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Shareholders and Advocates Push for Boardroom Accountability at The Wendy's Company, Urge Votes Against Board Chair Nelson Peltz and 3 Additional Directors

Vote No campaign announced due to Wendy's failure to adequately respond to a 95% majority vote shareholder resolution on the protection of workers in its food supply chain, inadequate governance of worker safety by Trian-dominated board of directors

NEW YORK — Shareholders and advocates have launched a new initiative focused on The Wendy's Company, urging investors to support efforts to hold Wendy's board accountable in light of failure to adequately respond to a 2021 majority vote shareholder resolution on the protection of workers in its food supply chain. In a new [exempt solicitation](#) filed with the Securities and Exchange Commission, [Majority Action](#), a nonprofit shareholder advocacy organization, and [Investor Advocates for Social Justice](#), representing the proponent of the 2021 resolution, urge shareholders to vote against Board Chair Nelson Peltz, Senior Vice Chairman Peter May, and Vice Chairman Matthew Peltz, all members of the investment firm Trian Partners, as well as Chair of Nominating and Corporate Governance Committee and longstanding former Trian Partners associate Peter Rothschild at Wendy's annual shareholder meeting on May 18.

“The majority of Wendy's shareholders voted in favor of a proposal calling on the company to take specific actions to ensure responsible oversight of human rights risks in its supply chain. Unfortunately, the company failed to respond adequately to both the letter and spirit of that resolution, refusing to disclose key information specifically named in the resolved clause of the proposal,” said **Eli Kasargod-Staub, Executive Director of Majority Action**. “Long-term investors expect boards to respond comprehensively to shareholder proposals receiving majority votes. We urge shareholders to hold Wendy's board leadership accountable for these lapses in responsible governance.”

Ahead of its 2021 annual meeting, Wendy's shareholders filed a comprehensive and specific request for disclosure relating to the protection of workers in the company's food supply chain. Wendy's initially filed a No Action request with the SEC to exclude the proposal from its proxy statement, which the SEC ultimately rejected. Without informing the proponent, Wendy's issued its proxy statement recommending shareholders vote in favor of the proposal. Ultimately, shareholders issued a resounding 95% vote in favor of the report on the protection of workers in its food supply chain, including major shareholders BlackRock, Vanguard, J.P. Morgan, and State Street.

Since the 2021 AGM, Wendy's failed to engage with the shareholder proponents regarding the implementation of the proposal and the company's oversight of human rights risks in its food supply chain. As the [exempt solicitation documents](#), Wendy's then released an inadequate report, its People & Ethics Report, which failed to adequately respond to the shareholder resolution on multiple counts. The report failed to make specific disclosures requested in the resolved clause; certain disclosures it does make do not meaningfully or adequately respond to the requests made by shareholders in the resolved clause; and even worse, the report openly reaffirms that Wendy's continues to disregard human rights risks in its food supply chain that investors have repeatedly raised with the Company. Unlike its major peers, such as McDonald's or YUM! Brands, Wendy's has long failed to join the Fair Food Program, the "gold standard" for protecting farmworker human rights.

"Following the Board's failure to meaningfully implement our majority-supported shareholder proposal by IASJ Affiliate the Franciscan Sisters of Allegany NY, and lack of effective oversight regarding the management of supply chain risks, Wendy's shareholders are left with no choice but to vote against the directors responsible for these governance gaps. The Board is putting the Company, its investors, and farmworkers at risk by relying on insufficient supply chain monitoring practices," said **Gina Falada, senior program associate at IASJ**. "Joining the Coalition of Immokalee Workers' award-winning Fair Food Program is the clear solution for Wendy's, yet the Board, heavily influenced by Trian Partners, persists in failing to join all Wendy's major peers in the Program. The time is now for shareholders to demand boardroom accountability at Wendy's."

Leading asset owners raised concerns about Wendy's non-responsiveness to shareholders and oversight of human rights risks in a March 2022 letter to Chairman Nelson Peltz, flagging the issues ahead of their proxy voting decisions in the 2022 AGM. Signatories on the letter include Zach Conine, Nevada State Treasurer, Sarah A. Godlewski, Wisconsin State Treasurer, Brad Lander, New York City Comptroller, Michael W. Frerichs, Illinois State Treasurer, Deborah B. Goldberg, Massachusetts Treasurer and Receiver-General, and Tobias Read, Oregon State Treasurer.

Shareholder advocates are alarmed by the lack of independent oversight on Wendy's board of directors given the overwhelming influence of Nelson Peltz's Trian Partners. Though Trian controls less than 20% of Wendy's shares, Wendy's Board leadership is entirely dominated by current Trian principals, and the Board does not appear to have a well-defined Lead

Independent Director position. The newly appointed Vice-Chair is Nelson Peltz's son, Matthew. Nine of the 10 non-executive board members that are due to be re-elected at the 2022 annual meeting have current or former business associations with Trian and/or Nelson Peltz. Trian principals chair four of the Board's seven committees— the remaining three are chaired by former Trian associates. Trian principals also make up a majority of the membership of the Corporate Social Responsibility Committee, which is responsible for human rights risks and related shareholder proposals. This committee has been chaired by Nelson Peltz since 2008.

Earlier this month, the Coalition of Immokalee Workers organized over 800 farmworkers and consumers to [march](#) in Palm Beach to the Trian offices of Wendy's Board Chair Nelson Peltz, urging Wendy's to join the Fair Food Program. The Fair Food Program is an initiative of the Coalition of Immokalee Workers, a human rights organization that was awarded a [2015 Presidential Medal](#) for extraordinary efforts to combat modern slavery, and is [widely considered](#) to have pioneered a model for best practices in the prevention of human rights abuse in global supply chains. McDonald's, Subway, Burger King, and YUM! Brands are all participants in the program that ensures produce is picked without forced labor or human rights violations.

"When the headlines of 'modern slavery in Georgia's fields' recently emerged from one of U.S. history's largest human trafficking cases, as farmworkers, we were devastated, but not surprised," said **Lupe Gonzalo of the Coalition of Immokalee Workers**, who labored in U.S. fields for 12 years. "Human rights abuses have riddled the industry for far too long, and that is exactly why we built the Fair Food Program: to reclaim our dignity. For over eight years, despite repeated calls from farmworkers and our allies alike – including some of the country's largest institutional investors – Wendy's has failed to join all its major competitors in the Program. With the alarming rise in federally-prosecuted modern slavery cases, that decision is more unconscionable now than ever."

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Majority Action is a nonprofit organization dedicated to empowering shareholders of all sizes to hold corporations and their leadership accountable to high standards of long-term value creation, corporate governance, and social responsibility. www.majorityaction.us

Investor Advocates for Social Justice is a nonprofit organization representing investors with faith-based values who seek to leverage their investments to advance human rights, climate justice, racial equity, and the common good. <https://iasj.org/>