J | CP
JAB Consumer Partners

EU SUSTAINABLE FINANCE DISCLOSURE REGULATION

JAB Consumer Fund Management S.à.r.l. ("**JCFM**") is authorized as (i) Alternative Investment Fund Manager under Article 5 of the law of 12 July 2013 on Alternative Investment Fund managers, as amended; and (ii) Management Company according to Chapter 16 of the law of 17 December 2010 relating to Undertakings for Collective Investment, as amended.

JCFM is required to make the following disclosures in accordance with Article 3, 4 and 5 of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR").

Transparency on Sustainability risk integration

Pursuant to Article 3 of SFDR, JCFM is required to disclose how it integrates sustainability risks in its investment decision-making process.

A sustainability risk is a type of financial risk that firms are expected to consider during their investment decision-making process. Sustainability risk is defined under SFDR as an environmental, social or governance event that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

Environmental Sustainability risks are mainly linked to events which may be divided into two categories: physical risks and transition risks. The physical risks are risks resulting from climatic events, such as wildfires, storms, and floods, whereas transition risks result from the society's response to climate change such as policy action taken to transition the economy (e.g. transition off of fossil fuels). Physical risks are both acute (more extreme weather and climate events) and chronic (temperature increases, sea level rises, ocean acidification, disrupt ecosystems).

Social sustainability risks may include gender discrimination, child labour, violation of human rights or barriers to a diverse and inclusive workspace, while Governance Sustainability risks may include unethical behaviour, bribery, breach of data privacy, and remuneration or regulatory and/or tax compliance issues.

The impacts following the materialisation of a sustainability risk may be diverse and may vary in significance depending on sectors, industries, and geographies.

Assessment and monitoring sustainability risk has been widely integrated into the investment decision-making process and risk monitoring of JCFM, ensuring that:

- During the pre-investment phase, material sustainability risks are identified during the due diligence process and as applicable during the investment decision process;

- Evolution of the sustainability risks of the assets held by the Funds is monitored;

The sustainability risk assessment is based on Key Risk Indicators ("**KRI**") performance. KRIs are assessed based on data collection from the sustainability / corporate social responsibility reports and publicly available information of each Portfolio Company. It allows to assess whether or not each Portfolio Company is addressing the sustainability issues at stake.

JCFM has further adopted an exclusion strategy, where controversial sectors such as weapons, coal mining, narcotics, companies involved in illegal wood logging and deforestation.

No consideration of adverse impacts of investment decisions on sustainability factors

At this day, JCFM does not consider principal adverse impacts of investment decisions on sustainability factors in the way it is prescribed by Article 4 of SFDR. The decision taken by JCFM is based on the and/or quality of data available to properly assess the potential adverse impacts.

JCFM is monitoring the development of the topic and is in regular exchange with the representatives of the assets held by the Funds on an ongoing basis.

Once JCFM concludes in its regular assessment that the quality of available data is sufficient, it will re-assess its decision.

Integration of sustainability risks in remuneration policies

The Remuneration Policy of JCFM supports an appropriate management of all relevant business risks by inclusion of sustainability risks as defined under SFDR. Sustainability risks reflect the relevant environmental, social and governance and are defined in such a way that the remuneration structure does not encourage risk-taking in relation to direct or indirect sustainability risks which is not in line with the internal risk limits or with the risk profile of the Funds.