

A letter from Todd A. Penegor

It's my pleasure each year to present this summary of our team's work to make Wendy's a more responsible brand, partner, employer and corporate citizen. As we set our sights on becoming a brand of global significance, we take seriously our responsibility as an industry leader to drive positive change.

In recent years, many of our corporate responsibility accomplishments revolved around laying foundations: formalizing our program, setting goals, forging relationships and developing a roadmap for success. In 2022, we took significant steps forward in our journey and made meaningful progress. We continue to accelerate change across our Good Done Right pillars of Food, People and Footprint, the key components of our ESG strategy.



This progress would not be possible without the partnership of our franchisees, suppliers, employees and restaurant teams, and the support of our Board of Directors and stockholders. The collaboration among these groups is what makes the Wendy's family truly special.

Markers of progress

In **Food**, we made considerable headway toward our goal of responsibly sourcing our top 10 priority food categories by 2030. Of note, we identified approximately 140 suppliers in scope for our [responsible sourcing](#) program, established criteria for measuring progress and enlisted a technology partner to assess supplier performance. We also achieved the 10-year goal we set in 2012 to transition our pork supply chain in the U.S. and Canada away from sow gestation stalls in favor of open pen or group housing for confirmed pregnant sows.

From our executive leaders to the crew in each restaurant, we have set high goals for our **People**, who continue to rise to the occasion. We are building more pathways aimed at increasing the diversity of representation across our restaurant support staff, company restaurant teams and franchise community. We also unlocked opportunities to increase franchise ownership among diverse candidates by launching a new recruiting initiative, *Own Your Opportunity*, which is creating opportunities to franchise ownership for all, increasing our total franchise base by approximately 10%. We celebrated 30 years of partnership with the Dave Thomas Foundation for Adoption® and reinforced our commitment to giving back to the communities we serve through our Community Giving Program.

Our work to improve Wendy's **Footprint** is tracking ahead of key milestones we set for ourselves. We are nearly one year ahead of

our goal to set greenhouse gas (GHG) emissions reduction targets in accordance with the Science Based Targets initiative (SBTi), which we announced in early 2023. We also aim to reach 100% sustainable customer-facing packaging by 2026, and we are already more than halfway to meeting that goal. We continue to push the boundaries of waste diversion in our restaurants, most notably through the rollout of new, clear drink cups that more customers can recycle.

At the beginning of 2022, we announced that we would be tying executive compensation to Good Done Right performance with a portion of executives' 2022 incentive compensation linked to the Company's achievements in our Food, People and Footprint focus areas. I'm pleased to share that we extended this incentive to all bonus eligible employees after demonstrating strong performance against our goals this year and recognizing that so many employees play an important role in the success of this work.

Forward momentum

Whether Wendy's is helping to stem the flow of energy, water and waste; reaching deeper into our supplier relationships to ensure that our food is high quality and responsibly sourced; or creating more inclusive communities and workplaces for a first job or lifelong career, we are encouraged by our progress to date. Yet we are never satisfied.

I am honored to lead this special organization and energized to see how our efforts continue to shape and accelerate the future of our business.

Thank you,

Todd A. Penegor, President and CEO