



# *Extended Annual Report 2022*

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*ESG — Creating Sustainable  
Compounding Returns*



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# Highlights



## Identify Investment Opportunities

Agile investment approach with a focus on consumer goods and services



## Enhance Value

Unique ownership & people model with repeatable value creation approach



## Drive Long-term Sustainable Compounding Returns

Doing the right things for our stakeholders

Our Platform Investing Philosophy

## Creating Sustainable Compounding Returns

JAB is committed to delivering superior long-term compounding shareholder returns, which are fundamentally dependent on a healthy planet and people.

Within our Platform Investment Philosophy, we have a clear understanding and appreciation of the next generation of consumers, combined with a strong focus on ESG-related matters. We fundamentally believe that taking a sustainable value creation approach to business pays off to our investors, capital partners, suppliers, consumers and other stakeholders. We have a formalized ESG strategy and a clear roadmap to continue to integrate ESG into our ways of working.



**Business  
For Inclusive  
Growth**

JAB is a member of Business For Inclusive Growth (B4IG) - a global CEO-led coalition united in the belief that business has a central role to play in building a more sustainable and inclusive economy.

Together with its strategic partner, the OECD, B4IG is driven by the ambition to scale up business action on inequality.

***“Inclusive Growth is economic growth that creates opportunities for all groups of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society.”***

— OECD Opportunities for All: Framework for Policy Action on Inclusive Growth

## UN Sustainable Development Goals

JAB is committed to the UN Sustainable Development Goals (SDGs), which is the internationally recognized framework adopted by all UN Member States in 2015 as part of the 2030 Agenda for Sustainable Development. We believe that all businesses have a critical role to play in building a healthier world, and the UN SDGs provide a strong framework to ensure that JAB and our Investment Platforms are effectively bringing long-term benefits to consumers and communities around the world.



## 2022 ESG Highlights

Throughout 2022, we continued to integrate ESG into our ways of working, while further developing our responsible and sustainable investing practices. This helped us to further solidify ESG as a cornerstone in our organization, leading to several key achievements throughout 2022, including:

1. JAB Holding was rated #1 in the category of diversified financials and #2 globally by Sustainalytics for ESG risk rating
2. We priced two Sustainability Linked Bonds (\$500m and €500m) tying JAB to several “ambitious” and “highly ambitious” sustainability targets as defined by Sustainalytics
3. 61% of portfolio companies by fair value have approved SBTi decarbonisation targets in place and/or are committed to SBTi
4. JAB supported portfolio companies on improving gender diversity progress – now approx. three quarters of Boards and Executive teams have at least 30% gender diversity
5. All of our portfolio companies have defined an ESG strategy and are working towards publishing externally for the financial year 2022

This is the second year where we have reported on our ESG KPIs and the progress made to-date in achieving our targets. For details, please refer to our non-financial results starting on [page 11](#).

Our 2022 ESG efforts were continuously recognised. Sustainalytics, one of the global top ESG rating agencies, once again awarded JAB the top position among industry peers. This ranking included the lowest ESG risk (“negligible ESG risk”) in the industry, and the 2nd lowest globally, which, together with our focus on resilient Consumer Goods & Services categories, allows us to deliver superior risk-adjusted returns.



## Portfolio Companies

- KDP set the aspirational goal to achieve net water positive impact by 2050



- JDE Peet's increased its responsibly sourced coffee target from 30% to 80% globally in 2022 and committed a EUR 150 million investment in a responsible sourcing programme which will ultimately lead to 100% responsibly sourced coffee by 2025



- Coty published new near-term reduction targets for greenhouse gas emissions (GHG), approved by the Science Based Targets initiative (SBTi).



- Panera launched its new flagship Panera Dream Project™, offering a leadership acceleration program for underserved talent and the Panera Bread Foundation to support children and youth in its communities



- Pret A Manger launched a dedicated Ukraine refugee hiring program through which they helped over 250 people in employment

★ PRET A MANGER ★

## Integrating ESG in the investment cycle



To continue delivering long-term compounding shareholder returns while contributing to a healthy planet and people, we recognise the need to integrate ESG into every step of our investment cycle. Starting with the pre-investment phase, we have embedded an ESG lens into our due diligence process. In 2022, we refreshed our ESG due diligence approach and created a proprietary methodology that allows us to identify and assess ESG risks and opportunities in potential investments. Post-acquisition, we ask the management of a new portfolio company to put together an ESG transition plan, the first step towards developing or updating the company's ESG strategy.

Our position as shareholders with controlling or anchor stake allows us to play an important role in overseeing and influencing our investments to continuously improve their ESG performance over time. We believe that our increased focus on ESG will help us recognise opportunities in value creation, identify actions to protect value, increase resilience, flag risks which could lead to value erosion and ultimately deliver on our investment mandate.

## ESG Collaboration Forum 2022

We launched the ESG Collaboration Forum in 2019, a quarterly initiative to share best practices, discuss innovations and jointly solve problems associated with ESG implementation. The forum is attended by the sustainability experts and C-suite members responsible for the ESG agendas within our portfolio companies. It brings together leaders of both public and private companies, alongside external ESG experts and solution providers, creating a unique environment of collaboration. This dynamic is unique to JAB thanks to our long-term ownership model and continued engagement with our companies once listed publicly.

In 2022, typically 40-50 senior leaders and ESG executives from JAB and portfolio companies joined the Collaboration Forums each quarter and shared their expertise in a wide range of areas across the ESG spectrum. The forums in 2022 focused on:

- ESG Reporting, Assurance and Data Management, reviewing increasing stakeholder expectations
- Equality of Opportunity, Diversity and Inclusion, introducing JAB's framework used to assess EODI maturity and showcasing best-practices across the portfolio
- Circularity, addressing the issue of plastics, packaging and waste
- Equitable workplaces and inclusive employment, focusing on how companies can employ vulnerable groups such as refugees

In addition, 2022 was the pilot year for JAB's ESG Safari, a half-day event at which our portfolio companies met with a curated selection of potential partners that can assist them in overcoming the ESG data challenge.



## ESG Rating

Our continued efforts in the field of ESG have also been recognized externally. As of December 2022, JAB was rated #1 out of 908 companies in our industry (diversified financials) by Sustainalytics. Globally, JAB was rated #2 out of 15,561 companies by Sustainalytics.

This resulted in JAB receiving several prestigious awards from Sustainalytics, including “ESG Global 50 top rated”, “ESG Industry top rated” and “ESG regional top rated”.

The company which provided the ESG rating, Sustainalytics, is a leading ESG rating firm providing high-quality data to investors. JAB scored “negligible” ESG risk rating and “strong” ESG risk management in all four of JAB’s material ESG topics.



## Sustainability Linked Bonds

In 2022, we issued two Sustainability Linked Bonds, the first of this kind executed by JAB, clearly demonstrating our commitment to our ESG goals and agenda.

The two bonds were raised in April & June 2022, totalling respectively \$500mm (US) and €500mm (EU). The US offering marks the first ever 30-year sustainability-linked bond on the market. We recognize that accepting sustainability-aligned finance gives JAB access to capital and further establishes our ESG ambitions.

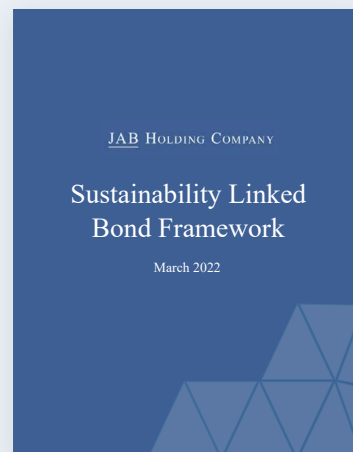
The bonds' interest rates are tied to three of JAB's sustainability targets:

1. By 2030, JAB has committed to reduce its Scope 1 and 2 GHG emissions by 46% from a 2020 baseline
2. By 2025 80% and by 2030 95% of JAB's portfolio companies, will set Science Based Targets Initiative approved targets; this target covers 99% of JAB's total investment and lending activities as of 2021.
3. 100% of JAB's portfolio companies will have at least 30% female representation in their non-executive board of directors by 2025

Sustainalytics has rated targets 1 & 2 as "Ambitious" and "Highly Ambitious", the highest rating in their methodology, against peer and industry external benchmarks. We have received limited assurance on the above mentioned targets in order to satisfy the terms of the Sustainability Linked Bonds. For the limited assurance report, please refer to the appendix of this extended annual report.

Failure to achieve the bond targets will result in a coupon step up. This further integrates our ESG practices into the core of our business and aligns our non-financial performance with our financial incentives.

These bonds align with our ambition of sustainable, long-term value creation. For more information on the details of the Sustainability Linked Bonds, please refer to following links: [Press release](#) & [SLB Framework](#).

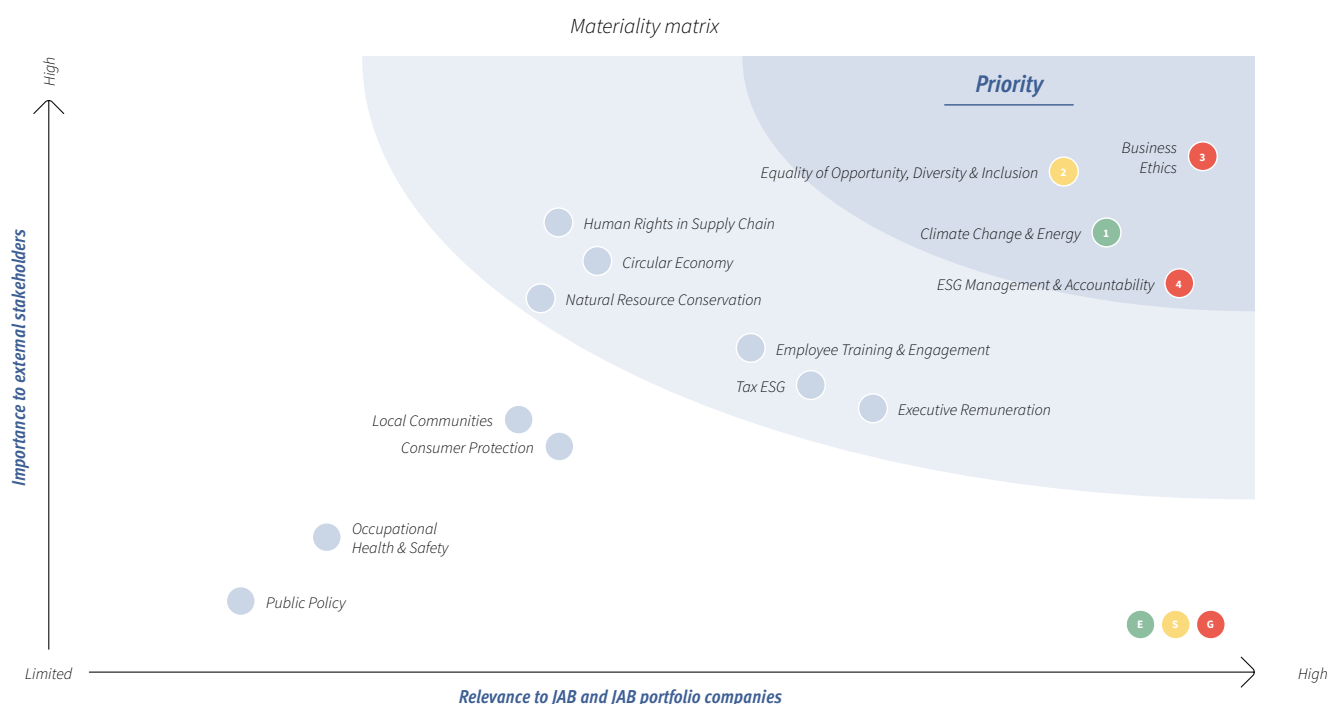


**SLB Framework** / →  
[www.jabholco.com](http://www.jabholco.com)



# Our ESG Strategy and Performance

## ESG Priority Topics



Within our ESG Strategy, we have prioritized key ESG topics based on an in-depth materiality analysis conducted through conversations with key stakeholders including our team, investor community, consumers, regulators and our portfolio companies. The four priority topics identified through the analysis are:

1. Climate Change & Energy
2. Equality of Opportunity, Diversity & Inclusion
3. Business Ethics
4. ESG Management & Accountability



We approach these priority topics through tailored programs, both within our own organization and with our portfolio companies. While our portfolio companies operate independently, we actively engage with each to embed JAB's ESG priorities into their strategy and operations. We also actively support our portfolio companies pursuit of their own tailored ESG agendas. ESG is overseen at the Board level of all our investments, with each business reporting to the Board at least once per year on ESG priority topics.

In addition, we enable our portfolio companies to share best practices through our ESG Collaboration Forum, which takes place every quarter. We started this initiative in 2019 because of our conviction that ESG is universally important. We believe that collaboration can build positive impact and momentum across the portfolio companies. More information on the ESG Collaboration Forum and what was discussed throughout 2022 can be found on [page 5](#).

Our due diligence process for new investments always includes ESG considerations, and we encourage new portfolio companies to embed ESG into their strategy early on, if not already present.

We evaluate the performance of these ESG topics at JAB and across the portfolio based on Key Performance Indicators (KPIs), which as of 2021, are periodically measured, monitored and reported on. These KPIs have been defined for each of the four priority ESG topics, both at the Holding level and the Investment Platform level.

## Creating Sustainable Compounding Returns (continued)

			
	Environmental	Social	Governance
Priority topics	<ul style="list-style-type: none"> <li>Climate Change &amp; Energy</li> </ul>	<ul style="list-style-type: none"> <li>Equality of Opportunity, Diversity &amp; Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Business Ethics</li> <li>ESG Management &amp; Accountability</li> </ul>
Objective	<ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions ('GHG') in-line with the 1.5 Degrees Celsius Target set by the Paris Climate Agreement</li> <li>Manage climate risks and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Create a diverse and inclusive workplace in which people can experience equality of opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Establish Business Ethics as a fundamental cornerstone to everything we do</li> <li>Embed ESG throughout the entire value chain and report in a transparent way on ESG progress</li> </ul>
KPIs and results			
Commitments, partnerships & affiliations	    	   	  
2022 Highlights	<ul style="list-style-type: none"> <li>SBTi published a case study about JAB's climate journey as an example to the Finance Sector</li> <li>61% of portfolio companies by fair value have approved SBTi decarbonisation targets in place and/or are committed to SBTi</li> <li>Expanded TCFD disclosure (Phase 2 as defined by the UN PRI guidance)</li> <li>Reduction of JAB's office emissions and full offset of business travel</li> </ul>	<ul style="list-style-type: none"> <li>Completed an in-depth assessment of the diversity, equity and inclusion strategies, practices and behaviours across the portfolio and enabled best-practice sharing</li> <li>Supported portfolio towards gender diversity progress – now approx. three quarters of Boards and Executive teams have at least 30% gender diversity</li> <li>Visionary charitable sponsor and fundraising partner of DKMS, a charity dedicated to the fight against blood cancer and blood disorders</li> </ul>	<ul style="list-style-type: none"> <li>JAB Holding Co. SARL was rated #1 in the category of diversified financials and #2 globally by Sustainalytics</li> <li>Issued two Sustainability-Linked Bonds (SLBs)</li> <li>JCP closed fund (V) classified as Article 8 and promoting E &amp; S goals aligned with JAB's strategy</li> <li>Actively engaged with all portfolio companies to strengthen their business ethics and compliance programs</li> <li>Enhanced all JAB policies incl. the Code of Conduct and upskilled all employees on business ethics, compliance and ESG</li> </ul>
Sustainable Development Goals	 	 	



## 1. Climate Change & Energy

We have made a market-leading commitment to align with the Science Based Targets initiative (SBTi), which is the gold standard in driving private sector climate action. SBTi provides us with the framework to guide emissions reductions for ourselves and our portfolio companies, and we are fully committed to limiting global warming by reducing greenhouse gas emissions (GHG) in-line with the 1.5 Degrees Celsius goal of the Paris Climate Agreement.

We also follow and support the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD) to identify and manage climate risks and opportunities. This approach considers the fact that risks and opportunities can be material from a financial (TCFD) and non-financial (SBT) perspective (i.e. double materiality).



In 2022, we have taken further steps on our climate journey by:

- Actively engaging with all our portfolio companies in regards to their decarbonisation plans and SBTi commitments and targets, resulting in:
  - Newly approved SBTi target in place for Coty and JDE Peet's
  - New SBTi commitments made by Espresso House and Bally
- Further developing our assessment and reporting of climate risks and opportunities using the TCFD framework ([page 16](#))
- Supporting nature and biodiversity restoration by becoming a charitable supporter of SUGi and offsetting business travel emissions through certified projects

## 2. Equality of Opportunity, Diversity & Inclusion

At JAB and across our Investment Platforms, we are committed to identifying and eliminating systemic barriers along the entire employee life cycle to create a diverse and inclusive workplace in which our people can experience equality of opportunity. This includes maintaining an inclusive culture and diverse team – starting with the Board of Directors and Executive Leadership teams of our investments. This will help them deliver long-term sustainable compounding returns through better decision making. In addition, they focus on offering equal pay based on function level and geography while maintaining a work environment conducive to high job satisfaction and low turnover.



To help enable these commitments, we are actively engaged in the G7 Business for Inclusive Growth (B4IG) coalition to advance human rights throughout value chains, build inclusive workplaces and strengthen inclusion. We have also taken the B4IG pledge.

In 2022, we took further steps to drive EODI by:

- Completing an in-depth assessment across the portfolio companies on diversity, equity and inclusion strategies, practices and behaviours. Providing tailor-made recommendations for each company and establishing a framework to track progress
- Enabling best-practice sharing on the topic of EODI through our ESG Collaboration Forum
- Supporting our portfolio companies towards making progress on gender diversity at the Board and Executive Leadership level – now approx. three quarters of Boards and Executive teams have at least 30% gender diversity

### 3. Business Ethics

Business Ethics are a fundamental cornerstone in the way JAB operates. In 2021, we became a member of the UN Global Compact (UNG) and incorporate its Ten Principles into our strategy, policies and procedures. We have set the bar high to meet all Business Ethics KPIs, including a range of key policies and training on business ethics.

In 2022, we have taken further steps to reinforce our business ethics by:

- Enhancing and publishing all policies over the course of this year, including:
  - Our Code of Conduct and governance across all policies
  - The Responsible Investment and Stewardship policy, providing a broad framework for ESG integration through the investment life cycle of our investments
  - The Human Capital Policy, outlining how JAB manages its workforce
  - The Environmental Policy, describing the systems and measures we have established to conduct business in an environmentally sustainable way
  - Supplier Code of Conduct, detailing the behaviours and core values JAB expects from its key suppliers and their staff
- Updating and expanding our mobile-first training program for all JAB employees via simulated dialogues and gamified questions about all the elements of our business ethics and compliance, as well as our ESG efforts
- Actively engaging with all our portfolio companies to strengthen their business ethics and compliance programs throughout 2022, resulting in:
  - A step change in establishment and implementation of minimum level of business ethics and compliance policies across the portfolio
  - All portfolio companies enabling an anonymous complaints mechanism (82% in 2021)

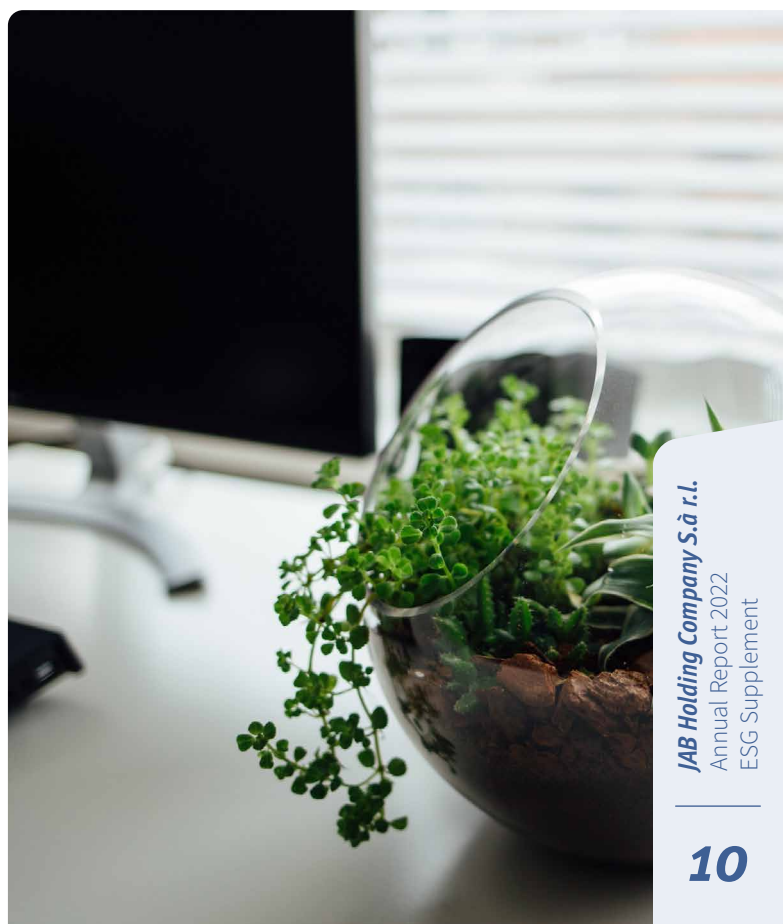


### 4. ESG Management & Accountability

We follow the UN's six Principles for Responsible Investment (PRI) and have a fit-for-purpose lean governance structure for sustainable value creation.

In 2022, we have taken further steps to bolster ESG management and accountability by:

- Appointing Yoana Nenova to Head of Responsible and Sustainable Investing. Yoana joined JAB in 2014 and has been leading JAB's ESG efforts since 2021
- Signalling JAB's commitment to its ESG roadmap by issuing two Sustainability Linked Bonds (\$500m and €500m) with ambitious sustainability targets as evaluated by Sustainalytics. Failure to achieve the targets will result in a coupon step up
- Providing additional disclosure and transparency in reporting by receiving limited assurance on three of our ESG KPIs



# Our 2022 Non-Financial Performance

As a long-term investor, we focus on sustainable value creation over time and measure our impact through a combination of financial and non-financial performance metrics. During 2022, we accelerated the impact to our stakeholder community from both financial and non-financial performance point of view.

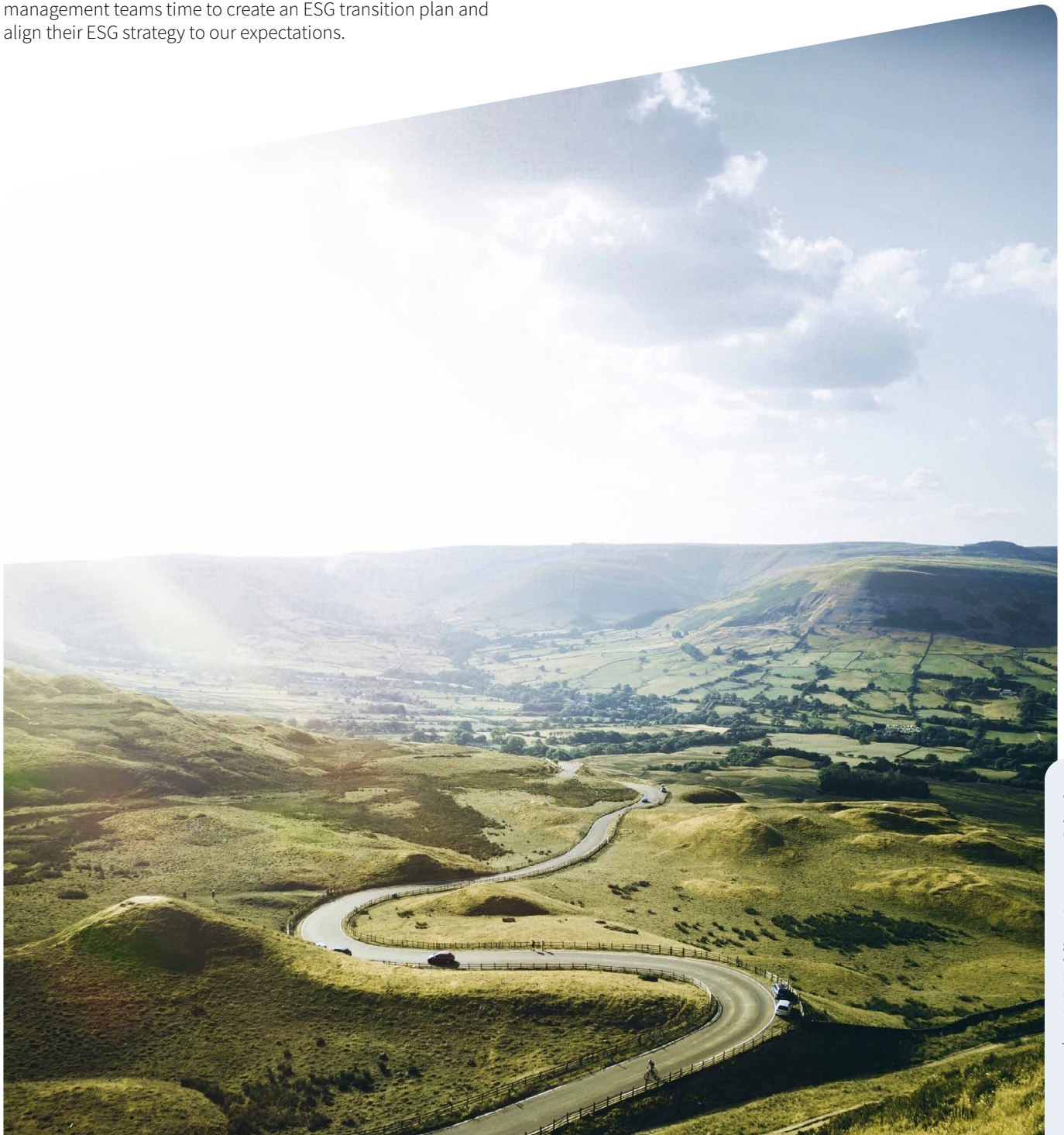
The tables presented on the next pages provide the KPIs, Targets, Actuals and Reflections per KPI. The first table relates to KPIs at the JAB level (i.e. Holding Company), and the second table relates to KPIs of our Investment Platforms (i.e. portfolio companies) since we are actively engaging with the portfolio to embed ESG into their strategies in order to ensure the long-term resilience and sustainability of their businesses.

We include our portfolio companies in our ESG KPI reporting one year after they have been acquired, unless otherwise specified. Therefore, IPG, PPG and VPG are excluded from the portfolio level disclosures for FY 2022. This gives the companies' management teams time to create an ESG transition plan and align their ESG strategy to our expectations.

## Performance table legend

✓  Limited Assurance on 2022

For KPIs with this label, we have obtained limited assurance from KPMG Audit SARL on the 2022 KPI result. Please refer to the assurance report as appendix to this report.





## Climate Change & Energy

### Holding Company

KPIs Targets	Actuals	Reflection
<b>Scope 1 and 2 GHG emissions - tCO<sub>2</sub>e</b>  1.5°C SBT – at least 46.2% reduction by 2030 (vs. 2020) – equivalent to 30 tCO <sub>2</sub> e	<b>-18%</b> <b>Reduction vs. 2020</b>  Scope 1 and 2 GHG emissions (tCO <sub>2</sub> e)   Goal 30 2022 46 2021 53 2020 56  Limited Assurance on 2022	<p>In 2022, in-line with the GHG protocol, we completed our scope 1, 2 and 3 emissions assessment.</p> <p>We aim to reduce our scope 1 and 2 emissions by at least 46.2% in 2030 vs. our 2020 base year. This target is in-line with the 1.5 Degree Celsius emission reduction pathway and has been approved by the Science Based Target initiative (SBTi). In 2022, our emissions equalled 46 tonnes (scope 1: 23 tonnes and scope 2: 23 tonnes); a total reduction of 18% compared to 2020 (base year) mainly due to a transition to renewable energy which we aim to have in all of our offices by the end of 2025, currently at 83%.</p>
<b>Scope 3 GHG emissions – Air travel - tCO<sub>2</sub>e</b>  Fully offset scope 3 emissions from air travel	<b>100%</b> <b>5,467 tCO<sub>2</sub>e of scope 3 GHG emissions from Air Travel offset since 2019</b>	<p>In 2022, our CO<sub>2</sub>e emissions from air travel were 2,784 tCO<sub>2</sub>e, bringing the total air travel emissions we have offset since 2019 to 5,467 tCO<sub>2</sub>e. In terms of miles traveled, 2022 was below 2019. In the coming years, we will keep using the lessons from the COVID-19 pandemic to optimise our travel footprint. Our offsetting program covers 2019, 2020, 2021 and 2022 emissions.</p>
<b>Completion of TCFD (as described by UN PRI)</b>  Phase 1: Annual Report 2021 Phase 2: Annual Report 2022	Phase 1: <b>Completed</b> Phase 2: <b>Completed</b>	<p>In 2022, we have successfully implemented Phase 2 of our TCFD implementation by performing investment level climate risk and opportunity analysis which is incorporated in this annual report.</p>
<b>Investment Platforms</b>  KPIs Targets	<b>Actuals</b>	<b>Reflection</b>
<b>% Investment value with approved SBTs</b>  80% by 2025 95% by 2030	 2022 48% 2021 34%  Limited Assurance on 2022	<p>A key part of our science based targets is to engage with portfolio companies and support target setting at that level. For an Investment Holding Company like JAB, Scope 3 emissions are mainly related to the portfolio companies' operations, which we intend to monitor and manage through the % of the portfolio companies by fair value with SBTi-approved targets. As of the end of 2022, the share of our portfolio companies with approved SBTs is 48% and 13% are committed. We have set a highly ambitious target to achieve an 80% SBTi-approved target coverage by 2025 and 95% by 2030 for which we are on track.</p>
<b>% Investment value reporting on TCFD</b>  80% by 2025 95% by 2030	2022 53% 2021 43%	<p>We strive to achieve 80% coverage by 2025 and 95% coverage by 2030, based on invested capital at fair value. As part of the 2022 reports, the share of portfolio companies reporting in compliance with TCFD is 53%.</p>

## Equality of Opportunity, Diversity & Inclusion

### Holding Company

#### KPIs

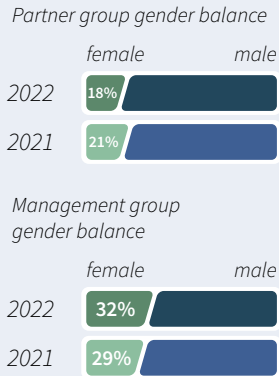
Targets

#### Actuals

#### Reflection

#### % Gender diversity

Gender balance over the long term

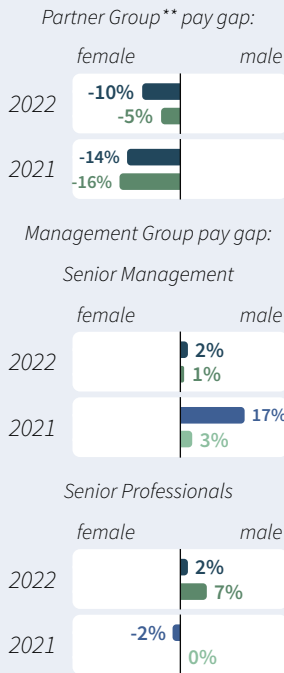


As of the end of 2022, the share of women in the JAB Partner Group is 18% and 32% within the broader Management Team. In total, JAB's workforce has 26 female employees (45%) (24 full-time, representing 92% and 2 part-time, representing 8%), has 11 different nationalities and is on average 6.6 years employed (male: 7.1 years; female: 5.9 years). Furthermore, the employee turnover is 7% in 2022 (male 10%; female 4%) and the number of newly hired employees is 10 in 2022 (male 7; female 3). JAB commits to have an inclusive culture and a diverse team that delivers long-term sustainable results through better decision-making. We are committed to reaching gender balance over time.

#### Gender pay gap

No pay gap

mean  
median



In 2022, JAB conducted its annual gender pay gap analysis. The organization employs 58 people working in six different countries, resulting in limited number of employees with comparable roles and several unique roles that are non-comparable to any other. To better represent the right levels in our analysis we have adjusted our methodology, breaking down our Management group into Senior Management and Senior Professionals.

At the Partner group, variances are fully explained by time in role. We have 13 employees across six countries in Senior Management with no material gender pay gap. In addition, we have 13 employees who are Senior Professionals in different areas (reporting, tax, legal, compliance, etc.) in four different countries where gaps are fully explained by either cost of living in the various countries, tenure, or timing since last promotion. Finally, we have a group of 16 Support employees, primarily female (median and mean gaps -6% and -12% respectively, fully explained by cost of living in the different countries and level of experience).

The main conclusion of our analysis is that the identified gaps are mainly explained by tenure, cost of living in different countries or time since last promotion.

\* The figures represent the ratio of men salary to women. A positive number indicates men's salary is higher while negative number indicate women's salary is higher.

\*\* Excludes Managing and Senior partners as there is no gender pay gap in these groups.

### Investment Platforms

#### KPIs

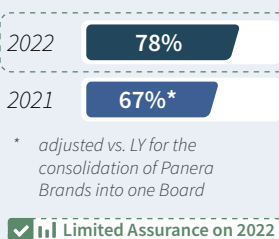
Targets

#### Actuals

#### Reflection

#### % gender diversity at board of director level (non-executive board members)

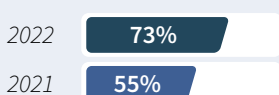
100% of the portfolio companies with at least 30% gender diversity by 2025



78% of JAB's portfolio companies have at least 30% female representation in their board of directors, an increase from December 2021. Each of JAB's portfolio company board of directors has at least one female representative.

#### % gender diversity at executive leadership team level

100% of the portfolio companies with at least 30% gender diversity by 2025



73% of JAB's portfolio companies have at least 30% female representation in their executive leadership team (CEO and direct reports), an 18 percentage point increase compared to December 2021. All of JAB's portfolio company executive leaderships teams have at least one female representative.

## Business Ethics

### Holding Company

KPIs Targets	Actuals		Reflection
<b>% of workforce trained on Business Ethics</b> 100% with new joiners within 12 months after joining	2022	100%	During 2022, we trained 100% (full-time and part-time employees and contractors) of our workforce on Business Ethics, including new hires within 12 months of joining. We used our mobile-first interactive digital learning tool to cover training on compliance, business ethics and ESG topics.
	2021	100%	
<b>% of workforce completing annual compliance confirmation</b> 100% annually	2022	100%	100% of our workforce has completed their 2022 annual compliance confirmation and no issues were reported.
	2021	100%	
<b>Anonymous complaints mechanism in place</b> By end of 2021	2022	Maintained	In 2021, JAB launched the Whistleblower channel which was communicated to all employees. Throughout 2022, this was successfully maintained.
	2021	Launched	
<b>% of complaints about the JAB team formally analyzed and concluded</b> 100% analyzed and concluded	2022	100%	During 2022, no complaints were received through our Whistleblower channel. Our policies require that once a complaint is received, it is formally analyzed and addressed.
	2021	100%	

### Investment Platforms

KPIs Targets	Actuals		Reflection
<b>% of minimum level of business ethics policies implemented at portfolio companies</b> 100%	2022	63%	We measure the percentage of critical business policies in place as well as the training of relevant employees on these procedures. In 2022, we combined these two qualifications into one KPI, as we deem policy implementation should always include training. We rebased the KPI for 2021 accordingly to present comparative figures.  In 2022, the portfolio companies made significant improvements and at year-end 63% have all required business ethics policies implemented. We are confident that we will reach 100% by 2023 as a few remaining training programs go live.
	2021	33%	
<b>% of portfolio companies that has an anonymous complaints mechanism in place</b> 100%	2022	100%	At the end of 2022, 100% of the portfolio companies have a whistleblowing mechanism in place. Whistleblowing procedures are regularly communicated to all employees. Once an anonymous complaint is submitted, remediating steps are taken as necessary and appropriate.
	2021	82%	
<b>% of complaints about the board of directors or executive leadership team formally analyzed and concluded</b> 100% analyzed and concluded	2022	100%	All complaints received were analysed and brought to a conclusion.
	2021	100%	



## Management & Accountability

### Holding Company

KPIs Targets	Actuals	Reflection
<b>Progress on roadmap</b>  Implementation in line with timeline	2022 <b>On track</b>  2021 <b>On track</b>	We are well on-track on the implementation of our ESG roadmap, with significant steps taken during 2022. The latter is proven by the progress on ESG related KPIs and ESG ratings and affiliations (i.e. Sustainalytics, PRI, SBT). We were rated #1 in the category of diversified financials and #2 globally by Sustainalytics. Our risk rating further improved as a result of the significant steps taken during the year.
<b>% of JAB employees trained on ESG</b>  100% of employees after one year of joining	2022 <b>100%</b>  2021 <b>100%</b>	During 2022, 100% of the JAB team was trained on ESG. Within our digital learning tool, each JAB team member completed three ESG modules focusing on the drivers of ESG's relevance, frameworks, regulation, investor priorities, ratings and a deep-dive on the relevant ESG topics for JAB and our Investment Platforms. Furthermore, we train all employees on our Responsible Investing and Environmental policies. Additionally, we conducted an ESG Due Diligence workshop for all investment professionals helping to further integrate ESG in the deal cycle. Finally, two senior employees completed a ten-week executive education program on sustainability at Oxford University's Saïd Business School.

### Investment Platforms

KPIs Targets	Actuals	Reflection
<b>% of portfolio companies that hold at least one strategic board discussion on ESG per year</b>  100% (annually)	2022 <b>100%</b>  2021 <b>100%</b>	During 2022, there has been at least one strategic board discussion on ESG at all of our portfolio companies. These board discussions capture various topics including target setting, the defining of priority topics, and the translation of ESG targets into clear and measurable initiatives.
<b>% of portfolio companies that have defined an ESG strategy</b>  100%	2022 <b>100%</b>  2021 <b>82%</b>	All of our portfolio companies have developed their own independent ESG strategies. During 2022, we increased the level of engagement on ESG, stressing the need for continuous improvement in a rapidly evolving space.
<b>% of portfolio companies that publish externally about its approach to ESG</b>  100% commencing reporting year 2022	2022 <b>91%</b>  2021 <b>73%</b>	In 2022, 91% of our portfolio companies reported externally (e.g. via their website, ESG report or annual report) about their approach and progress on ESG in the 2021 reporting year.



# Climate Risk Management

## *Climate related risk and opportunity analysis – along the framework of the Task Force for Climate-related Disclosures*

At JAB, climate-related risks and opportunities are most material at the portfolio level. We continue to assess the impact of climate change on our portfolio and include climate considerations in our investment process. Over the course of 2022, we entered the second phase of our TCFD process in line with the approach to TCFD for investors as suggested by the UN Principles of Responsible Investment (PRI) framework.

Our key step has been the gradual move from climate-related risk and opportunity assessments on Investment Platform level to assessments on the portfolio company level. The results from these analyses are described in the Strategy section, and the underlying methodology is described in our Risk Management section. In line with the TCFD recommendations, this section starts by describing JAB's Governance around climate-related risks and opportunities and ends by detailing the applied Metrics & Targets.

Based on this year's assessments, we concluded that the most relevant risks for our portfolio are physical- and transition risks in the supply chain and transition risks in our own operations. Additionally, we see an overlap in specific risks across some portfolio companies. Moving forward, we want to better understand the magnitude of the risks' financial impact and then prioritize the most material risks for resilience initiatives.



### **Governance**

JAB's Managing Partners are ultimately responsible for ESG. They define JAB's ESG roadmap and are overseeing the organization's progress, together with the Head of Responsible and Sustainable Investing. This responsibility covers climate and its integration into our strategic forums and business processes, including management of climate-related risks and opportunities. The CFO and Senior Partners are responsible for reporting significant risk matters and potential mitigating measures to the Managing Partners, which can include climate-related risks.

The Managing Partners monitor and evaluate environmental performance at least twice per year based on KPIs, to ensure the environmental impact of JAB's operations is aligned with our ambitions (see section: Metrics and Targets). The responsibility for implementation of climate-related risk management lies with JAB's portfolio companies. JAB oversees climate-related risk management at portfolio companies via JAB's representation on the boards of these companies. This is monitored on a bi-annual basis and includes the assessment and benchmarking of this information. Beyond board meetings, we regularly engage with the ESG teams of our portfolio companies, including improvements on their climate-related risk approach. Based on the TCFD assessment done this year, we further assessed the risks and opportunities together with the portfolio companies.

To develop our team's knowledge and skills in assessing and handling climate-related risks, all JAB employees completed an ESG training, including a deep-dive on climate in 2021, complemented by an in-depth ESG update in 2022.

## Strategy & Methodology

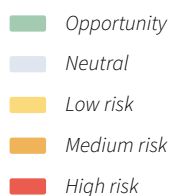
JAB focuses its climate-related risk assessments on the investment portfolio level. This is because JAB's material risks and impact exist at the investment, not holding, level.

This year, we have further refined our climate-related risk and opportunity analysis by engaging with our portfolio companies directly. They provided an additional company-specific assessment on climate-related risks and opportunities to enrich the analysis that we initially performed across our Investment Platforms.

Per the TCFD recommendations, we have analysed two scenarios in which we identified material risks and opportunities for the supply chains (upstream), at own operations, and for the customers of our Investment Platforms (downstream).

1. A 1.5°C scenario (focused on transition risks) and
2. A 4°C scenario (focused on physical risks)

The assessment looked at a wide variety of possible climate-related risks and opportunities on a portfolio company level. Following from that, specific risks and opportunities were identified as key when they appeared across multiple portfolio companies. The overview on the right shows the range of exposures to these key risks and opportunities across the value chain of JAB's Investment Platforms. These risks have not been benchmarked against external peers or other industries and thus their identified magnitude is relative in respect to our own portfolio.

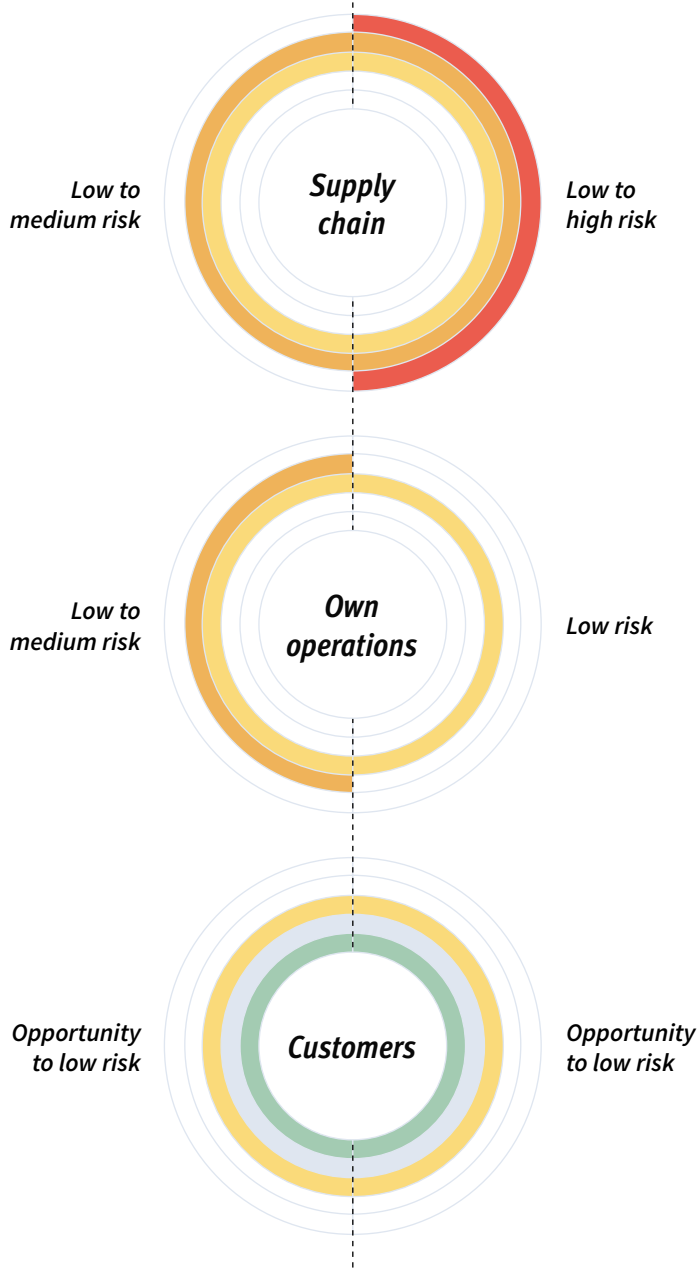


### Transition risks in a 1.5°C scenario

Limiting global warming to 1.5°C vs. pre-industrial levels requires rapid, deep decarbonization across the value chain of all portfolio companies. In this scenario, transition risks and opportunities are prominent and the most material ones are discussed in the following sections. All mentioned issues are expected to become relevant in the short-term (i.e. by 2030).

### Physical risks in a 4°C scenario

A 4°C scenario could occur if global emissions continue to rise throughout the 21st century as a consequence of limited climate action. In this scenario, physical risks and opportunities are predominant and the most material ones are discussed in the following sections. All mentioned issues are expected to start manifesting themselves in the short to medium term, i.e. 2030-2040.





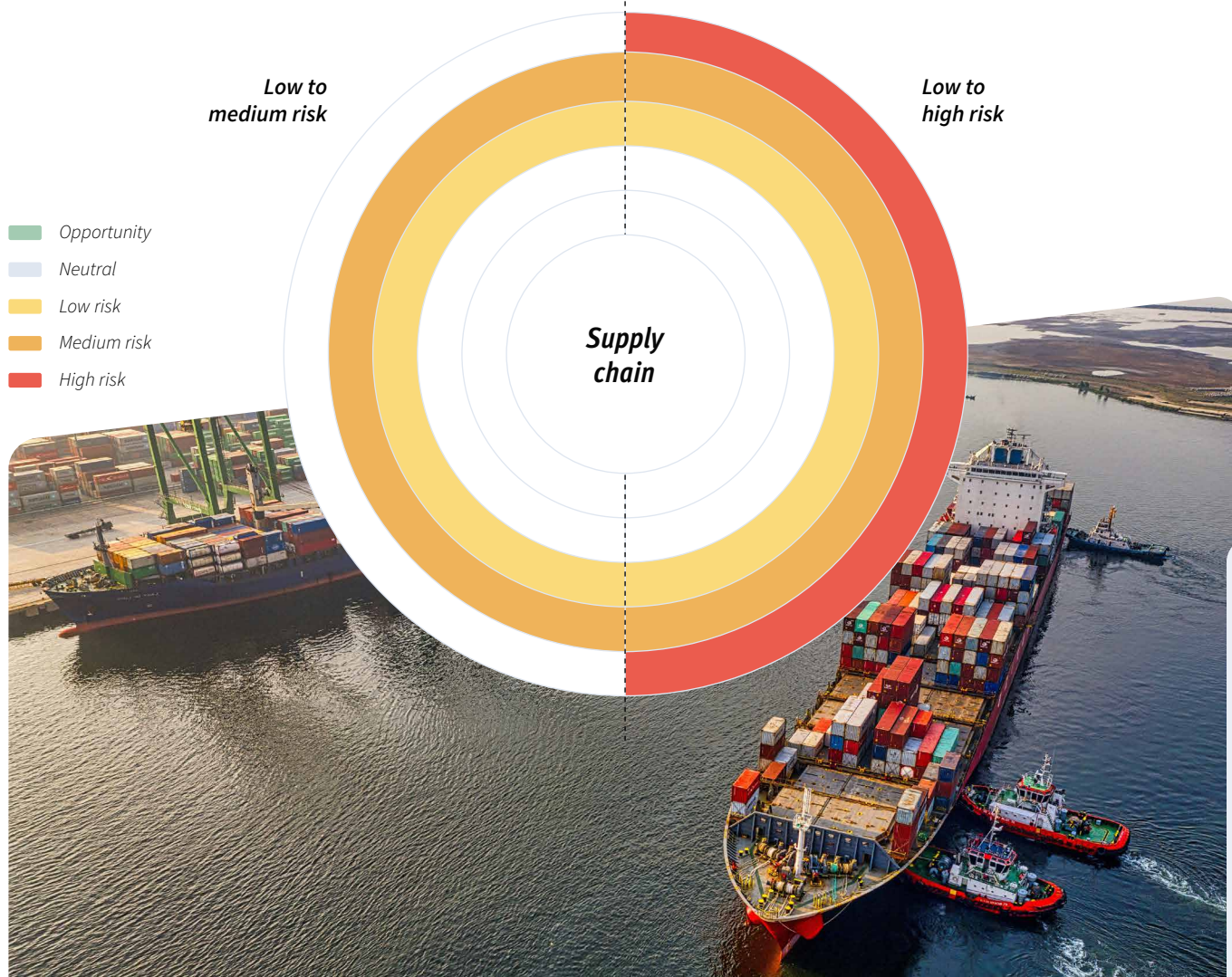
## Upstream supply chain

### Transition risks in a 1.5°C scenario

In a 1.5°C scenario, input material prices are likely to increase for JAB's portfolio companies. Some portfolio companies currently depend on affordable agricultural commodities either directly or further down in their supply chains. This poses risks, because of the impact of regulation on promoting sustainable agriculture practices (e.g., restrictions on fertilizer use), expected increasing restrictions to take new cultivation plots in use, as well as increased investments to decarbonize agricultural practices. As energy prices increase, that will strongly impact fertilizer costs. Several portfolio companies currently depend on non-agricultural inputs (e.g., chemicals, plastic packaging, fuels). These may face price increases due to carbon taxes and costs related to investments to decarbonize these inputs. This will also impact transportation costs in the supply chain. However, alternative options for decarbonization are, in many cases, becoming available.

### Physical risks in a 4°C scenario

In a 4°C scenario, input material availability is likely to decrease while input material prices increase because of the acute and irreversible effects of climate change. Some portfolio companies are heavily dependent on agricultural inputs. Yields of tropical climate crops, such as green coffee beans, tea, and cacao, are expected to decline. Areas that are suitable for cultivation will reduce, and increased frequency and severity of extreme weather events are expected to negatively affect the remaining cultivation sites. The cultivation of food crops is then expected to be prioritized over cash crops. Physical risks for agricultural inputs that can be produced in temperate climates, such as sugar, wheat, and eggs, would also manifest. The impact on those crops would generally be less prominent, as suppliers/production locations are distributed across a wider variety of geographies, spreading out the arising risks. However, climate change will physically affect biodiversity and reduce access to natural capital and ecosystem services (e.g., fertile soils, clean water, pollination, and pest control). Lastly, outdoor workers in the agricultural supply chain are especially exposed to the physical impacts of climate change.



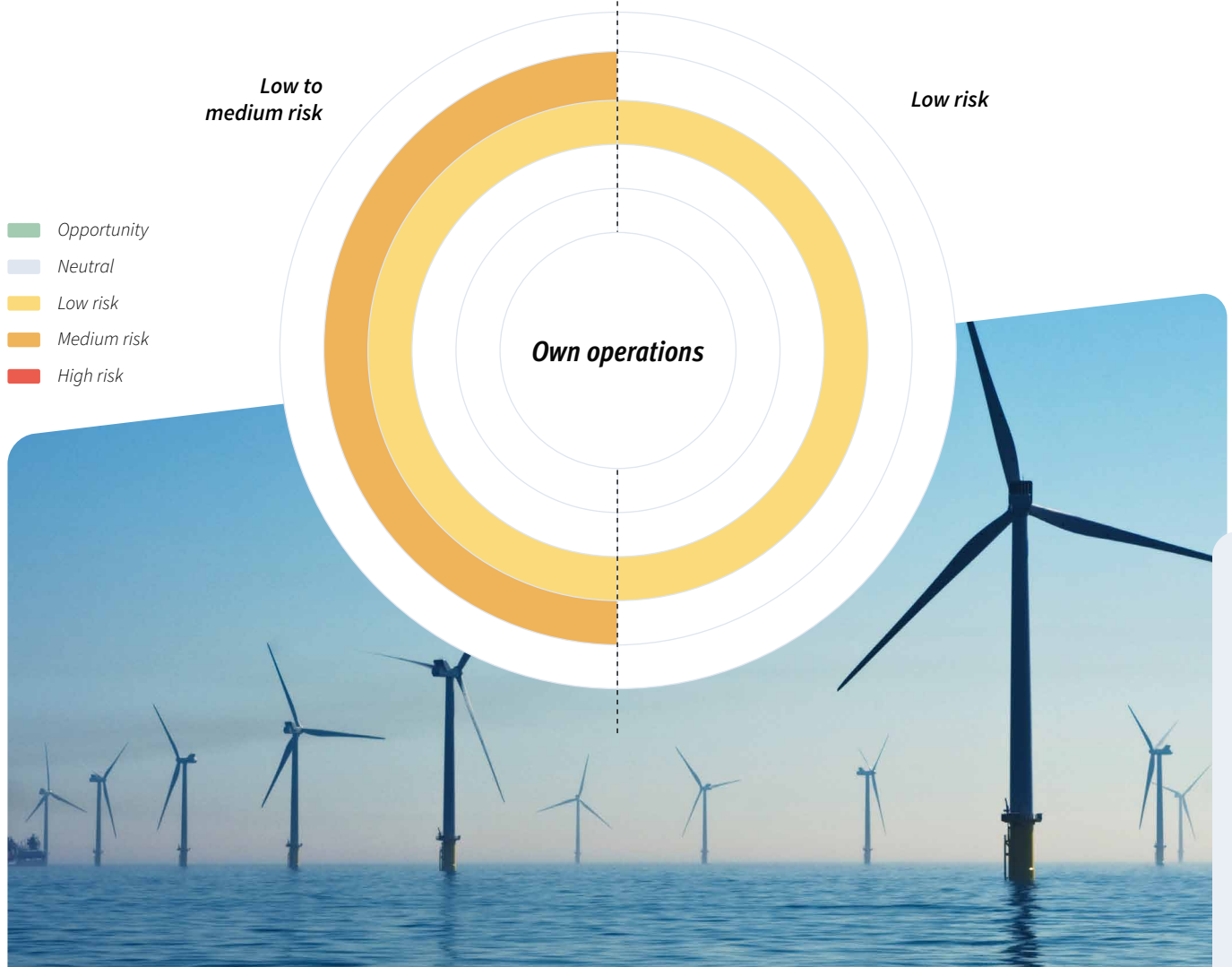
## Own operations

### Transition risks in a 1.5°C scenario

Many operational processes of JAB's portfolio companies are sensitive to the low-carbon transition. Most companies in the portfolio will face increased pressure due to climate-related regulation. Companies are likely to see increased costs due to energy efficiency requirements, increasing energy prices and a price on carbon. Regulation may differ per region, adding increased complexity to achieving decarbonization. It is likely that many of the companies in the portfolio can decarbonize using well established emission reduction levers (e.g., electrified transport, renewable electricity use, redesigning packaging). However, there is a challenge in directing investments into the right technologies, as it is difficult to fully grasp the future ecosystem of logistics, energy, and materials. Also, for some portfolio companies, decarbonization is complicated by the fact that multiple physical sites need to be decarbonized at the same time at different locations. This is particularly relevant for companies that serve their customers via physical outlets. Moreover, many portfolio companies depend on government action to catalyze sufficient renewable energy capacity and infrastructure. Lastly, there is some added risk as companies are being held more accountable to reduce their negative climate impact. This is largely due to the increasing reporting requirements which may result in litigation if progress is lagging.

### Physical risks in a 4°C scenario

Assets and processes in the operations of portfolio companies are more sensitive to acute climate impacts than to chronic impacts such as rising temperature levels. Although most of the portfolio companies' operations take place in relatively robust indoor environments, acute weather events and flooding could lead to the disruption of operations. Many operations are also characterized by a broad network of local branches, spreading the risk. Some others have the possibility to operate remotely as they distribute products and services online, mitigating the risk even further. Also, most operations depend on infrastructure (e.g., energy, water, logistics) to function properly. This infrastructure can be damaged by acute climate impacts. Considering most of these operations are located in developed countries, infrastructure failure would typically be temporary, but may increase in frequency.



## Customers

### *Transition risks and opportunities in a 1.5°C scenario*

The downstream value chain of JAB's portfolio companies provides some transition opportunities and limited transition risks. This is largely due to the assumption that, if needed, the power of their brands can protect their margins despite cost pressures due to the decarbonization effort. At the same time, this provides the opportunity for companies to create better, more sustainable products, potentially increasing revenues. However, there is some risk due to continued regulatory pressure to reduce waste and increase circularity of packaging, simultaneously reducing emissions from packaging waste. This may have cost implications for portfolio companies. There is also a clear opportunity in the downstream value chain, as it will be increasingly important to consider changing customer preferences related to climate change and sustainability in the broader sense. Whereas most of our portfolio companies have already taken steps in this direction, all of them will need to continue to assess how to turn these preferences into business opportunities.

### *Physical risks and opportunities in a 4°C scenario*

The physical impact of climate change in the downstream value chain of JAB's portfolio companies provides some opportunities and limited risks. For some companies, the consumer base may be exposed to physical risk from an economic perspective. If they live in affected areas or need to relocate, consumers' financial power may decrease, affecting platforms with physical points of contact. Also, the accessibility of company premises may be limited for customers. Consumers have a high dependency on a functioning transport infrastructure for access to local branches of some portfolio companies. Considering most of the operations are located in developed countries, infrastructure failure would typically be temporary, but may increase in frequency. Other portfolio companies mainly operate online to sell their products, providing a significant opportunity in the case of physical climate change. Because these companies do not need a physical point of contact, online transactions offer companies an opportunity to maximize value.





# Risk Management

## Identification of climate-related risks

After completion of JAB's Investment Platform analysis in 2021, this year's focus has been to work with portfolio companies to validate or adjust these risk scores based on company-specific information. The assessment focuses on transition risks (e.g., regulation, availability of decarbonization options, market changes) and physical risks (e.g., exposure to acute/ chronic effects, vulnerability of operations/ infrastructure/ labor/ natural capital) for our own operations, and the suppliers and customers of the portfolio companies.

This enabled our less climate-mature portfolio companies to kickstart their own TCFD journey and climate-related risks assessments. Some companies in the investment portfolio have already performed and reported their own extended climate-related risk assessments. In those cases, we incorporated their findings into the Investment Platform analysis.

We perform ESG due diligence as part of the investment process, making this a key element in our risk management approach. Climate & energy is included in the ESG due diligence process as one of the priority topics. This includes a review of the greenhouse gas footprint of potential new investments (when available), as well as an examination of their approach towards transition- and physical risks related to climate change.

## Metrics and Targets

As JAB's climate-related risk and impact is material on the investment portfolio level, we have defined two climate-related KPIs with portfolio coverage targets on the adoption of SBTs and TCFD.

Specifically for TCFD adoption, we have seen gradual improvements across the portfolio. A large part of our portfolio companies have gained climate-related risk insights through the investment portfolio level TCFD assessment for the first time. We expect this exercise to trigger more in-depth climate risk analyses at the investment portfolio level. Other companies in the investment portfolio are currently working on their first public TCFD disclosures. The more mature part of the investment portfolio is currently in the process of quantifying material climate-related risks and opportunities. We continue to stimulate each Portfolio Investment to improve their TCFD strategy and reporting, regardless of the current maturity.

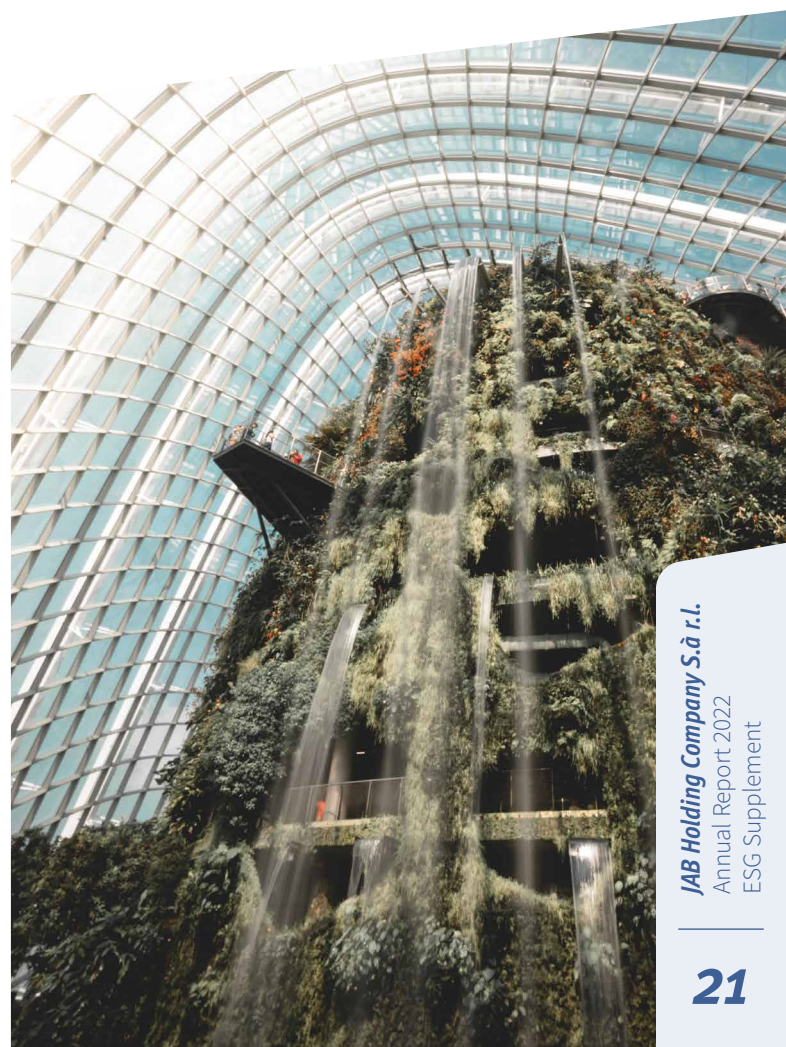
Refer to [page 12](#) for JAB's climate-related metrics and targets, including Scope 1, 2, 3 greenhouse gas emissions and the current performance compared against our targets on the adoption of SBTs and TCFD.

## Management of climate-related risks

To manage the identified risks and opportunities, JAB integrated climate as one of the key ESG topics for engagement with its portfolio companies. As part of our Responsible Investment policy, we encourage majority-owned portfolio companies to integrate material ESG risks into their risk management.

Our direct engagement on climate-related risks with portfolio companies is based on the TCFD and Science Based Targets initiative (SBTi). We set targets on the adoption of these initiatives for the investment portfolio. Refer to [page 12](#) for JAB's climate-related metrics and targets. This approach ensures that our portfolio companies also integrate climate into their risk management practices directly. We consider our target on the adoption of SBTs and the associated need to develop a strategic 1.5°C decarbonization pathway at the Portfolio Investment level, a key mitigation measure for transition risks. Beyond that, whenever specific material climate-related risks or opportunities are identified by our portfolio companies, we will discuss these with management and collaboratively determine a suitable follow-up approach.

When multiple portfolio companies face similar climate-related risks, we encourage them to share best practices. In the past, we have enabled this through our quarterly ESG Collaboration Forum and other ad-hoc events and meetings.



# Reference Table 2022

Our 2021 Integrated Annual Report has been prepared based on our materiality assessment and in accordance with the GRI Standards (referenced option). This reference table explains where to find the relevant information for each indicator in the (extended) report and/or policies.

## General Disclosures

### Organizational profile

<i>Disclosure</i>	<i>Description</i>	<i>Cross-reference, answer or additional 2022 information</i>
102-1	Name of the organization	AR 2022 – About JAB
102-2	A description of the organization's activities	AR 2022 – About JAB
102-3	Location of the organization's headquarters	AR 2022 – About JAB
102-4	Number of countries where the organization operates, and the names of countries where it has significant operations	AR 2022 – About JAB
102-5	Nature of ownership and legal form	AR 2022 – About JAB
102-6	Markets served	AR 2022 – About JAB
102-7	Scale of the organization	AR 2022 – JAB at a Glance AR 2022 – About JAB
102-8	Information on employees and other workers	AR 2022 – About JAB Extended AR 2022 – Our 2022 Non-Financial Performance
102-9	Supply chain	AR 2022 – About JAB
102-10	Significant changes to the organization and its supply chain	AR 2022 – Highlights & Results No significant changes to the organization and its supply chain occurred in recent years
102-11	Precautionary Principle or approach	AR 2022 – Governance, section Managing Risks and Uncertainties
102-12	External initiatives	Extended AR 2022 – ESG – Creating Sustainable Compounding Returns Received Top Peer ESG Rating from Sustainalytics in 2022, Risk Rating Company Report
102-13	Membership of associations	Extended AR 2022 – ESG – Creating Sustainable Compounding Returns

## Strategy

<i>Disclosure</i>	<i>Description</i>	<i>Cross-reference, answer or additional 2022 information</i>
102-14	Statement from senior decision-maker incl. Responsibility for an integrated report	AR 2022 – About this report
102-15	Key impacts, risks, and opportunities	AR 2022 – Managing Risks and Uncertainties

## Ethics & Integrity

<i>Disclosure</i>	<i>Description</i>	<i>Cross-reference, answer or additional 2022 information</i>
102-16	Values, principles, standards, and norms of behavior	AR 2022 – Our policies and programs
102-17	Mechanisms for advice and concerns about ethics	AR 2022 – Our policies and programs

## Governance

<i>Disclosure</i>	<i>Description</i>	<i>Cross-reference, answer or additional 2022 information</i>
102-18	Governance structure	AR 2022 – Governance
102-19	Delegating authority	AR 2022 – Governance
102-20	Executive-level responsibility for economic, environmental, and social topics	AR 2022 – Governance Responsible Investment & Stewardship Policy Code of Conduct
102-21	Consulting stakeholders on economic, environmental, and social topics	Extended AR 2022 – ESG – Creating Sustainable Compounding Returns
102-22	Composition of the highest governance body and its committees	AR 2022 – Governance
102-23	Chair of the highest governance body	AR 2022 – Governance
102-24	Nominating and selecting the highest governance body	AR 2022 – Governance
102-25	Conflicts of interest	AR 2022 – Governance Code of Conduct
102-26	Role of highest governance body in setting purpose, values, and strategy	AR 2022 – Governance
102-27	Collective knowledge of highest governance body	AR 2022 – Governance
102-28	Evaluating the highest governance body's performance	AR 2022 – Governance
102-29	Identifying and managing economic, environmental, and social impacts	Extended AR 2022 – ESG – Creating Sustainable Compounding Returns
102-30	Effectiveness of risk management processes	AR 2022 – Managing Risks and Opportunities
102-31	Review of economic, environmental, and social topics (policies)	AR 2022 – Governance Refer to our website for all policies in place
102-32	Highest governance body's role in sustainability reporting	AR 2022 – Governance

## General Disclosures (continued)

<i>Disclosure</i>	<i>Description</i>	<i>Cross-reference, answer or additional 2022 information</i>
102-33	Communicating critical concerns	AR 2022 – Governance  Anti-Bribery and Corruption Policy, Speaking Up - Whistleblower Policy, Human Rights Policy and Anti-Money Laundering Policy
102-34	Nature and total number of critical concerns	AR 2022 – Governance  Zero complaints have been received on holding and investment level during 2022  Extended AR 2022 – Our 2022 Non-Financial Performance
102-35	Remuneration policies	AR 2022 – Governance  Human Capital Policy
102-36	Process for determining remuneration	AR 2022 – Governance  Human Capital Policy
102-37	Stakeholders' involvement in remuneration	AR 2022 – Governance  Human Capital Policy

## Stakeholder Engagement

<i>Disclosure</i>	<i>Description</i>	<i>Cross-reference, answer or additional 2022 information</i>
102-40	List of stakeholder groups	Extended AR 2022 – ESG – Creating Sustainable Compounding Returns
102-41	Collective bargaining agreements	AR 2022 – Governance  Human Rights Policy
102-42	Identifying and selecting stakeholders	Extended AR 2022 – ESG – Creating Sustainable Compounding Returns
102-43	Approach to stakeholder engagement	Extended AR 2022 – ESG – Creating Sustainable Compounding Returns
102-44	Key topics and concerns raised	Extended AR 2022 – ESG – Creating Sustainable Compounding Returns

## Reporting Practice

<i>Disclosure</i>	<i>Description</i>	<i>Cross-reference, answer or additional 2022 information</i>
102-45	Entities included in the consolidated financial statements	AR 2022 – Financial Statements
102-46	Defining report content and topic Boundaries / Basis of preparation and presentation	AR 2022 – About this report
102-47	List of material topics	Extended AR 2022 – ESG – Creating Sustainable Compounding Returns
102-48	Restatements of information	AR 2022 – About this report
102-49	Changes in reporting	AR 2022 – About this report
102-50	Reporting period	AR 2022 – About this report
102-51	Date of most recent report	AR 2022 – Financial Statements, section General information
102-52	Reporting cycle	AR 2022 – Financial Statements, section General information
102-54	Claims of reporting in accordance with the GRI Standards	AR 2022 – About this report



## General Disclosures (continued)

<i>Disclosure</i>	<i>Description</i>	<i>Cross-reference, answer or additional 2022 information</i>
102-55	GRI content index	AR 2022 – About this report
102-56	External assurance	AR 2022 – Financial Statements, section Report of the Réviseur d'Entreprises agréé

## Management Approach

<i>Disclosure</i>	<i>Description</i>	<i>Cross-reference, answer or additional 2022 information</i>
103-1	Explanation of the material topic and its Boundary	Extended AR 2022 – ESG – Creating Sustainable Compounding Returns
103-2	The Management approach and its components	AR 2022 – 2022 Highlights & Results
103-3	Evaluation of the Management approach	AR 2022 – 2022 Highlights & Results

# Topic-Specific Disclosures

## GRI 302: Energy

<i>Disclosure</i>	<i>Description</i>	<i>Cross-reference, answer or additional 2022 information</i>
302-1	Energy consumption within the organization	Environmental Policy and Environmental Management System
302-3	Energy intensity	Environmental Policy and Environmental Management System
302-4	Reduction of energy consumption	Environmental Policy and Environmental Management System
302-5	Reductions in energy requirements of products and services	Environmental Policy and Environmental Management System

## GRI 305: Emissions

<i>Disclosure</i>	<i>Description</i>	<i>Cross-reference, answer or additional 2022 information</i>
305-1	Direct (Scope 1) GHG emissions	Extended AR 2022 – Our 2022 Non-Financial Performance
305-2	Energy indirect (Scope 2) GHG emissions	Extended AR 2022 – Our 2022 Non-Financial Performance
305-3	Other indirect (Scope 3) GHG emissions	Extended AR 2022 – Our 2022 Non-Financial Performance
305-4	GHG emissions intensity	Extended AR 2022 – Our 2022 Non-Financial Performance
305-5	Reduction of GHG emissions	Extended AR 2022 – Our 2022 Non-Financial Performance

## GRI 401: Employment

<i>Disclosure</i>	<i>Description</i>	<i>Cross-reference, answer or additional 2022 information</i>
401-1	New employee hires and employee turnover	Extended AR 2022 – Our 2022 Non-Financial Performance
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	AR 2022 – Governance Human Capital Policy
401-3	Parental leave	AR 2022 – Governance Human Capital Policy

## GRI 404: Training and education

<i>Disclosure</i>	<i>Description</i>	<i>Cross-reference, answer or additional 2022 information</i>
404-1	Average hours of training per year per employee	100% of employees (full time and part-time) received (ESG) training in 2022
404-2	Programs for upgrading employee skills and transition assistance programs	Extended AR 2022 – ESG – Creating Sustainable Compounding Returns  Human Capital Policy  Job-specific development training programs
404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital Policy  100% of employees received yearly performance appraisal

## GRI 405: Diversity and Equal Opportunity

<i>Disclosure</i>	<i>Description</i>	<i>Cross-reference, answer or additional 2022 information</i>
405-1	Diversity of governance bodies and employees	AR 2022 – Governance  Extended AR 2022 – ESG – Our 2022 Non-Financial Performance
405-2	Ratio of basic salary and remuneration of women to men	Extended AR 2022 – Our 2022 Non-Financial Performance





# **Independent limited assurance report to JAB Holding Company S.à r.l.**

**on selected SLB KPI disclosures included within the Extended Annual  
Report as of December 31, 2022**



**KPMG Audit S.à r.l.**  
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To the Board of Managers of  
JAB Holding Company S.à r.l.  
4, rue Jean Monnet  
L-2180 Luxembourg

**Independent limited assurance report to JAB Holding Company S.à r.l. on selected SLB KPI disclosures included within the Extended Annual Report as of December 31, 2022**

We were engaged by the Board of Managers (the “Management”) of JAB Holding Company S.à r.l. (“the Company” or “JAB”) to report on the Company’s three selected Sustainability-linked bonds Key Performance Indicators (“KPIs” or “SLB KPIs”), as defined in the JAB Holding Company Sustainability Linked Bond Framework dated March 2022 and as reported in the Extended Annual Report 2022 being part of the overall Integrated Annual Report as at December 31, 2022 (“the Report”):

- 1) the absolute scope 1 and 2 GHG emissions,
- 2) the percentage of portfolio companies, by invested capital at fair value, that have set SBTi approved targets,
- 3) the percentage of portfolio companies that have at least 30% female representation in their non-executive board of directors,

the “Sustainability-linked bonds (“SLB”) KPIs information”, in the form of an independent limited assurance conclusion as to whether the SLB KPIs information as reported in the Report is prepared in all material respects in accordance with the Criteria as described in Appendix I.

## The Responsibilities of the Company

The Management of JAB is responsible for the preparation and presentation of the SLB KPIs information as reported in the Report in accordance with the criteria described in the Appendix I. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the SLB KPIs information.

The Management is responsible for preventing and detecting fraud and for identifying and ensuring that JAB complies with laws and regulations applicable to its activities.

The Management is also responsible for ensuring that staff involved with the preparation and presentation of the SLB KPIs information as reported in the Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

## Independence and Quality of the Réviseur d'entreprises agréé

The firm implements quality control procedures that are applicable to the individual engagement in accordance with the requirements of International Standard on Quality Management 1 (ISQM 1) as adopted for Luxembourg by the Institut des Réviseurs d'entreprises (“IRE”) which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements and the firm implements quality control procedures that are applicable to the individual engagement in accordance with the requirements of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants, including international independence standards, issued by the International Ethics Standards Board for Accountants (the IESBA Code) as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (“CSSF”).

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' IESBA Code as adopted for Luxembourg by the CSSF, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

## The Responsibilities of the Réviseur d'entreprises agréé

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board, as adopted for Luxembourg by the IRE. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the SLB KPIs information as reported in the Report is properly prepared and presented in all material respects in accordance with the Criteria as described in Appendix I and is free from material misstatement.

The procedures selected depend on our understanding of the SLB KPIs information and other engagement circumstances, and our considerations of areas where material misstatements are likely to arise.

The assurance procedures performed included:

- Interviews with relevant staff of JAB Holding Company S.à r.l. and its subsidiaries, at the corporate and business unit level responsible for providing the information in the Report;
- Inquiries and inspection on the related processes and controls implemented;
- Inspection of energy consumptions, invoices, CO2 emission factors used and all other supporting documents and information used for the calculation of scope 1 and 2 GHG emissions;
- Review of process developed along the CO2e emissions reduction pathway;
- Review of the alignment of the methodology used for calculating scope 1 and 2 GHG emissions in line with the Criteria;
- Review of portfolio companies SBTi approved targets;
- Inspection of portfolio companies GHG emissions and progress related documents (annual reports, sustainability reports, company's website, and/or disclosure through CDP's annual questionnaire);
- Inspection of portfolio companies non-executive board of Directors composition.

The assurance procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. A limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence to give assurance over the matters identified for our report. The assurance procedures selected depend on our judgment, the suitable criteria as described in Appendix I including our assessment of the risk of material misstatement in the SLB KPIs information as reported in the Report, whether due to fraud or error.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the SLB KPIs information nor of the underlying records or other sources from which the information was extracted.

## Inherent limitations

Our assurance work was limited to examining the relevant documents that were made available by the Management. Other than as described in the assurance procedures above, we were not required to, nor have we, verified the accuracy or completeness of the underlying data from which the Report, provided by the client, has been prepared.

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a sample basis.

Our assurance work did not include:

- Procedures to verify the SLB KPI information related to another period than 2022.

## Determination of suitable criteria

As a basis for the limited assurance engagement we consider the criteria described in Appendix 1.

## Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the assurance procedures performed and evidence obtained, as described above, nothing has come to our attention that causes us to believe that the SLB KPIs information as reported in the Report are not prepared and presented in all material respects, in accordance with the criteria as described in Appendix 1.

## Purpose of our report

In accordance with the terms of our engagement, this assurance report has been prepared for the Board of Managers of JAB Holding Company S.à r.l., the Board of Directors of JAB Holdings B.V and the investors of the related Sustainability-Linked Bonds issued by JAB Holdings B.V. for the Reporting and Verification components recommendation purposes as prescribed in the Sustainability-Linked Bond Principles Voluntary Process Guidelines June 2020 and for investment decisions.



## Restriction of Use of Our Report

Our report is solely for the purpose set forth in the above objective and is not to be used for any other purpose. Our report is solely for the use of the Management and, through the Company's website, the investors of the related Sustainability-Linked Bonds issued by JAB Holdings B.V. and unconditionally and irrevocably guaranteed by JAB Holding Company S.à r.l. ("the Investors"). The Investors can rely upon the Report at their own risks. We do not owe any duty to the Investors, whether in contract or in tort or under statute or otherwise (including in negligence) with respect to or in relation to the Report. Investors will not bring any actions, proceedings or claims against KPMG Audit S.à r.l. where the action, proceeding or claim in any way relates to or concerns the use of or reliance on the Report. We cannot be held liable to Investors for any direct nor indirect loss or damage suffered or costs incurred by them, arising out of or in connection with the use of the Report, however such loss or damage is caused.

It might not be translated, summarised, disclosed, published or transmitted electronically for any other purposes, without our prior consent.

We will agree with you the basis and timing of communications in order to communicate any matters raised during our assignment that we believe to be both important and relevant.

Luxembourg, March 6, 2023

KPMG Audit S.à r.l.  
Cabinet de révision agréé

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Yves Thorn

Réviseur d'entreprises agréé

## **A Appendix I: Criteria**

The criteria are represented by:

- The Sustainability-Linked Bond Principles Voluntary Process Guidelines June 2020; the Greenhouse Gas Protocol for KPI (1);
- The SBTi's Private Equity Sector Science-Based Target Guidance for KPI (2);
- an internal management statement on portfolio's company board composition for KPI (3) as at 31.12.2022.



**JAB**  
HOLDING  
COMPANY

***Graphic design***

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