



CORPORATE SOCIAL RESPONSIBILITY

2019 REPORT

WENDY'S
AT A GLANCE



6,788

Restaurants Across the Globe

5%

Company-Owned

95%

Franchised

31

Countries

13K+

Company Employees

2019 REPORT

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 **A letter from Todd A. Penegor**



Todd A. Penegor
President and Chief Executive Officer

Our founder, Dave Thomas, opened the first Wendy's restaurant in Columbus, Ohio in 1969. As we celebrate 50 years of stories and successes, we're proud to know that doing the right thing, in the right way, has been at the core of our company since the start. As we embark on the next 50 years, we remain committed to Dave's values, and we are challenging ourselves to take his philosophy to the next level.

In 2019, we brought our ongoing corporate responsibility efforts under one united banner we call **Good Done Right**, and we partnered with a third-party expert in this area to conduct a formal materiality assessment to inform our strategy and prioritize our efforts moving forward. These insights will inform new corporate responsibility goals and commitments as we embark on our next 50 years, including as we continue to grow our footprint internationally.



In 2020 and beyond, we will maintain and advance our Good Done Right approach by engaging and empowering our team members, championing new strategies with our suppliers and bringing our customers and stakeholders along with us on this journey. This will include strengthening existing initiatives and launching new ones to enhance our approaches to food, people and our footprint.

For example, in 2018, we promised we'd improve both quality and sustainability by becoming the first quick-service restaurant to move to greenhouse-grown hydroponic tomatoes. In 2019, 100 percent of the vine-ripened tomatoes served in Wendy's restaurants in the U.S. and Canada were sourced from greenhouses. In another exploration of sustainable agricultural practices, nearly 100 Wendy's restaurants in Canada are using greenhouse-grown lettuce for the first time as well.

GOAL: CREATE MORE THAN



20K



**NEW JOBS TO SUPPORT
BREAKFAST IN 2020**



**SUCCESS: RAISED
MORE THAN**



\$220M



**TO SUPPORT CHILDREN
IN FOSTER CARE**

**MORE THAN 9,000
CHILDREN ADOPTED**

Innovations like these stand alongside long-established commitments. Wendy's purposeful sourcing practices include 20 years as a global leader in animal welfare. Our auditing program, developed in collaboration with our Animal Welfare Council and Advisors, was one of the first, and it remains among the most comprehensive in the quick-service restaurant (QSR) industry. In 2020, we plan to begin implementation of a far-reaching new Animal Care Standards Program (ACSP) that goes above and beyond our current best-in-class standards.

Our aspirations to be a leader in the restaurant industry don't just apply to the food we serve. We also aspire to be a best-in-class employer and a dedicated member of the community. To support our launch of breakfast across the U.S., our system expects to hire more than 20,000 new team members in 2020. The Company has also continued our focus on diversity and inclusion. As our system grows, we want Wendy's to continue to be a great place to eat and a great place to work.

Giving back also continues to be a foundation for Wendy's, specifically our support of adoption and foster care causes that were so important to our founder. Our support of the Dave Thomas Foundation for Adoption® (DTFA) and their Wendy's Wonderful Kids® (WWK) program helps keep Dave's legacy strong. Since the Foundation's inception in 1992, the Wendy's system has raised more than \$220 million to support children in foster care. More than 9,000 children in North America have been adopted into a loving, permanent family as a result of this program.

Finally, as we plan for our Company's future, we want our children to have a healthy planet to inherit. In 2019, we formalized our approach to environmental sustainability. The Squarely Sustainable™ platform has become our launchpad for expanding energy and water conservation efforts in Wendy's restaurants and for advancing our sustainable packaging initiatives. It also serves as a focal point for supplier engagement and partnership opportunities on big topics like preventing deforestation.

Good things don't come easy. To accomplish our goals, we know it will take dedication and hard work. For 50 years, Wendy's has been up to that challenge. Wendy's Good Done Right program is our way of honoring Dave's legacy and his commitment to Do the Right Thing and ensuring that it will live on for the next 50 years and beyond.



FOOD

We take pride in the freshly prepared food we serve—and the traceable, responsible practices that make it possible.

The quality that people expect from every visit to Wendy's begins long before menu items and their ingredients reach our restaurants. Good Done Right means we are serious about providing freshly made food that is traceable and from responsible sources.

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Working from a foundation of freshness

Fresh, never-frozen beef across North America has been Wendy's calling card from the start, but it doesn't end there. Fresh produce tops our hamburgers and chicken sandwiches; our original salad bar was the first in the quick-service restaurant (QSR) industry; and the salads we offer today bring fresh fruit and vegetables to every menu.

FAST FOOD
done right

The company's food vision, [Fast Food Done Right](#), which helps guide menu development, has five pillars—and Fresh is right at the top, alongside Real, Craveable, Doesn't Cost a Fortune and Forward-Leaning. Freshness means more than great taste. It's a hallmark of quality. When customers enjoy fresh food in our restaurants, it's because freshness is also built into the things they don't see: our supply chain, the progressive suppliers we partner with, our quality assurance program and our operational standards.



Menu innovation

Our journey in the restaurant industry started with our founder's quest to serve the world's best hamburgers. We remain true to that aim. But as times and needs change, we're also working hard to be innovative. Almost half of the sandwiches on our menu are chicken, and as plant-based products take on increasing interest, we are investigating those as well. There's a fine line between chasing every trend and falling behind—and Wendy's works hard to strike the right balance that has our customers' backs.

Recently, we have tested plant-based burgers and "chicken" products in the U.S., Canada and select international markets. As ingredients and expectations keep evolving, we'll keep finding tasty new ways to bring them together.



Wendy's Fresh Produce Initiative

In 2018, Wendy's turned to hydroponic vine-ripened tomatoes in our quest to continuously provide Fresh and Real offerings. In 2019, every single tomato within our U.S. and Canadian supply chain was sourced from North American hydroponic greenhouses. These tomatoes offer exceptional quality and taste all year long. Meanwhile, greenhouses offer a safe, indoor work environment and also make the most efficient use of water and fertilizer, eliminate runoff and use natural Integrated Pest Management (IPM) methods such as beneficial insects like ladybugs to make pesticides a last resort.

Hydroponic greenhouse farming is still a developing industry, and Wendy's is proud to be a leader in its use. We'll keep working with suppliers not only to optimize our tomato supply, but also to investigate hydroponic options for other ingredients on our menu, like lettuce, which we are currently serving in certain Canadian restaurants.

Animal welfare: humane practices, responsible sources

Wendy's has always taken an intentional, science-based approach to animal health and well-being. We were one of the first restaurant chains to establish principles for animal care, and we work every day with industry leaders to audit their practices and improve our own, like our [long-term efforts](#) to responsibly reduce or eliminate antibiotic use in our supply chain. Grounding our best intentions in measurable science is the essence of Good Done Right.



Enhanced Wendy's Animal Welfare Program

In 2020, we plan to enhance our industry leading animal welfare program even further by launching the Animal Care Standards Program (ACSP), a detailed assessment tool for beef, pork, chicken and eggs that is designed to recognize progressive suppliers and to help us better trace conditions, quantify our best practices and inform development of new ones. By the end of 2024, Wendy's expects to have a comprehensive accounting of animal welfare best practices within our supply chain, including responsible use of antibiotics and housing conditions.

We believe that a truly transformational program should have traceability as its primary goal.



Beef

Wendy's is proud to serve fresh, never frozen, North American fed-beef in restaurants in the contiguous U.S., Alaska and Canada, and in 2018, we partnered with the [Progressive Beef program](#). The animal care practices required by the program are first-, second- and third-party audited, as well as validated by the USDA. We are committed to achieving the following goals across our beef supply:

- In 2019, we sourced at least 30 percent of our beef from a group of producers that have each committed to a 20 percent reduction in the only medically important antibiotic routinely used for cattle production
- By 2021, we intend to have at least 50 percent of our beef supply participating in Progressive Beef or a similar program



Pork

Wendy's only serves pork that is 100 percent Pork Quality Assurance Plus (PQA+) Certified. We are working with suppliers and farmers who have committed to an intensive traceability protocol, supporting our goals to track, trace, monitor and report on animal medical treatment histories for more than 75 percent of our pork supply by the end of 2022. Some producers are helping us dive even deeper on available antibiotic use data, which we plan to report on in late 2020.

We are also on track to source 100 percent of our pork supply from group housing environments by the end of 2022 and have given preference to suppliers helping us reach this goal.



Broiler chicken and eggs

Our process for selecting and auditing chicken suppliers looks for carefully formulated nutritional feed, access to clean water, adequate room to grow, professional veterinary care and proper handling. Further, we have eliminated all antibiotics important to human medicine from our chicken supply, which is process verified through the USDA to ensure compliance. As part of our continuous improvement efforts, we will continue to explore enhanced housing opportunities and new stunning methods with our suppliers. And by the end of 2020, we expect to have CO2 stunning implemented in 100 percent of our Canadian chicken facilities. As it relates to eggs, in 2016, with about 300 Wendy's locations serving breakfast at that time, we committed to reaching a 100 percent cage-free environment by 2020. We're on track to achieve that goal for those restaurants—and now that we've announced plans to launch breakfast nationwide in 2020, we are working with our suppliers and our Animal Welfare Council to evaluate next steps and to further research housing enrichments.



A fresh new approach to animal welfare

Enhanced standards under an expanded advisory council

Humane treatment of animals has been a core element of Wendy's quality assurance and supply chain efforts for decades, and many of the requirements we've developed for our suppliers have set the standard for the QSR industry. Two aspects that set our work apart from others are our long-standing relationships with industry experts, many of whom are on our Animal Welfare Council, and our audit-based approach to animal welfare. We are enhancing these relationships and auditing practices even further so they can be even stronger forces for Good Done Right. First, we expanded the council in 2018 to bring in additional experts alongside Wendy's leaders and subject matter experts. In 2019, we tasked the council with revamping the standards we apply to ourselves and our suppliers. The culmination of that effort will be the implementation of our new Animal Care Standards Program (ACSP) in 2020.

"Wendy's continues to lead the industry in setting and maintaining animal welfare programs through partnering with progressive industry leaders. Their robust supplier requirements and auditing program are of the highest caliber in the industry"

—DR. TEMPLE GRANDIN

Under the ACSP, comprehensive new traceability standards will embrace management practices, treatment histories, antibiotic usage and housing environments, and other key factors. The ACSP can help us find and reward progressive suppliers who go the extra mile to meet our standards and push us to raise the bar even higher.



ANIMAL WELFARE MILESTONES

2016

- Announced a long-term goal to phase out the routine use of medically important antibiotics on the farms that our suppliers source from

2018

- Expanded our Animal Welfare Council
- Adopted the Progressive Beef program
- Eliminated all antibiotics important to human medicine in chicken production

2019

- Set higher target standards for beef antibiotic reduction

2020

- Implement enhanced Animal Care Standards Program (ACSP)
- Report pork antibiotic use insights among a subset of our supply
- Implement CO2 stunning in all Canadian chicken facilities

2021

- Ensure at least 50 percent of our beef supply is participating in Progressive Beef or a similar program

2022

- Add sustainability practices and metrics to ACSP
- Ensure that at least 75 percent of pork supply chain is traced and monitored
- Source 100 percent of pork supply from group housing

2024

- Implement full accounting of animal welfare practices



PEOPLE

Respect, equality and fair treatment for our team members, franchisees and partners is a central part of our business. And so is giving something back.

From day one, our business has always been of, for and about people. The Wendy's system is comprised of more than 6,700 restaurants across the globe. Ninety-five percent of Wendy's restaurants are owned by independent franchise operators, and we are bonded by a culture started by our founder, Dave Thomas.

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Living out our values

We think the Wendy's culture is pretty special, and a big part of that is based on Dave's values: Do The Right Thing, Treat People With Respect and Give Something Back. We strive to bring those values to life through daily interactions with our team members and customers and in the communities where we do business. As our system continues to grow, we know that our culture and the values Dave left us will continue to provide focus and direction to our team members.



Improving the employee experience

At Wendys, we know our people are our most critical resource. The Wendy's Company is proud to use a variety of tools to measure and improve the way we connect with employees.

We've leveraged important insights from these assessments to help inform how we can improve in areas like advancing our diversity and inclusion efforts and continuing to offer competitive and valued benefits for Company employees.

The biannual Voice of Wendy's (VOW) survey gives Wendy's employees the opportunity to provide confidential feedback about their job and work environment. We also make this survey available to our franchisees for a per restaurant fee. The survey is completed by both restaurant employees and people who work in roles supporting the restaurants. In 2019, total

systemwide responses represented more than 3,600 company and franchise restaurants. Since its implementation in 2016, more than 250,000 respondents, 5,000 restaurants and 150 franchise organizations have participated in VOW. The results provide us with valuable insights into employee engagement that help us create great restaurant cultures to attract and retain talent.

We are honored to have [been named a winner of the 2019-2020 Human Resource Management \(HRM\) Impact Award](#) by the Society for Industrial and Organizational Psychology (SIOP) and Society for Human Resource Management (SHRM), along with their foundations, for our commitment to the VOW project.

The Wendy's Company also participates in a variety of external measurement tools. The TDn2K People Report™ tracks staffing levels, demographics and turnover, and provides compensation and benefits analysis for the restaurant industry. In 2019, The Wendy's Company [was honored with a 2019 Best Practices Award](#) at the 24th annual Global Best Practices Conference in Dallas, Texas.

We proudly participated in McKinsey & Company and LeanIn.org's annual "[Women in the Workplace](#)" study for the third straight year

in 2019. Women in the Workplace is the largest study of the experience of women and gender inequality in corporate America. In 2019, 329 companies, 17 of which were restaurant brands, participated. The results of the study are designed to be used by companies and employees to inform efforts to advance women and improve gender diversity within their organizations.

As of January 2020, Wendy's achieved a perfect score of 100 on the Human Rights Campaign's [Corporate Equality Index](#) and the designation as a *Best Place to Work for LGBTQ Equality*. This survey is the nation's premier benchmarking survey and report measuring corporate policies and practices related to LGBTQ+ workplace equality.



Creating a supportive environment

Over the last several years, Wendy's has supported its corporate employees in growing and developing five [employee networks](#). These networks are open to all employees at the Restaurant Support Center and are dedicated to professional development, creating connections and giving back to the local community.

We expect these networks to continue to evolve in 2020, both to meet the business needs and inform the way we do business.

- **Wendy's Equality Employee Network (WeQual)** supports Wendy's core values and principles by promoting a welcoming, diverse and respectful work environment and engaging employees through a supportive environment for Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ+) employees and their allies.
- **Wendy's Military Support Network (WMSN)** attracts military talent to Wendy's, develops active and veteran members, creates a veteran and military family community and upholds our company value. Give Something Back, to those who serve.
- **Wendy's Young Professionals Network (WenGen)** connects the next generation of Wendy's leaders to each other and the community, fosters personal development and promotes professional development linked to individual career goals.
- **Women of Wendy's (WOW)** enables women to be their best selves and helps more women take leadership roles. WOW fosters authentic relationships by facilitating and sponsoring increased visibility for women within the organization.

- **Wendy's Cultural Diversity Network (WCDN)** encourages employees to be themselves, be proud of their unique backgrounds and serve as resources to each other and to the company. The network focuses on helping employees of color connect, learn and grow, and like all of our employee networks, is open to all employees.

The Company has continued its focus on diversity and inclusion by executing a diversity and inclusion strategy rooted in our values. We believe that this strategy will help support our Company's continued growth and success. The plan has three main goals:

- Build knowledge and accountability to ensure that we have a diverse and inclusive mindset
- Ensure recruiting and hiring initiatives are reaching a broad audience so that our workforce represents the communities we serve
- Continue to expand and develop a strong, diverse pipeline by providing opportunities for growth and development at all levels of our organization

Through our participation in the McKinsey "Women in the Workplace" study, we learned that a key obstacle for women throughout the industry is the first step up to a manager role.

This "broken rung" problem has a negative effect on the representation of women at senior levels. To address this problem, we piloted the Wendy's Women's Leadership Program to help grow and develop our early-in-career female talent. Twenty women from Company restaurants and the Restaurant Support Center participated in a year-long program led by an external expert in management consulting and leadership development. Participants worked to develop skills including intentional career planning, leadership development, executive presence, creating and leveraging networks and managing through change.

We will continue ongoing outreach efforts aimed at including diverse perspectives in The Wendy's Company, including partnering with local and national groups focused on multicultural leadership, LGBTQ+ advocacy and other key areas.





Treating people with respect

We also know that the benefits that we offer to our employees are important. We strive to offer competitive and valued benefits for our employees and have continued to evolve these benefits, most recently adding domestic partner benefits to Company employees who participate in our healthcare benefit plans. Additionally, our Employee Assistance Program (EAP) now includes all Company employees, including restaurant crew members and their household members. The EAP gives Company employees and their families access to free, confidential 24/7 counseling support for any life issues whether or not they are enrolled in a Wendy's medical plan and covers a wide variety of topics, including help with childcare, elder care, financial issues, legal concerns, life events, addiction and recovery, work-life balance, and mental health and emotional wellbeing support.

While not everyone who plays a role in creating and serving our menu offerings works directly for Wendy's, everyone deserves safety and respect at work. That's why our [Supplier Code of Conduct](#)—which contains clear rules to ensure a safe, ethical and wholesome food supply—also includes human rights and labor provisions to safeguard the people whose work makes our quality possible.



Celebrating our people

Each year, Wendy's recognizes the brand's Top 200 General Managers, who are selected from more than 6,700 Company and franchise restaurants around the world. The vast majority of the GMs started as Wendy's crew members and have grown their career through promotions to Shift Manager, Assistant Manager and now General Manager.

After initial evaluations using customer satisfaction and other scores, a total of 537 GMs met the initial criteria for 2018. A committee of Company and franchise leadership then determined the Top 200, the 10 "best of the best" and the single general manager - the Top GM. All received honors at the Wendy's Restaurant Support Center in Dublin, Ohio in May 2019.



2019 AWARDS

- [Women's Foodservice Forum 2019 "Industry Titan"](#) – Todd Penegor, Wendy's President & CEO
- [Women's Foodservice Forum 2019 "Change Maker" and QSR Magazine's 18 Young Restaurant Leaders to Watch](#) – Lindsay Radkoski, Vice President of Brand Marketing
- [Nation's Restaurant News "The Power List 2019"](#) – Abigail Pringle, President, International and Chief Development Officer
- [National Restaurant Association Outstanding Food Safety Leader](#) – Jorge Hernandez, Vice President, Quality Assurance



2018 TOP 200 GMs - REPRESENTATIVES FROM:

175

Wendy's Restaurants in the United States

15

Wendy's Restaurants in Canada

10

International Wendy's Restaurants



26 Countries of Origin

Average tenure 15 years

More than 50 with tenure exceeding 20 years

Best of the best

Employees and customers at the Wendy's restaurant owned and operated by franchise organization Calhoun Management in Covington, Georgia are in good hands: GM Carteina Riddick was named Wendy's Top General Manager for 2018. She has been a member of the Wendy's family for eight years and was a previous Top GM nominee.

Carteina looks for energy and teamwork in her staff and mentors other Atlanta-area Wendy's GMs. "Wendy's is a place where the sky is the limit," she says. "Treat people how you want to be treated and you, too, will be a top performer."





Dave Thomas
Foundation
for Adoption®

The Dave Thomas Foundation for Adoption

Dave Thomas was adopted as an infant. His lifelong empathy for children in foster care inspired him to create the Dave Thomas Foundation for Adoption (DTFA), the only public nonprofit charity in the U.S. that is focused exclusively on foster care adoption. Its signature program, Wendy's Wonderful Kids, helps adoption agencies hire specialized recruiters who use evidence-based models to find loving, permanent homes for children in foster care.



Wendy's national [fundraising efforts](#) helped steer more than \$15 million to the Foundation in 2019 alone— and more than \$220 million since its inception:

- For National Foster Care Month in May, we joined forces with Snapchat to use [Cause Cups](#)—when a customer snaps a photo of the Wendy's logo on the cup, it launches a special online experience and triggers an automatic \$5 donation from Dr. Pepper® and Coca-Cola® to the DTFA.
- Available from mid-September through Halloween, [Boo! Books](#)** cost one dollar for five free Jr. Frosty® coupons – 85 cents of which goes directly to the DTFA.
- Customers who purchase Frosty® Key Tags from November through January can use them all year to get a free Jr. Frosty® with any purchase – and 85 percent of every \$2 [Frosty Key Tag](#) sold will benefit the DTFA.

Thanks in part to efforts like these, more than 9,000 children have been adopted from foster care through Wendy's Wonderful Kids. But thousands still wait, and Wendy's will continue to champion this cause until every child has a permanent, loving home.





"When I started calling them Mom and Dad, I knew that it would stay that way forever"

—MAYA

Wendy's Wonderful Kids

Finding forever families for children in foster care is important and satisfying work, but it isn't easy. It takes dedicated, professional recruiters to use evidence-based, child-focused recruitment models so each child finds not only a permanent home, but a loving, well-matched one. Research shows this approach is up to 300 percent more

effective at serving children who have been in foster care the longest, including teenagers, sibling groups and children with special needs. Across the U.S. and Canada, Wendy's Wonderful Kids—the Dave Thomas Foundation for Adoption's signature program—provides grants that allow adoption agencies to hire those recruiters. It's one reason the Foundation has found forever homes for more than 9,000 children.

Meet two of them: sisters [Maya and Hannah](#).

After years in uncertain and abusive circumstances, they're home. They're together. Their Wendy's Wonderful Kids recruiter, Laura, found that for them in the Massachusetts home of Barbara and Dana Fontaine—parents who had already raised three sons.



FOOTPRINT

**We approach our environmental footprint
the way we approach our hamburgers:
No corner-cutting allowed.**

Squarely Sustainable™, a nod to the Wendy's signature square hamburgers, is our four-pronged approach to sustainability and reducing our environmental footprint.

2019 CORPORATE SOCIAL RESPONSIBILITY

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Squaring up our efforts

Launched earlier this year, the Squarely Sustainable™ initiative guides Wendy's efforts to:

- **Use less** and reduce unnecessary materials
- **Use better** and seek certified sustainable materials where possible
- **Spark action** by identifying consumer-facing actions that can drive change
- **Engage partners** to work with others to find solutions on important issues

Those goals are supported by Good Done Right and reflected in the restaurants we operate today and the new ones we aim to add around the globe. We put them into action with decisions we make in areas such as energy and emissions, water use, food waste and sustainable sourcing and package design.



Energy and emissions

In our restaurants and on the roads that lead to them, Wendy's always considers energy efficiency in the selection of equipment, goods and services. We strive to be best-in-class in the ways we purchase and use energy throughout our operations. This also includes building construction, where we're using fewer materials,

less land and more energy-efficient equipment and lighting in our new locations. For example, two Wendy's franchise locations, in Bridgeton, Missouri and Atlanta, Georgia, are LEED® certified. Our Thomas Building and Conference Center in Dublin, Ohio was the first of our buildings to achieve LEED Silver® certification in 2013.

Wendy's was among the first restaurant brands to sign on to the U.S. Department of Energy's Better Buildings® Challenge in 2016, which includes our commitment to reduce energy consumption in company-owned restaurants by 20 percent per transaction by 2025. Wendy's was also the first restaurant company to include its franchisees in the Challenge. More than 1,500 locations are currently participating, including 17 franchise owners representing more than 1,200 restaurants.

Supplying our restaurants takes large-scale transportation efforts. In 2018, we expanded the number of restaurants that reduced the number of deliveries each week in order to create efficiencies that ultimately mean fewer trips, fewer miles and less fuel. By the end of 2019, our focus on sustainable transportation will reach an annualized estimated savings of 377,000 gallons of diesel. That corresponds to 8.4 million pounds of carbon, which the Environmental Protection Agency estimates is equivalent to the energy that more than 2,400 homes use in a year.



Water

Wendy's is proud to have two franchise organizations, Wendium of Florida and Carlisle Corporation, join the Better Buildings® Water Challenge, with a goal of reducing water use by 20 percent from 2018 levels over a 10-year period. We are also reducing water use through the adoption of hydroponic greenhouses to produce 100 percent of the tomatoes we serve in U.S. and Canadian restaurants, as well as in a pilot program to use hydroponically grown lettuce for a number of Wendy's restaurants in Canada. One acre of tomatoes grown in these greenhouses replaces 20 acres of traditional field grown varieties.



Food waste

At Wendy's, we know minimizing food waste is a critical issue—one that begins long before our food reaches the restaurant. Our focus on fresh, never-frozen beef in North America and fresh produce means we've designed our distribution and operations systems with efficiency in mind so we don't order or ship more than we can use. Since our food is made to order every day, we don't have significant leftovers to dispose of or donate.

We also know there's always room for improvement. That's why through our Squarely Sustainable Council we have identified and implemented steps to keep reducing food waste in our supply chain and in our restaurants. We set expectations for our suppliers and recognize the ones that make progress; our research and operations teams optimize our products to use ingredients more efficiently; and our company and franchise restaurants recycle more than 39 million pounds of spent oil each year, mostly as biodiesel fuel. We have also joined the U.S. Food Loss and Waste 2030 Champions Program and the Food Waste Reduction Alliance to help reduce our food waste impact even further. We also participate in the Central Ohio Food Waste Reduction Initiative.



Sustainable sourcing and packaging

Everything our customers touch has a story—the food we serve and the containers and packaging in which it's served. Here are some of the ways we work to keep that story green.

- Coffee:** With our national breakfast launch in 2020, 100 percent of the coffee served in U.S. and Canadian restaurants will come 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.
- Deforestation:** All of the fresh, never-frozen beef served in U.S. and Canadian restaurants, which represent about 92 percent of our total restaurant footprint, comes from North American farms and ranches. We recognize the global threat of deforestation, and we are committed to minimizing the risk as we expand internationally. We are also evaluating our U.S. and Canadian paper, fiber and pulp supplies to identify and eliminate any that come from areas at risk.
- Palm oil:** Wendy's is committed to using responsible and sustainable sources for the palm oil used as an ingredient in some of our products. Since 2015, we have been a member of the Roundtable for Sustainable Palm Oil (RSPO) and have been annually reporting our progress through the RSPO's Annual Communication of Progress as well as the World Wildlife Fund Buyers Scorecard. As of 2018, 100 percent of the palm oil used in U.S. and Canadian restaurants meets this goal, 84 percent from mass balance and 16 percent offset by Palm Trace credits. Wendy's restaurants in New Zealand use palm oil for cooking that is mass balance certified sustainable, and we are pursuing similar commitments in our other international locations.
- Packaging:** Containers and utensils are part of the convenience our customers enjoy. They also represent a large amount of material, and in some locations new state, provincial and local requirements influence our use of that material. Wendy's is responding with both immediate and long-term initiatives.



Reducing our packaging footprint

CAUSE AND EFFECT

- Using 250,000 fewer bun bags → **355,797 pounds of polyethylene saved**
- Switching to a different cooking oil container → **202 fewer deliveries per year, saving 274,000 pounds of corrugate, 47,000 pounds of nylon and 12,000 pounds of LDPE**

USING LESS FOR OUR

- Fry cartons → **17 percent less raw material**
- Plastic straws → **19 percent less material**
- Salad bags → **15 percent less material**
- Cups → **Future savings of 300 tons of material**

POST-CONSUMER WASTE RECYCLED CONTENT

- Molded cup carriers → **100 percent**
- Unbleached napkins → **at least 50 percent**
- Can liners → **100 percent starting in 2020**



PARTNERS IN PACKAGING PROGRESS



The NextGen Consortium, an initiative of Closed Loop Partners, is working to push the boundaries of what's possible in responsible food packaging. Wendy's is a proud member of that group, and together we are focusing on ways to improve the sustainable use of hot and cold beverage cups.

Recently, 12 winners of the NextGen Cup Challenge were announced for their ideas in three categories: innovative cups and cup liners, new materials and reusable cup service models. Ideas like these have the potential to remove as many as 250 billion fiber to-go cups from the waste stream each year. Our partnership gives Wendy's a front row as these innovations develop.

"At Wendy's, we know that our customers are increasingly aware of packaging waste and its impact on the environment," Wendy's Chief Communications Officer Liliana Esposito said in celebrating the 12 winning concepts. "We embrace our role as being part of the solution, and one way we do that is to engage in partnerships that help us arrive at smart solutions."



Squarely Sustainable™ Supplier of the Year Award

Recognizing suppliers who use less, use better, spark action and engage partners

This year we gave out the first-ever [Squarely Sustainable Supplier of the Year Award](#) for a supplier who exemplifies our responsible way of doing business.

More than 140 supplier partners shared stories of the ways they were working to live up to our Squarely Sustainable approach. They told us about their successes in driving meaningful change in areas like waste reduction, responsible agriculture, sustainable packaging, reductions in energy use and greenhouse gas emissions, water and land conservation and animal welfare.

At our 50th anniversary celebration in Orlando, we honored the finalists and announced the program's first annual winner.

Every entrant had a compelling case and we're proud to work with all of them. This year, top honors went to Cargill, which supplies our restaurants with several key products including beef, sausage and cooking oil.

Cargill's successes include the packaging system for its oil for Wendy's restaurants that saves about 390 tons of plastic a year, reclaiming 696,000 additional pounds of waste oil annually and training more than 200,000 farmers on sustainable practices and greenhouse gas reduction.

With forward-thinking supplier partners like these leading the way, we are confident that Wendy's Squarely Sustainable journey will only grow more successful in the years ahead.

2019

Cargill

TOP HONORS

2019
FINALISTS

Bimbo QSR	Olymel
Cargill	Schreiber Foods
Cascades Tissue Group	Taylor Farms
Cavendish Farms	Perdue Farms
Fresh Mark (Sugardale)	Tyson Foods



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