

# JAB Holding Co. SARL

Multi-Sector Holdings Luxembourg

## ESG Risk Rating

# 4.5

Last Full Update May 15, 2024

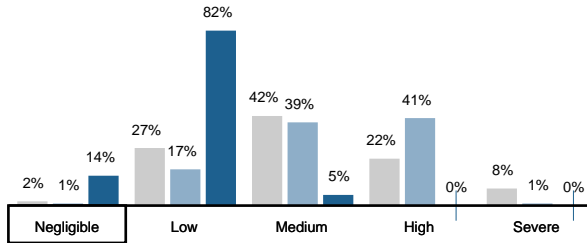
# +1.2

Momentum

## Negligible Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk) (1 <sup>st</sup> = Top Score)	
Global Universe	5/16179	1st
Diversified Financials INDUSTRY	1/932	1st
Multi-Sector Holdings SUBINDUSTRY	1/65	1st

## Peers Table

Peers (Market cap \$0.0 - \$0.0bn)

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. JAB Holding Co. SARL	19.8 Low	79.4 Strong	4.5 Negligible
2. IGT Holding IV AB	17.5 Low	60.2 Strong	7.2 Negligible
3. Vidler Water Resources, Inc.	16.7 Low	40.1 Average	10.2 Low
4. CDP Reti SpA	21.0 Low	50.0 Average	10.8 Low
5. Criteria Caixa SA	20.1 Low	44.8 Average	11.3 Low

# JAB Holding Co. SARL

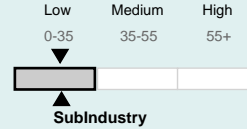
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## ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

### ESG Risk Exposure

**19.8** **-1.6**  
**Low** **Momentum**  
 Beta = 0.94



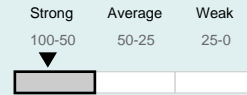
JAB's success relies on its investment team, which is responsible for identifying and analyzing investment opportunities, and monitoring investee companies' performance. As a multisector holding company with stakes in different brands, including Keurig, Krispy Kreme and COTY, JAB operates with a lean team of 49 employees, making employee satisfaction crucial to mitigate key-personnel risk. Operating globally in six countries, it must also adhere to diverse regulatory frameworks, since ethical infractions may potentially lead to investigations, fines and reputational damage. Furthermore, managing more than USD 50 bn in various sectors, JAB operates in an industry that faces growing demand for responsible investment. Failure to integrate ESG considerations and involvement in controversial activities could lead to financial and reputational damage, and increased stakeholder scrutiny.

The company's overall exposure is low and is moderately below subindustry average. Human Capital, Business Ethics and ESG Integration -Financials are notable material ESG issues.

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

### ESG Risk Management

**79.4** **-7.5**  
**Strong** **Momentum**



JAB's management of its ESG risks is underpinned by its strong Human Capital, Business Ethics and ESG Integration practices. The company provides all its employees with the right to freedom of association and collective bargaining, and strives to align employee objectives with those of the company. It also displays strong initiatives to promote gender pay equality. Moreover, to mitigate business ethics-related risks, the company has instituted strong programmes, supported by robust policies and oversight structures. Furthermore, JAB has a detailed responsible investment and stewardship policy, which guides its investment processes. However, JAB could bolster its practices and disclosures on aspects such as employee training and diversity promotion to further align with industry best practices.

The company's overall management of material ESG issues is strong.

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## Material ESG Issues

These are the Material ESG Issues driving the ESG Risk Rating.

Issue Name	ESG Risk Exposure Score   Category	ESG Risk Management Score   Category	ESG Risk Rating Score   Category	Contribution to ESG Risk Rating
Human Capital	5.0 Medium	59.8 Strong	2.2 Low	48.2%
Corporate Governance	5.0 Medium	69.0 Strong	1.6 Negligible	34.6%
Business Ethics	5.0 Medium	89.1 Strong	0.8 Negligible	17.2%
ESG Integration -Financials	4.8 Medium	100.0 Strong	0.0 Negligible	0.0%
<b>Overall</b>	<b>19.8 Low</b>	<b>79.4 Strong</b>	<b>4.5 Negligible</b>	<b>100.0%</b>

## Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

### Category (Events)

 **Severe (0)**

 **High (0)**

 **Significant (0)**

 **Moderate (0)**

 **Low (1)**

Anti-Competitive Practices

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## Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

## Category (Events)

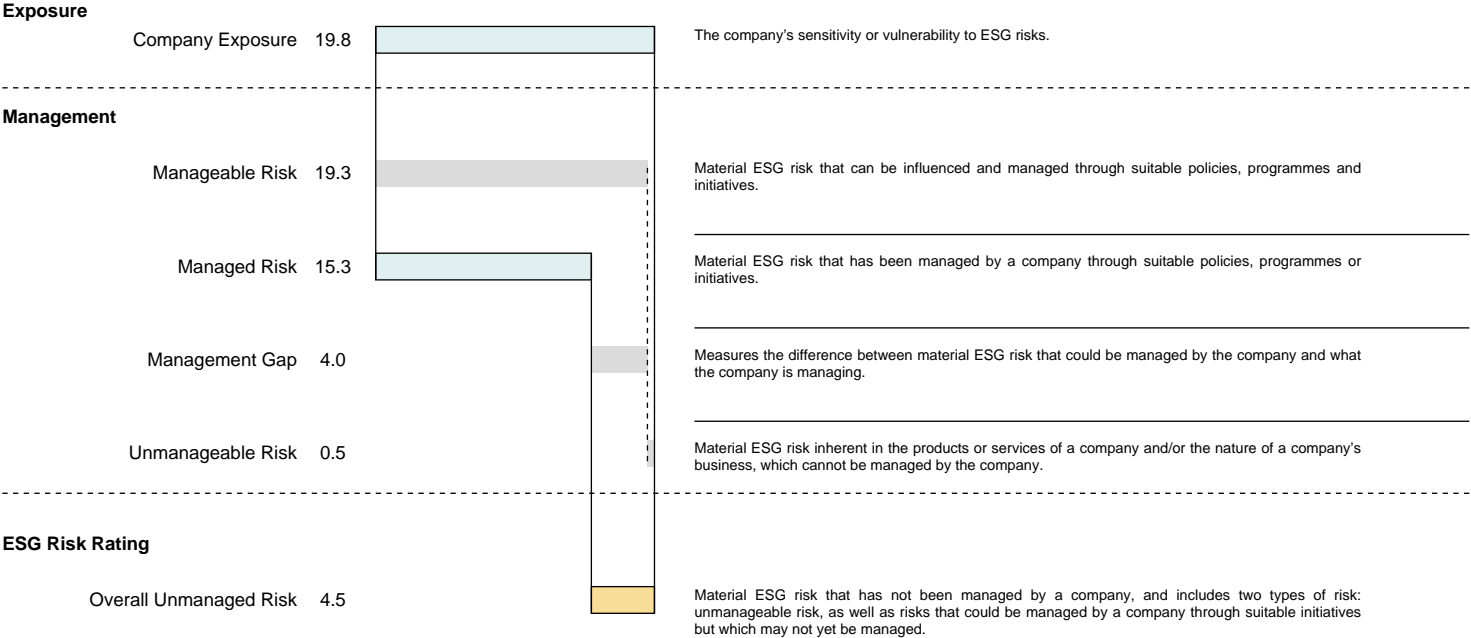
**⚠ None (10)**

- Accounting and Taxation
- Bribery and Corruption
- Business Ethics
- Carbon Impact of Products
- Environmental Impact of Products
- Labour Relations
- Lobbying and Public Policy
- Sanctions
- Social Impact of Products
- Society - Human Rights

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## Risk Decomposition



## Momentum Details



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## GLOSSARY OF TERMS

### Beta (Beta, $\beta$ )

A factor that assesses the degree to which a company's exposure deviates from its **subindustry's** exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

### Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

### ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

-  **Negligible risk:** enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
-  **Low risk:** enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
-  **Medium risk:** enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
-  **High risk:** enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
-  **Severe risk:** enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

### ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

### Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

### Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

### Excess Exposure

The difference between the company's **exposure** and its **subindustry exposure**.

### Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

### Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

### Manageable Risk

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

### Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

### Management

A company's handling of ESG risks.

### Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

### Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

### Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

### Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

### Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

### Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

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