

## 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.



## 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 November 1, 2018)



## BNY MELLON

**Ed Garden, Triam CIO and Founding Partner  
Director of BNY Mellon**

- Chairman, Human Resources and Compensation Committee
- Corporate Governance, Nominating and Social Responsibility Committee
- Risk Committee
- Finance 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
- **Favorable ISS Governance Score:** Received a 2 on ISS's QualityScore metric (as of March 1, 2019), the second-highest possible score (out of 10)
- **ESG Index:** In 2018, BNY Mellon has maintained its leadership status in corporate social responsibility (CSR), appearing as the only U.S. diversified financial company on the Dow Jones Sustainability World Index for the 5<sup>th</sup> consecutive year, and appearing on the North America Index for the 6<sup>th</sup> consecutive year
- **Climate Change Agenda:** Since 2015, BNY Mellon has been a carbon neutral company. This was accomplished by reducing traditional energy usage, utilizing renewable resources (100% renewable electricity purchased) and purchasing carbon offsets. GHG emissions reduced by 52% since 2008, exceeding its 2020 goal. Since 2015, water usage has been reduced by 11%
- **Diversity:** 33% of U.S. workforce are from diverse ethnic/racial backgrounds and 45% of U.S. work-force are women (for calendar year 2017)
- **Reduced Paper Use:** Through its PaperWise and Managed Print programs, paper purchases were reduced by 61% from 2010 to 2015, and deleted, eliminated or avoided 366 million pages since 2012



**Ed Garden, Triam CIO and Founding Partner  
Director of General Electric**

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

- **Board Refreshment:** Following the April 2018 shareowners meeting, GE's board was reduced from 18 directors to 12 directors. Over the last year, 5 new directors have joined the board including Larry Culp, former CEO of Danaher Corporation, who became the lead director in June 2018 and Chairman and CEO of GE on September 30, 2018
- **Conservation:** Through 2017, GE's overall freshwater use was reduced 25% from its adjusted 2011 baseline, versus its 2020 goal of 20% reduction from 2011 levels
- **GE Volunteers:** Since 2005, GE employees and retirees have reported more than 12 million hours spent volunteering on more than 57,000 projects globally
- **Emissions Reduction:** Through 2017, GE has reduced greenhouse gas (GHG) emissions from operations by 27% from its adjusted 2011 baseline. With these results, GE has surpassed its 20% by 2020 GHG goal
- **Improving Healthcare Globally:** GE's philanthropic arm, the GE Foundation, is leading a multi-sector effort to improve surgical capacity and training with its Safe Surgery 2020 initiative. The initiative is a \$25 million commitment over three years that focuses on transforming the accessibility, quality and safety of surgical care in low- and middle-income countries, leading to reductions in maternal and trauma-related mortality and to stronger health systems

## Triam Representatives on Portfolio Company Boards (as of November 1, 2018)



### Peter May, Triam President and Founding Partner Director of Mondelēz

- Human Resources and Compensation Committee
- Finance Committee

## ESG Highlights at Current Triam Portfolio Companies with Triam Board Representation

- **Board Refreshment:** As of April 1, 2018, Mondelēz has added 8 new directors to the Board since October 2012
- **Director Independence:** 12 out of 13 directors are independent (as of April 1, 2018)
- **Responsible Supply Chain:** Launched in 2012, “Cocoa Life” is a sourcing program that helps farmers achieve sustainable livelihoods while increasing cocoa yields, reaching 120,500 farmers in 1,085 communities through 2017. In 2014 Mondelēz published the Palm Oil Action Plan, a long-term roadmap to achieve a sustainable palm oil supply, which was launched after achieving 100% Roundtable on Sustainable Palm Oil (RSPO) coverage in 2013
- **ESG Index:** A Dow Jones Sustainability World Index member for the 14th year in a row in 2018
- **Climate Change Agenda:** Mondelēz reduced water use by 25% in priority locations where water is most scarce, exceeding its 2020 goal. Absolute CO<sub>2</sub> emissions have been reduced by 10% (from 2013 to 2017). Mondelēz is committed to making all paper-based packaging sustainably sourced by 2020 and all packaging recyclable by 2025
- **Community Partnerships:** Through Mondelēz International Foundation, Mondelēz invested \$50 million USD over multi-years in a three-pronged proven approach to combat obesity-- nutrition education, promoting active play and providing access to fresh foods
- **Well-Being Snacks:** Continuing to make nutrition improvements in key brands: reducing sodium across *Oreo* globally; doubling the amount of whole grain in *Club Social* biscuits; and cutting saturated fat in *Barni* by 13%
- **Food Safety:** Nearly 100% of Mondelēz’s internal facilities worldwide are certified against the Foundation for Food Safety Certification



### Brian Baldwin, Triam Senior Analyst and Partner Director of nVent Electric

- Compensation Committee
- Governance Committee

- **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



### Nelson Peltz, Triam CEO and Founding Partner Director of Procter & Gamble

- Governance & Public Responsibility Committee
- Innovation & Technology Committee

- **Favorable ISS Governance Score:** Received a 1 on ISS’s QualityScore metric (as of March 1, 2019), the highest possible score (out of 10)
- **New Product Innovation:** P&G has the world’s first recyclable shampoo bottle made with recycled beach plastic and the first predominantly bio-based detergent (manufactured at a 100% wind-powered facility)
- **Philanthropic Work:** Since 2002, P&G has donated \$50 million worth of products in partnership with Kind Direct, a leading UK charity dedicated to distributing donated consumer products from manufacturers and retailers
- **Diversity:** P&G has a target whereby women direct 50% of their advertisements by 2023. 46% of all P&G managers globally are women (as of November 2018)
- **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 electricity (in North America by 2020, globally by 2030) and to have 100% recyclable or reusable packaging by 2030
- **Brands Making a Positive Impact:** Tide purclean™ is certified 65% bio-based, with 100% recyclable packaging, and is produced at a plant that sends zero manufacturing waste to landfill.
- **Sustainable Supply Chain:** 85% of manufacturing plants have achieved goal of sending zero manufacturing waste to landfill. Almost 100% of the packaging used in Charmin, Puffs and Bounty is recyclable. In January 2019, P&G announced new “collect and recycle” circular solutions that help eliminate waste as a part of a partnership with Loop™, a circular e-commerce platform developed by international recycling leader TerraCycle

## Triam Representatives on Portfolio Company Boards

(as of November 1, 2018)



**Nelson Peltz, Triam CEO and Founding Partner**  
Director of Sysco

- Corporate Governance and Nominating Committee

**Josh Frank, Triam Senior Analyst and Partner**  
Director of Sysco

- Compensation Committee
- Audit Committee

## ESG Highlights at Current Triam Portfolio Companies with Triam Board Representation

- **Favorable ISS Governance Score:** Received a 3 on ISS's QualityScore metric (as of March 1, 2019, the third-highest possible score (out of 10)
- **Board Refreshment Plan:** Since Triam's investment, Sysco has elected 8 new directors (out of 12), 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 FY2018, Sysco's Quality Assurance team completed on-site audits and plant or field inspections at more than 380 locations to monitor food safety and quality programs
- **Environmentally Responsible Products:** In October 2018, Sysco launched Sysco Earth Plus®, a planet-friendly initiative aimed at utilizing caterware made from sustainable materials
- **Low Emission Vehicles:** 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 \$750 million with nearly 500 minority- and women- owned suppliers in FY2018 with a goal to increase spend 25% by 2025
- **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 and collectively will reduce emissions by 37,000 tons of CO2 annually
- **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



**Wendy's**

**Nelson Peltz, Triam CEO and Founding Partner**  
Non-Executive Chairman and a Director of Wendy's

- Chairman, Corporate Social Responsibility Committee
- Chairman, Executive 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

**Matt Peltz, Triam Senior Analyst and Partner**  
Director of Wendy's

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

- **Favorable ISS Governance Score:** Received a 1 on ISS's QualityScore metric (as of March 1, 2019), the best possible score
- **Board Refreshment:** From February 2015 through May 2018, Wendy's has appointed 7 new directors (to a Board of 11 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
- **Community Outreach:** Wendy's helped raise more than \$18.7 million to support the Dave Thomas Foundation for Adoption and children in foster care. Through December 2018, more than 8,000 children have been adopted as a direct result of the Wendy's Wonderful Kids Program
- **Corporate Equality:** In 2018 Wendy's achieved a score of 80 on the Human Rights Campaign Foundation's Corporate Equality Index (a 160% increase since its initial participation in 2006)
- **Animal Welfare:** In 2019, Wendy's will begin partnership with Progressive Beef™, an animal care and sustainability initiative that seeks to enhance beef supply chain accountability, transparency and traceability. In 2018, Wendy's fulfilled its commitment to source 100% of its beef from Beef Quality Assurance certified sources
- **Energy Consumption:** In 2016, Wendy's joined the U.S. Department of Energy's Better Building Challenge, with 1,500 restaurants committing to reduce energy consumption in its U.S. company-owned locations by 20 percent by 2025. Wendy's unveiled a new "Smart Family of Designs," aimed at providing a portfolio of store development options to franchisees that reduce environmental impact via smaller location footprints and energy efficiency
- **Sustainable Packaging:** In February 2019, Wendy's announced that the company joined Closed Loop Partners and the NextGen Consortium to work on sustainable packaging initiatives for the Wendy's system. Wendy's reduced fiber and plastic in several packaging formats, reducing by several million pounds the amount of paper and plastic materials used in these items

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