissions. Additionally, sustainable packaging will meet growing consumer demand to replace less sustainable packaging with more environmentally friendly packaging alternatives.

In conjunction with its 2020 CSR Report, Wendy's committed to sustainably sourcing 100% of our customer-facing packaging by 2026. To accomplish this goal, over the next five years, Wendy's expects to optimize customer facing packaging and transition to sustainable options that have higher recycled content; use fewer raw materials; adhere to an established restricted substance list; are recyclable, compostable and reusable; and are sourced from areas that do not contribute to deforestation.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

0

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Approach, assumption & figures used in calculation: Wendy's formalized its commitment to the Sustainable Packaging Initiative in 2020. Part of this commitment included establishing a full restricted substances list and initiating research of more sustainable packaging options in 2020. However, neither financial savings nor increases related to this initiative have been realized yet. In 2021, the Wendy's Sustainable Packaging team will identify associated positive/negative financial impacts as a result of feasibility and/or pilot studies and needs assessments. Potential benefits linked to this initiative are more related to meeting shifting consumer preferences and brand value, as well as improving resilience and climate adaptation, rather than cost savings.

Cost to realize opportunity

1,500

Strategy to realize opportunity and explanation of cost calculation

Throughout 2020, a cross-functional Wendy's team spent more than six months consulting with internal and external stakeholders, including suppliers, to set benchmarks and incremental goals to improve Wendy's packaging footprint. Wendy's calculates the initial cost of realizing this opportunity as approximately \$1,500, which includes employee time spent in meetings dedicated to the Sustainable Packaging Initiative.

In 2020, our efforts for the U.S. included establishing a full restricted substances list, exploring straw-less lids and using company operated restaurants to test innovative packaging ideas. In Canada, efforts included transitioning from plastic salad bags to paper, and from plastic stir sticks to birch wood stir sticks. We anticipate full elimination of per- and polyfluoroalkyl substances from consumer-facing packaging in the U.S. and Canada by the end of 2021. Wendy's is also a supporting partner of the NextGen

Consortium, a collaborative that is devoted to finding global solutions to reduce single-use food packaging waste and advance the design, commercialization and recovery of packaging alternatives.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Reduced water usage and consumption

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Water is a necessary resource in the foodservice business and, at Wendy's, its use ranges from food preparation and cleaning activities, to sanitation, heating and cooling needs. Wendy's is working to eliminate water waste in our restaurants and innovate better ways to use our resources where we can.

Operational savings are one aspect of our water conservation program that presents an opportunity, particularly in areas of high water risk where current or future water supply disruptions may cause the price of water to increase. Additionally, while the cost of water is relatively low in most regions of the U.S. and Canada, there are often positive linkages between water and energy savings that lead to further savings. These efforts will continue to build climate resiliency and position us to succeed in the face of direct and indirect climate change impacts.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4,475

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Through our expanding water management methods, we recognize the opportunity to reduce operational costs by managing water risk. As the cost of water is relatively low in most regions of the U.S. and Canada, many water-related projects can be difficult to approve on cost savings alone. While investment in water projects occurs as part of our water conservation program, resilience rather than cost savings is the primary opportunity for those projects. For example, of the 746,000 gallons of water saved from water management projects in 2020, savings from these projects amounted to approximately \$4,475. This was calculated by multiplying the average cost of water per gallon (\$.006) and multiplying that by the total gallons of water saved (746,000).

Cost to realize opportunity

140,000

Strategy to realize opportunity and explanation of cost calculation

Wendy's actively works to identify and manage water reduction and conservation across our operations. Since 2019, Wendy's has been a member of the Better Buildings Water Challenge. This partnership has allowed us to identify water savings opportunities via water fixture and equipment retrofits, including upgrading nearly 1,000 warewash machines in lieu of power soaks for dishwashing at Company-operated and franchise locations. Additionally, in 2020, Wendy's began piloting smart irrigation systems that meet EPA waterSense Irrigation Controller standards, including HydroPoint Weather Track irrigation and WaterCompass indoor water metering tracking. These systems automatically adjust irrigation water use based on weather and soil conditions, provide real-time leak alerts, and prompt action by our Facilities Management and Operations teams to address water waste, when readings exceed benchmarks. The cumulative investments in these technologies and initiatives totals \$140,000.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Comment
Row 1	No, we do not intend to publish a low-carbon transition plan in the next two years	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

C3.2b

(C3.2b) Why does your organization not use climate-related scenario analysis to inform its strategy?

Wendy's has already begun incorporating climate change into its risk management, business strategy and financial planning processes. In 2020, we completed our first GHG inventory, which informed the creation of a roadmap to help us further achieve emissions reductions and increase transparency. Climate scenario analysis is a relatively new concept for companies in the quick-service restaurant industry. While our initial focus has been on quantifying our GHG emissions inventory, we anticipate that it will subsequently inform scenario analysis and the establishment of a science-based target within the next 2 years. In 2021, we publicly announced a commitment to benchmark, track and reduce our Scope 1, Scope 2 and Scope 3 GHG emissions and set a science-based target by the end of 2023.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Description of strategy: As one of the largest quick-service restaurants in the hamburger segment, we depend on our ability to offer a safe, clean and comfortable dining experience to our guests. Climate related risks, including increased severity and frequency of extreme weather events, could cause temporary disruptions or closures throughout our operations, further impacting our ability to serve our customers. We recognize that doing our part to

		<p>reduce our GHG emissions also provides business opportunities. To mitigate these climate-related impacts, Wendy's business strategy includes publicly committing to benchmarking, tracking and reducing Scopes 1, 2 and 3 emissions year-over-year and setting a science-based target by the end of 2023. Additionally, Wendy's mitigates this risk through continuous monitoring of situational intelligence monitoring and notification tools, media sources, weather reporting and other sources to maintain situational awareness and to develop advance notice of any natural, manmade or other spontaneous events. The time horizon for these strategies and goals span across the short-, medium-, and long term.</p> <p>Case Study: In 2020, Wendy's completed our first GHG inventory (covering CY19). We used these findings to establish a roadmap that further outlines how we will achieve short-, medium-, and long-term emissions reductions. Additionally, we publicly committed to tracking and reducing Scopes 1-3 and setting a science-based target by the end of 2023.</p>
Supply chain and/or value chain	Yes	<p>Description of Strategy: Temperature averages and shifting seasons associated with climate change is increasing the severity and frequency of wildfires and impacting water resources and availability in certain regions where Wendy's operates. Wendy's has already experienced losses as a result of worsening fire seasons, including supply chain shortages and/or interruptions in the availability of certain agricultural products and supplies. To mitigate these climate-related impacts, Wendy's business strategy includes transitioning all lettuce served in Wendy's Canadian restaurants to greenhouse grown lettuce. The time horizon for this strategy is current and ongoing.</p> <p>Case Study: in response to the wildfire and water scarcity risks associated with climate change, Wendy's was the first quick service restaurant to make a major investment in produce grown in greenhouses. All tomatoes grown for Wendy's restaurants in the U.S. and Canada are greenhouse grown and in 2020, Wendy's transitioned all lettuce served in Wendy's restaurants in Canada to greenhouse grown lettuce. This initiative resulted in significant water savings compared to traditional growing methods. Wendy's is actively exploring the potential for greenhouse-grown lettuce in the U.S.</p>

Investment in R&D	Yes	<p>Description of Strategy: containers and food packaging alone contribute to nearly 25% of the materials that are sent to landfills in the U.S. Many of these discarded materials are food-related containers and packaging. To mitigate these climate-related impacts, Wendy's business strategy includes investments and R&D in eliminating packaging waste by focusing on using less materials, conserving energy, and reducing our waste stream and associated emissions. Additionally, Wendy's publicly committed to sustainably sourcing 100% of our customer-facing packaging by 2026. Part of this commitment included establishing a full restricted substances list and initiating research of more sustainable packaging options in 2020. In 2021, the Wendy's Sustainable Packaging team will identify associated positive/negative financial impacts as a result of feasibility and/or pilot studies and needs assessments. The time horizon for this spans across the short- and medium-term.</p> <p>Case study: In 2020, our efforts for the U.S. included establishing a full restricted substances list, researching straw-less lids and using company operated restaurants to test innovative packaging ideas. In Canada, efforts included transitioning from plastic salad bags to paper, and from plastic stir sticks to birch wood stir sticks. We anticipate full elimination of per- and polyfluoroalkyl substances from consumer-facing packaging in the U.S. and Canada by 2021. Wendy's is also a supporting partner of the NextGen Consortium, a collaborative that is devoted to researching and developing global solutions to reduce single-use food packaging waste and advance the design, commercialization and recovery of packaging alternatives.</p>
Operations	Yes	<p>Description of Strategy: It is important to provide a pleasant dining experience in our restaurants and keep temperatures comfortable for customers. Wendy's 361 Company-operated restaurants represent 1,478,986 of square feet located in areas of the US and Canada where the percent increase in cooling degree days per year could increase over the next two decades, resulting in increased energy costs in the summer to cool our restaurants. To mitigate these climate-related impacts, Wendy's business strategy includes continuing to expand our global energy management program, and identifying energy efficiency projects and initiatives throughout our corporate offices and restaurants. The time horizon for this strategy is current and ongoing.</p>

		<p>Case Study: In 2020, Wendy's invested \$1,797,309 in 189 energy efficiency initiatives including:</p> <ul style="list-style-type: none"> • Installation of 79 energy management software and hardware programs and technologies, and; • Installation of 110 building automation solutions. <p>These projects and initiatives are expected to reduce energy spend by an estimated \$675,077 annually and lower metric tons of CO2. In addition, they will enable better decisions based on real time data, control HVAC units and site schedules, identify and triage issues remotely, reduce peak demand, avoid maintenance and repair, and ensure customer comfort.</p>
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C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues	<p>Description of influence: Wendy's has food service and food retail operations across the U.S., which may be adversely affected by tornadoes, severe winter storms, hurricanes, floods and other extreme weather conditions that could also adversely affect Wendy's customers and suppliers. Severe weather or other natural disasters could result in significant business interruption, impact our ability to serve our customers, result in lost sales and revenues for our restaurants, and hurt our operating margins and profits. As Wendy's has already experienced episodes of extreme weather, including hurricanes and resultant flooding, we've integrated chronic and physical climate-related risks into our financial planning process. Examples of how these risks and opportunities have been integrated into our financial planning process include: investments in emissions benchmarking, tracking and reduction programs and initiatives; investments in energy efficiency measures and, more recently (2020), renewable energy programs; investments in maintenance and enhancements to our business continuity programs and emergency response plans; investments in greenhouse grown produce; and committing to the establishment of a Science Based Target by 2023 and implementing identified programs and initiatives required to achieving that target. The current time horizon is considered to be current, although spans across the short-, medium, and long-term (from 0-20 years).</p> <p>Case study: There were numerous severe weather events in 2020,</p>

		including tornadoes, severe winter storms and hurricanes. Subsequent impacts from these events resulted in damage, temporary interruptions or flooding to operations across the U.S. Wendy's quantifies an estimated 2020 U.S. Systemwide Sales Impact from these events to be between \$20-25M, which includes impacts from all types of weather events, including winter storms, hurricanes, flooding, etc. The Wendy's financial model derives direct revenues from Company-operated restaurants and royalty revenues from franchise-owned restaurants. To mitigate the impacts of disruption where possible, Wendy's re-routed deliveries of food/beverage items and/or took product out of other distribution centers.
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C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

No target

C4.1c

(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

	Primary reason	Five-year forecast	Please explain
Row 1	We are planning to introduce a target in the next two years	Wendy's has committed to setting an emissions reduction target aligned with the Science Based Target Initiative by the end of 2023. While it is difficult to quantify the change as a percentage, we forecast that the direction of change will be a decrease over the next five years.	In 2020, Wendy's completed our first GHG inventory (covering CY19). We used the findings of this inventory to establish a roadmap that further outlines how we will achieve short-, medium-, and long-term emissions reductions. Additionally, we publicly committed to tracking and reducing Scopes 1-3 and setting a science-based target by the end of 2023.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	83	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	187	27.02
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings
Building Energy Management Systems (BEMS)

Estimated annual CO2e savings (metric tonnes CO2e)

15.72

Scope(s)

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

389,102

Investment required (unit currency – as specified in C0.4)

941,310

Payback period

1-3 years

Estimated lifetime of the initiative

16-20 years

Comment

Installation of GridPoint

Initiative category & Initiative type

Energy efficiency in buildings
Building Energy Management Systems (BEMS)

Estimated annual CO2e savings (metric tonnes CO2e)

11.3

Scope(s)

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

285,975

Investment required (unit currency – as specified in C0.4)

754,257

Payback period

1-3 years

Estimated lifetime of the initiative

16-20 years

Comment

Installation of Transformative Wave

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	
Dedicated budget for energy efficiency	

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C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO₂e)

14,213.6

Comment

Scope 2 (location-based)

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO₂e)

55,035.42

Comment

Scope 2 (market-based)

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO₂e)

54,399.56

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

14,214

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

55,035

Scope 2, market-based (if applicable)

54,400

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Please explain

Per the Quantis tool estimates, this category of emissions is relevant to Wendy's based on the spend figures entered, however, the output is not sufficiently robust to enable disclosure at this time.

Capital goods

Evaluation status

Relevant, not yet calculated

Please explain

Per the Quantis tool estimates, this category of emissions is relevant to Wendy's based on the spend figures entered, however, the output is not sufficiently robust to enable disclosure at this time.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, not yet calculated

Please explain

Per the Quantis tool estimates, this category of emissions is relevant to Wendy's based on the spend figures entered, however, the output is not sufficiently robust to enable disclosure at this time.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

Per the Quantis tool estimates, this category of emissions is not relevant to Wendy's based on the spend information entered in the tool.

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Please explain

Per the Quantis tool estimates, this category of emissions is relevant to Wendy's based on the spend figures entered, however, the output is not sufficiently robust to enable disclosure at this time.

Business travel

Evaluation status

Relevant, not yet calculated

Please explain

Per the Quantis tool estimates, this category of emissions is relevant to Wendy's based on the spend figures entered, however, the output is not sufficiently robust to enable disclosure at this time.

Employee commuting

Evaluation status

Relevant, not yet calculated

Please explain

Per the Quantis tool estimates, this category of emissions is relevant to Wendy's based on the spend figures entered, however, the output is not sufficiently robust to enable disclosure at this time.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Per the Quantis tool estimates, this category of emissions is not relevant to Wendy's based on the spend information entered in the tool.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

Per the Quantis tool estimates, this category of emissions is not relevant to Wendy's based on the spend information entered in the tool.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Per the Quantis tool estimates, this category of emissions is not relevant to Wendy's based on the spend information entered in the tool.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Per the Quantis tool estimates, this category of emissions is not relevant to Wendy's based on the spend information entered in the tool.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Per the Quantis tool estimates, this category of emissions is not relevant to Wendy's based on the spend information entered in the tool.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Per the Quantis tool estimates, this category of emissions is not relevant to Wendy's based on the spend information entered in the tool.

Franchises

Evaluation status

Relevant, not yet calculated

Please explain

Per the Quantis tool estimates, this category of emissions is relevant to Wendy's based on the spend figures entered, however, the output is not sufficiently robust to enable disclosure at this time.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Per the Quantis tool estimates, this category of emissions is not relevant to Wendy's based on the spend information entered in the tool.

Other (upstream)

Evaluation status

Please explain

Other (downstream)

Evaluation status

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00003957

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

68,613

Metric denominator

unit total revenue

Metric denominator: Unit total

1,733,800,000

Scope 2 figure used

Market-based

% change from previous year

7.68

Direction of change

Decreased

Reason for change

Wendy's has installed Building Energy Management Systems (BEMS) as outlined in C4.3b that have partially contributed to the decrease in emissions intensity per unit total revenue from 2019 to 2020.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	14,195	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	6.74	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	6.56	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
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United States of America	14,119
Canada	94

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO ₂ e)
Company-operated restaurants	12,224
Offices	347
Company-owned fleet	1,642

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO ₂ e)	Scope 2, market-based (metric tons CO ₂ e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United States of America	55,035	54,400	127,790	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO ₂ e)	Scope 2, market-based (metric tons CO ₂ e)
Company-operated restaurants	52,077	51,188
Offices	2,959	3,211

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

This is our first year of reporting, so we cannot compare to last year

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	76,091	76,091

Consumption of purchased or acquired electricity		0	127,790	127,790
Total energy consumption			203,881	203,881

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

15

Emission factor

73.96

Unit

kg CO2e per million Btu

Emissions factor source

US EPA MRR

Comment

Final Rule (40 CFR 98) - Commercial Sector 2013

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

6,855

Emission factor

70.22

Unit

kg CO₂e per million Btu

Emissions factor source

US EPA MRR

Comment

Final Rule (40 CFR 98) - Commercial Sector 2013

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

68,575

Emission factor

53.115

Unit

kg CO₂e per million Btu

Emissions factor source

US EPA MRR

Comment

Final Rule (40 CFR 98) - Commercial Sector 2013

Fuels (excluding feedstocks)

Propane Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

647

Emission factor

63.113

Unit

kg CO₂e per million Btu

Emissions factor source

US EPA MRR

Comment

Final Rule (40 CFR 98) - Commercial Sector 2013

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

None (no purchases of low-carbon electricity, heat, steam or cooling)

Low-carbon technology type

Country/area of consumption of low-carbon electricity, heat, steam or cooling

MWh consumed accounted for at a zero emission factor

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No emissions data provided

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Climate change performance is featured in supplier awards scheme

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

At Wendy's, we know that our key stakeholders are increasingly aware of sustainability and the impact our business has on both people and the planet. In 2019, we introduced our first sustainability-focused supplier award, The Squarely Sustainable Award, to recognize our most outstanding suppliers in the space. Due to Covid-19, this program was temporarily paused in 2020. However, we consolidated our corporate responsibility efforts under a new banner, Good Done Right, and focused our efforts in three key areas: Food, People and Footprint. We drove continued progress on our corporate responsibility journey in 2020, including formalizing our approach to environmental, social and governance (ESG) issues by conducting a comprehensive materiality assessment and setting aspirational goals within each pillar. To complement our enhanced corporate responsibility journey, Wendy's and Quality Supply Chain Co-op, the independent purchasing co-op for the Wendy's North America system, will be transitioning the Squarely Sustainable Award to the "Good Done Right Supplier of the Year Award" in 2021. This award is given to a supplier who is making strides within the Good Done Right Pillars – Food, People, Footprint. Formerly known as the Squarely Sustainable Award, The Good Done Right award recognizes corporate responsibility

efforts by our supplier partners that directly relate to Wendy's products and their work with us.

All of our North America supply chain partners in food, beverage, packaging and equipment are eligible to be considered for the Good Done Right award.

Impact of engagement, including measures of success

Due to Covid-19, this program was temporarily paused in 2020. However, in 2019, we received 143 submissions to our Squarely Sustainable Supplier of the Year Award. While we were impressed by the sustainability practices from every applicant, we named Cargill as our 2019 Squarely Sustainable Supplier of the Year.

Example of a positive outcome: Cargill supplies several key products to the Wendy's business, including beef, cooking oil, and cocoa powder for our famous chocolate Frosty®. Driven by a purpose to nourish the world in a safe, responsible and sustainable way, Cargill demonstrates a commitment to sustainable supply chains from farm to fork. Instead of typical Jug in the Box (JIB) packaging for oil, Cargill provides Wendy's with Bag in the Box (BIB) packaging, which has allowed Wendy's restaurants to reduce packaging by approximately 390 tons of plastic a year (the equivalent of 36 million water bottles). They are also increasing the ability to reclaim wasted oil by up to 696,000 pounds of oil annually.

In 2018, more than 200,000 farmers received training from Cargill to ensure adoption of Good Agricultural Practices (GAP), while working with farming communities to define the resources they need to succeed. Cargill also recently announced a new initiative to further accelerate sustainability progress across the North American beef supply chain, working with farmers, ranchers and innovators to achieve a 30% greenhouse gas (GHG) intensity reduction by 2030, equivalent to removing 2 million cars off U.S. highways for a year).

Comment

Type of engagement

Compliance & onboarding

Details of engagement

Code of conduct featuring climate change KPIs

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

In 2015, Wendy's established its Supplier Code of Conduct, which applied to all of the food, paper and packaging suppliers that service Wendy's U.S. restaurants. In 2017, the Code was expanded beyond U.S. suppliers of food, paper and packaging to all North American (US and Canada) QSCC suppliers, as well as many significant professional service suppliers who contract directly with The Wendy's Company. These suppliers include our creative teams, marketing agencies, law firms, financial service providers, technology companies, and others that we rely on to help make the Wendy's brand successful.

All Suppliers, and their suppliers and contractors, are expected to comply with applicable local, state/provincial and federal laws and regulatory requirements as part of responsible business operations, including adhering to environmental standards. Suppliers are encouraged to operate responsibly at all times with a commitment to preserving our environment for future generations. Suppliers with active sustainability initiatives are encouraged to address, document and make continuous improvement efforts with regard to the following environmental considerations: water usage including wastewater management; soil management (specifically agricultural operations); energy reduction and fossil fuel usage; material and food waste reduction; packaging and recycling; solid waste reduction; emissions from manufacturing, processing and transportation; responsible construction and development; protection of forests and high conservation value areas; hazardous material handling and disposal; and responsible sourcing of raw materials.

Suppliers are expected to comply with applicable legal environmental requirements and regulations, including securing and renewing all related permits. In developing sustainable business practices, Wendy's encourages Suppliers to consider developing and deploying an environmental management system, based on international standards such as ISO 14001:2004, in an effort to identify, document, manage and/or mitigate any environmental issues or concerns.

Impact of engagement, including measures of success

Since 2015, this Code has applied specifically to Suppliers' business on behalf of Wendy's, and Suppliers are expected to affirm annually that they have received and understand the specific outlined expectations of the Code. Suppliers with their own codes of conduct may share those with Wendy's as part of the affirmation process. We have received 100% affirmation from suppliers annually since beginning this process.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to education customers about your climate change performance and strategy

% of customers by number

% of customer - related Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

Wendy's regularly communicates with our key stakeholders including customers, employees, franchisees, shareholders, suppliers and non-governmental organizations (NGOs) on a range of ESG topics. The publishing of our annual Corporate Social Responsibility report provides our customers, among other stakeholders, with an overview of Wendy's activities, goals and strategies related to governance structure, and environmental and social performance for the calendar year.

Impact of engagement, including measures of success

Wendy's measures the impact of our customer engagement in 3 ways, including earned media sentiment, partner engagement, and blog engagement. In 2020, our Earned Media Coverage Sentiment was 100% neutral/positive and 100% of coverage included our new news and/or new goal language. Regarding our Partner Engagement, we achieved our goal of getting at least 5 partners named in our CSR report to share the report via external communication channels. Finally, we measure organic page views, read time, and social media impressions.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Wendy's regularly engages franchisees to share what we've learned about resource efficiency and conservation. For example, in 2015, Wendy's was among the first restaurant brands to sign on to the U.S. Department of Energy's Better Buildings® Challenge – and the first restaurant company to include its franchisees in the Challenge. The Company, with nineteen franchise owners, together represent nearly 1,400 restaurants currently participating in the Challenge. Additionally, we have two franchise organizations participating in the Better Buildings Water Challenge. Both share in our goal of reducing water use by 20% by 2029 against our 2018 baseline.

Wendy's also engages multi-stakeholder groups aimed at advancing continuous improvement in various aspect of sustainability, including the U.S. Roundtable for Sustainable Beef. Wendy's

engages by paying membership fees to support their work related to producing beef in a sustainable, environmentally and socially responsible way.

Wendy's is also a supporting partner of the NextGen Consortium, a collaborative that is devoted to finding global solutions to reduce single-use food packaging waste and advance the design, commercialization and recovery of packaging alternatives.

Case study of engagement: In 2020, the NextGen Consortium continued its work to identify and pilot packaging alternatives. Wendy's used this example to establish an internal Sustainable Packaging Coalition. As we worked to advance our efforts in sustainable packaging in the U.S., we established a full restricted substances list, exploring straw-less lids and using company operated restaurants to test innovative packaging ideas. In Canada, efforts included transitioning from plastic salad bags to paper, and from plastic stir sticks to birch wood stir sticks. We anticipate full elimination of per- and polyfluoroalkyl substances from consumer-facing packaging in the U.S. and Canada by 2021.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Ohio Chamber of Commerce

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

One of the legislative priorities of the Ohio Chamber of Commerce focuses on ensuring that environmental policies and regulations are both based on sound science and comprehensive information and avoiding creating unnecessary red tape. An action item included in this policy priority is to support comprehensive reforms to Ohio's energy

policy that both balances a diverse portfolio of energy sources and provides for reliable, affordable sources of energy.

How have you influenced, or are you attempting to influence their position?

Wendy's Public Affairs Lead serves on the Board of Directors of the Ohio Chamber of Commerce and supports the advancement of the Chamber's public policy priorities.

Trade association

Canadian Roundtable for Sustainable Beef

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Canadian Roundtable for Sustainable Beef (CRSB) published the first National Beef Sustainability Assessment (NBSA) in October 2016. The CRSB intends to update the NBSA every 5-7 years, with the next iteration being delivered in 2023 to allow for substantial data updates and address research gaps. An interim report with updates on the metrics coming from outside sources was completed in January 2020. Several research and data gaps have been identified; these gaps need to be filled in order to improve the next NBSA, including among other things: developing cost-effective methods of reducing GHG emissions or emissions intensity in primary production of beef; quantifying the impact of land management on carbon storage Potential; and developing and/or incorporating regionalized values for soil cover, type and climate parameters.

How have you influenced, or are you attempting to influence their position?

Wendy's joined the Canadian Roundtable for Sustainable Beef in 2020. As a new member, we are actively educating ourselves on industry policies to better understand how we might influence them. In general, Wendy's position is consistent and aligned with CRSB's strategic goals and initiatives, which include reducing the GHG footprint of Canadian beef; enhancing ecosystem services and biodiversity of lands managed by beef producers; enhancing riparian health and reducing the water footprint of beef production; and reducing post-harvest meat waste.

Trade association

Columbus American Institute of Architects (AIA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Columbus AIA aligns its positions to those of AIA (National). AIA is dedicated to climate action and is committed to the following steps:

- AIA ratified the Resolution for Urgent and Sustained Climate Action and has adopted

the Framework for Design Excellence.

- AIA is developing the necessary resources to prepare architects to achieve a zero-carbon, resilient, and healthy built environment.
- AIA is spearheading changes to building codes and materials guidelines in the public and private sectors.
- AIA will partner with policymakers and allies to expedite policy and practice resources that effectively address climate change.
- AIA will activate its 94,000 members to vigorously advocate for policies that promote resilient design and dynamically curtail buildings' harmful impact to the climate.

As part of its 2020 advocacy priorities, AIA is advocating federal action to eliminate all building carbon emissions by 2040 through:

- Rejoining the Paris Climate Accord.
- Promoting science-based environmental regulation and research
- Addressing the disproportionate impact of climate change and environmental degradation on Black, Indigenous and people of color (BIPOC)
- Reducing greenhouse gas emissions through energy efficiency in buildings
- Promoting renewable energy and embracing building electrification
- Creating federal incentives for the adoption of net zero carbon energy codes

How have you influenced, or are you attempting to influence their position?

The AIA Columbus Committee on the Environment (COTE) Chair is a Wendy's employee. In 2020, COTE participated in Board level planning to establish Climate Action as one of three strategic priorities for forthcoming years, in line with AIA National's platform on climate. COTE meets monthly to plan ways to engage AIA Columbus and the community around climate action.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

ESG matters, including climate change, and government relations/public affairs are management responsibilities of Wendy's Chief Corporate Affairs and Sustainability Officer (CCASO). These responsibilities are delegated to the CCASO to ensure that Wendy's direct and indirect activities that influence policy are consistent with our overall climate change strategy. Additionally, public policy positions are determined through a consultative process across the business that includes operations, finance, and development, to: enable identification of priority topics and the Company's position on them, and; ensure that our position is also consistent with our ESG goals and strategy and Company values. ESG topics and progress, as well as public policy advocacy and engagement activities are regularly reported to the Board and its committees.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

 Wendys-2020-CSR-0419_FINAL.pdf

Page/Section reference

pp. 35-36, 45

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

Job title	Corresponding job category
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Row 1	Chief Corporate Affairs & Sustainability Officer	Other C-Suite Officer
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Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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I am submitting my response	Investors	Public

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