

# JAB Holding Co. SARL

Multi-Sector Holdings Luxembourg

## ESG Risk Rating

# 4.8

Updated Nov 19, 2021

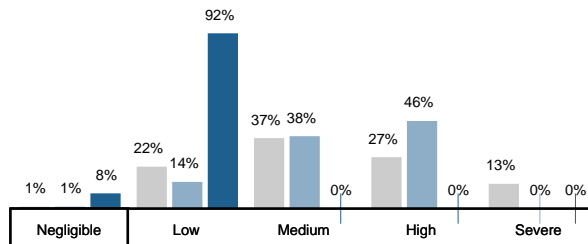
# -20.9

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> = lowest risk)
Global Universe	6/14652	1 <sup>st</sup>
Diversified Financials INDUSTRY	1/892	1 <sup>st</sup>
Multi-Sector Holdings SUBINDUSTRY	1/438	1 <sup>st</sup>

## 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	17.6 Low	74.7 Strong	4.8 Negligible
2. Criteria Caixa SA	34.4 Low	64.2 Strong	13.4 Low
3. DekaBank Deutsche Girozentrale	39.6 Medium	59.0 Strong	17.4 Low
4. KKR Group Finance Company III LLC	40.7 Medium	55.4 Strong	19.5 Low
5. Noah Holdings Ltd	37.8 Medium	45.8 Average	21.2 Medium

# JAB Holding Co. SARL

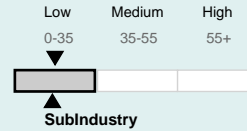
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## ESG Risk Analysis

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

**17.6** **-12.4**  
**Low** **Momentum**  
 Beta = 1.04



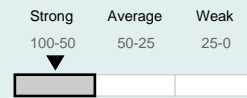
JAB Holding operates on a few continents resulting in diverse and widespread operations, which are subject to various regulations. Ethical infractions such as bribery and corruption, conflicts of interest or insider trading could lead to investigations, fines and settlement costs. In addition, the company's 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. Furthermore, JAB Holding has controlling and anchor stakes in its investees. Inability to integrate ESG considerations in the investment strategies and involvement in controversial projects 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

**74.7** **+59.5**  
**Strong** **Momentum**



JAB Holding's overall ESG-related disclosure is weak and not in accordance with GRI reporting standards, signalling inadequate accountability to investors and the public. The company's ESG-related issues are overseen by the board of directors, suggesting that these are integrated in core business strategy.

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
Corporate Governance	5.0 Medium	61.0 Strong	<b>2.0 Negligible</b>	41.0%
Human Capital	4.2 Medium	58.5 Strong	<b>1.9 Negligible</b>	39.2%
ESG Integration -Financials	4.2 Medium	88.5 Strong	<b>0.5 Negligible</b>	10.2%
Business Ethics	4.2 Medium	93.8 Strong	<b>0.5 Negligible</b>	9.7%
<b>Overall</b>	<b>17.6 Low</b>	<b>74.7 Strong</b>	<b>4.8 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 (1)**

Labour Relations

**0 None (10)**

Accounting and Taxation

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Carbon Impact of Products

Environmental Impact of Products

Lobbying and Public Policy

Sanctions

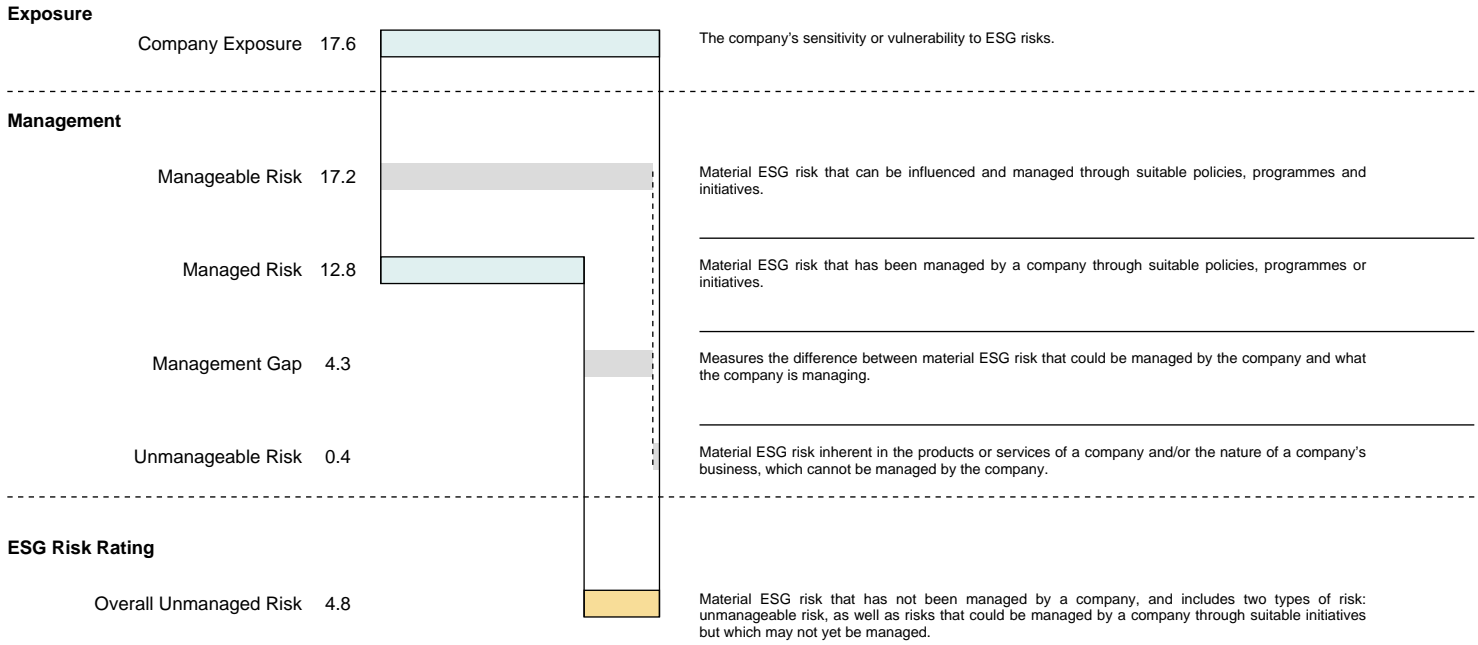
Social Impact of Products

Society - Human Rights

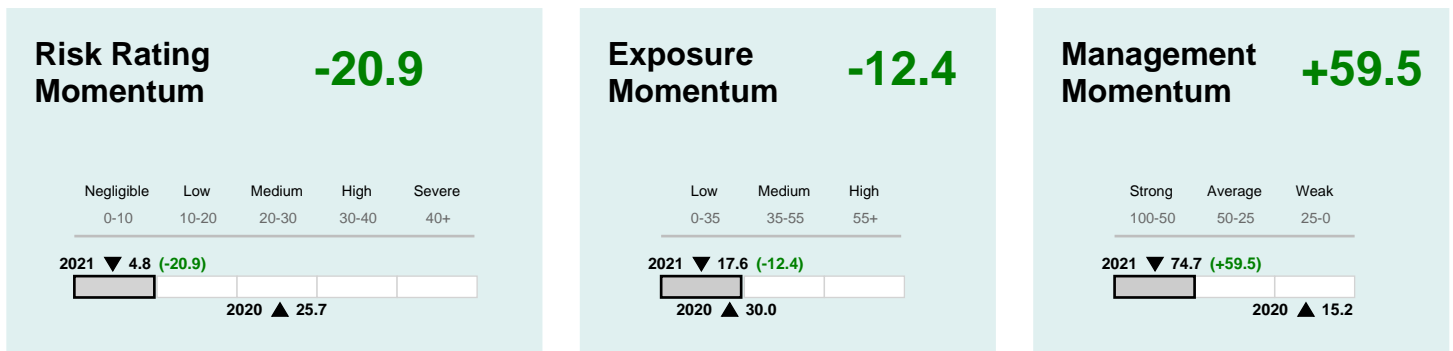
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## Risk Decomposition



## 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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