

**RESOLVED:** Shareholders request The Wendy's Company (Wendy's) publish a report evaluating how implementing the worker-driven social responsibility (WSR) model in its supply chain would impact the goals of identifying and remediating human rights issues in sourcing produce as well as mitigating legal and regulatory risks.

**WHEREAS:** Corporate Social Responsibility (CSR) approaches often fail to identify or remedy persistent rights violations in supply chains, such as wage theft, health and safety violations, and sexual violence.<sup>1</sup> Reports of modern-day slavery and perilous conditions continue to emerge, including among agricultural suppliers certified by ethical sourcing certification schemes frequently used in CSR.<sup>2</sup>

Agricultural operations in the US and Canada, where many of Wendy's suppliers are located, present a high risk of human rights abuses and expose Wendy's to increased risks of operational disruptions, legal liability, and reputational harm.<sup>3</sup> Wendy's has been silent on whether it sources - through its reported supplier, Mastronardi - from growers subject to an 2021 import ban by Customs and Border Protection due to forced labor.<sup>4</sup> Similarly, Wendy's has not confirmed or denied whether it sources onions from farms implicated in one of the largest federal criminal cases of "modern-day slavery," dubbed "Operation Blooming Onion."<sup>5</sup> In 2021, 95% of Wendy's shareholders overwhelmingly supported a resolution calling on Wendy's to specifically disclose how it protects workers in its supply chain from human rights violations; the Company failed to meaningfully respond to shareholders' concerns.<sup>6</sup>

Wendy's Supplier Code of Conduct does not impose mandatory consequences on suppliers for egregious human rights violations and indicates suppliers' employees should report grievances directly to the supplier,<sup>7</sup> which exposes vulnerable workers to potential retaliation from their abusers. Additionally, the Company's lack of transparency on its suppliers leaves it exposed to material risks, including legal and reputational risks.<sup>8</sup>

The WSR model was developed by workers to seek accountability for rights violations, which is lacking in CSR approaches.<sup>9</sup> Recognized as the gold standard for human rights enforcement programs,<sup>10</sup> WSR initiatives are led by workers, include binding agreements between workers and brands, and provide for independent monitoring. They also support timely and effective reporting of harms through grievance mechanisms with protections against retaliation and worker participation in the design and provision of

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<sup>1</sup> <https://www.msi-integrity.org/not-fit-for-purpose/>; <https://www.vox.com/future-perfect/357989/worker-driven-social-responsibility-corporate-ethics-consumers>

<sup>2</sup> <https://wsr-network.org/resource/certified-exploitation-how-equitable-food-initiative-and-fair-trade-usa-fail-to-protect-farmworkers-in-the-mexican-produce-industry/>

<sup>3</sup> [https://www.bsr.org/en/blog/managing-migrant-labor-human-rights-risks-in-us-food-value-chains?utm\\_source=https://www.axios.com/pro/retail-deals/2024/08/16/forced-labor-agriculture-food-retail-supply-chain](https://www.bsr.org/en/blog/managing-migrant-labor-human-rights-risks-in-us-food-value-chains?utm_source=https://www.axios.com/pro/retail-deals/2024/08/16/forced-labor-agriculture-food-retail-supply-chain); [https://amnesty.ca/wp-content/uploads/2025/01/AMR\\_20\\_8872\\_2025-EN.pdf](https://amnesty.ca/wp-content/uploads/2025/01/AMR_20_8872_2025-EN.pdf)

<sup>4</sup> <https://www.cbp.gov/newsroom/national-media-release/cbp-issues-withhold-release-order-tomatoes-produced-farm-mexico>; <https://www.latimes.com/california/story/2021-12-31/u-s-blocks-tomato-shipments-from-mexican-farms-accused-of-abusing-workers>

<sup>5</sup> <https://www.propublica.org/article/h-2a-farmworker-visa-safety-suggestions-experts>

<sup>6</sup> <https://www.iccr.org/shareholders-calling-human-rights-protections-essential-food-chain-workers-prevail-wendys-annual/>

<sup>7</sup> [https://www.wendys.com/sites/default/files/2018-04/2017%20Wendy%27s%20Supplier%20Code%20of%20Conduct\\_FINAL.pdf](https://www.wendys.com/sites/default/files/2018-04/2017%20Wendy%27s%20Supplier%20Code%20of%20Conduct_FINAL.pdf)

<sup>8</sup> <https://www.sec.gov/Archives/edgar/data/30697/000121465925005619/e49250px14a6g.htm>

<sup>9</sup> <https://wsr-network.org/what-is-wsr/statement-of-principles>

<sup>10</sup> [https://www.msi-integrity.org/wp-content/uploads/2020/07/MSI\\_INSIGHT\\_1.FINAL\\_FORWEBSITE.pdf](https://www.msi-integrity.org/wp-content/uploads/2020/07/MSI_INSIGHT_1.FINAL_FORWEBSITE.pdf)

remedy.<sup>11</sup> Companies that join WSR programs benefit from improved employer-employee and buyer-supplier relationships, better data on program effectiveness within the supply chain, and quicker identification and resolution of human rights risks in the supply chain.<sup>12</sup>

Unlike many of Wendy's peers - who have begun employing WSR approaches, such as the Fair Food Program - Wendy's has failed to implement WSR approaches that have been proven to be more effective.<sup>13</sup> The requested WSR evaluation would better position Wendy's to understand gaps in its efforts to mitigate legal, reputational, and human rights risks in its supply chain.

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<sup>11</sup> <https://fairfoodprogram.org/>; [https://electronicswatch.org/new-worker-driven-remedy-principles\\_2635094.pdf](https://electronicswatch.org/new-worker-driven-remedy-principles_2635094.pdf)

<sup>12</sup> <https://www.cambridge.org/core/journals/business-and-human-rights-journal/article/overlooked-advantages-of-the-independent-monitoring-and-complaint-investigation-system-in-the-workerdriven-social-responsibility-model-in-us-agriculture/B2FA243E5ACD6F4CBEBCDF0C500BFC4A>

<sup>13</sup> <https://fairfoodprogram.org/partners/> See also: <https://www.news-press.com/story/news/local/amy-williams/2015/01/30/coalition-immokalee-workers-gets-presidential-medal/22623915/?gnt-cfr=1&gca-cat=p&gca-uir=true&gca-epti=z114542d00----v114542b0051xxd005165&gca-ft=145&gca-ds=sophi>