

Who We Are

Trian Fund Management, L.P. (“Trian”) is a **Highly Engaged Shareowner** that seeks to invest in high-quality, but undervalued and underperforming, public companies and to **work collaboratively** with management teams and boards to help companies 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), thus **expanding the positive impacts** of their overall enterprise.

Trian’s Environmental, Social, and Governance (“ESG”) Affiliations



About Trian’s ESG Practices and Principles

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.

Trian believes that 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. We also believe that **the consideration of ESG factors enhances our overall investment process**.

As outlined in our ESG Policy Statement, Trian may encourage portfolio companies to implement **ESG-related initiatives** that we believe will improve the long-term performance of the company, including:

- **Environmental initiatives** such 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.
- **Social initiatives** such 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.
- **Governance initiatives** such 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.

Engaging with Company Boards on ESG Issues

When a Triam Partner joins the board of a portfolio company, he or she often serves on committees where there is an ability to raise ESG risks and opportunities with senior management and other directors and to ***influence the portfolio company's policies and actions in ESG-related areas.***

Triam Representatives on Portfolio Company Boards (as of September 10, 2018)



Nelson Peltz
Triam CEO and Founding Partner

Non-Executive Chairman and a Director of Wendy's

- Chairman, Corporate Social Responsibility Committee
- Chairman, Executive Committee

Director of Sysco

- Corporate Governance and Nominating Committee

Director of Procter & Gamble

- Governance & Public Responsibility Committee
- Innovation & Technology Committee



Ed Garden
Triam CIO and Founding Partner

Director of General Electric

- Management Development & Compensation Committee
- Finance and Capital Allocation Committee

Director of BNY Mellon

- Chairman, Human Resources and Compensation Committee
- Corporate Governance and Nominating Committee
- Risk Committee
- Finance Committee



Peter May
Triam President and Founding Partner

Director of Wendy's

- Corporate Social Responsibility Committee
- Compensation Committee
- Chairman, Capital and Investment Committee
- Chairman, Technology Committee
- Executive Committee

Director of Mondelez

- Human Resources and Compensation Committee
- Finance Committee



Matt Peltz
Triam Senior Analyst and Partner

Director of Wendy's

- Corporate Social Responsibility Committee
- Technology Committee
- Capital and Investment Committee



Josh Frank
Triam Senior Analyst and Partner

Director of Sysco

- Compensation Committee
- Audit Committee



Brian Baldwin
Triam Senior Analyst and Partner

Director of nVent Electric

- Compensation Committee
- Governance Committee

ESG Highlights at Current Triam Portfolio Companies with Triam Board Representation



- **Board Refreshment:** BNY Mellon has appointed 8 new directors from August 2014 through April 2018 and, absent exceptional circumstances, the company's Corporate Governance Guidelines require rotation of the Lead Director and all Committee Chairmen at five-year intervals
- **Director Independence:** 11 out of 12 directors are independent (as of April 1, 2018)
- **Favorable ISS Governance Score:** Received a 3 on ISS's QualityScore metric (as of April 1, 2018), the third-highest possible score (out of 10)
- **Diversity:** 32% of U.S. workforce are from diverse ethnic/racial backgrounds and 46% of U.S. workforce are women (for calendar year 2016)
- **Reduced Paper Use:** Through its PaperWise and Managed Print programs, paper purchases were reduced by 61% from 2010 to 2015, and 330 million pages were saved from 2012 to 2016
- **Climate Change Agenda:** Since 2015, BNY Mellon has been a carbon neutral company (net greenhouse gas emission of zero). Accomplished by reducing traditional energy usage, utilizing renewable resources and purchasing carbon offsets
- **ESG Index:** The only U.S. diversified financial services company named to the Dow Jones Sustainability World Index for three consecutive years (as of 2016)



- **Board Refreshment:** Following the April 2018 shareowners meeting, GE's board was reduced from 18 directors to 12 directors. Three new directors joined the board including Larry Culp, former CEO of Danaher Corporation, who became the lead director in June 2018 and CEO on October 1, 2018. GE also said on October 1, 2018 that it is working on opportunities for continued board renewal.
- **Ecomagination:** GE's ecologically-focused business strategy has generated \$270 billion in revenues from Ecomagination solutions through 2016
- **Conservation:** GE has reduced the use of freshwater by more than 29% through 2016, surpassing its goal of a 20% reduction by 2020 on an adj. 2011 baseline
- **Emissions Reduction:** GE has reduced greenhouse gas emissions by 18% through 2016 from an adj. 2011 baseline and plans an additional 20% reduction through 2020
- **Diversity:** In 2017, launched the "Balance the Equation" initiative with the goal of having 20,000 women in STEM roles by 2020 and obtaining 50% representation for women in GE's technical entry-level programs
- **GE Volunteers:** Since 2005, GE employees and retirees have reported more than 12 million hours spent volunteering on more than 57,000 projects globally
- **Affordable Healthcare:** Today, over 5.8 billion people lack access to quality, affordable healthcare. GE has committed \$300 million to deliver disruptive technologies to healthcare providers across emerging markets

ESG Highlights at Current Triam Portfolio Companies with Triam Board Representation (continued)


- **Board Refreshment:** As of April 1, 2018, Mondelez has added 8 new directors to the Board since October 2012, and its median director tenure is approx 5 years
- **Director Independence:** 12 out of 13 directors are independent (as of April 1, 2018)
- **Responsible Supply Chain:** Launched in 2012, "Cocoa Life" is a 3rd party-verified, sustainable sourcing program that helps farmers achieve sustainable livelihoods while increasing cocoa yields. Through 2017, Cocoa Life has reached 120,500 farmers in 1,085 communities, and 35% of Mondelez cocoa is sustainably sourced and used in brands such as Milka, Cadbury Dairy Milk and Oreo
- **2020 Sustainability Goals:** Include reducing absolute CO2 emissions by 15%, reducing manufacturing waste by 20%, reducing water use by 10% at priority locations where water is most scarce, and eliminating 65,000 tons of packaging materials (2013 baseline)
- **Well-Being Snacks:** Aims to be a global leader in well-being snacks and has made strong progress towards its well-being targets which include reducing sodium and saturated fat by 10% by 2020 against an adjusted 2012 baseline
- **ESG Index:** A Dow Jones Sustainability World Index member for the 13th year in a row in 2017



- **Environmental Treasure Hunt:** Solicit and implement local improvement ideas at manufacturing facilities around the world. Team in Anoka, Minnesota identified large electricity savings by swapping High Intensity Discharge lighting systems for fluorescent lighting, resulting in savings of 2.5 million kWh annually or \$200,000
- **Combatting Climate Change:** nVent products provide support and protection to critical infrastructure. Enclosures protect sensitive data center equipment, heat trace cables keep ice and snow off of railways and pipelines and seismic bracing systems protect buildings in earthquake-prone regions
- **Energy Efficiency:** Raychem heating technology is being utilized in skyscrapers for efficient hot water design and instant hot water on every floor
- **Rail Safety:** With over 100 million connections installed globally, ERICO Cadweld is an industry leader in exothermic welding solutions that keep trains running safely and on time
- **Lean Manufacturing:** Disciplined manufacturing process maximizes use of inputs and aims to minimize waste by products
- **Director Independence:** As of August 2018, 8 out of 10 directors are independent outside of the CEO and non-executive Chairman



- **Executive Compensation:** In 2018, following the removal of the discretionary component from Pentair's annual incentive program among other reforms, ISS recommended a vote in favor of "say-on-pay" after previously recommending a vote against in the prior two years
- **Director Independence:** 11 out of 12 directors are independent (as of April 1, 2018)
- **Wastewater Reuse:** Many of Pentair's water technologies are designed to recycle wastewater and return it safely to the environment – the company's use of this technology in its own operations saves millions of gallons of water each year
- **Project Safewater:** From its launch in 2007 through 2016, Pentair's water initiative has helped provide clean drinking water to nearly 3 million people globally
- **Philanthropic Work:** Pentair is a founding supporter of The Nature Conservancy's Upper Tana-Nairobi Water Fund, a public-private initiative that uses natural systems to filter and regulate the water supply of the Tana River, which provides more than 95% of the water for Nairobi's citizens
- **Energy Savings:** Pentair was named a 2018 ENERGY STAR Partner of the Year – Sustained Excellence Award winner. Since 2005 through 2017, Pentair's pumps helped pool owners save \$1.5 billion in energy costs and conserved enough energy to power 1.3 million U.S. homes for one year



- **Favorable ISS Governance Score:** Received a 2 on ISS's QualityScore metric (as of April 1, 2018), the second-highest possible score (out of 10)
- **Director Independence:** 12 out of 13 directors are independent (as of April 1, 2018)
- **New Product Innovation:** Including the world's first recyclable shampoo bottle made with 25% recycled beach plastic (winner of The United Nations Momentum for Change Lighthouse Award), and Tide Purclean, the first predominantly bio-based detergent manufactured at a 100% wind-powered facility
- **Water:** P&G has reduced water use in its manufacturing facilities by 20% per unit of production and, through its Children's Safe Drinking Water Program, has established a goal of providing 15 billion liters of clean drinking water by 2020
- **Diversity:** In June 2018, P&G publicly set a target whereby half of their advertisements are to be directed by women by 2023 (up from 10% today). The company also announced plans to bring about greater gender equality at the brand director level
- **Climate:** In 2010, P&G established various sustainability goals including reducing its absolute greenhouse gas emissions by 30% by 2020 and reducing energy use at its facilities by 20% per unit of production (achieved), with a long-term vision of powering all its plants with 100% renewable energy

ESG Highlights at Current Triam Portfolio Companies with Triam Board Representation (continued)


- **Favorable ISS Governance Score:** Received a 2 on ISS's QualityScore metric (as of April 1, 2018), the second-highest possible score (out of 10)
- **Board Refreshment Plan:** Since Triam's investment, Sysco has elected eight new directors (out of 14), established a 15-year limit on director tenure, and announced a "360 degree" performance review process for individual directors that will take place every three years and will solicit feedback from management and other directors
- **Food Safety:** In FY2016, Sysco's Quality Assurance team completed on-site audits and plant or field inspections at more than 1,700 locations to monitor food safety and quality programs
- **Low Emission Vehicles:** Sysco's fleet includes 180 low emission liquid natural gas trucks, and in December 2017, Sysco placed a reservation for 50 Tesla fully-electric Semi tractors (to begin production in 2019) that will have up to 500 miles of range on a single charge
- **Supplier Diversity:** Spent \$1.1 billion with over 500 minority and women owned suppliers in FY2016
- **Solar Power:** In June 2018, Sysco announced a ten-year agreement with NRG Energy. Under this arrangement, NRG Energy will construct three solar gardens in Houston and Dallas that will support approximately 10% of Sysco's U.S. operations
- **Food Waste Reduction:** In 2016, FreshPoint (a Sysco company) launched its Unusual But Usable (UBU) program that finds customers interested in utilizing "imperfect" produce that might otherwise go to waste
- **ESG Index:** Member of FTSE4Good Index since 2003



- **Favorable ISS Governance Score:** Received a 1 on ISS's QualityScore metric (as of April 1, 2018), the best possible score
- **Board Refreshment:** From February 2015 through May 2018, Wendy's has appointed 7 new directors (to a Board of 12 directors)
- **Healthy Menu Options:** Wendy's is a leading purveyor of salads and was the first quick service restaurant to create a salad bar in 1979. In June 2018, Wendy's announced initiatives to source vine-ripened tomatoes for its North American restaurants exclusively from greenhouse farms by early 2019
- **Energy Consumption:** Committed to a 20% energy reduction per transaction in U.S. company-owned restaurants by 2025
- **Diversity:** At company-owned restaurants, a majority of all General Manager (GM) roles are occupied by women, and a majority of GM roles are also occupied by people of color (as of April 1, 2018)
- **Community Outreach:** Since 2004, Dave Thomas Foundation for Adoption and the Wendy's Wonderful Kids Program have found permanent homes for more than 7,000 children through 2017
- **Greenhouse-grown Tomatoes:** In June 2018, Wendy's announced an initiative to source vine-ripened tomatoes for its North American restaurants exclusively from greenhouse farms by early 2019. Upon completion, Wendy's will be the first national quick-service restaurant to source its entire tomato supply from greenhouses, which improves freshness and drastically reduces pesticide usage

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