

Wendy's Company 2019 Recruitment and Forced Labor Proposal

WHEREAS, recent Global Estimates found that 16 million people are trapped in conditions of forced labor in extended private sector supply chains. In the United States it is estimated that over half of workers in the food and agriculture industries are migrant workers. Migrant workers globally are prime targets for exploitation, including discrimination, retaliation, debt bondage, illegal deductions from wages and confiscated or restricted access to personal documents, limiting workers' freedom of movement thereby leading to forced labor and human trafficking.

Corporations have a responsibility to respect human rights within company-owned operations and through business relationships. This expectation is delineated in the United Nations Guiding Principles on Business and Human Rights and the OECD-FAO Guidance for Responsible Agricultural Supply Chains. To meet this responsibility, companies are expected to conduct human rights due diligence, informed by the core international human rights instruments, to assess, identify, prevent, and mitigate adverse human rights impacts. The [State of California](#), the [United Kingdom](#), France, Australia and elsewhere require companies to report on their actions to eradicate human trafficking and slavery.

While Wendy's commits to respect human rights in its 2017 Code of Conduct for Suppliers (the "Code"), adoption of principles is only the first step in effectively managing human rights risks. The Code states that *"suppliers of certain fresh agricultural products harvested by hand or in an otherwise manually intensive way will be subject to third party human rights and labor practices reviews."* However, Wendy's does not comprehensively report on implementation or monitoring efforts, or improvements in workers' ability to exercise their rights. The company does not describe a risk assessment process, or grievance mechanism in place at the farm level that would bring issues to the company's attention to be addressed.

Wendy's general information about audits of its suppliers provides limited visibility into supply chain risk. As a result, it may not have an accurate picture of the realities of working conditions within its supply chains. Without full visibility it cannot fully understand where supply chain risks may lie or what issues to prioritize for remediation.

Given the company's lack of risk mitigation and disclosure, investors have insufficient information to gauge how well the company is addressing this serious risk to the company and to workers.

RESOLVED, that shareholders request the Board of Directors of Wendy's report, at reasonable cost and omitting proprietary information, on the Company's process for identifying and analyzing potential and actual human rights risks of operations and supply chain by November 2019, addressing the following:

- Human rights principles used to frame the assessment
- Frequency of assessment
- Methodology used to track and measure performance on human rights risks
- How the results of the assessment are incorporated into company policies and decision making

The report should cover all aspects of Wendy's business including its own operations, franchisees, cooperatives, and supply chains.