



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

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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.¹

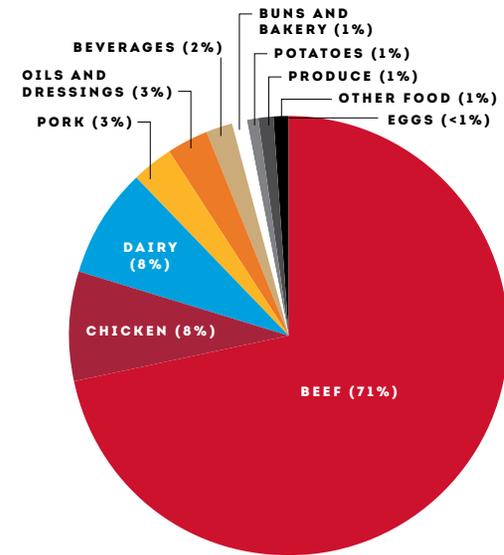
We also reported 2020 data to CDP Climate Change Disclosure, a leading disclosure practice for environmental reporting, for the first time in 2021, reinforcing our commitment to transparency as we continuously work to improve our climate footprint. We are encouraged and proud to have received a B score 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 ²	2021
SCOPE 1	11,911	15,053 ³
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



¹ 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.

² 2020 data was restated due to acquisition and divestment activities in 2021.

³ 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 MTCO₂e.

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 2026.⁴ 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 SUSTAINABILITY⁵

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%
TOTAL	42%	44%	48%

⁴Unless otherwise noted, statements about packaging refer to brand-standard consumer-facing packaging available in Wendy's restaurants in the U.S. and Canada.

⁵Measurements 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.⁶ 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.

⁶ 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.



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.



Wendy's
THE WENDY'S COMPANY