

# Wendy's Corporation AGM – June 4, 2019

## Shareholder Statement on Human Rights Impact Assessment

Good morning Mr. Chairman, members of the Board, and fellow shareholders,

My name is Christopher Cox. I am here representing The Province of St. Joseph of the Capuchin Order. The Capuchins, long term owners of Wendy's Corporation, have been in dialogue with the Company on various social and environmental issues for nearly three decades. Over the years, this relationship has been beneficial to Wendy's shareholders and, we believe, beneficial to the Company as well.

This year, the Capuchins, along with several other investors, request that the Company report on the potential and actual human rights risks of their operations and supply chain. Often hidden within the labyrinth of supply chains, human trafficking exploits over 16 million workers trapped in conditions of forced labor, generating over \$150 billion in profits for illegal labor recruiters and employers. Migrant workers are prime targets for exploitation, including discrimination, debt bondage, illegal deductions from wages and confiscated or restricted access to personal documents. These abuses are prevalent in the agricultural supply chain.

Consumers, investors and the general public are expecting more from companies to address these issues. Corporations have a responsibility to respect human rights within company-owned operations and through business relationships as described in the UN Guiding Principles on Business and Human Rights. As a result, the regulatory landscape is becoming more stringent with new federal laws as well as those in the State of California, the UK, Australia and France and elsewhere requiring companies to report on their efforts to eradicate human trafficking and modern day slavery both in their operations and supply chains.

Traditional supplier codes of conduct and audit processes are necessary but insufficient. Leading companies are implementing human rights due diligence processes comprised of: 1). a policy articulating the company's respect for human rights, 2). periodic assessment of actual and potential human rights impacts of company activities and relationships, 3). integrating the findings into internal control and oversight systems, and 4). tracking and reporting performance. Benchmark companies in the agricultural sector such as Unilever, Coca-Cola, and Kellogg have these processes in place. McDonald's issued a human rights policy last November and is conducting salient risk assessments that gives greater transparency and clarity on these risks.

We know Wendy's to be a responsible company with strong values instilled in its culture from its founder, Dave Thomas. While the Company commits to respect human rights in its Code of Conduct for Suppliers and tries to monitor compliance through an audit system, consumers and other stakeholders are asking the Company to ensure this commitment drives positive impacts. Wendy's general information about audits of its suppliers provides limited visibility into supply chain risk. The Company lacks a human rights risk assessment process and a farm-level grievance mechanism that would bring issues to the Company's attention for remediation. Our shareholder group has provided the Company with resources and references to experts and peer companies who have offered to help Wendy's improve its human rights processes.

As the general public's concern grows and governmental bodies expand regulations, companies in the food & beverage sector, as well as many other sectors prone to human rights abuses, will be held accountable to do more. We hope that Wendy's will join leading companies to implement the UN Guiding Principles in the spirit of its founder.

Thank you Mr. Chairman for providing me the opportunity to address our Board and fellow shareholders.

***The highlighted text was omitted in the address at the shareholder meeting, given the rules of the AGM concerning time limits.***