

## 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.
- **Corporate 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 and eliminating classified boards.

## Engaging with Company Boards on ESG Issues

When a Trian 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*.

### Trian Representatives on Portfolio Company Boards



**Nelson Peltz, Trian CEO and Founding Partner**  
**Director of Procter & Gamble (March 2018 – Present)**

- Governance & Public Responsibility Committee
- Innovation & Technology Committee

### ESG Highlights at Current Trian Portfolio Companies with Current or Past Trian Board Representation

- **Favorable ISS ESG Score:** Received a 1 on ISS's QualityScore metric for Governance and Social, and 2 for Environmental (as of August 4, 2020), the first and second-highest possible scores (on scale of 1-10, best-worst)
- **Climate:** In July 2020, P&G announced its commitment to make its global operations carbon neutral for the decade, including reducing its GHG emissions by 50% by 2030
- **EC30:** In 2018 P&G introduced EC30, a major new product innovation that allows the consumer to clean both body and home with lighter, smaller products that are easier on the environment. EC30 contains no water or plastic, is 100% compostable, produces 75% less emissions, has 80% less weight. EC30 has no stabilizers, fillers or preservatives and the package is also sustainable.
- **EPA 2019 Safer Choice Partner of the Year:** Awarded to P&G in recognition of selected P&G's Home Made Simple™ products for outstanding development in accordance with EPA safer choice criteria, including stringent human and environmental health criteria
- **New Product Innovation:** In May 2020, P&G granted Cargill an exclusive license to further develop and commercialize a bio-based acrylic acid technology developed by P&G that could ultimately be incorporated in a range of more sustainable consumer products (e.g., from superabsorbent polymers in absorbent hygiene products to thickeners in household paints and beyond) and help shift everyday goods to be made from annually renewable crops.
- **Brands Making a Positive Impact:** In May 2019, P&G introduced Tampax PURE, a new 100% organic cotton core tampon with 90% plant-based applicator. Herbal Essences Bio:renew, originally launched by P&G in 2017, offers haircare formulas which are 90% naturally derived
- **Sustainable Supply Chain:** In 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. P&G is also a member of the Alliance to End Plastic Waste initiative that aims to end plastic waste in the environment by bringing to scale solutions to minimize plastic waste
- **Gender Diversity:** P&G's senior leadership team and Board of Directors are now composed of more than 40% women (as of December 2019).
- **Board Refreshment:** As of December 31, 2019, Mondelēz has added 8 new directors to the Board of 13 since October 2012
- **Responsible Supply Chain:** In April 2019, Mondelēz committed to source 100% of its cocoa from the Cocoa Life sustainability program by 2025. Launched in 2012, "Cocoa Life" is a sourcing program that helps farmers achieve sustainable livelihoods while increasing cocoa yields. In April 2019, Mondelēz released an upgraded Palm Oil Action Plan that embeds firmer supplier sourcing requirements while calling for 100% transparency and 100% sustainability across the sector
- **Climate Change Agenda:** Mondelēz is committed to making all packaging recyclable by 2025, and as of May 2020 93.3% of total packaging is designed to be recyclable. Mondelēz reduced water use by 27% in priority locations where water is most scarce, exceeding its 2020 goal. Absolute CO<sub>2</sub> emissions have been reduced by 15% (from 2013 to 2019)
- **ESG Index:** A Dow Jones Sustainability World Index member for the 15th year in a row in 2019
- **Food Safety:** In 2019, Mondelēz achieved the goal to have all internal manufacturers and raw materials suppliers certified against one of the Global Food Safety Initiative (GFSI) benchmarked food safety schemes
- **Favorable ISS ESG Score:** Received a 2 on ISS's QualityScore metric for Environment, and Governance, and 3 for Social (as of August 4, 2020), the second and third-highest possible scores (on a scale of 1-10, best-worst)
- **Community Partnerships:** Through Mondelēz International Foundation, Mondelēz invested \$50 million over multi-years in a three-pronged proven approach to combat obesity — nutrition education, promoting active play and providing access to fresh foods. Mondelēz donated over 150,000 products to FareShare, UK's largest charity fighting hunger and food waste, as part of Cadbury Heroes' 20<sup>th</sup> anniversary celebrations
- **Well-Being Snacks:** Achieved 16% net revenue from portion control snacks by the end of 2019. Reduced sodium by 20% in Barni Europe. In Australia MDLZ launched Cadbury Dairy Milk with 30% Less Sugar. Mondelēz is committed to placing its Snack Mindfully icon and portion guidance labeling on 100% of packages globally by 2025
- **Women in the Workplace:** As of 2019, women account for 25% of Mondelēz independent directors, 37% of management positions globally, and 31% of the Mondelēz executive management team



**Peter May, Trian President and Founding Partner**  
**Director of Mondelēz (March 2018 – Present)**

- Human Resources and Compensation Committee
- Finance Committee

**Nelson Peltz, Trian CEO and Founding Partner**  
**Director of Mondelēz (January 2014 – March 2018)**

- Finance Committee
- Governance, Membership and Public Affairs

## Triam Representatives on Portfolio Company Boards



**Nelson Peltz, Triam CEO and Founding Partner**  
**Director of Sysco (August 2015 – Present)**

- Corporate Governance and Nominating Committee

**Josh Frank, Triam Senior Analyst and Partner**  
**Director of Sysco (August 2015 – Present)**

- Compensation Committee
- Audit Committee



**Nelson Peltz, Triam CEO and Founding Partner**  
**Non-Executive Chairman and a Director of Wendy's**  
**(April 1993 – Present)**

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

**Peter May, Triam President and Founding Partner**  
**Director of Wendy's (April 1993 – Present)**

- 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 (December 2015 – Present)**

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

**Ed Garden, Triam CIO and Founding Partner**

**Director of Wendy's (December 2004 – December 2015)**

- Capital and Investment Committee

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

- **Board Refreshment Plan:** Since Triam's investment, Sysco has elected 9 new directors (out of 13), 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
- **Favorable ISS E&S Score:** Received a 3 on ISS's QualityScore metric for Environmental and 2 for Social (as of August 4, 2020), the third and second-highest possible scores (on a scale of 1-10, best-worst).
- **Inaugural Sustainability Bond issuance:** Net proceeds from this \$500 million bond offering closed in Feb 2020 will fund projects to advance the company's 2025 Corporate Social Responsibility goals.
- **Socially Responsible:** In May 2020, Dividend Channel named SYC as a Top Socially Responsible Dividend Stock, recognized as a socially responsible investment by asset managers through analysis of social and environmental criteria
- **Favorable ISS Governance Score:** Received a 1 on ISS's QualityScore metric for Governance (as of August 4, 2020), the best possible score (on a scale of 1-10, best-worst)
- **Board Refreshment:** From February 2015 through December 2019, Wendy's has appointed 7 new directors, 3 of whom are diverse (to a Board of 11 directors)
- **Fresh Produce Leadership:** Wendy's is a leading purveyor of salads and was the first quick service restaurant to create a salad bar in 1979. Wendy's sources 100% vine-ripened tomatoes for its North American restaurants exclusively from indoor, greenhouse hydroponic farms. In 2019, Wendy's launched Fast Food Done Right, which includes continued menu innovation and a commitment to fresh menu options
- **Philanthropy:** Wendy's has helped raise more than \$220 million since 2019 to support the Dave Thomas Foundation for Adoption and children in foster care since the Foundation's inception. Through December 2019, more than 9,000 children have been adopted and nearly 500 professional adoption recruiters hired as a direct result of the Wendy's Wonderful Kids Program
- **Corporate Equality:** As of January 2020, Wendy's achieved a perfect score of 100 on the Human Rights Campaign's Corporate Equality Index and the designation as a *Best Place to Work for LGBTQ Equality*
- **COVID-19:** Sysco donated 30 million meals across eight countries in a global effort to support vulnerable, food-insecure citizens from mid-March through June 2020
- **Supply Chain:** Spent \$782 million with nearly 438 minority- and women-owned suppliers in FY2019 with a goal to increase spend 25% by 2025. In 2009, Sysco partnered with World Wildlife Fund (WWF) to assess the company's seafood supply chain, and reinforced its commitment to improve the sustainability of its seafood procurement practices and standards
- **Food Safety:** In June 2019, Sysco joined the Partnership for Food Safety Education (PFSE) to further its commitment to improve public health outcomes by reducing foodborne illnesses and raise awareness of safe food handling practices
- **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
- **Low Emission Vehicles:** In FY2018, Sysco placed a reservation for 50 Tesla fully-electric Semi tractors that will have up to 500 miles of range on a single charge. SYC's goal is to have 20% of Sysco's tractor fleet converted to alternative fuel vehicles by 2025
- **Animal Welfare:** In 2019, Wendy's became the first restaurant chain to endorse the Progressive Beef™ program, 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
- **Sustainability:** *Squarely Sustainable* is the Wendy's 4-pronged approach to sustainability, which aims to: Use Less and reduce unnecessary materials use; Use Better and seek certified sustainable materials where possible; Spark Action by identifying consumer-facing actions that can drive change; Engage Partners to work with others to find solutions on important issues
- **Energy Consumption:** In 2016, Wendy's joined the U.S. Department of Energy's Better Building Challenge, making a commitment to reduce energy consumption in U.S. company-owned restaurants by 20% per transaction 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
- **Sustainable Packaging:** In February 2019, WEN partnered with Closed Loop Partners and the NextGen Consortium to work on sustainable packaging initiatives for the Wendy's. Wendy's reduced fiber and plastic in several packaging formats, reducing by several million pounds of paper and plastic materials used. Wendy's switched to light-weight paperboard fry cartons which require 17% less raw materials and led to saving 3mm of materials
- **ESG Award:** In the 2020 All-American Executive Team rankings compiled by Institutional Investor, Wendy's received a #1 position in ESG/SRI metrics in the Midcap and Small Cap category

## Triam Representatives on Portfolio Company Boards



### Ed Garden, Triam CIO and Founding Partner Director of General Electric (October 2017 – Present)

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

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

- **Board Refreshment:** Following the April 2018 shareowners meeting, GE's board was reduced from 18 directors to 12 directors. Since February 2018, 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:** As of September 2019, GE has reduced its freshwater by about 1.4 billion gallons of freshwater per year since 2011
- **ISS E&S Score:** Received a 3 on ISS's QualityScore metric for Environment and 2 for Social (as of Aug 10, 2020), the third and second-highest possible scores (on a scale of 1-10, best-worst) **Emissions Reduction:** As of January 2020, GE has reduced greenhouse gas (GHG) emissions from operations by nearly 0.84 million metric ton CO<sub>2</sub>-equivalents since 2011, from its adjusted 2011 baseline. With these results, GE has surpassed its 20% by 2020 GHG goal.
- **GE Volunteers:** Since 2005, GE employees and retirees have reported more than 12 million hours spent volunteering on more than 57,000 projects globally. For 10 consecutive years, GE has been recognized by Junior Achievement with the U.S. President's Volunteer Service Award
- **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
- **Wind Power:** The cutting-edge technology of GE's Haliade-X 12 MW, the world's most powerful offshore wind turbine, can generate up to 67 GWh of gross annual energy production, providing enough clean energy to power 16,000 European households and save up to 42 million metric tons of CO<sub>2</sub>, which is the equivalent of the emissions generated by 9,000 vehicles in one year



### Brian Baldwin, Triam Senior Analyst and Partner Director of nVent Electric (April 2018 – May 2020)

- Compensation Committee
- Governance Committee

- **Director Independence:** As of May 2020, 6 out of 9 directors are independent outside of the CEO and non-executive Chairman, and 4 out of 9 directors are women
- **Favorable ISS Governance Score:** Received a 1 on ISS's QualityScore metric for Governance (as of August 4, 2020), the highest possible score (on a scale of 1-10, best-worst)
- **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
- **Youth STEM Education Investments:** In February 2020, the nVent Foundation announced 11 recipients of its latest round of grants supporting youth STEM education. In 2019, a total of \$250,000 in grants were awarded by the nVent Foundation to nonprofits serving communities across the U.S. where nVent has business operations.
- **Sustainability:** nVent has combined renewable energy solutions like solar and wind power with smart conservation measures to drive reductions in energy use. nVent reuses water within its manufacturing operations and reduces the company's overall water footprint, and nVent's materials management process is helping meet goals tied to Zero Waste to Landfill operations. In 2017, 97% of nVent's waste from manufacturing was diverted
- **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

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