




JAB

Environmental Policy and Environmental Management System



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1. APPLICATION

- 1.1 The meaning of certain capitalized or uncapitalized terms used in this EMS is set forth in the List of Definitions attached as **Annex 1**.
- 1.2 This Environmental Management System and Environmental Policy, (together “**EMS**”) is established by, and may be amended by, the Managing Partners.
- 1.3 The EMS 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 owned subsidiaries (“**JAB**” or the “**Company**”) and their directors, officers, full-time, part-time and seconded employees. The EMS also contains commitments to encourage good environmental practices from JAB’s Portfolio Investments. Personnel are expected to act in a manner that will enhance JAB’s reputation for honesty, integrity and reliability. The EMS applies in all countries in which JAB operates or conducts business. When the laws of those countries require a higher standard, the local standards will take precedent.
- 1.4 The purpose of this EMS is to set out JAB’s commitment and approach to ensure environmentally sustainable business practices. The EMS provides an organizational framework for monitoring, detecting and reporting approach to incorporate its environmental objectives into its day-to-day activities.
- 1.5 Within this EMS, material environmental issues are those issues that JAB, in its sole discretion - determines to have, or potentially have a substantial impact on the environment and that impact JAB’s ability to create or preserve economic value, as well as environmental value for all stakeholders.
- 1.6 To identify material environmental issues, JAB is committed to consult with all of its stakeholders.
- 1.7 This EMS will be reviewed periodically and updated, as appropriate, to reflect JAB’s environmental strategy, targets, investment philosophy, and to ensure continued compliance with applicable laws and regulations.
- 1.8 If Employees violate JAB’s policies and procedures or any of the laws that govern JAB’s business, JAB will take immediate and appropriate corrective action up to and including termination of employment or other engagement as the case may be, claims for reimbursement of losses or damages and referral to criminal authorities.
- 1.9 The EMS is not exhaustive with respect to all environmental commitment(s) and requirements.

2. INTRODUCTION

- 2.1 JAB is a privately held global investment firm focused on consumer goods and services. JAB has six offices globally and a limited number of employees. The core business is concentrated on managing a pool of capital invested into a number of Portfolio Investments. As an investment firm, our day-to-day activities have intrinsically very limited environmental impact.

- 2.2 Indirectly, JAB can influence its impact on the environment through its Portfolio Investments. The Portfolio Investments are typically in the consumer goods and services sector, which could have a negative environmental impact. JAB aims to contribute to responsible product and service offerings of its Portfolio Investments through its asset management activities. Accordingly, JAB incorporates environmental considerations into investment decision-making and ownership practices across its majority owned Portfolio Investments. JAB's responsible investment and asset management activities are set out in more detail in the Responsible Investment & Stewardship Policy.
- 2.3 JAB has performed an impact and risk assessment to identify whether there are areas in its business and operational activities that could have a significant environmental impact. JAB identified four material ESG topics, of which Climate Change & Energy is one of them. JAB's focus is currently on Greenhouse Gas ("GHG") emissions reduction, in line with achieving the goals of the Paris Agreement. The most material topics identified in the impact assessment were GHG emissions and energy usage. Subsequently, JAB has defined focus areas in which it has the highest potential to reduce and/or offset its GHG emissions. These are (1) Portfolio investment emissions; (2) Energy use in JAB buildings and offices; and (3) Business travel. The focus areas are translated into JAB's objectives and targets as described in section 4.

3. GOVERNANCE

- 3.1 Good corporate governance and effective management are essential to the successful implementation of this EMS and ensuring its alignment with the Company's environmental strategy and goals. JAB integrated ESG governance, including EMS, into the organizational structure.
- 3.2 The Managing Partners hold strategic responsibility over the ESG strategy. They determine JAB's ESG priorities, approve KPIs and targets.
- 3.3 The Head of Responsible and Sustainable Investing is responsible for ensuring the implementation of JAB's ESG strategy (which includes environmental topics), implementation of and compliance with JAB's ESG policies, including the EMS. Furthermore, the Head of Responsible and Sustainable Investing is responsible for monitoring progress, addressing environmental issues in business operations and encouraging Portfolio Investment implementation of effective environmental initiatives. He/she also monitors the identification and management of environmental risks that the Portfolio Investments have identified and discusses Portfolio Investments' progress in dealing with such environmental risks with the Managing Partners. This is set out in more detail in the Responsible Investment & Stewardship Policy.
- 3.4 The General Counsel is responsible for ensuring compliance with all relevant environmental laws, regulations, rules and professional standards applicable to JAB and identifying any risk of non-compliance within JAB based on the requirements imposed by laws and regulations (if any).
- 3.5 Management of the Portfolio Investments is ultimately responsible and accountable for inclusion of material environmental issues in their strategy, business operations and processes.

- 3.6 JAB fosters organization-wide awareness over JAB's environmental commitments, objectives, targets and the EMS by clearly communicating its importance for the organization as well as the impact it has on a local and global level.
- 3.7 JAB strives to ensure its Employees are committed and have the required skillset to work towards meeting the organization's environmental targets and objectives by providing them with periodical ESG training, including environmental requirements and developments.

4. OBJECTIVES, TARGETS AND DEADLINES

- 4.1 JAB sets its environmental objectives taking into account the nature and size of the activities of the business and translates these into targets with proposed deadlines. The objectives and targets relate to the identified focus areas as part of the impact and risk assessment performed. Key environmental objectives and targets for managing JAB's environmental performance are reviewed and updated at least annually. Updates on JAB's environmental objectives and performance are published as part of the publicly available half-year and yearly reports.
- 4.2 JAB has committed to the Science Based Target (SBTi) initiative and developed a GHG emission reduction plan. SBTi provides JAB with the framework to guide emissions reductions for JAB itself and to its portfolio investments. By 2025, a minimum of 80% of JAB's portfolio companies will have set SBTi approved targets, increasing to 95% by 2030.
- 4.3 JAB will improve the energy efficiency and substitute energy sources used by JAB offices to achieve a reduction of Scope 1 & 2 GHG emissions with 46.2% by 2030 versus its 2020 base year. As part of this ambition JAB will move to 100% renewable energy by 2025. One office already has transitioned to the use of renewable energy.
- 4.4 In order to reduce emissions from business travel, JAB actively supports its employees in electing low emission travel options (e.g. by enlisting to government schemes to use the bicycle to commute to the office, offering lower emission options such as travel by train). Furthermore, JAB actively encourages remote working and virtual meetings for all team members during periods and occasions that do not require critical face-to-face business interactions. Next to that, for all emissions remaining after these initiatives, JAB purchases carbon credit offsets through a high-quality offsetting supplier.
- 4.5 JAB implements environmentally responsible office practices to reduce emissions and waste and promote circular economy practices. These include but are not limited to the use of technology to optimize energy usage, optimization of waste through recycling and digital-first ways of working, recycling, and purchasing goods from local suppliers.
- 4.6 JAB also deems it important to assess and manage climate related risks and opportunities for the Company and its Portfolio Investments. For that purpose, JAB has become a formal supporter of the Task Force on Climate-Related Financial Disclosures (TCFD) and is engaging with its Portfolio Investments to support TCFD implementation at that level as well.

5. MONITORING, REPORTING AND DISCLOSURES

- 5.1 Environmental performance is covered by the internal and external monitoring, reporting and disclosure procedures set out in JAB's Responsible Investment & Stewardship Policy.

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ANNEX 1

I. LIST OF DEFINITIONS

1. In this Environmental Management System, the following terms have the following meanings:

CFO means the Chief Financial Officer of JAB.

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) and its direct wholly owned subsidiaries.

Code of Conduct means the code of conduct of JAB.

Employees means any director, officer, full-time, part-time and seconded employee including any third-party contractor, who receives or is entitled to receive remuneration for goods or services from JAB.

ESG means Environmental, Social, and Governance.

EMS means this Environmental Management System which includes the Environmental Policy.

Finance department means the Finance department of JAB.

GHG means greenhouse gases.

Head of Responsible and Sustainable Investing means the Head of Responsible and Sustainable Investing of JAB.

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) and its direct wholly owned subsidiaries.

KPI means key performance indicators.

Managing Partners means the managing partners of JAB.

Personnel means any director, officer, full-time, part-time and seconded employee including any third-party contractor, who receives or is entitled to receive remuneration for goods or services from JAB.

Portfolio Investments means the companies in which JAB invests in.

Principles for Responsible Investment means the six investment principles for responsible investment.

RPO Policy means the responsible product offering of JAB.

Subsidiary has the meaning attributed to it in Section 2:24a of the Dutch Civil Code.

2. Save where the context dictates otherwise, in this EMS:
 - (a) unless a different intention clearly appears, a reference to a Clause or Annex is a reference to a clause or annex of this EMS;
 - (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 EMS are inserted for ease of reference and do not form part of this EMS for the purpose of interpretation.