



2021



CORPORATE  
RESPONSIBILITY  
REPORT

2021 CORPORATE RESPONSIBILITY REPORT

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## A LETTER FROM TODD A. PENEGOR

2021 was a breakthrough year, as evidenced by the significant progress we made in growing our business—all while advancing our efforts to drive positive change.



Accomplishing our goals is a team effort, and I am thankful for the contributions of the entire Wendy's family, including our restaurant team members, Restaurant Support Center employees, franchisees, suppliers and industry partners, who each play an important role in our success.

**Accelerating growth**

We remained committed to our three strategic growth pillars: building our breakfast daypart, driving our digital business and expanding our presence across the globe. Our accomplishments in these areas were built on our foundation of Fast Food Done Right, Operational Excellence and Good Done Right.

In 2021, we meaningfully grew our new U.S. breakfast daypart, with overall breakfast sales up approximately 25%\* from the prior year. Through partnerships and promotions, we continued to see high customer satisfaction and repeat at breakfast, showing that our trial-driving programs are paying off. We are excited to launch breakfast in Canada in 2022, which will take the percentage of restaurants across the Wendy's System serving breakfast to approximately 95%. Our team continued to innovate our digital business across the globe – from bringing on new delivery partners, to cementing a strategic partnership with Google to improve how we use data to serve our customers and to continuing to grow the Wendy's Rewards Program – all while ensuring that the protection of data security and privacy remained top of mind. Overall, we saw U.S. digital sales grow by more than 75%. We also continued to make strides toward our goal of having 8,500 to 9,000 global restaurants by the end of 2025, opening more than 200 new restaurants in 2021, which was our highest in almost 20 years, despite a challenging supply chain environment. We also celebrated a number of global milestones, including our launch in the United Kingdom, our 400th Canadian restaurant, our 1,000th international restaurant and the opening of more than 50 delivery kitchens around the world.

**Accelerating Good Done Right**

Equally important is our dedication to our Corporate Responsibility platform, Good Done Right, which closely guides our growth strategy and how we work to make an impact across our key focus areas: Food, People and Footprint.

Last spring, Wendy's announced [new goals](#) to help us demonstrate progress in each of our key focus areas, informed by our engagement with nearly 1,000 diverse stakeholders as part of

our comprehensive ESG materiality assessment. Alongside those goals, we also reported against recognized frameworks for the first time to increase transparency with stakeholders.

Following the announcement of these goals, we convened cross-functional teams within our organization to develop action plans and guide implementation in each of those areas. Key highlights include:

- **Affirming our top 10 priority food categories.** We affirmed our top 10 priority food categories after completing a third-party lifecycle assessment and defining key metrics to measure progress as part of our Responsible Sourcing goal.
- **Establishing our Office of Diversity, Equity and Inclusion.** Under the leadership of Dr. Beverly Stallings-Johnson in the new role of Chief Diversity, Equity and Inclusion Officer, we solidified five Diversity, Equity and Inclusion areas in which we intend to focus in the coming years.
- **Reporting our 2020 climate data to CDP.** We reported to CDP, a leading standard for climate reporting, for the first time, which is an important step as we prepare to set a science-based target to track and reduce emissions in our operations and supply chain and to disclose Scope 1, 2, and 3 emissions in 2023 in alignment with that target.
- **Making solid progress in our sustainable packaging journey.** We forged new partnerships that will allow us to innovate, offer more sustainable options and provide educational information to our customers.

Because of the importance we place on making positive change through our Good Done Right strategy, we recently announced that we will be tying executive compensation to Good Done Right performance, with a portion of executives' 2022 incentive compensation linked to the Company's achievements in our Food, People and Footprint focus areas. We believe this will drive even more progress toward achieving our goals.

Our future is bright, and I am confident that we will continue to make meaningful progress towards achieving our vision of becoming the world's most thriving and beloved restaurant brand.

Thank you and stay well,

Todd A. Penegor, President and CEO

\* Excluding the impact of the 53rd week in 2020

## GOALS AND KEY INITIATIVES



## FOOD

► **Responsibly source** our top 10 priority food categories by 2030 in the U.S. and Canada.

→ Have a comprehensive accounting of animal welfare best practices for beef, pork, chicken, eggs and dairy through the Wendy's Animal Care Standards Program by the end of 2024

- Transition our pork supply chain in the U.S. and Canada away from sow gestation stalls for confirmed pregnant sows to open pen/group housing by the end of 2022
- Source 100% of our U.S. and Canadian beef, chicken and pork from suppliers that prohibit the routine use of medically important antibiotics by 2030



## PEOPLE

► **Increase the representation of underrepresented populations among our Company's leadership and management, as well as the diversity of our franchisees.**

Wendy's focus areas:

- Increase representation of women in leadership
- Increase diverse representation in management and leadership
- Understand and address what has been referred to as the "broken rung" of leadership
- Increase representation of diverse and women-owned franchisees
- Continue to drive diversity on the Board of Directors



## FOOTPRINT

► **Benchmark, track and reduce our Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions and set a science-based target by the end of 2023.**

► **Sustainably source 100% of our customer-facing packaging in the U.S. and Canada by 2026.**

- Through the U.S. Department of Energy's Better Buildings® Challenge, reduce energy consumption in Company-operated restaurants by 20% per transaction by 2025, against a 2012 baseline
- Through the U.S. Department of Energy's Better Buildings® Water Challenge, reduce the water use in U.S. Company-operated restaurants by 20% by 2029, against a 2018 baseline year

**2021 HIGHLIGHTS**



Established our Office of Diversity, Equity and Inclusion

**9,800**

Completed global Food Safety Assessments in partnership with EcoSure®



Received a B score on our first submission to CDP Climate Change Disclosure

**\$22.5M**

Raised across the Wendy's System for the Dave Thomas Foundation for Adoption®



Supported First Women's Bank as a Mission Partner to help to expand economic opportunities for women-owned businesses



Began transitioning from plastic-lined paper drink cups with limited recyclability to single-substrate, clear plastic cups that more customers will be able to recycle



Joined How2Recycle® label program to introduce on-package labels to educate consumers in the U.S. and Canada on recycling

*In 2021, we made meaningful progress in our efforts to improve our environmental footprint, support our people and communities and invest in innovative solutions that enhance food safety and visibility into our supply chain. The contributions of our employees, franchisees, supply chain partners and other stakeholders are all critical drivers of progress against our Good Done Right goals and all our CSR initiatives.*

– LILIANA ESPOSITO, CHIEF CORPORATE AFFAIRS & SUSTAINABILITY OFFICER

**W BUSINESS SNAPSHOT**

**\$12.5B+**

In systemwide sales

**\$1.9B**

In revenue

**10%**

Global same-restaurant sales growth

**~10%**

Global digital sales mix at year end 2021

**~25%**<sup>1</sup>

U.S. breakfast sales growth

**W AT A GLANCE**

**6,949**

Restaurants across the globe

**408**

Company-operated restaurants

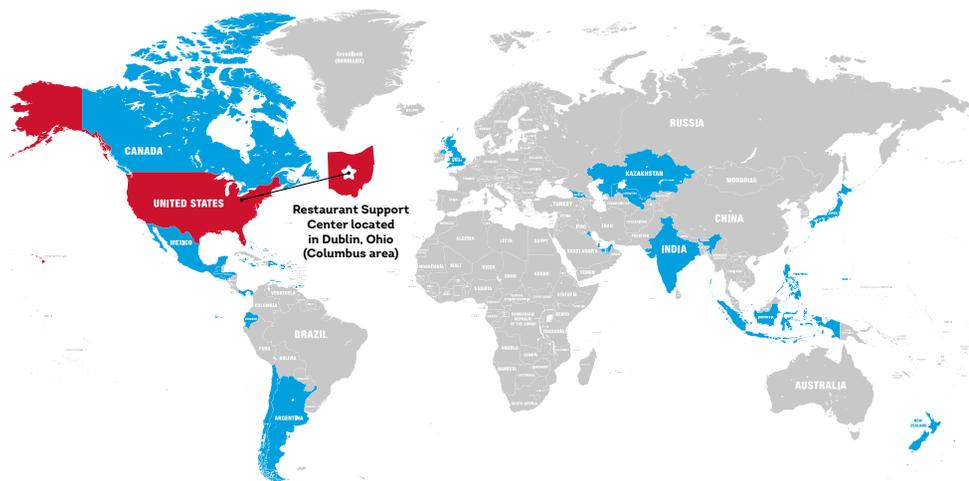
**6,541**

Franchised restaurants

**14,500**

Company employees

**32 COUNTRIES & U.S. TERRITORIES**



**2021 GLOBAL FOOTPRINT AND GROWTH MILESTONES**

**32**

Countries and U.S. Territories

**121**

Net new restaurant additions<sup>2</sup>

**1,000th**

International restaurant opened<sup>3</sup>

**400th**

Restaurant in Canada opened

**300th**

Restaurant in Asia Pacific/Middle East/Africa region opened

<sup>1</sup> Excluding the impact of the 53rd week in 2020

<sup>2</sup> Most in almost 20 years

<sup>3</sup> Wendy's International includes the operation and franchising of Wendy's restaurants in countries and territories other than the U.S.

# REPORTING, STAKEHOLDER ENGAGEMENT AND GOVERNANCE

## Reporting

This report provides an overview of Wendy's activities related to corporate responsibility topics and covers the 2021 calendar year, unless otherwise indicated. This report primarily covers material business updates across our U.S. and Canadian restaurants, which constitute more than 90% of our business footprint, unless otherwise indicated. Information related to Wendy's as an employer refers to The Wendy's Company and employees in our Company-operated restaurants, field support roles and corporate staff primarily based out of the Restaurant Support Center. Prior to publishing this report, our most recent annual Corporate Responsibility report was published in 2021 and covered the 2020 calendar year. We intend to continue issuing a report annually, highlighting our corporate responsibility strategy and initiatives, including progress on our goals.

For the first time in 2021, we reported 2020 data to the CDP Climate Change questionnaire, a leading disclosure practice for environmental reporting. We also recognize leading reporting standards such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and United Nations Sustainable Development Goals and strive to embed their principles and frameworks throughout our report.



We have included reporting indices at the end of this report that reflect disclosures against these standards.

The United Nations Sustainable Development Goals that we have identified as aligning with our priority impact areas can be found on our [website](#) and are further detailed above.

For any questions or comments regarding topics covered in this report, please contact us at [corporateresponsibility@wendys.com](mailto:corporateresponsibility@wendys.com).

### Stakeholder engagement

Our stakeholders help inform how we do business every day. In 2020, we completed a comprehensive ESG materiality assessment with significant stakeholder involvement to better understand the areas of greatest importance to these groups. The materiality process ultimately yielded the material topics that fall under our three Good Done Right pillars that are the focus of this report: Food, People and Footprint. We shared the assessment’s findings for the first time in our 2020 Corporate Responsibility report, and we plan to periodically update our assessment in future years. Our materiality assessment and its findings, along with a matrix visualizing our priority topics, can all be found on our [website](#).

We regularly communicate with a range of stakeholders in a variety of ways, including formal communications, such as our Corporate Responsibility report, website updates, SEC filings, earnings releases and presentations and annual shareholder meeting, and one-on-one engagements, such as calls and meetings with suppliers, investors, NGOs and others. We listen and learn from these valued groups to ensure we are considering outside perspectives as well as the needs and preferences of our own team members.

The following table provides a snapshot of the stakeholders we engaged with on corporate responsibility topics and the topics we covered as part of our communications in 2021.

MATERIAL TOPICS	EXAMPLES OF STAKEHOLDER ENGAGEMENT IN 2021
<b>ANIMAL CARE &amp; WELFARE</b>	Our Quality Assurance team worked closely with our recently expanded Animal Welfare Council, which consists of suppliers and academic experts, and <a href="#">Progressive Beef™</a> to continue implementing our Animal Care Standards Program.
<b>CLIMATE, ENERGY &amp; WATER</b>	We engaged with institutional and environmentally conscious shareholders to discuss and inform our commitment to set a science-based emissions target. We also participated in the U.S. Department of Energy’s Better Buildings Challenges on energy and water.
<b>DATA SECURITY &amp; PRIVACY</b>	Our Enterprise Data Governance Committee, which is composed of leadership-level team members and subject matter experts from the Company, informs relevant stakeholders on data-related program progress, escalated issues and risks and long-term strategic goals, and assists relevant stakeholders with identifying and mitigating data issues.
<b>FOOD SAFETY &amp; QUALITY</b>	We engaged with franchisees and third-party delivery providers, along with the U.S. Food and Drug Administration, in support of uniform, clear food safety regulations that contemplate the proliferation of third-party delivery and delivery kitchen concepts.
<b>NUTRITION</b>	Our Culinary Innovation Kitchen renovation at our Restaurant Support Center involved collaboration with Wendy’s Culinary, Quality Assurance and Consumer Insights teams as well as Wendy’s independent supply chain purchasing co-op, QSCC, and supplier partners who helped inform our new menu items.
<b>PACKAGING &amp; WASTE</b>	As we began transitioning from plastic-lined paper cups to more recyclable plastic cups, we joined the How2Recycle program to incorporate educational labeling on our customer-facing packaging to help customers recycle.
<b>PEOPLE &amp; ETHICS</b>	We supported First Women’s Bank as a Mission Partner to expand economic opportunity for women-owned businesses and create opportunities for new franchisees. We also engaged with federal, state and local public health bodies to help us better understand the evolving COVID-19 situation and its impacts with a focus on the safety and comfort of our employees and customers.
<b>TRACEABILITY &amp; TRANSPARENCY</b>	To continue our food safety, quality practices and oversight of our suppliers and distribution centers amidst COVID-19 restrictions, we partnered with NSF EyeSucceed™ to test the use of augmented reality smart glasses. We also participated in a pilot with supply chain partners to test blockchain technology for greater visibility into our pork supply chain.

## Governance

Wendy's is committed to maintaining strong governance practices as a critical component of driving sustained stakeholder value.

## W WENDY'S GUIDING VALUES

Our founder Dave Thomas opened the first Wendy's restaurant more than 50 years ago, introducing five core values that continue to shape the way we operate. These values are embedded into how we approach our corporate responsibility priority areas and programs.

 *quality* IS OUR **RECIPE**

 DO THE *right* **THING**

 **TREAT** *people* WITH RESPECT

 \$ **PROFIT** MEANS *growth*

 *give* SOMETHING **BACK**

## Board of Directors

As part of its oversight and advisory role, our Board of Directors continually monitors emerging best practices in corporate governance to serve the interests of our stockholders.

The Board has a dedicated standing Corporate Social Responsibility (CSR) Committee. The CSR Committee assists the Board in reviewing and overseeing the Company's CSR strategic initiatives, including environmental, social, and governance (ESG) matters, community involvement and outreach initiatives and philanthropic endeavors. More information on the CSR Committee's responsibilities can be found in the committee's [charter](#).

The Board's other standing committees, including the Audit Committee, Compensation and Human Capital Committee, Nominating and Corporate Governance Committee and Technology Committee, also oversee certain topics that fall within our ESG strategy (see [chart](#) for details).

For more information on our governance structure and approach, please visit our [Governance page](#) on our Investor Relations website.

## Management

Wendy's recognizes the important role that governance and risk management play in supporting our overall ESG strategy, including building a sustainable and resilient supply chain, managing climate risk and supporting safe and responsible work environments.

In 2021, we elevated the role of Chief Communications Officer, held by Liliana Esposito, to the title of Chief Corporate Affairs & Sustainability Officer to more fully reflect her responsibilities and the growing importance of corporate responsibility for the Company.

Wendy's has an ESG Steering Committee that is co-chaired by our Chief Financial Officer and our Chief Corporate Affairs & Sustainability Officer. The committee is composed of senior management personnel and has responsibility for:

- Identifying and monitoring ESG risks and opportunities
- Setting global ESG strategies and overseeing activities and strategy rollouts across the business
- Approving ESG goals, KPIs and metrics

The ESG Steering Committee is supported by cross-functional working groups that help support our global ESG strategy, with a focus on our Good Done Right goals. The groups are led by the Chief Corporate Affairs & Sustainability Officer and have responsibility for:

- Staying current on risks and opportunities
- Implementing activities and executing global ESG strategies
- Recommending and monitoring progress against ESG goals, KPIs and metrics
- Supporting the managing and drafting of Wendy's annual Corporate Responsibility report

### **Data privacy and information security**

Wendy's respects the privacy of individuals and is committed to protecting the personal information that is provided to, or collected by, Wendy's about our customers, employees, franchisees and other business partners. Wendy's [privacy policy](#) explains our privacy practices, including the information we collect and how it is used, the choices that can be made about the collection and

use of information submitted through our services and our commitment to protecting privacy.

Wendy's maintains a comprehensive cybersecurity program with a team that is responsible for directing, coordinating, planning and organizing information security activities throughout the Company, including annual training sessions.

We align our security controls to the Center for Internet Security Critical Security Controls Framework and undergo an annual assessment to track our program maturity. We also undergo multiple annual external assessments against the Payment Card Industry Data Security Standard (PCI DSS).

We have several dedicated teams of specialists within our Information Security Department that routinely conduct internal and external vulnerability and penetration assessments in accordance with both PCI DSS and industry accepted practices. We regularly test our incident response capabilities through tabletop exercises and incident response plan testing.

Wendy's is active in the information security community and is a core member of the Retail and Hospitality Information Sharing and Analysis Center. Representing over 200 companies from retail, restaurants, hotels, gaming, casinos and other consumer-facing industries, members benefit from real-time collaboration, industry-specific benchmarking, threat intelligence reports and analysis, industry-relevant committees and working groups, and numerous training, education and networking opportunities.

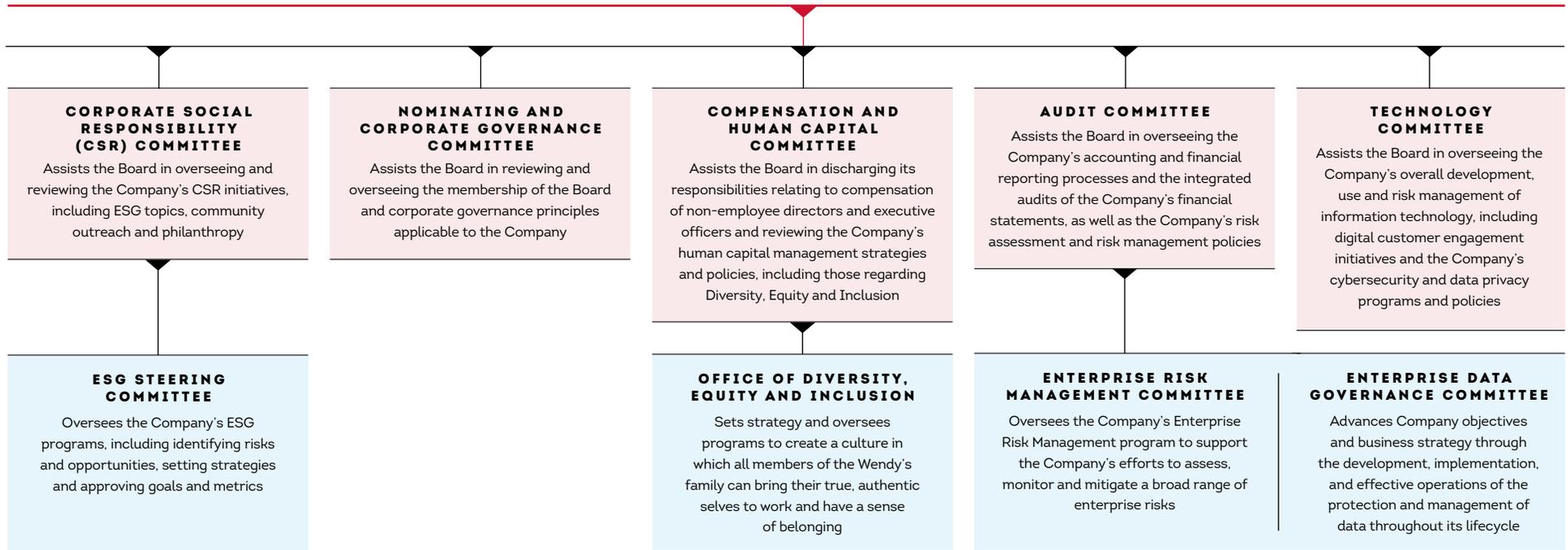


# CORPORATE RESPONSIBILITY AND ESG GOVERNANCE

The following chart provides a representative snapshot of the structure at the Board (red), Senior Management (blue) and Functional (gray) levels that supports Wendy's corporate responsibility and ESG efforts.

## BOARD OF DIRECTORS

Oversees the Company's corporate governance strategy, policies and programs and monitors emerging best practices in corporate governance



**WORKING GROUPS** Implement activities and execute global ESG strategies, including the Company's Good Done Right goals, monitor and respond to ongoing ESG risks and opportunities, recommend and monitor progress and support the development of the annual Corporate Responsibility report

*Wendy's is committed to driving positive change, which is why we have invested in growing our internal infrastructure to further support our ESG priorities. With the elevation of senior leadership positions and establishment of dedicated offices, committees and councils, including the Office of Diversity, Equity and Inclusion, we believe we are well positioned to deliver on our goals.*

– GUNTHER PLOSCH, CHIEF FINANCIAL OFFICER



# 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 beef<sup>4</sup> 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.

<sup>4</sup> 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 INDICATORS<sup>5</sup>

**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	✓ Beef • Hamburger patties	•	•	•	•	•	•	•	•
	✓ Chicken • Filets for chicken sandwiches and white meat chicken included in nuggets	•	•	•	•		•	•	•
	✓ Pork • Pork products including bacon and sausage	•	•	•	•		•	•	•
	✓ Eggs • Shell eggs	•		•	•		•	•	•
	✓ Dairy • Frosty, milk and cheese	•		•	•		•	•	•
PRODUCE	✓ Fresh tomatoes and lettuce/leafy greens			•	•		•	•	•
	✓ Potatoes • Includes fries, baked and seasoned potatoes			•	•		•	•	•
OTHER	✓ Beverages • Cold drinks, coffee, tea			•	•	•	•	•	•
	✓ Buns and Bakery • Wheat, oils and sweeteners in buns and bakery products			•	•	•	•	•	•
	✓ Oils • Fryer oil/shortening, dressings, margarine			•	•	•	•	•	•

<sup>5</sup>This 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.





# PEOPLE

Fostering equitable workplaces and communities



Increase the representation of underrepresented populations among Company leadership and management, as well as the diversity of Wendy's franchisees

WORKPLACE

COMMUNITY

**GOOD** **DONE**  
**RIGHT.**

## WORKPLACE<sup>6</sup>

**Our founder believed the impact we make on others and our communities is just as important as the food we serve. We try to model this idea through our daily interactions with our team members and customers, and in the communities where we do business.**



### Diversity, Equity and Inclusion

Wendy's Office of Diversity, Equity and Inclusion, in partnership with our leaders and employees, is working to create a culture in which everyone can bring their true, authentic selves to work and have a sense of belonging that drives their ability to help fulfill Wendy's vision of becoming the world's most thriving and beloved restaurant brand. That's why our approach is firmly grounded in our Company values, which we strive to live by daily. We approach Diversity, Equity and Inclusion as a business imperative, and are working to infuse it through every part of our business.

In our 2020 Corporate Responsibility Report, Wendy's announced a new goal to increase the representation of underrepresented populations among our Company's leadership

and management, as well as the diversity of our franchisees, and we outlined a set of five focus areas which we have further solidified.

### W FOCUS AREAS:

- Increase representation of women in leadership
- Increase diverse representation in management and leadership
- Understand and address what has been referred to as the "broken rung" of leadership
- Increase representation of diverse and women-owned franchisees
- Continue to drive diversity on the Board of Directors

These goals will be backed by our Diversity, Equity and Inclusion Future Forward vision and a strategy that is focused on all people within our organization. This strategy was informed by a listening tour and survey that Dr. Beverly Stallings-Johnson conducted with

Company employees upon starting her role as our Chief Diversity, Equity and Inclusion Officer as a way of understanding the progress we have already made, challenges we need to overcome and the opportunities that exist so we can thrive.

Our Diversity, Equity and Inclusion goals reflect our ambition to have a workforce that reflects the communities we serve at all levels of our organization. The Company's senior leaders and Board of Directors are heavily involved in our strategy and played an integral role in the creation of the goals.

***We rely on the diverse perspectives of our people at all levels, and particularly in leadership, to make us stronger as an organization. Wendy's is committed to devoting the time and attention required to build our pipeline, train, recruit, advance and retain our people, and in doing so, implement the changes needed to turn our goals into reality.***

— DR. BEVERLY STALLINGS-JOHNSON, CHIEF DIVERSITY, EQUITY AND INCLUSION OFFICER

<sup>6</sup>Unless otherwise expressly stated, this section is limited to Wendy's Company employees, not franchisees or their employees.

## ENGAGING EXTERNALLY TO ADVANCE DIVERSITY, EQUITY AND INCLUSION WITHIN OUR ORGANIZATION

Our memberships with the National Diversity Council and Ohio Diversity Council help us benchmark and continue to learn from experts in the field and monitor evolving news and trends in this area. Learning about Diversity, Equity and Inclusion experiences and practices shared by other industry leaders and organizations will continue to inform our focus areas and strategies.

## OUR JOURNEY

**2019** Created multi-year strategy

**2020** Heightened education and accountability

**2021** Established Office of Diversity, Equity and Inclusion

**AND BEYOND** Incorporating changes and demonstrating progress

In 2021, the Board of Directors expanded the scope of its Compensation Committee to become the Compensation and Human Capital Committee, adding oversight of the Company's human capital management strategies and policies, including, without limitations, those regarding Diversity, Equity and Inclusion. We also formally signed onto the CEO Action for Diversity & Inclusion, a community of business leaders pledging to take action in their workplaces. Wendy's senior leaders and Board of Directors will continue to be highly engaged in working to achieve these goals by providing guidance, oversight and accountability for our Diversity, Equity and Inclusion strategy, which is built on data and business insights.



Wendy's leaders and President Stephanie Hightower of the Columbus Urban League, at the 2021 CUL Empowerment Day where Wendy's was recognized with the Corporate Empowerment Award

## Highlighting progress on our Diversity, Equity and Inclusion Goals

Driving an inclusive mindset and culture requires purpose and intention. Wendy's launched an updated Leadership Competency Model designed to help identify and reinforce competencies commonly found in our leaders.

In 2021, an Inclusive Mindset success factor was incorporated into this model, and as part of the roll-out, we defined expectations for this competency at our different leadership levels. The intended results include leadership that provides allyship, reduces implicit bias, promotes belonging and enhances work-life flexibility. To help drive this change, during 2021, Wendy's rolled out a toolkit, a webinar series featuring senior leaders, and other resources, including a self-development playbook and an updated interview guide to assess candidates for these success factors.

*Demonstrating an inclusive mindset is essential to being a great Wendy's team member and is identified as one of our five Leadership Success Factors. Providing support to others different than you and making everyone feel welcome are essential attributes of our culture.*

– COLEY O'BRIEN, CHIEF PEOPLE OFFICER



## REPRESENTATION BY GENDER, RACE AND ETHNICITY<sup>7</sup>:

	NUMBER	GENDER		RACE AND ETHNICITY						
		EMPLOYEES	MEN	WOMEN	WHITE	HISPANIC OR LATINX	BLACK	ASIAN	AMERICAN INDIAN OR ALASKA NATIVE	NATIVE HAWAIIAN / OTHER PACIFIC ISLANDER
<b>RESTAURANT CREW MEMBERS</b> VS. 2020	~11,300 +300	45% +2%	55% -2%	26% -5%	36% -1%	34% +6%	2% -1%	1% NC	<1% NC	<1% NC
<b>RESTAURANT MANAGEMENT</b> VS. 2020	~2,200 +100	31% -2%	69% +2%	30% -5%	36% NC	29% +6%	3% +1%	2% NC	1% NC	<1% NC
<b>MANAGERS &amp; PROFESSIONALS</b> VS. 2020	~800 +50	47% -1%	53% +1%	72% -6%	12% +3%	12% +2%	3% +1%	<1% NC	1% NC	0% NC
<b>COMPANY LEADERSHIP (DIR+)</b> VS. 2020	~150 NC	66% -4%	34% +4%	78% -5%	8% +2%	6% +1%	6% +1%	1% +1%	0% NC	0% NC
<b>ALL COMPANY EMPLOYEES</b> VS. 2020	~14,500 +450	43% +1%	57% -1%	30% -5%	35% NC	32% +6%	2% -1%	1% NC	<1% NC	<1% NC

<sup>7</sup>This chart covers Wendy's Company employees across our global presence in 2021, except the race and ethnicity information reflects U.S. employees only. Changes to the Company's methodology to improve the accuracy of how we are tracking and reporting on employee metrics account for the change in 2020 employee metrics and segmentation of those metrics compared to 2020 Corporate Responsibility report.

### Increase representation of women in leadership

In 2021, we participated in McKinsey & Company and LeanIn.org's annual "Women in the Workplace" study for the fifth straight year. We have continued to participate in this study to gain insight on how we are progressing in advancing gender diversity in our workplace. We consider this data to identify opportunities for enhancing focus and practices that can truly make a difference, including in the areas of recruitment, training and allyship.

In addition to driving change within our own organization, Wendy's Chief People Officer Coley O'Brien, who has been a critical developer of our Diversity, Equity and Inclusion strategy, was elected to the board of directors of the Women's Foodservice Forum, which works to increase opportunities for women and cultivate gender-diverse leadership across the food service industry.



### Increase diverse representation in management and leadership

The actions we will continue to take to increase diverse representation in management and leadership include:

- Actively monitoring and reporting on current demographic data by race and ethnicity
- Expanding recruitment to institutions with strong diverse talent
- Continued commitment to training and development in this area, including related to mitigating bias and allyship
- Leveraging our employee resource groups

### Inclusive recruitment

Over this past year, we have expanded our talent acquisition team to help support our inclusive external recruitment efforts. We have also continued to grow our connections with diversity-focused agencies and organizations and invested in new databases to help ensure our external job postings are reaching a broad and diverse candidate pool. We have also added a [page for veterans](#) on our Career Site and posted job listings on veteran-focused recruiting websites.

To further make diverse representation a focus of our recruiting, Wendy's is continuing to focus on training and education, including training related to implicit bias, and continuing to leverage standardized processes and tools to support our commitment to being a proud equal employment opportunity employer.

An important part of our strategy to recruit diverse talent is continuing and expanding our engagement with historically Black colleges and universities (HBCUs). Our continued partnership with the Thurgood Marshall College Fund, a non-profit which provides HBCU and PBI students with unique scholarship, professional development and career opportunities, is one of the ways we are demonstrating our commitment to reaching a broad and diverse candidate pool (more information on our ongoing partnership with Thurgood Marshall College Fund can be found in the [Community](#) section of this report). Likewise, through our sponsorship of the 2021 Historically Black Colleges & Universities Classic football game in Columbus, Ohio, and other similar events, our leaders have had an opportunity to engage with students and show them what a career at Wendy's can offer.

### Understand and address what has been referred to as the “broken rung” of leadership

Two important roles in our organization are restaurant general managers and district managers. We are proud that the majority of our general managers today are women and/or people of color.

However, we recognize that the representation of women and people of color declines at the next level of leadership at district manager, which is a multi-unit operator role. McKinsey has noted this as a potential trend, not limited by industry, and identified this as the “broken rung” for early-in-career management positions. We are working to better understand and address the various factors that may contribute to this issue where possible and appropriate.



### Increase representation of diverse and women-owned franchisees

In 2021, we introduced and expanded our franchisee financing options to help support opportunities for new and existing franchisees, including women and entrepreneurs from diverse backgrounds:

- **First Women's Bank:** In 2021, to create pathways into the Wendy's System for women entrepreneurs, Wendy's supported First Women's Bank as a Mission Partner. First Women's Bank is a women-founded, -owned and -led commercial bank with a strategic focus on the women's economy in the United States. Together, we will work to help bridge the gender lending gap and expand economic opportunity for women-owned businesses.
- **Build-to-Suit:** In 2021, Wendy's announced a \$100 million investment in a Build-to-Suit program to reduce barriers for potential franchisees. The program, which is available to franchisees in the U.S., Canada and the United Kingdom, enables eligible individuals who might otherwise not have the resources to operate a Wendy's restaurant to do so with decreased capital investment of their own. Wendy's also created more competitive, lower liquidity and net worth requirements for all new franchise applicants.

### Continue to drive diversity on our Board of Directors

Having a Board of Directors that reflects the communities we serve is valuable to ensuring our Company benefits from diverse perspectives. The Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. More information on our Board composition, including the skills, attributes, qualifications and diversity of our directors, can be found in our [proxy statement](#).

### W THIRD-PARTY RECOGNITION OF WENDY'S CULTURE OF DE&I

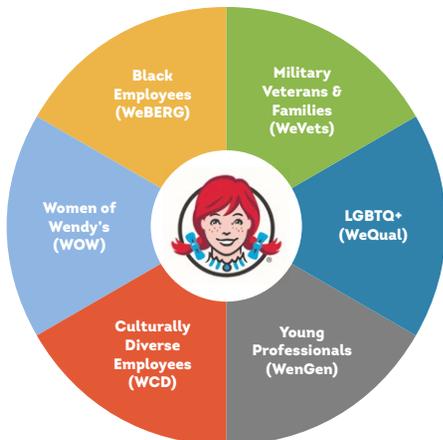
A number of organizations recognized Wendy's over the past year for our commitment to creating an inclusive culture:

- **Forbes** named Wendy's one of the world's 300 most female-friendly companies – one of only three restaurant brands to make the list.
- **Human Rights Campaign (HRC)** named Wendy's a Best Place to Work for LGBTQ Equality, and we received a 100% score on the organization's Corporate Equality Index.
- In 2021, three Wendy's Company employees **received top recognition** from the **National Diversity Council** for leadership in Diversity, Equity and Inclusion.

**Supporting employees**

Wendy's offers a variety of resources to support our Company employees and team members during and outside of the workday. Wendy's maintains and supports Employee Resource Groups for Restaurant Support Center employees to function as forums for learning and inclusion, each with an executive sponsor from our senior leadership team. These groups heighten our opportunities to celebrate different backgrounds, empower employees to bring their authentic selves to work and offer leadership and professional development opportunities. They also allow our leaders to actively participate in grassroots mentoring and coaching and help deepen connections between our employees and the community.

**EMPLOYEE RESOURCE GROUPS**



Each group holds events and participates in programming to help promote its internal mission. Highlights from 2021 include:



Sponsored by Todd A. Penegor, President and CEO

**Wendy's Black Employee Resource Group**

WeBERG celebrated Black History Month in February by launching learning opportunities and programs including music, podcast discussions and monthly history updates throughout the year.



Sponsored by Liliana Esposito, Chief Corporate Affairs and Sustainability Officer

**Wendy's Equality Employee Resource Group**

In June, WeQual celebrated Pride Month by raising a pride flag outside Wendy's Dublin, Ohio Restaurant Support Center, and employees shared experiences about being a member of the LGBTQ+ community at Wendy's.



Sponsored by Kevin Vasconi, Chief Information Officer

**Wendy's Young Professionals Resource Group**

WenGen stepped into summer with its 5 Cup Challenge – a networking initiative that challenged its members to gain perspective by sitting down and talking with five different Wendy's colleagues they don't normally work with.



Sponsored by E.J. Wunsch, Chief Legal Officer and Secretary

**Wendy's Cultural Diversity Employee Resource Group**

WCD played an important role in shaping Wendy's global fluency training curriculum, including working with the Columbus Council on World Affairs to ensure the information and tools are relevant and practical.



Sponsored by Abigail Pringle, President, International and Chief Development Officer

**Women of Wendy's Employee Resource Group**

WOW hosted a female franchisee panel discussion highlighting two of Wendy's female franchisees, their approach to leadership and creating an inclusive culture.



Sponsored by Kurt Kane, President, U.S. and Chief Commercial Officer

**Military Veterans & Families Employee Resource Group**

To celebrate Veterans Day, WeVets partnered with the National Veterans Memorial and Museum (NVMM) in Columbus, Ohio to dedicate a bench in honor of Wendy's founder Dave Thomas' military service.



As part of Wendy's Community Giving Program, each Employee Resource Group was eligible to request a grant to support a charitable organization of its choice that aligns with both the Company's giving strategy and the group's distinct mission and philanthropy pillar. The goal is to create meaningful partnerships, not just provide financial support.

**The 2021 grants went to:**

- [Son of a Saint](#) (WeBERG)
- [Kaleidoscope Youth Center](#) (WeQual)
- [Star House](#) (WenGen)
- [Zora's House](#) (WCD)
- [Central Community House](#) (WOW)
- [Wounded Warrior Project](#) and the [National Veterans Memorial and Museum](#) (WeVets)



Wendy's established WeCare in 2017 to provide short-term financial assistance to team members within the Wendy's System in the U.S., U.S. Territories and Canada who have been negatively affected by provincial, state or federal-declared natural disasters or states of emergencies and are experiencing financial hardship. Since its inception, approximately 300 individuals have received nearly \$130,000 in financial assistance through WeCare.

In 2021, we provided more than 30 grants, most of which were for support after Hurricane Ida, which caused damage and disruption to many Wendy's restaurant team members along the Gulf and East Coasts. WeCare was also made available to assist restaurant team members who were affected by torrential flooding in Western Canada.



**\$130k**

in financial assistance





## Wendy's UNIVERSITY

### Education and training

Wendy's offers robust training and development programs to help our team members achieve their true potential. Our training journey is based on a progression – from programs that cover the core and limited-time menu items, to programs that can be leveraged to help amplify leadership and development. In 2021, across the Wendy's System, team members completed nearly 1.7 million hours of training, including a mix of online and hands-on training in the restaurant, as well as a mandatory food safety standards courses. In 2021, we also introduced an updated interview guide with related training materials for Company employees.

Wendy's also offers a wide variety of training and development programs that can be accessed by interested managers to help them invest in their own personal and professional development.

Eligible Company employees can take advantage of additional education and training opportunities, ranging from virtual and in-person courses hosted and/or led by Wendy's to opportunities to participate in third-party industry conferences and trainings. Our Employee Assistance Program also provides a catalogue of health, including emotional health, and wellness training programs and resources.



## Recognition

We are proud of our Wendy's family, and we continue to take opportunities to celebrate and recognize significant achievements and contributions to the Wendy's community. In 2021, this included:



## Benefits

Wendy's regularly adjusts pay to keep pace with industry standards at all Company employee levels, including at the restaurant level and for our Restaurant Support Center employees, but competitive pay is only the beginning. In 2021, Wendy's made changes to our benefits designed to make them even more holistic for eligible employees by supporting employees' personal health and financial well-being.

- **401(k) match waiting period** – As of the beginning of 2022, Wendy's has expanded its 401(k) match policy, which was previously available to employees after one year or 1,000 hours worked, to eliminate the waiting period. That way, everyone who contributes to the Company's 401(k) plan can receive the match without delay.
- **New well-being program** – Employees enrolled in a Wendy's medical plan will now have access to an online personal health tool provided by our insurer. The tool answers users' personal health questions and connects them to the right resources to meet their needs. It even offers the opportunity to earn up to \$200 in rewards annually for setting and keeping to health goals.
- **At-home physicals** – Plan participants can now complete their annual physicals with a doctor via a virtual visit from the comfort of their own homes.

- **Inclusive Care** – Through this new program, LGBTQ+ plan members can find providers and facilities identified by our insurer as LGBTQ+ friendly. WeQual, Wendy's Equality Employee Resource Group, played an important role in championing this new benefit.

These benefit enhancements complement policies already in place for eligible Company employees<sup>9</sup> that include:

- **Health** – Medical, dental, vision, prescription drugs, telehealth and vaccination
- **Mental health** – Free, confidential 24/7 counseling support for Company employees – whether enrolled in a company medical plan or not – through our Employee Assistance Program
- **Financial** – Incentive bonuses, commuter and parking benefits and pre-tax savings account contributions
- **Work/life** – Paid sick leave for regular (non-intern, temp, contractor) Company employees (including part-time restaurant team workers) and bonding leave, adoption assistance, life insurance and a breast milk shipping allowance for eligible Company employees

<sup>9</sup>Eligibility varies and is governed by the terms of the applicable plans/policies.

## W EVOLVING OUR WORKPLACE



Throughout the COVID-19 pandemic, we listened to our current and prospective employees, and we have adapted to help continue to make Wendy's a place where top talent from every background and perspective wants to join and stay. In 2021, Wendy's introduced a number of enhancements to the Company employee experience including a flex work program, which offers many office-based employees greater flexibility for getting their work done.



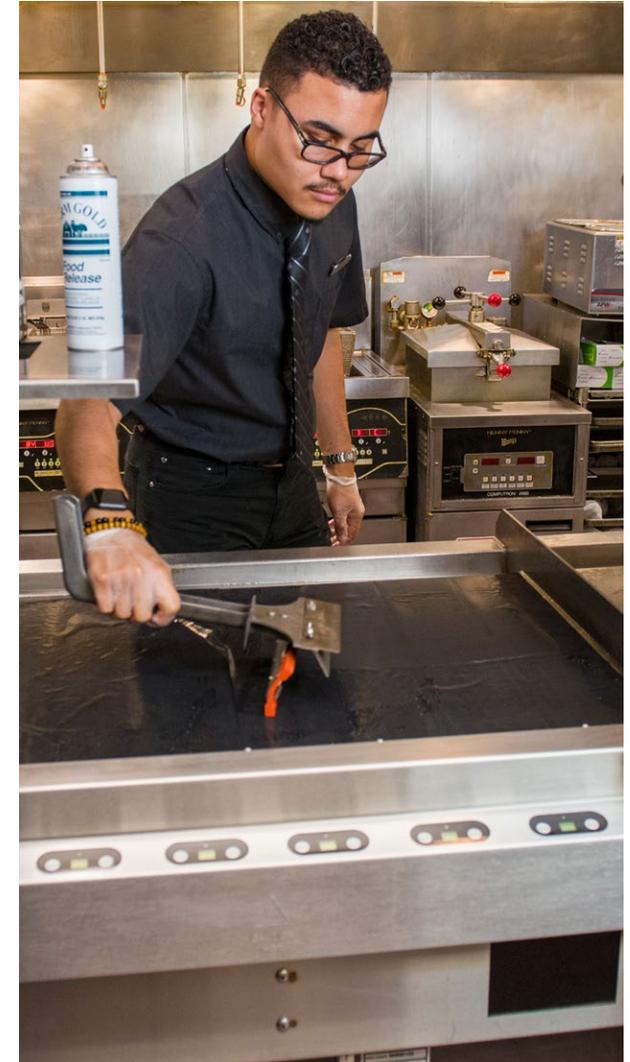
### A safe and respectful workplace

For the sixth consecutive year, we partnered with a third party to administer our Voice of Wendy's employee engagement survey for all Company employees, and franchisees also had the option to engage in the survey for their own organization. In 2021, nearly 50,000 Company and franchise team members across the Wendy's System participated. The results give the Company and participating franchisees valuable insights into employee engagement that can be used to help strengthen culture and attract and retain talent.

We also continue to have high standards for our supplier partners as outlined in our Supplier Code of Conduct. In keeping with the code, we expect suppliers, and their suppliers and contractors to comply with applicable local, state/provincial and federal laws and regulatory requirements surrounding human rights and labor practices, including hiring, use of child labor, safety and health, housing, working hours, discrimination, harassment and ensuring employment is always voluntary.

In December 2021, Wendy's published a [People & Ethics Report](#) that outlined the ways we stayed connected to our key U.S. and Canadian suppliers following the onset of the COVID-19 pandemic, with a focus on worker safety, health and well-being. Although many COVID-19 specific requirements have been

lifted, we remain committed to continuing to monitor the situation and evolve our approach as required and as necessary and appropriate to support the safety and comfort of team members, customers and the communities we serve.



## COMMUNITY

Wendy's launched a number of partnerships focused on social justice in 2020. In 2021, we continued to support those causes and strengthened our new and existing relationships – including those with the Thurgood Marshall College Fund, YWCA Columbus and the Columbus Urban League.



2021 was our third year supporting the Leadership Institute at the **Thurgood Marshall College Fund**. In addition to funding, Wendy's leaders delivered presentations on leadership, global branding and personal branding to more than 400 attendees, and participated in a virtual recruitment fair.



Wendy's supported **YWCA Columbus** and its Youth Development and Early Childhood Education program, which included scholarship opportunities for high-quality youth development summer camp and after-school programs. We also sponsored the YWCA Columbus' virtual racial equity training event, Activists and Agitators, for the second year in a row.



Wendy's continued to work with the **Columbus Urban League** (CUL) on workforce development and opportunity creation, including the continuation of Wendy's Workforce Institute – a paid training experience for young adults in the Central Ohio community. Wendy's was also honored with the CUL's 2021 Honda Empowerment Day award in recognition of the Company's dedication to advancing Diversity, Equity and Inclusion in Central Ohio through contributions to the social justice movement and support of workforce development for young persons of color.

### Charitable giving

As part of Wendy's ongoing philanthropic efforts, including our Community Giving Program, we made [donations](#) to a variety of organizations across the globe that align with our core categories of charitable support: foster care adoption, hunger and food integrity, youth and families and vibrant communities.

## W OUR GIVING

In 2021, highlights of our Company contributions included:

**\$125K**

to the **Thurgood Marshall College Fund Leadership Institute**.

**\$100K**

over four years to **Mid-Ohio Food Collective** to support its new Rooted in You campaign to reimagine ending hunger.

**\$50K**

to **Columbus Urban League** for programming focused on workforce development.

**\$50K**

to **YWCA Columbus** to support its Youth Development and Early Childhood Education program.

**NEARLY \$50K**

to **nine U.S., U.K. and Canadian organizations** throughout Wendy's global restaurant footprint.

**\$30K**

in grants to organizations selected by Wendy's **six Employee Resource Groups** to jumpstart sustainable partnerships with organizations that support each group's mission.



Dave Thomas  
Foundation  
for Adoption®

**Wendy's founder established the Dave Thomas Foundation for Adoption and the Dave Thomas Foundation for Adoption-Canada with one primary goal: to help find forever families for children waiting in foster care.**

To date, the Wendy's System has raised more than \$257 million to help advance the Foundation's life-changing programs, including Wendy's Wonderful Kids®, through which nearly 12,000 children have been adopted across the U.S. and Canada. In 2021 alone, Wendy's, along with our franchisees and employees, raised more than \$22.5 million to benefit the Foundation's mission through:

- U.S. and Canada in-restaurant fundraising campaigns
- Wendy's Family Night at our franchise and supplier convention
- Frosty 5K Run for Adoption
- Donations from our generous partners, Coca-Cola® and Dr Pepper®, via an in-app redemption program through which more than 181,000 Wendy's U.S. customers received a free beverage of any size with purchase



*The commitment of the entire Wendy's family to raise funds, allowing us to dramatically increase the number of adoptions of children waiting in North America's foster care systems, has changed the journey for nearly 12,000 children. Together, we will achieve Dave Thomas' dream that every child waiting in foster care will quickly be surrounded by the comfort and safety that only a permanent, loving family can provide.*

– RITA SORONEN, PRESIDENT & CEO  
DAVE THOMAS FOUNDATION FOR ADOPTION

**W WENDY'S GIVES BACK**

### Restaurant Support Center upgrades furnish an opportunity for giving

Wendy's Restaurant Support Center serves to enhance the operation of Company and franchised restaurants. The Human Service Chamber of Franklin County, Ohio, is a chamber of commerce for more than 140 health and human services nonprofits. In 2021, those two fixtures in the Ohio community found common cause in a concrete act of giving.

Working together, members of our Restaurant Support Center team and Human Service Chamber of Franklin County devised a plan that would benefit the non-profits the Human Service Chamber supports and find a suitable home for office furniture and fixtures the Restaurant Support Center was replacing, rather than sending them to a landfill. Through their efforts, more than 280 pieces of furniture went to 18 organizations across the area.



### More ways to help: Casa Valentina

Since 2006, Casa Valentina has been helping young people in the Miami area who are at risk or were previously in foster care make the transition to independent living. When Wendy's Latin America and Caribbean region team learned about the organization, they saw a chance to help, as the organization's focus ties into Wendy's support of foster care adoption.

In 2020 and 2021, the team secured grants to Casa Valentina totaling \$12,500 through Wendy's Community Giving Program and made an additional donation of \$2,000 to supplement the grants. The donations supported the organization's life skills and residential programming. Beyond the grants, the team volunteered on site to make updates to the facility and forge meaningful connections with the program's students.





# FOOTPRINT

Delivering more with less environmental impact



**BENCHMARK, TRACK AND REDUCE OUR SCOPE 1, SCOPE 2 AND SCOPE 3 GREENHOUSE GAS EMISSIONS AND SET A SCIENCE-BASED TARGET BY THE END OF 2023**



**SUSTAINABLY SOURCE 100% OF OUR CUSTOMER-FACING PACKAGING IN THE U.S. AND CANADA BY 2026**

[CLIMATE AND ENERGY](#)

[WATER](#)

[WASTE](#)

[SUPPLIER ENGAGEMENT](#)

[SQUARELY SUSTAINABLE COUNCIL](#)

**GOOD** DONE  
**RIGHT.**

# CLIMATE AND ENERGY

## Increasing transparency on our journey to developing greenhouse gas (GHG) reduction targets.

In April 2021, Wendy's committed to pursue a science-based target, in accordance with the Science Based Targets initiative (SBTi), to address Scope 1, 2 and 3 greenhouse gas (GHG) emissions.<sup>9</sup>

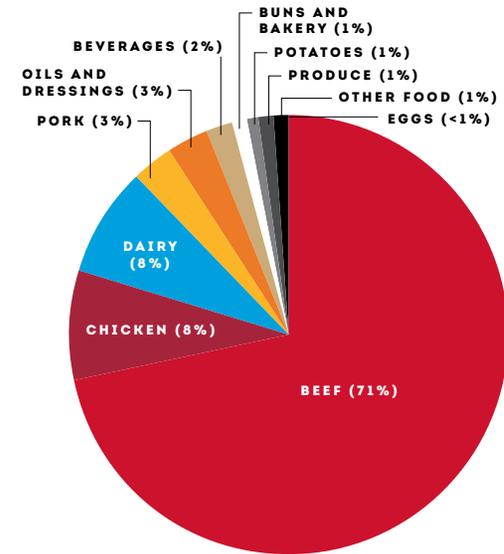
We also reported 2020 data to CDP Climate Change Disclosure, a leading disclosure practice for environmental reporting, for the first time in 2021, reinforcing our commitment to transparency as we continuously work to improve our climate footprint. We are encouraged and proud to have received a B score on our first submission.

A major focus of Wendy's climate commitment is Scope 3 emissions – greenhouse gas emissions generated by our supply chain, vendors or other partners.

In 2021, as part of our path to set science-based targets, we completed a third-party lifecycle assessment (LCA). Our evaluation

found that, in 2020, Scope 3 sources accounted for approximately 99% of emissions attributable to Wendy's, with the greatest areas of opportunity for reduction tied to purchased goods and services, such as the [top 10 priority food categories](#) and packaging, and our franchised operations. Because of the scale of our Scope 3 impacts, we expect that our science-based target will encompass at least two-thirds of our Scope 3 emissions as part of our overall reduction target, with a focus on the categories we identified as producing our largest GHG impacts.

## 2020 SCOPE 3 EMISSIONS TIED TO FOOD INGREDIENT SOURCING



GREENHOUSE GAS (GHG) EMISSIONS (METRIC TONS CARBON DIOXIDE EQUIVALENT)		
METRIC	2020 <sup>10</sup>	2021
SCOPE 1	11,911	15,053 <sup>11</sup>
SCOPE 2 (LOCATION-BASED)	61,296	60,220
SCOPE 2 (MARKET-BASED)	60,974	61,578
SCOPE 1 AND 2 (LOCATION-BASED)	73,537	75,273
SCOPE 1 AND 2 (MARKET-BASED)	72,885	76,631



<sup>9</sup> Scope 1 emissions are defined as direct company GHG emissions, including natural gas, propane, mobile and stationary fuels and refrigerants. Scope 2 as indirect emissions derived from energy sources (electricity, steam, heat and cooling); and Scope 3 as all indirect upstream and downstream emissions that occur in the value chain, including franchised operations.

<sup>10</sup> 2020 data was restated due to acquisition and divestment activities in 2021.

<sup>11</sup> 2021 Scope 1 emissions accounting includes refrigerants whereas 2020 does not. Excluding refrigerants, Scope 1 emissions decreased 1% between 2020 and 2021 from 11,911 to 11,766 MTCO<sub>2</sub>e.

**As we continue progressing against the climate roadmap we first published in our 2020 Corporate Responsibility report, we are working diligently towards our next set of milestones.**

**In 2021, we:**

- ✓ Benchmarked and reported our 2020 Scope 1 and 2 GHG emissions to CDP
- ✓ Conducted a lifecycle assessment on Scope 3 including our Scope 3 supply chain emissions from agriculture and land use change
- ✓ Committed to the Science Based Targets initiative and began developing a target for Scopes 1, 2 and 3

**By the end of 2022, we will work to:**

- ✓ Report on our Scope 1 and 2 GHG emissions in our 2021 CSR Report
- ✓ Report on the findings of our Scope 3 lifecycle assessment
- Continue to report Scope 1 and 2 GHG emissions to CDP
- Continue work on Science Based Targets initiative process

**By the end of 2023, we will work to:**

- Report our Scope 1, 2, and 3 GHG emissions and track our reduction progress
- Validate our science-based target with Science Based Targets initiative and publicly disclose the target

**Reducing our energy consumption and emissions**

Two important components of reducing emissions within our own operations (Scope 1 and Scope 2) are reducing our energy use and sourcing renewable energy for our Company-operated restaurant sites, and we expect both components will be important pieces of our science-based target strategy. As we look to disclose our science-based target in 2023, we will provide more detail on our plans to secure more energy from renewable sources.

**Laying the groundwork for our renewable energy procurement**

Wendy's began purchasing renewable energy for the first time in 2021, and we are continuing to explore potential renewable energy contracts for Company operations.

In Florida, Wendy's is a subscriber to Duke Energy Florida's Clean Energy Connection program, in which participants support the operation of 10 shared solar generating sites throughout the state. Through Duke's community solar program, large customers, such as Wendy's, support the development of solar energy that powers not only their own businesses, but also small businesses and residences in the area. Seven restaurants will begin receiving renewable energy in 2022 as the first of these solar generating sites begin operation and will power 100% of the restaurants' operations with renewable energy.

Outside of the United States, Wendy's has procured renewable energy for our Company-operated sites from the start in the United Kingdom. These sites use electricity exclusively powered by certified renewable sources, provided by our utility company via the grid.

**Improving energy efficiency**

Collaboration is critical to achieving energy reductions and to global efforts to reduce emissions. Wendy's has participated in the U.S. Department of Energy's Better Buildings Challenge since 2015, and, with 2012 as our baseline year, we set a goal of reducing the energy used by Company-operated restaurants and the Restaurant Support Center by 20% per transaction by 2025. In 2021, Wendy's achieved a 17% reduction in energy per square foot for our Company operations against our 2012 baseline. In 2021, the nearly 300 Company-operated restaurants reporting data and the Restaurant Support Center reduced source emissions to the amount equivalent to taking nearly 5,000 cars off the road.

We grew our relationship with the U.S. Department of Energy by signing onto its Better Buildings® Low Carbon Pilot initiative, which aims to demonstrate how companies are achieving carbon dioxide emission reductions through energy efficiency and renewable energy development or procurement.

Through this program, participants share their experiences, successes and challenges in achieving low or zero carbon in their facilities. The program's findings will help identify needs for transformational technologies, informing the U.S. Department of Energy's R&D investments.



Our Wendy's Energy Challenge, which we designed based on the Better Buildings Challenge, invites our franchisees within and outside the United States to undertake energy efficiency improvements and track and report their energy consumption. We now have 19 franchisees participating in the Wendy's Energy Challenge representing a total footprint of 3.7 million square feet.

## GRIDPOINT

In 2021, Wendy's expanded its partnership with energy management company GridPoint®, bringing our total number of Company-operated restaurant sites with GridPoint systems to nearly 200. The platform captures real-time, equipment-level energy and facility data to identify efficiencies by helping us better understand how our buildings are operating. As heating and cooling are important for customer comfort, the system makes this a priority while optimizing HVAC run-times and electrical demand to make our restaurants more energy efficient.

## tw transformativewave

In 2021, Wendy's installed Transformative Wave® HVAC upgrades and ventilation control solutions at 30 additional Company-operated restaurants, bringing our total to more than 100. Transformative Wave reduces the HVAC energy needed while improving temperature, ventilation control and overall comfort. The ventilation system at these restaurants is continuously monitored and adjusted to ensure energy savings and active ventilation control.



## WATER

**Wendy's is finding ways to eliminate water waste throughout our operations to make more efficient use of this limited resource.**

### Curbing water use within our operations

In 2019, Wendy's joined the U.S. Department of Energy's Better Buildings Water Challenge and set a goal to reduce water use in U.S. Company restaurants and the Restaurant Support Center by 20% by 2029, compared to a 2018 baseline. In 2021, we achieved a 25% reduction against our 2018 baseline, thus surpassing our water reduction goal. We are also proud to have two franchise organizations, which represent more than 150 restaurants, participating in the Better Buildings Water Challenge. In 2021, Wendium, one of our franchisees, also surpassed this target by achieving a 31% reduction.

We have completed a system-wide water risk assessment of our Company-operated and franchised restaurants using the World Resources Institute's Water Risk Atlas tool, which uses open-source, peer-reviewed data to map water risks such as floods, droughts and stress.

**Results:** Approximately 40% of Wendy's restaurant locations, across 18 different countries, are in areas projected to have extremely high- or high-water stress by 2040. The vast majority of these sites, approximately 85%, are located in the United States. We will continue to work with our franchisees to identify water efficiency improvements.

Efficient irrigation systems for landscaping provide us with another opportunity to conserve water. In Florida, Wendy's is piloting smart systems that react to weather and soil conditions to adjust the amount of water they use. The sensors can even send an alert if they detect a leak. Through the pilot, in 2021, we avoided using more than 2.5 million gallons of irrigation water.

# WASTE

## Sustainable packaging

Wendy's is making progress against the goal we set in 2021 to sustainably source 100% of our customer-facing packaging in the U.S. and Canada by 2026.<sup>12</sup> We are doing so by collaborating with our industry and NGO partners to identify more sustainable alternatives to our current customer-facing restaurant packaging, while meeting the same functional requirements, and by educating our customers on how they can dispose of food packaging to help close the loop.

As part of our sustainable sourcing goal, we are working to transition to customer-facing packaging that:

- Has higher recycled content
- Uses fewer raw materials
- Adheres to a restricted substance list
- Is recyclable, compostable or reusable
- Is sourced from areas that do not contribute to deforestation

We have increased the percentage of packaging meeting our sustainable sourcing goal from 44% in 2020 to 48% in 2021, following our transition to recycled content in tray liners in the U.S. and Canada, and to paper straws in Canada. We also initiated the roll-out of our new beverage cups with increased recyclability in Q4 2021.



PROGRESS TOWARD PACKAGING SUSTAINABILITY <sup>13</sup>			
CATEGORY	2019	2020	2021
BAGS & CARRIERS	96%	97%	97%
CARTONS, CONTAINERS & WRAPS	9%	8%	8%
CUPS & LIDS	6%	6%	19%
LINERS, NAPKINS, STRAWS & CUTLERY	69%	72%	73%
<b>TOTAL</b>	<b>42%</b>	<b>44%</b>	<b>48%</b>

<sup>12</sup> Unless otherwise noted, statements about packaging refer to brand-standard consumer-facing packaging available in Wendy's restaurants in the U.S. and Canada.

<sup>13</sup> Measurements reflect progress toward meeting sustainable sourcing goal.

### Enhancing circularity

In 2021, we announced a new collaboration with packaging and plastics industry leaders Berry Global and LyondellBasell that will help us move from a selection of plastic-lined paper cups with limited recyclability to single-substrate, clear plastic drink cups that more customers will be able to recycle. Based on a mass balance approach, the cups will use 20% recycled plastic across all North America restaurants – a quick-service restaurant industry first – with the potential to increase the amount of recycled plastic used in the future. The large size cups began to roll out in late 2021 and our full cup lineup will transition across restaurants in the U.S. and Canada over the next few years.

### How2Recycle

As we introduce packaging with increased recyclability, it is important that we educate consumers on what packaging can be recycled and how to do so. That is why in 2021, Wendy's joined the How2Recycle label program. Through this program, Wendy's packaging in the U.S. and Canada will feature educational information for customers on proper ways to dispose of and recycle restaurant packaging. Customers will also see the How2Recycle label on U.S. and Canada packaging as the new cups roll out, and on other customer-facing packaging.



### Collaborating for industry-wide change

We are also working with other industry leaders to identify and accelerate sustainable foodservice packaging solutions. Wendy's is a partner of Closed Loop Partners' NextGen Consortium, a multi-year, global consortium that aims to address single-use foodservice packaging waste by advancing the design, commercialization and recovery of packaging alternatives. In 2021, contributors committed an additional \$10 million to continue identifying, testing and scaling commercially viable, circular foodservice packaging solutions. This builds on the Consortium's work since 2018, which has focused on redesigning the single-use hot and cold fiber beverage cup and has since expanded to focus on improving recyclability of polypropylene packaging.

### Seek to address the intentional addition of known chemicals of concern

As part of our sustainable customer packaging efforts, we are collaborating with key partners to address the intentional use of known chemicals of concern as additive ingredients in our customer packaging, including per- and polyfluoroalkyl substances, which are non-polymer substances and a group of man-made chemicals commonly called PFAS.<sup>14</sup> As of the end of 2021, no customer-facing packaging identified as intentionally containing per- and polyfluoroalkyl substances is sourced for our Wendy's U.S. and Canada restaurants.

### Making progress across the globe

Our international markets are playing a meaningful role in advancing progress on our sustainable packaging journey. Wendy's restaurants in Canada and the U.K. have moved to more circular packaging options and more packaging that can be recycled or composted. For example, in Canada, we have transitioned from plastic to paper straws, which will divert approximately 62 million plastic straws or approximately 100,000 pounds of plastic per year from landfills. We have also moved from plastic stir sticks to compostable stir sticks made from birchwood.

<sup>14</sup> The term PFAs in this report and in our 2020 Corporate Responsibility report is used to refer to only per- and polyfluoroalkyls, which are non-polymer substances.

Beyond the scope of our sustainable packaging goal (U.S. and Canada), our U.K. restaurants began introducing new types of circular packaging in our restaurants, including recyclable and resealable salad bowls, paper straws, recyclable paper delivery and takeaway bags made from recycled content and less plastic, as well as paper-based kids' meal toys. We are sourcing more recycled content, as well as content from areas that do not contribute to deforestation.

We are also reducing the amount of unnecessary single-use plastics we use. In Canada, we have implemented new procedures that reduce the number of bags used for certain orders and switched to cutlery only on request for delivery orders, which means approximately 70% of orders will not contain cutlery.

To make it easier for our customers to recycle, we have introduced changes to the way we collect and manage waste at our international restaurants. In Canada, we have adopted newly designed modular three-stream recycling receptacles and our U.K. locations have established a built-in recycling infrastructure to divert waste from landfills.

### Food waste

Our efficient use of the fresh ingredients in our made-to-order menus helps us keep leftovers and waste to a minimum at our restaurants. Still, we continue to explore ways to improve in this area.

Wendy's Quality Assurance experts regularly test our products in a lab at our Restaurant Support Center. Continuous improvement projects have reduced the product volume we receive to sample, and unused ingredients that remain after sampling are donated to charitable causes. In 2021, the Restaurant Support Center donated nearly 7,000 pounds of unused product samples, ranging from chicken and fries to lemonade, to the Mid-Ohio



Food Collective. This partnership enables us to divert good product from reaching landfills and helps feed local hungry community members in central and eastern Ohio. We intend to continue this donation initiative through 2022 and beyond.

Although Wendy's distribution and operations systems have a low food waste footprint, we are regularly seeking ways to improve. Our Company-operated and franchised restaurants in the U.S. and Canada work with Darling Ingredients' service brand DAR PRO Solutions to convert used cooking oil from our fryers into renewable diesel fuel, an energy source that emits up to 85% less greenhouse gas compared to petroleum diesel. In the U.S. in 2021, we converted more than 22 million pounds of used cooking oil into 2.6 million gallons of renewable diesel (that amount of fuel is equivalent to 118 trips to the moon and back). In Canada, we converted nearly 2.4 million pounds of used cooking oil into renewable diesel.



regularly seeking ways to improve. Our Company-operated and franchised

## W MANAGING OUR WASTE

Many of our franchisees are committed to sustainability and testing innovative concepts that we can learn from and apply to other parts of our business.



Compology is a technology company that automates waste metering and industrial dumpster monitoring. One of our franchisees, G.C. WEN Management, conducted a pilot with Compology at six restaurant locations in Pennsylvania and New Jersey. The goal of this pilot was to learn how we can reduce contamination in our waste streams and also rightsize our dumpster collection schedules, reducing the frequency in which garbage trucks need to service our sites, thereby reducing emissions and reducing costs from excessive hauling.

The pilot resulted in savings of more than \$7,500 in just a 90-day period at the six participating locations, while also reducing contamination ranging from trash bags to bulky items by 25%, helping them improve recycling rates and reduce contamination fines. Based on the success of the program, the pilot has been expanded to all 28 of the franchisee's restaurants to realize the cost and emissions savings across the entire franchise and Compology has been added as an approved vendor for Wendy's Quality Supply Chain Co-Op.

## SUPPLIER ENGAGEMENT

As we validated through the third-party lifecycle assessment we completed in 2021, we have an opportunity to address our Scope 3 emissions and the other environmental impacts that result from producing, shipping and storing the top 10 priority food categories we source.

Through the course of our supplier engagement and our Good Done Right Awards, we know that many of our suppliers have already innovated to incorporate sustainable practices into their operations. The actions we are taking to deepen our supplier engagement and measure continuous improvements will help us move closer to achieving our goal of responsibly sourcing our top 10 priority food categories by 2030. More information on our Responsible Sourcing program can be found within the Food section of this [report](#).

## SQUARELY SUSTAINABLE COUNCIL

Wendy's employee-led Squarely Sustainable Council, which is sponsored by Wendy's Chief People Officer Coley O'Brien and Chief Financial Officer Gunther Plosch, brings together passionate employees



and subject matter experts to advance environmental efforts at our Restaurant Support Center.



### Key highlights from 2021 include:

#### Pollinator garden

Bees and other pollinating insects are a vital link in the ecosystem. At the Restaurant Support Center, the council planted a [pollinator garden](#) to help local flora and fauna thrive together. Maintained by employee volunteers, the garden boasts ninebark, liatris, rozanne geranium, gold rush goldenrod, dwarf fothergilla, bottlebrush buckeye, magnus coneflower and phlox – all arranged around a tranquil pond and protected from pesticides.



## Earth Week

In April 2021, the council hosted Wendy's Earth Week. As part of this event, the group held a spring-cleaning donation drive at the Restaurant Support Center. Employees brought in their gently used clothing, sporting equipment, household goods and electronics to donate to Goodwill of Columbus. In total, employees donated 1,200 pounds of clothing and household items, equivalent to a \$1,500 retail value at Goodwill Stores, which provided 40-50 hours of job services to unemployed/underemployed people in Central Ohio. As part of the council's Clean-Up Day, employees had the opportunity to beautify their local surroundings by cleaning areas surrounding the Restaurant Support Center. Another highlight of Earth Week was welcoming Wendy's suppliers as guest speakers, adding perspective to Wendy's sustainability work by highlighting lessons from our value chain.



To harness the creativity of our people and crowdsource new and innovative ideas to help the Company reduce its environmental footprint, the council launched its Idea Forum and Competition. As part of this competition, four contestants pitched their ideas to "Footprint Subject Matter Experts" from Wendy's executive team and leaders overseeing sustainability programming for a chance to win funding for their projects. Entry rules stated that projects must align with council pillars: use less, use better, spark action, and engage partners and council success metrics. "Footprint Pitches" from Squarely Sustainable Council members and other interested Company employees focused on addressing a range of issues from energy consumption to waste at the Restaurant Support Center.

In 2021, we began implementing several ideas arising from the Idea Forum and Competition, including Wendy's Clean-Up Day and Project RSC Energy Goal, which aims to partner with consultants to evaluate possible energy efficiency updates that can be made to improve the Restaurant Support Center campus' EnergyStar score as well as reduce the energy impact of the Restaurant Support Center, in general.



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# METRICS

Reporting

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## Metrics



### Food

Our materiality assessment informed our ESG strategy and helped Wendy’s prioritize our efforts. Based on these results, we defined metrics for our focus areas to track and report our progress annually.

Topic	Metric	2021	External Framework Alignment	
			SASB	GRI
<b>Food Safety</b>	Percentage of restaurants inspected by a food safety oversight body	All our restaurants operate in locations that are subject to regular inspections by public health authorities. Additional information is included in the <a href="#">Food Safety</a> section of our report.	FB-RN-250a.1	
	Number of recalls issued	No recalls were issued in 2021. Additional information is included in the <a href="#">Food Safety</a> section of our report.	FB-RN-250a.2	
<b>Responsible Sourcing</b>	Percentage of food purchased that meets environmental and social sourcing standards	Refer to the <a href="#">Responsible Sourcing</a> section of our report for information on our approach to responsible sourcing of our ingredients.	FB-RN-430a.1	
	Percentage of food purchased that is certified to third-party environmental and/or social standards	See next page. Additional information is included in the <a href="#">Responsible Sourcing</a> section of our report.	FB-RN-430a.1	
	Percentage of eggs that originated from a cage-free environment	Approximately 6% of the eggs we purchased for our U.S. restaurants were cage-free. Additional information is included in the <a href="#">Responsible Sourcing</a> section of our report.	FB-RN-430a.2	
	Percentage of pork that was produced without the use of gestation crates	We are on track to meet our 2022 commitment for confirmed pregnant sows. Additional information is included in the <a href="#">Responsible Sourcing</a> section of our report.	FB-RN-430a.2	

# Metrics



External Framework Alignment

Topic	Metric	2021	SASB	GRI
<b>Responsible Sourcing</b>	Percentage of food purchased that meets environmental and social sourcing standards <sup>15</sup>		FB-RN-430a.1	
	<b>All ingredients:</b> Wendy's Code of Conduct (U.S. and Canada restaurants)	<b>100%</b>	FB-RN-430a.1	
	<b>Beef:</b> Progressive Beef (U.S. restaurants)	<b>43%</b>	FB-RN-430a.1	
	<b>Beef:</b> Beef Quality Assurance (U.S. restaurants)	<b>100%</b>	FB-RN-430a.1	
	<b>Beef and Pork:</b> Professional Animal Auditor Certification / North American Meat Institute Animal Welfare (U.S. and Canada restaurants)	<b>100%</b>	FB-RN-430a.1	
	<b>Chicken:</b> Professional Animal Auditor Certification / National Chicken Council Animal Welfare (U.S. restaurants)	<b>100%</b>	FB-RN-430a.1	
	<b>Chicken:</b> Raised Without Antibiotics Important to Human Medicine <sup>16</sup> (U.S. restaurants)	<b>100%</b>	FB-RN-430a.1	
	<b>Pork:</b> Pork Quality Assurance Plus (U.S. restaurants)	<b>100%</b>	FB-RN-430a.1	
	<b>Fish:</b> Marine Stewardship Council (U.S. restaurants)	<b>100%</b>	FB-RN-430a.1	
	<b>Dairy Products:</b> National Dairy FARM Program (U.S. restaurants) / ProAction (Canada restaurants)	<b>100%</b>	FB-RN-430a.1	
	<b>Fresh Produce:</b> Certain suppliers of fresh produce are subject to Wendy's requirement to provide additional third-party assurances and requirements related to human rights and labor practices	Additional information can be found on our <a href="#">Supply Chain Practices</a> webpage.		FB-RN-430a.1
<b>Coffee:</b> Rainforest Alliance (U.S. restaurants)	Additional information can be found in the <a href="#">Responsible Sourcing</a> section of our report.		FB-RN-430a.1	
<b>Palm oil:</b> Roundtable on Sustainable Palm Oil / RSPO certified through RSPO-MB or Palm Trace credits (U.S. and Canada restaurants)	<b>100%</b>		FB-RN-430a.1	

<sup>15</sup>Wendy's primarily operates in the U.S., which accounted for 82.6% of our global revenue for the reporting year. As such, we focused our disclosures on our U.S. restaurants. Where available, we have also included data on our Canada restaurants.

<sup>16</sup>We require all chicken suppliers in the U.S. to maintain the Raised Without Antibiotics Important to Human Medicine certification by the U.S. Department of Agriculture Process Verified Program.

 People

External Framework Alignment

Topic	Metric	2021	SASB	GRI
Community	Charitable giving as cash per year	The Company, together with franchises and employees, raised more than \$22.5 million to DTFA and the Company donated more than \$220,000 to additional charitable organizations ( <a href="#">Community</a> ).		
	Number of children adopted through DTFA	Refer to the <a href="#">Community</a> section of our report for information on Wendy's continued support of DTFA's mission to find forever families for children in foster care.		
System Health and Engagement	Number of Company-operated and franchise-operated	Company-operated restaurants: 408 Franchise-operated restaurants: 6,541	FB-RN-000.A	
	Number of Company employees and franchise team members	The number of Company employees worldwide, including our corporate employees and Company-operated restaurant employees, was approximately 14,500 as of year-end 2021.  Approximately 225,000 team members work across our franchised locations globally.	FB-RN-000.B	
	Franchisee financial health reviews <sup>17</sup>	On an annual basis, the Company collects financial statements from our franchisees to review and understand overall system financial health and also to review health at an individual franchise level. This information is also used in determining if a franchisee can continue to grow with the Wendy's brand through new restaurant development or acquisition of additional restaurants.  In 2020, our franchisee sales in the U.S. grew by approximately 2% compared to the prior year. These increased sales were one factor that helped the system to grow EBITDA dollars by approximately 18% in 2020.		

<sup>17</sup> As we collect franchise financials after they complete their year-end close and reporting processes, this metric is reported on a one-year lag.

 **People**

External Framework Alignment

Topic	Metric	2021	SASB	GRI
<b>People</b>	Total number of jobs created, by employment category, at Company-operated restaurants	On average, every new restaurant we open creates 35-40 new jobs in that local community.		401-1
	Average hours of training per year per employee	Approximately 20 hours per restaurant employee globally, across our system. Additional information is included in the <a href="#">Education and Training</a> section of our report.		404-1
	Percentage of diversity representation (1) across the workforce, (2) at senior management level, and (3) at board level	Refer to the <a href="#">Workplace</a> section of our report for the percentage of diversity representation of Company employees globally.		405-1
	Ratio of basic salary and remuneration of women to men	For our U.S. Company employees, at all levels of our restaurant employees (crew to District Manager), the base salary ratio ranges from 1 : 0.95 to 1 : 1.00 (male : female).  For our U.S. Company employees at levels above restaurant (excluding senior executives), the base salary ratio ranges from 1 : 0.94 to 1 : 1.08 by salary band (male : female).		405-2
<b>Labor Practices</b>	Total amount of monetary losses as a result of legal proceedings associated with labor law violations and employment discrimination	Refer to the <a href="#">Workplace</a> section of our report for information on our labor practices.	FB-RN-310a.3	406-1

 **Footprint**

Topic	Metric	2021	External Framework Alignment	
			SASB	GRI
Climate Action	Total energy consumed <sup>18</sup>	773,590 GJ Additional information is included in the <a href="#">Climate and Energy</a> section of our report.	FB-RN-130a.1	302-1
	Percentage grid energy consumed	71% Additional information is included in the <a href="#">Climate and Energy</a> section of our report.	FB-RN-130a.1	
	Percentage renewable energy consumed	<1% Additional information is included in the <a href="#">Climate and Energy</a> section of our report.	FB-RN-130a.1	302-1
	Scope 1 emissions	15,053 MTCO <sub>2</sub> e Additional information is included in the <a href="#">Climate and Energy</a> section of our report.		305-1
	Scope 2 emissions	Location-Based: 60,220 MTCO <sub>2</sub> e Market-Based: 61,578 MTCO <sub>2</sub> e  Additional information is included in the <a href="#">Climate and Energy</a> section of our report.		305-2
	Scope 3 emissions	Purchased Goods & Services: ~89% Franchises: ~10% Others: not material Additional information is included in the <a href="#">Climate and Energy</a> section of our report.		305-3

<sup>18</sup>Total energy consumed includes Diesel – Mobile, Diesel – Stationary, Natural Gas, Propane, Gasoline, and Electric Power used, converted to gigajoules (GJ)

 Footprint

Topic	Metric	2021	External Framework Alignment	
			SASB	GRI
Packaging and Waste	Total amount of waste	Refer to the <a href="#">Waste</a> section of our report for information on our approach to food waste management.	FB-RN-150a.1	306-2
	Percentage food waste		FB-RN-150a.1	306-2
	Total weight of packaging	92,459 metric tons	FB-RN-150a.2	301-2
	Percentage of packaging made from recycled and/or renewable materials	33%	FB-RN-150a.2	301-2
	Percentage of packaging that is recyclable, reusable, and/or compostable	48%	FB-RN-150a.2	301-2
Water <sup>19</sup>	Total water withdrawn	159,646 kgal Additional information is included in the <a href="#">Water</a> section of our report.	FB-RN-140a.1	303-3
	Total water consumed <sup>20</sup>	26,504 kgal Additional information is included in the <a href="#">Water</a> section of our report.	FB-RN-140a.1	303-5
	Percentage of water withdrawn in High Water Stress Markets	13% Additional information is included in the <a href="#">Water</a> section of our report.	FB-RN-140a.1	303-5
	Percentage of water withdrawn in Extremely High Water Stress Markets	38% Additional information is included in the <a href="#">Water</a> section of our report.	FB-RN-140a.1	303-5

<sup>19</sup>Water metrics cover Company-operated restaurants and corporate offices where Wendy's receives utility invoices and does not include facilities where water is provided by the landlord and not metered or invoiced by a utility company. Additionally, any well water used is not reflected.

<sup>20</sup>Water consumed reflects water usage that is separately metered for irrigation and does not include instances where irrigation usage is not metered or water that may be consumed through other uses, such as that used as drinking water in our restaurants.

 **Sustainability Accounting Standards Board (SASB)**

SASB is an independent nonprofit organization that sets standards to guide the disclosure of financially material sustainability information by companies to their investors. We are reporting in line with the voluntary SASB Restaurants Standard.

Topic	Metric	Code	2021
<b>Energy Management</b>	(1) Total energy consumed <sup>21</sup> , (2) percentage grid electricity, (3) percentage renewable	FB-RN-130a.1	(1) Total energy consumed: 733,590 GJ (2) Percentage grid electricity: 71% (3) Percentage renewable: <1%  Additional information is included in the <a href="#">Climate and Energy</a> section of our report.
<b>Water Management<sup>22</sup></b>	(1) Total water withdrawn, (2) total water consumed <sup>23</sup> , percentage of each in regions with High or Extremely High Baseline Water Stress	FB-RN-140a.1	(1) Total water withdrawn: 159,646 kgal % in High Water Stress markets: 13% % in Extremely High Water Stress markets: 38% (2) Total water consumed: 26,504 kgal % in High Water Stress markets: 11% % in Extremely High Water Stress markets: 2%  Additional information is included in the <a href="#">Water</a> section of our report.
<b>Food and Packaging Waste Management</b>	(1) Total amount of waste, (2) percentage food waste, and (3) percentage diverted	FB-RN-150a.1	Refer to the <a href="#">Waste</a> section of our report for information on our approach to food waste management.
	1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	FB-RN-150a.2	(1) 92,459 metric tons (2) 33% (3) 48%

<sup>21</sup> Total energy consumed includes Diesel - Mobile, Diesel - Stationary, Natural Gas, Propane, Gasoline, and Electric Power used, converted to gigajoules (GJ)

<sup>22</sup> Water metrics cover Company-operated restaurants and corporate offices where Wendy's receives utility invoices and does not include facilities where water is provided by the landlord and not metered or invoiced by a utility company. Additionally, any well water used is not reflected.

<sup>23</sup> Water consumed reflects water usage that is separately metered for irrigation and does not include instances where irrigation usage is not metered or water that may be consumed through other uses, such as that used as drinking water in our restaurants.

 Sustainability Accounting Standards Board (SASB)

Topic	Metric	Code	2021
<b>Food Safety</b>	(1) Percentage of restaurants inspected by a food safety oversight body. (2) percentage receiving critical violations	FB-RN-250a.1	All our restaurants operate in locations that are subject to regular inspections by public health authorities. Additional information is included in the <a href="#">Food Safety</a> section of our report.
	(1) Number of recalls issued and (2) total amount of food product recalled	FB-RN-250a.2	Zero recalls were issued in 2021.  Additional information is included in the <a href="#">Food Safety</a> section of our report.
	Number of confirmed foodborne illness outbreaks, percentage resulting in U.S. Centers for Disease Control and Prevention (CDC) investigation	FB-RN-250a.3	Zero confirmed foodborne illness outbreaks with CDC investigation in 2021. Additional information is included in the <a href="#">Food Safety</a> section of our report.
<b>Nutritional Content</b>	(1) Percentage of meal options consistent with national dietary guidelines and (2) revenue from these options	FB-RN-260a.1	Refer to our <a href="#">Nutrition &amp; Allergens</a> webpage for information on our approach to nutritional content.
	(1) Percentage of children’s meal options consistent with national dietary guidelines for children and (2) revenue from these options	FB-RN-260a.2	Refer to our <a href="#">Nutrition &amp; Allergens</a> webpage for information on our approach to nutritional content.
	Number of advertising impressions made on children, percentage promoting products that meet national dietary guidelines for children	FB-RN-260a.3	Refer to our <a href="#">Nutrition &amp; Allergens</a> webpage for information on our approach to nutritional content.


**Sustainability Accounting Standards Board (SASB)**

Topic	Metric	Code	2021
<b>Labor Practices</b>	(1) Voluntary and (2) involuntary turnover rate for restaurant employees	FB-RN-310a.1	Refer to the <a href="#">Workplace</a> section of our report for information on our labor practices.
	(1) Average hourly wage, by region and (2) percentage of restaurant employees earning minimum wage, by region	FB-RN-310a.2	Refer to the <a href="#">Workplace</a> section of our report for information on our labor practices.
	Total amount of monetary losses as a result of legal proceedings associated with (1) labor law violations and (2) employment discrimination	FB-RN-310a.3	Refer to the <a href="#">Workplace</a> section of our report for information on our labor practices.
<b>Supply Chain Management and Food Sourcing</b>	Percentage of food purchased that (1) meets environmental and social sourcing standards and (2) is certified to third-party environmental and/or social standards	FB-RN-430a.1	Additional information is included in the <a href="#">Responsible Sourcing</a> section of our report.
	Percentage of (1) eggs that originated from a cage-free environment and (2) pork that was produced without the use of gestation crates	FB-RN-430a.2	(1) Approximately 6% of the eggs we purchased for our U.S. restaurants were cage-free (2) We are on track to meet our 2022 commitment for confirmed pregnant sows.  Additional information is included in the <a href="#">Responsible Sourcing</a> section of our report.
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	FB-RN-430a.3	We strive to continuously improve how we source ingredients and how we demonstrate accountability for ethical business practices, sustainability and social responsibility. Our strategy and approach is included in the <a href="#">Responsible Sourcing</a> section of our report.
	Number of (1) Company-operated and (2) franchise-operated restaurants	FB-RN-000.A	(1) Company-operated restaurants: 408 (2) Franchise-operated restaurants: 6,541
	Number of employees and team members at (1) Company-operated and (2) franchise-operated locations	FB-RN-000.B	(1) The number of Company employees worldwide, including our corporate employees and Company-operated restaurant employees, was approximately 14,500 as of year-end 2021. (2) Approximately 225,000 team members work across our franchised locations.

\*Any trademarks referenced throughout this report are the property of their respective owner.

2021



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