

JAB HOLDING COMPANY

JAB – September 2021



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JAB¹ at a glance

\$50bn+

JAB Managed Capital

\$27bn

JAB Holding Company
Net Asset Value

A global Investment Firm, with a solid investment grade rating, focused on the consumer goods and services sector

Our leading Investment Platforms



Coffee & Beverages



Fast-Casual Restaurants



Petcare



Beauty & Luxury



Indulgence

With a total Enterprise Value of \$130bn+

JAB's Managed Capital has significantly increased since its formation in 2012

JAB HOLDING COMPANY

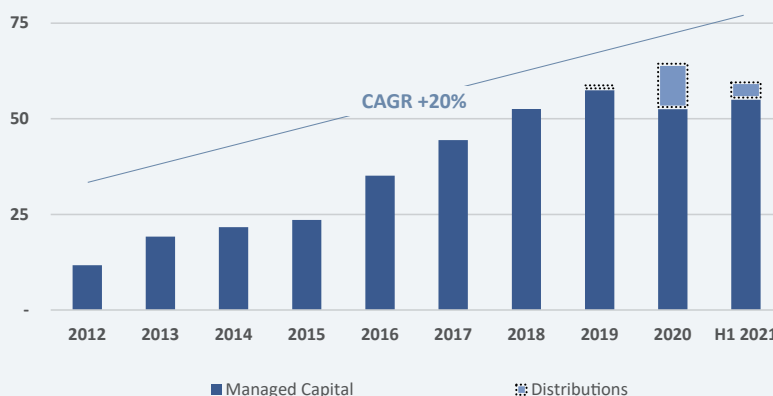
JICF

JAB Consumer Fund

S&P: BBB+ with stable outlook

Moody's: Baa2 with stable outlook

JAB Total Managed Capital in \$bn



COTY



BAGEL BRANDS



BALLY

A privately held partnership of ~50 professionals with global investment offices in Washington D.C., London, Amsterdam, São Paulo, Luxembourg and Mannheim

with a long-term global ambition to invest in industry-leading consumer businesses.

¹ JAB in this context refers to JAB Holding Company, together with JAB Consumer Fund and other Co-investors

JAB Holding Company

Our heritage

1823

- The incorporation of Benckiser as chemicals producer in Germany

1980 - 1990

- Peter Harf joins Benckiser
- Benckiser acquisition of North American and European household products and cosmetics including the spin off of the cosmetics activities

2012 - 2013

- The formation of JAB Holding Company and core JAB team.

JAB HOLDING COMPANY

- Olivier Goudet joins JAB
- The creation of the Coffee & Beverages Investment Platform via the take private of Peet's Coffee and D.E Masterblenders 1753 ('DEMB')

Peet's

D.E
MASTER
BLENDERS
1753

 **Coffee & Beverages**

- IPO of Coty



A global leading private
Investment Firm in Consumer
Goods and Services, with a
strong heritage

1990 - 2010

- Started investing in the Beauty & Luxury Investment Platform
- IPO Benckiser and Merger to form Reckitt Benckiser
- M&A of several cosmetics companies

 **Beauty & Luxury**

COTY BALLY

2013 - 2015

- The creation of the fast casual multi channel restaurant Investment Platform starting with Platform Investments in Caribou Coffee, Einstein Bagels and Espresso House

 **Fast-Casual Restaurants**



- Creation of the JAB Consumer Fund ("JCF")

J | C F
JAB Consumer Fund

2016

- Take private of Krispy Kreme, representing the first investment in the Indulgence Investment Platform



- Take private of Keurig Green Mountain



2019

- The creation of the Petcare Investment Platform



- Acquisition of Compassion-First Pet Hospitals



2021

- IPO of Krispy Kreme



- Formation of Panera Brands



2015

- Creation of Jacobs Douwe Egberts (JDE) through the merger of DEMB and MDLZ Coffee



2017

- Take private of Panera Bread



2018

- Creation of Keurig Dr Pepper through the merger of Dr Pepper Snapple and Keurig Green Mountain



- Acquisition of Pret a Manger



2020

- Acquisition of NVA



- IPO of JDE Peet's



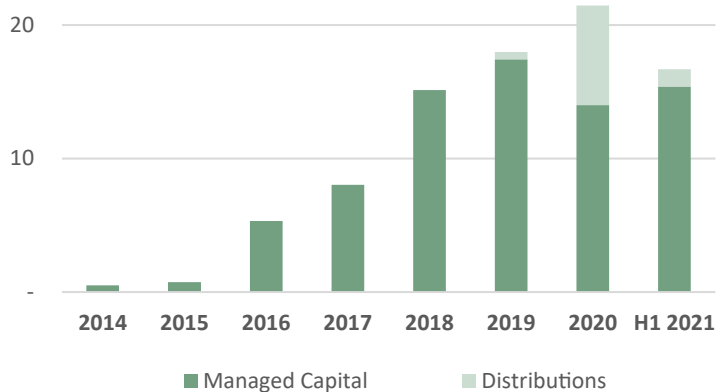
- Closing of the third major fund raising of JAB Consumer Fund. Total of \$17bn of committed capital raised since 2014

About JAB Consumer Fund (JCF)

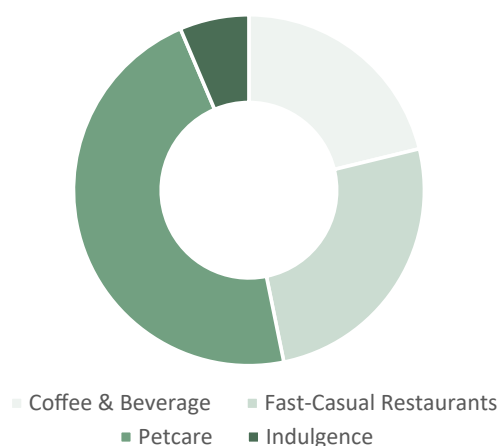
Driven by investor demand to participate in the investment strategy of JAB Holding Company, JCF was established in 2014. JCF is a Luxembourg based regulated investment fund comprised of institutional investors, family offices, endowments and other professional investors. JCF is managed collectively with JAB Holding Company by the same group of partners, and JCF always invests alongside JAB Holding Company. As at 30 June 2021, JCF has capital invested of \$15bn+ and has distributed \$9bn+ of capital.



JAB Consumer Fund - Managed Capital in \$bn



JCF Managed Capital by Investment Platform

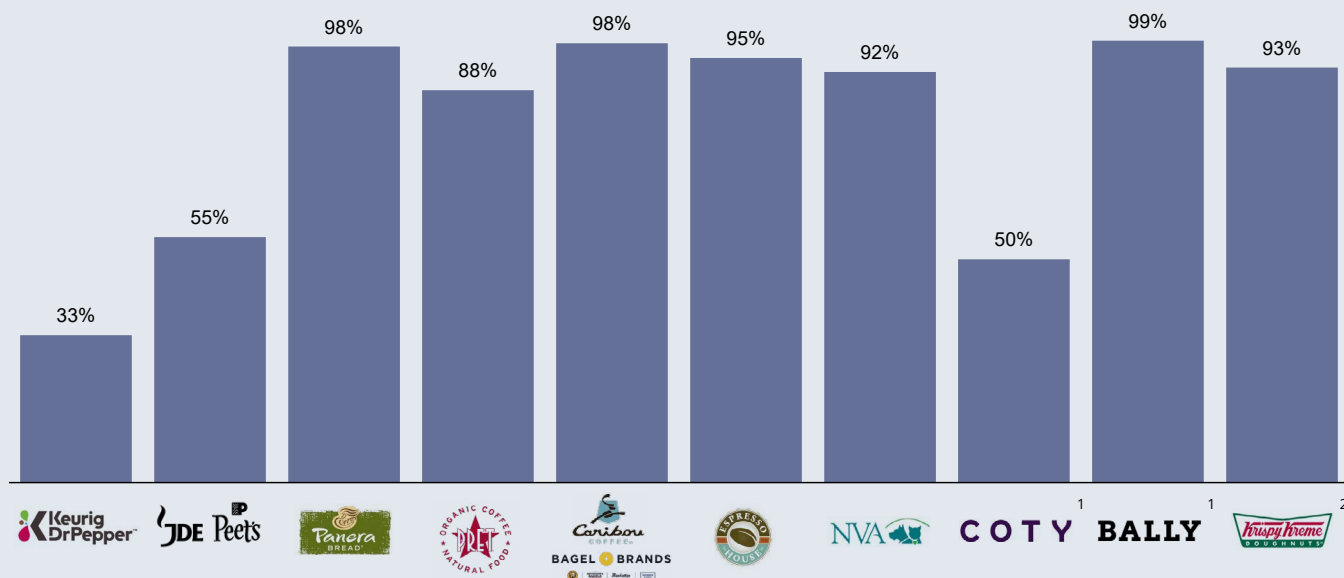


JCF 2020 / 2021 - Highlights

- Completion of \$9bn in aggregate distributions, a major JCF milestone, mainly driven by the significant value creation in the Coffee & Beverages platform as well as the Fast-Casual Restaurant Platform
- The successful closing of the Global Consumer Brands - III Fund, the Petcare Co-Investment, and the Co-Investment IX and X Funds
- Deployment of \$3bn+ investment into the Petcare Platform, alongside JAB Holding Company
- Completion of Krispy Kreme Inc. Initial Public Offering, followed by a distribution in shares

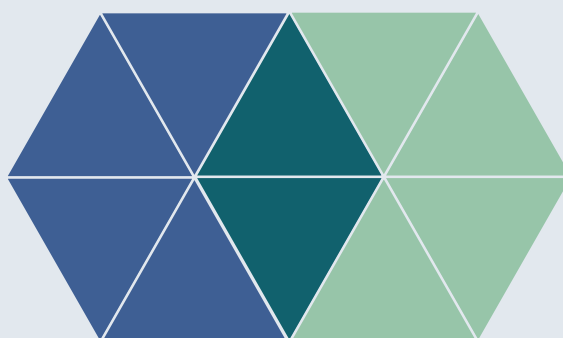
**JCF and JAB Holding Company
are managed together and
invest alongside each other**

**As a controlling or anchor shareholder,
JAB exerts significant influence over its Platform Investments**



JAB Holding Company, JCF and Co-investors' aggregate % of direct and indirect ownership.²

JAB
HOLDING
COMPANY



J | CF
JAB Consumer Fund

JAB Holding Company and JAB Consumer Fund established a strong capital structure to support long-term growth and sustainable value creation leading to solid compounded returns.

¹ Coty and Bally are investments of JAB Holding only, without the participation of JAB Consumer Fund

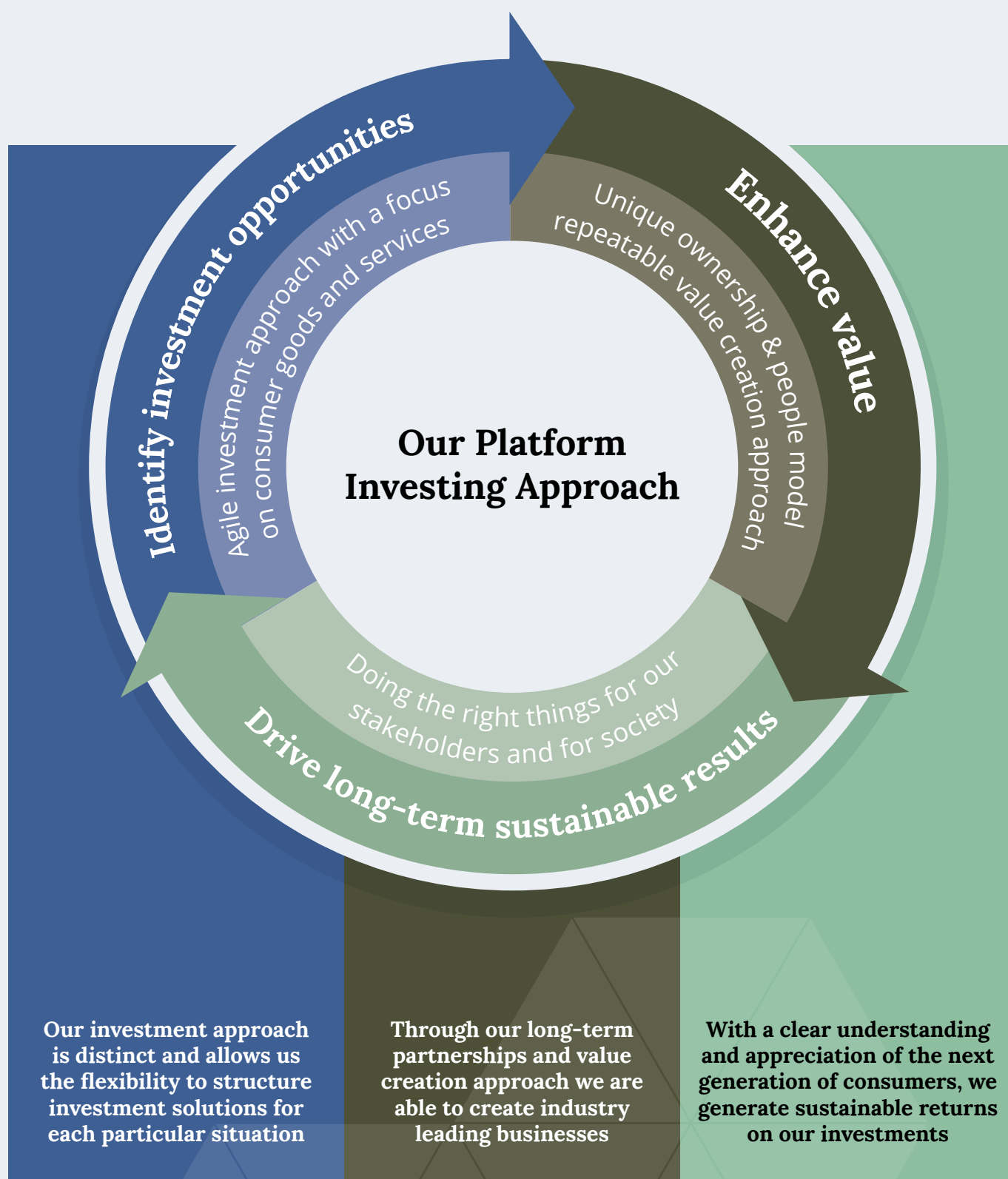
² (In)direct share ownership by JAB Holding Company, JCF and Co-Investors together as of June 30, 2021. For Krispy Kreme this represents the pre-IPO share ownership.

Our Investment Philosophy

Our Platform Investing Approach

With almost 200 years of heritage, JAB has centered its investment philosophy around building Investment Platforms which are a unique, distinctive and critical part of our long-term success.

Our Platform Investing Approach has a solid foundation, based on the following three drivers:



Our unique set of strengths

Our Platform Investing Approach is realized through a unique set of strengths which contribute to our sustainable long term value creation as a global leading investment firm.





A Long-Term and Evergreen Investor

We are evergreen investors with a long-term investment horizon. JAB's evergreen capital structure enables us to build better, stronger and future-proof businesses in a healthy and sustainable way, without cannibalizing long-term value creation opportunities to realize short term financial gains. In addition it allows us to unlock value and access growth pools over longer periods of time.



An Ecosystem of Trusted Debt & Equity Partners

We have a unique ecosystem of trusted and high-quality debt and long-term equity partners. Together with our team of trusted capital partners, we are building Investment Platforms with controlling or anchor stakes in global leading businesses which allows us to create global leading blue-chip companies, which are ready for the next generation of consumers and their preferences.



Resilient Categories with Attractive Growth Fundamentals

We invest in categories that have a proven track record of resiliency across the economic cycle, with strong growth momentum and attractive cash flow dynamics.



An Invested Team

We establish Invested & Aligned People and Partnership Networks throughout our firm and our Investment Platforms. Our People & Partnership networks include JAB's team of Senior Investment and Industry Professionals, CEOs and management teams of our investments and our Global Leading Industry Capital Partners. The strategic strength of JAB's People and Partnership Networks is established through an aligned set of financial and non-financial interest combined with a regular, informal and hands-on communication flow between all participants in the network.



Proprietary Business Insights

We develop real-time superior business insights across an industry sector by combining data, information and people knowledge from the different investments held within each of the Investment Platform. These superior business insights provide us with a strategic advantage and allow us to establish a more timely and more effective investment approach, based upon real-time market and industry trends, people network, consumer behaviours and technological developments.



Unlocking Synergies

Through our Platform Investment approach, we can achieve levels of synergies that go beyond those that could be realized by each of the individual investments. These synergies are captured by leveraging and scaling the unique opportunities and capabilities of our platform investments. To be competitive on all fronts we focus on both soft and hard synergies including revenue and cost synergies, balance sheet optimization, talent acquisition, knowledge sharing and building of new growth capabilities.



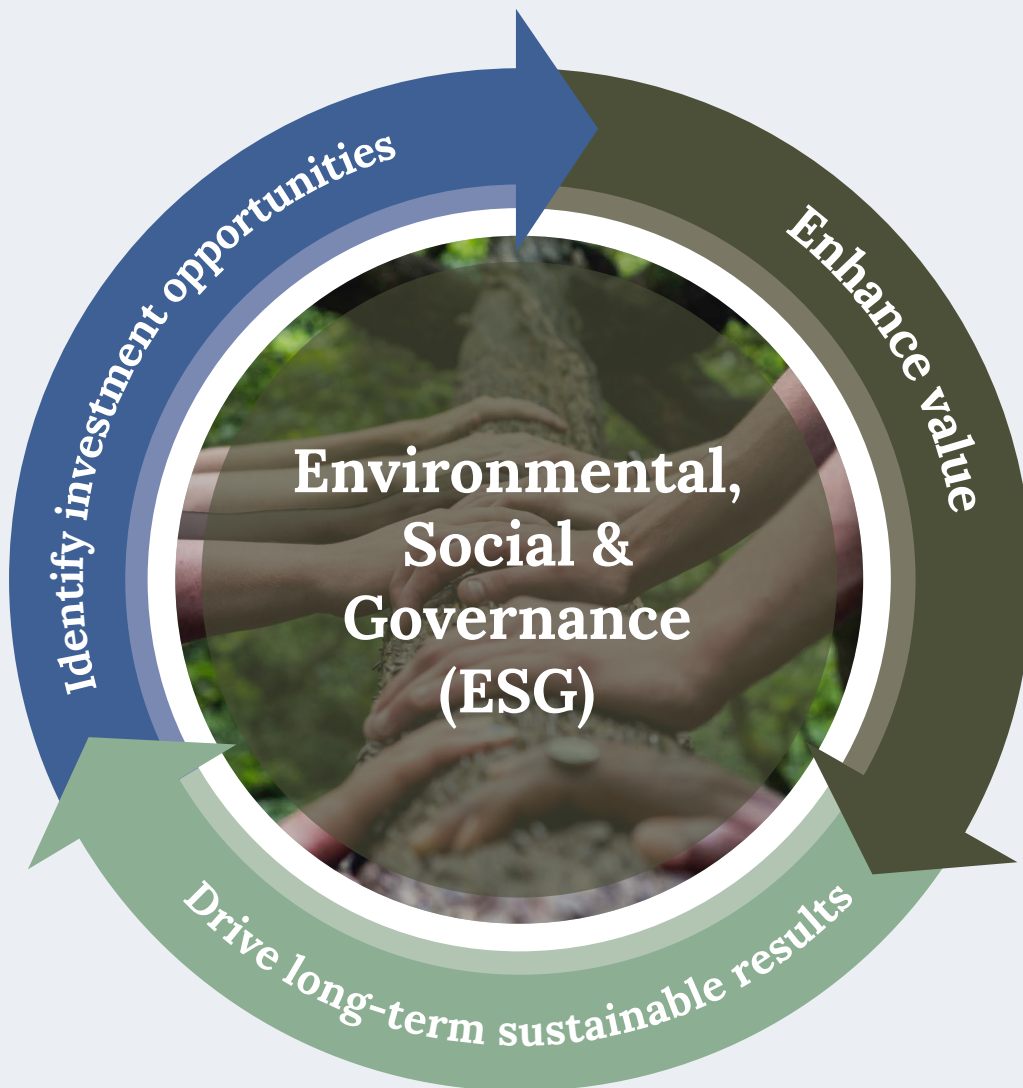
Flexible Exit Strategies

When combining our long-term investment horizon with our decades of investment experience, we recognize that providing future flexibility towards our investors is a critical competitive advantage. Therefore, our Investment Platforms are designed to facilitate flexible exit scenarios, which allows us to minimize exit friction and maximize long-term value creation and flexibility for investors.

ESG embedded in our ways of working

Within our investment philosophy we have a clear understanding and appreciation of the next generation of consumers, combined with a strong focus on Environmental, Social and Governance ('ESG') related matters. We have a fundamental belief that taking a sustainable value creation approach to business pays off for our consumers, our businesses, our capital partners, suppliers, and ourselves.

We have a formalized ESG strategy and a clear roadmap to continue to integrate ESG in our ways of working.

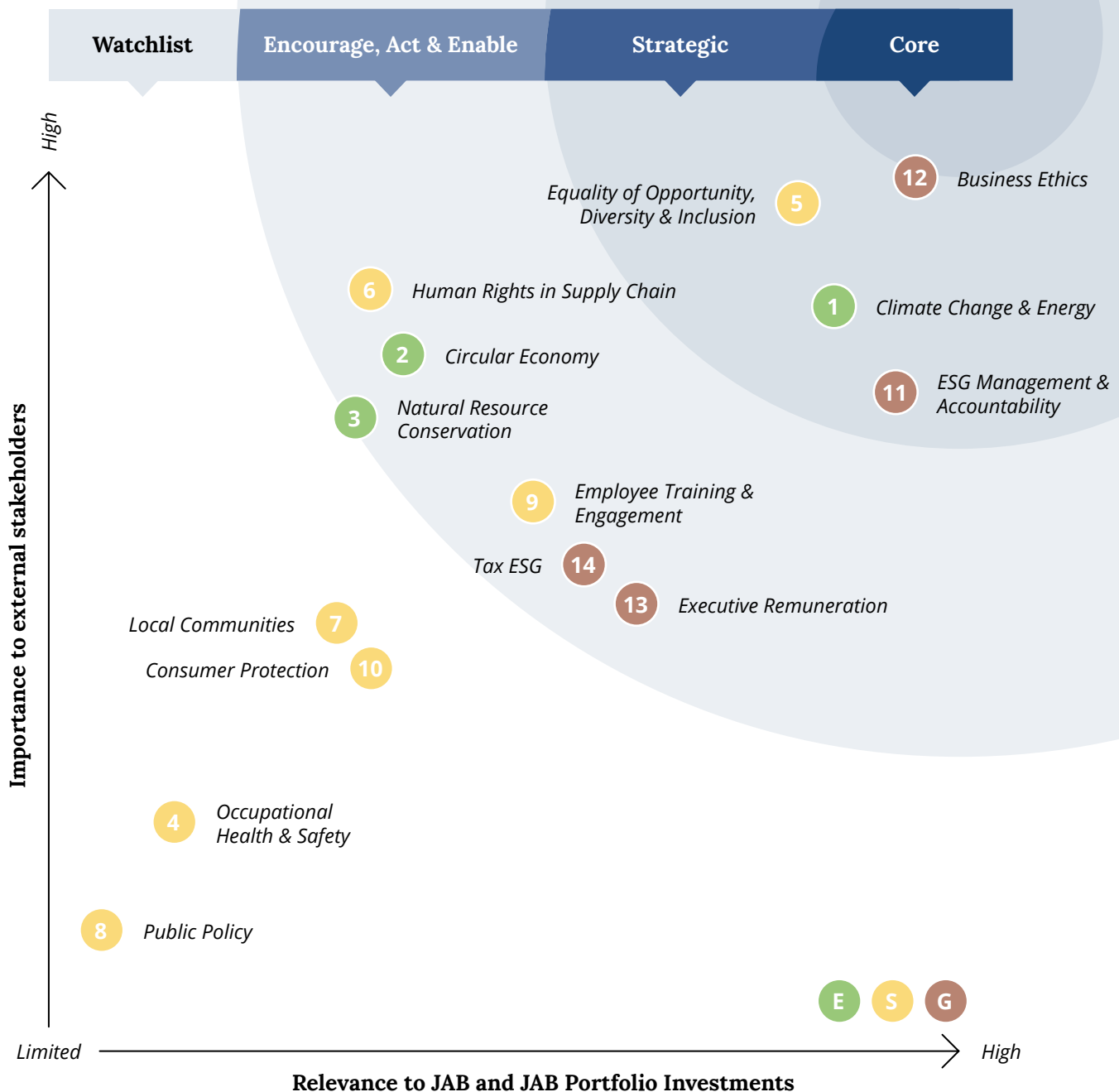


Material ESG topics

Within our ESG Strategy, we prioritised four ESG topics based on our materiality analysis. We approach these topics with tailored programs, both within our own organisation and in our approach to our investments.

While JAB's investments are operating independently and are accountable to establish their own strategy and ESG agenda, we actively engage with our investments to embed ESG in their strategy and operations. Beyond the four key topics, investments are prioritizing additional ESG topics based on relevance for their respective businesses. We enable best practice sharing on all ESG topics via our unique ESG Collaboration Forum, which takes place every quarter.

We monitor ESG performance based on Key Performance Indicators (KPIs), which as of 2021 will be periodically measured and reported annually. For each of the four prioritised ESG topics we have defined various KPIs both at the level of JAB and our investments. In our 2021 annual report we will report for the first time on our ESG KPIs and the progress that we are making towards achieving our targets.



12 Business Ethics

Business Ethics is the fundamental cornerstone to the way JAB operates. We are a member of the UN Global Compact and include its Ten Principles into our strategies, policies and procedures. Strong management and accountability practices reinforce business ethics.



In the first half of 2021, we have taken further steps with regards to:

- Strengthening governance, disclosure and transparency
- Formalizing policies and driving their implementation
- Extending ethics requirements and efforts beyond our own organisation

1 Climate Change & Energy

We are committed to reducing greenhouse gas emissions (GHG) in line with achieving the goals of the Paris Agreement. The Science Based Targets initiative (SBTi) provides us with the framework to guide emissions reductions for ourselves and our investments. We follow and support the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD) to identify and manage climate risks and opportunities.



In the first half of 2021, we have taken further steps with regards to:

- Inventorying our own emissions and the emissions of our investments along the GHG protocol
- Identifying cost-efficient emission reduction levers for our own emissions
- Setting ourselves up for fulfilling the TCFD recommendations
- Hosting an ESG Collaboration Forum session on the topic of Climate

5 Equality of Opportunity, Diversity & Inclusion

We commit 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. We commit to have an inclusive culture and a diverse team that delivers long-term sustainable results through better decision making. We strive to offer equal pay based on function level and geography and maintain a working environment conducive to high job satisfaction and low turnover rate. We actively engage in the G7 Business for Inclusive Growth ('B4IG') coalition to advance human rights throughout value chains, build inclusive workplaces and strengthen inclusion.

In the first half of 2021, we have taken further steps with regards to:

- Gathering transparent baseline information
- Understanding current performance



11 ESG management & accountability

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

In the first half of 2021, we have taken further steps with regards to:

- Formalizing ESG roles within our organization
- Conducting multiple ESG trainings for all JAB professionals to set the foundation of embedding ESG in all we do



UN Sustainable Development Goals

JAB is committed to the UN Sustainable Development Goals (SDGs). The SDGs are the internationally recognized framework, adopted by all UN Member States in 2015, as part of the Agenda 2030 for

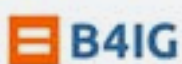
Sustainable Development. It is clear that the SDGs directly and indirectly relate to the operations of any business and it is for this reason we have aligned our key ESG topics with the relevant SDGs. With our ESG approach both at JAB and the level of our Platform Investments, we contribute to several SDGs, including:



JAB participates in G7 Business for Inclusive Growth coalition

As part of our ongoing commitment to ESG, JAB participates in the G7 Business for Inclusive Growth (B4IG) coalition powered by the OECD and sponsored by French President Emmanuel Macron. This initiative is designed to pool and strengthen efforts by public and private companies to reduce inequalities linked to

opportunity, gender and territory, and to build greater synergies with government led efforts in these areas. This focus is also presented within our investment strategy. JAB recognises that this is a long-term challenge and we commit to putting our passion and energy into ensuring that JAB and our investments help to bring this to life over time, for the benefit of all. Underpinning our pledge is the view that such engagement is not just good corporate responsibility but rather the future of successful business. Business benefits from more inclusive growth models through a more educated and engaged workforce; a larger middle-class of consumers with greater purchasing power; more stable operating environments; and a high level of trust from employees, consumers, customers and other stakeholders.



Our Business Diversity

JAB is exposed to multiple business segments, either through the respective Investment Platforms in which our businesses operate or through the underlying diversification within the businesses held. Below we present a simplified overview of diversification within our Investment Platforms.

Our leading Investment Platforms



Coffee & Beverages

Coffee & Beverages through direct, wholesale, retail, bottlers, food service and e-commerce



- Premium coffee brands
- Mainstream coffee brands
- Coffee systems
- Carbonated soft Drinks
- Tea & Juices
- Premium water
- Sport & Energy drinks



Petcare

Petcare through at-premise, home-delivery and online



- General care
- Specialty
- Vaccine & pharmacy
- Pet services



Fast-Casual Restaurants

Fast Casual Restaurants through retail-owned, retail-franchised, digital, catering and CPG



Covering all meals:

- Breakfast
- Lunch
- Dinner



Beauty & Luxury

Beauty & Luxury through retail, wholesale, online, and other

- Fragrance
- Color cosmetics
- Skin and body care
- Luxury
- Hair care



Indulgence

Indulgence through retail-owned, retail-franchised, digital, home delivery and CPG

- Doughnuts
- Cookies

Our People

A high-performing team is at the heart of our success.

Our team has deep institutional investment and sector knowledge and experience. The fast-paced and dynamic environment in which we operate requires a team with an entrepreneurial spirit focused on the collective success of JAB.

We operate from investment offices in Washington D.C., London, Amsterdam, São Paulo, Luxembourg and Mannheim. Our team is led by our managing partners Peter Harf and Olivier Goudet, together with nine other partners and senior partners, and our CFO, each of whom has significant experience and success in investing and overseeing businesses in the consumer goods and services industries. They are supported by a global team of 40+ investment and industry professionals.

An environment with compounding performance opportunities

We attract, evaluate and compensate talent with the objective of successfully delivering compounding long-term value of our Platform Investments. As such, we provide our team with opportunities and stretch goals for continuous development and growth.

Working together as a powerful team

Our culture is entrepreneurial, high energy and high performance. We have an ambitious and motivated team which drives our long-term ambition. A core characteristic in all of us is the aligned focus on value creation for all of JAB and its stakeholders.

In an invested and full-on environment

Our team is invested towards the same goals as our shareholders and Co-investors. Invested means that financial interests are aligned to enable our value-enhancing strategy. Invested also means personal commitment and being full-on to deliver sustainable results in a fast-paced and highly demanding environment.





JAB partners

JAB is overseen by its two Managing Partners, Peter Harf as our Chairman and Olivier Goudet as our CEO, together with nine other partners and senior partners, and our CFO.



Peter Harf

Managing Partner, Chairman

Mr. Harf joined JAB in 1981 and is the visionary and founder of the current JAB investment firm structure created in 2012. Over the past 40 years he has overseen JAB as managed capital has grown from \$100 million to over \$50 billion. Mr. Harf has been CEO and Chairman of several of JAB's portfolio companies, and is currently the Chairman of Coty and a member of the Board of Directors of JDE Peet's and Keurig Dr Pepper. He is also the Founder of Delete Blood Cancer ("DKMS"), a global cancer fighting organization which has over 10m donors registered. Mr. Harf has previously been Chairman of Anheuser-Busch InBev and a Board member of Burger King.



Olivier Goudet

Managing Partner, CEO

Mr Goudet joined JAB as CEO and Managing Partner in 2012. Mr. Goudet is the key architect of and leads JAB's Investment Platform strategy for all areas of the Firm and has led \$40bn+ increase in managed capital in the last nine years. He is currently the Chairman of Krispy Kreme, JDE Peet's, and Pret a Manger and is a member of the Board of Directors of several other portfolio companies including Keurig Dr Pepper, Coty, NVA and Panera. Previously, he spent 20 years at Mars, where he was EVP and CFO, and was also previously the Chairman of Anheuser-Busch InBev.



Joachim Creus

Senior Partner, Vice Chairman

Mr. Creus joined JAB in 2010 and has played a critical role in building it into a global investment firm. He has been at the center of JAB's major investments and expansion initiatives, including all of its platform acquisitions and the creation of JAB Consumer Fund. A lawyer by training, he has over 20 years of experience in M&A, complex cross border legal & tax matters, and equity and debt financing. Mr. Creus serves as a Director for many JAB companies, including JDE Peet's and Coty. Prior to joining JAB, Joachim held senior legal & tax positions at Siemens, Rodl & Partner and at Tiberghien Lawyers.



David Bell

Senior Partner

Mr Bell is in his 10th year at JAB, having joined in 2012. Over the past nine years he has led all of JAB's major portfolio transactions. He has over 25 years of investment, oversight and business strategy experience, which includes spending four years at Mars driving Corporate Strategy and M&A, and eight years in the Consumer Investment Banking Group at Goldman Sachs.



Patricia Capel

Partner

Ms. Capel joined JAB in 2021 following 25 years at AB InBev and Ambev, where she most recently led the commercial operations in Chili, Bolivia and Paraguay. She has extensive global experience including in the United States, Russia, Latin America, Belgium and Canada, and held numerous roles including as VP of Global People, and was a member of the ABI Global Diversity & Inclusion Council. Ms. Capel has also worked at PWC and Cargill Agricola S.A.



Frank Engelen

Partner

Mr. Engelen joined JAB in 2020. Previously, he was a partner at PwC for more than 15 years, of which five years were as a member of the Management Board of PwC Netherlands and two years as a member of the Executive Board of PwC Europe. He has almost 25 years of experience in international tax, business restructurings and M&A. After having obtained his PhD at the Erasmus University Rotterdam, he was appointed Professor of International Tax Law at Leiden University in 2005.



Luuk Hoogeveen

Chief Financial Officer

Mr Hoogeveen joined JAB in 2019 as a principal and was promoted to Chief Financial Officer in 2021. He brings 15+ years of finance expertise including in the area of finance transformations, capital market transactions, internal & external financial reporting, and risk management. Prior to JAB he held senior finance positions at JDE and PwC.



Konrad Meyer

Partner

Mr Meyer joined JAB in 2018 as principal and was promoted to partner in 2020. He brings 15+ years of industry and investment expertise and previously held a position as Investment Director at Waterland Private Equity and as interim CFO at Pret a Manger.



Ricardo Rittes

Partner

Mr Rittes joined JAB in 2019. He brings 20+ years of financial risk management and capital markets experience and started his career as an investment banker in London, NY and Latin America. Subsequently, he spent 14 years as part of a small leadership team building AB InBev (NY, Brussels and Latin America). In that capacity, he has partnered with rating agencies and financial institutions across the world as the Finance VP responsible for cash flow integration, banking relationship and treasury where he, among others, executed \$75+ billion financings. He also served as CFO of Ambev, a NYSE listed company, and led its successful expansion in Central America.



Lubomira Rochet

Partner

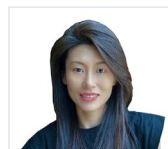
Ms Rochet joined JAB in 2021. She previously spent seven years as Chief Digital Officer and member of the Executive Committee at L'Oréal. There, she led the beauty giant's marketing and commercial pivot to a digital-first company. She is a recognized leader in digital business transformation, with extensive global experience across multiple industries. Ms Rochet has also held senior roles at Microsoft and Valtech, a digital marketing agency.



Jacek Szarzynski

Partner

Mr Szarzynski joined JAB in 2019. Prior to joining JAB, Mr Szarzynski held various senior Finance, Demand and Supply positions in his 20+ years at Mars. During his career he consistently achieved above market growth while also delivering significant margin improvement and is currently translating this experience to the fast-casual restaurant Investment Platform. He has a strong passion for ESG and is an inspiring leader who engages teams to only deliver the best results.



Justine Tan

Partner

Ms Tan, CFA, joined JAB in 2020 as a partner. She has more than 20 years of international experience in investing, banking and operations, having lived in and covered key markets in North America, Europe and Asia across a range of transaction types and businesses including in the consumer retail, real estate, services and industrial sectors. Prior to JAB, she was a founding member of Temasek USA and an investment banker at Goldman Sachs.

Our Governance

Governance

JAB is overseen by the two Managing Partners, Peter Harf and Olivier Goudet, supported by nine other partners and senior partners, and our Chief Financial Officer. The Firm's governance principles are based on mutuality, trust and consensus. Management and decision-making are delegated to the managing partners and require unanimous consent. There is full alignment between JAB management and our shareholders, since the partners are also invested in JAB.

Our businesses are managed independently by their respective CEOs and leadership teams. The members of these leadership teams invest their own wealth into their businesses resulting in strong alignment of interests with those of JAB. Each of our companies has an independent Board of Directors, an Audit Committee and a Remuneration Committee on which JAB partners are represented.

JAB signed the UN Principles for Responsible Investment

In June 2020, we signed the UN Principles for Responsible Investments (PRI). Doing so, we embrace the PRI principles for incorporating ESG matters into our investment practice, investment policies, disclosures, reporting and responsibilities. Important requirements for a signatory to meet are the Responsible Investment ("RI") policy, senior-level oversight over, and our professionals implementing, responsible investing. In order to provide the firm and our investments with an experienced sounding board on ESG-related issues and questions, we are proud to cooperate with Mr Bertrand Badré.



Our senior advisors

JAB is partnering with two globally recognized senior advisors, Antonio Weiss and Bertrand Badré, who provide us with advice on various governance and strategy matters, which are within their respective areas of expertise including business development, mergers and acquisitions, and social and environmental matters. As JAB, we highly value independent advice as it provides us with a fresh perspective on where we stand, on our intentions and on our journey.



Antonio Weiss

Senior Advisor

Mr Weiss has advised JAB since its formation as a global investment firm in 2012. His work spans business strategy and public policy. He is a research fellow at Harvard Kennedy School's Mossavar-Rahmani Center for Business and Government. From 2014 to 2017, he served as Counselor to the Secretary of the U.S. Treasury, where he oversaw the domestic finance department. Prior to this, he held various leadership roles at Lazard over twenty years in the US and Europe, including as Global Head of Investment Banking from 2009 to 2014.



Bertrand Badré

Senior Advisor

Mr Badré is the founder and CEO of Blue like an Orange Sustainable Capital, an investment Company that manages investments for social and environmental impact to foster inclusive and sustainable growth and reduce risk. Mr Badré also serves as a guarantor to the 'One Planet Lab' initiative. Previously, he served as Managing Director and CFO of the World Bank Group, Group CFO of both Société Générale and Crédit Agricole, Partner at Lazard and was an advisor to previous French President Jacques Chirac's diplomatic team.

Risk Management

Risk management is an integral part of the governance structure. Our risk management approach is established to identify and analyse risks faced by JAB, to monitor risks and to implement remediation initiatives to ensure adherence to set limits, our Risk Management function is overseen by a JAB Partner who has extensive background on this subject. The risk management approach and our compliance policies are reviewed regularly to reflect changes in market conditions and the activities of JAB.

Our policies and programs

Our risk management contemplates a broad range of stakeholders, including fixed income investors, equity investors, and the communities in which we operate.

Risk management is an integral part of our business and is among others governed by a comprehensive set of policies and programs.

On financial risk management, our objective is to maintain a level of cash flow certainty that is acceptable to our stakeholders, including equity and fixed income investors, given a certain expected return.

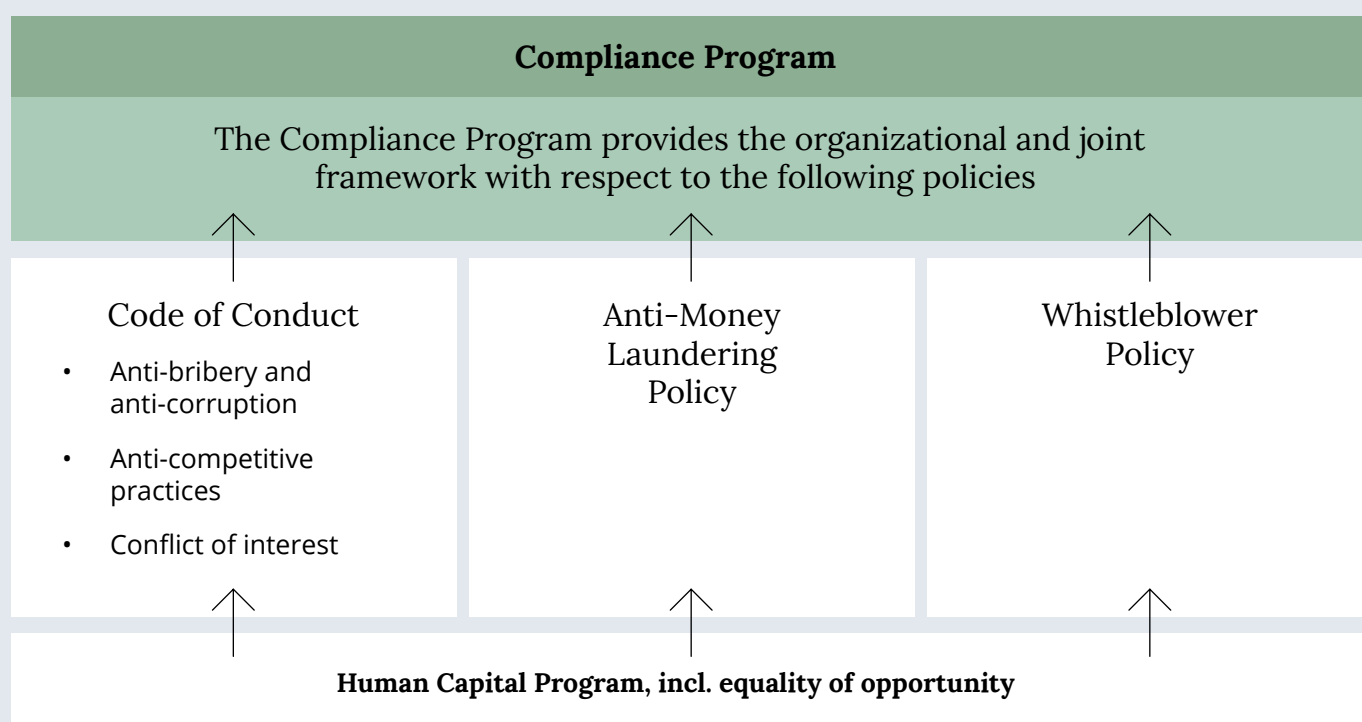
In particular, we monitor closely topics related to:

- Capital structure, financing, and liquidity
- Transactional risks
- Foreign currency and balance sheet risk
- Counterparty risk (cash, marketable securities and derivatives)
- Environmental, Social, Governance and Reputation risks

In 2021, our risk management and other important company policies have been reviewed, updated or newly formulated and ESG has been more strongly integrated where applicable. The following policies are in place:

- Code of Conduct
- Anti-Money Laundering policy
- Whistleblower policy
- Human Rights policy

As presented below a tailored Compliance and Human Capital program are established addressing a number of the policies presented above.



Risk Management (continued)

Towards our investments we developed a Responsible Investment & Stewardship Policy and a Human rights policy to provide further guidance on ESG in our investment practices. Our Responsible Investment & Stewardship policy describes our approach to how we formally incorporate ESG matters in our entire investment process.

Principal Risks and Uncertainties

Our financial position is impacted by the performance of our investments, including the resulting impact on valuation. By having a controlling or anchor stake and via representation on the Boards, we are able to oversee and influence the financial and operational performance of our portfolio companies, with the aim to achieve solid compounded investment returns.

The loss of key talent could have a negative impact on our operations. This risk is mitigated by investment and long-term equity incentive plans of our leadership teams, and by promoting a culture of ownership and opportunity. In this way we continue to attract talented people with the entrepreneurial mindset and skillsets to drive long-term value creation.

From our investing and financing activities, we are exposed to a variety of risks including market risks, credit risks and liquidity risks. It is our objective to manage and mitigate these risks to acceptable levels. Market risk refers to the Firm's exposure to fluctuations in market prices, including foreign exchange rates and interest rates. Foreign exchange risk on transactions is hedged through forward exchange contracts as necessary. The Firm is exposed to volatility in equity markets which primarily impacts the values of its public investments. This exposure is not hedged as at 30 June 2021. We actively manage our exposure to interest rate fluctuations. When the Firm is exposed to such fluctuations on floating rate long-term debt the Firm enters, when thresholds have been exceeded, into interest swaps. No hedge accounting is applied on any of the derivative transactions as at 30 June 2021. Our exposure to credit risk mainly relates to cash and cash equivalents and is mitigated by transacting with counterparties with high credit ratings. Exposure to liquidity risk is limited, as sufficient liquidity is available in the form of cash, and under our credit facilities.

Within our risk management framework continued consideration is given to fraud risk. Our approach is to minimize fraud risks from the start, both internal and external, and to continuously monitor and update our procedures to detect and if applicable remediate potential fraudulent events. Our Code of Conduct defines the norms, and responsibility of our team with the aim to reduce the likelihood of unethical actions and to protect JAB and its stakeholders.

