ENVIRONMENTAL, SOCIAL AND GOVERNANCE
POLICY STATEMENT

Trian’s goal is to deliver strong absolute and risk-adjusted returns to our investors. We seek to invest in high-quality, but undervalued and underperforming, public companies and to work collaboratively with management teams and boards to execute operational and strategic initiatives designed to drive long-term sustainable earnings growth for the benefit of all shareowners. Trian believes that most successful companies also work to enhance the interests of their stakeholders (shareowners, employees, customers, and the communities in which the company operates). With this type of focus, Trian believes that these companies should be able to expand the positive impacts of their overall enterprise.

Trian believes that environmental, social and/or governance (ESG) issues can have an impact on a company’s culture and long-term performance and that companies can implement appropriate ESG initiatives that increase their sales and earnings. As a result, ESG matters can have an impact on a company’s total shareholder return over time.

As fiduciaries and responsible stewards of our clients’ assets, Trian approaches each of its investments individually. We employ a comprehensive due diligence process that takes into consideration ESG factors as part of our overall investment and risk assessment when applicable to the specific investment. The particular issues considered will differ for each investment. We believe that the consideration of ESG factors enhances our overall investment process.

As a highly engaged shareowner, Trian regularly interacts with the boards of directors and management teams of our portfolio companies. Post-investment, Trian may seek to implement ESG-related initiatives at portfolio companies that we believe will improve the long-term performance of the company.

Environmental initiatives may include such initiatives as:

- Encouraging the production of more environmentally-friendly products
- Improving the sustainability of supply chains; and
- Promoting the more efficient use of natural and renewable resources through the implementation of innovative solutions in food production, manufacturing and other industrial processes.

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Social initiatives may include such initiatives as:

- Refreshing consumer company product offerings to reflect customer demand for healthier products;
- Supporting the investment of capital, research and development programs and marketing plans as part of the effort to enhance sustainable long-term earnings growth and create jobs at our portfolio companies; and
- Facilitating the resolution of disputes between labor and management.

Corporate governance initiatives may include such initiatives as:

- Board refreshment to ensure that boards are made up of individuals with diverse backgrounds and experiences who are positioned to help the company achieve its goals;
- Realignment of executive pay to put greater emphasis on long-term performance based compensation to align management’s interests more closely with those of long-term shareholders; and
- Enhancing our portfolio companies’ corporate governance profile, such as by adopting proxy access.

From an engagement perspective, when a Trian Partner joins the board of a portfolio company, the Partner often serves on board committees where such Partner is able to raise ESG risks and opportunities with senior management and other directors. Even when a Trian Partner does not join the board of a portfolio company, we seek to build relationships with members of the company’s board as well as key members of management where we may likewise seek to influence corporate governance policies, executive compensation plans and key business strategies that may have social or environmental implications.

To the extent applicable, Trian considers the ESG implications of management and shareholder proposals when casting votes at portfolio company shareholder meetings. Such proposals are viewed on a case-by-case basis, taking into consideration whether implementation of the proposal is likely to enhance or protect shareholder value and other factors, such as whether the company has previously responded in an appropriate and sufficient manner to the issue(s) raised in the proposal or the cost or burden that complying with the proposal would impose on the company. Subject always to our fiduciary obligations and applicable law, our goal is to cast our votes at shareholder meetings in a manner that encourages both good business practices and strong corporate governance practices to enhance long-term shareholder value.

Promoting good business practices and strong corporate governance principles has been part of Trian’s operating strategy since our inception and we have had success in bringing about positive ESG changes at many of our portfolio companies, including: public commitments to reduce energy consumption; achieving the settlement of a labor dispute (with Trian acting as an informal mediator to help bridge the gap between the employees and management) that did not
require cuts to employees’ pay and preserved the defined benefit pension plan as well as the jobs of the workers; and adopting reforms in the areas of board composition and board refreshment, executive compensation and proxy access, as well as other initiatives. As part of implementing our ongoing commitment to ESG considerations, Trian will report periodically on the progress on ESG matters at our portfolio companies in communications with our investors.

We expect that our ESG views will evolve as best practices and guidelines related to ESG matters continue to change and develop over time. In addition, Trian agrees with the stewardship principles for institutional investors set forth in the Investor Stewardship Group’s (ISG) framework for U.S. Stewardship and Governance and is a signatory to that framework and intends to implement those principles where consistent with our fiduciary responsibilities. We encourage all members of the investment industry to adopt and implement the ISG stewardship principles (and/or similar ESG standards initiatives).

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