# **ECOD** Delivering high-quality food, transparently

#### **AREAS OF FOCUS AND KEY PROGRESS**

		Year <sup>1</sup>	Status	Progress
F	Responsibly source our top 10 priority food categories in the U.S. and Canada	2030	0	<ul> <li>We advanced responsible sourcing efforts, including reaching 19% progress toward our 2030 goal through program implementation progress within our potato supply chain.</li> </ul>
	→ Have a comprehensive accounting of animal welfare best practices for beef, pork, chicken, eggs and dairy in the U.S. and Canada through the Wendy's Animal Care Standards Program (ACSP)	2024		We achieved our goal of evaluating all our direct protein suppliers across each of these supply chains as well as select upstream suppliers in each area, including a mix of large and small farm operations. This work also expanded our knowledge of the scope of our indirect protein supply chain, which includes more than 20,000 farms and facilities.
	→ Source 100% of our U.S. and Canadian beef, chicken and pork from suppliers that prohibit the routine use of medically important antibiotics	2030	G	While our work through the ACSP has helped increase our supply chain visibility and opened the door to building new relationships with indirect suppliers, progress toward our goal remains challenging in our beef and pork supply chains. We achieved our chicken goal in the U.S. in 2019.
	<ul> <li>Achieve sector-specific targets through our membership with the <u>U.S. Roundtable for</u> <u>Sustainable Beef</u> (USRSB)</li> </ul>	Multiple	0	<ul> <li>We completed a water risk assessment of our direct beef suppliers, <u>achieving</u> USRSB's 2025 direct supplier water tracing goal.</li> </ul>

on track complete O needs

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### **Material Issues**

Responsible sourcing Sustainable supply chain Animal welfare Transparency Food safety Food quality Nutrition

#### Sustainable Development Goals

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### **GOOD** DONE RIGHT

## FOOD SAFETY

We embed food safety throughout our guality assurance (QA) processes and procedures and continually seek ways to accelerate innovation and help the Wendy's System embrace our culture of food safety.

#### Training and industry engagement

To help us stay at the forefront of food safety science, guality improvements and regulatory developments, we continuously improve training initiatives for our QA team, including offering:

Food Safety Preventative Controls Qualified Individual • certification

INTRODUCTION

- Professional Animal Auditor Certification Organization (PAACO)
- Advanced HACCP training
- Association of Food & Drug Officials Food Defense training

We also host monthly expert-led sessions, with topics including the U.S. Food and Drug Administration's new traceability requirements and food safety perspectives on the use of artificial intelligence to optimize data.

QA team members also participated in the Conference for Food Protection, collaborating with industry leaders to advance U.S. food safety, the Global Food Safety Initiative (GFSI), the Food Safety Summit, the National Restaurant

Association QA Executives Board and others to stay updated on the latest global food safety risks, science and regulations. Additionally, we joined the advisory board for the Center for Produce Safety.

#### Food Safety Assessments (FSAs) program

In 2024, we completed more than 13,000 FSAs globally at Wendy's restaurants through our partnership with EcoSure<sup>®</sup>, helping to adhere to best-in-class food safety and operational procedures and identify areas for continued improvement.



### QA the Wendy's Way: A farm-to-restaurant approach for safe, high-quality food

Everyone in the Wendy's System contributes to providing our customers with safe, high-quality food. Our expert QA team uses a risk assessment approach that tracks millions of data sets to verify the safety and quality of every product across the supply chain, so our customers receive the highest quality menu items.

#### **SUPPLY CHAIN**

We require all our suppliers, including agricultural, manufacturing and distribution, to meet internationally recognized Global Food Safety Initiative (GFSI) standards for safety and quality.

#### **AGRICULTURAL PARTNERS**

Our agricultural partners must and animal welfare standards.

#### MANUFACTURING

## Our suppliers in the U.S. and Canada participate in an accredited third-party audit program, gatherings to exchange effective strategies,

LOGISTICS AND DISTRIBUTION



Wendy's commitment to a strong food safety and quality culture starts with our leadership and clear communication of the importance of food safety as a business priority. We require comprehensive training for all Wendy's Company employees, with food safety certification for managers and leaders, including annual recertification. Proactive monitoring and accountability through our FSAs program and restaurant self-assessments help confirm that food safety practices are being followed as expected and areas for improvement are identified and acted upon. Open communication, reporting and coaching and training are used to reinforce the culture.

### **GOOD** DONE RIGHT

## RESPONSIBLE SOURCING

Through our responsible sourcing program, we are working to improve the ways we source our ingredients, engage with our suppliers and demonstrate accountability for ethical business practices, sustainability and social responsibility.

#### GOAL

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

We focus our responsible sourcing efforts on areas that will help contribute to a more resilient supply chain, including reducing the environmental impact of our priority food categories and maintaining supply continuity.

By engaging suppliers directly through our responsible sourcing program, we not only gain enhanced visibility into our complex supply chain but also strengthen critical relationships that will be necessary to drive collaboration on shared supply chain challenges.

#### Supplier expectations and engagement

All suppliers in scope for the responsible sourcing program<sup>2</sup> are expected to:

- acknowledge our Supplier Code of Conduct .
- provide evidence of emissions reductions activities
- participate in our disclosure and audit program and
- align with category-specific activities

In 2024, Wendy's contacted every supplier in scope for the program, detailing our expectations for alignment to the goal. Of those suppliers, approximately 64% have completed an EcoVadis assessment, a sustainability performance evaluation, which fulfills participation in the disclosure aspect of the program, and is the first significant component of engagement for most of our suppliers. Documentation of other expectations, such as emissions reduction activities and alignment to category specific requirements, has now also commenced.



~20% increase in assessment participation since 2023.

#### **Key highlights**



Potatoes: In 2024, we had our first suppliers in scope for the program align with all aspects of our goal, signifying an important milestone in program implementation and helping advance progress toward our 2030 goal. See the next page for more details.

Beef: Wendy's is a member of the U.S. Roundtable for Sustainable Beef (USRSB), and has played an active role in discussions about the sustainability of the U.S. beef industry and its U.S. Beef Sustainability Framework. As a member of the Foodservice & Retail sector of the USRSB, Wendy's has aligned to its sector-specific targets, including completing the 2025 target to encourage the adoption of the U.S. Beef Industry Framework metrics. Alignment with USRSB or Canadian Roundtable for Sustainable Beef (CRSB) frameworks is now a beef category expectation for suppliers in scope of our responsible sourcing program.

### 19% 100% bu 2030

Percentage of volume aligned to Wendy's responsible sourcing program criteria by suppliers in scope.





<sup>&</sup>lt;sup>2</sup> Suppliers in scope for the responsible sourcing program include those who 1) supply at least one product included in a Wendy's top 10 priority food category; 2) control or influence manufacturing for at least one product in a Wendy's top 10 priority food category; and 3) exceed an annual threshold in global spending with Wendy's.

#### Spotlight: Advancing progress in responsible potato sourcing

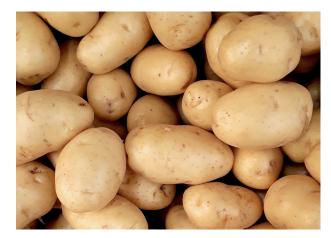
Potatoes are a signature part of the Wendy's menu — from our Hot & Crispy French Fries to our iconic baked potatoes and our seasoned breakfast potatoes. In fact, by weight, Wendy's sells more potatoes than any of our other priority food categories. This year, we made strides in advancing our responsible sourcing goal in this important priority food category, with progress stemming from several years of active industry engagement and close partnership with our suppliers.

In 2023, Wendy's joined the Potato Sustainability Alliance (PSA), which is an inclusive, pre-competitive collaboration of growers, supply chain partners, non-profit organizations and advisors. In addition to membership, we also hold a buyer seat on the governing board, which enables us to help shape PSA's standards and initiatives. Alongside its members, PSA works to improve the economic, environmental and social aspects of potato production in the U.S. and Canada and aims to foster a comprehensive approach to sustainability and a standardized reporting framework based on the globally recognized Sustainable Outcomes in Agriculture (SOA) standard. Through these efforts, PSA supports the identification, adoption and measurement of sustainable production practices that help to conserve water, improve soil health and biodiversity, reduce GHG emissions and enhance farmer prosperity, as well as developing opportunities for continuous improvement.

We expect our potato suppliers to engage in the PSA, or align with a similar framework, as part of our responsible sourcing efforts. In 2024, our potato suppliers, representing 19% of total product volume in scope, have aligned to <u>the expectations</u> of our 2030 responsible sourcing goal.



Wendy's supplier J.R. Simplot supports farmers in collecting on-farm data and translating it into real-time recommendations through a proprietary platform, which helps farmers use fewer resources, such as water, while maximizing production. Wendy's supplier Cavendish works with local cattle farmers to divert more than 80 million pounds of potato peels and trimmings annually away from landfills and into the feed of cattle raised on nearby farms.



#### Potato Sustainability Alliance -Driving continuous improvement

In 2023, 420 growers representing nearly 590,000 acres in the U.S. and Canada completed PSA's <u>self-assessment</u> to benchmark their sustainability practices, share insights and identify areas for improvement. The findings show responding potato growers are demonstrating progress in adopting new practices and technologies that are helping to raise the industry standard. Key highlights from the 2023 North American Potato Sustainability Assessment include:

## 43%

of growers actively maintain or restore cropped and uncropped areas on the farm to improve the quality of habitat for biodiversity

## 75%

of growers participate in projects that support and measure nutrient management for soil health

**91%** 

of growers that irrigate use a crop production irrigation plan that has been optimized to consider long-term water availability and challenges in the area

#### **GOOD** DONE RIGHT

#### Animal welfare

In 2020, we announced the <u>Wendy's Animal Care Standards</u> <u>Program (ACSP)</u> and, with it, our intention to increase visibility across our beef, pork, chicken, eggs and dairy supply chains in the U.S. and Canada and document the best practices taking place in our supply chain.

#### GOAL

Through the Wendy's Animal Care Standards Program, have a comprehensive accounting of animal welfare best practices for beef, pork, chicken, eggs and dairy in the U.S. and Canada by the end of 2024.

> In 2024, we achieved our goal of evaluating all our direct protein suppliers across each of these supply chains as well as select upstream suppliers in each area, including a mix of large and small farm operations. A snapshot of our protein supply chains is included in the graphic to the right.

#### **Benchmarking and key learnings**

Through the ACSP, we were able to get a true sense of the scope of our protein supply chain, amounting to more than 20,000 farms and facilities across the U.S. and Canada. This figure underscores the complexity of our supply chain and the importance of continuing to engage and build relationships with our direct and indirect suppliers who can help us effect change and overcome barriers to progress.

In addition to achieving a better understanding of the breadth of our supply chain, we also identified best practices, trends and opportunities in key areas through our ACSP evaluations. A few examples include:

- Animal management programs: Certain suppliers have implemented advanced animal management programs to provide oversight and technical expertise for their vast networks of farms and facilities. Many leverage technology for virtual trainings and to verify policy compliance, and invest in in-house PAACO-certified auditors to build expertise and reinforce best practices.
- Animal health: Several chicken and egg suppliers have adopted innovative practices, such as using feed additives and probiotics to proactively improve animal health and reduce the need for antibiotic treatment.
- Housing: Egg, chicken and dairy suppliers are testing housing enrichments to better enable animals to express their natural behaviors. Many are working to drive adoption of these practices within their networks.

Looking ahead, we plan to continue engaging with suppliers on continuous improvement efforts, including through the ACSP, and by leveraging Wendy's Animal Welfare Council for ongoing guidance and support.

#### **Reducing antibiotics**

GOAL

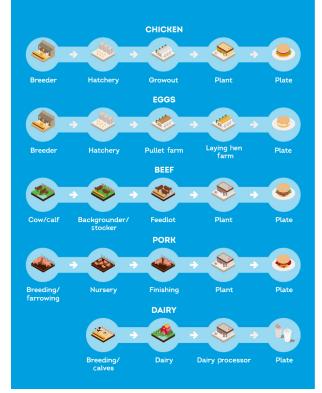
By the end of 2030, source 100% of our U.S. and Canadian beef, chicken and pork from suppliers that prohibit the routine use of medically important antibiotics.

Our work through the ACSP has helped increase our supply chain visibility and opened the door to building new relationships with upstream suppliers. However, progress remains challenging in our beef and pork supply chains. Trials are underway through the <u>International Consortium for</u> <u>Antimicrobial Stewardship in Agriculture</u>, but more progress is needed.

In the U.S., we have already achieved our goal to source 100% of our U.S. chicken from suppliers that prohibit the routine use of medically important antibiotics.

# 20,000+

The number of farms and facilities across Wendy's protein supply chain in the U.S. and Canada identified through the ACSP, spanning:



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