



FOOD

Delivering high-quality food, transparently



RESPONSIBLY SOURCE OUR TOP 10 PRIORITY FOOD CATEGORIES BY 2030 IN THE U.S. AND CANADA

FOOD SAFETY

FOOD QUALITY AND INNOVATION

RESPONSIBLE SOURCING

GOOD DONE
RIGHT.

FOOD SAFETY

Wendy's was founded on the premise that **Quality Is Our Recipe®**, and we believe that **food safety is the foundation of quality.**



Fostering a culture of food safety

Food safety is part of our culture and at the center of our daily operations. It is embedded throughout our quality assurance processes, procedures and equipment—from our suppliers' farms and facilities to our company and franchised restaurants around the globe, to our non-traditional restaurant formats, like our Hamburger Stand, Frosty® Cart and delivery kitchens.

The importance of reinforcing and continually enhancing our food safety culture is also why we seek additional opportunities outside of regular training and assessments, like our month-long celebration of [World Food Safety Day](#), to share educational materials with our employees, restaurant team members and franchisees, and to recognize the work we do collectively in this critical area.



Always innovating

Wendy's is a long-time leader in the development and execution of quality processes and initiatives that are focused on providing a safe and wholesome food supply, and we are consistently looking for ways to strengthen our processes further.



In 2021, we:

- Launched Wendy's enhanced Food Safety Assessment program in partnership with EcoSure, a division of global hygiene and infection prevention expert Ecolab®, and completed approximately 9,800 global Food Safety Assessments at Wendy's restaurants. These assessments help to ensure Wendy's restaurant operators around the globe build food-safe behaviors and adhere to best-in-class food safety and operational procedures.
- Introduced a program that can be used to help coach restaurant teams on consistent execution of Wendy's operational standards, following the model Dave Thomas set for us when he visited a restaurant. These sessions, called "Wendy's Done Right Visits," are intended to focus on what matters most to our customers: taste and accuracy of food, speed of service, friendliness and cleanliness. Since launching the program in March, nearly 5,300 U.S. restaurants have been visited and coached, as well as more than 850 restaurants internationally.

- Continued to invest in WeSafe, our innovative digital system designed to help streamline data tracking in our supply chain, such as the way we monitor Wendy's fresh, never-frozen beef⁴ on its way to restaurants with production analysis, product sampling and cold chain verification taken from temperature sensors inside the trucks that supply our restaurants. In 2021, Wendy's tracked nearly 13 million data points across all major Wendy's food products, verifying compliance to our specifications through laboratory evaluations and plant production.
- Completed a follow-up radio frequency identification (RFID) pilot program, further seeking to improve traceability and efficiency in the way supplies are handled throughout Wendy's supply chain. In this pilot program, we partnered with a supplier to affix RFID tags to 180 cases of Wendy's products at the supplier's location and tracked the product throughout the journey to a Wendy's restaurant. These RFID tags contain information about contents and expiration dates, and handheld readers make it easy to view that data. The pilot program identified potential benefits for time and labor savings, as well as increased traceability.
- To increase visibility of key perishable menu items in the supply chain, we expanded the cold chain monitoring program through Sensitech, a multimodal enabled real-time Internet of Things (IoT) device that utilizes cellular triangulation communication to deliver complete visibility into the perishable supply chain. We successfully monitored temperature, location and light data for 60,000 loads in 2021.



- [Participated in a pilot program](#), in partnership with NSF EyeSucceed, to test the use of augmented reality smart glasses to support food safety, quality practices and oversight of Wendy's suppliers and distribution centers as well as remote training and education for restaurant team members.

BEHIND THE SCENES: THE PEOPLE WHO HELP US PROVIDE SAFE, HIGH-QUALITY FOOD

Wendy's continually invests in our Quality Assurance team and function, including expanding the team by 30% in 2021, as their broad experience and capabilities in an ever-changing industry is critical to our success.

This team:

- Includes scientists, animal, agriculture and packaging experts and microbiologists.
- Is structured under the Product Compliance, Data Management and Restaurant Quality Assurance functions.
- Holds Global Food Safety Initiative-recognized, Advanced Hazard Analysis Critical Control Point and ASQ's Quality Auditor certifications, as well certifications in key food sourcing categories like Professional Animal Auditor Certification Organization (PAACO) for animal proteins.
- Engages with more than 40 organizations, including the Beef Industry Food Safety Council, Foodservice Packaging Institute, Institute of Food Technologists, National Restaurant Association Quality Assurance Executives, the Global Food Safety Initiative (GFSI) and Ohio Department of Health, among many more.

⁴ Fresh beef available in the contiguous U.S., Alaska and Canada.

FOOD QUALITY AND INNOVATION

Guided by our food vision, Fast Food Done Right, we will continue delivering high-quality menu items, while providing consumers with choices and the ability to customize items to meet their lifestyle needs.



Supporting our food vision: Fast Food Done Right

Wendy's vision for the food we serve is specific and demanding: Our food is Real, Fresh, Craveable, Forward-Leaning and Doesn't Cost a Fortune. That's the core of Fast Food Done Right, a standard we hone every day at the Restaurant Support Center and in our restaurants across the globe. Central to this effort is creating the right environment for collaboration so we can continue building our menu pipeline and bringing new ideas and partners to the table.

In 2021, Wendy's completed the redesign of our Culinary Innovation Kitchen at the Restaurant Support Center where Wendy's Culinary team, working alongside Wendy's Quality Assurance, Restaurant Services and Consumer Insights teams as well as Wendy's independent supply chain purchasing co-op, QSCC, and supplier partners, develops and tests new menu items.

The redesign promotes this type of cross-functional collaboration, which has long been a central element of Wendy's approach to food innovation, as well as consumer testing through a more modern, open floor plan and tools that make it easy to connect in person and remotely.

We leveraged the new, more collaborative Culinary Innovation Kitchen in August 2021 to host franchisees from around the world, regional partners and global suppliers for the first-ever International Innovation Food Forum. This hybrid food-tasting event featured new sandwiches, snacks, desserts and sides inspired by global culinary trends, consumer insights, brand strategy and global supply capabilities. These new concepts will fuel our innovation pipeline for 2022 and beyond and allow Wendy's to continue to deliver on Fast Food Done Right internationally.



W INTRODUCING WENDY'S HOT & CRISPY FRIES

For years our Culinary team has been in the pursuit of consistently hot and crispy fries – and we're proud of what we achieved in 2021. Wendy's Hot & Crispy Fries launched in the U.S. and Canada in fall 2021, demonstrating innovation in merging real ingredients with world-class culinary application. Our Hot & Crispy Fries, made with skin-on potatoes, were developed after testing more than 20 different cuts to land an optimal design built for heat and crispiness. A national taste test by an independent research company showed a nearly 2:1 preference for our new fries compared to our leading competitor. Our customer quality scores likewise demonstrated positive customer response to our Hot & Crispy Fries, indicating improvement in measures such as "significantly prefer" and "worth what I pay."

Among the potato suppliers of our Hot and Crispy Fries, **Cavendish Farms** received our Good Done Right Award for the company's exemplary environmental sustainability practices. LambWeston Meijer, which supplies potatoes to several international Wendy's markets, received an honorable mention award for the company's sustainability strategy to advance food safety, quality, nutrition and health.

RESPONSIBLE SOURCING

We strive to continuously improve how we source our ingredients and how we demonstrate accountability for ethical business practices, sustainability and social responsibility. In April 2021, Wendy's announced a new goal to responsibly source our top 10 priority food categories by 2030 in the U.S. and Canada, which builds on our long-standing work in this area. The top 10 categories were determined based on the volumes we purchase and the impact they have on the world around us.

In 2021, Wendy's evaluated the environmental and social impacts associated with each of these food categories, validating each of the categories' inclusion on our priority list. We also convened a Responsible Sourcing working group, which includes representatives from Wendy's U.S. and International Quality Assurance, Purchasing, Research and Development and Corporate Responsibility teams and others, to meet regularly to drive progress against our goal.

Through this cross-functional collaboration, in 2021 we established boundaries for each of the priority food categories to clarify what each category encompasses, identified potential focus areas and aligned on the metrics we plan to use

to demonstrate progress – defined as showing continuous improvement or achieving certification where applicable. For example, we have aligned to a baseline of certified sustainable for coffee and palm oil, such as the Rainforest Alliance certification and Roundtable on Sustainable Palm Oil (RSPO) mass balance. See [chart](#) for more detail.

In 2022, we plan to deepen our supplier engagement and launch a data collection process to evaluate baseline performance and advance progress against ingredient-specific metrics to improve category performance.



WENDY'S TOP 10 PRIORITY FOOD CATEGORIES AND RELEVANT SOCIAL AND ENVIRONMENTAL INDICATORS⁵

W TOP 10 PRIORITY FOOD CATEGORIES

		SOCIAL			ENVIRONMENTAL				
		ANIMAL WELFARE	ANTIBIOTICS	HUMAN RIGHTS AND WORKER SAFETY	BIODIVERSITY AND SOIL HEALTH	DEFORESTATION AND LAND USE	FOOD WASTE IN SUPPLY CHAIN	GHG EMISSIONS	WATER
PROTEINS	<ul style="list-style-type: none"> Beef <ul style="list-style-type: none"> Hamburger patties 	•	•	•	•	•	•	•	•
	<ul style="list-style-type: none"> Chicken <ul style="list-style-type: none"> Filets for chicken sandwiches and white meat chicken included in nuggets 	•	•	•	•		•	•	•
	<ul style="list-style-type: none"> Pork <ul style="list-style-type: none"> Pork products including bacon and sausage 	•	•	•	•		•	•	•
	<ul style="list-style-type: none"> Eggs <ul style="list-style-type: none"> Shell eggs 	•		•	•		•	•	•
	<ul style="list-style-type: none"> Dairy <ul style="list-style-type: none"> Frosty, milk and cheese 	•		•	•		•	•	•
PRODUCE	<ul style="list-style-type: none"> Fresh tomatoes and lettuce/leafy greens 			•	•		•	•	•
	<ul style="list-style-type: none"> Potatoes <ul style="list-style-type: none"> Includes fries, baked and seasoned potatoes 			•	•		•	•	•
OTHER	<ul style="list-style-type: none"> Beverages <ul style="list-style-type: none"> Cold drinks, coffee, tea 			•	•	•	•	•	•
	<ul style="list-style-type: none"> Buns and Bakery <ul style="list-style-type: none"> Wheat, oils and sweeteners in buns and bakery products 			•	•	•	•	•	•
	<ul style="list-style-type: none"> Oils <ul style="list-style-type: none"> Fryer oil/shortening, dressings, margarine 			•	•	•	•	•	•

⁵This chart is representative of how we are shaping our Responsible Sourcing program and will be refined further as work continues against this goal.

Advancing the Wendy's Animal Care Standards Program

In 2021, in partnership with our recently expanded Animal Welfare Council, Wendy's continued implementing the Wendy's Animal Care Standards Program, which uses an assessment tool designed to help us recognize progressive suppliers, better track farm conditions and animal care and quantify the results. By the end of 2024, Wendy's expects to have a comprehensive accounting of animal welfare best practices for beef, pork, chicken, eggs and dairy. While we've long conducted animal welfare audits to monitor, verify and evaluate proper animal handling, we are now cataloging the animal welfare best practices across our key proteins through this program and aiming to gain greater visibility further back within our supply chain.

As part of our efforts to gain greater supply chain visibility, in 2021 Wendy's completed an industry-first pilot program with supply chain partners to test the use of blockchain technology to track and trace some of our Applewood Smoked Bacon through the supply chain. In total, the pilot program successfully tracked the journey of our Applewood Smoked Bacon from farm to restaurant: from nearly 600 producers and 4.6 million hogs to more than 400 deliveries to Wendy's restaurants.



In 2021, we:

- Tailored and tested the assessment tool for our beef, pork and chicken supply chains and started evaluating our current suppliers in those areas. The results will inform how we demonstrate progress as part of our Responsible Sourcing program, help us determine which suppliers we seek to engage further and show us where we have opportunities for improvement. Moving forward, we will continue to evaluate these supply chains as we roll out the assessment tool to our egg and dairy supply chains.
- Made strides in determining the cadence and prioritization for conducting these evaluations, based on a risk-assessment model. As a result, for each protein supply chain, we will begin evaluating our direct suppliers of finished products, such as bacon or our hamburger patties, as well as suppliers of raw materials and, in some cases, all the way back to the farm.

W SUPPLIERS WHO GO BEYOND THE CALL OF DUTY

Through the Wendy's Animal Care Standards Program, Wendy's identified efforts by the **Beef Marketing Group**, a cooperative of beef producers and one of Wendy's beef supply chain partners, to pilot and validate a system that quantifies greenhouse gas emissions to understand its own emissions baseline. The pilot, which began in 2021, enables the cooperative to track and analyze data related to feed rations, energy, fuel and water use, and more to get a real-time view of its feedyards' footprint.

This tool, which includes processes used by the Intergovernmental Panel on Climate Change and the U.S. Department of Agriculture, helps the Beef Marketing Group identify opportunities to enhance environmental outcomes, while providing Scope 3 emissions insights to supply chain partners, including Wendy's.

While the Beef Marketing Group is still in the process of incorporating data across all its feedyards, this system has already enabled the cooperative to monitor key metrics and see how changes in production practices, feedstuffs and rations, among other measures, impact sustainability.

Progress on antibiotics

Wendy's has long believed that achieving greater supply chain visibility is key to meaningfully reducing antibiotic use within our supply chain. We aim to increase visibility beyond our direct suppliers to their suppliers who are responsible for animal care and handling. By implementing the Animal Care Standards Program and working with progressive suppliers, we are beginning to gain a better sense of the scope of antibiotic use within our supply chain. We believe a greater understanding of that scope will ultimately support our efforts to establish baselines that will help us set strategies to achieve our 2030 goal.

- By the end of 2024, through the [Wendy's Animal Care Standards Program](#), we will work to map and report on the use of medically important antibiotics and set targets and strategies to reduce antibiotic use over time within our beef and pork supply chains in the U.S. and Canada. This will build on our work to date with progressive producers who are helping us find ways to reduce antibiotic use through test programs and researching antibiotic alternatives, such as probiotics, improved animal management practices, vaccines and more.
- By the end of 2030, our goal is that 100% of our U.S. and Canadian beef, chicken and pork will be sourced from suppliers that prohibit the routine use of medically important antibiotics.

Key protein category highlights and updates:

In addition to implementing the [Wendy's Animal Care Standards Program](#) and broader Responsible Sourcing efforts, we also made progress in 2021 in several important areas within our protein supply chains, despite industry disruptions and macroeconomic challenges:



Pork

In 2012, Wendy's announced a 10-year goal to transition our pork supply chain in the U.S. and Canada away from sow gestation stalls (individual enclosures), in favor of open pen or group housing, to allow confirmed pregnant sows to socialize and exhibit natural behaviors. We are on track to complete this transition away from sow gestation stalls for confirmed pregnant sows in our supply chain by the end of 2022. Our [website](#) has more information about our policy and progress.



Beef

Wendy's was the first restaurant chain to partner with [Progressive Beef](#), an innovative animal care and sustainability program that is built on industry-leading best practices and third-party verification, and we are pleased to see continued adoption of the program within our beef supply.



Eggs

Following the 2020 launch of Wendy's U.S. breakfast menu, which significantly increased our use of eggs, we continue to work with the egg industry to source eggs from a host of suppliers who are third-party certified, earning various certifications including American Humane Certified®, Certified Humane Raised and Handled® and United Egg Producers (UEP) Certified. Further, our U.S. egg suppliers are required to have independent, third-party audits conducted annually by PAACO-certified auditors. Before a supplier can be approved for the Wendy's System, it must undergo and pass a Wendy's Animal Welfare audit as well as a third-party audit. Currently, we source predominantly from conventional housing systems, with cage-free eggs representing approximately 6% of our total U.S. egg supply. More information is available on our [website](#).



Produce

Fresh produce is a signature of our menu, and we continue to work to bring freshness and peak quality and flavor to every item. 2021 marked our third full year of exclusively providing greenhouse-grown tomatoes to Wendy's restaurants in the U.S. and Canada and our first full year of sourcing greenhouse-grown lettuce for salads and sandwiches in Wendy's Canadian restaurants. We plan to continue investing in greenhouse production, which provides quality benefits, while also using 90% less water and fewer (or no) chemical pesticides compared to traditional outdoor growing methods.



Coffee

The coffee served in Wendy's U.S. and Canadian restaurants is sourced from Rainforest Alliance Certified farms, which meet comprehensive standards for the protection of wildlands, waterways and wildlife habitat, as well as the rights and welfare of workers, their families and communities.

We anticipate the volume of coffee that we purchase from Rainforest Alliance Certified farms to increase as we launch breakfast in Canada in 2022.



W CAVENDISH FARMS

During our 2021 annual franchisee and supplier convention, Wendy's presented Cavendish Farms with the Good Done Right Award for sustainability efforts to reduce waste and emissions, donate seeds, plant trees and fight soil erosion.

Headquartered in Canada with operations in Canada and the U.S., Cavendish Farms is taking commendable steps to reduce the company's environmental footprint, such as using treated potato waste as a natural fertilizer, diverting potato waste to farmers for cattle feed and processing it into biogas to fuel the company's processing plants. The company's biogas project helped to reduce greenhouse gas emissions in its largest facility by more than 50% and after processing, the waste is used as natural fertilizer. Cavendish Farms also works closely with watershed organizations to support local sustainability initiatives.

Additionally, the company grows pollinator plant mix and donates seeds to local groups, which supports healthy environments for bees and other insects and contributes to crop growth. Cavendish Farms also plants trees on parts of its property not suited for agriculture and reengineers large potato fields to reduce the risk of soil erosion.

