

Responsibility Report 2022



Contents

Overview **3**

CEO foreword	4
Montagu at a glance	5
Our portfolio at a glance	6
Our values	8
Our ESG journey	9
2022 highlights	10

Our responsible investment approach **11**

ESG throughout the investment lifecycle	12
Our ESG topics framework	14
Governance of ESG	15
Collaboration as an accelerator of change	17

Responsibility in the portfolio **18**

Driving sustainability performance in our portfolio	19
Our portfolio communities: Montagu Connect	25
Our focus areas for engagement	26
Sustainability-linked loans	35

Responsibility at Montagu **36**

Driving sustainability performance in our operations	37
--	----

Appendix **44**

Case Studies

ISI Emergency Markets Group	22
ITRS	24
Nemera	28
HTL	29
Open GI	32



1 Overview

CEO Foreword

Montagu at a glance

Our portfolio at a glance

Our values

Our ESG journey

2022 highlights

CEO foreword

Over the past 55 years, Montagu has invested continuously in the private markets with a focus on finding and growing businesses that make the world work.



Over the last year, Montagu has made continued progress in embedding ESG across the investment lifecycle and improving the sustainability performance across the portfolio and within Montagu. As I take on the role as the new CEO, I am excited about the next phase in driving value from ESG for all our stakeholders.



Ed Shuckburgh,
Managing Partner - CEO

We invest in companies that improve health outcomes or use new technology to improve the delivery of essential products or services. Our investments include businesses that restore eyesight, repair limbs, support charity fundraising and contribute to carbon reductions by enabling remote machine-to-machine connectivity or more efficient marine transportation.

We fundamentally believe that we have a part to play in addressing the challenges of our time, of which ESG is one of the most critical. Montagu, as a private equity firm, can play a major role in supporting its portfolio companies to identify and manage ESG risks and opportunities to drive long lasting value.

We are therefore embedding our ESG diagnostic and development of ESG action plans into our broader 'Full Potential Plan' approach and work with management teams to provide one clear, comprehensive value creation plan. We also continue to support companies to implement action plans and update them to meet new challenges and opportunities, through direct engagement, training, sharing of resources and templates, providing access to a wide network of consultants and experts, and connecting portfolio companies with each other.

Building on last year's successes, Montagu Connect – our online forum to enable portfolio companies to collaborate – has expanded to add to the already established Human Capital Connect Community and D&I working groups. The communities on Montagu Connect now include Sustainability, Talent, and Future Leaders. The feedback from these remains exceptionally positive and highlights the benefits Montagu brings to our portfolio companies. We are looking to introduce additional communities in 2023.

One of the key focus areas for 2022 for Montagu continued to be climate change. Montagu was one of the first private equity firms to commit to setting science-based carbon reduction targets and I'm very proud that last year the majority of companies in our latest fund started the process to set their own targets.

We know collaboration can be an important accelerator of change. As such, Montagu has joined and been an active participant in many industry and international groups to learn and be part of driving best practice across the industry.

While we have made tremendous improvements, we recognise that this is an evolving journey and that we can always learn and improve. To accomplish our commitments and ambition, it is important we have the right knowledge and tools across the firm, to address the dynamic changes presented by ESG factors. This applies to our investments, as well as to Montagu itself.

We have provided further training to the deal teams throughout the year and enhanced our proprietary tools to improve our assessment of ESG opportunities and challenges during the investment process, including updating our ESG due diligence guidance and developing a materiality matrix to support early assessments by deal teams.

Montagu has also continued to invest in building out our ESG team to be able to provide increased support and focus across the broad range of ESG topics. As well as this, the ESG Committee has evolved to include further stakeholders.

The Montagu Plan – our strategy for the environment, people and community – sets out our focus areas and progress at the firm-level. For example, we now purchase 90% renewable electricity across our offices and have made additional investment in the Montagu Academy and employee wellbeing, to attract, retain and develop talent.

This annual responsibility report is our opportunity to share the progress we made in 2022 towards meeting our ongoing and longstanding ambitions and commitments. It provides a comprehensive update on our work, the progress made, and the challenges faced. Our desire to be transparent and honest is reflected in the breadth and depth of data and insights shared. Building on last year's report, we have continued to align our climate reporting with the recommendations of the Task Force on Climate-related Financial Disclosures, which is now available as a separate report on our website.

Throughout our history, Montagu has continued to learn and evolve and while I am very excited by the progress we made last year, I'm even more excited by the opportunities ahead of us and the ambition the firm collectively has to continue to be among the ESG leaders in the private equity industry.

Montagu at a glance

Montagu is a leading mid-market private equity firm, committed to finding and growing businesses that make the world work. We invest in highly resilient assets with a must-have product or service in structurally growing marketplaces, and help to drive growth in partnership with management teams.

We have a shared belief that doing the right thing is consistent with creating long-lasting value. Our commitment to responsibility is embedded into the way we invest and manage our portfolio, as well as in how we operate as a business.

OUR INVESTMENTS



€12bn

AUM across 4 active funds

5
new
investments
in 2022

>50
years
in private
markets

>100
investors

28
carve-outs
since 2002

OUR PEOPLE



5

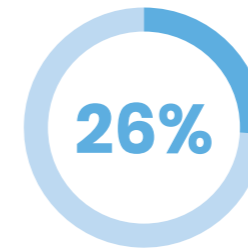
offices¹

22

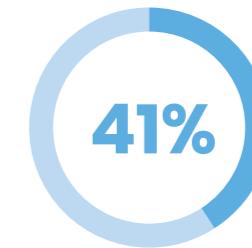
nationalities
across the firm

3

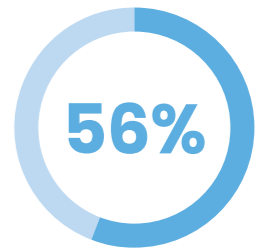
ESG team
members



growth
in employees



of manager
promotions are female



of new hires
are female

CLIMATE IMPACT



71%

reduction in Scope 1 and 2²
emissions since 2019
exceeding our 70% target



renewable energy
in London, Frankfurt & Luxembourg



carbon neutral

The data on this page refers to the calendar year 2022.

¹Please note that we opened a new office in New York in January 2023, which brings our total office number to 6 globally.

²The carbon footprint numbers cover both the Montagu Private Equity LLP and Montagu 'Full Potential Partners' entities. Scope 2 emissions refer to market-based Scope 2 emissions.

Our portfolio at a glance

Montagu specialises in carve-out and other first time buyout investments and has deep expertise in five priority sectors:

HEALTHCARE



Within healthcare, Montagu is focussed on 3 verticals:

- Med-tech products integrated and critical to a product or process.
- Healthcare software enhancing information, co-ordination and workflows improving patient outcomes.
- Healthcare services providing critical services on a local basis.

FINANCIAL SECTOR SERVICES



Businesses providing scalable services to multiple industry participants, which historically may have been done in-house.

CRITICAL DATA



Businesses with leading data sets that are critical to their underlying clients and embedded in core processes.

DIGITAL INFRASTRUCTURE



Businesses providing scalable services to in multiple different sectors, enabling them to participate in the digital economy.

EDUCATION



Businesses improving educational outcomes for students and improving the quality of the institutions that teach them.



Our portfolio at a glance

OVERVIEW

€24bn

enterprise value

16%

revenue growth in 2022

26

active portfolio companies

>2,450

net jobs created (FTE excluding M&A)

>25k

employed in the portfolio (headcount)

38

follow on acquisitions in 2022

7

countries (HQ locations)

RESPONSIBLE INVESTING HIGHLIGHTS

Climate

10

companies made a Board commitment to set a science-based target

77%

of portfolio companies measure Scope 1 and 2 emissions

D&I Employment Practices

62%

of companies have a D&I policy

73%

of companies have an employee engagement survey

Cyber Security

85%

of companies have a cyber security policy

11

companies have a cyber certification

Governance, Risk & Compliance

100%

of companies have a whistleblowing procedure

88%

of companies have a Code of Conduct

73%

of companies discuss ESG action plans regularly at the Board

73%

of companies have a sustainability working group

This report covers 26 portfolio companies, unless otherwise stated. Data refers to the calendar year 2022 performance of 25 companies in Montagu's active funds. For one company, some data is for the 12-month period ending May 2022. Portfolio-level statistics rely on self-reported data by portfolio companies. Detailed information on the performance of each fund and portfolio company will be disclosed to investors.



Our values

Guided by our values of **Honesty, Humility, Excellence and Courage**, we manage environmental, social and governance (ESG) considerations in our portfolio companies and at Montagu.

Honesty

How we behave should stand the test of changing times.

It takes courage to share what is relevant, however difficult.

Clear, bold and understandable decision making.

A responsible owner.

Humility

Assume we may be wrong rather than always right.

The firm is bigger than any of us; we are a collective endeavour, we change together for the better.

Everything can always be improved.

A learning organisation.

Excellence

Preserve & build on our combined experiences.

Be prepared to do what matters to meet the challenges of our time.

We are a meritocracy attracting, developing and retaining talent.

A dynamic meritocracy.

Courage

Have conviction and confidence in our actions.

There will always be imperfect information and perceived risk.

We can be bold, backed by our shared learnings and shared responsibility.

A decisive partnership.



*At the heart of Montagu's core values is the belief that there is always more to learn and something to improve. **Honesty, humility, excellence and courage**: these drive how we think, how we work and how we create value for our investors and portfolio companies.*



Jason Gatenby,
Managing Partner - Chair

Our ESG journey

Our ESG journey gained momentum when we became a PRI signatory in 2015. Since then we have continuously reviewed and evolved our approach.

2015

- Became a PRI signatory.

2017

- Inaugural ESG survey of portfolio companies.
- Delivered first ESG training for investment teams, now delivered annually.

2019

- Established the ESG Committee.
- Became carbon neutral.
- Became a UNGC signatory.

2021

- Expanded our ESG team.
- Committed to setting a science-based target.
- Launched Montagu Connect, an online collaboration platform for portfolio companies.
- Delivered a diversity and inclusion (D&I) roundtable and established a D&I working group with representation across the portfolio.
- Joined the ESG Data Convergence Initiative.
- Are an active member in iCI working groups developing climate training for investment teams and guidance for greenhouse gas accounting and reporting for private equity.

2016

- Developed and integrated Montagu's responsible investing framework 'CORRGI'.

2018

- First dedicated responsibility report for investors.

2020

- Significant reworking of Montagu's ESG framework to focus on material topics and climate.
- Established Montagu's environmental working group.
- Joined the Initiative Climat International UK network.

2022

- Further ESG team growth including adding deep governance and risk management experience.
- Embedded our ESG approach into our broader 'Full Potential Plan'
- Received validation from the Science Based Target initiative for our carbon reduction target.
- Co-chaired two iCI working groups, delivering a training deck on GHG accounting and reporting, and developing a guidance for Scope 3 accounting in the software and services sector.
- Launched Sustainability Connect, a community on Montagu Connect for individuals at portfolio companies working on sustainability initiatives.
- Facilitated the first sustainability-linked loan in the portfolio (3 in total in 2022).
- Updated Montagu's ESG due diligence guidance for the investment team, including embedding a proprietary ESG materiality matrix.
- Established internal cross-functional working groups to drive improvements in our responsible investment approach and firm-level sustainability initiatives.
- Received a SKA Gold rating for Montagu's new office, the highest SKA accolade for a sustainable fit-out.
- Won the Private Equity Manager of the Year Award in the 2022 Environmental Finance Sustainable Investment Awards.



In line with our belief that responsible investment creates long-lasting value for our stakeholders, in 2022, we have strengthened our approach to ESG integration across the investment lifecycle and made good progress, at the firm and portfolio level, against our commitments, such as our carbon emissions reduction target. Collaboration, internally within Montagu and as part of industry initiatives, has been a key enabler in driving continuous improvements.



Kim Woehl,
Head of Sustainability



2022 highlights

Collaboration and networks



We recognise that there is a lot of potential for our companies to collaborate and learn from each other. In 2022, we expanded Montagu Connect, our online collaboration platform for portfolio companies, with the launch of three new communities: Sustainability, Talent and Future Leaders' Connect. Across these communities, we have organised multiple webinars, working groups and in-person events to upskill and facilitate knowledge sharing.

We also value opportunities for collaboration on ESG-related topics with Montagu's investors and peers. That why, over the years, we have joined several industry initiatives, such as the Initiative Climat International (iCI), ILPA Diversity in Action initiative and the ESG Data Convergence Initiative (EDCI), to drive collective action and data standardisation at firm and portfolio level.

More information is available on page 25.

Climate and science-based targets



We are proud to be one of the first private equity firms to have our emissions reduction target validated by the Science Based Targets initiative (SBTi), confirming our commitment to acting on climate change and building sustainable businesses. We have already made significant progress towards this target, with 10 portfolio companies having made a Board commit to set a science-based target and a 71% reduction in firm-level Scope 1 and 2 emissions¹ (exceeding our 70% reduction target).

We have continued to actively participate in industry initiatives to drive best practice and transparency around climate, such as co-drafting the iCI's 'Greenhouse Gas Accounting and Reporting Guide for Private Equity', and co-chairing a new working group to develop Scope 3 GHG accounting guidance for the software and services sector.

More information is available on page 17 and page 27.

Sustainability-linked loans

In 2022, we put in place the first sustainability-linked loan (SLLs) in the Montagu portfolio. SLLs are loans that incentivise borrowers to meet their sustainability commitments and reduce their environmental impact. They also help companies demonstrate their commitment to sustainability. There are currently three SLLs in the portfolio, with two additional companies in the process of finalising loans.

More information is available on page 35.

Development of our approach to integration of ESG in investments

We continuously review our approach to ESG integration in the investment lifecycle to drive best practice. In 2022, we developed an enhanced due diligence framework, including a proprietary materiality matrix for Montagu's priority sectors, to provide deal teams and the Investment Committee with more support in ESG-related analysis and decision making. We also formalised our commitments to implement good governance principles and an ESG action plan as an integrated part of the value creation plan.

More information is available on page 12 and page 13.

Investing in good governance and risk management

In 2022 we continued to drive improvements in regard to governance, risk and compliance of our portfolio companies. We recruited two new 'Full Potential Partner' team members, Val Monk, focusing on Governance, Risk and Compliance and Mark Spiteri, Portfolio CTO, who has a focus on cyber risk among other technology-related topics.

More information is available on page 33 and page 34.

Gold SKA rating for our new London office



In 2022, we relocated our London operations to a new office space, to accommodate our growing organisation. This presented an opportunity to review the sustainability of our day-to-day operations, ensure that the office space meets the needs of our employees, and meet our environmental objectives. In light of our efforts, the Montagu London office has been awarded a SKA Gold rating², the highest SKA accolade for a sustainable fit-out.

More information is available on page 38.

Focus on physical and mental health

During 2022, we made significant progress in our approach to employee wellbeing at Montagu, focusing on physical and mental health. As part of this, we rolled out an online wellbeing platform, which includes access to a clinician-led employee assistance programme and rewards for healthy behaviours, and delivered bespoke mental health training for managers. We also prioritised employee wellbeing in the design of our new London office space, which contributed to our Gold SKA rating. We will continue to introduce further benefits, initiatives and training to support wellbeing.

More information is available on page 42.

¹Based on market-based emissions, as compared to a 2019 baseline.

²The SKA rating is a Royal Institute of Chartered surveyors (RICS) environmental assessment method, benchmark and standard for non-domestic fit outs. It helps landlords and tenants assess fit out projects against a set of sustainability good practice criteria known as good practice measures (GPM).



2

Our responsible investment approach

ESG throughout the investment lifecycle

Our ESG topics framework

Governance of ESG

Collaboration as an accelerator of change

ESG throughout the investment lifecycle

Responsible investment principles are at the core of Montagu's investment philosophy and are set out in our Responsible Investment Policy. ESG factors can represent both, an investment risk and an opportunity for value creation.

We, therefore, identify and manage material ESG factors across the investment lifecycle and implement responsible investment practices throughout the ownership period to deliver value at exit and enhanced returns for our investors. Throughout the ownership period, we build collaborative relationships with management teams to support them in meeting industry-relevant best-practice ESG standards and their stakeholder and Montagu expectations.



PRE-INVESTMENT

Identifying ESG risks and opportunities

During the pre-investment phase, Montagu screens any potential investment against its Responsible Investment Policy and seeks to determine the ESG factors relevant to each company, which form part of the investment decision.

- Screen against Montagu's exclusion list of prohibited sectors.
- Identify material ESG risks, opportunities and red flags using Montagu's proprietary materiality matrix and due diligence guidance.
- Complete the "Montagu ESG Grid" in the Investment Committee (IC) papers, setting out how the relevant risks will be addressed during further due diligence.
- Ensure appropriate ESG due diligence is conducted by third-party experts (when deemed appropriate).
- Discuss material ESG risk and opportunities, and the results of relevant due diligence, at the Investment Committee as part of the overall decision making progress.
- Depending on the materiality of the ESG risks identified, either develop a list of actions required to address post-acquisition, or pass on the opportunity.

Note from our investor



With a focus on long term returns, we believe that improvements in ESG ultimately contribute to a better financial and social return on investments for our clients.

We have found Montagu to be one of our best performing and most transparent Private Equity partners on ESG, and they clearly share our vision that responsibility drives returns.



— Harrie van Rijbroek,
Senior Director Private Equity,
PGGM Investments



OWNERSHIP

Managing and monitoring ESG

As part of Montagu's active ownership approach, we support our portfolio companies in improving their ESG performance.

- Discuss ESG risks identified during the pre-investment phase with the management team of the company immediately following investment.
- Complete an assessment against Montagu's Foundations for Good Governance and a full ESG diagnostic to establish a baseline and define priority topics for the company.
- Develop a company-specific ESG action plan, underpinned by KPIs, as part of the wider 'Full Potential Plan'. The plan is agreed with the management team and discussed at Board level.
- Include in the action plan (where relevant), in line with Montagu's science-based target (SBT) commitment, next steps to receive validation of an SBT.
- Explore agreeing a sustainability-linked loan.
- Provide ongoing support from the Montagu ESG team, to help meet action plans including:
 - Ongoing meetings throughout the year
 - Webinars and training sessions.
 - Access to resources and playbooks on relevant topics (from public sources and developed by Montagu).
- Ensure portfolio companies complete an annual ESG survey, reporting on standardised metrics (including carbon emissions) and progress against their ESG action plan.

EXIT

Continuing the ESG journey

In preparation for exit, we assess the ESG performance and progress made during Montagu's ownership.

- Demonstrate the value from improvements in ESG performance to buyers/future shareholders during the exit process.
- Encourage established good practice to continue under the future owner, in line with Montagu's values.
- Draft case studies, which include a summary of ESG progress made during the ownership period, in order to enable sharing of best-practice and knowledge within the Montagu portfolio network.

Our ESG topics framework

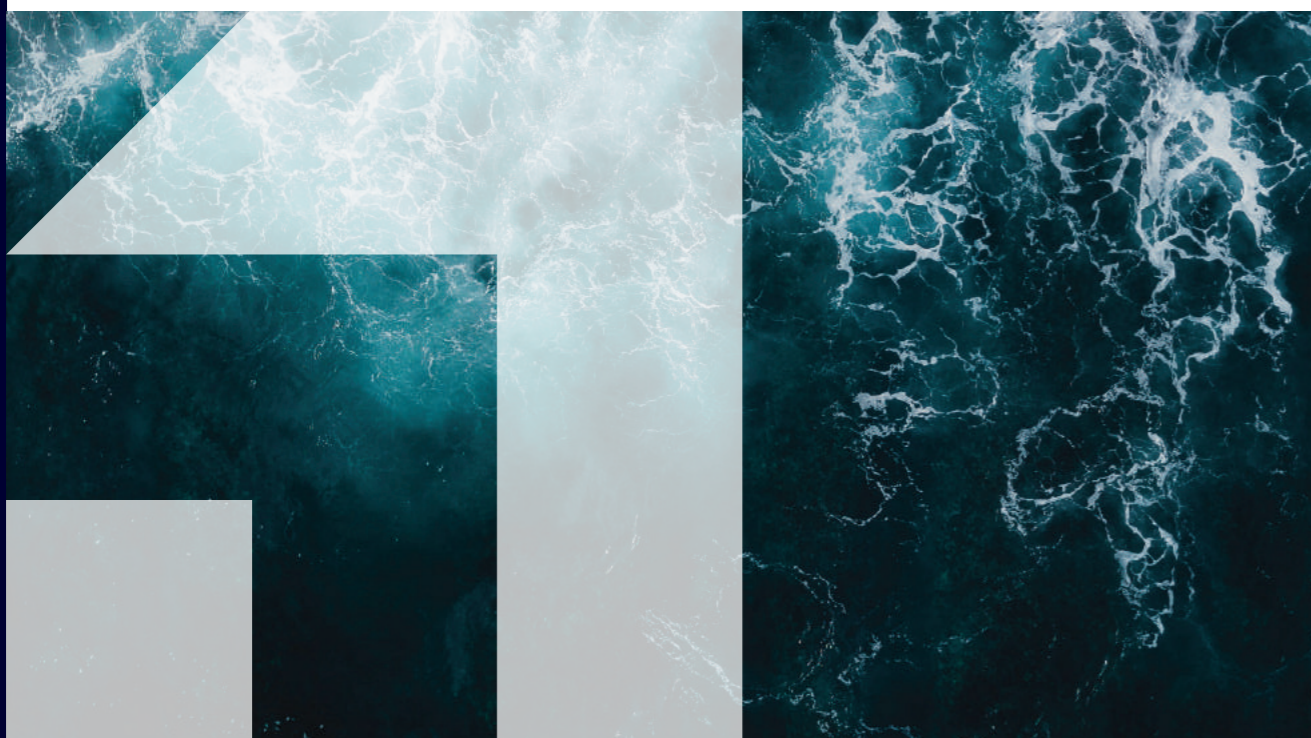
We are continually evolving a proprietary set of policies and procedures for the management of ESG and sustainability factors in the context of Montagu’s investment strategy.

Across all our investments, we categorise risks and opportunities most material to Montagu’s five priority sectors using the Framework set out to the right.

In 2022, as part of an update of Montagu’s ESG Due Diligence Guidance, we developed a proprietary materiality matrix based on this framework.

The matrix helps guide the investment team in conducting early assessments of likely material risks and opportunities for the specific sectors that Montagu invests in, and to scope further due diligence.

We review the framework and due diligence guidance on a regular basis.



	TOPIC AREAS	KEY AREAS
Environment 	Environmental Matters	<ul style="list-style-type: none"> GHG emissions Physical and transitional climate risks Energy management Waste management Water management Ecological impact
	Social 	People-related Matters
Value Chain		<ul style="list-style-type: none"> Human rights risks Animal welfare Supply chain management Responsible sales and marketing Product & service quality, safety and access Product design and lifecycle Raw material sourcing and efficiency
Governance 	Governance & Business Practices	<ul style="list-style-type: none"> Corporate culture and leadership Risk management Business ethics Research practices Cyber security and data protection Business continuity & disaster recovery Community relations and social licence to operate
	Law and Regulation	<ul style="list-style-type: none"> Regulation, tax and legal compliance Anti-bribery and -corruption Anti-competitive behaviour Sanctions and export control Intellectual property rights

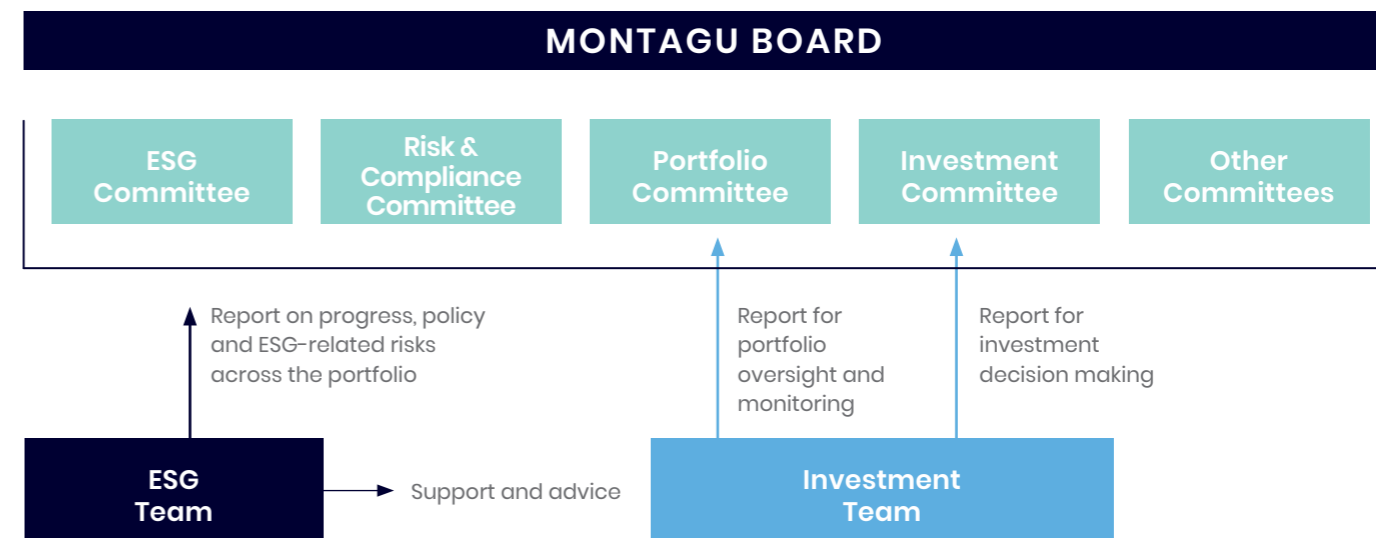
Governance of ESG

Montagu’s well-established and sound governance structure provides oversight of ESG implementation at a firm and portfolio-company level. The governance of ESG was further strengthened by the establishment of the ESG Committee in 2019 and the appointment of a Head of Sustainability in 2021. The ESG team has since grown to provide increased support and focus across the broad range of ESG topics and the ESG Committee membership has evolved to include additional stakeholders.

Montagu’s Board has ultimate responsibility for setting and delivering our ESG strategy. Sub-committees of the Board consider the application of ESG factors to the various aspects of Montagu’s investment decision making and operations, with support and advice from the ESG team.

Tim Cochrane, Head of the ‘Full Potential Partners’ team, is the designated Partner responsible for the ESG programme and has responsibility for ensuring ESG matters are appropriately considered in all these forums. Tim chairs our ESG and Portfolio Committees.

Decisions regarding ESG factors in the investment process are made by the Investment Committee. The Portfolio Committee provides guidance to investment team members on our engagement with portfolio companies. The Risk Committee manages ESG risks across our portfolio and operations.



Robust governance practices are key to successfully implementing sustainability and responsible investment. We have established a governance structure that we believe helps us meet our commitments and goals.



Alexandra Openshaw,
General Counsel



Governance of ESG

Responsible Investment Policy

Our Responsible Investment Policy outlines how we integrate key risks and opportunities across the investment lifecycle. It applies to all the funds that Montagu manages.

The policy was last updated in December 2022.

The policy acts as guidance on how we deliver better returns for our investors and better impacts for the environment and other stakeholders (such as employees and customers) through our approach to managing environmental, social and governance factors.

ESG Committee

Montagu established the ESG Committee in 2019.

The Committee provides senior cross-disciplinary oversight of Montagu's Responsible Investment Policy and strategy, and monitors ESG performance across the portfolio. It also ensures that investment teams have access to the right tools and training to competently assess ESG risks and opportunities and to engage with company management, including through Board positions, on material ESG topics. The ESG Committee meets at least quarterly.

ESG working groups

Internal cross-functional working groups help to drive improvements in our responsible investment approach and firm-level sustainability initiatives.

In 2022, we established two ESG working groups:

Responsible investment working group:

This working group consists of representatives from the ESG team, investment team and 'Full Potential Partners' team. The focus is on evolving processes and guidance for driving compliance, risk, governance and ESG improvements in our portfolio.

Sustainability working group:

This group consists of representatives from different teams across the business, including the ESG, HR and office management teams. This group is focused on enhancing Montagu's own sustainability initiatives, in line with the objectives set out in the Montagu Plan.

ESG objectives in the performance review

ESG objectives were introduced in 2022.

Investment team members (including Partners) are required to include an ESG objective in their overall performance objectives, in order to further enhance the knowledge and skills of the investment team and support their engagement with portfolio companies.

Training

Annual ESG training is mandatory for all investment team members.

We provide ESG training in a number of different ways, as part of our Montagu Academy programme.

- All new joiners at Montagu attend an 'Introduction to ESG at Montagu' session, with a further deep dive for new members in the Investment and 'Full Potential Partners' team.
- Additional training is provided throughout the year, including updates on new or revised requirements, commitments, and guidance, and on specific topics to enhance knowledge and skills. For example, in November 2022, we delivered a training for investment managers and directors on "ESG through the eyes of the C-Suite".

In addition, we share regular ESG updates and have established a shared library that contains guidance/playbooks, resources, templates and company examples, training documentation and more.



Understanding ESG risks and opportunities during diligence and then working with management to develop and deliver clear ESG strategies for their business is now fully embedded into Montagu's ways of working.

— Tim Cochrane,
Partner - Head of FPP,
Chair of the ESG Committee

Collaboration as an accelerator of change

We are active participants in key industry initiatives and engage with our peers to drive best practice, action and transparency across the industry.

Industry collaboration

We are contributors to industry working groups, including:

- Contributors to the iCI GHG Accounting and Reporting Guide (published in May 2022).
- Co-Chair of the iCI working group – Training Materials.
- Co-Chair of the iCI working group – Scope 3 Accounting and Reporting for the Software and Services Sector.
- Contributor to the Invest Europe’s ESG Reporting Guidelines (published in October 2022).
- Member of the EDCI working group – External Engagement.

Note from our investor



As a founding member of the ESG Data Convergence Initiative, Alpinvest was pleased that Montagu was an early joiner to this industry collaboration focused on streamlining ESG reporting in the private equity industry. This demonstrates Montagu’s commitment to be at the forefront of ESG.



Maaïke van der Schoot,
Head of Responsible Investment,
Alpinvest Partners



Collaboration with co-investors

Collaboration and alignment as co-investors can be a powerful engagement tool to drive meaningful change at portfolio companies.

We strive to build open, transparent and collaborative relationships with co-investors. After determining the engagement lead, we seek to agree the priority topics and align on data requirements as part of annual reporting. This means that we often combine data requirements into one survey to reduce the reporting burden on companies.

Once an action plan has been agreed with the portfolio company and with the support of the engagement lead, as co-investors, we have the opportunity to help accelerate progress through the shared Board positions and the support that we can provide.

Whether we are the engagement lead or not, we seek to implement the ESG standards that Montagu has defined for its portfolio.

We are proud members, signatories and supporters to the following organisations and initiatives:



Signatory of the UNPRI

As part of our commitment to ethical and responsible investing, Montagu has been a signatory to the UN Principles for Responsible Investment since 2015.



UN Global Compact

Since 2019, Montagu has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption.



Initiative Climat International

Since 2020, Montagu has been a member of the Initiative Climat International (iCI), committing to share best practices among private equity peers to help build and manage climate-aligned and resilient portfolios.



Responsible Investment Roundtable

The Responsible Investment Roundtable aims to promote responsible investment practices and the consideration of ESG issues throughout Invest Europe’s membership and the broader private equity community.



ESG Data Convergence Initiative

The ESG Data Convergence Initiative is an open partnership of private equity stakeholders committed to streamlining the private investment industry’s historically fragmented approach to collecting and reporting ESG data. Its mission is to create a critical mass of meaningful, performance-based, and comparable ESG data from private companies. Montagu joined the EDCI in 2021, which as of December 2022 has more than 260 General and Limited Partner members.



Task Force on Climate-related Financial Disclosures

Montagu is a supporter of the Task Force on Climate-related Financial Disclosures (TCFD). We are committed to work towards creating a more resilient financial system and safeguarding against climate risk through better disclosures.



ILPA Diversity in Action

As part of our commitment to advancing diversity and inclusion in the private equity industry, Montagu became a signatory of the ILPA Diversity in Action initiative in 2021.



Science Based Targets initiative

The Science Based Targets initiative (SBTi) is a global organisation that provides a framework for businesses to set ambitious carbon emission reduction targets, consistent with limiting global temperature rise to 1.5°C.

Please see page 27 for further information about Montagu’s climate change commitments and targets.



3 Responsibility in the portfolio

Driving sustainability performance
in our portfolio

Our portfolio communities

Our focus areas for engagement

Sustainability-linked loans

Driving sustainability performance in our portfolio

At Montagu, we consider it our responsibility to help our portfolio companies grow sustainably.

We are committed to active engagement with management teams on Environmental, Social and Governance (ESG) and Risk topics, to deliver long-lasting value for all stakeholders: customers, employees, suppliers, partners, investors, local communities and society at large. ESG factors can represent both an investment risk and an opportunity for value creation.

We, therefore, identify and manage material ESG factors across the investment lifecycle and implement responsible investment practices throughout the ownership period to deliver value at exit and better returns for our investors.

Note from our lender



Montagu has a leading emphasis on ESG, ahead of industry standard. Their approach is rigorous with ESG playing a meaningful part in the investment decision making process and management of the organisation. As active owners, there is significant engagement with underlying portfolio companies to drive change in ESG topics. Notably Montagu has set science-based climate reduction targets for their own business and for its portfolio to take action and monitor progress.



— Claire Hedley, ESG Director,
17Capital

17Capital

ESG is a key part of our Full Potential Plan Programme post investment, focusing on three main components:

OUR PORTFOLIO ENGAGEMENT APPROACH

1 Foundations for Good Governance (FFGGs)

We believe that successful and value-creating ESG management is built on solid governance practices. Conducting a gap assessment against our FFGGs and addressing any shortcomings is considered a priority post-investment.

2 ESG diagnostic & action plan

An ESG diagnostic can help to understand the priority topics for a company and to define its ambition and strategy. Based on the diagnostic, an ESG action plan is set, including detailed initiatives and targets over the short and medium terms. Setting a science-based carbon reduction target is a key consideration for the action plan for all companies.

3 Reporting and improvements

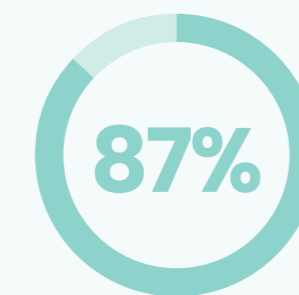
We engage regularly with portfolio companies throughout the year, including through an annual ESG survey, and monitor progress against their ESG initiatives and targets.

1. Foundations for good governance (FFGGs)

We believe that successful and value-creating ESG management is built on robust governance practices which will both protect and enable our portfolio companies.

We have therefore developed a set of core governance and risk management principles, Montagu's Foundations for Good Governance, which form part of the assessment during onboarding. We work with our companies with the aim to close any existing gaps against these Foundations within 12 months of acquisition. We then help the companies to identify areas for further growth or improvement and support them in doing so.

ROLES AND RESPONSIBILITIES	POLICIES	PROCESSES
Audit, tax, compliance, risk, and nomination and remuneration are addressed by the Board or a Board committee	Code of Conduct	Whistleblowing procedure
Nominated individual(s) responsible for ESG integration and/or each of the material ESG themes	Anti-bribery & corruption policy Cyber security policy	Risk register and reporting procedure
Sustainability working group	Sustainability policy	
Named person(s) responsible for compliance	Diversity & inclusion policy	



Compliance with Montagu's FFGGs across our portfolio



73%
2022
50%
2021



77%
2022
60%
2021



92%
2022
85%
2021

2. ESG diagnostic & action plan

A credible ESG programme builds on a solid understanding of the material risks and opportunities for a business and its value chain. Our sector-focused approach means we have a strong understanding of the ESG risks and opportunities common to our investments. However, it is important to understand what is material to each individual business, based on the sector, geography and maturity of its internal management processes, as well as its stakeholder needs.

That's why we conduct a dedicated post-acquisition ESG diagnostic in the first year of ownership, which is part of our 'Full Potential Plan'. Based on the outcomes of this diagnostic, we work in collaboration with management teams to develop credible action plans focusing on initiatives to address areas which are most material to the company. We identify meaningful KPIs and targets as part of the plan. These plans are owned by the management team and built into the management's broader business strategy.

We provide active support to portfolio companies throughout this process by sharing relevant templates and resources, delivering trainings and webinars on prominent areas and connecting companies with a network of trusted advisors. Furthermore, companies can connect with other companies in the Montagu portfolio via our dedicated "Sustainability Connect" community. This helps to facilitate collaboration and sharing of knowledge and learnings.



It is clear that ESG is increasingly becoming a strategic priority for portfolio companies. It has been exciting to see the increased engagement on ESG topics across the portfolio and individual sectors, and to work together to identify opportunities for enhanced risk management as well as value creation from ESG, for example through winning customer contracts, attracting and retaining talent, and managing uncertainty in supply chains.



— Kim Woehl, Head of Sustainability

3. Reporting and improvements

Regular reporting is an important tool to increase transparency, oversight and accountability. Robust reporting can be also an enabler for better risk management and to support decision making.

Therefore, as part of Montagu's Foundations for Good Governance, we require companies to establish a sustainability working group, that reports regular progress against the company's action plan to the Board.

We also regularly engage with portfolio companies on their ESG programmes and initiatives and assess their performance on core ESG metrics and themes on an annual basis, through our ESG survey.

We measure progress against common KPIs, including standardised EDCI¹ metrics, additional KPIs relevant to the sectors that we invest in and, where appropriate, against a company's own targets. The responses to the survey provide us with a better understanding of the maturity of our companies across E, S and G topics and the impact of our engagement, and help us to identify any existing gaps and areas where we can provide further support to help companies strengthen their sustainability performance.

The sustainability performance of companies is also shared with investors upon request.



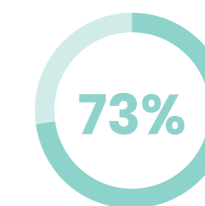
of companies respond to Montagu's annual ESG survey



Key Performance Indicators (KPIs) received on average per company in our annual survey



of companies have an ESG action plan



of companies discuss progress against ESG action plan regularly at the Board

CASE STUDY



ISI Emerging Markets Group is the leading provider of macroeconomic, business and industry intelligence on global emerging markets. The Group harnesses local expertise and relationships to deliver quality intelligence to its customers.

Developing an ESG strategy

Following Montagu's investment, and under the sponsorship of the CEO, ISI wanted to advance and accelerate the implementation of sustainability principles. With support from an external consultancy, and through engagement of stakeholders, ISI conducted an ESG diagnostic to define its own material ESG topics and ESG framework, as shown on the right. The ESG framework is underpinned by a detailed plan that sets out actions against four key priority areas:

1
Good governance

2
Employee development & retention

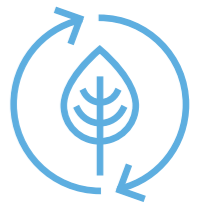
3
Diversity & inclusion

4
Carbon emissions

ISI's ESG Framework

OPERATING SUSTAINABLY

At ISI, we understand that our environmental impact can be tied up in many ways; from the data we store, to the ways we travel. We are committed to addressing our impact and making sustainable choices.



HARNESSING THE POWER OF OUR DIVERSITY

Our people are our most valuable asset. By harnessing the power of our diversity and nurturing and developing our talent, we are able to unlock the most valuable insights for our customers.



UPHOLDING STRONG BUSINESS VALUES

For us to operate sustainably, we must uphold ethical business values with good governance and risk management at the foundation of how we operate. Ensuring ESG is a part of our culture will only strengthen this.

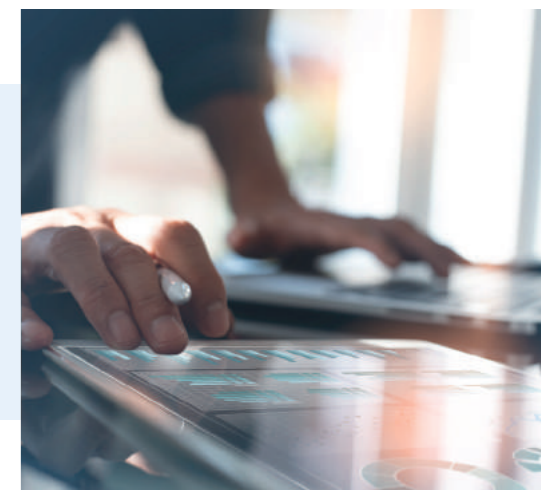


ISI has made the first steps to implement its strategy

The strategy was finalised in Q2 2022 and laid the foundations for several actions that have been implemented since, including:

- **Implementing ESG and D&I policies.**
- **Establishing a monthly ESG Committee comprised of senior leaders within the organisation.**
- **Monthly reporting to the Board via the CEO.**
- **Board commitment to set a science-based target (SBT) in 2023.**
- **Commissioning a carbon consultancy to measure emissions and set an SBT target and roadmap.**

With Montagu's support, the company continues to implement and evolve its strategy.



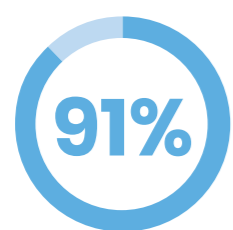
ISI Emerging Markets Group

People development and retention is core to the business

A key priority for ISI over the past year has been to create a high-performance culture that enables its people to feel supported in their training and development, with access to a structured career path. This is underpinned by a focus on inclusivity and engagement with employees on the topics that matter to them.

To support its people strategy, ISI has implemented several initiatives already, including:

- Implementation of structured performance plans and personal objectives for all employees. This helps ISI's people to have clear ownership of their career progression and the company to better track talent development across its offices.
- Defining a Diversity & Inclusion (D&I) plan that covers regulation and training, recruitment and selection, entry level talent, progression and development, and monitoring.
- Establishing a cross-territory D&I Management Group with responsibility for the Group's D&I agenda, meeting on a quarterly basis.
- Delivering unconscious bias training for all people managers and the executive team to build inclusivity into teams.



response rate to engagement survey

8.3
out of 10

average engagement score

9
out of 10

Average score against the statement "I feel welcomed and treated fairly irrespective of background, gender, ethnicity, sexuality or religious belief."

Embedding ESG into product development

As a leading provider of data, analysis and research, sustainability is central to ISI's business, bringing transparency and inclusivity to markets through its global network of local experts.

ISI is helping to drive sustainability outcomes beyond its own operations by supporting its clients with their ESG strategies through its data and API solution. For example, a large asset management firm uses ISI's data to quantify and measure ESG scores for 150 countries twice a year, which underpins the client's investment decision making.

ISI is working on expanding its ESG product offering in the next year.



I believe that ESG is about running a company properly. It provides a set of principles that help you to unlock the potential of a business and to motivate employees to have the drive to execute its mission. That's why it is foundational to our strategy at ISI.

Within the intelligence sector, ESG is also a product opportunity. I am particularly proud of the new datasets we launched this year that enable our customers to access a range of ESG data attributes as part of our wider macroeconomics offering.

— Stephen Pulley, CEO, ISI Emerging Markets Group

CASE STUDY



ITRS Group is a leading global provider of real-time monitoring and analytics software for the “always on” enterprise, used by >5,000 clients globally to manage their operations and ensure operational resilience. It has 25 years’ experience in supporting its customers to boost IT performance, manage operational risk and reduce costs.

By supporting customers to more efficiently manage their IT estates, ITRS Group’s products and solutions can also help to improve the energy efficiency of on-site IT infrastructure and cloud capacity.

25

years supporting “always-on” enterprises

>300

employees

>200

volunteering days in 2022

Embedding sustainability from the bottom up

With full support of the leadership team, the company has implemented a bottom-up approach in which employees feel empowered to own and drive local sustainability initiatives. This helps to embed accountability throughout the organisation and within the day-to-day roles of its people.

Individuals with designated responsibility for Environment, Diversity & Inclusion and CSR work with local champions and report into the Chief Financial Officer / Chief Operating Officer who has been designated as the executive responsible for oversight of ESG.

The company’s employee-led integration is supported by ITRS’ leadership ambition and oversight. ESG is now a standalone pillar of the company’s strategic operating model and is therefore an integral part of its decision making process.

Its people are the driving force at ITRS

Being an exceptional place to work remains a key priority for ITRS and this is embedded into its corporate values and approach to talent attraction and retention.

Building on the steps taken last year to improve employee engagement and satisfaction, further initiatives implemented this year include a mental health working group chaired by the Global Head of HR and nomination of a Diversity and Inclusion champion. The company is committed to engaging with local communities and fosters dedicated relationships, such as with the Drive Forward Foundation. ITRS has also introduced a volunteering policy that provides each employee with three dedicated volunteering days each year.

As a result of its continued progress, the company achieved Great Place to Work certification in 2022 and its London office was further recognised as a UK Best Workplace in Technology.

ITRS takes action to manage its environmental impacts

With the support of Montagu, a significant step taken by ITRS on climate change this year was a Board commitment to set a science-based target.

The company has already started to implement policies and initiatives to reduce its carbon emissions, for example by incorporating environmental considerations into its business travel policy.

In line with its employee-led culture on ESG matters, an environmental working group was established in which local champions from different offices can share ideas and best practices on how to reduce the company’s carbon emissions, as well as wider environmental footprint.

Looking ahead to the upcoming year, ITRS will focus on setting its science-based target for emissions reductions with a view to submit this to the SBTi for validation in 2023.



As the leadership team, we believe in the value that ESG integration delivers for all our stakeholders. I am particularly proud of the energy and passion that our employees show in driving our ambition and initiatives. That’s why we empower our employees to drive ESG initiatives from the bottom up, with the full support and overall oversight from the leadership team.



Iveta Cabajova,
Group CFO & COO, ITRS Group

Our portfolio communities: Montagu Connect



With our focus on healthcare, financial sector services, critical data, digital infrastructure and education, we recognise that there is a lot of potential for our companies to collaborate and learn from each other. Montagu Connect is our online collaboration platform for portfolio companies to connect share best practice and thought leadership, raise questions and exchange ideas. We have launched individual communities and organised online and in-person events throughout the year to facilitate networking, collaboration and learning.

These events, which include forums, trainings and webinars, are delivered through a mix of Montagu and external speakers, and presentations from portfolio companies themselves, with many more initiatives planned for 2023.

Throughout the year, we continued to grow our communities and look forward to building more connections in the year ahead.

Spotlight: Sustainability Connect

In January 2021, we launched Sustainability Connect, an online forum which brings together ESG and sustainability professionals across the portfolio to facilitate sharing of knowledge, experience and resources.

Based on input from the community, we have designed a programme of webinars to address ESG-related topics that are of interest and relevant to the portfolio. These have included sessions on carbon footprinting, external accreditation and reporting, and ESG regulations, delivered by both external experts and Montagu's ESG team. They have also included, where relevant, presentations from community members who shared their own approaches and experience.

Sustainability Connect has been positively received by our portfolio companies as an opportunity to connect and learn about the evolving ESG landscape.

Montagu Connect Communities

■ Launching in Q1 2023

SUSTAINABILITY CONNECT	HUMAN CAPITAL CONNECT	TALENT CONNECT	FUTURE LEADERS' CONNECT	GOVERNANCE, RISK & COMPLIANCE	TECHNOLOGY LEADERS' CONNECT	COMMERCIAL LEADERS' CONNECT
Brings together individuals who lead on ESG-related topics within their organisations, sharing and driving progress across the sustainability agenda.	Group of HR leaders across the portfolio who focus on people-related matters, including D&I.	Group of Talent and People Leaders who collaborate on a Talent toolkit for use in our portfolio companies. The first version of the toolkit was launched at the end of 2022, but this will continue to be updated in line with best practice.	A forum established each year for those who are nominated as future leaders within their organisations and who attend our annual Future Leaders event. The forum remains open to allow attendees to stay connected.	This community will provide a forum for those responsible for Governance, Risk and Compliance to share and drive improvements in governance and risk management, specific risk areas and compliance frameworks within the portfolio.	This community will bring together CTOs, CIOs and CISOs to discuss and support each other on topics like innovation, software engineering best practices, technology enablement, cloud migration and cyber security.	This community will bring together Commercial Leaders across the portfolio to leverage learnings related to growth within our sectors.

Our focus areas for engagement

We strive to help all our companies to understand their ESG risks and opportunities based on their sector, geography and the nature of their business model, and work with them to address these topics.

We have identified four topic areas across Environment, Social and Governance that we believe are relevant to all companies, regardless of the nature of their operations, and we work with our portfolio to ensure that these topics are adequately managed within their organisations.

CLIMATE

- We are committed to supporting the transition to a zero-carbon economy.
- We engage with portfolio companies to set carbon reduction targets in line with a 1.5°C pathway.
- We can assist in embedding ESG commitments and expectations internally and within supply chain management.



D&I AND EMPLOYMENT PRACTICES

- We recognise the value that a diverse workforce can bring and the importance of fostering an inclusive work environment.
- We are committed to enhancing D&I performance across our portfolio, as well as improving the wellbeing of employees.
- We promote effective, respectful and inclusive working cultures, as well as safe working environments, which require active management and investigation of risks.



GOVERNANCE, RISK AND COMPLIANCE

- We understand that well-governed companies grow more sustainably and have fewer issues.
- We work with companies to understand their risk and compliance profile and implement the appropriate boards, committees, risk management and reporting capabilities.



CYBER SECURITY

- Cyber incidents can adversely impact the operating performance of a company, and a poor or insufficient cyber security posture can create significant financial and reputational risk
- We are committed to working with portfolio companies to implement mature cyber security programs, as appropriate
- Given the right level of focus and investment, we believe that cyber security can safeguard business value



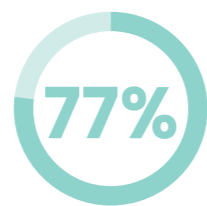
Climate

At Montagu, we recognise the urgent issue of climate change and are committed to our pledge to support the transition to a zero-carbon economy.

The changing climate poses risks to the operations and value chains of organisations. Companies need to adapt to changing expectations and enhanced scrutiny from stakeholders, including customers and regulators. But companies that implement credible carbon reduction plans can benefit from enhanced resilience and reputation within their markets.

80,300
tCO₂e

portfolio carbon emissions¹



of portfolio companies measure Scope 1 and 2 emissions



of portfolio companies have a climate policy²

Montagu published its first Task Force on Climate-related Financial Disclosures report as part of its 2021 Responsibility Report, which outlines our governance, strategy, risk management and metrics and targets related to climate risks and opportunities. Please refer to our 2022 TCFD report, published on our website, for further information.

In 2022 Montagu was one of the first ten private equity firms globally to receive validation of our science-based target (SBT), consistent with keeping global warming 1.5°C above pre-industrial levels.

Montagu has committed to³:

- 55% of its eligible private equity investments by invested capital setting SBTi validated targets by 2026, and 100% of its eligible private equity investments by invested capital setting SBTi validated targets by 2030.
- Reduce absolute Scope 1 and 2 GHG emissions 70% by 2030 from a 2019 base year. Increase annual sourcing of renewable electricity from 4% in 2019 to 100% by 2030.

Our engagement with portfolio companies on climate action and carbon reduction targets has led to 10 portfolio companies making a formal Board commitment (47% of invested capital), of which one company has already submitted its commitment to the Science Based Targets initiative (SBTi).

We will continue to work with the management teams of portfolio companies to measure carbon emission across the value chain (including Scope 3 emissions) and to set and meet credible carbon reduction plans in line with science.

We also continuously review our own practices to identify opportunities to reduce the carbon emissions from our operations and supply chain. To find out more about Montagu's climate action at a firm level, including our carbon footprint, please refer to the section "Responsibility at Montagu".

10
Portfolio companies made a Board commitment to set an SBT within 24 months

1
Portfolio company has already submitted its SBT for validation by the SBTi

2019

- Measured the carbon footprint of Montagu's portfolio for the first time.

NOVEMBER 2021

- Became a TCFD supporter.
- Submitted SBT for validation by the Science Based Targets initiative (SBTi).



JANUARY 2022

- Delivered carbon accounting training to portfolio companies.
- Became co-chair of ICI working group - Scope 3 Accounting for the Software and Services Sector.

DECEMBER 2022

- Following engagement with portfolio companies, 10 companies have made a formal Board commitment to set an SBT within 24 months.

NOVEMBER 2020

- Became an iCI member and joined two working groups (GHG Accounting and Reporting, and Training).



DECEMBER 2021

- Delivered training to the deal and FPP team on science-based targets.

APRIL 2022

- Published first TCFD report (as part of 2021 Responsibility Report).
- Received validation of our SBT from the SBTi.

¹Calculated based on Scope 1 and 2 (location-based) emissions. Prepared in line with the iCI and ERM Greenhouse Gas Accounting and Reporting Guide for the Private Equity Sector (2022).

²As a standalone policy or covered within the sustainability policy.

³Montagu's portfolio targets cover 95% of its total investment and lending activities by invested capital as of November 2021.

CASE STUDY



Nemera is a leading healthcare technology company providing drug delivery device solutions to billions of patients across 54 countries. Through its purpose of putting patients first, it seeks to deliver high-quality, safe and sustainable treatment solutions.

As part of early discussions and collaboration, co-investors Montagu and Astorg worked with Nemera to map out its material sustainability issues, define an ESG strategy and set a clear action plan to implement more sustainable practices.

>2,800
employees

6
manufacturing

>185
patent families developed

Carbon reduction is a priority for Nemera's ESG strategy

Healthcare systems together account for over 4% of global emissions, according to the World Economic Forum¹. For Nemera, this means the embodied carbon in its medical devices, related to materials and manufacturing processes.

Given this, climate change was identified as a priority for Nemera's ESG strategy. With support from its two investors, Nemera defined a holistic approach to minimising its impact on climate change, from calculating its carbon footprint through to identifying emissions reduction initiatives.

In 2022, Nemera cemented its climate ambition by submitting a decarbonisation target to the Science Based Targets initiative (SBTi) for validation (expected early 2023).

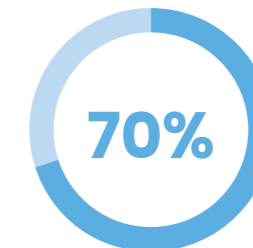
The target is underpinned by a series of decarbonisation initiatives which Nemera has already begun to implement, including:

- In 2022, Nemera purchased 100% renewable or emission-free electricity in France, Germany and the US and 78% renewable energy in Brazil. The aim is to purchase 100% renewable energy in Poland and Brazil in 2023.
- Efficiency measures in manufacturing sites, including switching traditional hydraulic injection molding presses to more energy-efficient electrical or hybrid presses, implementing LED-based lighting systems and reusing the heat generated by production for its on-site premises heating.
- Using advanced materials and technologies when building new sites.

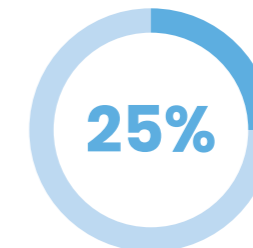
As a result, the company has cut its direct GHG emissions threefold between 2018 and 2020 and will this year take steps towards reducing its Scope 3 emissions through a series of pilot projects investigating the potential of eco-resins and circular products.



Emission-free electricity in France, Germany and the US in 2022



Reduction of Scope 1 and 2 emissions in 2021 from a 2019 baseline



Reduction of Scope 1, 2 and 3 emissions in 2021 from a 2019 baseline

Targets submitted in 2022 to the SBTi for validation

90% reduction of absolute Scope 1 and 2 by 2030

55% reduction of Scope 3, measured in kg CO₂ per unit of added value by 2030

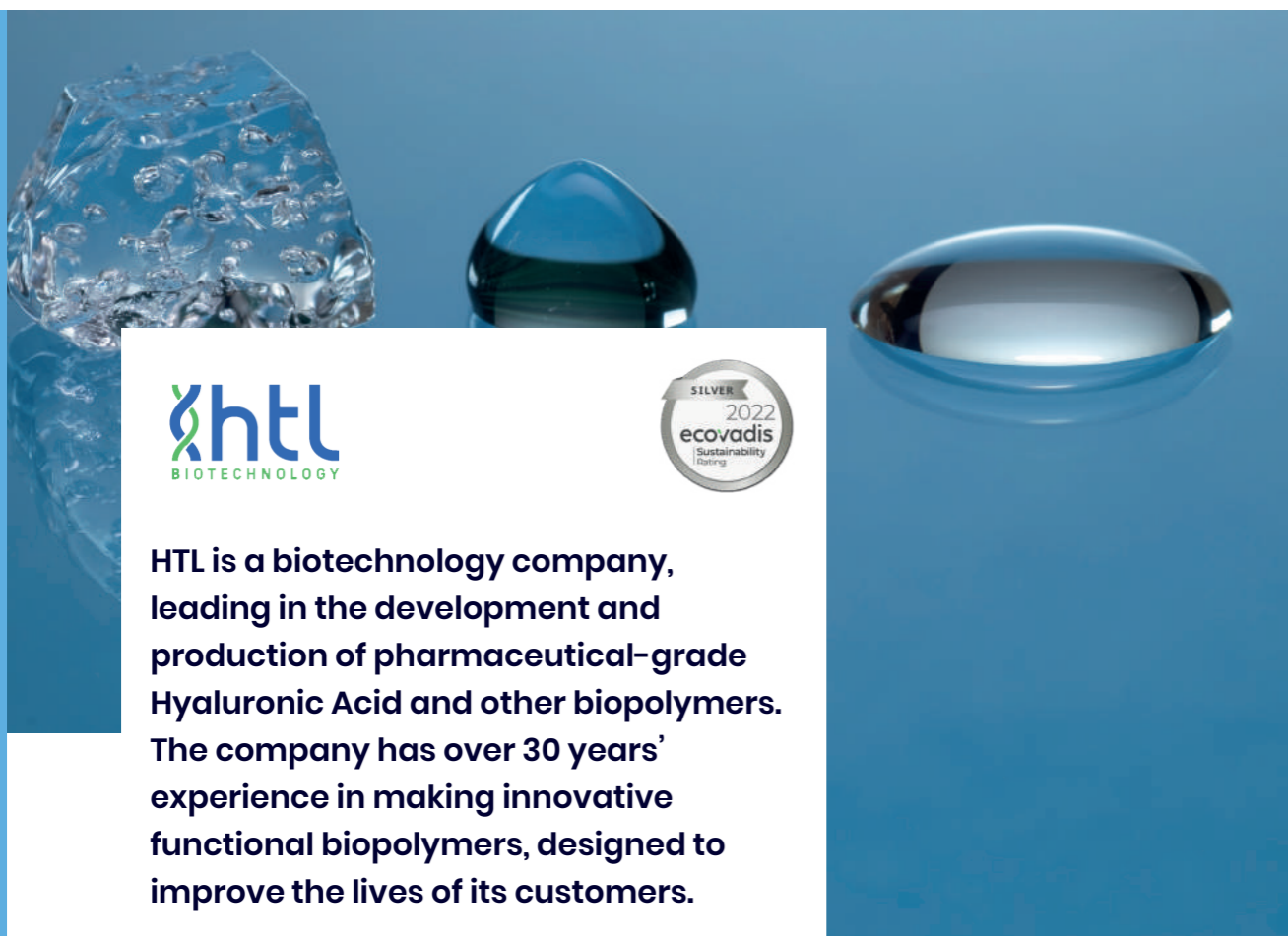
An additional initiative which Nemera is planning to implement is to certify its plants under the International Sustainability & Carbon Certification PLUS (ISCC PLUS), to further reduce their carbon footprint by encouraging the recycling of raw materials in the value chain.



ISCC PLUS is a global recognized standard for recycled and bio-based materials. ISCC PLUS certification provides traceability along the supply chain and verifies that companies meet environmental and social standards.

¹World Economic Forum, Working together to tackle today's healthcare challenges.

CASE STUDY



HTL is a biotechnology company, leading in the development and production of pharmaceutical-grade Hyaluronic Acid and other biopolymers. The company has over 30 years' experience in making innovative functional biopolymers, designed to improve the lives of its customers.

100+
customers

#1
global provider of
hyaluronic acid

~250
employees

Environmental risk management is a key priority

As a biotechnology company, HTL is dependent on raw material inputs to manufacture its products, making environmental risk management a key priority for its ESG action plan.

For that reason, one of the priorities identified in HTL's ESG diagnostic and roadmap was to conduct an environmental risk mapping assessment. The assessment was performed in 2022 with support of an external consultancy and covered both physical and transition risks.

Two critical risks were identified: raw material inputs and water availability.

HTL is committed to proactively contributing to managing the environmental issues facing society, including meeting the challenge of climate change by reducing its environmental footprint. The company has defined its Environment Ambition to guide action in three material areas: electricity, water and gas (see graphic to the right). Its data-driven approach means that the company can track progress against near-term targets. Each pillar is underpinned by an action plan detailing opportunities and initiatives that can be implemented to achieve the reductions.

Taking climate action

A carbon footprint exercise identified energy consumption as the most material emissions source and, as a result, this metric is now tracked through a dashboard and reviewed on a monthly basis by HTL's Environmental Committee.

Other actions taken to meet HTL's Environment Ambition this year included completion of a carbon footprint, an energy audit, and implementation of a new distillation column to reduce gas consumption.

HTL plans to set a science-based carbon reduction target in 2023.

HTL's environment ambition

Electricity	Water	Gas
<p>TARGET</p> <p>Reduce consumption of electricity per kg of HANa (product) produced by 30% over the period 2021 – 2026.</p>	<p>TARGET</p> <p>Reduce consumption of water per kg of HANa (product) produced by over 25% over the period 2020 – 2025.</p>	<p>TARGET</p> <p>Reduce consumption of gas per kg of HANa (product) produced by 30% over the period 2021 – 2026.</p>
<p>ACHIEVEMENT TO DATE</p> <p>Reduction of 15% achieved by end of June 2022</p>	<p>ACHIEVEMENT TO DATE</p> <p>Reduction of 10% achieved by end of June 2022</p>	<p>ACHIEVEMENT TO DATE</p> <p>Reduction of 10% achieved by end of June 2022</p>

Environmental risk management in practice

Conserving water usage

As a biotechnology company, HTL is reliant on water supply for its product manufacturing processes. With climate change posing a risk to local water supply, in 2022 the company started to implement a structured programme to reduce its demand for water in its production processes. The programme, for example, includes water recycling and treatment. In 2022, a new system was also designed and implemented to cool fermenters by reusing waste fluid, which reduced water consumption by 5%.

The company's continued efforts and ability to demonstrate tangible results of improved water efficiencies allowed the company to continue its production during the summer of 2022, when local authorities implemented restrictions on local water supply.

HTL continues to work toward improving its water consumption efficiency and is looking to accelerate water consumption reduction in 2023 by continuing to optimise the cooling system and cleaning processes. This will reduce its water consumption, by 12% per kg produced by the end of 2023.

D&I and employment practices

48%
Female
FTE across the
portfolio¹

Diversity and inclusion

We recognise the value that a diverse workforce can bring, including enhanced innovation, decision making and financial performance. That's why we are committed to enhancing D&I performance not only at Montagu, but across our portfolio companies.

In 2022, we continued to engage with our portfolio companies on diversity and inclusion in their organisations, for example as part of ESG diagnostics and action plans, and through Human Capital Connect, our online community for HR leaders across the portfolio.

Talent and employment practices

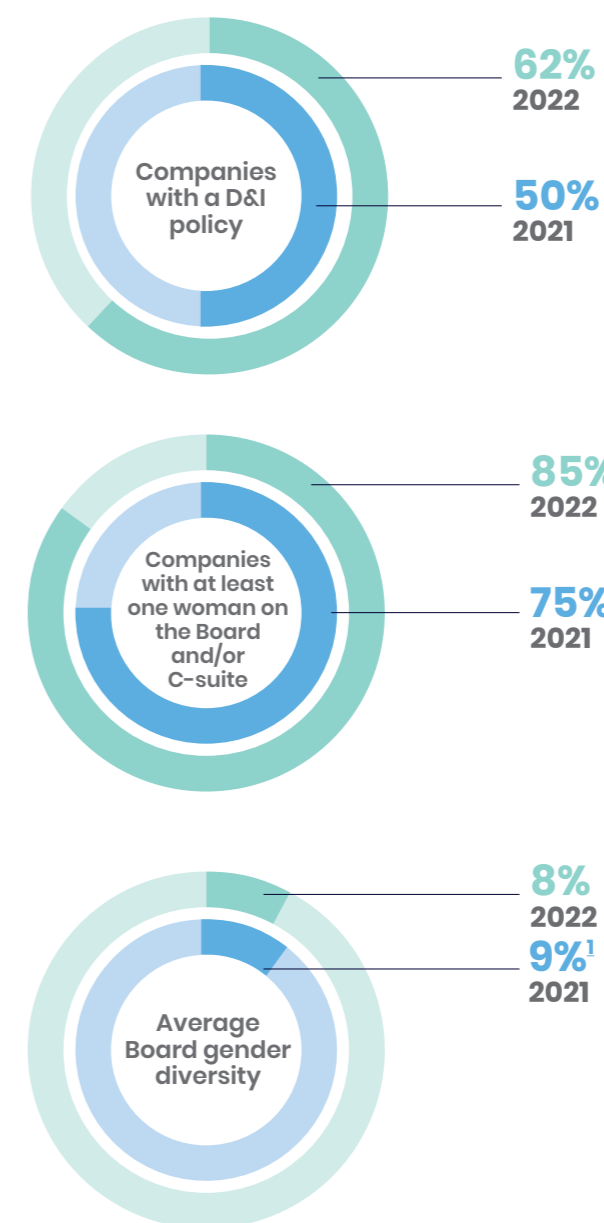
In 2022, we invited portfolio company HR teams to participate in the Talent22.io project. The aim of the project was to build a talent toolkit, a comprehensive document providing best practice guidance on topics covering the lifecycle of talent, from talent attraction and acquisition through to talent retention and development. This was delivered by a project team that comprised of Montagu's Talent team and representatives from portfolio companies. Talent Connect provided them a forum to exchange ideas on employment practices across the talent lifecycle, and remains a platform for continuous collaboration. The toolkit was launched in December 2022 and will continue to be developed by the community in line with industry best practice and company focus areas.



We are committed to equity and creating opportunities for people to realise their true potential. It all starts with our investment strategy to invest in sustainable businesses. Without people, there is no business. Working with our HR leaders across the portfolio on joint initiatives has created a highly engaged, diverse and collaborative community sharing knowledge and best practice on the strategic talent agenda.



— Lisa Telford,
Partner



¹This number has been restated based on a change in definition of the Board, in line with EDCI definitions.

The Future Leaders' Forum

Responsibility is at the heart of the way Montagu invests. We are deeply committed to creating long-term, sustainable value in the companies in which we invest, including creating a culture where people can thrive and achieve their full potential. The Future Leaders' Forum (FLF) was conceived to inspire and develop those who have been identified as high potential talent across the portfolio. The two-day conference provides participants with a unique opportunity to learn, share experiences and create an international network with fellow Future Leaders across the portfolio. In addition, participants have the opportunity to hear from C-Level guest speakers from the portfolio and take part in interactive case study discussions and presentations.

In October 2022, Montagu hosted its second Future Leaders' Forum, on the topic of Change Leadership in a VUCA world (VUCA - Volatility, Uncertainty, Complexity, Ambiguity). We were delighted to welcome over 40 attendees representing 20 Montagu portfolio companies. The group was truly diverse: with over 40% female Future Leaders in attendance, participants joined us from 14 different countries, including across Europe, the USA, India and Israel.

In a constantly changing world, the event provided participants with the opportunity to explore the ways in which effective leadership is key to successful business transformation. The cohort heard from four portfolio company CEOs who have successfully led businesses through significant transformation and participated in interactive breakout sessions facilitated by Montagu Partners.

To continue to inspire and develop attendees following the event, this year saw the launch of the Future Leaders' Forum network. FLF alumni are given access to a dedicated online community hosted on our collaboration platform, Montagu Connect, providing a forum for exchanging ideas and maintaining the network. Alumni are also invited to quarterly Townhall talks with Senior Leaders from across the portfolio, to continue to learn about the lessons they have learned from leading through change.

We look forward to welcoming the next cohort of Future Leaders to our third Forum in September 2023.



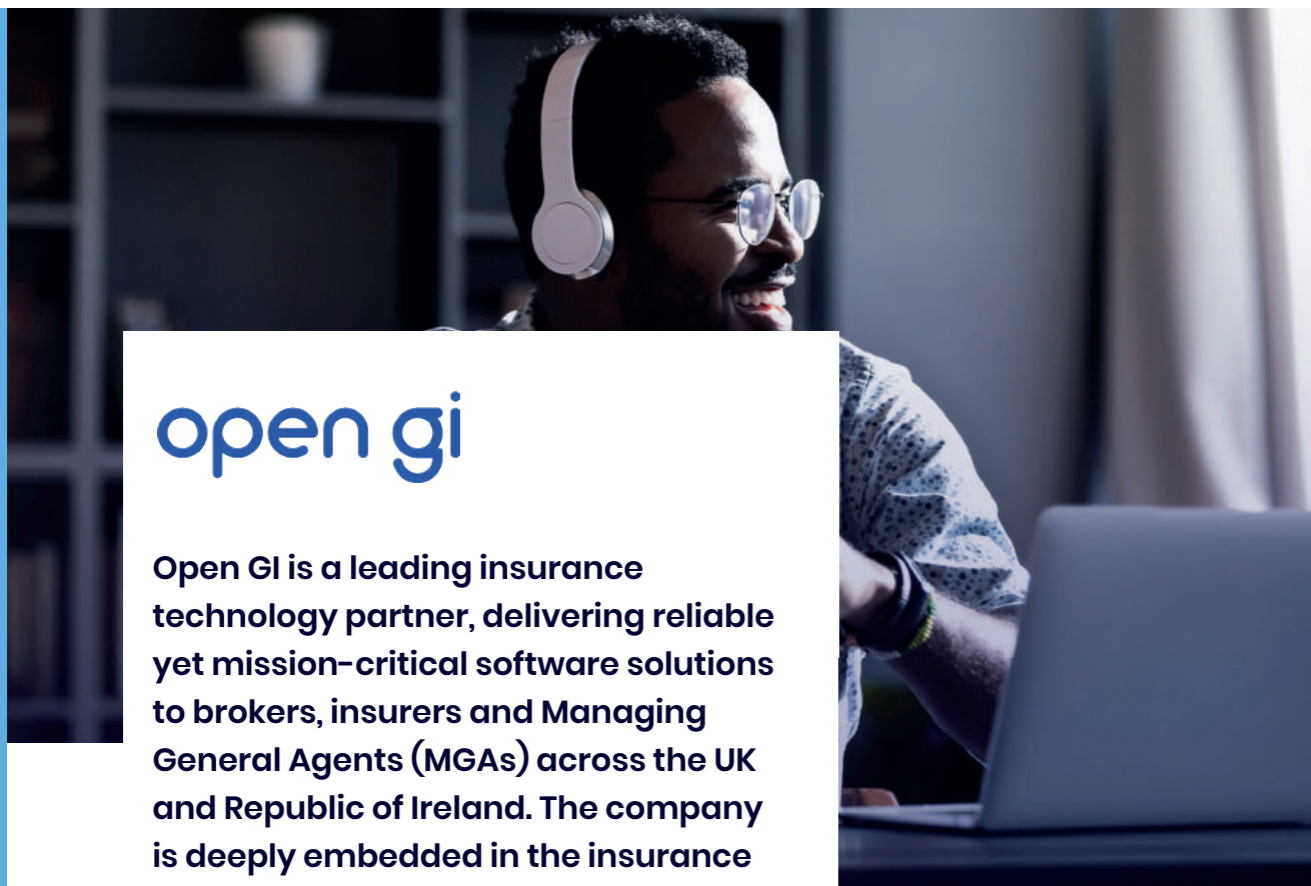
An inspiring and energising event, meeting and hearing from some interesting and engaging people which prompted lots of ideas to take back to the business.



The Future Leaders' Forum was an excellent opportunity to learn more about Montagu, its portfolio companies, and the challenges and opportunities of leadership. It was eye opening to hear from the CEOs of the portfolio companies and how they have approached leadership challenges. I feel fortunate to have been able to attend this event!



CASE STUDY



open gi

Open GI is a leading insurance technology partner, delivering reliable yet mission-critical software solutions to brokers, insurers and Managing General Agents (MGAs) across the UK and Republic of Ireland. The company is deeply embedded in the insurance technology market, proactively developing the products and services that enable its customers to write more and better-quality business.

>450
employees

33%
female c-1 employees

17%
female c-suite members



Our people are key to our success and that's why we place employee engagement and the wellbeing of all at the heart of what we do. Fostering an inclusive culture is central to our people strategy and is supported by the values we share. We are constantly reviewing and evolving our approach as we learn and develop new ways to create the most inclusive and satisfying place to work that we can. Montagu's advice and support, and the insights gained from its Human Capital Connect community, have been invaluable for us.



Bernie Pelster,
Chief People Officer, Open GI

Open GI is committed to being an inclusive employer, looking after the wellbeing of its employees and promoting diversity across the business. This is anchored in its holistic people strategy, which is considered a strategic priority.

Spotlight:
Diversity and inclusion

Open GI recognises that as well as being the right thing to do, valuing diversity supports innovation and team working, ultimately driving better customer outcomes and a more successful business.

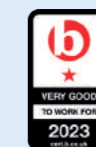
A foundational principle of Open GI's approach to people development has been to align with best practice frameworks and benchmarking. Since 2019, Open GI uses the Best Companies survey to gather employee insights, track year-on-year progress and guide prioritisation of investment. In 2022, the company received a One Star accreditation, representing Very Good levels of workplace engagement. The feedback from the benchmark helps Open GI to inform its People Development Strategy and to continuously improve the employee experience.

A Diversity, Equity and Inclusion (DE&I) forum will be established in early 2023. The forum is sponsored by Open GI's Chief Product Officer and meets on a bimonthly basis.

Key priorities for the forum in 2023 include:

- Rewording job descriptions to better include women and other under-represented groups in applying for roles.
- Reviewing and supplementing family-friendly policies and benefits, including adding a fertility support policy.
- Creating a DE&I data report to track recruitment, salary banding and promotion opportunities on a quarterly basis.

Specific initiatives that support the DE&I strategy include a women's mentoring programme, a Women in STEM promotion scheme and a dedicated Menopause framework. The framework includes a policy to support employees, regular events to provide time and space to share experiences, and champions to share advice and support.



Best Companies 2023:
Very Good Organisation

A 1 Star accreditation from Best Companies is a significant achievement that shows an organisation is taking workplace engagement seriously. Awarded to organisations with a BCI score of at least 659.5, the 1 Star accreditation signifies 'very good' levels of workplace engagement.

Spotlight:
Employee wellbeing

As part of its broader approach to supporting its people, Open GI has established an Employee Wellbeing strategy with three pillars covering financial, physical and mental wellbeing. Resources and materials on wellbeing across all three pillars are provided to all employees as part of a dedicated online Wellbeing Hub. There are dedicated champions for specific wellbeing areas, such as mental health and menopause.

This is supported by a continuous programme of events and activities for employees, for example, a campaign to improve physical wellbeing throughout 2023 and a series of seminars covering different aspects of financial wellbeing.

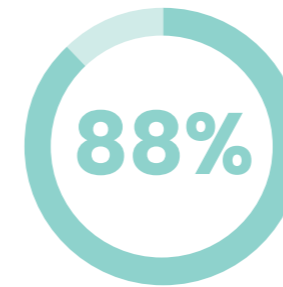
Governance, risk & compliance

We recognise that good governance is an essential enabler of business growth and sustainability, and that it takes both commitment and effort. In 2022 we continued to build our capability by recruiting a Governance and Risk Director to support the portfolio companies to meet and mature their Foundations for Good Governance, focus on risk management and to lead the GRC connect community.

We work with portfolio companies and deal teams to review risk registers, improve risk conversations and increase the maturity of risk management processes. When new companies join the portfolio, we work with them to assess their GRC capability and aim to complete the Foundations for Good Governance within 12 months.

Through the GCR Connect Community (to be launched in Q1 2023) we will continue to drive awareness, capability and improvement in GRC across the portfolio.

We also assess the maturity of risk and compliance programmes through the annual ESG survey and further deep dives into high-risk areas.



Understanding the risks and challenges within the portfolio and driving practical best practice to manage those risks is a tangible way to protect the portfolio, enable the portfolio companies and improve the experience of their employees, customers and stakeholders.



Valerie Monk,
Director of Governance and Risk



Cyber security

Cyber security is a key area of focus and interest for Montagu. All our portfolio companies are reliant on digital technology to function, and several are also software businesses. Good cyber security protects that ability to function and ensures that our portfolio companies can make the most of the opportunities that come with tech enablement.

For our software companies, we also take the responsibility they have towards their customers and partners seriously, and are committed to working with them to build software and solutions that are secure by design and protect the privacy of the data that they handle.

MONTAGU'S CYBER SECURITY PROGRAMME

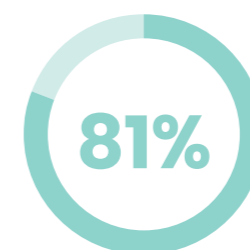
In 2022/23 we have expanded the scope of our Cyber Security Programme by surveying our portfolio companies across a set of areas pertinent to a strong cyber security baseline posture. Our enhanced Programme is a systematic and comprehensive approach to regularly assess and score cyber security maturity across eight areas:

1. Policy and procedure
 2. Network and infrastructure vulnerability
 3. Application vulnerability
 4. Endpoint and perimeter security
 5. Process controls
 6. People awareness and knowledge
 7. Incident response service provision and recovery
 8. Governance
- For software companies this is also further bolstered with:
9. Secure software design
 10. 3rd party technology risk detection
 11. Automated secure software engineering (SecOps) and Site Reliability Engineering (SRE)

It is our intent that each of our portfolio companies achieve a baseline of maturity across each of these areas, in line with industry best practices and in awareness of their particular risk profile. Where possible, and in addition to regular pen-testing of both infrastructure and software applications, we also encourage our portfolio companies to seek a formal certification such as Cyber Security Essentials Plus, ISO/IEC 27001/27002, or other regional alternatives. We value the ongoing focus that the associated audits bring, and we recognise that these help drive confidence and business growth.



85% of portfolio companies have a cyber security policy



81% of portfolio companies have a privacy policy

From 2022, our surveys, and as appropriate, the deep-dive interviews that follow, provide each company and its Board with a maturity score that reflects their operating risk and highlights areas for improvement. In addition to regular and periodic cyber security status Board updates, these can also drive Board-sanctioned investment and action plans which remediate and strengthen cyber security posture.

The power of networks

Enabling access to a network of experts and specialists:

Montagu also provides portfolio companies support through a network of recommended cyber security experts, interim CISOs, and specialist cyber security vendors; whose services range from comprehensive assessments to remediation activity, certification, provision of staffing and expertise, incident response services, IT infrastructure and architecture design, and addressing of software security debt.

Building a network across our portfolio:

2023 will also see us launch a Montagu Technology Leaders Network, with a key focus area being cyber security best practices and threat awareness.



Cyber security and awareness of it is central to the health and resilience of each of our companies, and it should be seen as a core element of the culture of the firm, and not just be a set of discrete activities.

Since joining Montagu in mid-2022, I have been impressed by the seriousness with which it is taken across our portfolio companies and look forward to continue collaborating to drive best practice.



Dr Mark Spiteri, Partner, Portfolio CTO

Sustainability-linked loans

Sustainability-linked loans (SLLs) are loans that incentivise borrowers to meet their sustainability commitments and reduce their environmental impact. 2021 and 2022 saw an increasing number of SLLs issued in the European Private Equity arena, a trend that looks set to continue going forwards across both direct lending and capital markets financing.

The incentive for the borrower to enter into an SLL is that there will be a pricing adjustment based on the borrower's performance against agreed sustainability criteria (that are specific to each company), thus providing an impetus for a borrower to improve its sustainability profile. Typically, a borrower will see a decrease in margin if it meets certain predefined targets, although pricing adjustments are often two-way so that if a borrower fails to meet its targets, then the margin will increase.

To date, Montagu has put in place three sustainability-linked loans. One of these is for IMV, a world leader in the manufacture of equipment and supplies used in animal reproduction and clinical imaging. IMV has had sustainability performance targets in place since December 2021, related to improvements in the percentage of biodegradable products sold, employee shareholders and waste reduction.

Two additional companies are currently in the process of finalising sustainability-linked loans.

Note from our investor



We have witnessed an increased flow of sustainability-linked loans globally, with private market players, such as Montagu, embracing sustainability-linked loans as a way to enable enhanced ESG performance of portfolio companies.



3
companies with
SLLs in place

2
companies working
to finalise SLLs

— Ares Management



Driving sustainability performance in our operations



4 Responsibility at Montagu

Driving sustainability performance
in our operations

Driving sustainability performance in our operations – The Montagu Plan

Our commitment to sustainability extends to our own operations as well as our portfolio. We continuously review our own performance and identify opportunities for improvement.

The Montagu Plan set out opposite summarises our key focus areas, which are set out to the right.



ENVIRONMENT

We are committed to reducing the environmental impact of our operations.

OUR IMPACT ON THE ENVIRONMENT

Objective:

Reduce Montagu's carbon footprint, including increasing recycling, reducing waste and developing awareness of 'green' solutions.



LIFE AT MONTAGU

We are committed to attracting fantastic talent, and supporting every team member with tailored professional growth and development to enable everyone to achieve success and fulfilment in their careers.

DIVERSITY & INCLUSION

Objective:

Promote diversity and inclusion across Montagu.

COMMUNITY ENGAGEMENT

Objective:

Positively impact our community and enable its development.

LEARNING & DEVELOPMENT

Objective:

Provide opportunities for employees to develop and advance their careers.

EMPLOYEE WELLBEING

Objective:

To maximise our employees' wellbeing.

 ENVIRONMENT

Our impact on the environment

Montagu’s environmental impact is relatively small compared to the portfolio, but we want to demonstrate best practice. We therefore continuously review our own practices to identify opportunities to reduce the environmental impact from our operations and supply chain, including our GHG emissions. From our own experience, we can also share knowledge and resources with portfolio companies that are working on reducing office-based emissions.

KEY ENVIRONMENTAL HIGHLIGHTS FROM 2022

Gold SKA rating for our new London office



With the organisation growing, we recognised the need for a larger, modern workplace that reflected our brand and promoted staff wellbeing and so, in 2022, we relocated to a new London office space. In every aspect of the design and move, we focussed on sustainability as one of our key considerations, and the office has been awarded a SKA Gold rating, the highest SKA accolade for a sustainable fit-out.

SKA’s standards cover energy, CO2 emissions, waste, water, materials, pollution, recycling, wellbeing and transport, and we met their criteria through choices such as use of high recycled content materials, adopting a biophilic office design, embracing natural light, and implementing energy saving measures including timed lighting solutions.

Furniture and electronics from our old office space were reused or donated to local charities.

Sustainable Events

We have implemented a set of principles for Montagu-led events, which provide guidance on how to limit the environmental impact of any events we organise. These include guidance on choices relating to venues, transport, catering and event resources. We are committed to implementing these principles, wherever possible.

Zero Carbon Couriers

In May 2022, we switched to using an environmentally focused logistics company to meet our courier needs for all UK and International deliveries (this has been in place for London deliveries since May 2021). They use a low emissions fleet of push and cargo bikes for local deliveries, recycled materials for storage and packaging, and consolidate deliveries to minimise the number of journeys made.

PLANS FOR 2023

In 2023, we are looking to review our environmental action plan and set out the next steps in our approach for reducing the impact of Montagu’s operations, in line with our objectives and our science-based target.

As part of this, we will continue to seek ways to further improve the sustainability (including energy efficiency) of our offices and events, and assess any changes which can be made to reduce environmental impacts in our supply chains.

GHG emissions

In 2022, we continued to work towards our science-based target of reducing absolute Scope 1 and 2 GHG emissions 70% by 2030 (from a 2019 baseline) and increasing renewable electricity usage to 100%. To date, we have **reduced our operational carbon footprint by 71% across our offices** (from a 2019 baseline), and use **100% renewable energy in our offices in London, Frankfurt and Luxembourg**, which accounts for approximately **90% of our total firm energy use**.

INDICATOR	2022
Scope 1 emissions, tCO ₂ e	16
Scope 2 emissions (market-based), tCO ₂ e	35
Scope 3: business travel, tCO ₂ e	744
Scope 3: Other (Water treatment, waste management, energy transport and distribution losses)	234
Total carbon emissions, tCO₂e (excluding investments)	1,021
Total carbon emissions, kgCO ₂ e per employee ¹	5,740
Scope 3: investments, tCO ₂ e ²	32,100

We have been carbon neutral since 2019 and, while we are working on reducing our emissions, we continue to offset any residual emissions.



¹Number of employees includes permanent employees and contractors.

²Financed emissions. Prepared in line with the ICI and ERM Greenhouse Gas Accounting and Reporting Guide for the Private Equity Sector (2022).

 LIFE AT MONTAGU

Diversity and inclusion

Montagu recognises the importance of diversity and inclusion, and we appreciate the value and creative potential that individuals of different backgrounds bring. We work hard to ensure equitable treatment in all aspects of working life, and an inclusive and supportive culture where differing views and experiences are respected. We firmly believe that such a culture significantly enhances our ability to provide quality to our investors.

KEY D&I HIGHLIGHTS FROM 2022

Continued to deliver our annual

Dignity at Work training.

Embedded inclusive leadership training

in our people leadership training.

Significantly improved our enhanced

paternity leave to provide 3 months of leave at full pay.

Partnered with recruitment agency

Dartmouth Partners and with Level 20 to engage in a recruitment event with female talent, with the aim of diversifying our Associate talent pipeline.

Joined GAIN (Girls Are Investors) and

recruited an intern for the 2023 Empower Investment Internship Programme.

Became members of Investing in Ethnicity

to work with experts to further progress our ethnicity agenda.

PLANS FOR 2023

- Conduct a strategic review of our current D&I plan and develop a 3 year D&I strategy in partnership with external experts to continue to enhance our approach.
- Establish a Montagu Inclusion Network.
- Review our employee value proposition through a D&I lens.
- Review and further strengthen our recruitment methodology and interview training for hiring managers and interviewers.
- Continue to develop and expand our unconscious bias programme.
- Introduce both gender pay reporting and voluntary collection of ethnicity data.
- Utilise "Investing in Ethnicity" resources to continue strengthening our D&I approach, including conducting a review of Montagu's current practices against their maturity matrix and participating in the Future Leaders Conference for networking and learning opportunities.
- Establish an internship alumni network to provide continued support and opportunities to connect with Montagu.



Having a first child is always a nervous experience; suddenly, items like paternity leave become important. Montagu's clear communication and support made it easier, including help with navigating and supporting shared parental leave.

Abhishek Kumar,
Investment Manager



Driving sustainability performance in our operations

LIFE AT MONTAGU

Diversity and inclusion

We are proud members, signatories and supporters to the following diversity and inclusion organisations:

Girls are Investors (GAIN)

In 2022, Montagu joined GAIN, a charity set up by investment professionals to improve gender diversity in investment management.



ILPA Diversity in Action

As part of our commitment to advancing diversity, equity, and inclusion in the private equity industry, Montagu became a signatory of The ILPA Diversity in Action initiative in 2021.



Investing in Ethnicity

In 2022, Montagu became a member of Investing in Ethnicity, an organisation supporting businesses in progressing the Ethnicity Agenda in their workforce and beyond.



Level 20

We're proud to support Level 20, a not-for-profit organisation set up in 2015, to inspire more women to join and to succeed in the private equity industry.

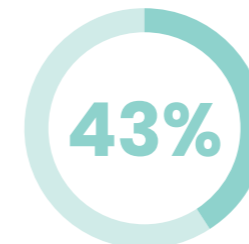


Out Investors

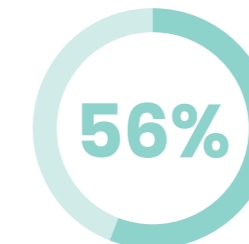
We are proud to be a member firm of Out Investors – a global organisation with the mission to make the direct investing industry more welcoming for LGBT+ professionals.



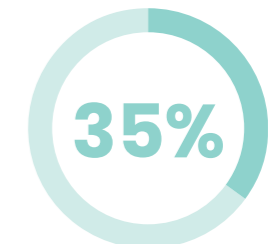
GENDER DIVERSITY AT MONTAGU¹



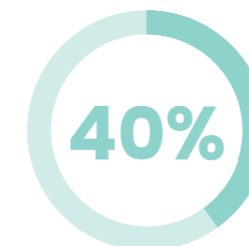
Female professionals across the firm



Female new hires across the firm



Female investment professionals²



Female new hires in the investment team²



Females across firm leadership (Partners and C-Level)

¹This includes Montagu Private Equity LLP and Montagu 'Full Potential Partners' (MFPP).

²Excludes C-suite investment team members.



From ensuring our wellbeing at work to providing maternity transition coaching and support throughout the pregnancy, leave and return to work. Montagu's comprehensive approach to maternity was invaluable through my pregnancies.

— Claudia Paniker Rumeu, Partner



Driving sustainability performance in our operations

 LIFE AT MONTAGU

Learning and development

We are a performance-driven learning organisation, and we place significant importance on the development of our people. Our aim is to create a continuous learning culture that drives excellence and inclusion, enabling everyone across Montagu to achieve their full potential.

KEY L&D HIGHLIGHTS FROM 2022

Provided bespoke team development support for newly formed teams and those experiencing change, to accelerate the route to team cohesion and high performance.

Further developed our Associate Programme across the UK, France and Germany offices, to offer additional training modules and expand job rotations to international Associates.

Provided ongoing development for Investment team members, including the introduction of new training modules to further deepen our focus on ESG, to maximise the effectiveness of our boards, to support our portfolio companies with inflation challenges, and to further develop interpersonal skills.

Extended the Montagu Academy to provide a behavioural learning offer to our non-Investment teams, with bespoke training modules provided for our FPP team and support teams.

Introduced a people leadership training programme for Line Managers in support teams and an introduction to management training programme for Investment Managers to prepare them for future roles.

Continued our Knowledge Forum, a regular meeting for Investment and FPP team.

>2300

hours of training provided in 2022

>22

average hours of training per investment professional

27

internships provided in Frankfurt since 2016

PLANS FOR 2023

- Continue our Associate hiring and learning programme and identify opportunities for further improvements.
- Broaden our coaching offer across the business and introduce an online platform to make coaching services more accessible.
- Continue to deliver our people leadership training programme to Line Managers in support teams and expand it to relevant members of our Investment teams.
- Further enhance our learning offer for Investment and non-Investment teams, by conducting a learning needs analysis and introducing new courses to the business where required.

Spotlight: Supporting the next generation in our Frankfurt office

As part of our commitment to learning and development, we strive to provide opportunities for the next generation of talent. We offer an ongoing internship within our Origination team in our Frankfurt office for postgraduate students. The internship, usually a 10-week period, provides insight into a career in private equity for the interns and creates a future talent pool for Montagu.



To me, the internship at Montagu was an amazing opportunity to gain first-hand experience in all aspects of the private equity investment process as a valued team member of the organization. What impressed me most is the open and collaborative culture at Montagu, offering an ideal environment to learn.

— Max Luerger, 2022 Intern in the Frankfurt Office



Montagu has a culture where continuous learning and development is strongly encouraged and supported. I feel that I am provided with the right opportunities and level of support to gain new skills, learn from others, and develop both professionally and personally.

— Emna Bourkhis, Investment Manager

Driving sustainability performance in our operations

LIFE AT MONTAGU Employee wellbeing

Montagu is fully committed to providing an environment in which each team member is recognised, valued, able to fulfil their potential and maximise their contribution to the business. We are committed to proactively supporting our employees' physical, mental and financial wellbeing.

KEY WELLBEING HIGHLIGHTS FROM 2022

Used our office move as an opportunity to review how we use technology, hybrid working and physical office design to offer optimal working conditions for individuals and teams, achieving a RICS SKA Gold rating¹. We also introduced a wellbeing room to enable employees to take time out when needed, and for related activities such as yoga and massages.

Proactively supported our employees' mental health and continued to train managers in mental health awareness through small group sessions with mental health experts, focusing on realistic case studies.

Introduced a platform to support mental and physical wellbeing, including access to a clinician-led employee assistance programme for employees and their immediate family, rewards for healthy behaviours, GP access and wellbeing-related discounts.

Introduced the bonus sacrifice scheme linked to pensions to support financial wellbeing.



The Mental Health Awareness training is an excellent course and the practice case studies are invaluable.



Henry Johnson,
Partner



¹The SKA rating is a Royal Institute of Chartered Surveyors (RICS) environmental assessment method, benchmark and standard for non-domestic fit outs, where Gold is the highest available rating and Wellbeing is one of the categories covered by the assessment.

PLANS FOR 2023

- Introduce further employee benefits to support physical, mental, and financial wellbeing.
- Introduce meaningful metrics to measure wellbeing and the impact of actions going forwards.
- Complete a review of our European benefits with the aim to enhance our current offering.
- Focus on events to further build social cohesion between teams.



Driving sustainability performance in our operations

 LIFE AT MONTAGU

Community engagement

We look to invest in businesses who are welcomed by the communities in which they operate, and we expect the same of ourselves. We will continue to strive to support the local community, using our time and resources where they are most impactful. We also look for other opportunities to engage with important causes and charities.

KEY COMMUNITY HIGHLIGHTS FROM 2022

Continued to support St Thomas the Apostle College (STAC) via a weekly on-site reading programme, internships for two students, work placements and enrichment activities.

Continued to support local charities and fundraising activities, including sponsoring kit for Samuel Montagu FC and participating in the Shine Night Walk for Cancer Research UK.

Donated furniture and preloved office equipment to STAC, Samuel Montagu Youth Centre and other schools and small businesses.

Provided a First Aid course and company overview for One Southwark.

PLANS FOR 2023

- Continue current activity with STAC, plus promote their art department by installing pieces in our boardroom.
- Continue fundraising activities for local charities.
- Enhance and promote existing payroll giving "GAYE" scheme via Charities Aid Foundation.
- Continue sponsorship of SMFC team kits.
- Collaborate with One Southwark, providing training for their cohort.



I am incredibly grateful to the team at Montagu for providing me with such an invaluable opportunity to experience working in the private equity sector and making me feel so welcome and included in the team. I am motivated to pursue academic success and work hard with the aim of working in this sector in the future.

— Mariam Bangura, STAC Intern

COMMUNITY ENGAGEMENT INITIATIVES



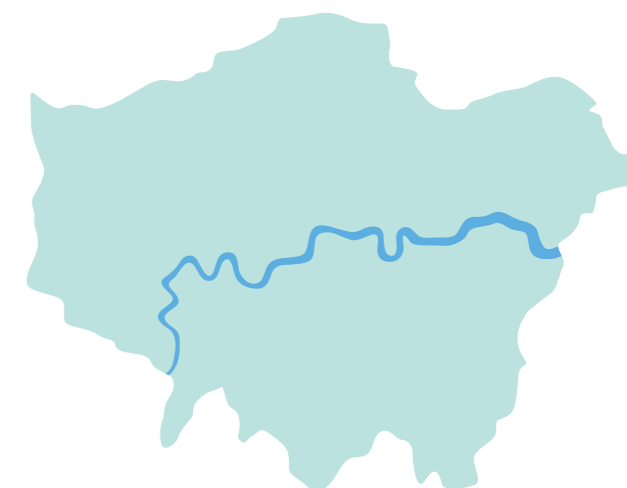
One Southwark

We are proud to support One South, a programme which aims to transform the lives and opportunities for disadvantaged young people through collective action.



South London Cares

We are proud to support South London Cares, a charity which brings older and younger people together to tackle issues of loneliness and isolation.





5 Appendix

Appendix: Montagu's Performance

Our Impact on the Environment

INDICATOR	2019	2020	2021	2022	% CHANGE 2022 VS 2021
Scope 1 emissions, tCO ₂ e	11	4	11	16	+36%
Scope 2 emissions (market-based), tCO ₂ e	165	108	92	35	-62%
Scope 3: business travel, tCO ₂ e ¹	884	15	164	744	+354%
Scope 3: Other (Water treatment, waste management, energy transport and distribution losses, electrical goods) ¹	53	27	49	234	+378%
Total carbon emissions, tCO₂e (excluding investments)	1,113	154	317	1,021	+222%
Total carbon emissions, kgCO ₂ e per employee ²	9,200	1,280	2,380	5,740	+141%
Scope 3: investments, tCO ₂ e ³	59,700	37,100	53,200	32,100	-40%

¹The increase in Scope 3 emissions is primarily driven by travel (which is now more akin to pre-pandemic levels) and by electrical goods purchases for our new London office.

²Number of employees Includes permanent employees and contractors.

³Financed emissions. Prepared in line with the ICI and ERM Greenhouse Gas Accounting and Reporting Guide for the Private Equity Sector (2022).

Life at Montagu Diversity and inclusion⁴

INDICATOR	2020	2021	2022	% CHANGE 2022 VS 2021
% females in firm and investment leadership (Partners and C-Level Executives)	9%	9%	14%	+5%
% females of senior investment professionals	13%	13%	15%	+2%
% females of other investment professionals	43%	40%	44%	+4%
% females of senior operations professionals	33%	31%	50%	+19%
% females of other operations and administration professionals	69%	65%	65%	0%
% females of all professionals	42%	39%	43%	+4%
% females of new hires	35%	35%	56%	+21%
% females in manager promotions	22%	41%	41%	0%

⁴The Diversity and Inclusion data is based on number of permanent employees and has been restated for previous years to align to the latest ILPA categorisation and definitions.

Disclaimer

This report is prepared by Montagu Private Equity LLP and its affiliates, including Montagu Full Potential Partners ("Montagu") for the sole purpose of providing information about Montagu and funds managed or advised by Montagu from time to time (each, a "Fund"). Except for Montagu's carbon neutral certification for its own operations, provided by Carbon Footprint Ltd, the information provided in this report has not been subject to audit, assurance, verification or endorsement by any regulator, industry body or other third party. In respect of information gathered from companies that Funds are invested in, we have not attempted to verify the data gathered from companies. Except where stated otherwise, information is as at 31 December 2023 and for the year ended on that date, and is based on the information available to us as at 31 March 2023 and may not have been updated for information available after this date. Where statements are made about Montagu policy, processes and procedures, this is not intended as a claim that these are followed in all cases or at all times.

You are not entitled to rely on this report and no responsibility is accepted by Montagu or any of its directors, officers, partners, members, agents or advisers or any other person for any action taken based on the content of this report. In respect of any Fund, this report is qualified in its entirety by the private placement memorandum (or equivalent) issued in relation to such Fund. This report does not constitute or form part of, and should not be construed as, an offer, solicitation or invitation to subscribe for, underwrite or otherwise acquire, any securities of Montagu, a Fund or any of their affiliates. No person other than Montagu has been authorized to give any information or to make any representation not contained in this report. Montagu reserves the right to modify any of the terms or content of this report at any time.

Any estimates, projections and other forward-looking statements contained in this report

have been prepared by Montagu and involve significant elements of subjective judgment, analysis and assumptions concerning anticipated results taken from information provided by the relevant business and which may or may not prove to be correct. By their nature, such estimates, projections and other forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and will not necessarily be an accurate indication of whether such results will be achieved. Montagu cautions recipients that the estimates, projections and other forward-looking statements are not guarantees of future performance and that the actual results of operations, financial conditions and liquidity may differ materially from those made in, or suggested by, the estimates, projections and other forward-looking statements contained in this report. In addition, even if certain estimates, projections or other forward-looking statements prove to be correct, those results or developments may not be indicative of results or developments in subsequent periods. Accordingly, each recipient should make its own assessment of the reliability of such estimates, projections and other forward-looking statements when evaluating the likelihood of information set out in this report. Any forward-looking statements, forecasts, projections, valuations or results in this presentation are based upon current assumptions, may be simplified and may depend on events outside Montagu's control. Changes to any assumptions may have a material impact on any forecasts, projections, valuations or results.

For further information on Montagu's management of sustainability risks within the meaning of the EU Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088), please see the Sustainability Disclosure available at Sustainability - Montagu. No representation of warranty, express or implied, is given as to the accuracy or

completeness of the information or opinions contained herein on the part of Montagu or any of its directors, officers, partners, members, agents or advisers, or any other person and no responsibility or liability is accepted by any of them for any such information or opinions.

Montagu Private Equity LLP is a limited liability partnership registered in England under number OC319972 whose registered office is at 5th Floor, 2 More London Riverside, London, SE1 2AP. Montagu Private Equity LLP is authorised and regulated by the United Kingdom Financial Conduct Authority (reference number 460940) and is currently registered as an Exempt Reporting Adviser with the Securities and Exchange Commission in the United States.



**Responsibility Report
2022**