

ESG Integration: Trian’s Approach

- Leveraging the 40+ years’ operating experience of Trian’s Principals (Nelson Peltz, Peter May and Ed Garden), Trian seeks to invest in and transform high quality but undervalued and underperforming public companies. As part of working collaboratively with management teams and boards to help companies execute operational and strategic initiatives designed to drive long-term sustainable earnings growth and enhance shareholder value, and consistent with our fiduciary responsibilities, Trian believes it is well-positioned to encourage portfolio companies to **implement environmental, social and governance initiatives** that could improve long-term company performance.
- We view **our governance mandate as inherent**, as we hold board seats at many of our portfolio companies. Trian’s partners often serve on board committees where there is an **ability to promote and influence ESG initiatives** that we believe will lead to improved company culture and drive long-term financial performance – including on diversity and inclusion, sustainability, board refreshment and energy consumption.
- Current and former **Trian portfolio companies** have addressed a range of **environmental, social and governance initiatives**. Below are some highlights:

Representative Examples

Environmental

- **In 2008**, Heinz announced that the iconic glass Heinz ketchup bottles were manufactured using 100% post-consumer reground and recycled glass and that Heinz soups in the U.K. would be packaged in lighter cans resulting in numerous savings, such as reduced consumption of steel and tinplate (*Trian board designees: 2006-2013*)
- **In 2017**, Pentair launched two sustainable pool products, providing 90% and 96% energy-efficiency. From 2005-2017, Pentair’s Eco-Select pool pumps saved U.S. consumers approximately \$1.5 billion in energy costs (*Trian board designees: 2016-2018*)
- **In 2018**, Procter & Gamble (P&G) launched a major new product innovation, EC30, which allows the consumer to clean both the body and home with lighter, smaller eco-friendly packaging (*Trian board designee: 2018-present*)

Social

- **In 2014**, Tiffany made significant progress towards the development of a globally recognized standard for responsible mining as a founding member of the Initiative for Responsible Mining Assurance, and received 100% of its rough diamonds directly from known mines and suppliers with multiple known mines (*Trian Board designee: 2008-2017*)
- **Since 2014**, diversity initiatives have been a focus of **BNY Mellon**, including with respect to compensation (*Trian board designee: 2014-2019, and chair HR Committee*)
- **In 2019**, Mondelēz committed to source by 2025 100% of its cocoa from the Cocoa Life sustainability program, a sourcing program that helps farmers achieve sustainable livelihoods while increasing sustainable cocoa yields and help maintain the long-term stability of the cocoa supply chain (*Trian board designees: 2014-present*)

Governance

- **Since 2005**, Trian has obtained 23 board seats at various portfolio companies. Trian’s board designees have helped refresh boards (e.g., assisted with recruitment of over 45 new directors to 15 boards) and assisted with CEO/CFO succession planning at 10 portfolio companies. Trian has also advocated for de-staggering of company boards
- **In 2016**, Sysco’s Board established a 15-year limit on director tenure and announced a “360 degree” performance review process for individual directors every three years (*Trian board designees: 2015-present*)
- **In 2018**, following a proxy contest with **P&G**, Trian began working with issuers (including P&G), investors, industry participants and regulators to improve the accuracy, integrity, transparency and efficiency of the proxy voting system (*Trian board designee: 2018-present*)

Disclaimers**CERTAIN CONSIDERATIONS**

TRIAN FUND MANAGEMENT, L.P. (“TRIAN”) BELIEVES THE INFORMATION CONTAINED IN THIS MATERIAL AND SOURCES FROM WHICH SUCH INFORMATION WAS OBTAINED TO BE RELIABLE AS OF THE DATE HEREIN BUT DOES NOT WARRANT ITS ACCURACY OR COMPLETENESS.

THIS MATERIAL DOES NOT HAVE REGARD TO THE SPECIFIC INVESTMENT OBJECTIVE, FINANCIAL SITUATION, SUITABILITY, OR THE PARTICULAR NEED OF ANY SPECIFIC PERSON WHO MAY RECEIVE THIS MATERIAL, AND SHOULD NOT BE TAKEN AS ADVICE ON THE MERITS OF ANY INVESTMENT DECISION. TRIAN RESERVES THE RIGHT TO CHANGE ANY OF ITS OPINIONS EXPRESSED HEREIN AT ANY TIME AS IT DEEMS APPROPRIATE. TRIAN DISCLAIMS ANY OBLIGATION TO UPDATE THE INFORMATION CONTAINED HEREIN OR OTHERWISE PROVIDED TO YOU.

THIS MATERIAL AND THE INFORMATION OTHERWISE PROVIDED TO YOU HAS NOT BEEN REGISTERED OR FILED WITH, OR REVIEWED BY, ANY FEDERAL, REGIONAL, LOCAL OR FOREIGN REGULATORY AUTHORITY. ACCORDINGLY, THE FOREGOING AUTHORITIES HAVE NOT RECOMMENDED OR APPROVED THIS MATERIAL OR INFORMATION OTHERWISE PROVIDED TO YOU OR CONFIRMED ITS ADEQUACY OR ACCURACY.

NOT AN OFFER TO SELL

THIS IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF ANY OFFER TO BUY ANY SECURITIES IN ANY FUND MANAGED BY TRIAN NOR SHALL THERE BE ANY SALE OF A SECURITY IN ANY JURISDICTION WHERE SUCH SOLICITATION OR SALE WOULD BE UNLAWFUL. THE INFORMATION CONTAINED IN THIS MATERIAL OR OTHERWISE PROVIDED TO YOU DOES NOT RECOMMEND THE PURCHASE OR SALE OF ANY SECURITY, IS NOT COMPLETE AND DOES NOT CONTAIN CERTAIN MATERIAL INFORMATION ABOUT ANY FUND MANAGED BY TRIAN, INCLUDING IMPORTANT DISCLOSURES AND RISK FACTORS ASSOCIATED WITH AN INVESTMENT IN SUCH FUNDS, AND IS SUBJECT TO CHANGE WITHOUT NOTICE. ANY OFFERING IS MADE ONLY PURSUANT TO THE RELEVANT OFFERING MEMORANDUM, TOGETHER WITH THE CURRENT FINANCIAL STATEMENTS OF THE RELEVANT FUND, IF AVAILABLE, AND THE RELEVANT SUBSCRIPTION DOCUMENTS, ALL OF WHICH MUST BE READ IN THEIR ENTIRETY. NO OFFER TO PURCHASE SECURITIES WILL BE MADE OR ACCEPTED PRIOR TO RECEIPT BY THE OFFEREE OF THESE DOCUMENTS AND THE COMPLETION OF ALL APPROPRIATE DOCUMENTATION. TO THE EXTENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN THE RELEVANT OFFERING MEMORANDUM AND THIS MATERIAL, THE OFFERING MEMORANDUM SHALL CONTROL. THIS MATERIAL AND THE INFORMATION OTHERWISE PROVIDED TO YOU IS PROVIDED MERELY AS INFORMATION AND IS NOT INTENDED AS AN INVITATION OR INDUCEMENT TO PURCHASE OR SELL ANY SECURITIES OR INVESTMENT AND IS THEREFORE NOT FINANCIAL MATERIALS AS CONTEMPLATED BY SECTION 21 OF THE UK FINANCIAL SERVICES ACT, NOR IS THIS MATERIAL AND SUCH OTHER INFORMATION ANY FORM OF INVESTMENT ADVICE TO THE RECIPIENTS.