

Whereas: Wendy's has acknowledged human rights "risk factors" in its food supply chain from "the nature of agricultural work."<sup>1</sup>

There is, indeed, a well-documented history of human rights violations in the U.S. agricultural industry, including slavery, sexual assault, and workplace safety violations. Essential workers in food supply chains—especially on farms and in meatpacking facilities—are now also at heightened risk of exposure to, and death from, COVID-19.

Wendy's claims to address human rights risks through a Supplier Code of Conduct, Quality Assurance audits, and third-party reviews of human rights and labor practices for certain produce suppliers.

But Wendy's meat suppliers have had widely-publicized COVID-19 outbreaks, disrupting Wendy's beef supply.<sup>2</sup> A Cargill plant had the largest COVID-19 outbreak linked to a single facility in North America: 1,560 cases.<sup>3</sup> Inadequate protections at Tyson resulted in more than 11,000 employees contracting COVID-19,<sup>4</sup> and a wrongful death lawsuit alleges Tyson managers bet on how many workers would get infected.<sup>5</sup> COVID-19 outbreaks among farmworkers are legion<sup>6</sup> and likely impact workers at Wendy's produce suppliers.

Meanwhile studies show that conventional social auditing fails to detect workplace abuses, demonstrating the importance of worker-driven mechanisms with enforcement. Yet Wendy's is the only major fast food chain that has not joined the Fair Food Program—the recognized "gold standard" for supply chain monitoring,<sup>7</sup> and the only social responsibility certification known to have mandatory, enforceable COVID-19 safety protocols for farmworkers.

**RESOLVED:** Shareholders request the Board issue a report, at reasonable cost and omitting proprietary information, addressing Wendy's Supplier Code of Conduct and the extent to which Wendy's Quality Assurance audits and third-party reviews effectively protect workers in its food supply chain from human rights violations, including harms associated with COVID-19. This report should include:

- Whether Wendy's requires its food suppliers to implement COVID-19 worker safety protocols ("Protocols"), and, if so, the content of the Protocols, as well as the section(s)

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<sup>1</sup> <https://www.wendys.com/supply-chain-practices>

<sup>2</sup> <https://www.nytimes.com/2020/05/05/business/coronavirus-meat-shortages.html>

<sup>3</sup> <https://newsinteractives.cbc.ca/longform/cargill-covid19-outbreak>

<sup>4</sup> <https://thefern.org/2020/04/mapping-covid-19-in-meat-and-food-processing-plants/>

<sup>5</sup> <https://www.cnn.com/2020/11/19/business/tyson-coronavirus-lawsuit/index.html>

<sup>6</sup> <https://www.politico.com/news/2020/09/08/farmworkers-coronavirus-disaster-409339>

<sup>7</sup>

[https://www.msi-integrity.org/wp-content/uploads/2020/07/MSI\\_Not\\_Fit\\_For\\_Purpose\\_FORWEBSITE.FINAL\\_.pdf](https://www.msi-integrity.org/wp-content/uploads/2020/07/MSI_Not_Fit_For_Purpose_FORWEBSITE.FINAL_.pdf)

of Wendy's Quality Assurance audit instrument relating to the Protocols and/or the Code's Human Rights and Labor Practices Expectations<sup>8</sup> ("Expectations");

- The number of times Wendy's has suspended one of its meat or produce suppliers ("Suppliers") for failing to meet Expectations and/or Protocols;
- A list of all third-party auditors approved by Wendy's to monitor adherence to Expectations and/or Protocols, the total number of Supplier locations, how often Wendy's requires third-party audits on-site at each Supplier location for adherence with Expectations and/or Protocols, and the number of Supplier locations so audited in the last year including the number of Supplier workers personally interviewed at each location;
- Whether Wendy's ensures Suppliers' workers have access to a third-party grievance mechanism, with the authority to order a remedy, for reporting violations of Expectations and/or Protocols, and, if so, the required procedures, number of grievances filed by Suppliers' employees in the last year, and outcomes of all such grievances.