



JAB

Human Rights Policy

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1. INTRODUCTION

- 1.1 This Human Rights policy (“**HR Policy**”) is established, and may be amended by, the Supervisory Board.
- 1.2 The meaning of certain capitalized or uncapitalized terms used in this HR Policy is set forth in the List of Definitions attached as **Annex 1**.

2. APPLICATION

- 2.1 The HR Policy applies to JAB Holdings B.V., its direct and indirect parent companies (i.e. JAB Investments S.à r.l. and JAB Holding Company S.à r.l., respectively), its direct, wholly- and majority-owned subsidiaries (“**JAB**” or the “**Company**”) and their directors, officers, full-time, part-time and seconded employees, and anyone working on JAB’s behalf, e.g. consultants and representatives (collectively “**Personnel**” or the “**Employees**”). Personnel are expected to act in a manner that will enhance JAB’s reputation for honesty, integrity and reliability. This HR Policy applies in all countries in which JAB operates or conducts business. When the laws and regulations of those countries require a higher standard, such standard shall apply. Adherence to this HR Policy is a condition of employment and/or engagement with the Company, and therefore Personnel must acknowledge they have understood this HR Policy and have disclosed any suspected and actual violations through the appropriate channels.
- 2.2 This HR Policy will not give answers for every ethical or legal situation. If Employees have any doubts about the right thing to do, they should seek advice from the relevant member of JAB’s management team, the Responsible JAB Partner or from the General Counsel, as appropriate.
- 2.3 If Employees violate the HR Policy, JAB policies and procedures or any of the laws that govern JAB’s business, JAB will take immediate and appropriate action up to and including termination of employment or other engagement as the case may be, claims for reimbursement of losses or damages and reference to criminal authorities.
- 2.4 The purpose of this HR Policy is to provide the principles in which JAB approaches human rights and to **substantially** prevent, manage and mitigate the risk that JAB and its Employees violate human rights in their day to day operations. As an investment holding company, JAB makes substantial contribution to human rights as an investor and employer. JAB works with management of companies that JAB invests in (“**Portfolio Companies**”), suppliers and business partners to promote that human rights are respected in the supply chain.
- 2.5 This HR Policy sets out the key principles, commitments, responsibilities and expectations for JAB and outlines the activities the Company undertakes to meet its responsibility with respect to human rights. JAB operates in a responsible investment context, in which human rights are considered an important topic. This document will give an overview of the human rights policy of the Company.
- 2.6 The HR Policy will be periodically reviewed and updated, if needed.

3. INTERNATIONAL STANDARD S

- 3.1 As defined by the United Nations, human rights are rights inherent to all human beings, regardless

of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights include but are not limited to the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education. Everyone is entitled to these rights, without discrimination.

- 3.2 The rights people are entitled to as human beings are expressed in various international human rights declarations and conventions. This includes the most widely accepted statement on human rights, namely the United Nations' Universal Declaration of Human Rights ("UDHR"), which describes civil, political, economic, social and cultural rights. Also, of significant importance is the International Covenant on Economic, Social and Cultural Rights ("ICESCR") and nine other treaties of the United Nations, dealing for example with the rights of the child, the prohibition of discrimination against women or the rights of migrants.
- 3.3 Furthermore, the International Labor Organization ("ILO") sets labor standards, develops policies and creates programs promoting decent work for all people. Their principles are covered by the ILO Declaration on Fundamental Principles and Rights at Work (1998).
- 3.4 As for a standard of conduct, JAB is a signatory to the UN Guiding Principles on Business and Human Rights ("UNGP"). These principles recognize the role of business enterprises as specialized organs of society performing specialized functions, required to comply with all applicable laws and to respect human rights and the need for rights and obligations to be matched to appropriate and effective remedies when breached. Furthermore, the UNGPs lays out how enterprises should engage with human rights, as follows from Principles 11 and 12 in Annex 2.
- 3.5 In addition to the UNGPs, sector-specific guidelines play a significant role: the ILO Child Labor Guidance Tool for Business (2015), the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (2017), the Organization for Economic Co-operation and Development ("OECD") Guidelines for Multinational Enterprises (2011) and the OECD Due Diligence Guidance for Responsible Business (2018).
- 3.6 JAB supports the UDHR, the ILO Conventions, the OECD Guidelines and the UNGPs and applies their principles throughout its operations when possible. This policy provides context to some of these principles.

4. GOVERNANCE

- 4.1 The ultimate responsibility for this HR Policy lies with the board of directors of JAB ("**Board of Directors**"). Furthermore, the Board of Directors ensures adequate procedures are in place that support its commitment to human rights, including processes that enable the Company to identify, prevent, mitigate and account for (adverse) human rights impacts and abuses to people's human rights that may occur due to their own activities and the activities they are connected to through their business relationships.
- 4.2 In accordance with the UNGP, article 14 and article 15, the Board of Directors considers human rights fundamental and advocates its responsibility to ensure that human rights are respected in the workforce. The Board of Directors is responsible for providing oversight, ensuring local labor laws and regulations are adhered to as well as promoting a culture where Personnel can experience

equality of opportunity and are treated fairly. Refer to Annex 2 for an overview of the UNGPs.

5. COMMITMENT TO ADDRESS HUMAN RIGHTS AND HUMAN RIGHTS EXPOSURE

5.1 JAB and/or its Portfolio Investments can be exposed to human rights-related issues in various ways, including:

- Poor working conditions, substandard wages, and use of forced labor or child labor which could result in reputational damage and strikes;
- Community harm or displacement, particularly using contested land or infringing on indigenous or people's rights which could damage community support and jeopardize access to resources vital to operations;
- A hostile or discriminatory work environment could result in legal ramifications and inhibit a company's ability to attract and retain talent, overcome business challenges, and drive innovation and competitive differentiation;
- Failure to manage content or applicable privacy laws, standards, or expectations which could lead to regulatory penalties and erode stakeholder trust.

5.2 As part of JAB's commitment to address human rights and human rights' exposure, JAB intends to adopt program(s) to address human rights exposure. JAB is already a member of Business for Inclusive Growth ("**B4IG**"), a coalition of 40 leading international companies committed to business action to advance human rights, build inclusive workplaces and strengthen inclusion across company value chains.

5.3 The Portfolio Investments touch on a variety of human rights issues that are specific to the industries these companies operate in. For example, consumer and services companies touch on living wages, child labor and safe working conditions. It is JAB's commitment to engage with Portfolio Investments on how they are able to identify and address human rights issues, as well as how they tackle across-the-board issues such as having a proper grievance mechanism in place. For example, Pret A Manger and Panera Bread are also B4IG members.

5.4 In some cases, JAB has a minority position in the Portfolio Investments and as such has limited power and authority to influence as well as access to the company's information. The responsibility lies with the management of the Portfolio Investments to ensure the human rights standards are adhered to. However, in accordance with JAB's responsible investment and asset management approach, Portfolio Investments will be motivated to adequately integrate human rights in business practices.

5.5 JAB further encourages Portfolio Investments to join industry groups that address human rights and the Company encourages the management of Portfolio Investments to educate themselves on industry wide issues and solutions.

6. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

JAB respects the human rights of everybody in the value chain. This includes Employees within and those outside the organization, without distinction whatsoever. Amongst these rights JAB is committed to the right to freedom of association and collective bargaining without interference and

free from discrimination, in line with the Freedom of Association and Protection of the Right to Organize Convention (C087) and the Right to Organize and Collective Bargaining Convention (C098) as established by the ILO, and Article 8 of the Dutch Constitution which stipulates the right to association, e.g. to give people the right to be member of a political party or trade union.

6.1 ILO Conventions 87 and 98 - Employee organizations have the right to:

- draw up their constitutions and rules;
- elect their representatives in full freedom;
- organize their administration and activities; and
- formulate their programs.

6.2 Employees within and those outside the organization, without distinction whatsoever, have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. Furthermore, JAB will also promote these rights in relations with its portfolio companies.

7. DUE DILIGENCE

7.1 JAB recognizes that exposure to human rights-related risks will vary by company and by industry. Under the corporate responsibility to respect human rights, JAB acts in accordance with Principle 13 and 17 onwards of the UNGPs. Refer to Annex 2 for more details on the relevant UNGPs.

7.2 In addition to the provisions above, the UNGPs states that: *“Human rights due diligence can be included within broader enterprise risk management systems, provided that it goes beyond simply identifying and managing material risks to the company itself, to include risks to rights-holders.”* Accordingly, JAB performs due diligence procedures upon its initial investment and on an ongoing basis, including identifying, assessing and mitigating actual and potential risks relating to human rights which includes due diligence on its Portfolio Investments (as part of JAB’s investment activities and asset management activities. Details are set out in the JAB’s Responsible Investment Policy).

7.3 JAB performs due diligence on its majority owned Portfolio Investments among others through a periodic assessment of the publicly available information (such as the disclosures, CSR report etc.) and, if appropriate, engagement with the Portfolio Investments (for example through board representation). Factors JAB considers in the assessment include, among other things:

- How the company ensures compliance with international human rights standards;
- Whether the company has a commitment towards addressing human rights issues;
- How the company has established the board governance on human rights;
- How a company prioritizes human rights throughout its value chain;
- What processes the company has in place to measure, identify and prevents/mitigates (adverse) human rights impacts and abuses to human rights;
- How the company assesses and monitors the effectiveness of the processes in place with regards to human rights;
- Whether the Company has other initiatives that contribute to its commitment to address

human rights issues (such as human rights programs, engagement with stakeholders, industry collaboration); and

- Whether the Company has a history of human rights issues.

For Portfolio Investments where JAB has a minority interest, its due diligence process shall be very limited.

- 7.4 Furthermore, JAB encourages Portfolio Investments to implement processes to identify, manage, and prevent adverse human rights impacts that are material to their business, and provide robust disclosures on these practices. JAB encourages them to prioritize those human rights issues that can result in the most severe negative impacts on stakeholders. JAB will address human rights, for example through dialogue, portfolio level board representation and engagement with its Portfolio Companies, to mitigate the risk that JAB is not directly linked to adverse human rights impacts via the Portfolio Companies. JAB also conducts human rights due diligence on its activities as an employer, where JAB looks at subjects such as diversity and inclusion (among others). Equality of opportunity and diversity & inclusion are key areas for which JAB has established specific targets.

8. INTERNATIONAL MONITORING AND REPORTING

- 8.1 JAB expects its Personnel to behave in compliance with human rights and to speak up when they see behavior at JAB and Portfolio Investments that is not in line with this HR Policy. JAB communicates and will keep communicating the policy on human rights to its Personnel. They are the first line in ensuring human rights are upheld in the Company.
- 8.2 JAB puts continuous effort into monitoring its impact on human rights, both on JAB level and on Portfolio Company level. JAB does this by engaging in dialogue with stakeholders and where appropriate, with Portfolio Companies. The level of engagement with a Portfolio Company will differ based on JAB's share in the company. For those Portfolio Investments where JAB has a majority stake, JAB will have presence in the management of the Portfolio Company and as such, is able to participate in discussions on human rights issues. Where JAB has a minority stake, JAB has less authority and visibility in the way the Portfolio Company deals with human rights issues, if any. JAB encourages the Portfolio Investments to have adequate processes in place, however it is eventually the responsibility of the Portfolio Company to adequately address human rights.
- 8.3 JAB is committed to provide remedy to correct negative impacts on human rights, in line with the third pillar of the UNGPs, such as to provide appropriate grievance mechanisms and support industry and stakeholder initiatives. When human right abuses do occur, JAB will, to the extent possible, take appropriate steps to remedy, for example by engaging in dialogue with those affected and working towards a resolution together. Appropriate actions taken at the level of the Portfolio Company can vary depending on JAB's presence. In particular, JAB's influence will be very limited in the Portfolio Investments where JAB has a minority stake.
- 8.4 The grievance mechanism is one of the methods for JAB to ensure human rights are upheld through the organization. JAB has an internal grievance framework for handling complaints coming from inside and outside the organization. The policy for supporting whistleblowers can be found on our website.

9. EXTERNAL REPORTING AND DISCLOSURES

- 9.1 JAB expects all parties it does business with to abide by human rights and to take responsibility over the influence they have to remedy human rights violations. JAB communicates its HR Policy to its external stakeholders regularly. JAB does this by including human rights in its conversations with stakeholders and disclosing its HR policy on its website.

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ANNEX 1

1. LIST OF DEFINITIONS

1. In this HR Policy, the following terms have the following meanings:

Board of Directors means the board of directors of JAB

B4IG means the Business for Inclusive Growth

Company means JAB Holdings B.V., its direct and indirect parent companies (i.e. JAB Investments S.à r.l. and JAB Holding Company S.à r.l., respectively), its direct, wholly- and majority-owned subsidiaries.

Employees means any director, officer, full-time, part-time and seconded employees of JAB, and anyone working on JAB's behalf, e.g. consultants and representatives

HR Policy means this Human Rights Policy

ICESCR means the International Covenant on Economic, Social and Cultural Rights

ILO means the International Labor Organization

JAB means JAB Holdings B.V., its direct and indirect parent companies (i.e. JAB Investments S.à r.l. and JAB Holding Company S.à r.l., respectively), its direct, wholly- and majority-owned subsidiaries.

OECD means the Organization for Economic Co-operation and Development

Personnel means any director, officer, full-time, part-time and seconded employees of JAB, and anyone working on JAB's behalf, e.g. consultants and representatives

Portfolio Investments means companies in which JAB invests in

Supervisory Board means the supervisory board of JAB Holdings B.V.

UDRH means the United Nations' Universal Declaration of Human Rights

UNGP means the UN Guiding Principles on Business and Human Rights

2. Save where the context dictates otherwise, in this HR Policy:

- (a) unless a different intention clearly appears, a reference to a Clause or Annex is a reference to a clause or annex of this HR Policy;
- (b) words and expressions expressed in the singular form also include the plural form, and vice versa;
- (c) words and expressions expressed in the masculine form also include the feminine form; and
- (d) a reference to a statutory provision counts as a reference to this statutory provision including all amendments, additions and replacing legislation that may apply from time to time.

3. Headings of clauses and other headings in this HR Policy are inserted for ease of reference and do not form part of this HR Policy for the purpose of interpretation.

ANNEX 2

2. UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS ("UNGP")

THE CORPORATE RESPONSIBILITY TO RESPECT HUMAN RIGHTS

Foundational Principles

11. Business enterprises should respect human rights. This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.

12. The responsibility of business enterprises to respect human rights refers to internationally recognized human rights – understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

13. The responsibility to respect human rights requires that business enterprises: (a) Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur; (b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.

14. The responsibility of business enterprises to respect human rights applies to all enterprises regardless of their size, sector, operational context, ownership and structure. Nevertheless, the scale and complexity of the means through which enterprises meet that responsibility may vary according to these factors and with the severity of the enterprise’s adverse human rights impacts.

15. In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances, including:

- (a) A policy commitment to meet their responsibility to respect human rights;
- (b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights;
- (c) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.

Operational principles

Policy commitment

16. As the basis for embedding their responsibility to respect human rights, business enterprises should express their commitment to meet this responsibility through a statement of policy that:

- (a) Is approved at the most senior level of the business enterprise;
- (b) Is informed by relevant internal and/or external expertise;
- (c) Stipulates the enterprise’s human rights expectations of personnel, business partners and other parties directly linked to its operations, products or services;

(d) Is publicly available and communicated internally and externally to all personnel, business partners and other relevant parties;

(e) Is reflected in operational policies and procedures necessary to embed it throughout the business enterprise.

Human rights due diligence

17. In order to identify, prevent, mitigate and account for how they address their adverse human rights impacts, business enterprises should carry out human rights due diligence. The process should include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed. Human rights due diligence:

(a) Should cover adverse human rights impacts that the business enterprise may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships;

(b) Will vary in complexity with the size of the business enterprise, the risk of severe human rights impacts, and the nature and context of its operations;

(c) Should be ongoing, recognizing that the human rights risks may change over time as the business enterprise's operations and operating context evolve.

18. In order to gauge human rights risks, business enterprises should identify and assess any actual or potential adverse human rights impacts with which they may be involved either through their own activities or as a result of their business relationships. This process should:

(a) Draw on internal and/or independent external human rights expertise;

(b) Involve meaningful consultation with potentially affected groups and other relevant stakeholders, as appropriate to the size of the business enterprise and the nature and context of the operation.

19. In order to prevent and mitigate adverse human rights impacts, business enterprises should integrate the findings from their impact assessments across relevant internal functions and processes, and take appropriate action.

(a) Effective integration requires that:

1) Responsibility for addressing such impacts is assigned to the appropriate level and function within the business enterprise;

2) Internal decision-making, budget allocations and oversight processes enable effective responses to such impacts.

(b) Appropriate action will vary according to:

(i) Whether the business enterprise causes or contributes to an adverse impact, or whether it is involved solely because the impact is directly linked to its operations, products or services by a business relationship;

(ii) The extent of its leverage in addressing the adverse impact.

20. In order to verify whether adverse human rights impacts are being addressed, business enterprises should track the effectiveness of their response. Tracking should:

(a) Be based on appropriate qualitative and quantitative indicators;

(b) Draw on feedback from both internal and external sources, including affected stakeholders.

21. In order to account for how they address their human rights impacts, business enterprises should be prepared to communicate this externally, particularly when concerns are raised by or on behalf of affected stakeholders. Business enterprises whose operations or operating contexts pose risks of severe human rights impacts should report formally on how they address them. In all instances, communications should:

(a) Be of a form and frequency that reflect an enterprise's human rights impacts and that are accessible to its intended audiences;

(b) Provide information that is sufficient to evaluate the adequacy of an enterprise's response to the particular human rights impact involved;

(c) In turn not pose risks to affected stakeholders, personnel or to legitimate requirements of commercial confidentiality.

Remediation

22. Where business enterprises identify that they have caused or contributed to adverse impacts, they should provide for or cooperate in their remediation through legitimate processes.

[...]