

SUSTAINABILITY REPORT

Whereas:

Investors increasingly seek disclosure of companies' social and environmental practices in the belief that they impact shareholder value. Many investors believe companies that are good employers, environmental stewards, and corporate citizens are more likely to be accepted in their communities and to prosper long-term. Increasingly, major investment firms are subscribing to research on companies' social and environmental practices.

Sustainability refers to development that meets present needs without impairing the ability of future generations to meet their own needs. The Dow Jones Sustainability Group defines corporate sustainability as "a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments."

Globally, approximately 2,000 companies produce reports on sustainability issues (www.corporateregister.com), including our company's largest competitor, McDonald's. McDonald's states that reporting its social and environmental performance helps to maintain its customers' trust, and that "companies that lose the trust of their customers lose those customers' business forever." McDonald's describes this trust as one of their greatest competitive advantages.

Last year, Wendy's website presented previously disparate information sources in one section entitled "Corporate Responsibility," noting that the company would expand and evolve its report over time. A 2006 shareholder proposal asking our company for a sustainability report expressed concern that this "report" lacked substantive measures of social and environmental performance. That proposal received a noteworthy 38% vote and was supported by Institutional Shareholder Services (ISS), a leading proxy advisory service.

In its recommendation for support of our proposal, ISS noted that the report "does not specifically address a number of key environment, health and safety, and economic issues in detail. ... As such, we believe that more comprehensive reporting on sustainability issues will benefit Wendy's by helping the Company to better assess the financial risks that certain issues pose to its business and the Company's future growth."

Since last year, Wendy's sustainability report has contracted, rather than expanded. In our view, this "report" continues to fall far short of the report requested by this resolution, lacking substantive and quantitative measures of Wendy's social and environmental performance.

RESOLVED: Shareholders request that the Board of Directors issue a sustainability report to shareholders, at reasonable cost, and omitting proprietary information, by September 1, 2007.

Supporting Statement

The report should include Wendy's definition of sustainability, as well as a company-wide review of company policies, practices, and indicators related to measuring long-term social and environmental sustainability.

We recommend that Wendy's use the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines ("The Guidelines") to prepare the report. GRI (www.globalreporting.org) is an international organization with multi-stakeholder representation. The Guidelines provide guidance on report content, including performance in six categories (economic, environmental, labor practices and decent work conditions, human rights, society, and product responsibility) and provide a flexible reporting system that can be tailored to company operations. McDonald's uses the Guidelines to prepare its sustainability reports.