



2020 CORPORATE RESPONSIBILITY REPORT

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GOOD DONE RIGHT

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## A letter from Todd A. Penegor



**Todd A. Penegor**

President and Chief Executive Officer

Dave Thomas Foundation  
for Adoption®

CELEBRATED ITS  
**10,000th**  
ADOPTION

**\$500,000**  
donated to advance  
social justice, youth  
and education

Good Done Right. This simple phrase grounds Wendy's approach to three critical areas of our business: Food, People and Footprint. Doing the right thing, the right way, has been at our core since our founder, Dave Thomas, opened the first Wendy's restaurant more than 50 years ago.

In 2020, **Good Done Right** took on a whole new level of importance as we came together to face COVID-19.

While we are still managing the impact of the global pandemic, I continue to be humbled by the actions of the entire Wendy's family who have led with courage and commitment. Throughout, the health, safety and well-being of our teams and customers remained our top priority. And as we experienced an overdue social awakening, Good Done Right helped us think more critically about diversity, equity and inclusion and our role in combating injustice.

In releasing this second annual report, we are sharing the important actions we took to accelerate Good Done Right.

We made tremendous strides in 2020, in part because we completed our first-ever comprehensive materiality assessment to inform our strategy. With the help of outside experts, we engaged nearly 1,000 diverse stakeholders to identify Wendy's most material topics that provide the greatest opportunity to make a positive impact. These findings informed existing goals and helped us create bold new ones. Alongside those goals, we are also sharing a new set of metrics, based on established reporting frameworks, to track and report our progress. Some of this information is being shared for the first time in this report.

I am proud of our many other accomplishments in 2020. Near to my heart, the Dave Thomas Foundation for Adoption celebrated its 10,000th adoption this year. Importantly, we donated \$500,000 to advance social justice, youth and education in the Black community by significantly increasing our support of the Thurgood Marshall College Fund and engaging new partners, including the YWCA Columbus and Columbus Urban League. We announced and began implementing our Wendy's Animal Care Standards Program, a new assessment tool that will allow us to recognize progressive suppliers within our protein supply chain and better track farm conditions. We also conducted our first greenhouse gas (GHG) inventory, an important step in our climate roadmap.

Everything we do revolves around our vision of becoming the world's most thriving and beloved restaurant brand. I am immensely proud of the entire Wendy's family for all we have accomplished over the past year despite the significant challenges we faced. I am confident that we have emerged as a stronger, more unified brand and are well positioned to achieve our Good Done Right goals.

Thank you, and stay well.

President and CEO

## AT A GLANCE



6,828

Restaurants Across the Globe

5%

Company-Owned

95%

Franchised

14K

Company Employees

Headquartered in  
Dublin, Ohio

## 2020 BUSINESS SNAPSHOT

5,800+

Restaurants  
offering  
breakfast

20+

New menu items  
rolled out,  
including breakfast

6%

Digital growth  
in the U.S.

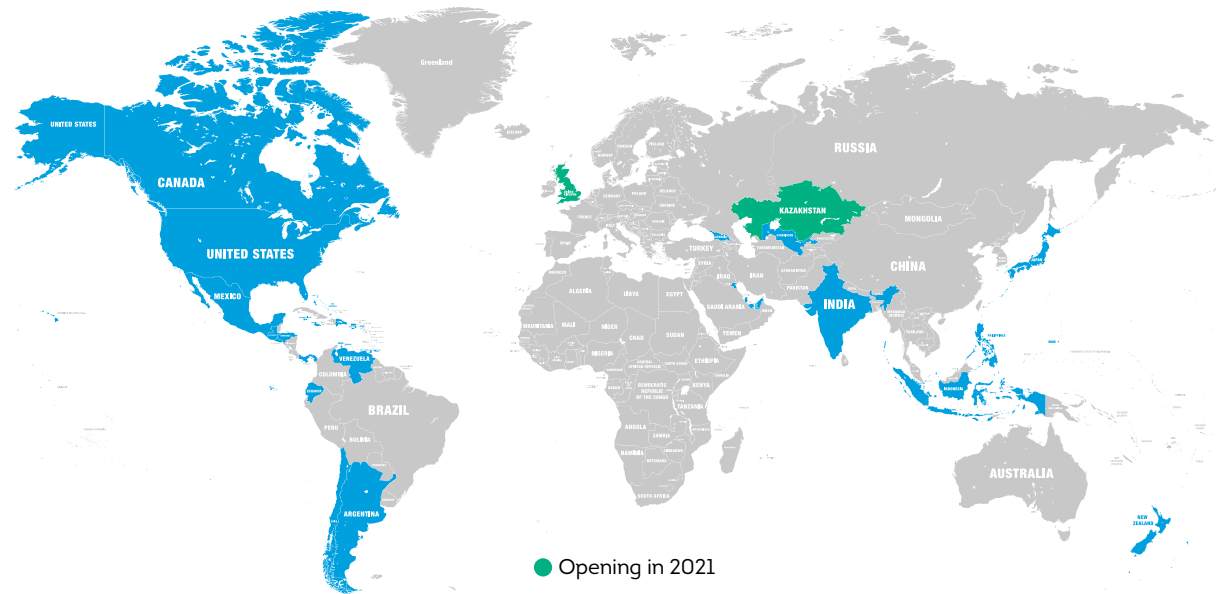
12M

Total Wendy's  
Rewards members

\$1.7B

In revenue

## 31 COUNTRIES &amp; U.S. TERRITORIES



## 2020 NOTEWORTHY AWARDS

Best Places to Work  
for LGBTQ+ Equality by  
Human Rights CampaignGlobal Best Practice Winner  
for employee retention by  
Black Box IntelligenceEnergy Efficiency Innovation  
Award by AEP Ohio for energy  
reduction efforts



## About this report

This report provides an overview of Wendy's activities related to corporate responsibility topics and covers the 2020 calendar year, unless otherwise indicated. This report primarily covers material business updates across our U.S. and Canadian restaurants, which comprise a vast majority of our business footprint, unless otherwise indicated. Information related to Wendy's as an employer refers to The Wendy's Company (including subsidiaries and affiliates) and employees in our Company-owned restaurants, field support roles and corporate staff. Prior to publishing this report, our most recent report was published in 2020 and covered the 2019 calendar year. We intend to continue to report on our strategy and initiatives, including progress on our goals annually.

We are proud to be reporting to the CDP Climate questionnaire, a leading disclosure practice for environmental reporting, for the first time in 2021, covering our 2020 data. We also recognize leading reporting standards such as the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) and strive to embed their principles and frameworks throughout our report. We have included reporting indices at the end of the report reflecting disclosures against these standards.

We regularly communicate with our key stakeholders including customers, employees, franchisees, shareholders, suppliers and non-governmental organizations (NGOs), and we'd love to hear from you. For any questions or comments regarding topics covered in this report, please contact us at [corporateresponsibility@wendys.com](mailto:corporateresponsibility@wendys.com).





## GOVERNANCE

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

Highlights of our current governance practices include the following: (1) annual election of directors, (2) majority voting for directors in uncontested elections with a director resignation policy, (3) separation of our Board Chairman and Chief Executive Officer, (4) majority independent board, (5) regularly scheduled executive sessions of non-employee and independent directors, (6) active board and committee oversight of risk management and (7) comprehensive Corporate Governance Guidelines and Code of Business Conduct and Ethics.

The board has had a dedicated, standing Corporate Social Responsibility (CSR) Committee for the past several years. 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. In fulfilling these responsibilities, the CSR Committee:

- Reviews, discusses and provides recommendations for the Company's overall approach to CSR, including current and potential strategic initiatives

- Reviews and approves certain charitable contributions made by or on behalf of the Company
- Reviews and discusses risks and opportunities, emerging trends and evolving best practices relative to the Company's CSR strategic initiatives
- Considers the impact that the Company's CSR strategic initiatives may have on Company performance, public perception, competitive position and key stakeholders

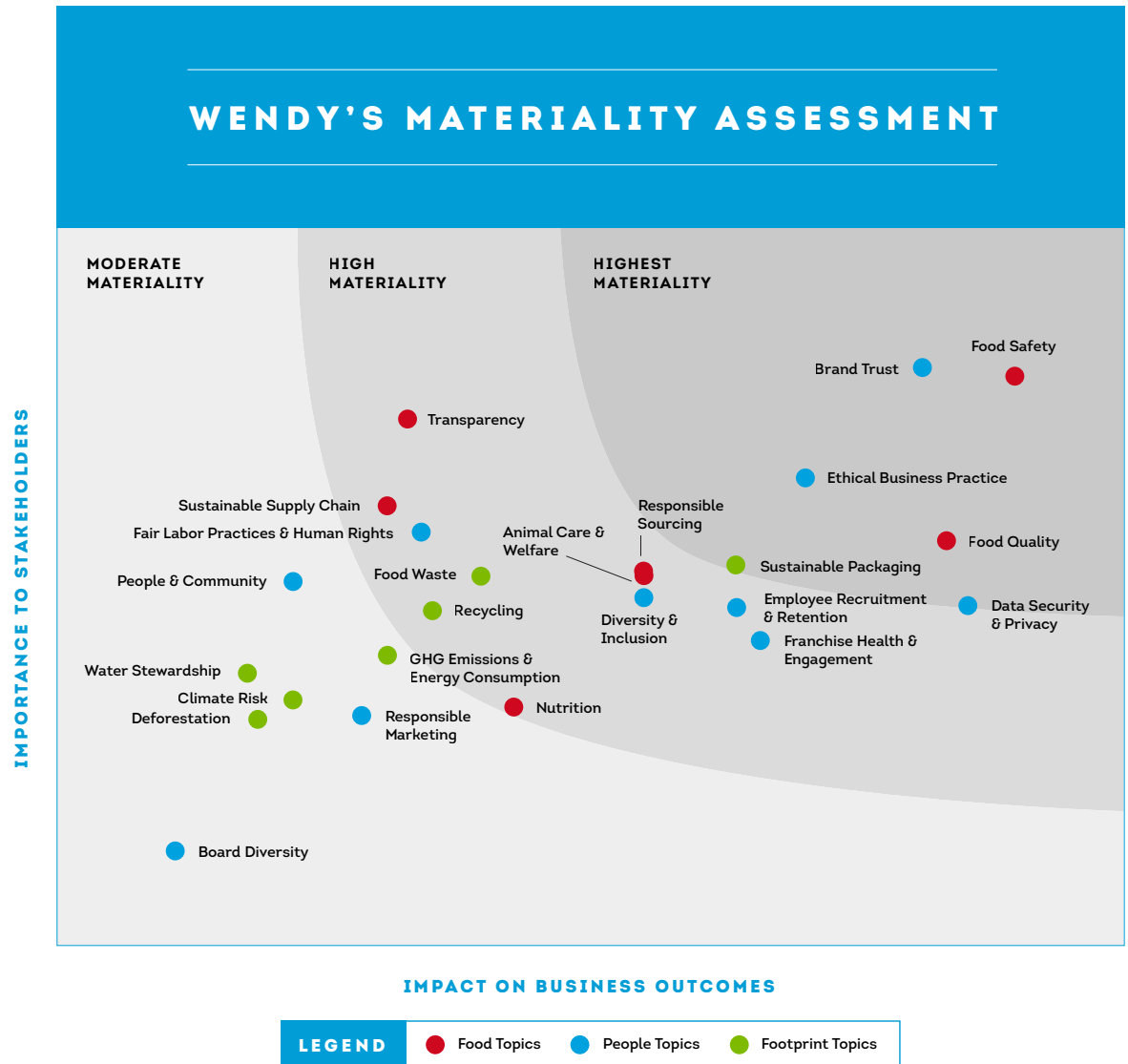
The CSR Committee is composed of five board members, including the Chairman of the Board, who also serves as Chair of the Committee. The charter for the CSR Committee is publicly available on our Governance page listed below.

We understand and recognize the important role that risk management plays in shoring up a sustainable and resilient supply chain, managing climate risk and ensuring safe and responsible work environments. We also recognize the role it plays in ensuring robust ESG management practices. As such, our risk management processes are designed to enable the responsible and transparent management of all our products and processes. For more information on our governance structure and approach, please visit our [Governance page](#) on our Investor Relations website.

## Wendy's materiality assessment and stakeholder engagement

A company's sense of purpose and long-term thinking is critical in identifying impact. In the fall of 2019, we began a materiality assessment to inform our strategy and to help prioritize our efforts in these areas moving forward. With executive sponsorship from our Chief Corporate Affairs & Sustainability Officer and our Chief Financial Officer, the materiality assessment allowed us to conduct thorough research and benchmarking, analyze industry and global standards and trends and engage a broad range of stakeholders to define and prioritize the topics that we believe may have a significant impact on Wendy's, or could be significantly affected by Wendy's operations.

We are excited to share these findings for the first time in this report. With the support of a global professional services firm, we engaged with nearly 1,000 diverse stakeholders including members of Wendy's board of directors, customers, employees, franchisees, shareholders, suppliers and non-governmental organizations (NGOs); identified Wendy's 24 most material topics; and validated the results of our materiality assessment with company leadership. We organized our efforts under our Food, People and Footprint framework, which enables us to align these focus areas within the context of our broader business strategy. This equates to eight priority topics: Packaging & Waste; Climate, Energy & Water; Food Safety & Quality; People & Ethics; Animal Care & Welfare; Nutrition; Data Security & Privacy and Traceability & Transparency.







## SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS



# SUSTAINABLE DEVELOPMENT GOALS

We recognize our work contributes to larger societal goals aimed at unifying our collective global efforts to provide goods and services more sustainably and drive towards a more equitable world for all. As part of that, we align our efforts to the UN Sustainable Development Goals, a framework that prioritizes the top 17 global issues, and our work focuses on the following impact areas:



*Wendy's is inspired to drive positive change and we believe we are well positioned to do so through our ongoing corporate responsibility efforts and our new goals. We're committed to transparency through our corporate responsibility journey, and we will continue to benchmark our progress against globally recognized frameworks such as SASB and the UN Sustainable Development Goals.*

– Gunther Plosch, Chief Financial Officer

## OUR PROGRESS

1960s

Opened the first Wendy's restaurant in Columbus, Ohio, serving fresh beef.

1970s

Led the industry in introducing the first salad bar and establishing the Company's commitment to fresh, quality ingredients.

1980s

Introduced lower-cost menu items, increasing food affordability and access.

1990s

Founder Dave Thomas, who was adopted as a child, established the Dave Thomas Foundation for Adoption (DTFA).

2000s

Established best-in-class Animal Welfare Program with expanded audits and expert Animal Welfare Council.

2010s

Joined U.S. Department of Energy's Better Buildings Challenge as one of the first in the restaurant industry.

Advanced commitment to fresh ingredients by transitioning to greenhouse-grown tomatoes for all North American restaurants.

2020s

Celebrated the DTFA's 10,000th adoption.

Completed Company's first greenhouse gas inventory.

Donated \$500,000 to support youth, social justice and education in the Black community.

[Click to see our full highlights journey.](#)



## OUR GOALS



## FOOD

Responsibly source our top 10 priority food categories by 2030.



## PEOPLE

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



## FOOTPRINT

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 by 2026.





# FOOD

Delivering high-quality food, transparently

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**GOOD** DONE  
RIGHT.

## Food safety

**At Wendy's, high-quality food, produced responsibly and delivered transparently, is our commitment to every customer.**



### Building on our foundation

Wendy's complements its own established in-house food safety standards with expert partnerships to maintain our unwavering commitment to safe food. We recognize that serving safe products requires transparency about where every ingredient comes from, how it is handled on its journey to us and what processes we and others use to turn ingredients into finished meals.



### WeSafe: tracking the elements of quality

Wendy's is a long-time leader in the development and execution of quality processes and initiatives that are focused intensely on providing a safe and wholesome food supply, and we are always looking for ways to strengthen our processes further. Over the past five years, Wendy's has invested in a new innovative digital system, called WeSafe, to help streamline the supply chain data tracking process needed for our quality assurance program. This new system integrates all the unique data streams that measure the

status of key menu items as they make their way through supply chains to our restaurants. In 2020, more than 11 million data points were uploaded into WeSafe.

For example, when tracking Wendy's fresh, never-frozen beef<sup>1</sup> sourced from North America, WeSafe tracks and analyzes production, product sampling, cold chain temperature data and more. The data WeSafe tracks is available to us and our suppliers in real-time. This level of transparency and quick collaboration further demonstrate our commitment to delivering the high-quality, safe food our customers expect.



<sup>1</sup> Fresh beef available in the contiguous U.S., Alaska and Canada.

## Delivering A Safe, Wholesome Food Supply

### At Wendy's, we:

- ✓ Verify that produce suppliers are using progressive Good Agricultural Practices when it comes to soil, water and plants and that our greenhouse suppliers are employing high-tech growing systems;
- ✓ Validate compliance of our animal welfare commitments at supplier facilities;
- ✓ Visit manufacturing plants and farms to confirm supplier capabilities and compliance firsthand;
- ✓ Evaluate manufacturing plant production systems to ensure product consistency, quality and regulatory compliance;
- ✓ Engage independent auditors to assess manufacturing plant programs and identify opportunities to improve;
- ✓ Conduct pathogen, shelf-life and stability tests as part of our food safety protocol;
- ✓ Collect data from critical aspects of the manufacturing process and make it accessible to our suppliers through WeSafe;
- ✓ Randomly select product samples from our distributors for lab analysis and visual inspection;
- ✓ Require refrigerated trucks to have automated GPS temperature monitoring systems with alarms to ensure our menu items stay at the right temperature for safety and quality;
- ✓ And track customer feedback to identify trends and resolve issues.





### Tagged for quality: piloting RFID technology

Wendy's is currently testing radio frequency identification (RFID) tagging technology to potentially improve the traceability and efficiency in the way we handle supplies. These passive electronic tags affixed to cartons (of produce, meat, cutlery and other products) contain information about contents and expiration dates, and handheld scanners make it easy to view that data. While the program is still in the pilot stage, early results suggest this technology could reduce receiving time by up to 90% and cut inventory counting time in half, while also reducing food waste. Time is valuable and these savings could allow Wendy's team members to focus even more on our customers.



### Partners in safety

In addition to reinforcing all the necessary training and cleaning procedures for great restaurant operations, we expanded our relationship with global hygiene and safety expert Ecolab® in 2020. They have long provided the essential cleaning materials and systems for our restaurants: Now their EcoSure® division is helping us raise the bar even further when it comes to operational excellence at the restaurant level through their sophisticated public health technology and best-in-class safety benchmarking.





## Food quality

Guided by our food vision, Fast Food Done Right, we'll continue to push the envelope to deliver the best possible menu items while providing transparent information on sourcing practices, nutrition and allergens.



### Wendy's food vision: Fast Food Done Right

"Quality" can be a broad term. That's why we're specific about what elements go into Wendy's [food vision](#) and our approach to quality food: Real, Fresh, Craveable, Forward-Leaning and Doesn't Cost a Fortune.

### High-quality innovations

In addition to our food vision, we actively conduct robust customer sensory testing to help fuel our menu innovation pipeline and inform ingredient sourcing decisions. This, combined with how we listen to our customers, crew members, franchisees and suppliers, helps us innovate our menu.

Highlights in 2020 include our efforts to improve core menu items, like our revamp of the Classic Chicken Sandwich; our continued investment in sourcing the freshest ingredients, such as greenhouse-grown lettuce in Canada; and our work to develop and launch breakfast across the United States.



### Breakfast: new time and tastes; same great quality

Our croissants are made the traditional way, with real butter. Our biscuits contain real buttermilk. The sauce is true Hollandaise sauce, with Swiss cheese blended in. Our eggs are grade-A and fresh-cracked.

## Responsible sourcing

### A higher standard

We continuously improve how we source our ingredients and how we demonstrate accountability for ethical business practices, sustainability and social responsibility. That is why we are building on our long-standing work in this area by formalizing our approach to responsible sourcing.

*To deliver the best dining experience, we have to use the best ingredients, and that starts with sourcing from like-minded supplier partners. We're building on these efforts and committing to responsibly sourcing our top 10 priority food categories by 2030.*

— Liliana Esposito, Chief Corporate Affairs & Sustainability Officer

### GOAL



Wendy's is committed to responsibly sourcing<sup>2</sup> our top 10 priority food categories by 2030. The top 10, determined by spend and impact on the world around us<sup>3</sup>, include:

#### PROTEIN

- ✓ Beef
- ✓ Chicken
- ✓ Pork (bacon and sausage)
- ✓ Dairy (Frosty® and cheese)
- ✓ Eggs

#### PRODUCE

- ✓ Tomatoes and lettuce/leafy greens
- ✓ Potatoes (fries, baked potatoes, seasoned potatoes)

#### OTHER

- ✓ Beverages (cold drinks and coffee)
- ✓ Buns and bakery (buns, biscuits, croissants, cookies)
- ✓ Oils (dressings, shortening/frying oil, margarine)

<sup>2</sup> We are in the process of developing environmental and social criteria to define what responsible sourcing means for each food category. The criteria will be informed by a lifecycle assessment of our priority food categories, our Animal Care Standards Program, and a human rights risk assessment and through collaboration with key supply chain partners and stakeholders. We will use the criteria to understand our current status, set new targets and demonstrate progress and transparency through reporting.

<sup>3</sup> We will utilize the results of the lifecycle assessment, which Wendy's is undertaking in 2021, to confirm our top 10 priority food categories.



### Implementing the Animal Care Standards Program

Ensuring the humane treatment of animals has been a core element of Wendy's quality assurance and supply chain practices for decades and many of the requirements we've developed for our suppliers have set the standard for the quick service restaurant industry. We are guided by our long-standing relationships with progressive industry experts, many of whom serve on our Wendy's Animal Welfare Council, and our data-based approach to animal welfare. Over the last two years, we have expanded the council to include expertise in auditing, animal science, well-being and behavior, with specialties across our key protein categories. We tasked the council with helping us raise the standards we apply to our protein supply chain and the process for driving continuous improvement. In 2020, we announced the first milestone of that effort, the new Wendy's Animal Care Standards Program.

To inform the development of new standards, Wendy's Animal Care Standards Program uses a detailed assessment tool that allows us to recognize progressive suppliers, better track farm conditions and animal care and quantify the results. While we've always audited, for the first time we are cataloguing the animal welfare best practices of all protein supply facilities, including 15 measures of welfare. We began implementing the program in 2020 by piloting the framework and validating the metrics to ensure its effectiveness in establishing new, even higher standards. 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. This new level of visibility will allow us to identify progressive work and give preference to suppliers who go the extra mile—like our suppliers that are studying the impact of lighting on broiler chicken behavior or reducing the use of medically important antibiotics, meaning antibiotics important for treating human disease, in our beef and pork supply chains.



## THE WENDY'S ANIMAL CARE STANDARDS PROGRAM ASSESSMENT

Suppliers will be assessed in the following areas, with performance results adjusted for demonstrating progress in traceability and transparency, antibiotic use, stocking and housing conditions and euthanasia and stunning.



### Animal Management Programs

Fostering a culture of animal care by implementing animal management programs that promote training, include robust auditing and biosecurity measures and provide traceability throughout the animals' lives.

- Traceability & Transparency
- Auditing & Certification
- Employee / Contractor Training Program
- Biosecurity Program
- Animal Welfare Advisory & Research



### Animal Health

Prioritizing the health of the animals by providing quality care under expert veterinary oversight to minimize necessary medical intervention

- Antibiotic Use
- Feed Additives
- Diet & Nutrition
- Genetic Influences on Health



### Physical Alterations

Avoiding physical alterations by only implementing such treatments when they are in the best interest of the animal and, when necessary, doing so humanely.

- Physical Alterations
- Castration



### Animal Husbandry, Housing and Slaughter

Operating with care by providing a comfortable environment for animals and allowing them to exhibit their natural behaviors.

- Stocking & Housing Conditions
- Catching/Handling of Animals
- Transportation & Lairage
- Euthanasia & Stunning

## Food quality

**As we have begun to implement the Wendy's Animal Care Standards Program and our broader Responsible Sourcing efforts, we have also continued to make progress in several important areas within our protein supply chain:**



### 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. As of the end of 2020, approximately 40% of Wendy's U.S. fresh, never frozen beef<sup>1</sup> supply is sourced from Progressive Beef-certified feedlots. That represents a 15% increase from the prior year and demonstrates progress toward our goal of sourcing more than 50% of our supply from cattle raised under the Progressive Beef program (or the equivalent) by the end of 2021.

As part of our commitment to gauge the use of antibiotics within our beef supply chain and to reduce it meaningfully over time, Wendy's has engaged with a consortium of beef producers since 2017 on this topic. In 2020, nearly a third of Wendy's beef supply came from producers who have made a science-based commitment to at least a 20% reduction in the use of



### Chicken

Wendy's has completed the process of eliminating all antibiotics important to human medicine from chicken production in the U.S. All chicken served in Wendy's U.S. restaurants meets this requirement and is Process Verified by the U.S. Department of Agriculture to ensure compliance. With our suppliers and our Animal Welfare Council, we are actively exploring welfare-enhancements to broiler chicken housing, as well as new stunning methods.



### Pork

We are committed to eliminating the use of sow gestation stalls in our North American supply chain [by the end of 2022](#). We remain on track with that commitment. We are also 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. Some producers are helping us dive even deeper on available antibiotic use data.

## Blockchain: A pork industry first

Did you know that blockchain tracks more than location? Blockchain is an innovative, emerging technology that's gaining traction across industries, but it has yet to be widely adopted. It creates reliable, unalterable records across the supply chain, helping substantiate the responsible sourcing we demand. Wendy's is working with industry partners to test the use of blockchain technology to track and trace some of our Applewood Smoked Bacon through every step of the supply chain—a pork industry first. The coding in our cases of bacon links directly back through every step of the Wendy's supply chain to provide visibility and validation of progress on animal welfare and care, including antibiotic use, the phase-out of gestation stalls and other key factors.

*Traceability underscores our commitment to quality and we're actively exploring new avenues from farm to restaurant to get as far back in our supply chain as possible. Piloting blockchain technology is one avenue that proves Wendy's is walking the walk when it comes to responsible sourcing, giving our customers confidence in where their food comes from. We look forward to continuing to explore technology solutions to help us deliver on our traceability goals.*

—Jorge Hernandez, Vice President of Quality Assurance

<sup>1</sup> Fresh beef available in the contiguous U.S., Alaska and Canada.



## Eggs

In 2016, breakfast was an optional menu offering for operators, and only a few hundred restaurants in the U.S. and a handful of restaurants in Canada served breakfast. At that time, we committed to source 100% of our eggs for those breakfast locations from a cage-free environment by 2020.

As of year-end 2020, [we met that goal](#). Today, we source a volume of eggs from cage-free environments that is sufficient to supply those original breakfast restaurants. However, since 2016, the total egg volumes for the Wendy's system have increased substantially because we launched breakfast across the U.S. restaurant system in 2020.

Approximately 5,800 U.S. restaurants now serve breakfast. We are working closely with the egg industry to source more eggs from a host of suppliers who uphold strong animal welfare practices and are third-party certified, in addition to suppliers who are exploring the latest research, best practices and systems for housing egg-laying hens today.

Looking ahead, we expect our sourcing of eggs from cage-free systems—as well as from other animal welfare-enhanced systems—to steadily increase over time.



## Wendy's is setting time-bound goals to reduce antibiotic use

In 2016, Wendy's set a long-term goal to phase out the routine use of medically important antibiotics within our supply chain. Since then, we have been actively working alongside our Wendy's Animal Welfare Council and supplier partners to find ways to meaningfully reduce antibiotic use while still allowing for the treatment of animals when they get sick.

This work, combined with our efforts to build greater traceability into our supply chains through the Wendy's Animal Care Standards Program, has allowed us to set new key milestones:

### By the end of 2024

Through the Wendy's Animal Care Standards Program, we will map and report on the use of medically important antibiotics and will set targets and strategies to reduce the use of those antibiotics 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, like probiotics, improved animal management practices, vaccines and more.

### By the end of 2030

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.

*Wendy's has been making steady progress on antibiotic reduction for several years, yet we've long believed that traceability is the key to driving real change. Going forward, the Wendy's Animal Care Standards Program will set us on a path to fully understanding the scope of antibiotic use within our supply chain and will allow us to set strategies to achieve our 2030 goal – a goal that protects against the overuse of antibiotics and supports animal health.*



## Produce

### Fresh Produce Initiative: greenhouse-grown for quality and sustainability

Wendy's was the first quick-service restaurant company to make a major investment in produce grown in greenhouses. Why? Because we are always looking to improve the sustainability and quality of our ingredients, and we are excited about what we are seeing. In addition to growing produce year-round with exceptional flavor, higher quality and fewer (or no) pesticides, greenhouses also provide sustainability benefits and a temperature-controlled working environment.



#### Tomatoes

Since 2019, we have sourced tomatoes for our North American restaurants exclusively from greenhouse farms. This change has allowed us to source a more reliable product, typically more consistent in size, firmness and color that arrive at each restaurant fresh and flavorful. Greenhouse-grown tomatoes also make the most efficient use of water and fertilizer, eliminate runoff and use natural Integrated Pest Management methods such as beneficial insects like ladybugs to make pesticides a last resort.



#### Lettuce

In 2020, Wendy's transitioned all the lettuce served in Wendy's restaurants in Canada to greenhouse-grown lettuce. Our suppliers' greenhouses capture waste heat and carbon dioxide, reducing emissions and creating a self-sufficient source of electricity and heating, while saving water (up to 90% savings from traditional growing methods). This lettuce is also grown without the use of pesticides. Wendy's is actively exploring the potential for greenhouse-grown lettuce in the U.S.



## Beverages



### Coffee

One hundred percent of 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.



## Baking and frying



### Palm oil

Globally, Wendy's is not a large user of palm oil, but we recognize the importance of the issue and are committed to using responsible and sustainable sources for the palm oil we do use. In the U.S. and Canada, palm oil is an ingredient in a few products like cookies and oatmeal bars. In some other countries in Latin America and Asia, restaurants use palm oil as a cooking oil and as an ingredient in certain products.

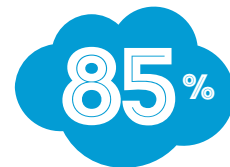
We joined the Roundtable for Sustainable Palm Oil in 2015 and report our progress annually through the Roundtable for Sustainable Palm Oil's Annual Communication of Progress. We also share our progress through the World Wildlife Fund Buyers Scorecard.

The palm oil sourced for Wendy's U.S. and Canadian restaurants, as well as certain international markets like New Zealand, Indonesia and the Philippines, contributes to the production of sustainable palm oil. Wendy's encourages physical segregation in our supply chain where possible (Mass Balance) and we purchase RSPO credits to offset our impact. For more on deforestation, please visit the [Footprint](#) section of this report.



### Oil re-use

Wendy's distribution and operations systems are [already low in food waste](#) but we always strive to do better. As part of that effort, our Company-operated and franchised restaurants in the U.S. and Canada work with DAR PRO to convert used cooking oil from our fryers into renewable diesel fuel. Renewable diesel is a clean, efficient low carbon fuel that emits up to 85% less greenhouse gas compared to petroleum diesel. In the U.S. in 2020, we converted more than 24 million pounds of used cooking oil into 2.8 million gallons of renewable diesel (that amount of fuel is equivalent to 128 trips to the moon and back). In Canada, we converted a little more than 2 million pounds of used cooking oil into renewable diesel.



LESS GREENHOUSE GAS

IN 2020 WE CONVERTED:

**24M**

pounds  
of used  
cooking oil



**2.8M**

gallons of  
renewable  
diesel





# PEOPLE

Building equitable workplaces  
and communities

2020 CORPORATE RESPONSIBILITY REPORT

**GOOD** DONE  
RIGHT.



## Workplace

Wendy's is a people business, and respect, equity and fair treatment are central to what we do. Our founder, Dave Thomas, believed the impact we make on others and our communities is just as important as the food we serve. We strive to bring the values Dave established—**Do the Right Thing, Treat People with Respect and Give Something Back**—to life daily with our team members and customers and in the communities where we do business.<sup>4</sup>



### Diversity, Equity and Inclusion

Our Diversity and Equity and Inclusion work continues to evolve, and our recent materiality assessment reiterated that this is important to many of our key stakeholders. We are making investments, such as the creation of a Diversity, Equity and Inclusion function, led by the [newly created position](#) of Chief Diversity, Equity and Inclusion Officer in 2021, evolving our Employee Resource Groups, and committing to new ambitious goals while working toward a culture and workplace environment that is even more inclusive and diverse. Our Company's senior leaders and board of directors continue to serve an integral role in our diversity and inclusion strategy, providing guidance, oversight and accountability.

<sup>4</sup> Unless otherwise expressly stated, this section is limited to Wendy's Company employees, not franchisees or their employees.

<sup>5</sup> This is also often referred to as a "multi-unit operator" in the QSR industry.

#### GOAL



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

#### Our focus includes the following:

- Invest to drive an inclusive mindset and culture at all levels of the organization
- Focus attention on representation by ethnicity and gender by addressing what has been referred to as the "broken rung" of leadership; for us, this is the critical step of moving from restaurant manager to district manager<sup>5</sup>
- Increase diverse representation by gender and ethnicity in management and leadership from entry level management to senior leadership
- Increase representation of franchisees who identify as female and persons of color
- Continue to drive diversity on our board of directors



*Wendy's strives to create a culture where employees can bring their true, authentic selves to work. We believe we are at our best when we allow employees to showcase their unique strengths, points of view and experiences. A diverse workplace is an effective workplace and—most importantly—fosters a culture of inclusion in which everyone is represented. That's why Wendy's is committed to increasing the representation of underrepresented populations within our leadership and management levels and franchise owners.*

— Coley O'Brien, Chief People Officer

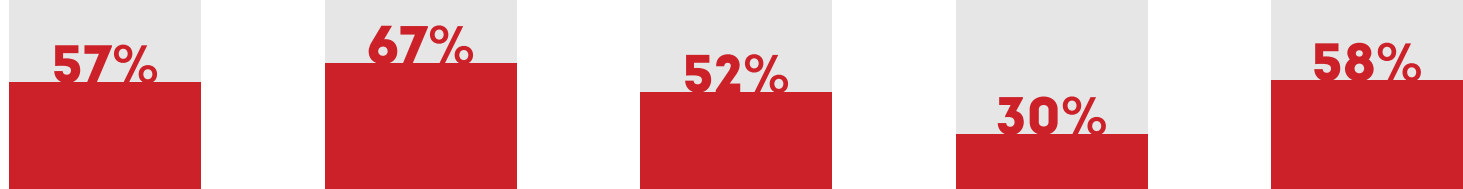




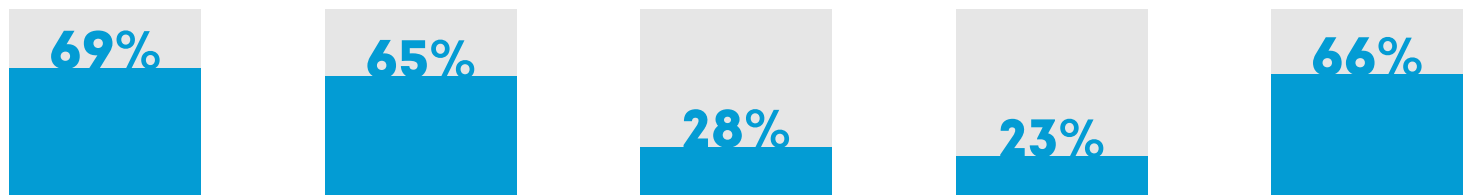
## REPRESENTATION BY GENDER AND ETHNICITY

NUMBER OF EMPLOYEES	RESTAURANT CREW MEMBERS ~11,000	RESTAURANT MANAGEMENT ~2,100	MANAGERS & PROFESSIONALS ~750	COMPANY LEADERSHIP (DIRECTOR+) ~150	ALL COMPANY EMPLOYEES ~14,000
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### WOMEN



### PERSONS OF COLOR





## REPRESENTATION BY GENDER AND ETHNICITY

### 2020 DIVERSITY

2020

DIVERSITY

	NUMBER	GENDER		ETHNICITY							
	EMPLOYEES	MEN	WOMEN	WHITE	HISPANIC OR LATINX	BLACK	ASIAN	AMERICAN INDIAN OR ALASKA NATIVE	NATIVE HAWAIIAN / OTHER PACIFIC ISLANDER	2 OR MORE	UNKNOWN
RESTAURANT CREW MEMBERS	~11,000	43%	57%	31%	37%	28%	3%	1%	<1%	<1%	0%
RESTAURANT MANAGEMENT	~2,100	33%	67%	35%	36%	23%	4%	2%	<1%	<1%	0%
MANAGERS & PROFESSIONALS	~750	48%	52%	72%	8%	10%	2%	<1%	<1%	0%	7%
COMPANY LEADERSHIP (DIRECTOR+)	~150	70%	30%	77%	6%	4%	4%	0%	<1%	0%	7%
ALL COMPANY EMPLOYEES	~14,000	42%	58%	34%	35%	26%	3%	1%	<1%	<1%	<1%

We continue to work toward our goals by executing the elements of the [multi-year DE&I strategy](#) outlined below and commit to providing an annual update to report on our progress.



### Education and training

We provide foundational diversity training for all Company managers at our Restaurant Support Center and across field support teams. Our training focus is on developing leadership competence and manager skills that promote diversity and foster an inclusive environment within their teams. All new managers are automatically enrolled in this training as part of their onboarding, and we offer sessions quarterly.



### Recruitment and hiring

To date, we have worked to minimize the potential impact of implicit bias through training and consistent use of standardized selection processes. Our enhanced partnership with the Thurgood Marshall College Fund complements our existing recruitment efforts with diverse student organizations on other campuses. In addition to our internal resourcing efforts, we have partnered with minority-owned recruitment agencies.



### Talent development and retention

We provide opportunities for growth and development at all levels of our organization. We are fortunate to be able to provide unique development opportunities for employees throughout the year. One example is our recent partnership with McKinsey & Company, which provided Wendy's employees the opportunity to participate in their Black Executive Leadership Program. In addition, our Employee Resource Groups reflect the diversity of our consumers and communities and play an important role in helping our Company employees achieve their full potential, both professionally and personally.



McKinsey  
& Company







## EMPLOYEE RESOURCE GROUPS

Wendy's six [Employee Resource Groups](#) help create opportunities for learning, inclusion, career growth and leadership development. With the guidance of a senior leadership team sponsor, Employee Resource Groups are dedicated to the development of their members and ensuring representation when it comes to key decisions, such as benefits enhancements, creating connections among our employees and engaging with the local community.

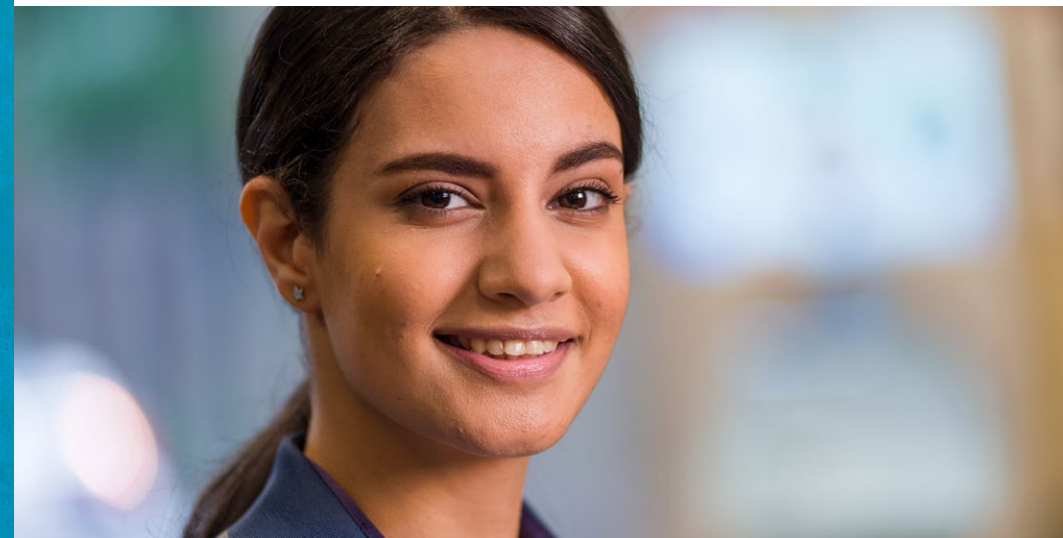
Illustrating the valuable role that Employee Resource Groups play in creating a supportive environment, Wendy's Equality Resource Group helped to identify opportunities to provide more inclusive benefit options. These suggestions helped Wendy's achieve a score of 100 on the Human Rights Campaign's 2020 Corporate Equality Index, the premier benchmarking survey in the U.S. to measure workplace environments that promote LGBTQ+ equality.

Most of these employee groups began as a resource for employees in our Dublin Restaurant Support Center. However, our remote work environment in 2020 created an impetus to expand our reach and enable additional Wendy's family members to participate around the globe.

Despite the challenges of 2020, we're proud of the robust programming and events that our Employee Resource Group leadership teams developed to help us come together to engage in important discussions and grow personally and professionally. Virtual Living Room Conversations provided a forum to hold candid, transparent discussions about salient issues that affect our society and organization, like being Black in America in the wake of George Floyd's death.



These [Employee Resource Groups](#) each boast an active membership and encourage participation of members and allies in sponsored activities. In 2020, we also launched the Wendy's Parents & Caregivers Support Group, providing a forum for informal discussions focused on family and caregiving challenges, as well as information to ensure employees can take full advantage of Wendy's Employee Assistance Program. This group also created a "Having a Baby Guide," which provides helpful information for employees before or after the birth or adoption of a child.



## Wendy's response to COVID-19

**In 2020, Wendy's restaurant operations changed significantly and quickly as we all worked together to support public health directives.**

We have implemented several enhancements within our restaurants to help protect our team members and customers from the spread of COVID-19. We're incredibly proud of the way our Wendy's family came together and worked to provide great restaurant experiences while demonstrating that the safety and comfort of our customers and team members remain our top priority.

Though the pandemic affected communities around the globe in different ways, our priorities have been clear: provide a safe and comfortable environment for our team members and customers, support our people, help our franchise community and give back to the communities where we operate restaurants.

As a brand, we reinforced procedures and adopted several new practices in our restaurants:



### Flexed restaurant operations:

As most of our restaurants shifted to a predominantly drive-thru operating model, we also expanded our digital offerings in the U.S. and Canada to provide safe, contactless options like curbside pick-up and delivery.



### Provided personal protective equipment:

We followed guidance and instituted a brand standard that restaurant team members must wear food service gloves and face masks while working (unless an exception applies), and have sourced a reliable supply of approved options for our restaurant teams.



### Reinforced proper handwashing:

We continuously reinforced our strict food safety procedures, personal hygiene standards and sanitation protocols and required all restaurant level team members systemwide to complete additional handwashing training.



### Increased deep cleaning:

Throughout the day, restaurant teams put an emphasis on cleaning high-touch areas, in many cases every 15 minutes.



### Introduced social distancing:

Restaurants used social distancing signs and floor decals to promote distance between customers and team members.



### Enhanced order safety precautions:

We promoted and used no-contact and limited-contact ordering and the Wendy's app to provide additional options for our team members and customers.



### Supported truck drivers:

While our dining rooms were closed, we introduced new walk-up ordering procedures to accommodate customers with oversized vehicles, such as truck drivers and first responders.







*Our restaurant teams transitioned to new, more casual uniform guidelines in 2020.*



The Company established WeCare in 2017 to provide short-term financial assistance to members of the Wendy's system who have been negatively affected by federal -or state/provincial-declared natural disasters and emergencies in the U.S., U.S. Territories and Canada.

As Wendy's faced the COVID-19 pandemic, short-term restaurant closures, and government-imposed curfews that disrupted restaurant operations, we made sure that WeCare was available to support team members who suffered financially due to these unforeseen circumstances.

WeCare also continues to be available for those affected by natural disasters, like hurricanes or wildfires.

Since its inception, WeCare has provided more than \$120,000 in financial assistance to 250 Wendy's family members.



**WeCare was just one of many ways we supported Company employees during the pandemic. The Company also created and modified some of its benefits to better support the unique challenges our employees were facing:**



#### **Emergency paid sick leave**

In 2020, we expanded paid sick leave to include Emergency Paid Sick Leave for eligible U.S. hourly Company employees. This program was designed to respond to the needs of employees affected by COVID-19, encourage employees to stay home if they are symptomatic and seek testing if symptoms are present. The policy provides up to 14 days of paid leave annually for COVID-19 related challenges, including those who act as a caregiver for eligible family members. In 2021, we expanded our paid sick time policy to provide paid sick time to all eligible part-time hourly employees on a permanent basis.



#### **Restaurant recognition pay**

To recognize and support our Company restaurant employees, the Company implemented Restaurant Recognition Pay for Company restaurant teams. Hourly crew members, shift managers and assistant general managers in Company restaurants received a 10% increase in hourly pay in April and May. Additionally, we protected bonuses

for Company general managers and district managers through September to ensure managers weren't penalized for impacts to business performance that were outside their control due to COVID-19.



#### **Supporting employee wellness**

All Company employees—whether enrolled in a company medical plan or not—have access to our Employee Assistance Program (EAP), which provides free, confidential 24/7 counseling support for a wide variety of topics. Further, all U.S. Company employees have access to telehealth and can see a board-certified doctor at a low cost.



#### **Global Restaurant Team Appreciation Week**

Wendy's strong culture of recognition was especially important in 2020, when the world depended on restaurants to sustain and uplift the communities they serve. Our restaurant teams remained dedicated to supporting one another and our customers, and our Wendy's family made it a priority to show our appreciation. In mid-May, we launched the first-ever Global Restaurant Team Appreciation Week around the world to recognize, celebrate and say "thank you" to all district managers, restaurant managers and team members across the Wendy's system.



## Supporting our Company employees every day



### Enhanced employee benefits

In 2020, we announced several enhancements to the array of Company employee benefits that make Wendy's a great place to work. These changes, effective at the beginning of 2021, include:

#### Expanded paid sick time

In 2021, we expanded our paid sick time policy to provide paid sick time to all eligible part-time hourly employees on a permanent basis. Accrued sick time can be used for absences due to illness, injury and any other medical condition, including medical, dental and vision appointments, whether for treatment or preventative care, for employees and their applicable family members. It can also be used to receive the COVID-19 vaccine.

#### Parental bonding

We have enhanced our parental bonding leave for all eligible Company employees following the birth or adoption of a child and will support our working mothers by reimbursing the cost of shipping breast milk during overnight business travel.

### Flex work

For much of the year, many of our Restaurant Support Center and field office employees worked remotely and had to be flexible and adaptable to stay connected as a team. We quickly learned that our business could be successful in this new way of working, so the Company adopted a Flex Work Program that provides eligible office-based employees with options for flexibility in their work schedules and locations while allowing teams to maintain productivity and culture.

### Training and development

To set our team members up for success and help them achieve their personal development goals and career growth, we invest in training and development programs at all levels within the Company. In 2020, Wendy's team members completed nearly 5 million hours of foundational training systemwide, including a mix of online and hands-on training in the restaurant. We recertify every restaurant team member in food safety training annually to reinforce food safety standards and procedures. Across the system, restaurant team members dedicate an additional 700,000 training hours each year to supporting the introduction of new products and procedures. Restaurant managers and multi-unit operators can participate in Wendy's University, which includes targeted training

to develop management and leadership skills. Wendy's University also provides programming for Company management, including diversity training, people manager training, leadership dialogues and the opportunity to participate in third party conferences and training.

### Engagement and culture

For the last five years, we have administered our Voice of Wendy's employee engagement survey for all Company employees, and we also make it available for franchisees. This year, nearly 50,000 Company and franchise team members across the Wendy's system provided feedback, an increase among all populations (franchise restaurant employees, Company-operated restaurant employees and Company support/corporate employees). All three groups' engagement scores outperformed industry benchmarks.

We also are proud of our Company-operated restaurants, which have been a leader in the industry when it comes to retaining our employees. For the third straight year, we were recognized by Black Box Intelligence, a third-party firm that measures restaurant industry performance on several key people metrics, as its Global Best Practice winner in the quick service restaurant segment based on our turnover rates relative to our peers.





## RECOGNITION

20

Make Your  
Mark Leaders

200

Top General  
Managers

22

Employees  
of the Year

6

Best Practices  
Awards

100

Score on the Human  
Rights Campaign's  
Corporate  
Equality Index

13

Global  
Excellence  
Awards

## Community

### Supporting social justice

In the midst of the pandemic, we witnessed the tragic death of George Floyd—another in a pattern of reprehensible events that have happened far too often. Our Wendy's values demand that we Treat People with Respect and Do the Right Thing, and we applied those values as we [supported](#) efforts to address systemic racism.

A company advisory group consisting of Black leaders and others in our organization helped to identify and prioritize the Company's specific actions taken to support the Black community and to help our employees, our organization and our communities progress forward. We have established new strategic external partnerships with organizations that are committed to eliminating racism and advocating for justice, equity and equality for all. In addition to the expansion of our existing partnership with the Thurgood Marshall College Fund, we developed partnerships with the YWCA Columbus and the Columbus Urban League. We also allocated a portion of our [\\$500,000](#) donation to be directed by our employees to ensure Wendy's could support worthy causes throughout our global restaurant footprint.



*"Help others succeed. Give everyone a chance to have a piece of the pie. If the pie's not big enough, make a bigger pie."*

—DAVE THOMAS

We strive to bring our values to the communities where we do business. While we know that we cannot achieve change on our own, we intend to be part of the solution.



### Thurgood Marshall College Fund

On July 2, Wendy's handed over the "microphone" on our Twitter and Instagram accounts to the Thurgood Marshall College Fund so people could learn more about its work on behalf of students from Historically Black Colleges and Universities. Wendy's has supported the Thurgood Marshall College Fund Leadership Institute since 2019.



### YWCA Columbus

Wendy's is proud to partner with the YWCA Columbus in support of its mission to eliminate racism and empower women. Our investment in the YWCA Columbus Leadership and Social Justice Department helped to fund the launch of YWCA Columbus' diversity, equity and inclusion training services to help increase racial literacy and advance racial equity in central Ohio. This year Wendy's also sponsored YWCA Columbus' first virtual racial equity training event, "Activists and Agitators."



### Columbus Urban League

Wendy's and the Columbus Urban League partnered to develop Wendy's Workforce Institute - a paid training experience for young adults in the Central Ohio community that gives participants a three-week inside look at the value of starting and building careers at Wendy's. When they complete the program, participants can interview with a local restaurant leadership team and, if hired, receive five credits toward their required training.



*During COVID, Wendy's Workforce Institute gave young people an opportunity. Their parents may have lost jobs, they may not have been able to pay their rent or their utilities. People who weren't working couldn't buy food. It gave these young people an opportunity to be the economic providers for their families.*

– Stephanie A. Hightower, President and Chief Executive Officer, Columbus Urban League

## Community

### Community-based giving

In December 2020, we [announced](#) a new community-based giving program that benefited 23 charitable organizations as part of the promise we made in June to donate at least \$500,000 to support social justice, youth and education in the Black community. Part of that commitment is directed by our employees to ensure we support worthy causes throughout our global restaurant footprint.

Each organization has a specific community focus. For example, AZCAAR works to improve the life challenges facing African Americans in Arizona and to act as a resource for those who serve the African American community, in areas that include civic engagement, communications, criminal justice, economics, education, health and well-being, leadership and racial equity. [Mississippi Families for Kids](#) provides educational services and specialized training to ensure the permanency and well-being of children and families, with top priority given to children in the adoption and foster care systems. In Toronto, Tropicana Community Services offers daycare, youth development, educational, employment services and other culturally aware supports to the Black and Caribbean community in Canada and others in need.

## Give Something Back

### Dave Thomas Foundation for Adoption

In 1992, Wendy's founder Dave Thomas gave adoption a national platform by founding the Dave Thomas Foundation for Adoption®. Its singular mission is to find forever families for children in foster care.

In 2020, the Foundation announced that its signature program, [Wendy's Wonderful Kids](#)®, has helped find adoptive homes for more than 10,000 children in foster care across the U.S. and Canada. Ten thousand children now have a forever family to love and support them and be there every step of the way as they grow into adults with families of their own.

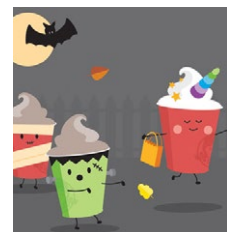
This milestone is especially important as COVID-19 had a major impact on the Foundation and the needs of children in foster care have become even more critical. When many other systems came to a halt, Wendy's Wonderful Kids recruiters pushed for youth to move into pre-adoptive homes, nudged decision makers to think creatively and encouraged local judges to facilitate virtual adoption hearings.

In addition, the Company directly helped raise more than \$15.5 million for this worthwhile cause, bringing the total since its inception to more than \$235 million. Highlights from this year include:

*The beauty of 10,000 adoptions is more than a large number, more than a significant goal attained. It's an achievement that represents a seismic shift in changing a child welfare system that too often disregards the rights and needs of children; that allows thousands to age out of foster care into homelessness or despair; that perpetuates the myth that some children are too old to be adopted, or too difficult to care for.*

—Rita Soronen, President & CEO  
Dave Thomas Foundation for Adoption

- In 2020, we adjusted several of our traditional fundraising events, like our annual franchise and supplier convention and The Dave golf tournament. Instead, we hosted a virtual Wendy's Family Night fundraiser where nearly 500 members of the Wendy's family raised a record-breaking \$2.7 million for the Foundation.
- Available in the fall, [Boo! Books](#)™ cost one dollar for five free Jr. Frosty® coupons; 85 cents of each purchase is donated to the Foundation. This year, we raised more than \$4 million in support of the Foundation.





- Wendy's annual [Frosty® 5K Run for Adoption](#) also went virtual and welcomed more than 1,600 participants from around the world – including Canada, Guatemala and Egypt. Together, we raised more than \$80,000 to support children in foster care.
- Frosty Key Tags are available for purchase from November through January and consumers can use them all year to get a free Jr. Frosty with any purchase. Eighty-five percent of every \$2 tag sold benefits the Foundation. In 2020, we introduced a digital [Frosty Key Tag](#) in the Wendy's app which can be applied to mobile orders or used for in-restaurant scanning. This year, we raised more than \$7 million through the key tag program.
- During National Adoption Awareness Month (November), we welcomed back a fan-favorite promotion with our generous partners at Dr Pepper® and Coca-Cola®. Wendy's customers could visit our mobile app to [redeem an offer](#) for a free beverage of any size with purchase. With each offer redemption, Dr Pepper and Coca-Cola donated \$5 to the Foundation, for a total of \$500,000 raised.

Every year, more than 20,000 young people leave foster care without a permanent family.

No matter the circumstances, we must do everything we can to support these children. Together, we will achieve Dave Thomas' vision that every child will have a permanent home and a loving family.

### Community ambassadors

In March, Wendy's named 11 Company employees Community Ambassadors for their commitment to supporting and improving their local communities through volunteerism. Through the [Wendy's Community Ambassador Grant Program](#), individuals received a \$2,500 grant for an organization they support with their time and talents.

### Giving back to our communities

#### Wendy's Frosty Cart



Wendy's new Frosty Cart visited Nationwide Children's Behavioral Health Care Center in Columbus, Ohio to serve chocolate and vanilla Frosty treats, along with a Build Your Own Frosty Sundae option, to the Center's staff.

### South Delhi, India



A Wendy's restaurant team in south Delhi, India's Kalkaji area stocked and distributed essential goods, and team members offered their personal vehicles to deliver perishable goods and other essential items to the general public in need.

### Goodr Atlanta



Wendy's and a local franchisee in the Atlanta area partnered with Goodr in August 2020 to help feed the residents of the Peoplestown neighborhood and surrounding communities. Five hundred families received food through a combination of a pop-up grocery store activation and at-home delivery.





# FOOTPRINT

Delivering more with less environmental impact

2020 CORPORATE RESPONSIBILITY REPORT

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



## Sustainable packaging

In 2020, a cross-functional Wendy's team spent more than six months consulting with internal and external stakeholders, including suppliers, third-party partners and academic institutions, to set benchmarks and incremental goals to improve Wendy's packaging footprint. The continued work of this team will support a new, ambitious packaging goal.

### GOAL



**Wendy's is committed to sustainably sourcing 100% of our customer-facing packaging by 2026.**

To accomplish this, over the next five years, Wendy's will optimize our customer-facing packaging and transition to sustainable options, including items that:

- Have higher recycled content<sup>6</sup>
- Use fewer raw materials
- Adhere to an established restricted substance list<sup>7</sup>
- Are recyclable, compostable or reusable<sup>8</sup>
- Are sourced from areas that do not contribute to deforestation<sup>9</sup>

We continue to set additional incremental goals and make progress. In the U.S., we are establishing a restricted substances list, exploring strawless lids and using a Company-operated restaurant to test innovative packaging ideas. In Canada, we are moving from plastic salad bags to paper and from plastic stir sticks to birch wood stir sticks. Further, we anticipate full elimination of per- and polyfluoroalkyl substances, commonly called PFAS, from consumer-facing packaging in the U.S. and Canada by the end of 2021.

<sup>6</sup> Recycled content is the proportion, by mass, of recycled material in packaging. Recycled material is material that has been reprocessed from recovered material by means of a manufacturing process and made into a final product or into a component for incorporation into a product.

<sup>7</sup> Work with third-parties to ensure transparency and accountability to avoid any known chemicals of concern, such as PFAS.

<sup>8</sup> Recyclable packaging can be diverted from the waste stream through available processes and programs and can be collected, processed and returned to use in the form of raw materials or products. Compostable packaging means that it undergoes degradation by biological processes during composting to yield CO<sub>2</sub>, water, inorganic compounds, and biomass at a rate consistent with other known compostable materials and that leaves no visible, distinguishable, or toxic residue. Reusable packaging means that it has been conceived and designed to accomplish within its lifecycle a certain number of trips, rotations or uses for the same purpose for which it was conceived. No packaging shall be claimed to be reusable or refillable unless the product or packaging can be reused or refilled for its original purpose.

<sup>9</sup> All consumer-facing paper, fiber and pulp-derived packaging materials will hold applicable certification or equivalent by 2026 (e.g., Sustainable Forestry Initiative, Forest Stewardship Council, or Programme for the Endorsement of Forest Certification).

## NEXTGEN CONSORTIUM



In 2019, Wendy's became a supporting partner of the NextGen Consortium, a collaboration managed by Closed Loop Partners that is devoted to finding global solutions to reduce single-use food packaging waste. We continue to work closely with NextGen Consortium as it expands its work beyond its initial focus on fiber to-go cups. NextGen is now working to identify even more opportunities to advance the design, commercialization and recovery of packaging alternatives – from new materials and recovery strategies to reusable packaging systems that keep materials in use for as long as possible.

## Squarely Sustainable Council

Wendy's employee-led Squarely Sustainable Council brings together passionate employees and subject matter experts to advance environmental efforts at our Restaurant Support Center. During 2020, the Council initiated several events that covered topics such as solid waste solutions, sustainable packaging and operational efficiencies. We are working to leverage the input of the Council to help inform sustainable practices in our new flexible work environment.

## Climate and energy

### Our journey to greenhouse gas (GHG) reduction targets

In 2020, Wendy's completed our first GHG inventory, which measured our Scope 1 and 2 emissions of natural gas, propane, gasoline and electric power at all Company-operated restaurants as well as in fleet vehicles and in corporate offices in calendar year 2019.

In our second inventory covering calendar year 2020, we found these locations used approximately 734,000 gigajoules, of which approximately 63% was electricity from local grids. Overall GHG emissions were reduced by 6.3% from 2019 levels, with the bulk of this change occurring within Scope 2 emissions.

Using these findings, Wendy's has outlined a roadmap to help us achieve more reductions and increased transparency for our emissions across our supply chain.

#### GOAL



**Wendy's will benchmark, track and reduce our Scope 1, Scope 2 and Scope 3 GHG emissions and set a science-based target by the end of 2023<sup>10</sup>.**

### By the end of 2021:

- Benchmark and report our 2020 total Scope 1 and 2 GHG emissions to CDP
- Conduct a lifecycle assessment on Scope 3 including our Scope 3 supply chain emissions from agriculture and land use change
- Commit to the Science-Based Target initiative and begin developing a target for Scopes 1, 2 and 3

### By the end of 2022:

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

### By the end of 2023:

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

Wendy's will report to [CDP](#) and participate in the Climate section for the 2020 calendar year. This work provides a framework to shape our evolving sustainability program.

## Energy conservation

Keeping food fresh, cooking and serving it while creating a safe, comfortable environment for our customers and crew requires energy. As part of our sustainability mission, Wendy's is working on multiple fronts to reexamine and reduce the ways our restaurants consume energy in their day-to-day operations.

### Better Buildings Challenge

In 2015, Wendy's was among the first restaurant brands to sign on to the U.S. Department of Energy's Better Buildings® Challenge – and the first restaurant company to include its franchisees in the Challenge. Nineteen franchise owners representing nearly 1,400 restaurants are currently participating in the Challenge. Using 2012 as our baseline year, we committed to reducing energy consumption in Company-operated restaurants by 20% per transaction by 2025. In 2020, Wendy's achieved a 15% reduction in energy per square foot for our Company operations against our 2012 baseline.

*Wendy's ongoing commitment to energy efficiency throughout its organization shows tremendous leadership. As a Better Buildings Challenge partner, Wendy's is driving greater energy savings at company and franchise restaurants. This organizational prioritization of greater efficiency saves dollars, creates jobs and drives innovation in the food service sector.*

**—Maria T. Vargas, Director of the Better Buildings Initiative at the U.S. Department of Energy**

<sup>10</sup> Scope 1 emissions are defined as direct company GHG emissions; Scope 2 as indirect emissions derived from energy sources (electricity, steam, heat and cooling); and Scope 3 is all indirect upstream and downstream emissions that occur in the value chain, excluding indirect emissions associated with power generation (which is included in Scope 2). As part of the lifecycle assessment we are conducting on our most material ingredients, we will also identify areas for GHG emission reductions. That assessment will further identify areas for climate goal setting, identify relevant and material Scope 3 GHG emission categories for Wendy's and help to develop a roadmap for Scope 3 reporting. All of this information will help inform our Science Based Target for our GHG roadmap.



### Wendy's Energy Score

In partnership with Go Sustainable Energy, Wendy's developed a statistical proprietary model to analyze Wendy's energy usage at company restaurants and franchisees participating in the Better Buildings Challenge. This tool, known as the Wendy's Energy Score, was created using a similar methodology that is used by the Environmental Protection Agency to develop their ENERGY STAR® Energy score, which is not currently available for restaurants. The Wendy's Energy Score provides a score of 0-100, with the higher the score reflecting the better energy performance.

The Wendy's Energy Score is used to benchmark and prioritize energy investments. Not surprising, the Wendy's smart building design consistently ranks in the top quartile demonstrating their better energy performance. These same buildings rank among the most efficient in the Better Buildings Challenge when looking at energy per transaction.



### Award-winning energy leadership

In 2020, Wendy's was awarded the 2020 Energy Efficiency Innovation award by AEP Ohio®, the state's largest utility provider. This award was given for our ongoing efforts to reduce energy and support our franchisees in energy reduction efforts. Wendy's continues to innovate by benchmarking energy use and demonstrates energy reduction in operational improvements and strategic energy investments, such as LED parking lot light upgrades, walk-in cooler upgrades and HVAC replacements.

### Saving energy in HVAC

Wendy's engages key partners in sustainable business practices to help us improve the ways our equipment operates and how we purchase and use energy. One significant energy use in a restaurant is heating, ventilation and air conditioning. In our ongoing effort to find deep energy retrofit solutions, Wendy's piloted and rolled out energy management systems with GridPoint® and Transformative Wave® at more than 50% of our Company restaurants.

GridPoint's platform captures real-time, equipment-level energy and facility data to understand how our buildings are operating and to identify inefficiencies. The system then optimizes HVAC run-times and electrical demand while prioritizing customer comfort to make our restaurants more efficient. This means less energy used, lower utility costs, and less CO2 emissions coming from our restaurants.

To-date, we have installed GridPoint systems at more than 300 Wendy's locations, with 110 having been installed in 2020 alone.

Also in 2020, Wendy's installed Transformative Wave HVAC upgrades and ventilation control solutions at 79 Company-operated restaurants. Transformative Wave reduces the HVAC energy needed while improving the 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. Our initial pilot locations have now been in operation for one year, with energy use down 15% and GHG emissions down by 10% in 2020 compared to 2019.

Each of these systems has had its approach validated using standards set under the International Performance Measurement and Verification Protocol, and the improvement can take place without overhauling a restaurant's physical HVAC systems.

GRIDPOINT

tw transformativewave





*We are excited to be the first Wendy's franchise organization to achieve, and exceed, the 20% energy reduction goal. We entered the Better Buildings Challenge to help better the community, grow our business and improve operations, which will also lead to new opportunities for our franchise organization and our people.*

—Raul Dominguez, Wendium of Florida, Inc



## OUR CLIMATE JOURNEY

**2009**

Began tracking energy use and identifying conservation opportunities.

**2014**

Implemented significant energy reduction projects, including converting the parking lot lights to LED at more than 550 restaurants.

**2015**

Joined the Better Buildings Challenge.

**2016**

Extended our participation in the Better Buildings Challenge to include franchisees.

Introduced the Smart family of energy efficient Wendy's restaurants.

**2019**

Partnered with GridPoint and Transformative Wave on HVAC upgrades, resulting in significant energy saving.

**2020**

Expanded our climate strategy to include forward-looking GHG milestones and goals.

[Click](#) to see our full climate journey.

## Water conservation

**Water is a necessary part of any foodservice business, from preparation to cleanliness and sanitation to heating and cooling needs. Wendy's is working to eliminate water waste in our restaurants and innovate better ways to use our resources where we can.**

### Better Buildings Water Challenge

Wendy's joined the Department of Energy's Better Buildings® Water Challenge in 2019. We set a goal to reduce the water use in U.S. Company restaurants by 20% by 2029 against our 2018 baseline year. In 2020, we are happy to report that we have already achieved a total of 15% reduction against our 2018 baseline and are on track toward meeting our 20% goal by our targeted deadline.

We are also proud to have two franchise organizations, which represent 200 restaurants, participating in the Better Buildings Water Challenge. Both share in our goal of reducing water use by 20% by 2029 against our 2018 baseline.

### Water-Saving Kitchen Equipment

Over the past three years, Wendy's has been converting to new automated dishwashing equipment that reduces the average water use for dish washing by 47% per cycle. Nearly 1,000 of these warewash units have now been installed

at Company-owned and franchise locations. Thanks to these upgrades, the total annual water reduction is more than 84,000 kGallons per year—enough water to fill more than 7,700 Olympic-sized swimming pools.

### Reducing irrigation water use

When irrigation is needed for landscaping, it is important that the systems are operating properly and efficiently to minimize water waste. Wendy's is piloting smart irrigation systems that automatically adjust the irrigation water use based on weather and soil conditions. The system also provides real-time leak alerts to prevent wasting water. The early results are very promising, with more than a 50% reduction in irrigation water use in the first few months. We are on track to save more than 1,000,000 gallons of irrigation water in 2021 from this pilot program.



## Deforestation



We recognize the global threat of deforestation, and we are committed to minimizing the risk as we continue to grow. All the fresh, never-frozen beef<sup>1</sup> served in U.S. and Canadian restaurants, which represents more than 90% of our total restaurant footprint, comes from North American farms and ranches. Our commitment also applies to our palm oil supply, for which we align to the globally recognized Roundtable on Sustainable Palm Oil and contribute to the production of certified sustainable palm oil. We plan on analyzing our total Scope 3 supply chain to identify risks such as deforestation as we conduct our lifecycle assessment scheduled for 2021. For a full list of our responsible sourcing efforts, please see the [Food section of this report](#).

<sup>1</sup> Fresh beef available in the contiguous U.S., Alaska and Canada.



## Food waste

With our focus on fresh ingredients and making our food to order every day, we have developed an efficient food distribution and operation system to enable our operations to run smoothly. It also means we rarely have significant leftovers to dispose of or donate. We're committed to further minimizing our waste and developing food waste solutions that will help protect our environment.



### Partnering with Solid Waste Authority of Central Ohio

In 2020, Wendy's partnered with the Solid Waste Authority of Central Ohio to pilot a food waste diversion program in Columbus, Ohio. This pilot program will be valuable to help us optimize our approach to restaurant food waste diversion and proper procedures and training for the team. Using what we've found, Wendy's and the Solid Waste Authority of Central Ohio are jointly exploring how waste diversion approaches might work for Wendy's at scale.

### Food waste in our quality assurance program

As part of our commitment to quality, Wendy's assesses our products every day in a lab at our Restaurant Support Center. In 2019, our Quality Assurance department performed a detailed

analysis of how much food we use for necessary testing processes. Without sacrificing critical evaluations or product quality, we were able to optimize our approach and use 46,000 fewer pounds of product samples a year. Continuing to find efficiencies, in 2020, we were able to donate nearly \$100,000 worth of food to the Mid-Ohio Food Collective. Wendy's intends to continue this food donation initiative in 2021 and beyond.



# 46,000

fewer pounds  
of product samples  
in 2020



# \$100,000

worth of food  
to Mid-Ohio  
Food Collective in 2020



# METRICS

Reporting

2020 CORPORATE RESPONSIBILITY REPORT

**GOOD** DONE  
RIGHT.

## Metrics



### Food

Our materiality assessment informs our ESG strategy and helps prioritize our efforts in the most important areas moving forward. Based on these results, we defined metrics for our focus areas to track and report our progress annually.

Topic	Metric	2020	External Framework Alignment	
			SASB	GRI
Food Safety	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 2020. Additional information is included in the <a href="#">Food Safety</a> section of our report.	FB-RN-250a.2	
Responsible Sourcing	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	5% 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. 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	2020	SASB	GRI
<b>Responsible Sourcing</b>	Percentage of food purchased that meets environmental and social sourcing standards <sup>11</sup>		FB-RN-430a.1	
	<b>All ingredients:</b> Wendy's Code of Conduct (U.S. and Canada restaurants)	100%	FB-RN-430a.1	
	<b>Beef:</b> Progressive Beef (U.S. restaurants)	40%	FB-RN-430a.1	
	<b>Beef:</b> Beef Quality Assurance (U.S. restaurants)	100%	FB-RN-430a.1	
	<b>Beef and Pork:</b> Professional Animal Auditor Certification / North American Meat Institute Animal Welfare (U.S. and Canada restaurants)	100%	FB-RN-430a.1	
	<b>Chicken:</b> Professional Animal Auditor Certification / National Chicken Council Animal Welfare (U.S. restaurants)	100%	FB-RN-430a.1	
	<b>Chicken:</b> Raised Without Antibiotics Important to Human Medicine <sup>12</sup> (U.S. restaurants)	100%	FB-RN-430a.1	
	<b>Pork:</b> Pork Quality Assurance Plus (U.S. restaurants)	100%	FB-RN-430a.1	
	<b>Fish:</b> Marine Stewardship Council (U.S. restaurants)	100%	FB-RN-430a.1	
	<b>Dairy Products:</b> National Dairy FARM Program (U.S. restaurants)	100%	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)	100%	FB-RN-430a.1	
	<b>Palm oil:</b> Roundtable on Sustainable Palm Oil (U.S. and Canada restaurants)	Additional information can be found on our <a href="#">Responsible Sourcing</a> webpage.	FB-RN-430a.1	

<sup>11</sup> Wendy's primarily operates in the United States, 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 Canadian restaurants.

<sup>12</sup> We require all chicken suppliers in the U.S. to maintain the Raised Without Antibiotics Important to Human Medicine certification by the United States Department of Agriculture Process Verified Program.





## People

## External Framework Alignment

Topic	Metric	2020	SASB	GRI
Community	Charitable giving as cash per year	The Company, together with franchises and employees, raised more than \$15.5 million to DTFA ( <a href="#">Give Something Back</a> ) and the Company donated more than \$500,000 to additional charitable organizations ( <a href="#">Community</a> ).		
	Number of children adopted through DTFA	Refer to the <a href="#">Give Something Back</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-and franchise-owned restaurants	Company-owned restaurants: 361 Franchise-owned restaurants: 6,467	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 14,000 as of year-end 2020.  Approximately 225,000 team members work across our franchised locations globally.	FB-RN-000.B	
	Franchisee financial health reviews <sup>13</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 2019, our franchisee sales in the U.S. grew by approximately 4% compared to the prior year. These strong sales allowed the system to grow EBITDA dollars by approximately 6% in 2019.		

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



			External Framework Alignment	
Topic	Metric	2020	SASB	GRI
People	Total number of jobs created, by employment category, at company-owned 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="#">Training and Development</a> section of our report.		401-1
	Percentage of diversity representation (1) across the workforce, (2) at senior management level, and (3) at board level	Refer to the <a href="#">Diversity and Inclusion</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 : 0.94 to 1 : 1.01 (male : female).  For our U.S. Company employees at levels above restaurant, the base salary ratio ranges from 1 : 0.96 to 1 : 1.05 (male : female).		405-2
Labor Practices	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



			External Framework Alignment	
Topic	Metric	2020	SASB	GRI
Climate Action	Total energy consumed <sup>14</sup>	733,971 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	62.7% Additional information is included in the <a href="#">Climate and Energy</a> section of our report.	FB-RN-130a.1	
	Percentage renewable energy consumed <sup>15</sup>	0% 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 <sup>16</sup>	14,214 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: 55,035 MTCO <sub>2</sub> e Market-Based: 54,400 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	Wendy's is conducting a lifecycle assessment on Scope 3 emissions, including our Scope 3 supply chain emissions from agriculture and land use, to further identify areas for climate goal setting; identify relevant and material scope 3 GHG emissions categories for Wendy's; and help to develop a roadmap for Scope 3 reporting. Additional information is included in the <a href="#">Climate and Energy</a> section of our report.		305-3

<sup>14</sup> Total energy consumed includes Diesel – Mobile, Diesel – Stationary, Natural Gas, Propane, Gasoline, and Electric Power used, converted to gigajoules (GJ)

<sup>15</sup> Wendy's is evaluating potential renewable energy contracts for company operations in 2021 and beyond.

<sup>16</sup> Scope 1 emissions does not include fugitive refrigerant emissions from company operations or diesel emissions from emergency generators at the DRSC office. This data is not currently available for calendar year 2020.





			External Framework Alignment	
Topic	Metric	2020	SASB	GRI
Packaging and Waste	Total amount of waste	Refer to the <a href="#">Food 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	
	Percentage of packaging made from recycled and/or renewable materials	In 2020, Wendy's consulted with internal and external stakeholders, including suppliers, third-party partners and academic institutions to improve our packaging footprint. As a result of this work, we have set an ambitious new packaging goal—we committed to sustainably sourcing 100% of our customer-facing packaging by 2026.  Additional information is included in the <a href="#">Sustainable Packaging</a> section of our report.	FB-RN-150a.2	301-2
	Percentage of packaging that is recyclable, reusable, and/or compostable		FB-RN-150a.2	
Water <sup>17</sup>	Total water withdrawn	226,546 kgal Additional information is included in the <a href="#">Water Conservation</a> section of our report.	FB-RN-140a.1	303-3
	Total water consumed <sup>18</sup>	35,525 kgal Additional information is included in the <a href="#">Water Conservation</a> section of our report.	FB-RN-140a.1	303-5
	Percentage of water withdrawn in High Water Stress Markets	We have undertaken a water risk assessment of our Company-operated restaurants and are in the process of developing a water action plan based on this assessment. Additional information is included in the <a href="#">Water Conservation</a> section of our report.	FB-RN-140a.1	303-5
	Percentage of water withdrawn in Extremely High Water Stress Markets			

<sup>17</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>18</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 for the first time this year.

Topic	Metric	Code	2020
Energy Management	(1) Total energy consumed <sup>19</sup> , (2) percentage grid electricity, (3) percentage renewable <sup>20</sup>	FB-RN-130a.1	(1) Total energy consumed: 733,971 GJ (2) Percentage grid electricity: 62.7% (3) Percentage renewable: 0%  Additional information is included in the <a href="#">Climate and Energy</a> section of our report.
Water Management <sup>21</sup>	(1) Total water withdrawn, (2) total water consumed <sup>22</sup> , percentage of each in regions with High or Extremely High Baseline Water Stress	FB-RN-140a.1	(1) Total water withdrawn: 226,546 kgal (2) Total water consumed: 35,525 kgal  We have undertaken a water risk assessment of our Company-operated restaurants and are in the process of developing a water action plan based on this assessment.  Additional information is included in the <a href="#">Water Conservation</a> section of our report.
Food and Packaging Waste Management	(1) Total amount of waste, (2) percentage food waste, and (3) percentage diverted	FB-RN-150a.1	Refer to the <a href="#">Food 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	In 2020, Wendy's consulted with internal and external stakeholders, including suppliers, third-party partners and academic institutions to improve our packaging footprint. As a result of this work, we have set an ambitious new packaging goal—we committed to sustainably sourcing 100% of our customer-facing packaging by 2026.  Additional information is included in the <a href="#">Sustainable Packaging</a> section of our report.

<sup>19</sup> Total energy consumed includes Diesel – Mobile, Diesel – Stationary, Natural Gas, Propane, Gasoline, and Electric Power used, converted to gigajoules (GJ)

<sup>20</sup> Wendy's is evaluating potential renewable energy contracts for company operations in 2021 and beyond.

<sup>21</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>22</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	2020
Food Safety	(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	No recalls were issued in 2020.  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	Refer to the <a href="#">Food Safety</a> section of our report for information on our approach to food safety.
Nutritional Content	(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	2020
Labor Practices	(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.
Supply Chain Management and Food Sourcing	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 and on <a href="#">p. 42</a> 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) 5% of the eggs we purchased for our U.S. restaurants were cage-free (2) We are on track to meet our 2022 commitment.  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-owned and (2) franchise restaurants	FB-RN-000.A	(1) Company-owned restaurants: 361 (2) Franchise-owned restaurants: 6,467
	Number of employees and team members at (1) Company-owned and (2) franchise locations	FB-RN-000.B	(1) The number of Company employees worldwide, including our corporate employees and company-operated restaurant employees, was approximately 14,000 as of year-end 2020. (2) Approximately 225,000 team members work across our franchised locations.

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



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