



**CORPORATE  
RESPONSIBILITY  
REPORT**

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**2023**



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This artwork was created by TRANSIT ARTS apprentice artist, Kendrell Mills. Kendrell is enrolled in Central Community House TRANSIT ARTS program, a citywide youth arts development program in Columbus, Ohio that engages young people with a variety of interactive, multi-disciplinary arts workshops, and performance and exhibit opportunities. In 2023, Wendy's employee resource groups partnered with the organization to host a creative arts event for employees at our Restaurant Support Center.



# A LETTER FROM KIRK TANNER

A LETTER FROM KIRK TANNER

Q&A WITH LILIANA ESPOSITO

GOALS AND KEY PROGRESS

BUSINESS SNAPSHOT



**Since Wendy's opened its doors in 1969, the brand has remained dedicated to freshness. That applies to our thinking as much as to our food. I am proud to lead the Wendy's family as President and CEO and support our next phase of growth on a global scale.**

When I look at Wendy's, I see the highest quality food in the quick-service industry. The brand's commitment to doing the right thing and never cutting corners is what attracted me first as a customer, and now as a member of the Wendy's family. Our strategic focus on driving global sales momentum, accelerating our digital business and expanding our footprint is key to becoming an even greater force for good in the world and I couldn't be more

excited about the strength of the business, the energy of our restaurant support teams and franchisees, and the opportunity in front of us.

Good Done Right is an integral part of our growth strategy, with a firm focus on the commitments we have made across our Food, People and Footprint pillars. To be truly sustainable in our business, we must consider our impact across the many stakeholders of Wendy's – our customers, our people, our shareholders and, of course, our communities and planet. Good Done Right is also good business. As we make headway on our goals, we deliver economic benefits such as savings and efficiencies for our restaurants while also improving our impact through energy and emissions reductions and more sustainable packaging. As we support our employees' growth and development, we also strengthen the communities in which we operate. And, as we certify that our priority food categories have been sourced and handled responsibly, we raise the standards of quality for which Wendy's is known even further.

Whether we're providing consistent quality and great value for our customers, supporting our employees, or being good stewards of our communities and planet, common principles apply. One is to never rest on past success: "good" is the launching pad for "better." Another is "show, don't tell." Our commitment to responsible business practices is meaningful only to the extent that we back it up with action, which we are pleased to highlight in this year's report.

We know our work alone can only take us so far. It's through partnership and collaboration that real change can be made. One of our strengths is how we partner and collaborate with the stakeholders within and outside our walls. These include our franchisees, our direct suppliers and the thousands of others who supply them, our employees and restaurant teams, our shareholders, and the industry and expert groups who help inform our work, drive progress and push past the status quo.

Guided by our principles and joined by our partners, we are working to help shape the future of fast-food – one that's inclusive, equitable and keenly focused on the advancement of people, care for the planet and constant focus on making our customers' lives better. It is a privilege to lead this exceptional organization, and I am excited to see the ways our ongoing endeavors will further mold and fuel the future of our business, industry and world.

Thank you for your support,

Kirk Tanner, President and CEO



# Q&A WITH LILIANA ESPOSITO

A LETTER FROM KIRK TANNER

Q&A WITH LILIANA ESPOSITO

GOALS AND KEY PROGRESS

BUSINESS SNAPSHOT



**Q&A with Liliana Esposito,  
Chief Corporate Affairs  
& Sustainability Officer**

### **Wendy's has chronicled a lot of achievements since beginning to report on Good Done Right progress. How would you characterize this work in 2023?**

Over this past year, we have continued focus on the goals we set under our Good Done Right strategy. We have been deliberate about making measurable progress and sharing results, all made possible through collaboration with our franchisees, supply chain and industry partners. For example, this was our second year reporting against our science-based emissions reduction targets and we are already advancing against our scope 1 and 2 targets, which focus on emissions generated from Company operations, and our franchisee scope 3 target, which aims to address emissions from our franchised restaurants.

As you'll see in these pages, whatever we can measure, we strive to improve upon year after year.

### **Wendy's founder Dave Thomas emphasized the importance of community. How is Wendy's sustaining that tradition today?**

Community applies both inside and outside our Company. We believe we are at our best when our teams reflect the communities we serve, and we continue to strive to build inclusive and equitable workplaces and communities. Within Wendy's, our seven Employee Resource Groups hosted more than 40 events this year, with a mission to foster an inclusive and welcoming work environment.

In the communities we serve, foster care adoption continues to be a focus as part of our founder's legacy. In 2023, total annual fundraising efforts, including Frosty Bool Books® and Frosty® Key Tags, raised more than \$27 million for the Dave Thomas Foundation for Adoption®. Our 30 years of championing foster care adoption stands alongside our support for other national and locally based causes that make a difference in the areas of hunger, youth development and community-building.

### **How is Wendy's continuing to make progress in food sourcing, quality and safety to meet the Company's emphasis on high-quality, fresh ingredients?**

A rigorous food safety and quality program is the foundation of our food strategy and our culture of food safety. This year, we continued our Restaurant Food Safety Assessments (FSAs) program in partnership with EcoSure, conducting more than 12,000 FSAs at Wendy's restaurants across the globe.

Our responsibility isn't limited to what happens inside our restaurants, as we use ingredients from a vast array of farmers and suppliers in our menu items. That's why we partner with our suppliers to establish and adhere to strict standards, which we affirm via audits conducted by third parties and Wendy's quality assurance experts, and why we set and are diligently working toward our responsible sourcing goal. Additionally, our investments in new technologies and systems underpin these efforts and make tracking and monitoring this work even more efficient and reliable.

### **What role do franchisees play in supporting Good Done Right progress to drive emissions reductions?**

Our relationships with franchise partners play a pivotal role in advancing our Good Done Right strategy. Our franchise partners' active involvement in reducing Wendy's scope 3 emissions is just one way our collaboration supports and brings us closer to our goals.

In 2023, we more than doubled the number of franchisees enrolled in Wendy's Energy Challenge (WEC) compared to 2022. Franchisees participating in WEC are showing incredible progress in reducing their energy consumption, contributing to a decrease in Wendy's scope 3 emissions. This year, we celebrated several franchisees for achieving a 20% or greater energy reduction from their base year.

In addition to realizing energy efficiency improvements, our franchisees are also beginning to source renewable energy through participation in Ampion's community solar program with bundled renewable energy certificates (RECs). Nearly 40 franchise-operated restaurants in New York and Illinois are enrolled to begin sourcing solar energy this year, and we're excited to recruit franchisees in Massachusetts once more solar capacity becomes available. This is in addition to the nearly 100 Company-operated restaurants enrolled in the program.

### **What is required to overcome obstacles to achieving your goals?**

Partnership and collaboration - within our full supply chain and across the broader industry - are critical to meeting our commitments and solving shared challenges.

For example, our total protein supply chain spans more than 20,000 farms and facilities, and we only have direct business relationships with a small number of these suppliers. In 2023, we made significant headway in forging new relationships and increasing supply chain visibility, particularly through our Animal Care Standards Program (ACSP). We will need to continue to enhance visibility and traceability, and establish deeper connections with suppliers and producers, to effect change further back in the supply chain. With the strides we have made through the ACSP, our responsible sourcing work and industry engagement, we are optimistic for what lies ahead and look forward to continuing this journey.



# GOALS AND KEY PROGRESS

A LETTER FROM KIRK TANNER

Q&A WITH LILIANA ESPOSITO

GOALS AND KEY PROGRESS

BUSINESS SNAPSHOT

## FOOD

	Goal year <sup>1</sup>	Status
<b>Responsibly source our top 10 priority food categories in the U.S. and Canada</b>	2030	
→ Have a comprehensive accounting of animal welfare best practices for beef, pork, chicken, eggs and dairy through the Wendy's Animal Care Standards Program.	2024	
→ Source 100% of our U.S. and Canadian beef, chicken and pork from suppliers that prohibit the routine use of medically important antibiotics. <sup>2</sup>	2030	
→ Achieve sector-specific targets through our membership with the U.S. Roundtable for Sustainable Beef (see responsible sourcing for more details).	Multiple	

<sup>1</sup> To be completed by the end of the goal year.

<sup>2</sup> To inform solutions that will aim to eliminate the routine use of medically important antibiotics, we will need to gain greater visibility into the use of antibiotics further upstream than our direct and approved raw materials suppliers. This will help us to better understand which antibiotics are being used and for what purposes. This applies to our beef and pork supply chains in the U.S. and Canada and our chicken supply chain in Canada. More information is available [here](#).

## PEOPLE

	Goal year	Status
<b>Increase the representation of underrepresented populations among our Company's leadership and management, as well as the diversity of our franchisees</b>	2025	
→ Increase representation of women in leadership	2025	
→ Increase representation of people of color in management and leadership	2025	
→ Understand and address what has been referred to as the "broken rung" of leadership	2025	
→ Increase representation of diverse and women-owned franchisees	2025	
→ Continue to drive diversity on the Board of Directors	2025	



On track



Needs attention



Ahead of pace

## FOOTPRINT

	Goal year	Status
<b>Compared to a 2019 base year, reduce:</b>		
→ Absolute Scope 1 and 2 greenhouse gas emissions by 47%	2030	
→ Scope 3 greenhouse gas emissions intensity by 47% per metric ton of purchased goods	2030	
→ Scope 3 greenhouse gas emissions intensity by 47% per franchise restaurant	2030	
<b>Through the U.S. Department of Energy's Better Buildings® Challenge, reduce energy consumption in Company-operated restaurants by 20% per transaction, from a 2012 baseline</b>	2025	
<b>Sustainably source 100% of our customer-facing packaging in the U.S. and Canada</b>	2026	



# BUSINESS SNAPSHOT

Fiscal Year 2023

INTRODUCTION

GOVERNANCE

FOOD

PEOPLE

FOOTPRINT

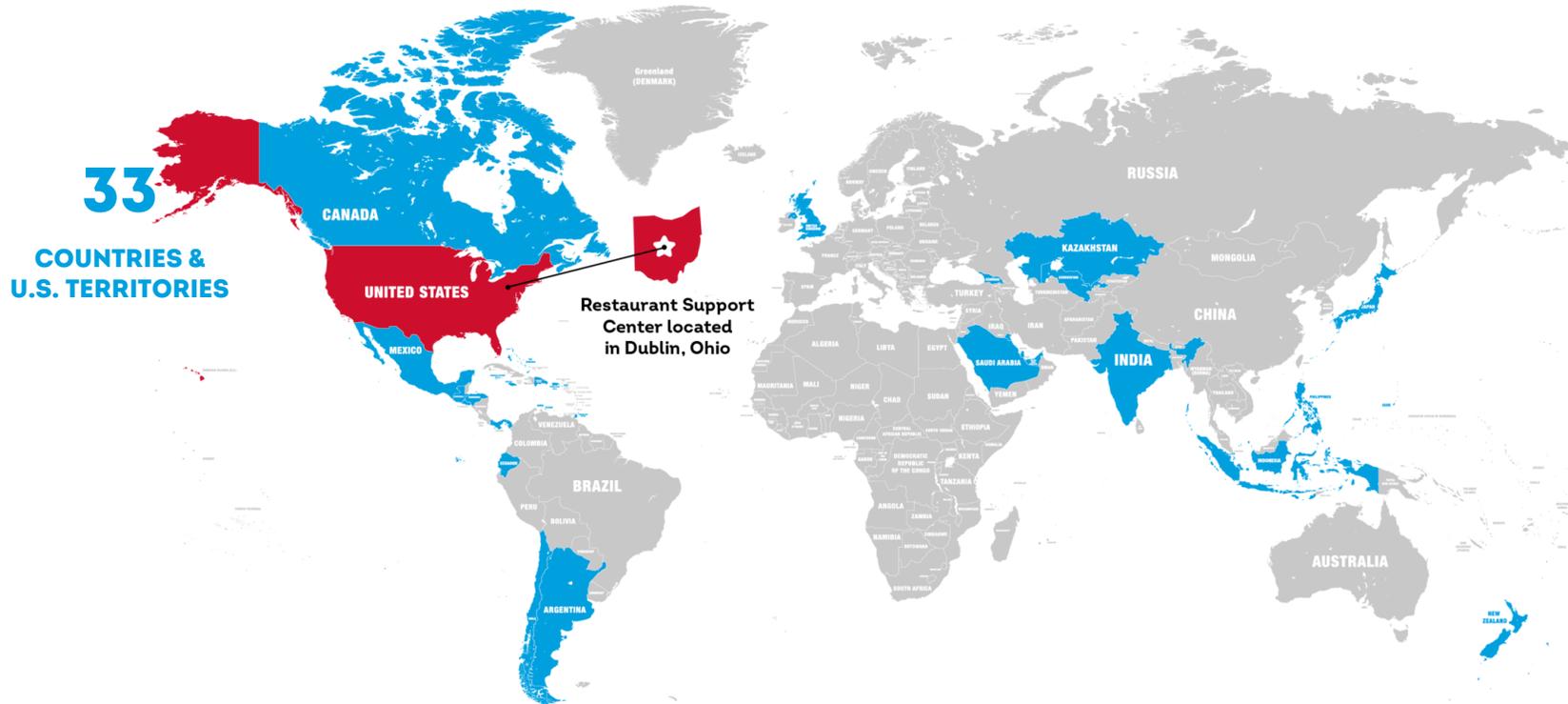
METRICS

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BUSINESS SNAPSHOT



**\$14.1B**

In Systemwide sales

**4.3%**

Global same-restaurant sales growth

**7,240**

Restaurants across the globe

**6,825**

Franchise-operated restaurants

**\$2.2B**

In revenue

**13%+**

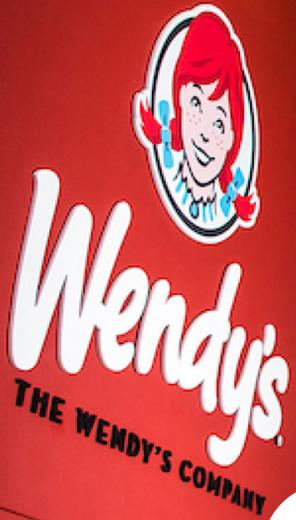
Global digital sales mix

**415**

Company-operated restaurants

**15,300**

Company employees



# GOVERNANCE

Stewarding our business responsibly

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



**OVERSIGHT AND MANAGEMENT**



**REPORTING AND STAKEHOLDER ENGAGEMENT**

## **MATERIAL ISSUES**

Board Diversity  
Ethical Business Practices  
Data Security & Privacy  
Responsible Marketing  
Brand Trust

## **OUR CONTRIBUTION TO THE SDGS**

**17** PARTNERSHIPS  
FOR THE GOALS





**Board of Directors**

Our directors have a diversity of experience and perspective that spans a broad range of industries in the public, private and not-for-profit sectors. They bring to our Board a wide variety of skills, attributes, qualifications and experiences that strengthen the Board’s ability to carry out its oversight role on behalf of our stockholders.

Our [Board of Directors](#) oversees the Company’s corporate governance strategy, policies and programs and monitors emerging best practices in corporate governance. Members of our Board serve on various standing committees, including those with oversight for our ESG strategy and objectives.

These Board committees include:

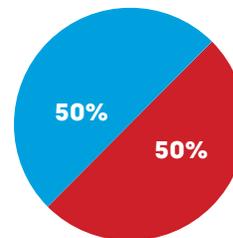
- **Nominating and Corporate Governance Committee:** Assists the Board in reviewing and overseeing the membership of the Board and corporate governance principles applicable to the Company
- **Corporate Social Responsibility Committee:** Assists the Board in reviewing the Company’s CSR initiatives, including ESG topics, community outreach and philanthropy
- **Compensation and Human Capital Committee:** Assists the Board in discharging its responsibilities relating to compensation of non-employee directors and executive officers and reviewing the

Company’s human capital management strategies and policies, including those regarding Diversity and Inclusion

- **Audit Committee:** Assists the Board in overseeing the Company’s accounting and financial reporting processes and the integrated audits of the Company’s financial statements, as well as the Company’s risk assessment and risk management policies
- **Technology Committee:** Assists the Board in overseeing the Company’s overall development, use and risk management of information technology, including digital customer engagement initiatives and the Company’s cybersecurity and data privacy programs and policies

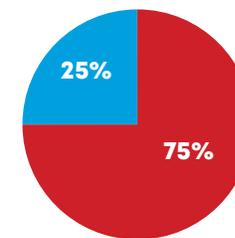
Director Skills and Attributes	Number of Directors <sup>3</sup>
Corporate Strategy and Planning	10
Operations	10
Industry Experience	10
International	10
Marketing, Brand Management and Digital	10
Franchise	10
Financial Reporting, Oversight and Accounting	10
Public Co. Board Experience and Corporate Governance	10
Human Capital Management	10
Environmental and Corporate Social Responsibility	10
Senior Leadership Experience	10

**BOARD DIVERSITY**



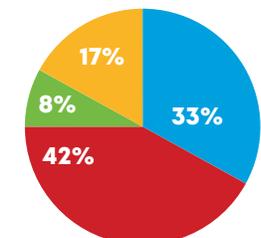
Of our 12 director nominees, 4 identify as Female; 1 identifies as Black; and 2 identify as Hispanic/Latinx

**BOARD INDEPENDENCE**



Independent  
Not Independent

**TENURE**



0-4 Years  
5-9 Years  
10-14 Years  
15+ Years

<sup>3</sup> Reflects current directors who are standing for re-election at the Company’s 2024 Annual Meeting of Stockholders.



**OVERSIGHT AND MANAGEMENT**

In February 2024, Wendy's Board of Directors completed a CEO succession by appointing [Kirk Tanner](#) as Wendy's new President and CEO, and elected Mr. Tanner to serve on the Board. Mr. Tanner succeeded Todd Penegor, who had served in senior leadership positions at Wendy's for more than a decade, including as President and CEO since 2016.

The Board also elected two new members in 2023: [Michelle Caruso-Cabrera](#), the Chief Executive Officer of MCC Productions LLC and a CNBC contributor, joined the Board in March 2023 and [Wendy C. Arlin](#), the former Executive Vice President and Chief Financial Officer of Bath & Body Works, Inc., joined the Board in December 2023.

Additionally, the Board created the position of lead independent director in October 2023, and the

Company's independent directors appointed [Arthur B. Winkleblack](#) to serve in this role. Mr. Winkleblack has served as a member of the Board since May 2016 and continues to serve as a member of the Nominating and Corporate Governance Committee, in addition to Chair of the Audit Committee. The creation of a lead independent director position reflects corporate governance best practices, enhances Board leadership and oversight and facilitates communication between the Chairman of the Board and the independent directors.

Additional information regarding our Board of Directors can be found in [The Wendy's Company's proxy statement](#) for our 2024 annual meeting of stockholders.

**Management**

To support our overall ESG strategy, build a sustainable and resilient supply chain, manage climate risk and support safe and responsible work environments, it is vital to establish and observe sound governance and risk management practices.

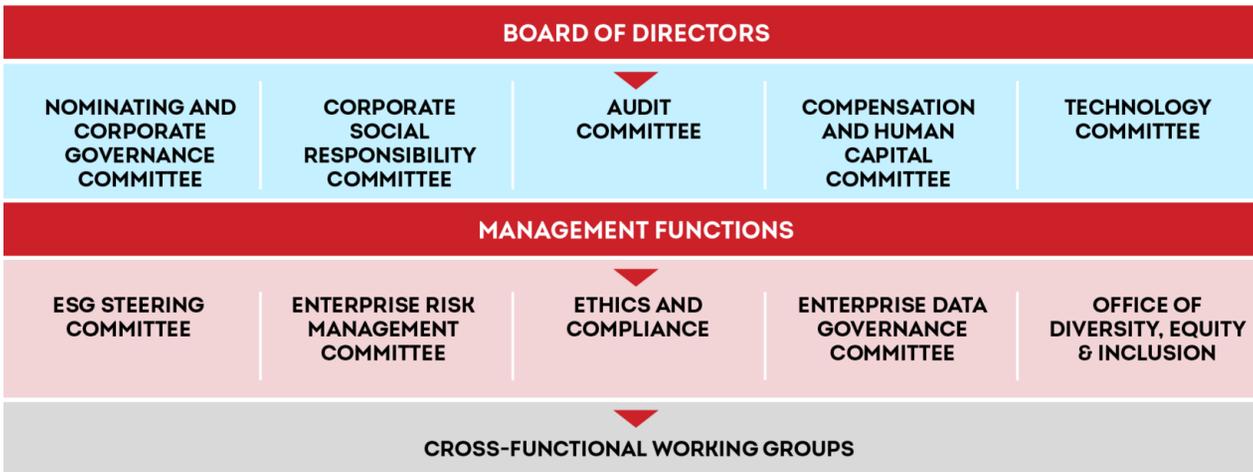
Wendy's Chief Financial Officer and Chief Corporate Affairs & Sustainability Officer jointly lead our ESG Steering Committee. The ESG Steering Committee, made up of senior management personnel, is responsible for:

- Identifying and monitoring ESG risks and opportunities
- Setting global ESG strategies
- Overseeing activities and strategic rollouts across the business
- Approving ESG goals, key performance indicators (KPIs) and metrics

Cross-functional working groups support the ESG Steering Committee in shaping and carrying out our global ESG strategy and Good Done Right goals.

These groups are responsible for:

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





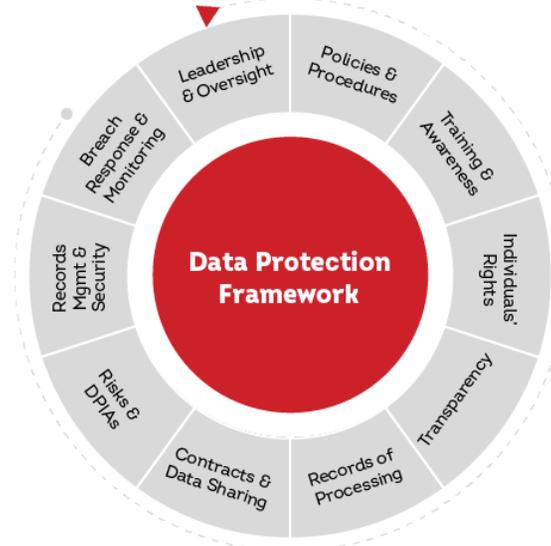
### Data protection and cybersecurity

Wendy's data protection and information security programs play an essential role in safeguarding our business and individuals engaging with Wendy's from potential risks. At Wendy's, these programs are comprised of our privacy and cybersecurity functions.

### Data protection and privacy

Wendy's respects the privacy of individuals. We are committed to protecting the personal information we process about our customers, employees, franchisees and other business partners. To do that, we take steps to limit the processing of data to its stated purpose, notify data subjects in a timely manner of policy changes or in case of a breach of data, and require that third parties processing data on our behalf comply with Wendy's policies and applicable privacy protection laws and regulations.

We work hard to be transparent regarding the personal information we process. Wendy's [privacy policy](#) explains our data processing practices, including the type of personal information we generally collect and how we use it. We keep our privacy policies updated through multiple review processes, including an annual review and reviews necessitated by internal business scope or external legislative changes. We also inform individuals of the options they have in providing information to us, including explaining how to exercise and manage their privacy rights with Wendy's.



Wendy's maintains a comprehensive Data Protection Program, led by our global Data Protection Officer (DPO) and dedicated data specialists, including teams focused on data privacy software engineering, privacy operations, data protection impact risk assessments, and data governance. We have made significant investments in technology and the development of data protection programs. We also have a data training program for employees, including a mandatory annual data compliance training that addresses data handling, data retention and privacy practices.

Wendy's Data Protection Program is based on a General Data Protection Regulation (GDPR) industry-standard, best practice framework. It also includes components from the National Institute of Standards and Technology (NIST) Privacy Framework and the International

Association of Privacy Professionals (IAPP) standards that supplement and enhance the framework.

Annually, we conduct a data protection and privacy assessment against our Data Protection Framework to understand the effectiveness of our processes and identify opportunities for improvement. The assessment results are reviewed by senior leadership and the Audit Committee of Wendy's Board of Directors. We also leverage the results to set program priorities and initiatives each year. The Audit Committee receives regular updates from the Chief Risk Officer (CRO) and DPO regarding our data protection strategy, priorities, risks and industry trends. In addition to our internal assessments, we engage third-party experts to provide independent, external assessments of our data protection controls.





### Cybersecurity

Wendy's also maintains a comprehensive cybersecurity program, led by our Chief Information Officer (CIO), Chief Information Security Officer (CISO) and dedicated teams of cybersecurity specialists, including teams focused on executing internal and external vulnerability and penetration assessments, designing secure systems and applications, monitoring for intrusions and providing incident response. In recent years, we have made significant investments in technology insourcing and re-assumed direct ownership of certain information security-related teams and functions. We also have an ongoing cybersecurity training program for designated employees and contractors which addresses, among other things, our cybersecurity risk management processes, overall cybersecurity awareness and industry cybersecurity best practices.

We design our cybersecurity risk management strategy based on the [Center for Internet Security's \(CIS\) Critical Security Controls Framework](#) and other industry-accepted standards and practices. We conduct an annual assessment of our progress against the CIS controls to measure our performance against accepted benchmarks and identify ways to enhance our cybersecurity risk management strategy. The results of the assessment are reviewed by our Internal Audit team and shared with senior leadership and the Technology Committee of our Board of Directors.

We also conduct regular risk assessments to identify and assess material risks to our information systems, including as part of our enterprise risk management (ERM) program. These risk assessments involve input from key stakeholders, including those with assigned accountability for managing risk and supporting technical risk subject-matter expertise, and consider a variety of factors, including our global business strategy, operations and support, information systems and data assets.

In addition to our internal cybersecurity risk management practices, we engage third-party experts to provide independent, external assessments of our information systems and security controls. These assessments address various regulatory requirements, take into consideration internal- and external-facing information systems and include tabletop exercises and technical system reviews related to security preparedness and response capabilities.

We are active in the information security community, including as a core member of the [Retail & Hospitality Information Sharing and Analysis Center \(RH-ISAC\)](#), which represents more than 250 companies across retail and other consumer-facing industries. As a member of RH-ISAC, we benefit from real-time collaboration, industry specific benchmarking, threat intelligence reports and analysis, industry-relevant committees and working groups and numerous cybersecurity training, education and knowledge-sharing opportunities.

Our Board of Directors provides oversight with respect to our risk assessment and risk management activities, including our cybersecurity risk management strategy. The Board's Audit Committee oversees our ERM program, which includes cybersecurity risks, and receives a comprehensive ERM report from management on a semiannual basis and discusses the results with the full Board. Meanwhile, the Board's Technology Committee provides oversight with respect to our technology risk management, assessment and exposures, including cybersecurity risks. The Technology Committee receives regular updates from the CIO and CISO regarding our cybersecurity risk management strategy, the cyber threat landscape, industry trends and other relevant cybersecurity topics.

More information on Wendy's cybersecurity risk management and strategy can be found in our 2023 Form [10-K disclosure](#).



# REPORTING AND STAKEHOLDER ENGAGEMENT

## Reporting

This report provides an overview of The Wendy's Company's actions and progress related to corporate responsibility.

Its content covers activities during the 2023 calendar year unless otherwise noted. Prior to this report, our most recent annual Corporate Responsibility report was published in April 2023 and covered the 2022 calendar year. The material business updates in this report primarily concern Wendy's U.S. and Canadian restaurants, which constitute nearly 89% of our restaurant footprint, unless otherwise indicated. Where this report mentions Wendy's as an employer, the reference is to The Wendy's Company and employees in our Company-operated restaurants, field support roles and corporate staff.

Wendy's recognizes leading reporting standards such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and United Nations Sustainable Development Goals (SDGs), and we strive to embed their principles and frameworks throughout our work and our reports. The reporting indices included at the end of this report reflect our disclosures against those standards. The SDGs that we have identified in alignment with our priority impact areas can be found on our [website](#). We also participate in comprehensive, voluntary disclosures, such as [CDP Climate Change](#) and the Roundtable on Sustainable Palm Oil (RSPO) Annual Communication of Progress.

We intend to continue to disclose our corporate responsibility strategy and initiatives, including progress

on our goals, in future versions of this report. If you have any questions or comments regarding this content or our work, please contact us at [corporateresponsibility@wendys.com](mailto:corporateresponsibility@wendys.com).

## Stakeholder engagement

We engage with our stakeholders on a regular basis and in various ways to help inform how we do business every day. In addition to publishing an annual Corporate Responsibility report, our engagement efforts include our website updates, SEC filings, earnings releases and presentations, and our annual stockholder meeting, as well as frequent calls and meetings with suppliers, investors, NGOs and other interested parties. What we learn when we listen to these valued groups helps us consider and apply outside perspectives alongside those of our internal team.

In 2020, our stakeholders played a key role in our comprehensive ESG materiality assessment – a tool to help us understand which topics are most important to these groups. That process shaped the contents of this report, which fall under our three Good Done Right pillars: Food, People and Footprint. On our [website](#), readers can view our materiality assessment and its findings along with a matrix that visually presents our priority topics. We plan to periodically update our materiality assessment in future years.

The following table provides a snapshot of some of the stakeholders we engaged with in 2023 to hear their views on corporate responsibility topics. It also lists the topics we covered as part of our communications.

## Celebrating suppliers who go above and beyond



Every year, Wendy's Good Done Right Award recognizes a supplier who has stood out in its commitment to enhancing our corporate responsibility pillars of Food, People and Footprint. In 2023, we recognized Sysco, one of our largest distributor partners in the U.S. and Canada, for its work in these areas. Across its operations, Sysco is emphasizing solutions like diverting food waste to produce animal feed, composting and leveraging meal donations to serve those in need. It also announced an innovative new partnership to supply its transportation fleet with reduced-emission commercial trailers equipped with electric refrigeration units and set a goal to establish responsible sourcing guidelines by 2025 for five of its priority commodities.



# REPORTING AND STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUPS	ENGAGEMENT ACTIVITIES
<b>COMMUNITIES AND PHILANTHROPIC PARTNERS</b>	In 2023, the Wendy's System delivered record-breaking in-restaurant fundraising campaigns to support the work of our signature charitable cause, The Dave Thomas Foundation for Adoption. We also provided funds to benefit a variety of organizations across the globe through our Community Giving Program, helping support education and opportunity, fight hunger and promote equity.
<b>CUSTOMERS</b>	Our Customer Care team strives to provide a best-in-class service to our customers through regular and timely responses to outreach received through our various Customer Care channels. Customers are encouraged to engage with us through our Voice of the Customer survey found on every receipt giving them the opportunity to provide feedback. We also engage with customers through social media, WendyMail, the Square Deal Blog and our regular customer taste panels hosted at our Restaurant Support Center. Finally, we survey customers in the U.S., Canada and the U.K. annually on ESG topics to better understand their priorities and topics of importance in this area.
<b>EMPLOYEES</b>	Wendy's maintains and supports Employee Resource Groups (ERGs) for Company employees to serve as forums for learning and inclusion, each with an executive sponsor from our senior leadership team. We also hold semiannual employee meetings to celebrate our brand heritage and the many contributions of our team members. Additionally, for the eighth consecutive year, Wendy's administered our Voice of Wendy's employee engagement survey for all Company employees.
<b>FRANCHISEES</b>	We engage with franchisees through our annual Franchise Convention, regular meetings with our various franchise councils focused on specific topics such as advertising and marketing, technology performance and advancement, and franchise associations. We also engage through regional town hall and franchise business review meetings. The results of our 2023 Franchise Business Review survey indicate a high overall satisfaction rating among our franchisees, pacing more than 10 percentage points ahead of the industry in the U.S. and internationally. We also continue to outpace the industry on financial opportunity and leadership scores, further highlighting our System alignment.
<b>INDUSTRY GROUPS AND THIRD-PARTY COUNCILS</b>	Wendy's engages with several industry and third-party groups focused on topics important to our responsible sourcing and environmental sustainability work. This includes the Potato Sustainability Alliance (PSA), which addresses sustainable potato production throughout the value chain in the U.S. and Canada, where Wendy's has a seat on their Board of Directors. Wendy's also has a seat on the Board of Directors of the Center for Produce Safety, an industry-wide partnership that funds credible, independent research on science-based safety solutions. Our Animal Welfare Council includes internal and external experts working to enhance animal welfare standards in our supply chain. We also participate in the NextGen Consortium, which combines leading brands and industry experts to reimagine foodservice packaging.
<b>POLICY LEADERS</b>	Wendy's engages with policy leaders to inform them of our corporate social responsibility goals and progress as well as advocate for public policies that align with our Good Done Right platform, primarily in the U.S. and Canada given our footprint. Our key trade association memberships include the International Franchise Association, National Restaurant Association (U.S.), Canadian Franchise Association and Restaurants Canada. Please see our <a href="#">Public Affairs statement</a> on our website for more information on our policy engagements.
<b>STOCKHOLDERS</b>	In 2023, we held approximately 150 meetings with approximately 45 of our active stockholders to discuss a range of topics, including our financial results and outlook, business strategy and performance and capital allocation policy. We also engaged and communicated with stockholders throughout the year on a range of important ESG topics, including Board composition, diversity, leadership and skills, stockholder rights, executive compensation practices, updates on the Food, People and Footprint goals associated with our Good Done Right strategy and other corporate social responsibility topics of interest.
<b>SUPPLIERS</b>	In 2023, Wendy's invited all suppliers in-scope <sup>4</sup> for our responsible sourcing goal to enroll in the EcoVadis platform and complete an assessment, which we use as one method to demonstrate accountability and advancement toward our responsible sourcing goal. Additionally, Wendy's independent supply chain purchasing co-op, Quality Supply Chain Co-Op, Inc. (QSCC), hosted its first Supplier Summit, bringing together more than 60 suppliers at our Restaurant Support Center to discuss the many facets of our business as well as how we can continue to enhance and strengthen our partnership. As part of our Franchise Convention, more than 200 supplier and distributor partners representing global food, packaging, equipment purchasing and more attended this year's Supplier Show, providing an opportunity for franchisees and Company employees to learn more about supplier initiatives, build relationships and network. CDP recently rated Wendy's supplier engagement at A-.

<sup>4</sup> In-scope suppliers include those who 1) supply at least one product included in a Wendy's top 10 priority food category; 2) control or influence manufacturing for at least one product in a Wendy's top 10 priority food category; and 3) exceed an annual threshold in global spending with the Wendy's System.

# FOOD

Delivering high-quality food, transparently

**GOOD** DONE RIGHT

➔ RESPONSIBLE SOURCING

➔ FOOD SAFETY

➔ FOOD QUALITY AND INNOVATION

## MATERIAL ISSUES

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

## OUR CONTRIBUTION TO THE SDGS

2 ZERO HUNGER



12 RESPONSIBLE CONSUMPTION AND PRODUCTION





# FOOD PROGRESS HIGHLIGHTS

**FOOD PROGRESS HIGHLIGHTS**

RESPONSIBLE SOURCING

FOOD SAFETY

FOOD QUALITY AND INNOVATION

**Responsible sourcing:**

**Invited 100% of suppliers in scope for our responsible sourcing goal** to enroll on a digital platform and complete an assessment of their sustainability efforts. We use this as one method to demonstrate accountability and advancement toward our responsible sourcing goal and better understand supplier performance on key environmental, social, ethics and sustainable procurement metrics. To date, approximately 44% of in-scope suppliers have completed the assessment.



**Animal Care Standards Program:**  
**Evaluated 26 suppliers, including dairy, and extended the program deeper in the beef and pork supply chain.**



**Food safety:**  
**Completed more than 12,000 global Food Safety Assessments** at Wendy's restaurants this year in partnership with EcoSure®, a public health, food safety and brand protection division of Ecolab®.

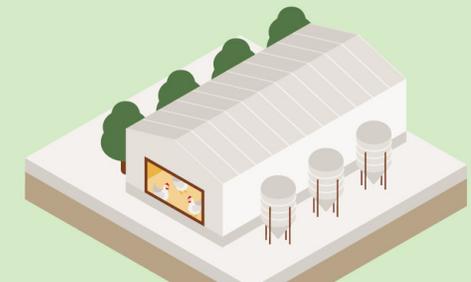
**Food quality and innovation:**

**Developed 35 limited-time offers globally** leveraging our Food Vision: Fast Food Done Right.



**Supplier engagement and auditing:**

**Conducted more than 850 assessments and audits** of our suppliers' facilities in the U.S. and Canada, including a mix of Wendy's-led and third-party audits, as part of our food safety and quality programs.





# RESPONSIBLE SOURCING

FOOD PROGRESS HIGHLIGHTS

**RESPONSIBLE SOURCING**

FOOD SAFETY

FOOD QUALITY AND INNOVATION

**GOAL**

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

Through our responsible sourcing goal and efforts, we are working to improve the ways we source our ingredients, engage with our suppliers and demonstrate accountability for ethical business practices, sustainability and social responsibility. Since announcing our goal in 2021, we have focused on setting the expectations of the goal, including identifying in-scope suppliers, establishing the specific criteria we will use to measure progress in each priority food category and engaging third parties to better enable us to gather and review relevant information. In 2022, we began program implementation, and in 2023 we accelerated those efforts.

### Engaging in-scope suppliers

To achieve our 2030 goal, we need supplier engagement and action. In 2023, we developed a Responsible Sourcing Guide for all in-scope suppliers<sup>5</sup> to clearly define our expectations for participation and program compliance, including category-specific expectations and timelines.

An important requirement of in-scope suppliers as noted in the Responsible Sourcing Guide is participation in the EcoVadis digital platform, which we use as one method to demonstrate accountability and advancement toward our responsible sourcing goal and better understand supplier performance on key metrics. Once enrolled in the platform, we require suppliers to complete an assessment, which the platform scores.

Central to our responsible sourcing work is establishing and maintaining strong specification and data management systems and processes. This year, Wendy's began implementing a global specification and document management system, Specright, that will help us digitize and automate important documentation and processes related to responsible sourcing as well as food safety and quality. It will also enable enhanced collaboration and visibility of our supply chain and inform our food safety and quality risk assessment program.

For suppliers providing products in one of Wendy's priority food categories, we require evidence to demonstrate alignment with the program and will request this documentation be provided through EcoVadis or Specright. This evidence is detailed in the Responsible Sourcing Guide and includes providing:

- emissions-related information
- category-specific evidence such as certifications, summary reports or assessments from aligned sustainability industry groups
- other company-specific information to demonstrate conformance with our responsible sourcing expectations

**This year, we invited 100% of in-scope suppliers to begin enrollment on the EcoVadis platform and complete a self-assessment.**

**To date, 44% of in-scope suppliers have completed the assessment.**

### Top 10 priority food categories

- ✓ **Beef**  
Beef for hamburger patties
- ✓ **Chicken**  
Filets for chicken sandwiches and white meat chicken included in nuggets
- ✓ **Pork**  
Pork products including bacon and sausage
- ✓ **Dairy**  
Frosty, milk and cheese
- ✓ **Eggs**  
Shell eggs
- ✓ **Fresh Tomatoes and Lettuce / Leafy Greens**
- ✓ **Potatoes**  
Fries, baked and seasoned potatoes
- ✓ **Beverages**  
Cold drinks, coffee and tea
- ✓ **Buns and Bakery**  
Wheat, oils and sweeteners in buns and bakery products
- ✓ **Oils**  
Fryer oil/shortening, dressings, margarine

<sup>5</sup> In-scope suppliers include those who 1) supply at least one product included in a Wendy's top 10 priority food category; 2) control or influence manufacturing for at least one product in a Wendy's top 10 priority food category; and 3) Exceed an annual threshold in global spending with Wendy's.



# RESPONSIBLE SOURCING

FOOD PROGRESS HIGHLIGHTS

**RESPONSIBLE SOURCING**

FOOD SAFETY

FOOD QUALITY AND INNOVATION

## Continuing Wendy's Animal Care Standards Program progress

The Animal Care Standards Program (ACSP), implemented in partnership with Wendy's Animal Welfare Council, is a critical component of our commitment to responsible sourcing and spans several of our priority food categories. Through this program, Wendy's aims to have a comprehensive accounting of animal welfare best practices for beef, pork, chicken, eggs and dairy in the U.S. and Canada by the end of 2024.

In 2023, we hit the important milestone of evaluating all our direct protein suppliers across each of these supply chains and made progress evaluating upstream suppliers in each protein area, including a mix of large and small farm operations. A snapshot of our progress to date is included in the graphic to the right.

Once we achieve our goal of establishing a comprehensive accounting of animal welfare best practices, we plan to develop an action plan to guide our approach for ongoing ACSP evaluations.

**As part of this work, we have been able to quantify the approximate number of upstream, indirect suppliers within our protein supply chain – amounting to more than 20,000 farms and facilities across the U.S. and Canada.**

### INCREASING SUPPLY CHAIN VISIBILITY THROUGH ANIMAL CARE STANDARDS PROGRAM (ACSP) IMPLEMENTATION IN THE U.S. AND CANADA

#### INDUSTRY OVERVIEW

The broiler chicken industry is almost completely vertically integrated, meaning in most cases the production companies own and operate each part of the life cycle at their own facilities.

The egg layer industry is moderately integrated. Most production companies do not own their own breeder stock.

The beef industry is very decentralized, with each part of the life cycle independently owned and operated.

The pork industry is moderately integrated, with some production companies owning and operating each part of the lifecycle while others do not.

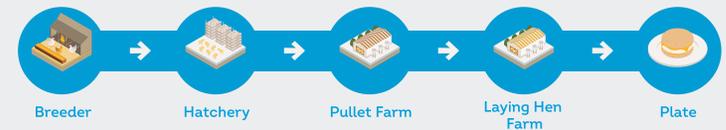
The dairy industry is very decentralized, comprised of many independent owners and regional co-ops throughout the life cycle.

#### SUPPLY CHAIN

##### CHICKEN



##### EGGS



##### BEEF



##### PORK



##### DAIRY



● Greater or full visibility at this stage      ○ Partial or no visibility at this stage



# RESPONSIBLE SOURCING

FOOD PROGRESS HIGHLIGHTS

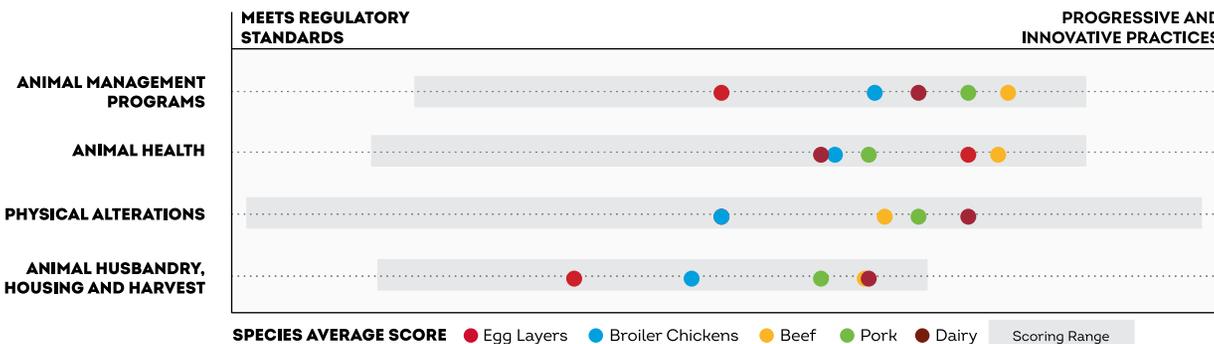
RESPONSIBLE SOURCING

FOOD SAFETY

FOOD QUALITY AND INNOVATION

### Key findings and 2023 highlights

This year, we evaluated 26 direct and upstream suppliers to identify best practices, trends and opportunities for improvement across the key focus areas of animal management programs; animal health; physical alterations; and animal husbandry, housing and harvest, with more details about each available on our [website](#).



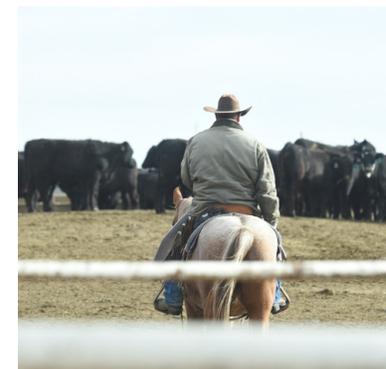
Through our responsible sourcing efforts and the ACSP, we seek to identify, engage with and recognize innovative suppliers who are working to advance best practices in animal care and environmental sustainability. Key highlights include:

We welcomed MPS Egg Farms to our egg supply chain in 2023. All of the company's farms that supply Wendy's are [United Egg Producer \(UEP\) Certified](#) and routinely evaluated by an on-staff veterinarian and nutritionist to gain a better understanding of the factors influencing animal welfare and guide continuous improvement efforts. The company has also invested in improving its environmental footprint by reducing CO2 emissions by a thousand tons per year through the use of on-site solar panels. Today, MPS Egg Farms produces a dozen eggs using 26% less feed, 32% less water and 63% less greenhouse gas emissions than when it started more than 50 years ago.



MPS Egg Farms uses the litter from its hen houses as all natural, nitrogen-rich fertilizer, which it dries using the hen house's ventilation system. The dried fertilizer is then pelletized (pictured) to enable more accurate field application, helping to reduce nitrogen overuse and thereby GHG emissions.

We traveled to Larned, Kansas, to conduct an evaluation of Ward Feed Yard, which was the first feed yard to be certified by [Progressive Beef](#), an innovative animal care and sustainability program that is built on industry-leading best practices and third-party verification of which Wendy's joined in 2018. Ward Feed Yard implemented the program in 2000 and has been certified since 2012 when third party verification became a pillar of the program. Currently, the program has expanded to include more than 70 certified feed yards across nine states. As part of our visit, we reviewed the best practices Ward Feed Yard has identified, including new pain management techniques, and were able to get a firsthand look at their cowboy training programs.



A cowboy monitors cattle under his care at Ward Feed Yard in Larned, Kansas.



# RESPONSIBLE SOURCING

FOOD PROGRESS HIGHLIGHTS

**RESPONSIBLE SOURCING**

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**GOAL**

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

**Reducing antibiotic use**

Through the ACSP, we have been able to meet and visit additional farms and facilities and are making headway toward increasing our visibility into the more complex and decentralized beef and pork supply chains. While measuring current antibiotic use and reductions remains a challenge in these supply chains, we believe this enhanced visibility and access upstream, along with our ongoing work with our direct suppliers, will help us develop new pathways toward our goal. For example, in beef, we saw a 40% reduction in antibiotic use from one direct supplier due to changes made at the finishing level to remove the use of tylosin, one of the most common medically important antibiotics used in fed cattle.

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

**Driving continuous improvement through industry and academic engagement**

As part of our responsible sourcing efforts, we actively engage in industry consortiums and alliances as well as support academic research to advance key areas of focus.

In 2023, a member of Wendy's Quality Assurance (QA) team joined a board at Purdue University to help with a research grant focused on the future of housing for egg laying hens and broiler chickens, which includes building visual models to better understand and simulate the way these birds perceive their environments to help identify ways to improve housing design for food safety, production and animal welfare. This multifaceted study is led by a member of [Wendy's Animal Welfare Council](#) and brings together avian biologists, animal welfare experts and members of the industry.

**Advancing beef sustainability**

In 2016, Wendy's joined the [U.S. Roundtable for Sustainable Beef \(USRSB\)](#), and has since played an active role in discussions about the sustainability of the U.S. beef industry and contributed to the initiative's U.S. Beef Sustainability Framework. In 2022, the USRSB announced a [set of voluntary industry goals and sector-level targets](#) designed to provide clear priorities for action, with a notable goal of working to achieve climate neutrality for the U.S. beef supply chain by 2040.

As a member of the Foodservice & Retail sector of the USRSB, Wendy's is expected to align to their sector-specific targets:



**Air and greenhouse gas (GHG) emissions**

- Set Scope 1 and 2 GHG emissions reduction goals by 2023
- Set Scope 3 GHG emissions reduction goals and report progress by 2030
- Establish a plan by 2030 to achieve climate neutrality for the beef value chain by 2040

**Land resources**

- Assess conversion risk in the U.S. supply chain, set science-based goals and implement a strategy to reduce land conversion by 2025
- Work with organizations to support U.S. farmers and ranchers in developing and implementing grazing management plans on 385 million acres by 2050

**Water resources**

- Assess the water risk and impacts of direct operations
- Assess the water risk and impacts of the beef supply chain by 2025
- Implement plans, track and report progress on water stewardship across sourcing footprint by 2030
- Encourage adoption of the U.S. Beef Sustainability Framework water metrics in beef value chain by 2030

**Employee safety and well-being**

- Have employee workplace and food safety training in place by 2023
- Post and enforce a public code of conduct that includes employee health and safety policies and a process for tracking their own operations and their beef suppliers by 2023

**Animal health and well-being**

- Have a public animal care and well-being policy by 2023
- Implement concrete steps to drive adoption of U.S. Beef Industry Framework metrics and measure progress by 2025

**Efficiency and yield**

- Assess food waste, set a reduction target by 2023 and report progress by 2025

Complete     On track     Not started



# FOOD SAFETY

FOOD PROGRESS HIGHLIGHTS

RESPONSIBLE SOURCING

**FOOD SAFETY**

FOOD QUALITY AND INNOVATION

**Food safety is embedded throughout our quality assurance (QA) processes, procedures and equipment, guiding how we source our ingredients, audit our supplier farms and facilities and implement food-safe behaviors in our restaurants around the globe. We also look for ways to continually accelerate food safety innovation and help everyone throughout the Wendy's System embrace our culture of food safety through education and training.**

### Investing in new technology

For the past several years, Wendy's has invested in WeSafe, an innovative platform designed to help streamline data tracking in our supply chain as part of our food safety and QA program. This year, we tracked nearly 17 million data points across all major Wendy's food products.

Another example of our work to streamline data tracking, and to enhance our program with technology, is the introduction of our Operations tablet, a Bluetooth-enabled tablet that has been fully adopted in all Company-operated restaurants as well as several hundred franchise-operated restaurants. The tablet digitizes food safety logs as well as employee scheduling and training records while also providing real-time monitoring and alerts on important kitchen equipment such as refrigeration units.

### Progressing Wendy's Food Safety Assessments program

In 2023, we continued our Restaurant Food Safety Assessments (FSAs) program in partnership with EcoSure®, a public health, food safety and brand protection division of Ecolab®, conducting more than 12,000 FSAs at Wendy's restaurants across the globe. These assessments help Wendy's restaurant operators build food-safe behaviors and adhere to best-in-class food safety and operational procedures while noting areas for continued improvement and education.

### Expanding food safety education and training

In 2023, we focused on getting food safety information out to more people at more levels across the Wendy's System to further drive our food safety culture.

#### Highlights include:

- Adding an additional QA team member focused specifically on supporting our international restaurants.
- Evolving restaurant food safety team member virtual and in-person trainings, including for international restaurants, to focus on risk areas as well as those identified through FSA program engagement and broader industry trends or challenges.
- Working to further embed food safety education, training and processes as part of new market development planning and implementation, such as by working with our restaurant development team from the onset and making food safety a focus of QA program onboarding with new franchisees joining the Wendy's System.

- Continuing to recognize World Food Safety Day (June 7), and working to modernize food safety training materials to be easier to embrace and implement for Wendy's restaurant team members.

### Recognizing supplier quality and food safety excellence

At every Franchise Convention since 2015, Wendy's has recognized a U.S. and international supplier that demonstrates best-in-class quality or food safety systems, innovation and investment.



Our 2023 U.S. QA Award winner was a leader in the shell egg business and an integral part of the Wendy's Breakfast program. S&R Egg Farms is a strategic partner in supporting Wendy's ACSP with quality and microbiological data, and it also vaccinates chicks for Salmonella, which goes above U.S. regulatory requirements.



The winner of Wendy's International Quality Assurance Award for 2023 was Kepak, Wendy's supplier of fresh beef in the United Kingdom. Headquartered in County Meath, Ireland, Kepak has made a significant capital investment in quality and efficiency in forming our hamburger patties, resulting in greater production output and improved product quality and texture.



# FOOD QUALITY AND INNOVATION

FOOD PROGRESS HIGHLIGHTS

RESPONSIBLE SOURCING

FOOD SAFETY

**FOOD QUALITY AND INNOVATION**

**Our team is invested in understanding and responding to the preferences of our valued fans while remaining steadfast in our commitment to Fast Food Done Right. Characterized by five core pillars – Real, Fresh, Craveable, Doesn't Cost a Fortune and Forward-leaning—these values underpin our approach to menu innovation and define the ethos that guides our team members, restaurant operators and suppliers in their daily work around the globe.**



### Igniting innovation

In May, Wendy's hosted franchisees and regional marketing partners from across the world for this year's "International Food I Love Forum" at the Restaurant Support Center in Dublin, Ohio. The event, which we use to fuel our global food innovation pipeline, featured a variety of new sandwiches, desserts and sides inspired by global culinary trends, consumer insights, brand strategy and global supply capabilities.

With a focus on breakfast innovation and leaning into new seasonal flavors, we leveraged Fast Food Done Right to develop 35 menu items globally throughout 2023. New and returning seasonal favorites and limited-time offers (LTOs) in the U.S. included the Cobb Salad, the launch of our English Muffin Sandwiches and the all-new Loaded Nacho Cheeseburger and Queso Fries. Outside of the U.S., we continued to explore new flavors with the launch of eight new menu items—and we celebrated one year of breakfast in Canada with the launch of a new Egg BLT Croissant featuring fresh ingredients sourced in Canada.



### What's brewing in the test kitchen



In 2023, we introduced the Frosty Cream Cold Brew – a versatile twist on coffee that caters to our customers' cravings, offering a year-round choice of vanilla, chocolate and caramel flavoring and limited-time flavor options like pumpkin spice and peppermint as an extension of our new and returning seasonal Frosty flavors.

As the latest addition to our coffee lineup, we took the time to work with our partners to choose a high-quality, distinct bean blend, steeped for 12 hours to achieve an authentic cold brew experience. Wendy's also continues to source certified sustainable coffee for restaurants in the U.S. and Canada.

# PEOPLE

Fostering more equitable workplaces and communities

**GOOD** DONE  
RIGHT.



WORKPLACE

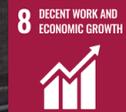


COMMUNITY

## MATERIAL ISSUES

Diversity & Inclusion  
Fair Labor Practices & Human Rights  
Employee Recruitment & Retention  
Franchise Health & Engagement  
People & Community

## OUR CONTRIBUTION TO THE SDGS



8 DECENT WORK AND  
ECONOMIC GROWTH



10 REDUCED  
INEQUALITIES





# PEOPLE PROGRESS HIGHLIGHTS

INTRODUCTION

GOVERNANCE

FOOD

PEOPLE

FOOTPRINT

METRICS

PEOPLE PROGRESS HIGHLIGHTS

WORKPLACE

COMMUNITY

## Building an inclusive culture:

Increased the diversity of representation among senior leadership at the Company, and received recognition from McKinsey & Company and LeanIn.org's 2023 Women in the Workplace Study for exceeding industry standards in the Company's manager training, supporting ongoing success and development.



## Employee support:

Hosted more than 40 events facilitated by Employee Resource Groups and implemented a new Human Capital Management System to enable greater automation and self-service for Company employees.



## Foster care adoption:

Provided record support of the Dave Thomas Foundation for Adoption during the annual Frosty Boo! Books campaign, which raised an unprecedented \$9.2 million<sup>6</sup> across the Wendy's System.

## Franchise recognition:

Recognized in the U.S. and Canada for industry-leading franchisee support and training, including the Top 50 Enterprise Franchise for 2023 by [Franchise Business Review](#) and two Franchisees' Choice Designation awards during the [Canadian Franchise Association's](#) National Convention.



## Canadian Franchise Association



FRANCHISEES' CHOICE DESIGNATION



Presented in recognition of your achievement in receiving high satisfaction ratings from your franchisees.



David Drake, Chair, Board of Directors, Canadian Franchise Association  
Sherry Walker, President & Chief Executive Officer, Canadian Franchise Association

<sup>6</sup> At participating U.S. Wendy's restaurants. 90c of every \$1 coupon book sold from 9.4.2023 - 10.31.2023 benefited the Dave Thomas Foundation for Adoption.



# WORKPLACE

**We strive to do right by the people who work for the Company<sup>7</sup> – treating individuals with respect, doing the right thing and creating opportunities to grow professionally. Despite the ever-evolving workplace landscape, our approach remains the same and is anchored in our brand values. In 2023, we continued to build on our progress and demonstrate our passion for a key ingredient to success – our people.**

### Ethics and human rights

Respect, equity and fair treatment are central to our business. Wendy's 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 act on the values Dave established to operate a resilient and socially responsible business that creates value for all stakeholders.

We've set a high standard of ethical conduct for ourselves and our stakeholders in our policies and procedures. Greater detail on our values and ethical business practices can be found in our [Code of Business Conduct and Ethics](#). The Code applies to all Company employees at all levels within the Wendy's organization worldwide, as well as all members of our Board of Directors. Employees are required to certify their acceptance of the Code annually.

Consistent with Wendy's desire to foster and support a fair and inclusive culture, we expect all Company employees to treat their colleagues with respect and professionalism. In keeping with those values, Wendy's

has long been committed to maintaining a work environment that is free of discrimination and harassment, encouraging our employees to use their skills and abilities to the fullest extent and providing all employees and applicants with fair treatment. We provide training and resources to Company employees, particularly supervisors and managers, to support their understanding of these issues and to foster and support a fair and inclusive culture. We are committed to making employment decisions based upon relevant factors such as qualifications for the position, work quality and experience, without regard to factors that are unrelated to our legitimate business, such as race, color, religion, gender, sexual orientation, gender identity, national origin, age, disability or other characteristics protected by law.

Employees have a variety of methods to raise concerns, including directly with their manager or other internal resources, via the Company's Speak Out program available to all Company employees, or the [Wendy's Ethics Helpline](#), available 24/7 by phone or online with the option of anonymity. Wendy's policies also prohibit retaliation for reporting an issue or raising a concern in good faith. Any person may also use Wendy's corporate responsibility email address, [corporateresponsibility@wendys.com](mailto:corporateresponsibility@wendys.com), to raise corporate responsibility or sustainability concerns.

## The Wendy's Way

Dave Thomas founded Wendy's upon a set of values, which still guide our business today and emphasize the importance of our people – across the Wendy's System and the communities in which we live:

**Quality is Our Recipe: We put quality into everything we do and strive to be better than we were yesterday.**

**Treat People with Respect: The first two letters of Wendy's are "W-E." We care about our customers and each other.**

**Do the Right Thing: We earn our reputation by the things we do every day.**

**Profit Means Growth: We create opportunities. To Dave, profit meant the ability to share your success with your team and the community.**

**Give Something Back: We have passion for helping others. Dave believed that everyone has an obligation to put back into life more than they take out.**

<sup>7</sup> Where Wendy's is mentioned as an employer, the reference is to The Wendy's Company and employees in our Company-operated restaurants, field support roles and corporate staff.



# WORKPLACE

Wendy's maintains a [Code of Conduct for Suppliers](#) that applies to all U.S. and Canadian contracts managed by Wendy's independent supply chain purchasing co-op, Quality Supply Chain Co-op, Inc. (QSCC), and to other suppliers that provide a significant stream of goods or services to The Wendy's Company on an annual basis.

Suppliers are requested to affirm that they have received and understand the expectations under the Code, and certain provisions of the Code include additional assurances and requirements. Because suppliers are generally in the best position to investigate and respond to issues related to their organization, suppliers are expected to maintain means for their employees to submit anonymous concerns and grievances to the suppliers' management with protection under a no retaliation policy. We expect suppliers to designate a process in which to record, file and appropriately address concerns. Suppliers and their employees also can report business ethics concerns to Wendy's Ethics Helpline.

### Environmental Health & Safety – Promoting a culture of people safety

Wendy's is committed to doing our part to help support safe working environments for our Company employees, which also helps us support the safety and comfort of our customers. Promoting a culture of people safety is supported through our focus on safety awareness, training and education, responsibility and accountability, and accident and injury prevention. Our environmental, health and safety (EHS) strategy adopts a continuous improvement mindset, leveraging industry data and leadership support to continue to grow the capabilities of our EHS teams and evolve our communication, training,

and controls with a goal of reinforcing safety habits and promoting a culture of people safety, which in turn helps us to prevent accidents and injuries in our restaurants where possible.

Our EHS strategy is embedded in our business operations, and our EHS teams regularly engage with our restaurant support center employees, field-based leaders and restaurant crew members to administer mandatory people safety audits, safety meetings, restaurant inspections and root cause analysis investigations, which are designed to deliver actionable insights to enhance our accident and injury prevention tactics. Our EHS teams also work closely with our global development team to ensure that people safety is incorporated into the design of our restaurants. Accident and injury trends are regularly monitored and analyzed to develop market, district and restaurant-specific people safety strategies and action plans, with a goal of driving year-over-year improvements in employee and customer accidents and injuries. People safety performance excellence is celebrated and highlighted across our Company-operated restaurants and restaurant support center, generating a safety-first mindset.

Our EHS management systems promote proactive risk identification and mitigation and are influenced by frameworks such as the International Organization for Standardization (ISO 45001:2018), Occupational Safety and Health Administration (OSHA) and American National Standards Institute (ANSI). People safety expectations, including our focus on accident and injury prevention, are also reflected in Wendy's [Code of Business Conduct and Ethics](#), Operations Standards Manual and Safety

Reference Guide, as a means of shaping our culture, protecting our employees and conveying the priority the Company places on creating and maintaining safe working environments and restaurant experiences for our employees and customers.

### GOAL

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

### Building an inclusive culture

Our work continues to evolve as we remain focused on creating a supportive, inclusive culture so employees can bring their true selves to work each day. We believe fostering an inclusive and welcoming environment is not only the right thing to do but also a business imperative and core to our values. The Office of Diversity, Equity and Inclusion (DE&I) remains critical to building upon our culture in partnership with employees from all levels of the organization who offer valuable and differing perspectives. Additionally, senior leadership and the Board of Directors continue to support and guide our advancements across the Company's DE&I focus areas.



# WORKPLACE

### Our Focus Areas

- Increase representation of women in leadership
- Increase representation of people of color in management and leadership
- Understand and address [what has been referred to](#) as the “broken rung” of leadership
- Increase representation of diverse and women-owned franchisees
- Continue to drive diversity on the Board of Directors

To support these focus areas, we continue to use a multi-year strategy focused on education, training, recruitment, hiring, talent development and retention. This includes:

- Actively monitoring and reporting on current demographic data by gender, race and ethnicity
- Expanding our recruiting efforts to include educational institutions known for having a strong, diverse talent pool
- Continuing to offer training and development in this area, including on allyship and mitigating unconscious bias
- Leveraging our Employee Resource Groups (ERGs)

To demonstrate our commitment to fostering a more inclusive and equitable culture, Wendy's once again participated in the McKinsey & Company and LeanIn.org's Women in the Workplace Study, the largest study of women in corporate America. Based on the study of more than 270 companies, Wendy's exceeded industry standards in the Company's manager training, supporting ongoing success and development.



### REPRESENTATION BY GENDER, RACE & ETHNICITY

# 2023

## Diversity

	NUMBER	GENDER			ETHNICITY							
		EMPLOYEES	MEN	WOMEN	OTHER/ UNKNOWN <sup>8</sup>	WHITE	HISPANIC OR LATINX	BLACK	ASIAN	AMERICAN INDIAN OR ALASKA NATIVE	NATIVE HAWAIIAN / OTHER PACIFIC ISLANDER	2 OR MORE
<b>RESTAURANT CREW MEMBERS</b> VS. 2020	11,790 +790	38% -5%	45% -12%	17% New	20% -11%	34% -3%	30% +2%	2% -1%	0% -1%	0% -1%	3% +3%	12% New
<b>RESTAURANT MANAGEMENT</b> VS. 2020	2,490 +390	31% -2%	65% -2%	4% New	27% -8%	34% -2%	30% +7%	3% -1%	2% NC	0% NC	2% +1%	2% New
<b>MANAGERS &amp; PROFESSIONALS</b> VS. 2020	890 +140	48% 0%	51% -1%	0% New	70% -8%	11% +2%	11% NC	5% +3%	0% NC	0% -1%	2% +2%	0% New
<b>COMPANY LEADERSHIP (DIR+)</b> VS. 2020	130 -20	60% -10%	40% +10%	0% New	76% -7%	9% +3%	7% +2%	6% +1%	0% NC	0% -1%	2% +2%	0% New
<b>ALL COMPANY EMPLOYEES</b> VS. 2020	15,300 +1,300	38% -4%	48% -10%	14% New	24% -10%	32% -3%	29% +3%	2% -1%	1% NC	0% -1%	2% +2%	9% New

This chart covers Wendy's Company employees across our global presence in 2023, except the race and ethnicity information, which reflects U.S. employees only.

<sup>8</sup> The Wendy's Company implemented a new human capital management system in 2023 that provides employees with more choices on whether and how they choose to self-identify. This includes options by gender and race/ethnicity, as well as the option not to answer which was not allowed in our previous system.



# WORKPLACE

### Recruitment and hiring

Our work continues to recruit top talent who share our values and who are eager to grow with the Wendy's family. To do this, we have advanced our approach to identify strong candidates and create a quality experience throughout the hiring process.

### Attracting Talent

To continue building a strong pipeline of candidates, we have built relationships with several key organizations, including professional networks and educational institutions:



- **Central Intercollegiate Athletic Association (CIAA):** The CIAA is one of America's oldest athletic conferences, originally formed to help organize athletic competitions between African American colleges. Today, the conference emphasizes academic success, recognizing student-athletes annually, providing scholarships and fostering total student-athlete well-being both on and off the court. In 2023, Wendy's sponsored the CIAA Men's and Women's Basketball Tournament, celebrating the strong culture created by students and fans. During the event, Dr. Beverly Stallings-Johnson, Wendy's Chief Diversity, Equity & Inclusion Officer, Stephanie Shaw, Wendy's Vice President, Enterprise Technology, and Rasheeda Clark, President of Wendy's franchisee Wend American Group, spoke with student athletes about showing up authentically every day and the importance of owning your opportunity - on the court and beyond.
- **National Sales Network (NSN):** The NSN is a not-for-profit membership organization whose objective is to meet the developmental needs of sales and management professionals. For the second year, Wendy's participated in the National Sales Network Conference in Dallas, Texas, which welcomed more than 2,400 attendees. Wendy's participated in the career fair and joined a session to discuss careers at Wendy's Restaurant Support Center and opportunities as a Wendy's franchisee.

- **Thurgood Marshall College Fund (TMCf):** Wendy's was a sponsor of the Thurgood Marshall College Fund Leadership Institute and participated in the organization's job fair. During the event, we interviewed and offered internship opportunities to students in IT, Finance, HR and Operations. In our fifth year of partnership, Wendy's continues to donate to TMCf in support of social justice, youth and education in the Black community.



### Internship Program

During the summer, Wendy's hosted a class of interns to support departments across marketing, operations, finance and more, both in-person and virtually. The program included opportunities for the students to immerse themselves in the Wendy's business, learn about the Company culture and help propel the Wendy's brand forward. While focusing on individual projects, they also had opportunities to build upon their own skill sets and support one another's professional growth and development.



# WORKPLACE

### Talent development

Once employees join Wendy's, there is a variety of resources available based on each employee's role to help support opportunities for growth and advancement. For Company employees, we leverage annual processes that support performance planning, professional development planning and a broad review of talent development throughout the Company. These resources are designed to help each employee to feel motivated and encourage development of new skills and abilities, which can benefit them both personally and professionally. Through ongoing investment in our people, we believe we will have more opportunities to retain talent and support the future of the Company.



### Education and training

To help support Wendy's team members, Wendy's offers robust training in a variety of areas, ranging from teaching the core and limited-time-only menu items to programs focused on leadership and development. Wendy's also offers a variety of resources for Company managers looking to invest in their own personal and professional development. Training opportunities range from virtual and in-person courses facilitated by Wendy's to third-party industry conferences and trainings such as the Women's Foodservice Forum Annual Leadership Conference. In 2023, across the Wendy's System, team members completed more than 1.9 million hours of training globally, in addition to hands-on training in restaurants and a mandatory food safety standards course.

### Mentoring

Fostering relationships throughout the Company is foundational to our growing mentorship program, which surpassed 130 participants this year. With each mentor-mentee pairing, employees share valuable insights, knowledge and support to develop mentees as the next generation of leaders. This year, the mentor program included five female top general managers (GMs) paired with five female district managers (DMs), extending the impact of mentorship to our Company restaurants.

### WeLEAD



In its second year, WeLEAD's intensive, six-month session included nearly 30 participants, nominated by their functional leadership teams. WeLEAD training offers Company employees a customized learning experience based on their interests and Wendy's five Leadership Success Factors: Inclusive Mindset, Develops Self and Others, People Effectiveness, Business-Focused and Results-Driven. The program readies participants from the Restaurant Support Center, restaurant leadership and field teams to make an impact in their roles, rooted in Wendy's "people-first" business approach.



# WORKPLACE

## Supporting and retaining employees

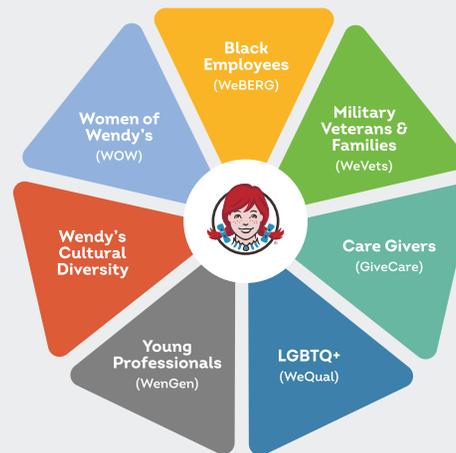
Beyond professional development resources, Wendy's recognizes that one way it can provide support to employees is by fostering a culture that recognizes different life stages and experiences of our employees. We believe that for employees to bring their true selves to work, we must continue to foster inclusivity across the organization while empowering Company employees through community created within Wendy's.



## Employee Resource Groups (ERGs)

Employee Resource Groups (ERGs) are voluntary, employee-led groups made up of individuals who share characteristics such as gender, ethnicity, religious affiliation or life stage, as well as allies. Our ERGs have been an important part of our DE&I strategy since 2014 and, today, include more than 1,100 members across seven different groups. In 2023, Wendy's ERGs hosted more than 40 events, with several groups partnering together on events to add even more depth and perspective. Each ERG is sponsored by a member of Wendy's senior leadership team, creating opportunities for mentorship and relationship building across our employees and communities. Highlights from 2023 ERG programming include:

### EMPLOYEE RESOURCE GROUPS



## GiveCare & WeQual

During Pride Month, Wendy's LGBTQ+ and Care Givers ERGs partnered to host a fireside chat titled "Raising Children to be Allies." The discussion centered around addressing the complexities of raising inclusive-minded children and included experiences from allies and LGBTQ+ parents at Wendy's.

## WCD

Throughout the year, Wendy's Cultural Diversity ERG hosted multiple "Fryerside Chat" discussions, exploring topics including Jewish Culture, Ramadan and Islamic Culture.

## WeBERG & WOW

In partnership with Central Community House (CCH), Women of Wendy's and Wendy's Black Employees ERGs hosted a Transit Arts Event featuring three artists who led workshops on creative writing, art and percussion while learning more about CCH's mission

## WenGen

Over five weeks, more than 70 Company employees joined a young professionals networking event, the "Five Cup Challenge," to connect with five colleagues that work in different functions they do not know well or that include a job that interests them.

## WeVets

In partnership with Honor Flight Columbus, Inc., Wendy's Veterans ERG hosted an event in support of the Honor Flight program, which celebrates America's veterans by inviting them to share in a day of honor at national memorials.



# WORKPLACE

### Workplace well-being

We are committed to providing our employees with safe and comfortable work environments and offering resources that our employees can use to help promote their well-being. We also remain committed to continuing to do our part to support the well-being of each other, our customers and our workplaces. We demonstrate our high standards of quality and cleanliness at our restaurants through processes like reviewing cleaning procedures, maintaining an adequate supply of cleaning products and conducting our annual food safety recertification for our restaurant crew and managers. We also recognize that the well-being of our employees goes beyond work and our work environments. We offer several benefits to support the health and well-being of our employees, including our employee assistance program (EAP), available at no cost to Company employees and their household members. We are also proud to offer paid sick time for Company employees at all levels within our restaurants to ensure employees can prioritize their health and that of their families.

### Empowering employees through technology

To support our Company employees, we implemented a new cloud-based Human Capital Management and payroll system in September. This system is designed to enable us to standardize, automate and simplify business processes and increase employee self-service. With the new system, employees should be able to spend less time on administrative tasks and more time focused on driving the business and engaging with our customers. The

technology is designed to meet the different needs of our Company employees, both in the restaurant and our Restaurant Support teams, by bringing our culture into the digital future.

### Benefits and compensation

Wendy's regularly adjusts compensation and benchmarks our [benefit program offerings](#) to help us keep pace with industry standards at all Company employee levels and in compliance with federal, state/provincial and local regulations. In addition to medical, dental and vision, our benefits include flexible work options, time away from work, recognition programs and more<sup>9</sup>. Consistent with our policies and values, the Company is committed to an equitable approach to our pay practices.

### Franchise System

With nearly 95% of the Wendy's System comprised of franchised operations, our franchising System is crucial to the global growth of the Wendy's brand. We're proud to be recognized for our outstanding performance in areas including growth, financial strength and stability, and brand power.

The progress we have made has been possible because we are a System focused on a shared vision to become the world's most thriving and beloved restaurant brand. We see this success in our annual franchise satisfaction survey, with the Wendy's System rating our overall engagement and the franchise community higher than the industry standard. In fact, when Wendy's franchisees

surveyed were asked if they could do it all over again, the vast majority would invest in Wendy's and would recommend the franchise opportunity to others.

### Award-winning franchise System

1. Entrepreneur Media, #15 on the [Franchise 500](#), the world's first, best and most comprehensive franchise ranking
2. Entrepreneur Media, [Growing International Franchises](#)
3. Franchise Business Review, Fourth annual ["Culture100" list](#), recognizing the top 100 franchise brands
4. Franchise Business Review, [Top 50 Enterprise Franchise](#), recognizing the superior training and support we provide to our franchisees
5. Canadian Franchise Association, [Franchisees' Choice Designation](#), marking six consecutive years of franchise excellence



<sup>9</sup> Eligibility for benefits varies and may be subject to waiting periods and other requirements.



# WORKPLACE



### Franchisees in Focus

When franchisee Bill Parks opened Wendy's 6,000th U.S. restaurant in 2023, his restaurant featured Wendy's newest design standard, *Global Next Gen*. Since 2020, Bill has grown his portfolio an impressive 44% through new development and currently operates 26 Wendy's locations. With a development agreement for 11 new restaurants, he has already fulfilled nine, with more growth expected in the future. For all of his new restaurant and remodel projects, Bill uses Wendy's Franchise Development Program (FDP). For a fee, this program provides the franchisee with a Wendy's Construction Manager to act on their behalf to coordinate the design, permit, and construction while maximizing franchisee return on investment. The FDP also helps ensure a predictable project schedule, construction costs, and leverages Wendy's established relationships with suppliers.

### Fueling franchisee growth

Across the U.S. and Canada, Wendy's restaurant development commitments increased in part due to the suite of development programs we offer franchisees. We continue to utilize our Build-to-Suit development fund to fuel growth in high-priority trade areas, and we are excited by the strong interest we are seeing from new and existing franchisees. The fund gives priority to those who cannot otherwise access the required capital for new restaurant development - helping to remove barriers to growth. By offering resources to support new and existing franchisees hungry to grow with Wendy's, we aim to increase opportunities for entrepreneurs who share Wendy's values. Further, we believe diversity of thought and experience brings new perspectives that can help us thrive. In continuing support for franchisees beyond new restaurant development, we facilitate focus group discussions and business reviews to help facilitate connections and resource sharing among franchisees, and help them identify other tools and resources that can help them succeed.

### System support

The Wendy's System is comprised of organizations and people who are working to achieve Wendy's vision of becoming the world's most thriving and beloved restaurant brand. To support our System, we share in celebrating victories and offer a hand in hard times.

### WeCare

WeCare offers emergency assistance to members of the Wendy's System in the U.S., U.S. Territories and Canada who are negatively affected by state/provincial or federal-declared natural disasters and experienced financial hardship. Since 2017, WeCare has awarded more than 500 grants totaling more than \$200,000, with funding from the Company and franchisees.



In late May 2023, Typhoon Mawar passed through Guam as a Category 4 typhoon. Our franchisee in Guam, Quick Service Foods, operates five Wendy's restaurants that were affected by the severe weather. To support the recovery efforts, WeCare distributed more than 100 grants totaling more than \$40,000 to affected team members in Guam.

### Recognition

Our restaurant teams, franchisees and Restaurant Support employees deserve to be celebrated - that's why we make it a priority to recognize those who go above and beyond. During our annual Franchise Convention and throughout the year, we look for opportunities to recognize the people who continue to set Wendy's apart from competitors, including our Global Top 200 General Managers, Franchise Hall of Fame members, Company Employees of the Year and more.



# COMMUNITY

**In serving quality food to our communities and creating economic opportunities, our System continues to give back with time and money to uplift our communities. Our fundraising efforts reached new heights in 2023, directly supporting the work of the [Dave Thomas Foundation for Adoption](#). Further, financial grants through the Company's Community Giving Program continue to support education and opportunity, fight hunger and promote equity.**

### **Making a life-changing impact for children waiting for a family**

Through its [Wendy's Wonderful Kids](#) program, the Dave Thomas Foundation for Adoption supports the hiring of adoption professionals, known as recruiters, who are dedicated to serving children who are too often overlooked in foster care, including teenagers, children with special needs and siblings. These recruiters work with smaller caseloads of 12 to 15 children to ensure that every child receives the time, resources and support they deserve. With help from its community of supporters, including the Wendy's family, at the end of 2023 the Foundation has found forever families for nearly 14,000 children through this program across the U.S. and Canada.

<sup>10</sup> In CAD

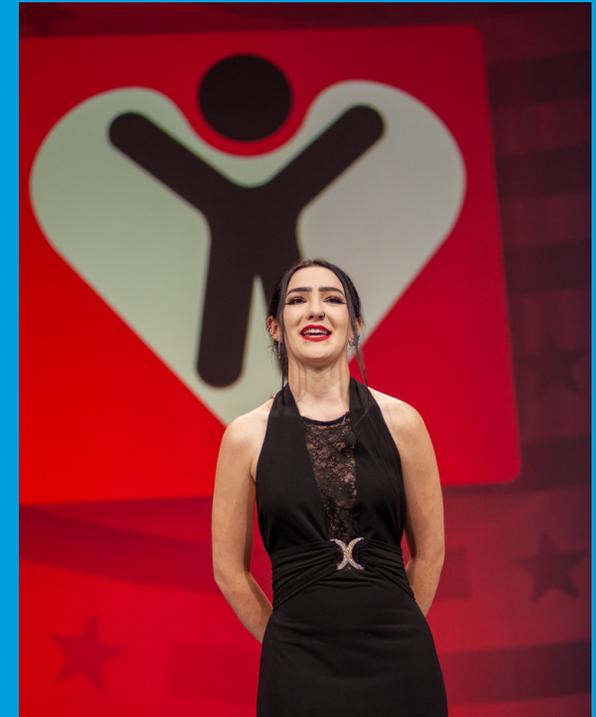
### **Record-breaking fundraising for foster care adoption**

For more than 30 years, Wendy's has generously supported the Dave Thomas Foundation for Adoption and the Dave Thomas Foundation for Adoption-Canada's commitment to finding safe, permanent homes for children in foster care. In the past three decades, Wendy's has raised a total of more than \$316 million, helping expand the Foundation's work to build public awareness of the urgent need for foster care adoption, promote resources that support the adoption journey and more.

In 2023, the Wendy's family, including our Company, operators, franchisees, suppliers, crew and customers, raised:

- Nearly \$22 million through U.S. in-restaurant campaigns, including Frosty Boo! Books and Frosty Key Tags
- \$1.2 million<sup>10</sup> through Canadian in-restaurant campaigns, including Halloween coupon books, pin-ups and Frosty Key Tags
- \$500,000+ through the Make a Biggie Difference campaign, in partnership with Coca-Cola® and Keurig Dr Pepper
- \$215,000+ through the virtual Frosty 5K Run for Adoption
- Nearly \$4.2 million through other fundraising activities, including Wendy's Convention, The Dave, Company and franchise giving

Wendy's contributions to the Foundation increased by 10% year-over-year from 2022.



### **Rhianna's Story**

Placed in foster care at two months old due to neglect, Rhianna spent 15 years of her life waiting for a forever home. Her journey changed when she was referred to the Foundation's Wendy's Wonderful Kids program in Canada and met her recruiter, Michelle. Just before she turned 18, Rhianna was adopted by Reegan, whom she had known during her time in foster care. Rhianna shared her story during the Wendy's 2023 Franchise Convention.



# COMMUNITY

## Community Giving Program



In addition to supporting Wendy's signature cause of foster care adoption, we believe in supporting important causes to uplift organizations in the communities we serve. Through the [Wendy's Community](#)

[Giving Program](#), we support causes that matter most to our employees, aligned to four core categories of charitable support: foster care adoption, hunger and food integrity, youth and families, and vibrant communities.

In 2023, Wendy's donated nearly \$110,000 to 23 organizations in the U.S., Canada and the United Kingdom. All seven [ERGs](#) received a \$5,000 grant to support an organization aligned to the ERG's mission. In its third year, the Wendy's Community Giving Program has provided more than \$410,000 in donations to community-focused organizations across our global footprint.

## Community volunteering

To celebrate our values and support our local community, Wendy's employees invest their time with local communities.



**WeCANstruct:** Wendy's Restaurant Support employees and Quality Supply Chain Co-Op associates hosted the first-ever WeCANstruct event in support of the Dublin Food Pantry in Ohio. During the weeklong event, teams created themed structures using unopened canned food. Through this event, Wendy's donated \$25,000 of food, which amounted to 10,700 canned goods, to the Dublin Food Pantry.



**Founder's Week:** In honor of Dave Thomas' legacy and our brand values during Founder's Week in November, Wendy's encouraged franchisees and Company employees to take time to volunteer with a local organization aligned to Wendy's core categories of charitable support. In Columbus, Wendy's Restaurant Support Center employees and Quality Supply Chain Co-Op associates volunteered at the Mid-Ohio Food Collective, stocking more than 17,000 pounds of food, packaging nearly 12,000 pounds of food and serving 415 families in just four days.

## Community Giving Program beneficiary highlights:

### Foster Care Adoption

[Raise the Future:](#) Designs and implements evidence-based, wraparound services that reduce the amount of time youth in foster care live without a permanent family.

### Hunger and Food Integrity

[Connecticut Foodshare:](#) Works to deliver an informed and equitable response to hunger by mobilizing community partners, volunteers and supporters.

### Youth and Families

[My Project USA:](#) A national initiative that aims to be a catalyst for protecting and empowering youth by uplifting families through education, social services, civic engagement and advocacy.

### Vibrant Communities

[Nia Cultural Center:](#) A community-based educational organization with activities and programs focused on culture and history and their impacts on the lives of children, youth and families. Nia also provides presentations and training to promote awareness and cultural competency in service planning and delivery in the community.

Wendy's



# FOOTPRINT

Delivering more with less environmental impact

**GOOD** DONE RIGHT.

- ➔ CLIMATE AND ENERGY
- ➔ FORESTS
- ➔ PACKAGING AND WASTE
- ➔ WATER

## MATERIAL ISSUES

- Sustainable Packaging
- Food Waste
- Recycling
- GHG Emissions & Energy Consumption
- Water Stewardship
- Climate Risk
- Deforestation

## OUR CONTRIBUTION TO THE SDGS

<p><b>13</b> CLIMATE ACTION</p> 	<p><b>15</b> LIFE ON LAND</p> 
<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	



# FOOTPRINT PROGRESS HIGHLIGHTS

FOOTPRINT PROGRESS HIGHLIGHTS

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## Emissions reductions

Decreased Company emissions (Scopes 1 and 2) by 26% and franchisee emissions (Scope 3) by 11%, both from a 2019 base year.



## Sustainable packaging

Started transition to fry cartons with Sustainable Forestry Initiative's (SFI) "certified sourcing" standard.<sup>12</sup>



## Forests

Initiated a deforestation risk assessment to prepare for measuring and managing forestry, land and agriculture (FLAG) related emissions.



## Wendy's Energy Challenge

More than doubled the number of reporting<sup>11</sup>

franchisees in the program compared to 2022, with 37 franchisees (1,644 restaurants) reporting 2022 energy data, up from 18 franchisees reporting 2021 data. Approximately 45 franchisees are anticipated to report 2023 energy data based on Wendy's Energy Challenge enrollment as of the end of 2023.

## Renewable Energy

Began sourcing clean energy through Florida Power and Light's SolarTogether® community solar program in Florida, and signed on with community solar provider Ampion to help franchisees and Company-operated restaurants in Upstate New York, Illinois and Massachusetts access clean energy and save on electricity.



<sup>11</sup> Franchisees that received a WEC report on prior year data.

<sup>12</sup> Applies to all Wendy's restaurants in the U.S. and Canada. Some locations prohibit plastic packaging, and Wendy's has identified alternatives in those markets.



# CLIMATE AND ENERGY

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Wendy's embraces our role and responsibility in mitigating our climate impact. To meaningfully reduce Company and value chain emissions, Wendy's has committed to significant cuts in emissions.

GOAL

## By 2030, reduce from our 2019 baseline

Absolute Scope 1 and 2 GHG emissions by 47%

Scope 3 GHG emissions from purchased goods and services by 47% per metric ton of goods

Scope 3 GHG emissions from franchises by 47% per restaurant

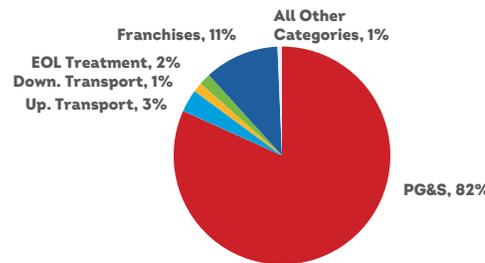
In early 2023, we announced Wendy's near-term science-based emissions reduction targets, which were validated by the Science-Based Targets Initiative (SBTi).<sup>13</sup> Wendy's Scope 1 and 2 science-based target aims to reduce emissions within Company operations at a pace consistent with keeping warming below 1.5°C, which aligns to the latest science.<sup>14</sup> Our Scope 3 targets are aligned to SBTi's well below 2°C criteria.<sup>15</sup>

Emissions from Wendy's operations are associated with our Company-operated restaurants and Restaurant Support Center (RSC), while emissions from Wendy's franchisee-operated restaurants and our supply chain contribute to our Scope 3 emissions. In 2023, Wendy's reduced Scope 1 and 2 emissions by 26% compared to our 2019 base year, with energy efficiency projects as part

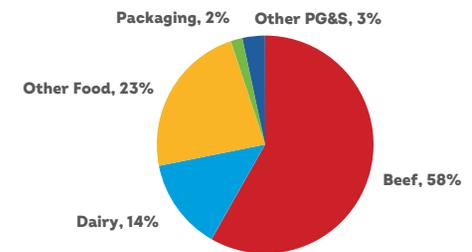
of the Wendy's Energy Challenge (WEC) and community solar projects contributing to reductions. As for Scope 3, franchisee emissions decreased by 11% per restaurant, also resulting from energy efficiency updates through WEC, and emissions from purchased goods and services increased by 1% per metric ton of goods purchased, both from our 2019 baseline.

Wendy's Scope 3 emissions reduction goals incorporate approximately 95% of Wendy's Scope 3 emissions, with purchased goods and services (PG&S) from our supply chain and franchised restaurants comprising more than 80% and 10% of the Company's Scope 3 emissions, respectively. The bulk of our supply chain emissions are from food and packaging, with beef, chicken, dairy and pork representing our most significant emissions categories.

### 2023 Scope 3 Emissions By Category



### 2023 Scope 3 Emissions Purchased Goods & Services



<sup>13</sup> Our science-based target covers all Scope 1 and 2 emissions in The Wendy's Company's GHG inventory and was developed in line with the GHG Protocol Corporate Standard. The Scope 3 target includes Category 1: Purchased Goods & Services and Category 14: Franchises, which comprise approximately 95% of Wendy's Scope 3 emissions.

<sup>14</sup> Based on findings from the Intergovernmental Panel on Climate Change (IPCC).

<sup>15</sup> Scope 1 emissions are defined as direct Company GHG emissions, including natural gas, propane, mobile and stationary fuels and refrigerants; Scope 2 as indirect emissions derived from energy sources (electricity, steam, heat and cooling); and Scope 3 as all indirect upstream and downstream emissions that occur in the value chain, including franchised operations.



# CLIMATE AND ENERGY

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In compliance with the SBTi, Wendy's will review the approved targets at least every five years and, if necessary, recalculate and revalidate them for continued recognition by SBTi. SBTi also requires that we set a Forests, Land and Agriculture (FLAG) target. Wendy's plans to submit a FLAG emissions reduction target(s) to SBTi for approval in 2024, in accordance with their deadline.

For more detailed information on our climate action, please refer to our annual [CDP Climate Change Disclosure](#).

The sections that follow detail our efforts to reduce Company emissions and emissions from our franchisees. We are working to establish pathways to drive emissions reductions across our PG&S emissions reduction goal, which is especially challenging due to the complex nature of our supply chain. For more information on our efforts to reduce Scope 3 emissions from purchased goods and services, see [Responsible sourcing](#).

The following visual details prospective operational actions to reduce GHG emissions in line with our goal. We continue to explore new ways to reduce our emissions footprint and will continue to communicate our progress.



**Energy Efficiency**

- Improving energy efficiency with new equipment retrofits and upgrades
- Leveraging Wendy's more efficient *Global Next Gen* design standard for new builds
- Engaging franchisees to reduce emissions through the Wendy's Energy Challenge
- Reducing fuel use in Wendy's Company-operated fleet

**Purchasing Practices**

- Updating procurement and operational policies and considering sustainability in procurement decisions
- Collaborating with suppliers, in scope for Wendy's responsible sourcing goal, to identify ways to reduce emissions or sequester carbon in their operations and shared supply chain

**Low-GWP Refrigerants**

- Transitioning to refrigerants with a lower global warming potential (GWP)

**Agriculture**

- Exploring place-based projects that assist suppliers in adopting more climate-friendly practices and are tailored to local and/or regional ecosystems
- Evaluating projects to reduce emissions in grazing and feeding, while maintaining or improving animal welfare

**Renewable Energy**

- Identifying projects that enable a renewable energy transition
- Developing a renewable electricity procurement strategy across System operations

**Greenhouse gas (GHG) emissions<sup>16</sup>**

Metric Tons Carbon Dioxide Equivalent (MTCO2e)

**EMISSIONS WITHIN OUR OPERATIONS (Scope 1 + 2)**



**EMISSIONS PER FRANCHISED RESTAURANT (Scope 3)**



**EMISSIONS PER METRIC TON OF GOODS PURCHASED (Scope 3)**



<sup>16</sup> Baseline year 2019 has been restated to account for required updates, in accordance with the GHG Protocol. All figures are market-based emissions. For a full breakdown, view our CDP report for the same period.



# CLIMATE AND ENERGY

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## Reducing our energy consumption

Most of our Scope 1 and 2 emissions, as well as our Scope 3 emissions from franchise-operated restaurants, are associated with energy use in our restaurants. In 2023, Wendy's and our franchisees continued to invest in energy efficiency improvements within Wendy's restaurants and increase the share of renewable energy that powers them.

### Total Company energy consumed

Gigajoules (GJ)



## Better Buildings Challenge

Since 2015, a critical component of Wendy's energy efficiency efforts has been our participation in the U.S. Department of Energy's Better Buildings® Challenge. We set a goal to reduce the energy used by Company-operated restaurants and the Restaurant Support Center by 20% per square foot by end of 2025, from a 2012 baseline year. Franchised restaurants in the U.S. can also

join the Better Buildings Challenge as part of their enrollment in Wendy's Energy Challenge (WEC), and formally commit to energy reductions and measure their progress against a baseline. By participating in the Better Buildings Challenge, franchisees have the opportunity to obtain national recognition and technical assistance. In 2023, the most recent reporting year for our Wendy's Energy Challenge<sup>17</sup>, Wendy's Company operations and the 362 Company-operated restaurants reporting data achieved a 18% reduction in source energy per square foot.

## Wendy's Energy Challenge

Inspired by the Better Buildings Challenge, our own Wendy's Energy Challenge plays an important role in achieving progress on both our Scope 1 and 2 emissions reduction goal as well as our franchisee emissions goal.

Wendy's Energy Challenge, which includes our Company-operated restaurants, invites our restaurants in the U.S. and Canada to benchmark, measure and report their energy consumption and implement energy efficiency initiatives that help them achieve cost savings. By tracking their energy use, participating restaurants can identify opportunities to save energy and plan to take actions that will reduce their costs and emissions. Energy efficiency initiatives within franchised Wendy's restaurants will address a portion of the emissions reductions needed to achieve our Scope 3 franchisee goal.



## Better Buildings Challenge achiever Wen-GAP, LLC

This year, one of our franchisees, Wen-GAP, LLC, achieved its Better Buildings Challenge goal of reducing its energy intensity by 22% from a 2014 base year, covering 54,000 square feet of property. Wen-GAP attributes its success in realizing energy reductions to installing LED lighting, upgrading HVAC units with high efficiency units and leveraging available rebates to help fund this progress. In recognition of Wen-GAP's leadership in energy savings, Ed Anderson, Wen-GAP CEO, was invited to the White House to share insights and celebrate the franchise's achievements with Department of Energy officials and members of the White House Climate Policy Office.

"One of Dave's mantras is to give back, so by being better stewards of energy, we're also able to give back."  
- Ed Anderson, Wen-GAP, LLC

<sup>17</sup> Annual calendar year utility data collection for WEC is not on the same schedule as the annual emissions inventory for reporting. Franchisees that received WEC benchmarking reports in 2023, on 2022 data, are included in the emissions inventory.



# CLIMATE AND ENERGY

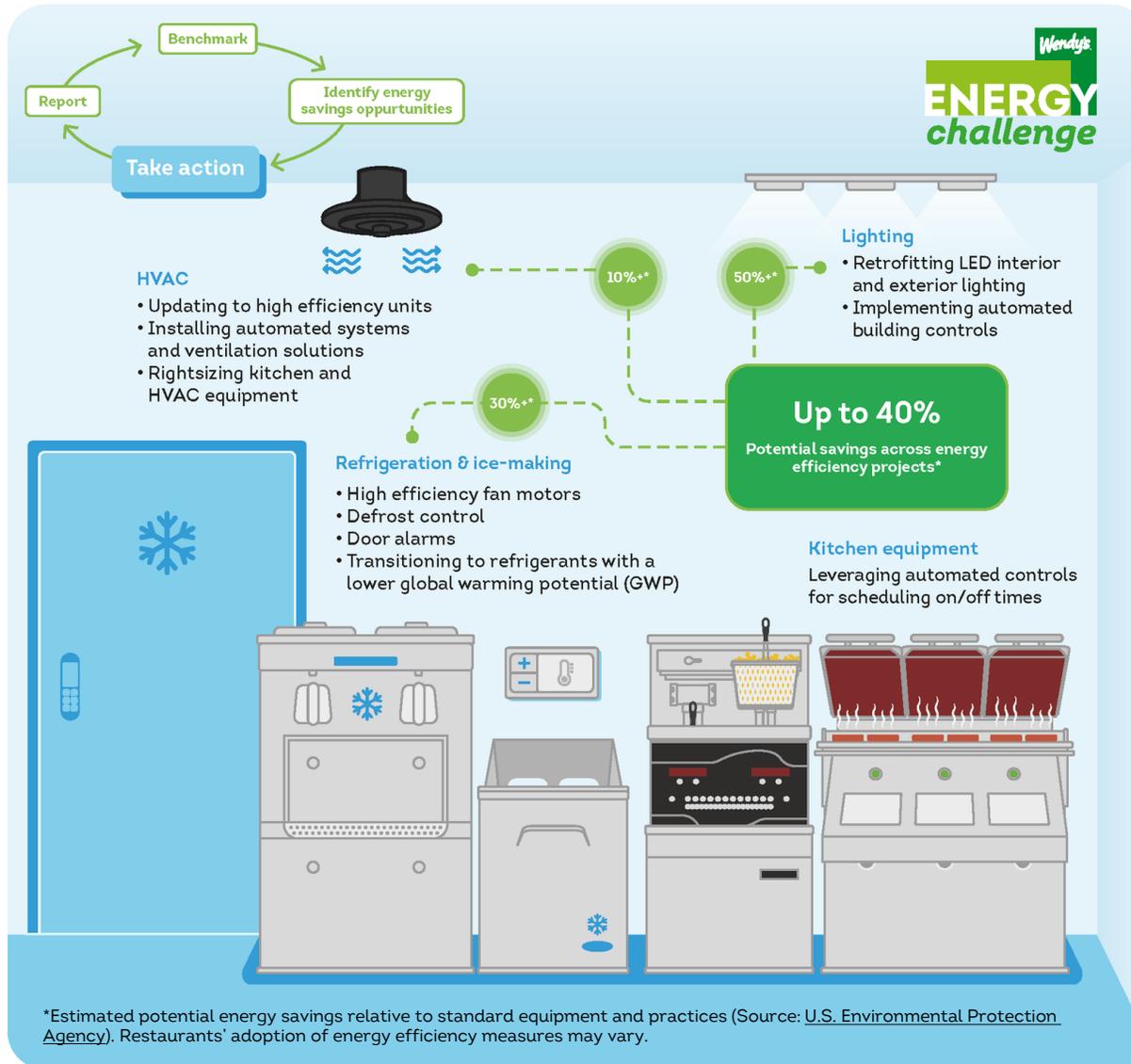
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At no cost to franchisees, participating restaurants can access resources, coaching and trainings on:

- 1. Common sources of energy inefficiencies**
- 2. Behaviors, equipment and processes that reduce consumption**
- 3. Benefits and barriers to new technology, electrification and renewables, enabling them to focus their efforts where they can to maximize impact**

In 2023, we ramped up recruitment efforts to enroll more franchisees into the program and more than doubled the number of franchisees participating in the program compared to program participation in 2022. This was a result of our accelerating promotion of the program, including Company leadership encouraging participation at our Franchise Convention and recognizing high achievers.

Energy efficiency enhancements across Company-operated and franchise-operated restaurants in 2023 included implementing lighting retrofits, installing high efficiency HVAC units and transitioning to lower global warming potential (GWP) refrigerants.



# CLIMATE AND ENERGY

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To incentivize franchisee participation in Wendy's Energy Challenge, we introduced and announced our first Wendy's Energy Challenge Award to recognize franchisees' strong performance in the program. While we celebrated several of our WEC participants, our highest honors went to:



**WEC program highlights**

**Reporting 2022 data:**  
**1,644** franchised restaurants (37 franchisees)  
**362** Company-operated restaurants  
**2,702** franchised restaurants (45 franchisees) participating as of the end of 2023

Approximately **800** restaurants collectively saved approximately **\$6.4 million** on energy costs in 2022 compared to their baseline

- 1. Top Performing Franchisee:** Wen-GAP, LLC for achieving a more than 20% energy reduction from their base year across its participation in Wendy's Energy Challenge<sup>18</sup> and the Better Building's Challenge<sup>19</sup>.
- 2. Best Average Wendy's Energy Score:** Wendium of Florida for achieving the highest average Wendy's Energy Score for its portfolio.
- 3. Challenge Achievers:** Delight Restaurant Group, Hamra Enterprises, Carlisle, LLC for achieving a 20% or greater energy reduction from their base year across participation in either Wendy's Energy Challenge or the Better Building's Challenge. Cotti Foods Hawaii Inc. received honorable mention for reducing energy use by 19% from its Better Building's Challenge baseline.
- 4. Best Annual Improvement:** Calhoun Management, WenMarr Management Company and Hoover Foods (honorable mention) for achieving the highest percentage improvement in site energy reduction compared to the previous year.

Retrieving utility data at scale is a challenge, and through WEC we support our franchisees in overcoming some of these barriers. Wendy's is embarking on a five-year effort to increase franchisee enrollment in the WEC program.



**Global Next Gen restaurant openings**

In 2022, Wendy's introduced a new restaurant design standard, Global Next Gen, which we created to enhance the customer and crew experience by tapping into the power of design and technology innovation. The new restaurants use right-sized building elements to decrease energy usage and costs.

As of the end of 2023, the first 58 restaurants featuring Wendy's new design standard opened across domestic and international markets, and the first Company-operated Global Next Gen restaurant was in the final stages of construction.

<sup>18</sup> Calculated based on site energy, using EPA's Energy Star scoring methodology.

<sup>19</sup> Calculated based on source energy, which accounts for generation and transmission, per Department of Energy guidelines.



# CLIMATE AND ENERGY

### Low Carbon Building Pilot

Wendy's also participated in the U.S. Department of Energy (DOE) Better Buildings® Low Carbon Building Pilot. This program is intended to help the DOE and its partners understand and demonstrate ways to achieve real CO<sub>2</sub> emissions reductions through currently available pathways in building operations with the goal of sharing these solutions with the market. Wendy's studied two restaurants to identify pathways and implement projects to reduce emissions, including:

- A Florida all-electric restaurant participating in a local community solar program to reduce restaurant emissions to near zero
- An Ohio restaurant implementing refrigeration and HVAC controls and energy efficiency projects to reduce energy use by up to 40%

### Renewable energy sourcing

Wendy's continues to explore renewable energy procurement options, considering everything from on-site generation to utility procurement options for retail and regulated markets to the procurement of renewable energy certificates (RECs). As we do so, we are evaluating opportunities and challenges such as cost, risk, complexity, scalability and impact.

We continue to find that sourcing renewable energy from community solar facilities offers the most benefits for our restaurants at this time. Wendy's signed on with Ampion, a community solar provider, in 2023 to help franchisees and Company-operated restaurants in Upstate New York, Illinois and Massachusetts save on electricity and access clean energy, at no cost to join. As of the end of 2023, nearly 100 Company-operated restaurant and 38

franchised restaurants had enrolled in the program. We will ramp up franchisee recruitment in 2024 as we gain access to more solar projects coming online.

We expect that, based on current enrollment, Wendy's will source at least 734 kilowatts (kW) of clean energy from the program by the end of 2024. As more states enact legislation enabling community solar, we will look to make this offering available to franchisees located elsewhere.

Wendy's is also expanding our procurement of renewable energy in Florida. As of the end of 2023, 22 Company-operated restaurants in Central Florida were powered by solar energy through participation in Duke Energy Florida's Clean Energy Connection program, totaling up to 3,819 kW. As one of the inaugural subscribers to the Duke Energy community solar program, Wendy's aims to supply 42 Central Florida restaurants with 100% renewable electricity totaling 7,209 kW by 2025 based on Duke Energy's current development plans. Additionally, in 2023, 47 Wendy's Company-operated restaurants began sourcing clean energy through Florida Power and Light's (FPL) SolarTogether community solar program. Through the program, these sites source 4,071 kW of clean energy. We expect that an additional 17 sites and 1,456 kW will be added in January 2025 based upon FPL's program development plans.





# FORESTS

**We recognize that commodity production plays a significant role in deforestation and land conversion. This can be particularly harmful to tropical rainforests and ecosystems that capture carbon emissions and are home to much of the world's biodiversity. Clearing forests to make way for grazing animals or growing crops results in negative environmental impacts, including releasing carbon from the ground, which contributes to climate change, and disrupting biodiversity.**

Wendy's is in the early stages of accelerating our work to address deforestation within our supply chain. We have established a high-level roadmap outlining how we plan to approach our most significant deforestation risks.

### Wendy's forests roadmap:

✓ Conduct deforestation risk assessment

Develop commodity-specific action plans to address deforestation risk by the target

Submit Forests, Land and Agriculture (FLAG) target to SBTi for review and approval

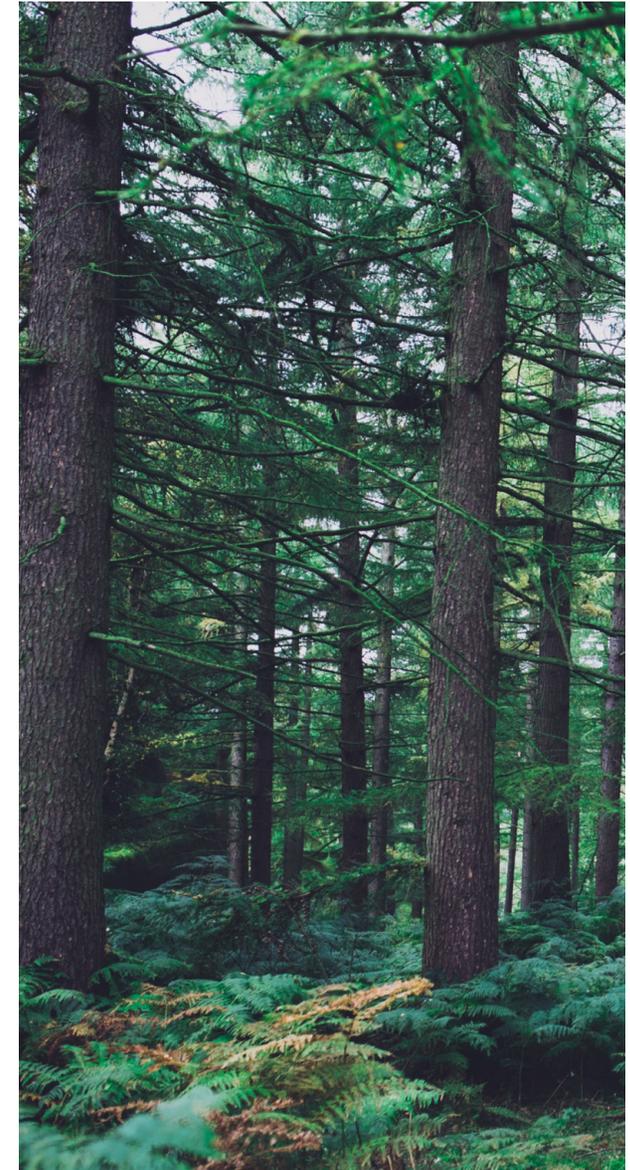
Engage suppliers to implement commodity-specific action plans

We learned from our deforestation risk assessment that our primary commodities most at risk of deforestation are beef, fiber associated with paper packaging, palm oil, and soy, which is used in fryer oil and poultry feed within our supply chain.

Of these risk areas, we are managing the majority of our beef, palm oil and soy risk through our responsible sourcing program and addressing paper packaging as part of our work to achieve our sustainable packaging goal. Because our responsible sourcing and sustainably sourced packaging goals cover the U.S. and Canada, we plan to undertake additional actions in our international supply chain to align our sourcing of our priority commodities at risk of deforestation with our commitment.

As part of our membership with the Science Based Targets Initiative (SBTi) and the continued evolution of our science-based targets, we aim to have a [Forests, Land and Agriculture \(FLAG\) target](#) submitted by the end of 2024 for their approval, which will cover select land-related emissions and carbon removals. Additionally, we plan to publish a no deforestation policy with our FLAG targets once we receive SBTi approval of our goal.

Learn more in [Responsible Sourcing](#) and [Packaging and Waste](#).





# PACKAGING AND WASTE

FOOTPRINT PROGRESS HIGHLIGHTS

CLIMATE AND ENERGY

FORESTS

**PACKAGING AND WASTE**

WATER

**GOAL**

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

Wendy's efforts to reduce waste span our commitment to transition to more sustainable customer-facing food packaging, our management of front- and back-of-house waste and initiatives aimed at diverting food from landfills.

### Sustainable packaging

Wendy's industry collaborations are crucial to identifying opportunities to transition our customer-facing restaurant packaging to more sustainable packaging alternatives and formulating category-specific improvement plans. When we evaluate new packaging options, we look for ways to balance the sustainability attributes we seek with materials and formats that meet the performance needs of their contents and our customers. To validate the sustainable sourcing of our packaging materials, we work with recognized third-party certification groups such as the Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI) and Programme for the Endorsement of Forest Certification (PEFC). In 2023, we also created a new role to expand our

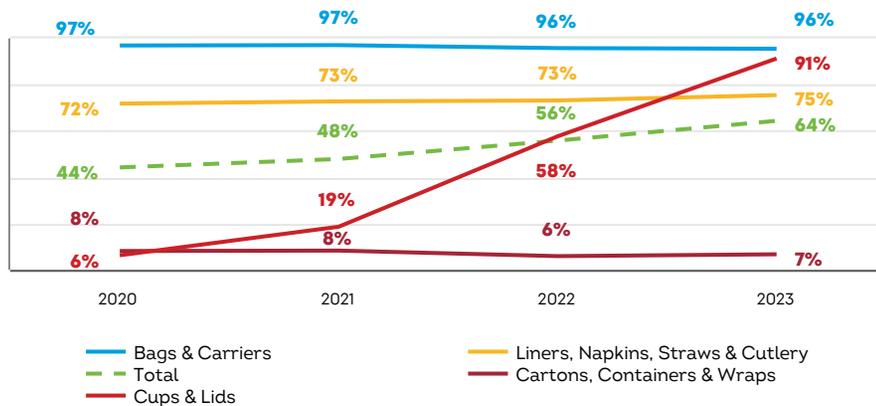
team's capabilities in sustainable packaging, helping advance this work.

Through these efforts, we made progress on our goal to sustainably source 100% of our customer-facing packaging in the U.S. and Canada by 2026,<sup>20</sup> increasing the percentage of packaging meeting our sustainable packaging goal criteria from 56% in 2022 to 64% that:

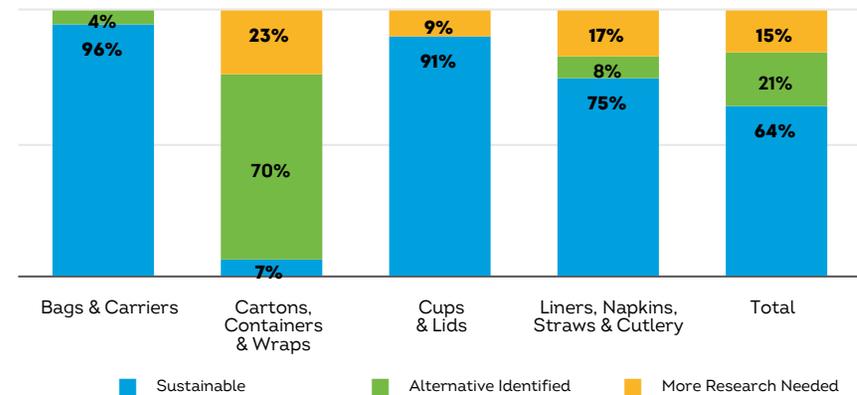
- Has higher recycled content
- Uses fewer raw materials
- Adheres to a restricted substance list
- Is recyclable, compostable or reusable
- Is sourced from areas that do not contribute to deforestation

### PROGRESS TOWARD SUSTAINABLE PACKAGING GOAL

Line represents the percent of category packaging meeting "sustainably sourced packaging" definition



### STATUS ACROSS CUSTOMER-FACING PACKAGING CATEGORIES



<sup>20</sup> Unless otherwise noted, statements about packaging refer to brand-standard customer-facing packaging available in Wendy's restaurants in the U.S. and Canada.



# PACKAGING AND WASTE

Examples of our continued momentum toward our sustainably sourced packaging goal included:

- **Cups:** As of the end of 2022, our clear plastic drink cups, which are made from polypropylene and customers can recycle in select municipalities, were in all Wendy's restaurants in the U.S. and Canada<sup>21</sup>. All cups, excluding our 19 oz cups, contained 20% recycled content as of year end 2023.<sup>22</sup> Wendy's began introducing the cups in 2021.
- **Cutlery:** In our U.S. restaurants, all cutlery now incorporates 30% recycled content.<sup>23</sup> In Canada, we continued to explore wooden cutlery options for areas with plastic/polymer bans.
- **Fry cartons:** As of the end of 2023, our fry cartons in the U.S. and in Canada have achieved SFI's "certified sourcing" standard and feature the SFI label, indicating to customers that the fiber in the packaging came from responsibly managed forest lands. These cartons are continuing to rollout in restaurant in 2024.



## Managing our waste

Managing our waste extends from our efforts to introduce more sustainable packaging in our restaurants to our work to minimize food waste. We take care to handle both our packaging and food waste in a way that limits waste to landfill. We continue to build on established processes with early-stage programs and collaborations aimed at further reducing our waste footprint.

## Packaging recovery

In addition to increasing sustainable sourcing of our packaging, we are also working to improve end-of-life recovery and diversion. For example, we have taken actions to improve our recycling practices and in-restaurant customer education in certain regions. In July, we completed a pilot that introduced recycling and educational signage at bins for customers and restaurant teams at eight Company-operated restaurants in the Chicago area. The pilot improved our waste diversion rate by an average of 44% across pilot locations and optimized pickup schedules based on information from our waste metering technology partner.

In addition, our Canadian restaurants also helped customers navigate how to recycle and compost Wendy's packaging by displaying new signage at waste receptacles with guidance on disposing by item type, in line with local requirements.

We continue to work with the [NextGen Consortium](#), a multi-year industry collaboration managed by Closed Loop Partners' Center for the Circular Economy. The Consortium addresses single-use foodservice packaging waste by advancing the design, commercialization and recovery of alternatives to improve both the recyclability of packaging and the necessary infrastructure. In 2023, the Consortium published research on [reusable cup scalability](#) and [recoverability](#), shared a [report](#) on the path forward for paper cup recycling in the U.S., and kicked off a [study](#) on polypropylene recovery in recycling streams. This will provide valuable industry insights on improving recycling and advancing a circular economy for foodservice packaging.

## Food waste

While making our food to order helps us minimize waste at our restaurants, we continue to work to avoid wasted food within our restaurants and Restaurant Support Center (RSC).

In 2019, Wendy's became a [U.S. Food Loss and Waste 2030 Champion](#) by committing to reduce food loss and waste by 50% by 2030 in U.S. operations. This aligns with the U.S. Department of Agriculture and Environmental Protection Agency's national goal, set in 2015, for food businesses and organizations. We are developing a process to estimate total waste and determine total diversion, working to overcome challenges in collecting waste data. We will share updates on our progress towards this goal once data becomes available.

<sup>21</sup> Some locations prohibit plastic packaging, and Wendy's has identified alternatives in those markets.

<sup>22</sup> The cups' lids do not yet contain recycled content.

<sup>23</sup> This does not include the wrapper, which does not incorporate recycled content at this time.



# PACKAGING AND WASTE

## Corporate office initiatives

Under the sponsorship of Wendy's Chief People Officer Coley O'Brien and Chief Financial Officer Gunther Plosch, our employee-led **Squarely Sustainable Council (SSC)** brings together employees and subject matter experts who share a passion for sustainability to advance environmental efforts at our Restaurant Support Center (RSC).

The SSC, which has historically led week-long Earth Week celebrations, hosted Earth-themed events for employees at our corporate office throughout the entire month of April, many of which centered on reducing waste and supporting members of our local community. **Earth Month activities included:**

- **A spring-cleaning donation drive**, through which employees donated 900 pounds of household items to Goodwill Dublin, a more than \$3,000 retail value, creating 300 hours of job services to unemployed and underemployed people in Central Ohio.
- **A food drive**, through which employees donated nearly 600 pounds of food, equaling almost 500 meals, to the Mid-Ohio Food Collective.
- **Our annual Idea Forum and Competition**, through which employee contestants pitched their ideas to members of Wendy's senior leadership team and leaders overseeing sustainability programming for a chance to win funding for their projects. The winning team proposed a sustainable packaging improvement that we will first be testing in our RSC as we explore options for use in restaurants.

Donations are one way our RSC is keeping wholesome food from reaching landfills. To minimize waste in Wendy's Quality Assurance (QA) kitchen, our QA team has reduced the volume of product samples we receive for product testing and donated unused ingredients to local charitable organizations. In 2023, we donated more than 12,500 pounds of unused product samples, ranging from chicken and fries to lemonade, to help feed local community members in central and eastern Ohio through organizations including the Mid-Ohio Food Collective and Plain City Food Bank.

Additionally, in 2023, the Innovation Kitchen at our RSC continued the composting program we introduced in 2022. Through this initiative, we diverted nearly 7 metric

tons of food from landfills, which our local hauler Earth Peak Organics converted into nutrient-rich fertilizer and fertilizer blends. In October 2023, the composting program expanded to Wendy's Four Corner Café at our RSC, where employees can now compost leftovers, as well as cutlery, coffee cups/lids/sleeves, to-go soup cups and to-go containers.

In 2023, we launched WeCycle, the winning project from our 2022 Idea Forum and an on-site e-waste collection program that makes it easier for employees to dispose of old computer equipment, cell phones, batteries, fluorescent lightbulbs and similar items. In the program's first year, we collected more than 500 pounds of e-waste for disposal through a certified electronics recycler.





# WATER

**Wendy's is working to eliminate water waste by accelerating adoption of updated water-saving technologies in the areas of our business with the greatest water footprint.**

In 2021, Wendy's achieved our U.S. Department of Energy's Better Buildings® Water Savings Network goal to reduce water use in U.S. Company-operated restaurants and the Restaurant Support Center (RSC) by 20% compared to a 2018 baseline. We are now in the early stages of conducting an analysis to better understand our water use and even further opportunities for water savings. This includes assessing the potential for cost savings tied to future water reduction initiatives.

**Smart irrigation pilot**

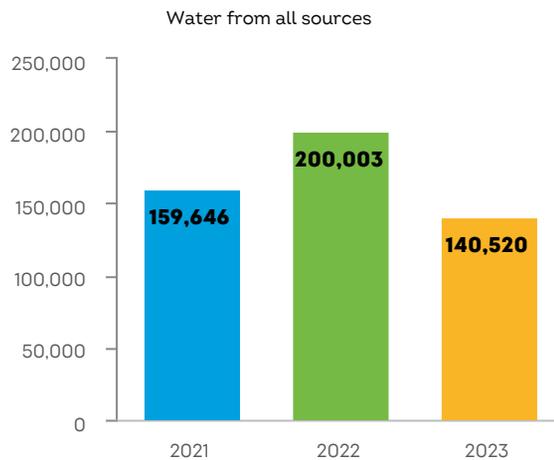
The area where Wendy's water impact is greatest is in the irrigation of the grounds surrounding our restaurants. In 2023, Wendy's completed a five-year pilot to test smart systems that react to weather and soil conditions to adjust the amount of water they use at certain Company-operated restaurants. The systems' sensors monitor weather and climate, soil and plant types, the irrigation area and sloping at the property to adapt to the appropriate amount of water needed for irrigation based on the lands' unique conditions.

We piloted this technology at Florida locations based on a combination of factors including the locations' high irrigation water use, long growing seasons, high water costs and higher rate of separate irrigation meters. Through this 25-restaurant pilot, we sought to confirm the smart irrigation system would cut irrigation water use in half and yield the expected cost savings from the initial three-site pilot conducted in 2022.

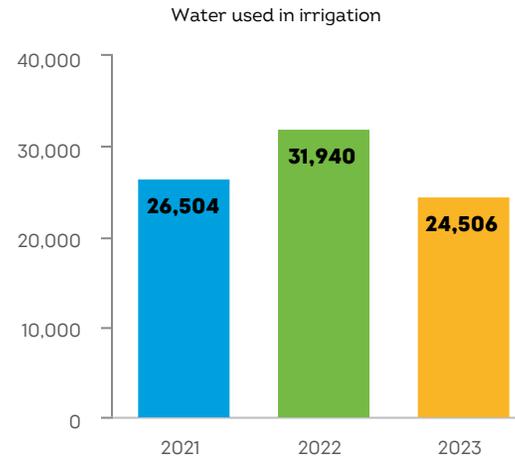
Through the expanded pilot, participating restaurants saw an average of 67% water savings and 65% cost savings. The technology is also making it easier to track our water use at participating locations.

In 2023, we shifted from our pilot phase to determining our approach to broader implementation. We will use data from the pilot to assess the opportunity for additional sites and markets to adopt similar smart controls for irrigation conservation and explore the potential of making this technology available to franchisees. Given that locations with higher water use and rates yield the greatest return for this technology, we will be strategic in considering locations that fit these characteristics.

**TOTAL COMPANY WATER WITHDRAWN (KG AL)**



**TOTAL COMPANY WATER CONSUMED (KG AL)**



# METRICS

Reporting



QUIKSERV



# FORWARD-LOOKING STATEMENTS

## Forward-Looking Statements

This report contains certain statements that are not historical facts, including statements regarding the Company’s future performance and goals, including across the Food, People and Footprint pillars of our Good Done Right strategy. Those statements, as well as statements preceded by, followed by, or that include the words “will,” “may,” “believes,” “intends,” “plans,” “expects,” “anticipates,” or similar expressions constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Reform Act”). The forward-looking statements are based on the Company’s expectations at the time, speak only as of the dates they are made and are susceptible to a number of risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from those expressed or implied in any forward-looking statement. These factors include, but are not limited to, the factors identified in the “Special Note Regarding Forward-Looking Statements and Projections” and “Risk Factors” sections of our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q and in our other filings with the Securities and Exchange Commission. For all forward-looking statements, the Company claims the protection of the safe harbor for forward-looking statements contained in the Reform Act.



# METRICS: FOOD

Topic	Metric	2023	SASB	GRI
<b>Food Safety</b>	Percentage of restaurants inspected by a food safety oversight body	All our restaurants operate in locations that are subject to regular inspections by public health authorities. Additional information is included in the <a href="#">Food Safety</a> section of our report.	FB-RN-250a.1	
	Number of recalls issued	0 recalls were issued in 2023	FB-RN-250a.2	
<b>Responsible Sourcing</b>	Percentage of food purchased that meets environmental and social sourcing standards	Refer to the <a href="#">Responsible Sourcing</a> section of our report for information on our approach to responsible sourcing of our ingredients.	FB-RN-430a.1	
	Percentage of food purchased that is certified to third-party environmental and/or social standards	See next page. Additional information is included in the <a href="#">Responsible Sourcing</a> section of our report.	FB-RN-430a.1	
	Percentage of eggs that originated from a cage-free environment	9% 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	99.99% of confirmed pregnant sows in the U.S. and Canada supply chain. Additional information is included in the <a href="#">Responsible Sourcing</a> section of our report.	FB-RN-430a.2	



# METRICS: FOOD

Topic	Metric	2023	SASB	GRI
Responsible Sourcing	<b>Percentage of food purchased that meets environmental and social sourcing standards</b>		FB-RN-430a.1.1	
	<b>All ingredients:</b> Wendy's Code of Conduct (U.S. and Canada restaurants, in-scope suppliers)	92%	FB-RN-430a.1.2	
	<b>Beef:</b> Progressive Beef (U.S. restaurants)	37%	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>[24]</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> Sourced with a 3rd party sustainability certification (U.S. and Canada)	100%	FB-RN-430a.1		
<b>Palm Oil:</b> Roundtable on Sustainable Palm Oil (All U.S. and Canadian restaurants)	100%	FB-RN-430a.1		



# METRICS: PEOPLE

Topic	Metric	2023	SASB	GRI
<b>Community</b>	Charitable giving as cash per year	The Company, together with franchises and employees, raised more than \$27 million to DTFA (Give Something Back) and the Company donated nearly \$110,000 to additional charitable organizations (Community).		
	Number of children adopted through the Dave Thomas Foundation for Adoption	Refer to the <a href="#">Community</a> section of our report for information on Wendy's continued support of DFTA's mission to find forever families for children in foster care.		
	Number of Company- and franchise-operated restaurants	Company-operated restaurants: 415 Franchise-operated restaurants: 6,825	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 15,300 at year-end 2023. Approximately 230,000 team members work across our franchised locations globally.	FB-RN-000.B	
<b>System Health and Engagement</b>	Franchise financial health reviews <sup>[25]</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 2022, our U.S. franchisee sales and EBITDA dollars grew by approximately 18% and over 2% respectively on a 3-year basis.		



# METRICS: PEOPLE

Topic	Metric	2023	SASB	GRI
<b>System Health and Engagement</b>	Total number of jobs created, by employment category, at Company-operated restaurants	On average, every new restaurant we open creates 35-40 new jobs in that local community.		401-1
	Average hours of training per year per employee	Approximately 20 hours per restaurant employee globally, across our System. Additional information is included in the <a href="#">Education and Training</a> section of our report.		404-1
<b>People</b>	Percentage of diversity representation (1) across the workforce, (2) at senior management level and (3) at board level	Refer to the <a href="#">Workplace</a> section of our report for the percentage of diversity representation of Company employees globally.		405-1
	Ratio of basic salary and remuneration of women to men	For our U.S. Company employees at all levels of our restaurant (crew to District Manager), the base salary ratio ranges from 1 : 0.97 to 1 : 1.01 (male : female). For our U.S. Company employees that support restaurants, the base salary ratio ranges from 1 : 0.93 to 1 : 1.04 (male : female).		405-2
<b>Labor practices</b>	Total amount of monetary losses as a result of legal proceedings associated with labor law violations and employment discrimination	Refer to the <a href="#">Workplace</a> section of our report for information on our labor practices.	FB-RN-310a.3	406-1



# METRICS: FOOTPRINT

Topic	Metric	2019	2021	2022	2023	SASB	GRI
Greenhouse Gas (GHG) Emissions	<b>Scope 1+2 Emissions by Source (metric tons CO2e)</b>	<b>84,398.51</b>	<b>75,978.84</b>	<b>70,740.67</b>	<b>62,449.58</b>		
	Scope 1	16,319.51	15,467.84	14,404.56	13,013.00		
	Natural Gas	10,808.20	9,811.03	9,641.34	8,848.55		305-1-a
	Propane	177.88	159.98	150.59	127.73		305-1-a
	Generator Fuel	3.98	3.62	2.36	2.46		305-1-a
	Fleet Fuel	2,042.45	1,683.47	1,948.25	1,870.22		305-1-a
	Jet Fuel <sup>[26]</sup>		522.74	567.63	512.85		305-1-a
	Refrigerants <sup>[27]</sup>	3,287.00	3,287.00	2,094.39	1,651.19		305-1-a
	Scope 2 (Electricity) (market-based)	68,079.00	60,511.00	56,336.11	49,436.58		
	<b>2030 Scope 1+2 Emissions Reduction Goal (47% = 44,731.02 mtCO2e)</b>						
	Absolute emissions reduction compared to 2019	-	(8,419.67)	(13,657.84)	(21,948.93)		
	% Emissions reduction compared to 2019	- %	10 %	16 %	26%		
	<b>% Goal Achieved</b>		<b>21 %</b>	<b>34 %</b>	<b>55%</b>		
<b>Scope 1+2 Emissions by Type (metric tons)</b>							<b>305-1</b>
	CO2	81,032.82	72,673.27	68,772.95	78,834.49		305-1- b,305-2-c
	CH4	1.23	0.29	0.27	0.37		305-1- b,305-2-c
	N2O	0.17	0.04	0.03	0.05		305-1- b,305-2-c
	HFCs (in CO2e) <sup>[27]</sup>	3,287.00	3,287.00	2,094.39	1,651.19		305-1- b,305-2-c



# METRICS: FOOTPRINT

Topic	Metric	2019	2021	2022	2023	SASB	GRI	
Greenhouse Gas (GHG) Emissions	<b>Scope 3 Emissions by Category (metric tons CO2e)</b>	<b>10,336,683</b>	<b>10,247,500</b>	<b>8,578,293</b>	<b>10,045,954</b>		<b>305-2</b>	
	Category 1: Purchased goods and services <sup>[28]</sup>	8,573,904	8,534,754	6,852,838	8,210,541			
	Metric tons purchased goods	1,479,744	1,459,485	1,203,315	1,398,873			
	Metric tons PG&S CO2e / metric ton purchased goods	5.79	5.85	5.69	5.87		305-3	
	<b>2030 Scope PG&amp;S Reduction Goal (47% reduction = 3.06 mtCO2e / metric ton purchased goods)</b>							
	<b>% Goal Achieved</b>		<b>(2)%</b>	<b>5 %</b>	<b>(3)%</b>			
	Category 14: Franchisees <sup>[28]</sup>	1,184,881	1,074,674	1,111,627	1,117,891		305-3	
	Franchise-operated restaurants	6,431	6,541	6,680	6,825			
	Metric tons franchisee CO2e / restaurant	184.25	164.30	166.41	163.79			
	<b>2030 Scope Franchise Reduction Goal (47% reduction = 97.65 mtCO2e / metric ton purchased goods)</b>							
	<b>% Goal Achieved</b>		<b>23 %</b>	<b>21 %</b>	<b>24 %</b>			
	Category 2: Capital goods	17,441	16,960	20,265	19,086		305-3	
	Category 3: Fuel and energy-related activities	17,696	15,969	14,868	13,141		305-3	
	Category 4: Upstream transportation and distribution	277,538	309,890	269,267	336,531		305-3	
	Category 5: Waste generated in operations	3,214	3,240	4,278	4,763		305-3	
Category 6: Business travel	2,608	1,029	3,145	3,100		305-3		
Category 7: Employee commuting	22,610	24,650	24,650	26,010		305-3		
Category 8: Upstream leased assets <sup>[29]</sup>				NA		305-3		
Category 9: Downstream transportation and distribution	89,844	102,675	109,189	140,707		305-3		
Category 10: Processing of sold products <sup>[29]</sup>				NA		305-3		
Category 11: Use of sold product <sup>[29]</sup>				NA		305-3		
Category 12: End of life treatment of sold products	146,947	163,789	168,167	174,185		305-3		
Category 13: Downstream leased assets <sup>[29]</sup>				NA		305-3		
Category 15: Investments <sup>[30]</sup>				NA		305-3		



# METRICS: FOOTPRINT

Topic	Metric	2020	2021	2022	2023	SASB	GRI
<b>Energy Consumed<sup>[31]</sup></b>	<b>Total Energy Consumed (GJ)</b>	<b>763,708</b>	<b>760,746</b>	<b>775,065</b>	<b>743,840</b>		<b>305-3</b>
	Diesel - Mobile	2	-	-	-		
	Diesel - Stationary	57	52	34	35	FB-RN-130a.1.1	302-1
	Gasoline (Petrol) - Mobile	24,678	25,207	29,272	28,100	FB-RN-130a.1.1	302-1
	Natural Gas	201,006	194,885	191,514	175,766	FB-RN-130a.1.1	302-1
	Propane	2,329	2,674	2,517	2,135	FB-RN-130a.1.1	302-1
	Jet Fuel (Jet A or A-1)			8,265	7,467	FB-RN-130a.1.1	302-1
	Electric Power	535,637	537,928	543,463	530,337	FB-RN-130a.1.1	302-1
	Percentage grid energy consumed	70%	71%	70%	71%	FB-RN-130a.1.2	302-1
Percentage renewable energy consumed	0%	<1%	1%	5%	FB-RN-130a.1.3	302-1-b	

Topic	Metric	2021	2022	2023	SASB	GRI
<b>Packaging<sup>[32]</sup> and waste</b>	Total amount of waste (metric tons)	Please refer to the <a href="#">Waste</a> section of our report for more information on our approach to food waste management			FB-RN-150a.1.1	306-3
	Percentage of food waste (metric tons)				FB-RN-150a.1.2	306-2
	Total weight of packaging (metric tons)	92,459	87,560	84,671	FB-RN-150a.2.1	306-2
	Percentage of packaging made from recycled and/or renewable materials	33%	37%	54%	FB-RN-150a.2.2	301-2
	Percentage of packaging that is recyclable, reusable and/or compostable	48%	56%	73%	FB-RN-150a.2.3	301-2



# METRICS: FOOTPRINT

Topic	Metric	2021	2022	2023	SASB	GRI
Water <sup>[33]</sup>	Total water withdrawn (kgal)	159,646	200,003	140,520	FB-RN-140a.1a	303-3
	Total water consumed (kgal) <sup>[34]</sup>	26,504	31,940	24,506	FB-RN-140a.1b	303-3
	Percentage of water withdrawn in High Water Stress Markets	13%	15%	13%	FB-RN-140a.1c	303-5
	Percentage of water withdrawn in Extremely High Water Stress Markets	38%	30%	38%	FB-RN-140a.1d	303-5

Methodology: Water use in Company-operated restaurants and the RSC is measured annually via utility bills. Water stress was most recently evaluated in 2021, utilizing the World Resource Institute's Water Risk Atlas tool. Additional information is included in the Water Conservation section of our report.



## Metrics: Sustainability Accounting Standards Board (SASB)

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

Topic	Accounting Metric	Code	2023
<b>Energy management</b>	1) Total energy consumed <sup>[35]</sup> , (2) percentage grid electricity, (3) percentage renewable	FB-RN-130a.1	<p>(1) Total energy consumed: 743,840 GJ                      (2) Percentage grid electricity: 71%                      (3) Percentage renewable: 5%</p> <p>Additional information is included in the <a href="#">Climate and Energy</a> section of our report.</p>
<b>Water management<sup>[36]</sup></b>	(1) Total water withdrawn, (2) total water consumed <sup>[37]</sup> , percentage of each in regions with High or Extremely High Baseline Water Stress	FB-RN-140a.1	<p>(1) Total water withdrawn: 140,520 kgal                      % in High Water Stress markets: 13%                      % in Extremely High Water Stress markets: 38%</p> <p>(2) Total water consumed: 24,506 kgal</p> <p>Additional information is included in the <a href="#">Water</a> section of our report.</p>
<b>Food &amp; packaging waste management</b>	(1) Total amount of waste, (2) percentage food waste, and (3) percentage diverted	FB-RN-150a.1	Refer to the <a href="#">Waste</a> section of our report for information on our approach to food waste management.
	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable and/or compostable	FB-RN-150a.2	<p>(1) 84,671 metric tons                      (2) 54%                      (3) 73%</p>
<b>Food safety</b>	(1) Percentage of restaurants inspected by a food safety oversight body, (2) Percentage receiving critical violations	FB-RN-250a.1	All our restaurants operate in locations that are subject to regular inspections by public health authorities. Additional information is included in the <a href="#">Food Safety</a> section of our report.



# METRICS: SUSTAINABILITY ACCOUNTING STANDARDS BOARD

Topic	Accounting Metric	Code	2023
<b>Food safety</b>	(1) Number of recalls issued and (2) total amount of food product recalled	FB-RN-250a.2	0 recalls were issued in 2023.
	Number of confirmed foodborne illness outbreaks, percentage resulting in U.S. Centers for Disease Control and Prevention (CDC) investigation	FB-RN-250a.3	0 instances of foodborne illnesses in 2023. Additional information can be found on the CDC's <a href="#">website</a>
<b>Nutritional content</b>	(1) Percentage of meal options consistent with national dietary guidelines and (2) revenue from these options	FB-RN-260a.1	Refer to our <a href="#">Nutrition &amp; Allergens</a> webpage for information on our approach to nutritional content.
	(1) Percentage of children's meal options consistent with national dietary guidelines for children and (2) revenue from these options	FB-RN-260a.2	Refer to our <a href="#">Nutrition &amp; Allergens</a> webpage for information on our approach to nutritional content.
	Number of advertising impressions made on children, percentage promoting products that meet national dietary guidelines for children	FB-RN-260a.3	Refer to our <a href="#">Nutrition &amp; Allergens</a> webpage for information on our approach to nutritional content.
<b>Labor practices</b>	(1) Voluntary and (2) involuntary turnover rate for restaurant employees	FB-RN-310a.1	Refer to the <a href="#">Workplace</a> section of our report for information on our labor practices.
	(1) Average hourly wage, by region and (2) percentage of restaurant employees earning minimum wage, by region	FB-RN-310a.2	Refer to the <a href="#">Workplace</a> section of our report for information on our labor practices.
	Total amount of monetary losses as a result of legal proceedings associated with (1) labor law violations and (2) employment discrimination	FB-RN-310a.3	Refer to the <a href="#">Workplace</a> section of our report for information on our labor practices.



# METRICS: SUSTAINABILITY ACCOUNTING STANDARDS BOARD

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Topic	Accounting Metric	Code	2023
<b>Supply chain management &amp; food sourcing</b>	Percentage of food purchased that (1) meets environmental and social sourcing standards, and (2) is certified to third-party environmental or social standards	FB-RN-430a.1	Additional information is included in the <a href="#">Responsible Sourcing</a> section of our report.
	Percentage of (1) eggs that originated from a cage-free environment and (2) pork that was produced without the use of gestation crates	FB-RN-430a.2	(1) 9% of the eggs we purchased for our U.S. restaurants were cage-free; (2) 99.99% of pork purchased in U.S. and Canada, to align with our goal. 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.

Activity metric	Code	2023
Number of (1) Company-owned and (2) franchise-operated restaurants	FB-RN-000.A	(1) Company-operated restaurants: 415 (2) Franchise-operated restaurants: 6,825
Number of employees at (1) Company-operated and (2) franchise-operated locations	FB-RN-000.B	(1) The number of Company employees worldwide, including our corporate employees and Company-operated restaurant employees, was approximately 15,300 as of year-end 2023. (2) Approximately 230,000 team members work across our franchised locations.

- 24. 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.
- 25. As we collect franchise financials after they complete their year-end close and reporting processes, this metric is reported on a one-year lag.
- 26. Wendy's started collecting jet fuel data in 2021.
- 27. Wendy's began collecting refrigerant data in 2021 and used that information as an estimate for 2019 and 2020.
- 28. Wendy's began calculating progress against our Scope 3 emissions reduction targets in 2022.
- 29. Categories 8, 10, 11 and 13 are not applicable to Wendy's.
- 30. Category 15 is included in Category 14 (franchisees), as our investment properties are franchise-operated.
- 31. Total energy consumed includes Diesel - Mobile, Diesel - Stationary, Natural Gas, Propane, Gasoline, Jet Fuel and Electric Power used, converted to gigajoules (GJ).
- 32. This refers to consumer-facing packaging in the U.S. and Canada.
- 33. 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.
- 34. 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.
- 35. Total energy consumed includes Diesel - Mobile, Diesel - Stationary, Natural Gas, Propane, Gasoline, Jet Fuel and Electric Power used, converted to gigajoules (GJ).
- 36. 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.
- 37. 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.