

project risk mgmt • bcr • health & safety • rmis • claims admin • esg • tprm • compliance • policy mgmt • internal audit • erm •



CONNECTIONS



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RISK UNDER
ONE **ROOF**

Confidential

ERM Meets EHS: The Next Chapter in Wendy's Integrated Risk Management Story

A view of the intersection of Integrated Risk Management

Where risk programs have come, how they interact, and where they are going

Matthew Tobin

The Wendy's Company

Andy Bell

The Wendy's Company



W BUSINESS SNAPSHOT

\$12.5B+

In systemwide sales

\$1.9B

In revenue

10%

Global same-restaurant sales growth

~10%

Global digital sales mix at year end 2021

~25%¹

U.S. breakfast sales growth

W AT A GLANCE

6,949

Restaurants across the globe

408

Company-operated restaurants

6,541

Franchised restaurants

14,500

Company employees

GOOD DONE RIGHT.

32 COUNTRIES & U.S. TERRITORIES



2021 GLOBAL FOOTPRINT AND GROWTH MILESTONES

32

Countries and U.S. Territories

121

Net new restaurant additions²

1,000th

International restaurant opened³

400th

Restaurant in Canada opened

300th

Restaurant in Asia Pacific/Middle East/Africa region opened

¹ Excluding the impact of the 53rd week in 2020.

² Most in almost 20 years.

³ Wendy's International includes the operation and franchising of Wendy's restaurants in countries and territories other than the U.S.

We Take Our Food Seriously... But Not Ourselves

Los Angeles Times

Wendy's drops novelty hip-hop mixtape, and it's lit



Wendy's (@Wendys) Following

It's go time! You want the roast? Then let's go! #NationalRoastDay

9:00 AM · 4 Jan 2019

6,551 Retweets 64,447 Likes

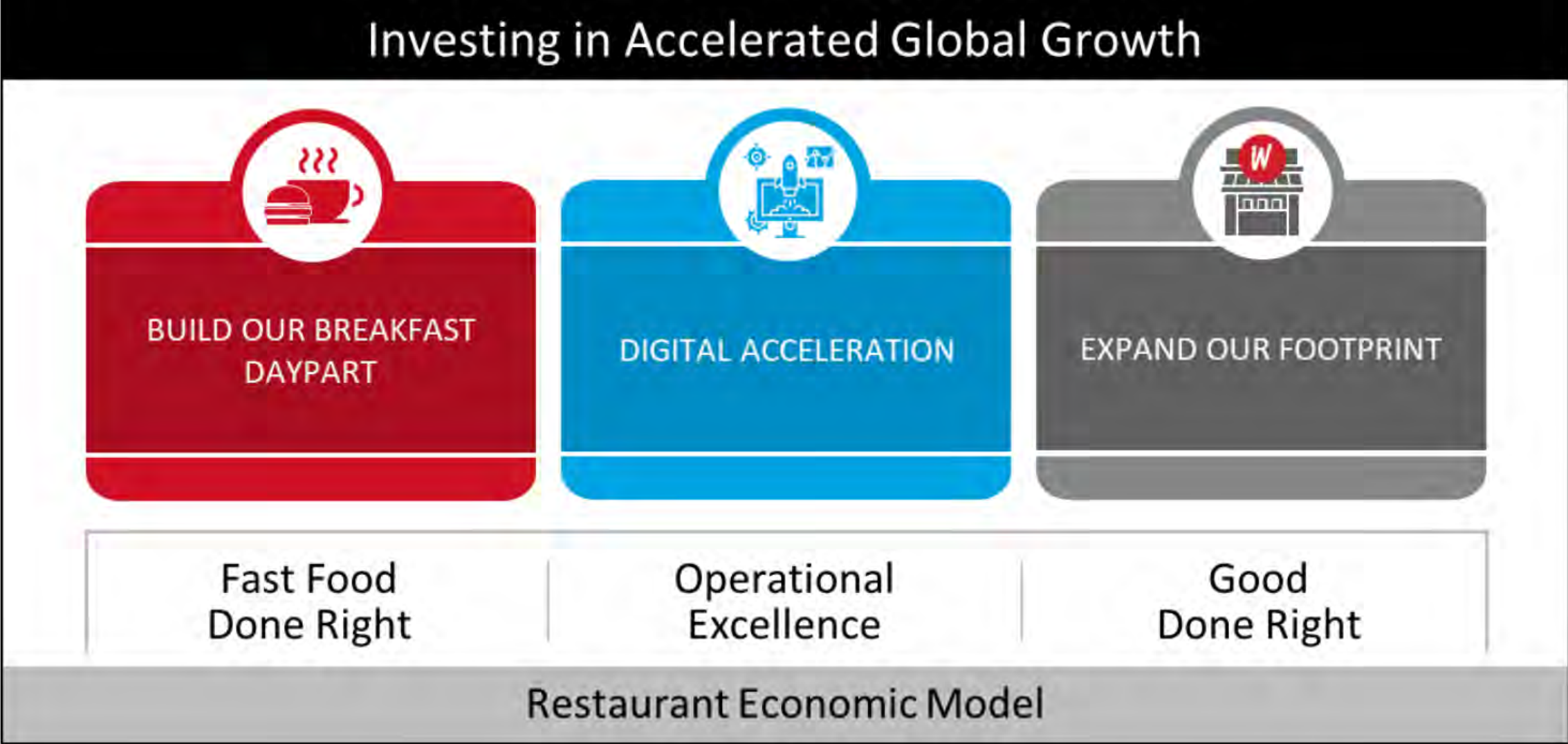
22K 6.6K 64K

NATIONAL ROAST DAY
70 MILLION + TOTAL IMPRESSIONS
727% INCREASE IN MENTIONS OF WENDY'S FOR THE DAY
100% POSITIVE SENTIMENT



THE OFFICIAL HAMBURGER OF THE NCAA®

Remain Fully Committed to Long Term Growth Initiatives



Wendy's Integrated Risk Management

Environmental, Health & Safety (EHS)

- OSHA Compliance
- Life Safety
- Risk Assessment
- Restaurant Safety
- Accident Prevention
- Global EHS programs
- Safety Design & Engineering
- Ergonomics, Human Systems Engineering
- Root Cause Analysis
- Facility Safety Audit

Advisory

- Systems, Data & Privacy Incident Response
- Food Safety Incident Response
- Risk Finance Optimization
- Third Party Certificate of Insurance Compliance
- Franchisee Risk Management Consultation
- Critical Event Management
- Disaster Recovery
- Communicable Disease Response
- Captive Risk Solutions
- Contract Review
- Situational Intelligence
- Third Party/Vendor Risk Management

Insurance Procurement & Administration

- D&O
- E&O
- Cyber
- Employment Practices Liability
- Crime
- Fiduciary Liability
- Brand & Reputational Harm
- Workers Compensation
- Business Interruption
- Certificate of Insurance Fulfillment
- General Liability
- Auto
- Property & Flood
- Foreign Package
- Self-Insurance
- Bonds
- Franchisee/System Insurance Programs
- Analytics-Based Insurance Program Optimization

Governance, Risk & Compliance (GRC)

- Centralized Governance
- Framework Selection
- Regulatory Compliance
- Data Governance
- Contractual Compliance
- Data Privacy – GDPR, CCPA, etc.

Outsourcing Services

- Insurance Placement
- Claims Management
- Accident Prevention
- EHS
- Facility Safety Audit
- Crisis Management
- Insurance Program Design
- OSHA Compliance
- Business Continuity Planning
- Enterprise Risk Management
- Certificate of Insurance Management
- Analytics-Based Risk Finance Optimization

Enterprise Risk Management (ERM)

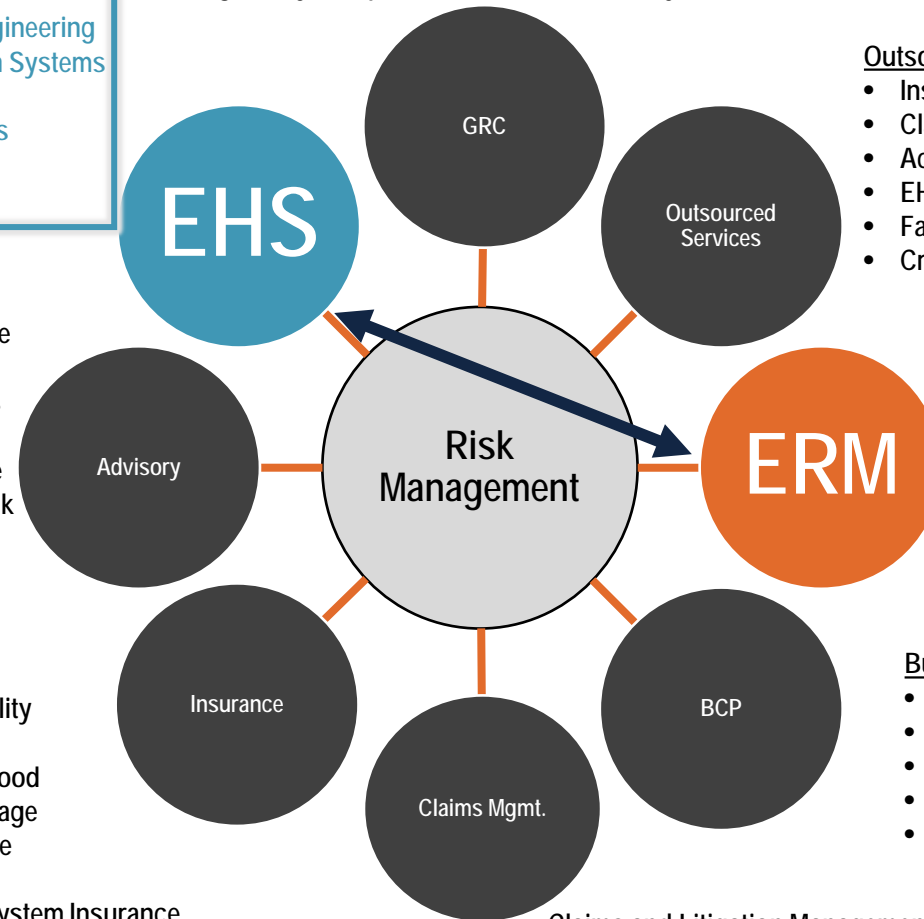
- Risk Identification
- Risk Assessment
- Risk Mitigation
- Risk Response
- Key Risk Indicator Identification
- Risk Relationships
- Risk Treatment Analysis
- Risk Appetite Analysis
- Risk Tolerance Capacity Analysis
- Emerging & Disruptive Risk Mgt.
- Risk Registry Mgt.

Business Continuity Planning (BCP)

- Business Impact Analysis
- Recovery Time Objectives
- Gap Analysis
- Departmental Recovery Planning
- Plan Exercises

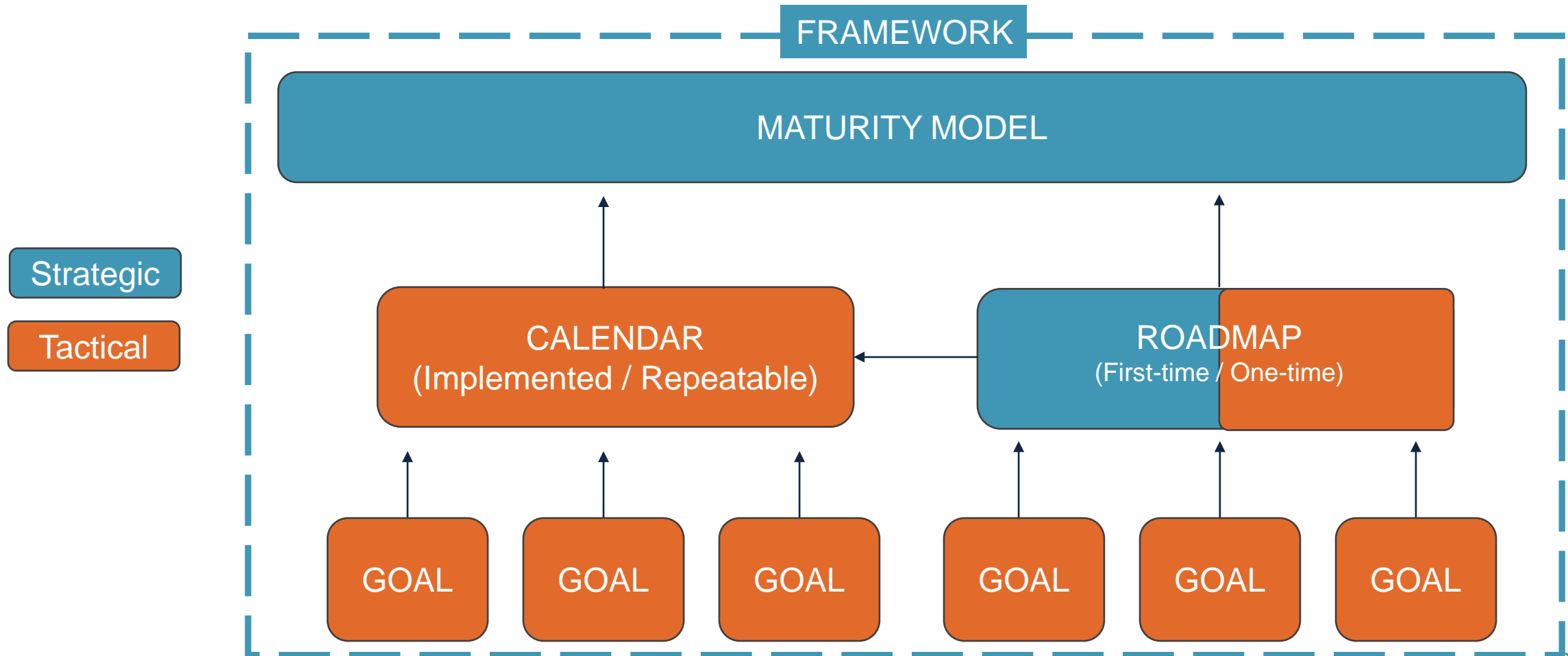
Claims and Litigation Management

- Workers Comp
- General Liability
- Auto
- Products Liability
- Property
- Management Liability





Risk Management Operational Model



ERM Maturity Model

- Visualization tool utilized to measure and reflect program progress relative to the Framework
- Identifies current state, historical state(s) and intended future state(s) over a time horizon, as well as specific characteristics the program will reflect as it matures
- Cadenced reassessment

Example ISO 31000 Maturity Model

— Program Start — Year 1 — Year 2 — Year 3 — Full Maturity



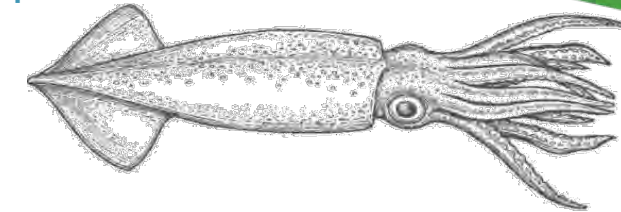
Execution

Foundation

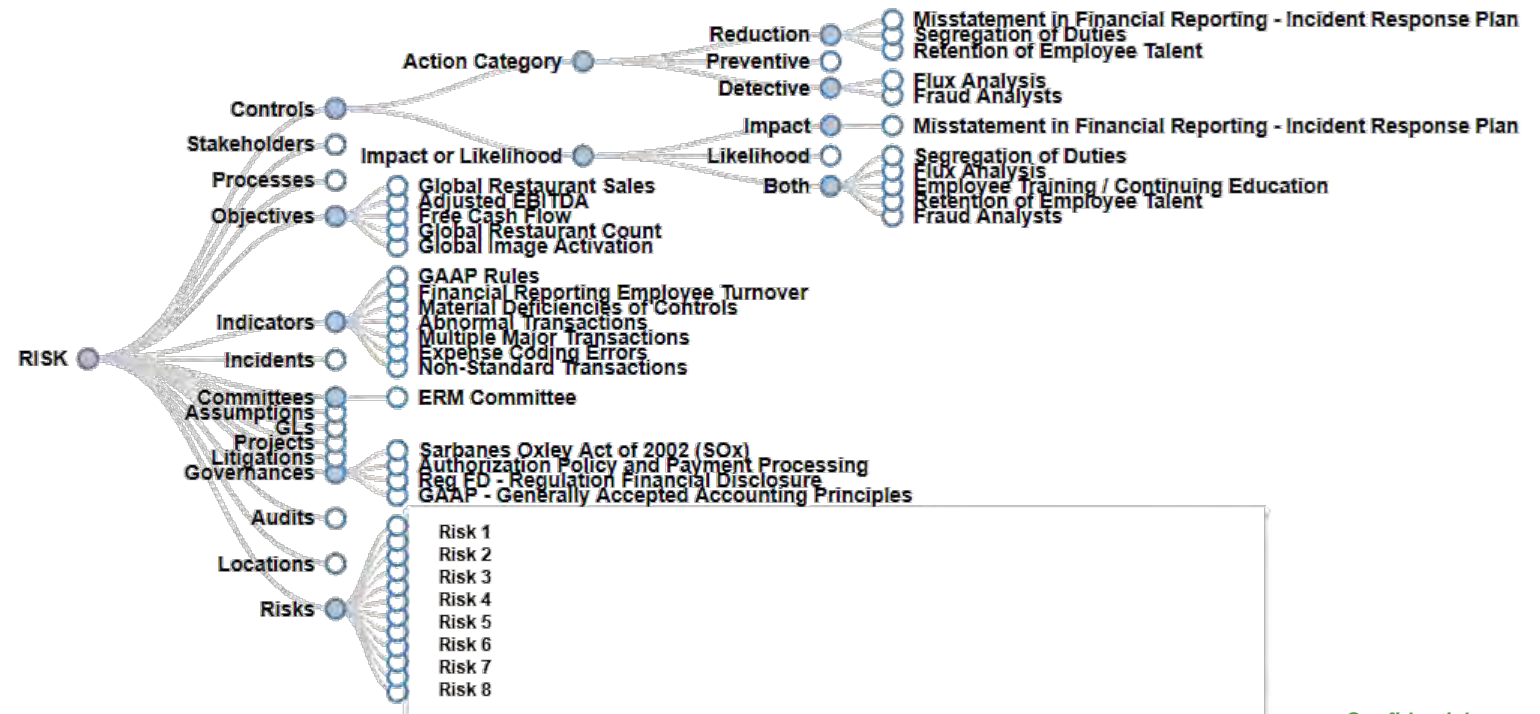


Wendy's ERM & Riskonnect

The Squid



- ERM utilizes multiple Riskonnect objects and tools which drive program maturity
- RM using eDocs as a tool to gather information and communicate with the organization
- Simplify points of interaction to make user experience as smooth and seamless as possible
- This has allowed us to develop...



Risk Assessment Template Guide



Date of Last Assessment

Category of Risk

SLT Exec.: Individual's Name
Risk Owner: Individual's Name
Risk Owner Title: Title
Impact Ranking: See Ratings Table
Likelihood Ranking: See Ratings Table
Velocity Ranking: See Ratings Table
Treatment Effectiveness: See Ratings Table
Risk Score: (Impact x Likelihood x Velocity)
Current Level of Risk Acceptable: Yes / No

Overview of Risk: Description of background of risk, noting context, historical experiences, and any other factors that assists the reader in understanding why the risk is included in the Risk Universe. This section should also include the nature of impact that could be experienced, such as the types of costs that could be incurred (legal, loss of sales, drop in stock price, unanticipated costs) being as specific as possible.

Key Risk Indicators: Identify known quantitative metrics that would signal a change in the Risk. What are the metrics that should be monitored in order to maintain an ongoing awareness of the risk and any associated changes in likelihood, magnitude or velocity

Compliance Risk:
 Top 5 Risk:
 10-K Risk:
 2024 Risk

Compliance Description: Is the risk subject to external legal, regulatory, contractual, or other compliance requirements. If so, please describe.

Risk Mitigation Strategies: Description of actions taken, organizational processes in place, or controls designed to mitigate or reduce the risk, or to make the impact of the risk less severe. Identify both the specific steps, controls, and processes as well as the strategies in place to evaluate the design and effectiveness of the controls. Third party validation (audits) of controls should also be referenced, including results of those audits.

Avoid / Transfer Strategies: Description of any strategic decisions to avoid activities related to the specified risk. In addition, any strategies that have been employed to transfer the associated risk should be outlined. Strategies to transfer risk typically include outsourcing, contractual risk transfer, and/or insurance. References to insurance should outline coverage and key contract terms and duration.

Risk Exploitation: Are there specific areas relative to this risk where we are taking/assuming increased risk in order to explore or pursue opportunity

Risk Response Protocol/Incident Response Plan In Place: Yes/No
 Date Risk Response Plan Last Reviewed: [Date]

Risk Included In Enterprise Event Management Plan: Yes/No
 Risk Included In Crisis Communications Escalation Plan: Yes/No



Impact Ratings - Realistic worst-case scenario considering single and multiple related events

Timeframe of Impact - 4 years (4-year strategic plan)

Level	Descriptor	General Definition	Financial - SRS	Financial - EBITDA	Reputational (Sustained drop in WEN stock price)
1	Insignificant	No discernable impact	Less than █ % SRS impact	EBITDA impact ≤ █	Less than a █ % impact to WEN stock price
2	Minor	Small, immaterial impact	█ % or more of SRS impact	█ % or more of EBITDA impact	Up to █ % impact to WEN stock price
3	Moderate	Material impact	█ % or more of SRS impact	█ % or more of EBITDA impact	Up to █ % impact to WEN stock price
4	Major	Very material impact	█ % or more of SRS impact	█ % or more of EBITDA impact	Up to █ % impact to WEN stock price
5	Catastrophic	Catastrophic impact	█ % or more of SRS impact	█ % or more of EBITDA impact	Over █ % impact to WEN stock price

Likelihood Ratings - Probability the event or series of related events will occur

Timeframe of Likelihood - 4 years (4-year strategic plan)

Level	Descriptor	Definition
1	Rare	Virtually no chance it will occur in the specified time period.
2	Unlikely	Unlikely to happen in the specified time period
3	Possible	Could happen in the specified time period, although not expected
4	Likely	Likely to occur, at least once, in the specified time period
5	Almost Certain	Already occurring or almost certain to occur in the specific time period

Velocity Ratings - The time it takes for the event to manifest itself

Level	Descriptor	Definition
1	Very Low	Material impact takes more than one year to manifest
2	Low	Material impact noted more than one quarter up to a year
3	Medium	Material impact noted within one quarter
4	High	Material impact noted more than 24 hours up to one month
5	Very High	Material impact noted within 24 hours, instantaneous, little/no warning

Treatment Effectiveness - What is the perceived effectiveness of current risk treatment strategies?

Level	Descriptor	Definition
1	Minimal	Risk Treatment is minimal or there is uncertainty as to whether existing activities/controls are effective in reducing or controlling the identified risk
2	Limited	Risk Treatment measures seem to exist and appear somewhat effective in reducing or controlling the identified risk, but may not currently be fully defined or implemented and/or adequate to address the full scope of the risk
3	Moderate	Risk Treatment measures are apparent and actively utilized to reduce or control the identified risk. Risk Treatment measures are monitored and adjusted periodically to ensure effectiveness, but may need improvement in sensitivity, efficiency or scope to achieve optimal results
4	Significant	Risk Treatment measures sufficiently achieve the desired level of risk to the company, although there are additional actions identified that will further improve and/or supplement the program to improve the current state
5	Optimal	Risk Treatment measures appear robust, achieve desired results, are well-managed, and improve efficiency. Impact, Likelihood and Velocity of a risk event are both predictable and sufficiently controlled/contained within Risk Appetite



Risk Record & Risk Profile eDoc

Riskconnect User View

ERM / GRC Home Risk Heat Map Risks Dashboards Controls RK Compliance Governance More

Details History Correlation Root Cause Notes and Attachments Activities Risk Owner Surveys Relationships

Risk Detail Edit Delete Clone Send Risk Owner Survey Send Update to Risk Owner Run Report

▼ Risk Summary Bar

Name of Risk	Test Risk
Impact Rating	4 - Major
Likelihood Rating	4 - Likely
Velocity Rating	1 - Very Low
Risk Treatment Effectiveness Ranking	3 - Moderate

Progress Bar (hover over for details): Days Since Last Assessment: 61 day(s) Risk Category: Operational Risk Owner: Andrew Bell

▼ Information

Name of Risk	Test Risk	Risk or Opportunity	RISK
Risk Description	Test Risk	Category of Risk	Operational
Overview of Risk	Test Risk - changed	10-K Risk Description	Test Risk
Risk Status	Current Risk	Board Risk	
Date Risk Retired		10-K Risk	✓
Clearly Defined?	Yes	10-K Sub-Risk	✓
Explain	Test Risk	Related 10-K Risk(s)	Adequate Insurance Coverage
Last Date Risk Assessed	6/30/2021	2020 Risk	
Primary Risk/Threat Impact		2024 Risk	
Avoid/Transfer Strategies	Test Risk - no avoidance or transfer strategies	Top 5 Risk	✓
Risk Mitigation Strategies	Test Risk - mitigation strategy	Compliance Risk	✓
Risk Exploitation	Test Risk	Compliance Risk Description	Test Risk - compliance
Key Risk Indicators	Test Risk - no new KRIs	Risk Response Protocol/Incident Response	✓
Risk Disruptors		Risk Response Plan Review Date	6/30/2021
Current Level of Risk Acceptable	Yes	Risk Included In Event Management Plan	
Comprehensive Risk Assessment Completed		Risk Part of Crisis Communications Plan	

Risk Owner View

Risk Name	Test Risk	Risk Category	Operational
Date of Last Assessment			
SLT Executive:	Robert Bowman	Overview of Risk:	Test Risk - changed
Risk Owner:	Andrew Bell		
Risk Owner Title:	Manager - WC Claims & Enterprise		
Impact Ranking:	4 - Major	Key Risk Indicators:	Test Risk - no new KRIs
Likelihood Ranking:	4 - Likely		
Velocity Ranking:	1 - Very Low		
Risk Score:	27		
Treatment Effectiveness:	3 - Moderate		
Current Level of Risk Acceptable:	Yes		
Compliance Risk:	<input checked="" type="checkbox"/>	Top 5 Risk:	<input checked="" type="checkbox"/>
	Test Risk - compliance	10-K Risk:	<input checked="" type="checkbox"/>
		2024 Risk:	<input type="checkbox"/>
Compliance Description:			
	Test Risk - mitigation strategy		
Risk Mitigation Strategies:			
	Test Risk - no avoidance or transfer strategies		
Avoid/Transfer Strategies:			
	Test Risk		
Risk Exploitation:			
Risk Response Protocol/Incident Response Plan In Place:	<input checked="" type="checkbox"/>	Date Risk Response Plan Last Reviewed:	6/30/2021
Risk Included In Enterprise Event Management Plan:	<input type="checkbox"/>	Risk Included In Crisis Communications Escalation Plan:	<input type="checkbox"/>



Wendy's EHS & Riskonnect

- EHS is using eDocs tools to gather enhanced investigation data and generate accident prevention actionable insights
- Simplify safety program initiatives
- Automation allows for simplified compliance tracking, accountability, friendly reminders, and easy compliance report builds



Minimize operational interruption through reduction of phone calls and follow emails between EHS & Operations personnel.



Complete elimination of all hard copy paperwork.



Automated pre-populated hierarchy information, management staff names, and investigation data based on what we already know / claims file records.



Ability to customize streamlined and focused accident investigation questions.



Housing all EHS critical data in one place tied to the system hierarchy, claim file, and EHS module allowing for a one stop data shop approach.



Safety Meeting Minutes – EHS Module

Eliminate Paper Usage

Track compliance at the push of a button

Generate compliance accountability

Incredibly simple platform to use. Arrows and instructions can be built into the eDocument

Signed Agreement

Safety Meeting Minutes - Restaurant Number 9999Test-Riskconnect - Q3 2020.pdf

Document Number 9999Test-Riskconnect

WENDY'S SAFETY MEETING MINUTES

General Information	Management Present	Date/Event
Date: 7/1/2020	1.	1.
Store Number: 9999Test-Riskconnect	2.	2.
District Manager: SivaSankari Satish	3.	3.
Area Safety Manager:		4.
		5.

Document Number 9999Test-Riskconnect

WENDY'S SAFETY MEETING MINUTES

Mandatory Activities (check off as complete for this quarter)

- Using the Root Cause Analysis & Accident data provided by Risk Management, discuss all accidents that occurred in the store since the last meeting. Determine if unsafe acts or conditions were properly identified and corrected.
- Discuss what corrective actions were taken to prevent similar accidents (i.e., training, safety equipment, work orders, etc.)
- Review the most recent safety audit. Discuss unsafe acts or conditions. Have all previous conditions been corrected?
- Review quarterly safety awareness topics. Display quarterly safety awareness posters in appropriate places for all team members to view.

Agreement Events

- Document automatically expired
7/1/2021 12:01 PM
- Sent out for signature to SivaSankari Satish (sivasar)
7/1/2020 12:01 AM
- Document created by Sys - WEN Admin - WEN (ad)
7/1/2020 12:01 AM - IP Address: 13.110.6.8

Fully Customizable eComposer

Accident Data



Confidential



Improving Accidental Investigation Data



Conducting a more efficient deep dive into the accident



Automatic RCA data integration into EHS module / claim file



Enhancing actionable insights



Seamlessly keep the right people informed and accountable



Fully customizable eComposer section which provides EHS professionals with space to insert critical / new content.

Workers Compensation

Claim Number: [REDACTED] Root Cause Analysis

Investigation:

Investigation Status: [REDACTED]
Date Investigation Completed: [REDACTED]
Employee Name: [REDACTED]
Manager on Duty: [REDACTED]
Restaurant Number: [REDACTED]
Who else was involved? [REDACTED]
Where did the incident happen? [REDACTED]
What day did the incident happen? [REDACTED]
What time did the incident [REDACTED]
Have photos been taken? [REDACTED]
Weather Conditions: [REDACTED]

Security cameras in restaurant?
If yes, employee's physical description: [REDACTED]
Additional Details About What Happened: [REDACTED]
Summary of Video footage: [REDACTED]
How could this have been prevented? [REDACTED]

Root Cause Analysis (EHS)
RCA-000192

Details Related Files

Information


RCA	RCA-000192
Claim	318411EM
Investigation Status	New
Date Investigation Completed	
Claimant Name	TestGL RCA
Status Summary	New Submitted to HSE Coordinator
Manager on Duty Formula	
Restaurant #	116155
Approval Status	Pending Completion/Approval
General Manager Email	store11615@wendysstore.com
District Manager Email	melinda.custis-taylor@wendys.com

Emails

Supervisor's Supervisor Email	EHS Manager Email
EHS Coordinator Email	EHS Director Email

Safety Audit Data Feed

- Your EHS function may rely upon third party data related to facility safety auditing. The Riskconnect EHS module allows for direct third-party data feed integration.
- Capture what is most important to your function and link that data to generate impact.

Evaluation Type	District Manager
SNS1 - LOT & GROUNDS	100.0
SNS2 - DINING ROOM	100.0
SNS3 - FRONT LINE & BACKROOM	96.4
SNS4 - PERSONAL PROTECTIVE EQUIPMENT	88.9
Total Score	95.3
Compliance Flag	

Intersection of ERM & EHS

Tactical-Level
Risk Assessment



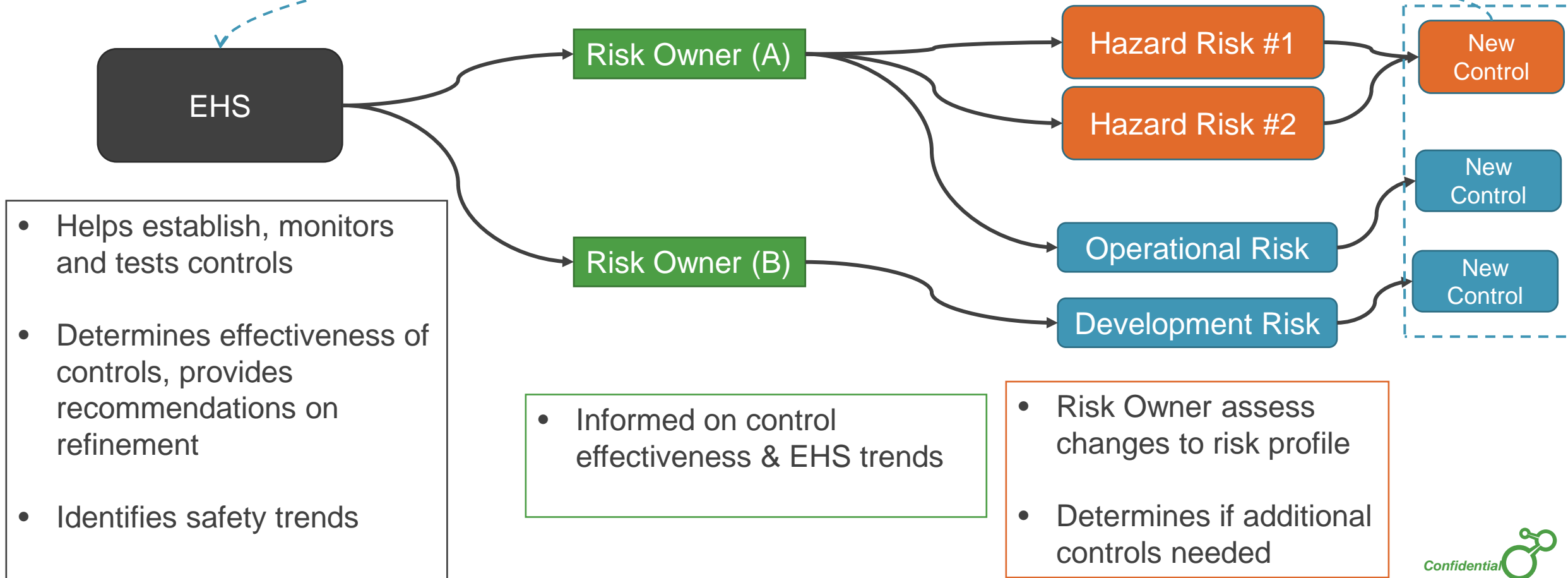
Communication & Reporting



Enterprise-Level
Risk Assessment



Control
Implementation





Roadmap – Strategic & Tactical Where Programs are Going...



- New incremental growth, first-time
- One-time action, may be moved into Calendar
- Increase program maturation
- Improve overall Program



ERM Roadmap

- Develop clearly defined Risk Appetite statements & Risk Tolerance modeling
- Risk-related scenario planning & modeling capabilities
- KRI's / Automation of risk sensing capabilities
- Support Three Lines of Defense Model
 - Continued alignment of GRC & other 2nd line Risk Oversight functions
 - Coordinating with 1st line Risk Owners & 3rd line Risk Assurance (IA)
- ERM Executive Dashboard → Insights
- Expand function-level RM programs, integrate with ERM program
- Cultivating risk-based decision-making culture



EHS Roadmap

- Floor Safety Investigation / Study in collaboration with laboratory vendors
 - Laboratory analysis and identification of contaminants on floor surfaces
 - Floor mat saturation capabilities, floor cleaning chemical compatibility along with enhancement of COF ratings
- Safety Audit Integration- RK EHS Module
- Global EHS Program Refinement – Supporting European & International Expansion
- Restaurant Safety Equipment Auto shipment pilot program

Questions?



project risk mgmt • bcr • health & safety • rmis • claims admin • esq • firm • compliance • policy mgmt • internal audit • erm



DISCOVER

RISK UNDER
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