

# REPORTING, STAKEHOLDER ENGAGEMENT AND GOVERNANCE

## Reporting

This report provides an overview of Wendy's activities related to corporate responsibility topics and covers the 2021 calendar year, unless otherwise indicated. This report primarily covers material business updates across our U.S. and Canadian restaurants, which constitute more than 90% of our business footprint, unless otherwise indicated. Information related to Wendy's as an employer refers to The Wendy's Company and employees in our Company-operated restaurants, field support roles and corporate staff primarily based out of the Restaurant Support Center. Prior to publishing this report, our most recent annual Corporate Responsibility report was published in 2021 and covered the 2020 calendar year. We intend to continue issuing a report annually, highlighting our corporate responsibility strategy and initiatives, including progress on our goals.

For the first time in 2021, we reported 2020 data to the CDP Climate Change questionnaire, a leading disclosure practice for environmental reporting. We also recognize leading reporting standards such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and United Nations Sustainable Development Goals and strive to embed their principles and frameworks throughout our report.



We have included reporting indices at the end of this report that reflect disclosures against these standards.

The United Nations Sustainable Development Goals that we have identified as aligning with our priority impact areas can be found on our [website](#) and are further detailed above.

For any questions or comments regarding topics covered in this report, please contact us at [corporateresponsibility@wendys.com](mailto:corporateresponsibility@wendys.com).

### Stakeholder engagement

Our stakeholders help inform how we do business every day. In 2020, we completed a comprehensive ESG materiality assessment with significant stakeholder involvement to better understand the areas of greatest importance to these groups. The materiality process ultimately yielded the material topics that fall under our three Good Done Right pillars that are the focus of this report: Food, People and Footprint. We shared the assessment’s findings for the first time in our 2020 Corporate Responsibility report, and we plan to periodically update our assessment in future years. Our materiality assessment and its findings, along with a matrix visualizing our priority topics, can all be found on our [website](#).

We regularly communicate with a range of stakeholders in a variety of ways, including formal communications, such as our Corporate Responsibility report, website updates, SEC filings, earnings releases and presentations and annual shareholder meeting, and one-on-one engagements, such as calls and meetings with suppliers, investors, NGOs and others. We listen and learn from these valued groups to ensure we are considering outside perspectives as well as the needs and preferences of our own team members.

The following table provides a snapshot of the stakeholders we engaged with on corporate responsibility topics and the topics we covered as part of our communications in 2021.

MATERIAL TOPICS	EXAMPLES OF STAKEHOLDER ENGAGEMENT IN 2021
<b>ANIMAL CARE &amp; WELFARE</b>	Our Quality Assurance team worked closely with our recently expanded Animal Welfare Council, which consists of suppliers and academic experts, and <a href="#">Progressive Beef™</a> to continue implementing our Animal Care Standards Program.
<b>CLIMATE, ENERGY &amp; WATER</b>	We engaged with institutional and environmentally conscious shareholders to discuss and inform our commitment to set a science-based emissions target. We also participated in the U.S. Department of Energy’s Better Buildings Challenges on energy and water.
<b>DATA SECURITY &amp; PRIVACY</b>	Our Enterprise Data Governance Committee, which is composed of leadership-level team members and subject matter experts from the Company, informs relevant stakeholders on data-related program progress, escalated issues and risks and long-term strategic goals, and assists relevant stakeholders with identifying and mitigating data issues.
<b>FOOD SAFETY &amp; QUALITY</b>	We engaged with franchisees and third-party delivery providers, along with the U.S. Food and Drug Administration, in support of uniform, clear food safety regulations that contemplate the proliferation of third-party delivery and delivery kitchen concepts.
<b>NUTRITION</b>	Our Culinary Innovation Kitchen renovation at our Restaurant Support Center involved collaboration with Wendy’s Culinary, Quality Assurance and Consumer Insights teams as well as Wendy’s independent supply chain purchasing co-op, QSCC, and supplier partners who helped inform our new menu items.
<b>PACKAGING &amp; WASTE</b>	As we began transitioning from plastic-lined paper cups to more recyclable plastic cups, we joined the How2Recycle program to incorporate educational labeling on our customer-facing packaging to help customers recycle.
<b>PEOPLE &amp; ETHICS</b>	We supported First Women’s Bank as a Mission Partner to expand economic opportunity for women-owned businesses and create opportunities for new franchisees. We also engaged with federal, state and local public health bodies to help us better understand the evolving COVID-19 situation and its impacts with a focus on the safety and comfort of our employees and customers.
<b>TRACEABILITY &amp; TRANSPARENCY</b>	To continue our food safety, quality practices and oversight of our suppliers and distribution centers amidst COVID-19 restrictions, we partnered with NSF EyeSucceed™ to test the use of augmented reality smart glasses. We also participated in a pilot with supply chain partners to test blockchain technology for greater visibility into our pork supply chain.

**Governance**

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

**W WENDY'S GUIDING VALUES**

Our founder Dave Thomas opened the first Wendy's restaurant more than 50 years ago, introducing five core values that continue to shape the way we operate. These values are embedded into how we approach our corporate responsibility priority areas and programs.

 *quality* IS OUR **RECIPE**

 **DO THE** *right* **THING**

 **TREAT** *people* WITH RESPECT

 **\$PROFIT** MEANS *growth*

 *give* SOMETHING **BACK**

**Board of Directors**

As part of its oversight and advisory role, our Board of Directors continually monitors emerging best practices in corporate governance to serve the interests of our stockholders.

The Board has a dedicated standing Corporate Social Responsibility (CSR) Committee. The CSR Committee assists the Board in reviewing and overseeing the Company's CSR strategic initiatives, including environmental, social, and governance (ESG) matters, community involvement and outreach initiatives and philanthropic endeavors. More information on the CSR Committee's responsibilities can be found in the committee's [charter](#).

The Board's other standing committees, including the Audit Committee, Compensation and Human Capital Committee, Nominating and Corporate Governance Committee and Technology Committee, also oversee certain topics that fall within our ESG strategy (see [chart](#) for details).

For more information on our governance structure and approach, please visit our [Governance page](#) on our Investor Relations website.

**Management**

Wendy's recognizes the important role that governance and risk management play in supporting our overall ESG strategy, including building a sustainable and resilient supply chain, managing climate risk and supporting safe and responsible work environments.

In 2021, we elevated the role of Chief Communications Officer, held by Liliana Esposito, to the title of Chief Corporate Affairs & Sustainability Officer to more fully reflect her responsibilities and the growing importance of corporate responsibility for the Company.

Wendy's has an ESG Steering Committee that is co-chaired by our Chief Financial Officer and our Chief Corporate Affairs & Sustainability Officer. The committee is composed of senior management personnel and has responsibility for:

- Identifying and monitoring ESG risks and opportunities
- Setting global ESG strategies and overseeing activities and strategy rollouts across the business
- Approving ESG goals, KPIs and metrics

The ESG Steering Committee is supported by cross-functional working groups that help support our global ESG strategy, with a focus on our Good Done Right goals. The groups are led by the Chief Corporate Affairs & Sustainability Officer and have responsibility 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 managing and drafting of Wendy's annual Corporate Responsibility report

### **Data privacy and information security**

Wendy's respects the privacy of individuals and is committed to protecting the personal information that is provided to, or collected by, Wendy's about our customers, employees, franchisees and other business partners. Wendy's [privacy policy](#) explains our privacy practices, including the information we collect and how it is used, the choices that can be made about the collection and

use of information submitted through our services and our commitment to protecting privacy.

Wendy's maintains a comprehensive cybersecurity program with a team that is responsible for directing, coordinating, planning and organizing information security activities throughout the Company, including annual training sessions.

We align our security controls to the Center for Internet Security Critical Security Controls Framework and undergo an annual assessment to track our program maturity. We also undergo multiple annual external assessments against the Payment Card Industry Data Security Standard (PCI DSS).

We have several dedicated teams of specialists within our Information Security Department that routinely conduct internal and external vulnerability and penetration assessments in accordance with both PCI DSS and industry accepted practices. We regularly test our incident response capabilities through tabletop exercises and incident response plan testing.

Wendy's is active in the information security community and is a core member of the Retail and Hospitality Information Sharing and Analysis Center. Representing over 200 companies from retail, restaurants, hotels, gaming, casinos and other consumer-facing industries, members benefit from real-time collaboration, industry-specific benchmarking, threat intelligence reports and analysis, industry-relevant committees and working groups, and numerous training, education and networking opportunities.

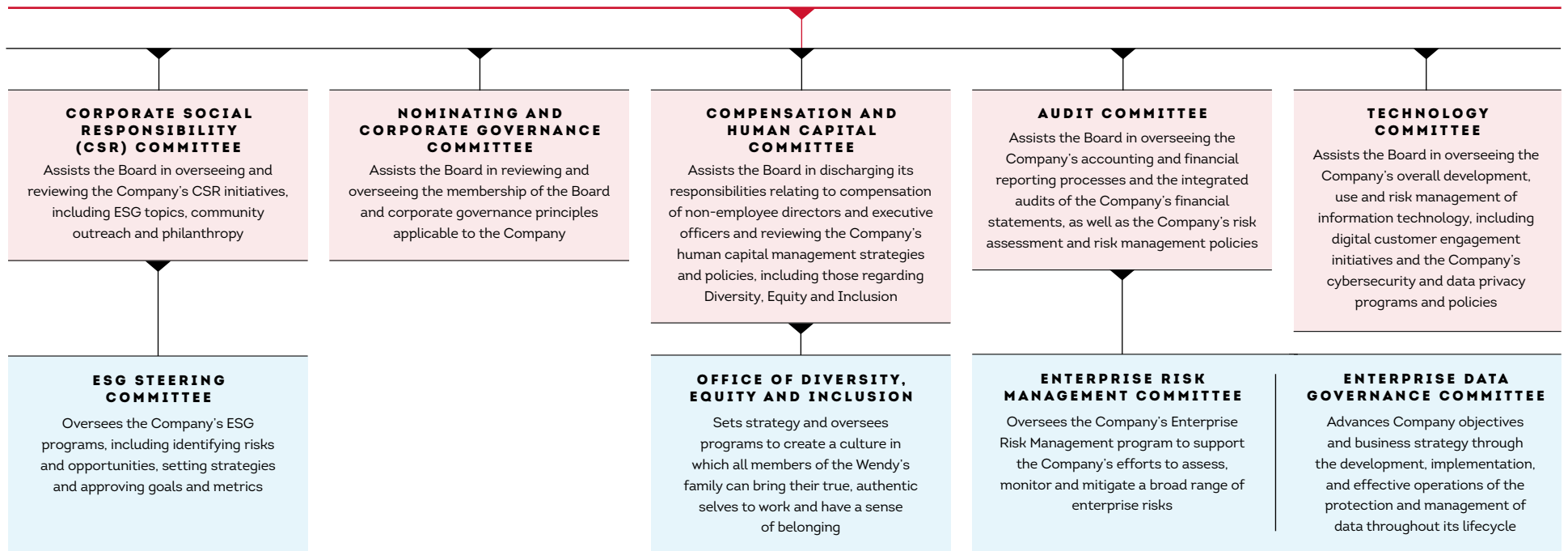


# CORPORATE RESPONSIBILITY AND ESG GOVERNANCE

The following chart provides a representative snapshot of the structure at the Board (red), Senior Management (blue) and Functional (gray) levels that supports Wendy's corporate responsibility and ESG efforts.

## BOARD OF DIRECTORS

Oversees the Company's corporate governance strategy, policies and programs and monitors emerging best practices in corporate governance



### WORKING GROUPS

Implement activities and execute global ESG strategies, including the Company's Good Done Right goals, monitor and respond to ongoing ESG risks and opportunities, recommend and monitor progress and support the development of the annual Corporate Responsibility report

*Wendy's is committed to driving positive change, which is why we have invested in growing our internal infrastructure to further support our ESG priorities. With the elevation of senior leadership positions and establishment of dedicated offices, committees and councils, including the Office of Diversity, Equity and Inclusion, we believe we are well positioned to deliver on our goals.*

– GUNTHER PLOSCH, CHIEF FINANCIAL OFFICER