

# JAB Holding Co. SARL

Multi-Sector Holdings Luxembourg

## ESG Risk Rating

# 3.3

Updated Dec 15, 2022

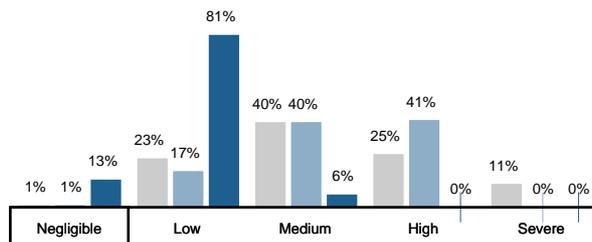
# -1.5

Momentum

## Negligible Risk

NEGL	LOW	MED	HIGH	SEVERE
0-10	10-20	20-30	30-40	40+

## 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	2/15562	1st
Diversified Financials INDUSTRY	1/908	1st
Multi-Sector Holdings SUBINDUSTRY	1/67	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	21.4 Low	86.8 Strong	3.3 Negligible
2. IGT Holding IV AB	17.0 Low	66.6 Strong	5.9 Negligible
3. Criteria Caixa SA	17.4 Low	51.9 Strong	8.6 Negligible
4. New South Wales Treasury Corp.	17.0 Low	23.9 Weak	13.0 Low
5. GL Europe Re Holdings SARL	17.0 Low	16.7 Weak	14.2 Low

# JAB Holding Co. SARL

Multi-Sector Holdings Luxembourg

## 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

**21.4**

**+3.8**

**Low**

**Momentum**

**Beta = 1.02**



JAB's success relies on its investment team responsible for identifying and analyzing investment opportunities, as well as for monitoring investee companies' performance. Inability to attract and retain professionals with expertise in areas such as finance, law and taxation can result in operational inefficiencies and subpar financial returns. In addition, the company operates through six global offices, resulting in diverse and widespread operations, which are subject to various regulations. Ethical infractions such as bribery and corruption, conflicts of interest or insider trading could lead to investigations, fines and settlement costs. Lastly, JAB invests in diversified businesses from the consumer goods and services sector. Inability to integrate ESG considerations in its investment strategies could result in stakeholder scrutiny and reputational damage.

The company's overall exposure is low and is similar to subindustry average. ESG Integration - Financials, Human Capital and Business Ethics 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

**86.8**

**+12.1**

**Strong**

**Momentum**



In FY2021, JAB published an integrated annual report prepared in accordance with the GRI Standards, which follows best practice, signalling strong accountability to investors and the public. Furthermore, the company's ESG-related issues are overseen by the board of directors. This suggests that JAB integrates ESG-related considerations into its core business strategy.

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

# JAB Holding Co. SARL

Multi-Sector Holdings Luxembourg

## Material ESG Issues

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

Issue Name	ESG Risk Exposure	ESG Risk Management	ESG Risk Rating	Contribution to ESG Risk Rating
	Score   Category	Score   Category	Score   Category	
Human Capital	5.5 Medium	76.6 Strong	1.5 Negligible	45.4%
Corporate Governance	5.0 Medium	76.0 Strong	1.2 Negligible	36.4%
Business Ethics	5.5 Medium	93.8 Strong	0.6 Negligible	18.2%
ESG Integration -Financials	5.4 Medium	100.0 Strong	0.0 Negligible	0.0%
<b>Overall</b>	<b>21.4 Low</b>	<b>86.8 Strong</b>	<b>3.3 Negligible</b>	<b>100.0%</b>

## Events Overview

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

### Category (Events)

**5 Severe (0)**

**4 High (0)**

**3 Significant (0)**

**2 Moderate (0)**

**1 Low (2)**

Anti-Competitive Practices

Labour Relations

# JAB Holding Co. SARL

Multi-Sector Holdings Luxembourg

## Events Overview

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

## Category (Events)

**⚠ None (9)**

Accounting and Taxation

Bribery and Corruption

Business Ethics

Carbon Impact of Products

Environmental Impact of Products

Lobbying and Public Policy

Sanctions

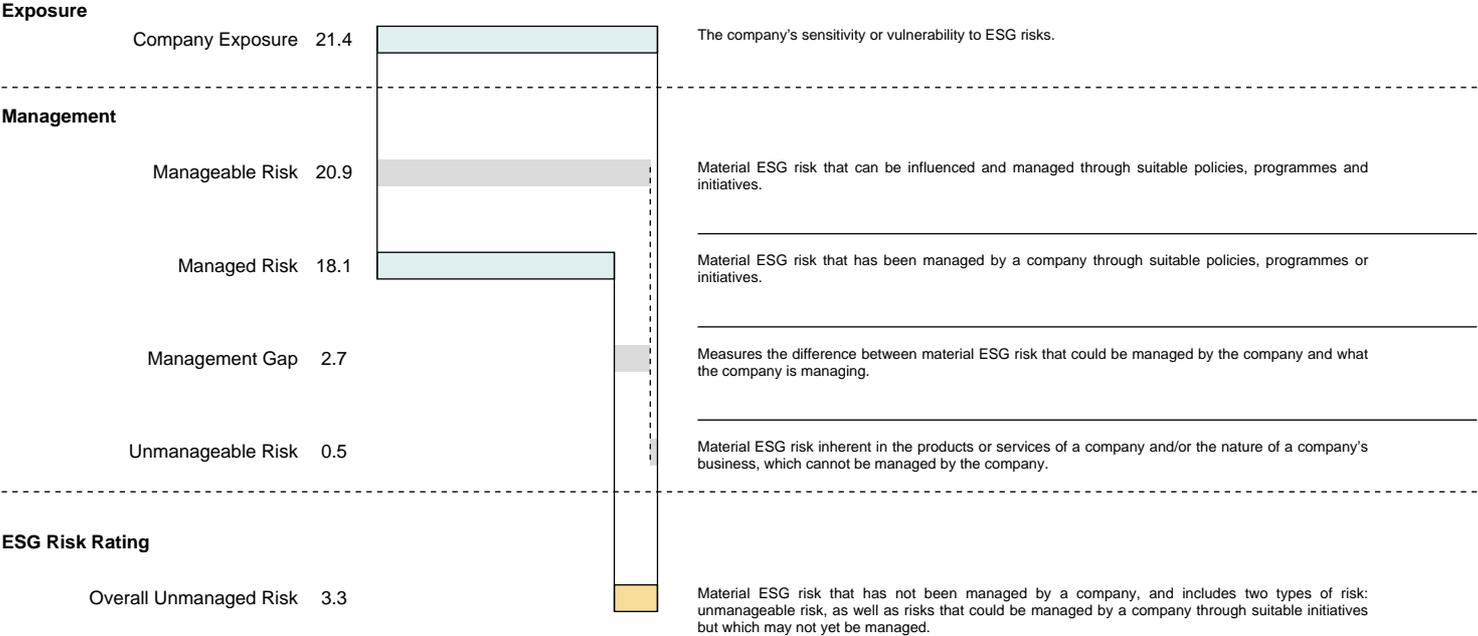
Social Impact of Products

Society - Human Rights

# JAB Holding Co. SARL

Multi-Sector Holdings Luxembourg

## Risk Decomposition



## Momentum Details



# JAB Holding Co. SARL

Multi-Sector Holdings Luxembourg

## 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**).

# JAB Holding Co. SARL

Multi-Sector Holdings Luxembourg

## DISCLAIMER

**Copyright © 2022 Sustainalytics. All rights reserved.**

The information, methodologies, data and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third parties suppliers (Third Party Data), intended for internal, non-commercial use, and may not be copied, distributed or used in any way, including via citation, unless otherwise explicitly agreed in writing. They are provided for informational purposes only and (1) do not constitute investment advice; (2) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (3) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness.

These are based on information made available by third parties, subject to continuous change and therefore are not warranted as to their merchantability, completeness, accuracy or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics nor any of its third-party suppliers accept any liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.