

A LETTER FROM TODD A. PENEGOR

2021 was a breakthrough year, as evidenced by the significant progress we made in growing our business—all while advancing our efforts to drive positive change.



Accomplishing our goals is a team effort, and I am thankful for the contributions of the entire Wendy's family, including our restaurant team members, Restaurant Support Center employees, franchisees, suppliers and industry partners, who each play an important role in our success.

Accelerating growth

We remained committed to our three strategic growth pillars: building our breakfast daypart, driving our digital business and expanding our presence across the globe. Our accomplishments in these areas were built on our foundation of Fast Food Done Right, Operational Excellence and Good Done Right.

In 2021, we meaningfully grew our new U.S. breakfast daypart, with overall breakfast sales up approximately 25%* from the prior year. Through partnerships and promotions, we continued to see high customer satisfaction and repeat at breakfast, showing that our trial-driving programs are paying off. We are excited to launch breakfast in Canada in 2022, which will take the percentage of restaurants across the Wendy's System serving breakfast to approximately 95%. Our team continued to innovate our digital business across the globe – from bringing on new delivery partners, to cementing a strategic partnership with Google to improve how we use data to serve our customers and to continuing to grow the Wendy's Rewards Program – all while ensuring that the protection of data security and privacy remained top of mind. Overall, we saw U.S. digital sales grow by more than 75%. We also continued to make strides toward our goal of having 8,500 to 9,000 global restaurants by the end of 2025, opening more than 200 new restaurants in 2021, which was our highest in almost 20 years, despite a challenging supply chain environment. We also celebrated a number of global milestones, including our launch in the United Kingdom, our 400th Canadian restaurant, our 1,000th international restaurant and the opening of more than 50 delivery kitchens around the world.

Accelerating Good Done Right

Equally important is our dedication to our Corporate Responsibility platform, Good Done Right, which closely guides our growth strategy and how we work to make an impact across our key focus areas: Food, People and Footprint.

Last spring, Wendy's announced new goals to help us demonstrate progress in each of our key focus areas, informed by our engagement with nearly 1,000 diverse stakeholders as part of

our comprehensive ESG materiality assessment. Alongside those goals, we also reported against recognized frameworks for the first time to increase transparency with stakeholders.

Following the announcement of these goals, we convened cross-functional teams within our organization to develop action plans and guide implementation in each of those areas. Key highlights include:

- **Affirming our top 10 priority food categories.** We affirmed our top 10 priority food categories after completing a third-party lifecycle assessment and defining key metrics to measure progress as part of our Responsible Sourcing goal.
- **Establishing our Office of Diversity, Equity and Inclusion.** Under the leadership of Dr. Beverly Stallings-Johnson in the new role of Chief Diversity, Equity and Inclusion Officer, we solidified five Diversity, Equity and Inclusion areas in which we intend to focus in the coming years.
- **Reporting our 2020 climate data to CDP.** We reported to CDP, a leading standard for climate reporting, for the first time, which is an important step as we prepare to set a science-based target to track and reduce emissions in our operations and supply chain and to disclose Scope 1, 2, and 3 emissions in 2023 in alignment with that target.
- **Making solid progress in our sustainable packaging journey.** We forged new partnerships that will allow us to innovate, offer more sustainable options and provide educational information to our customers.

Because of the importance we place on making positive change through our Good Done Right strategy, we recently announced that we will 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. We believe this will drive even more progress toward achieving our goals.

Our future is bright, and I am confident that we will continue to make meaningful progress towards achieving our vision of becoming the world's most thriving and beloved restaurant brand.

Thank you and stay well,

Todd A. Penegor, President and CEO

* Excluding the impact of the 53rd week in 2020