

## 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.
- ❖ **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 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**



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

- Governance & Public Responsibility Committee
- Innovation & Technology Committee

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

- ❖ **Favorable ISS ESG Score:** Received a 1 on ISS's Quality Score metric for Governance and Social, and 2 for Environmental (as of March 10, 2021), the first and second-highest possible scores (on scale of 1-10, best-worst)
  - Received a 1 on its disclosures for Waste and Toxicity, Human Rights, and Labor, Health and Safety.
- ❖ **Board Refreshment:** Since Triam has been on the board of P&G the board has added 3 new board members, all of whom are diverse (i.e., female and/or ethnically diverse)
- ❖ **Sustainability:** P&G targeted a 30% reduction in Scope 1 & 2 GHG emissions by 2020, and overdelivered by achieving a 52% reduction.
  - Waste Elimination: 99.5% of paper packaging contains either recycled or third-party certified virgin content.
  - Water Access: P&G has provided one billion people with access to water-efficient products
  - Re Useable Supply Chains: P&G plans to launch a refill system for their shampoo which should result in 300 million fewer virgin plastic bottles being produced yearly
- ❖ **Diversity & Inclusion ("D&I")**
  - In 2020, P&G achieved equal representation of women and men among its independent Board Directors and increased multicultural representation to 25%.
  - P&G established a Take on Race fund to help organizations that make our communities more equitable. The fund supports larger, established organizations in North America as well as smaller organizations that mobilize, advocate, and hold ~~our~~ elected officials more accountable.
  - P&G Canada offered to match up to \$1 million for CanadaHelps Black Solidarity Fund.
  - Every year since 2008, P&G has spent more than \$2 billion with diverse-owned businesses globally. Despite the supply chain challenges in 2020, P&G surpassed the two billion total and added 21 diverse-owned suppliers to our supplier ecosystem.
- ❖ **Recognitions and Awards**
  - 2021 American's Most Just Companies: Ranked in top 20 by Forbes
  - 2020 Top 100 most sustainable companies by Barron's
  - 2020 The best employers for Diversity by Forbes



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

- Human Resources and Compensation Committee
- Finance Committee

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

- Finance Committee
- Governance, Membership and Public Affairs

- ❖ **Favorable ISS ESG Score:** Received a 2 on ISS's QualityScore metric for Environment and Social, and 3 for Governance (as of March 10, 2021), the second and third-highest possible scores (on a scale of 1-10, best-worst)
  - Received a 1 on its disclosures for Natural Resources and Human Rights
- ❖ **Board Refreshment:** Since Triam has been on the board of Mondelēz the board has added 6 new board members, 3 of whom are diverse.
- ❖ **Sustainability:** Mondelēz committed to making all packaging recyclable by 2025. ~94% of all packaging is designed to be recyclable as of November 4<sup>th</sup> 2020.
  - In early 2021, Mondelēz announced its commitment to reduce virgin plastic use to combat plastic pollution by at least 25% by 2025.
  - In March 2021, Mondelēz joined Upcycled Food Association, an association consisting of food brands committed to helping prevent food waste.
- ❖ **Diversity & Inclusion ("D&I")**
  - In October 2020 Mondelēz International further advanced their Diversity & Inclusion commitments:
    - Appointed Robert Perkins as the first Global Diversity & Inclusion Officer.
    - Signed Board Diversity Action Alliance to promote diverse leadership
    - Joined Unstereotype Alliance to promote inclusive, stereotype-free advertising
    - Partnered with FREE THE WORK to boost discovery and involvement of underrepresented talent
  - In September 2020 Mondelēz International Announced Multi-Year Commitment to Advance Racial Equity through U.S. and Global Diversity & Inclusion Initiatives [REMOVE CAPS]
    - Doubled U.S. Black representation in management by 2024
    - Spent \$1 billion annually with minority- and women-owned businesses by 2024

**Trian Representatives on Portfolio Company Boards**



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

- Corporate Governance and Nominating Committee

**Josh Frank, Trian Co-Head of Research and Partner  
Director of Sysco (August 2015 – Present)**

- Compensation Committee
- Audit Committee

❖ **Favorable ISS E&S Score:** Received a 3 on ISS’s QualityScore metric for Environmental and 3 for Social (as of March 10, 2021), the third highest possible scores (on a scale of 1-10, best-worst).

- Received a 1 on its disclosures for Natural Resources
- Received a 2 for Board Structure

❖ **Board Refreshment Plan:** Since Trian has been on the board Sysco has elected 7 new board members, 2 of whom are diverse, and announced a “360 degree” performance review process for individual directors that will take place every three years

❖ **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

❖ **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.

❖ **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

❖ **2025 Corporate Social Responsibility Goals**

- People: Increase US associate ethnic and gender diversity to 62%
- Planet: Divert 90% of operations and food waste from landfill
- Products: Establish responsible sourcing guidelines for five key commodities

❖ **Diversity & Inclusion (“D&I”)**

- Sysco’s CEO signed the CEO Pledge, part of the CEO Action for D&I; an effort to rally the business community to advance D&I within the workplace.
- In FY2020, the Global Talent Management launched a global online Inclusion training for all associates (as part of annual training) and a mandatory online leader version.
- FY2020 Supplier partnerships were 535 minority and women owned enterprises and 22 Minority and Women Owned suppliers were added.



**Nelson Peltz, Trian 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, Trian 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, Trian Co-Head of Research and Partner  
Director of Wendy’s (December 2015 – Present)**

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

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

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

- Capital and Investment Committee

❖ **Favorable ISS Governance Score:** Received a 1 on ISS’s QualityScore metric for Governance (as of March 10, 2021), the best possible score (on a scale of 1-10, best-worst)

- Received a 1 on Shareholder Rights

❖ **Board Refreshment:** Since Trian has been on the board of The Wendy’s Company, the board has added 9 new board members, 3 of whom are diverse.

❖ **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

❖ **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

❖ **Diversity & Inclusion (“D&I”)**

- Newly created position of Vice President, Chief Diversity, Equity & Inclusion Officer effective March 15, 2021. The position will oversee and lead the company’s efforts to advance and promote diversity, equity and inclusion across the Wendy’s global system, including with employees, franchisees and suppliers.
- In December 2020, Wendy’s announced a community-based giving program, which awarded grants to 23 organizations supporting social justice, youth and education in the Black community in 2020
- In June 2020 Wendy’s announced it will donate at least \$500,000 to support social justice, youth and education in the Black community.
- In 2019, Wendy’s partnered with the Thurgood Marshall College Fund, which has expanded, to support educational and career opportunities for Black students throughout the United States.
- Wendy’s is partnering with the YWCA of Columbus and the Columbus Urban League to help advance their missions of combatting racism and leveling the playing

❖ **Corporate Equality:** In 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*

❖ **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

**Trian Representatives on Portfolio  
Company Boards**

**Nelson Peltz, Trian CEO and Founding Partner  
Director of Invesco (November 2020 – Present)**

- Nomination and Corporate Governance Committee

**Ed Garden, Trian CIO and Founding Partner  
Director of Invesco (November 2020 – Present)**

- Nomination and Corporate Governance Committee
- Compensation Committee

- ❖ **ISS Governance Score:** Received a 1 on ISS’s QualityScore metric for Environment and 3 for Social (as of March 10, 2021); the first and third highest possible scores (on a scale of 1-10, best-worst)
  - Received a 1 on its disclosures for Management of Environmental Risks and Opportunities, Carbon and Climate, Natural Resources, and Waste and Toxicity
- ❖ **Board Refreshment:** Since Trian representatives joined the board of Invesco in November 2020, the board has added 1 new board member.
- ❖ **Sustainability:** Invesco is officially a supporter of the Transition Pathway Initiative (“TPI”), a global, asset-owner led initiative which assesses companies’ preparedness for the transition to a low carbon economy.
  - TPI provides robust, independent research which empowers investors to assess the alignment of their portfolios with the goals of the Paris Agreement
  - Ninety investors globally have pledged support for the TPI as of December 2020, representing over \$23.3 trillion combined assets under management and advice.
- ❖ **Diversity & Inclusion (“D&I”)**
  - Invesco has a global initiative that includes a women’s network, an LGBT network, a black professionals’ network, and others.
  - In November 2020, Invesco launched the Invesco Pan-Asian Professional Network (“IPAN”) in order to provide a support network and a sense of community to for Asian colleagues.
  - In 2019 Invesco initiated the goal that all hiring managers must complete Unconscious Bias training by the end of 2020 and all senior leaders to complete Unconscious Bias training by the end of 2021
- ❖ **Aligning Social Good with Fixed Income Products:** Invesco’s approach to municipal bonds illustrates how ESG can be used to encourage the provision of affordable, attractive and equitable public services. Municipal bond proceeds can be used to help address
  - Providing clean water and sanitation services
  - Reducing GHG emissions and increasing renewable energy
  - Increasing the supply of affordable housing
  - Promoting high-tech capabilities to create higher-paying jobs


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

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

- ❖ **ISS E&S Score:** Received a 3 on ISS’s QualityScore metric for Environment and 1 for Social (as of March 12, 2021), the third and highest possible scores (on a scale of 1-10, best-worst)
  - Received a 1 on its disclosures for Human Rights
- ❖ **Board Refreshment:** Since Trian has been on the board of General Electric the board has added 6 new board members, 3 of whom are diverse.
- ❖ **Sustainability**
  - GE is committed to being carbon neutral in its facilities and operations by 2030.
  - GE exceeded its 2020 greenhouse gas emissions goal early, delivering a 21% reduction between 2011 to 2019
  - GE exceeded its 2020 reduction of freshwater use goal, delivering a 26% reduction of freshwater use between 2011 to 2019
  - GE has reduced freshwater use by about .72 billion gallons of freshwater per year since 2011
- ❖ **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
- ❖ **Diversity & Inclusion (“D&I”)**
  - GE’s Renewable Energy business created a value stream map (“VSM”) to visualize all steps currently followed during the external recruiting and hiring process. VSM highlights areas for improvement and leads to action plans.
    - GE has identified eight opportunities that impact hiring, including a lack of diverse candidates, a lack of recruiting strategies specific to African Americans and a lower ratio of diverse interviewers.
  - The GE Foundation announced more than \$1.5 million (USD) in grants in 2020 in order to help create more equitable access to opportunities for STEM education
  - In 2020 GE had seven employee resource groups and further expansion is expected in 2021
    - African American/Affinity Forum (AAF)
    - Asian Pacific Allies & Friends (APAF)
    - Disability Advocacy Network (“DAN”)
    - Hispanic Forum (“HF”)
    - Pride Alliance (“Pride”)
    - Veterans Network (“VN”)
    - Women’s Network (“WN”)

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