



December 23, 2020

Christen Dobson & Marti Flacks:

I'm writing to acknowledge your email dated December 17, 2020 sent on behalf of the Business & Human Rights Resource Centre and to thank you for your interest in Wendy's. We welcome the opportunity to provide you information about our business practices.

Wendy's was built on quality. We are proud of our brand and our commitment to deliver only the highest quality, ethically sourced products for our restaurants. Quality is a key differentiator for Wendy's, and we attribute much of our success and continued improvement in brand health to the trust and awareness we have built regarding quality and the positive connections we have with our customers. More than 50 years after our founding, we are still committed to creating high-quality experiences for our customers and living our core values which include Do the Right Thing, Treat People with Respect and Give Something Back.

At Wendy's, we have high expectations for ourselves and for others with whom we work, including with regards to quality, integrity, and human dignity.

Wendy's has an established [Supplier Code of Conduct](#), which applies to significant suppliers of The Wendy's Company and our North America restaurant system. The details outlined in our Supplier Code of Conduct are in addition to the requirements laid out in the Codes of Business Conduct and Ethics of both The Wendy's Company and Quality Supply Chain Cooperative (QSCC). QSCC is the cooperative responsible for key supply chain purchasing activities for the Wendy's North America restaurant system, which is where the vast majority of Wendy's restaurants are located.

The Supplier Code of Conduct covers five areas:

- Food Safety and Food Ingredients
- Farm Animal Health and Well-Being
- Human Rights and Labor Practices
- Environmentally Sustainable Business Practices, and
- Business Ethics and Integrity

Since implementing the Supplier Code of Conduct, the Company has required affirmation by covered suppliers that they have received and understand their obligations under the Supplier Code of Conduct, and certain provisions of the Supplier Code of Conduct that include additional assurances and requirements. For instance, all food suppliers are expected to cooperate with food safety testing protocols and audits as may be required by Wendy's. Suppliers of certain fresh produce have additional requirements, and suppliers of animal protein products undergo first and third-party animal welfare audits and reviews. These standards have been developed based on risk-based assessments we have conducted, and we have and will continue to evaluate our standards against evolving risks and industry standards.

We continue to work with third-party groups and experts on matters related to Corporate Social Responsibility. This input also helps Wendy's make informed decisions on expansions to the Supplier Code of Conduct. In 2017, we expanded the Supplier Code of Conduct to include additional assurances and requirements related to human rights and labor practices. The decision to expand the Supplier Code of Conduct was due in part to the nature of certain agricultural work, its workforce, and an evaluation of various risk factors applicable at that time.

Consequently, the Supplier Code of Conduct now requires third-party reviews related to the human rights and labor practices for suppliers of certain hand-harvested, whole, fresh produce.

For tomatoes specifically, in 2018 Wendy's also made a change to our sourcing strategy by purchasing our North American tomato supply from indoor, hydroponic greenhouse farms. We find these tomatoes to be

superior in quality and taste to outdoor, field-grown tomatoes, and we believe these changes to our supply chain are both responsible and sustainable. This indoor work environment provides shelter from the elements and environmental contaminants, benefitting both workers and plants, requires significantly less water and land use, and has a significantly reduced need for chemical pesticides.

Wendy's requirements for human rights and labor practice assurances require covered suppliers to participate in a third-party assessment. Unlike areas such as food safety and animal welfare in which there are global or industry-wide standard assessments and certifications, today there is not a singular human rights and labor practices assessment that is used by all sectors and geographies of agricultural work. Therefore, in implementing this requirement, Wendy's evaluated and subsequently authorized several human rights and labor practice frameworks that are consistent with our Supplier Code of Conduct.

Acceptable frameworks generally address the following areas:

1. Hiring Practices
2. Minimum Age Requirements/Child Labor
3. Healthy and Safe Work Environment
4. Housing (if applicable)
5. Voluntary Employment
6. Working Hours and Time Off
7. Wages and Benefits
8. Discrimination and Harassment
9. Freedom of Association

Wendy's considers the Fair Food Program to be an acceptable certification; however, our understanding is that, at present, none of our covered suppliers use the Fair Food Program framework. Specific to tomatoes, we are not aware of the Fair Food Program operating in the hydroponic greenhouse industry, and today, that is the exclusive source of our tomatoes in North America. We simply have not sourced tomatoes from areas in which the Fair Food Program operates for several years now.

In 2019-2020, Wendy's engaged a third-party consulting firm to assist in conducting an ESG materiality assessment, and through this work, we will continue to focus on the most material topics for the Company and its stakeholders, including human rights and labor practices. This work is implemented by the Company's senior management with regular engagement with and oversight from the Company's Corporate Social Responsibility Committee of the Board of Directors.