

montagu

Responsibility Report 2024

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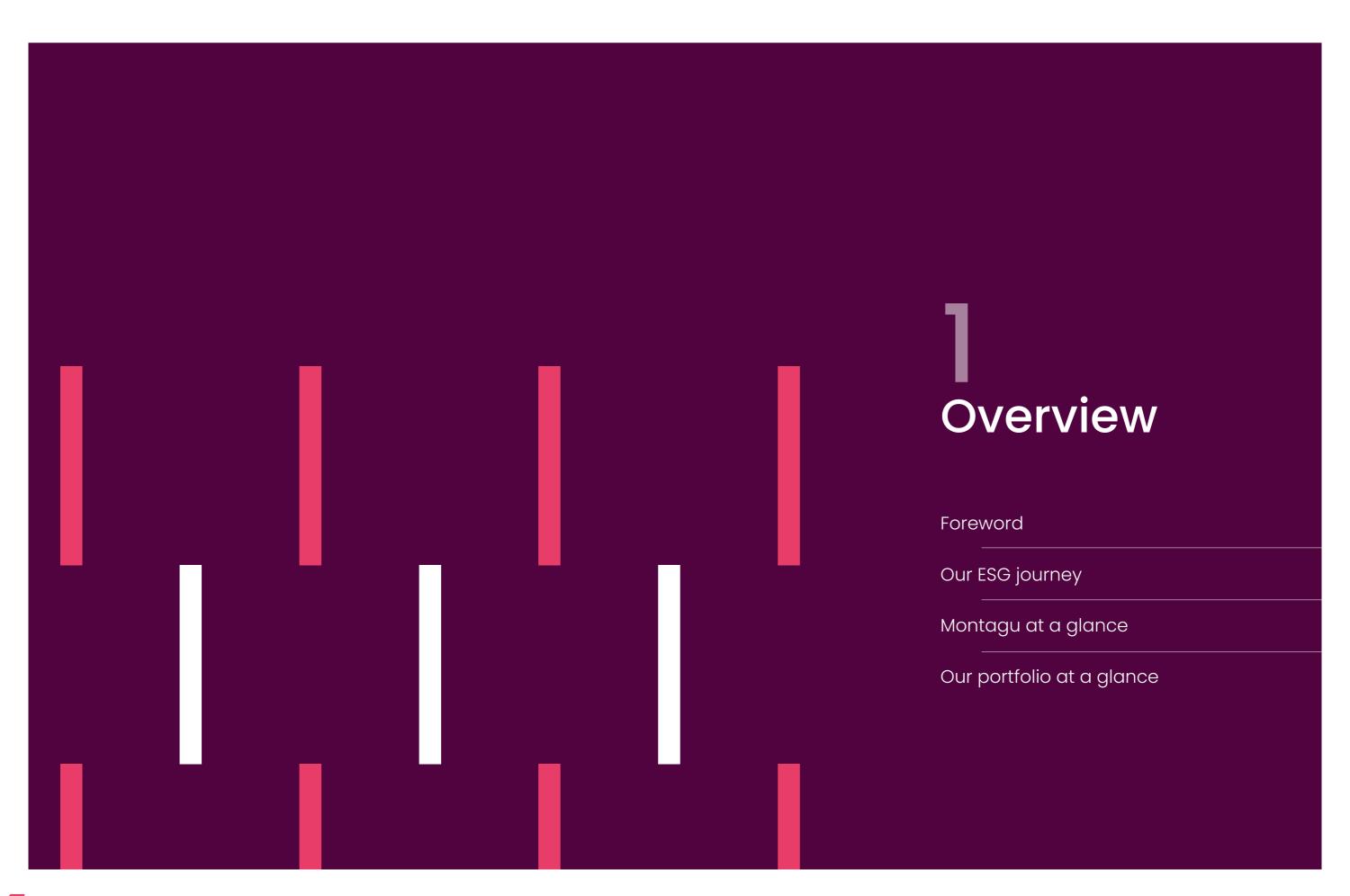


CEO foreword and our values

Our ESG journey

Montagu at a glance

Our portfolio at a glance





Our ESG journey

Montagu at a glance

Our portfolio at a glance

CEO foreword

In 2024, Montagu made strong progress in implementing our ESG strategy and helping our companies mature their ESG practices to meet rising regulatory requirements and stakeholder expectations.



For over five decades, Montagu has focused on finding and growing businesses that make the world work. We recognise the value of a Responsible Investment approach - by helping our portfolio companies identify and address material ESG risks and opportunities, we help drive sustainable growth and long-lasting value.

In 2024, we made continued progress across the four focus areas in our ESG strategy - climate; talent and employment practices; governance, risk and compliance (GRC); and cybersecurity.

Two additional companies in the Montagu portfolio achieved validation of their science-based carbon reduction targets, and we improved visibility over carbon hotspots in the portfolio by helping companies estimate their Scope 3 emissions.

We worked with portfolio companies and external search firms to ensure we reach the broadest pool of talent for management teams and held our 4th "Future Leaders" event to celebrate rising Talent across the portfolio.

In governance, much of our work has been in supporting our companies to respond to the Corporate Sustainability Reporting Directive (CSRD), including hosting regular CSRD community best practice sharing events and providing detailed guidance on conducting double materiality assessments. Beyond CSRD, we have continued to work with companies to strengthen their risk management capabilities, creating 15 new tools and templates across the year to help companies pragmatically assess and manage key areas of risk.

Recognising the increasing threat of cyber risks, we continued to work with portfolio companies to identify and address vulnerabilities, ensuring they continue to evolve their approaches to minimise operational disruptions.

We recognise that, as Board members, Montagu plays a vital role in managing ESG-related risks and opportunities. To this end, we continued to provide ESG training to all Montagu Board members and the investment team, covering Montagu's ESG processes and available resources, as well as updates on regulatory developments that are particularly relevant to our priority investment sectors and geographies.

With the foundations of our ESG framework now firmly in place, our focus through 2025 is to help companies mature their strategies in areas most material to their business. This may include commissioning energy audits and developing costed decarbonisation plans to improve operational resilience; improving supply chain transparency and risk management; launching sustainability-focused products; or implementing processes to improve operational resilience.

We are proud of the strides we made in 2024 and remain committed to ongoing improvements. This Responsibility Report reflects our progress to protect and enhance value for our stakeholders by integrating ESG considerations into our work with portfolio companies.

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.



Our portfolio at a glance

Our ESG journey

2015-2019

2015

Became a PRI signatory.

2016

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

2017

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

2018

First dedicated responsibility report for investors.

2019

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

2020-2021

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.

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.

2022-2023

2022

- Won Private Equity Manager of the Year in the 2022 Environmental Finance Sustainable Investment Awards.
- Expanded ESG team and embedded ESG into the 'Full Potential Plan' approach.
- Validated Montagu's science-based target.
- Launched Sustainability Community for portfolio companies.
- Supported three sustainability-linked loans in the portfolio.
- Standardised our ESG due diligence and diagnostic approach.

2023

- Validated science-based targets for 5 portfolio companies.
- Implemented a new ESG data collection tool and a bespoke scoring and benchmarking methodology for ESG maturity assessments.
- Implemented policy maturity assessments and risk management reviews.
- Launched GRC Community. Developed 150+ assets and held 30+ events across our ESG-related communities.
- Completed portfolio-wide climate scenario analysis.
- Co-chaired two iCl working groups.

2024

- Launched CSRD community and regular "CSRD coffees" to support in-scope companies with preparations for compliance.
- Improved visibility over portfolio company value chain emissions by enabling all companies to estimate, at minimum, their upstream Scope 3 emissions.
- Developed 15+ new resources for portfoliocompany use, including a CSRD doublemateriality assessment playbook and tool for annual anti-bribery and corruption risk assessments
- Improved our annual ESG feedback process for companies to provide actionable, companyspecific input into ESG action plans based on company responses to our Montagu ESG questionnaire.
- Supported two additional companies to receive validation of their science-based carbon reduction targets.
- Streamlined our policy review process to reduce reporting burden for companies and focus on meaningful insights.

- Held 10+ ESG-related events across communities, including a CSRD community launch day and cross-community end-of-year event on the value of double materiality assessments.
- Updated our DD process to systematically consider business model attributes in inherent risk assessments.
- Engaged in industry initiatives, actively participating in InvestEurope's Due Diligence and iCl's Training working groups, as well as sharing best practice as panellists at multiple industry events.
- Enhanced our internal reporting to relevant governance forums to ensure clear visibility over ESG priorities.
- Built on our existing ESG training provision to strengthen investment team and Montagu Board understanding of changes in the ESG landscape and their impacts on Montagu's ESG strategy.
- Hosted our inaugural Montagu company-wide offsite in Q4 2024 to foster stronger cross-team collaboration.

Our ESG journey

Montagu at a glance

Our portfolio at a glance

Montagu at a glance

Montagu is a leading mid-market private equity firm, committed to finding and growing businesses that make the world work.

Focussing on businesses with a must-have product or service in a structurally growing marketplace, Montagu brings proven growth capabilities to help companies achieve their ambitions and unlock their full potential.

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 OFFICES

Montagu is headquartered in London, with a further 3 European offices and one in the United States. This geographical reach enables us to originate deals through deep market knowledge and actively support portfolio companies in their value creation throughout our ownership period.



OUR INVESTMENTS

€14bn **AUM across** 4 active funds

years in private markets

carve-outs since 2002

OUR PEOPLE

people

5 offices

3 ESG team members

nationalities across the firm



of manager promotions are female



are female

CLIMATE IMPACT



reduction in Scope 1 and 21 emissions since 2019, on track for our 70% by 2030 target



renewable electricity usage across the firm



100% carbon neutral²

 $^{^{\}rm 1}{\rm The}$ 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

² Excludes financed emissions.

The data on this page refers to the calendar year 2024.

Our ESG journey

Montagu at a glance

Our portfolio at a glance

Our portfolio at a glance

Montagu specialises in carve-outs and other first time buyout investments and has deep expertise in five priority sectors: Healthcare, Financial Sector Services, Critical Data, Digital Infrastructure, and Education.









of invested capital across MVI and M+ have validated or committed to a science-based target¹



of portfolio company Scope 1 and 2 emissions are based on primary data

Talent and Employment Practices



of companies have a Respectful & Inclusive **Workplace Policy**



of companies have an employee engagement survey

Cyber Security



of companies have a cyber security policy



of companies improved their cyber security posture in 2024

Governance, Risk & Compliance



of companies have named person(s) responsible for compliance



of companies discuss **ESG** action plans regularly at the Board



of companies have a sustainability working group

This report covers 22 portfolio companies, unless otherwise stated.

Data refers to the calendar year 2024 performance.

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 ESG topic 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.

We recognise the role that ESG factors can have on the success of our investments, both positive and negative. Therefore, we 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, as well as 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 Pre-Investment Screening and Excluded Investments Statement, as well as other topics considered to give rise to elevated risk.
- Identify material ESG risks, opportunities and red flags based on the sector, geography and business model attributes of the business. Materiality is defined based on likelihood and operational and/or financial impact.
- Complete the "Montagu ESG Grid" in the Investment Committee (IC) papers, setting out how the relevant risks and opportunities will be addressed during further due diligence.
- Support appropriate ESG due diligence conducted by third-party experts (when deemed appropriate).
- Consider 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 further investigate or address post-acquisition, or pass on the opportunity.

OWNERSHIP

Managing and monitoring ESG

Company ESG performance is supported by Montagu's 'Full Potential Partners' team as part of Montagu's active ownership approach. The initial focus will differ depending on the deal type, with specific guidance applied if the deal is a carve-out.

- Complete an ESG diagnostic, building on the due diligence findings with a policy implementation maturity assessment; risk register review; climate assessment; and ESG upside assessment (where relevant).
- Discuss the diagnostic output with the management team of the company and document priority topics and actions in an ESG action plan, in line with the companies' strategic priorities. The action plan is reviewed and agreed at Board level.
- Include in the action plan completion of any outstanding Foundations for Good Governance and, in line with Montagu's science-based target (SBT) commitment, a review of setting an SBT.
- Provide ongoing support from the Montagu ESG team to help deliver action plans through the Montagu Connect communities and in company-specific engagements.

- To support business growth, engage companies to review potential opportunities in products and markets, and whether to implement sustainability-linked loans.
- Support portfolio companies in completing the annual ESG questionnaire, including cyber and policy implementation maturity reviews, to monitor performance against standardised metrics and progress against ESG action plans.
- Review the company's ESG action plan, risk register and ESG questionnaire responses to benchmark performance and provide feedback on strengths and areas for potential improvement. This review process supports a cyclical improvement programme, designed to build stronger responses in areas which may be material to the company.

EXIT

Continuing the ESG journey

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

Support applicable vendor due diligence and demonstrate improvements in companyspecific material ESG matters to buyers/future shareholders during the exit process.



ESG throughout the investment lifecycle

Our ESG topic framework

Governance of ESG

Collaboration as an accelerator of change

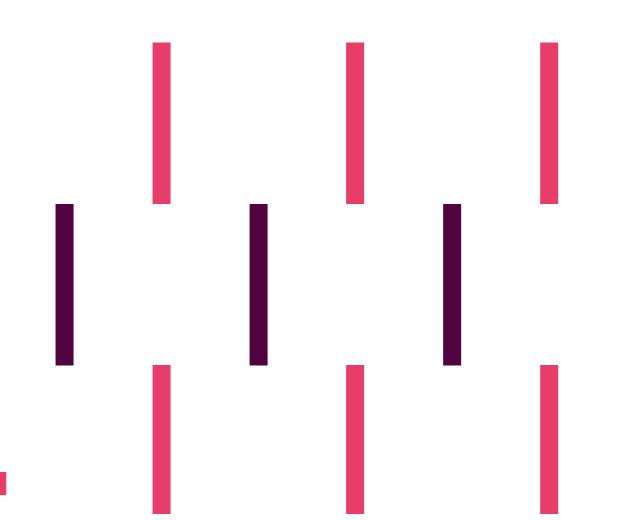
Our ESG topic framework

We understand that clarity is essential for good decision-making. We therefore use the same ESG Topic Framework across all areas of our ESG programme to ensure that we can consistently and transparently track progress on ESG activity throughout the lifecycle of an investment.

The ESG Topic Framework represents a set of categories of risks and opportunities which we believe to be most relevant to Montagu's five priority sectors. We use the ESG Topic Framework as a basis for our ESG engagement approach with portfolio companies, embedding this into our policies, templates, tools, guidance and reporting for the management of ESG in the context of Montagu's investment strategy. This helps to drive consistency and repeatability across all elements of our ESG programme.

The ESG Topic Framework is reviewed at least annually and governed by the ESG Committee.

In 2024, we continued to refine our process for integration of ESG considerations, in line with the topics framework, across the investment lifecycle. We updated our ESG due diligence process by introducing a methodological approach to consider the nature of a target company's business strategy and operational business model, in addition to our existing sector- and geography-based assessments of material inherent risks, to allow us to systematically identify and assess the most prominent risks and opportunities in our target sectors. Any findings are then integrated with the outcomes of the ESG diagnostic post-acquisition to form the basis of ESG action plans.



	TOPIC AREAS	KEY AREAS
Environment	Environmental Matters	 GHG emissions Physical and transitional climate risks Energy management Waste management Water management Ecological impact
Social	People-related Matters	 Occupational health & safety Diversity and inclusion Employment practices (including employee relations, engagement, learning and development, and wellbeing)
	Value Chain	 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	 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	 Regulation, tax and legal compliance Anti-bribery and -corruption Anti-competitive behaviour Sanctions and export control Intellectual property rights

Governance of ESG

Collaboration as an accelerator of change

Governance of ESG

The governance of ESG is embedded into Montagu's overarching governance structure, providing oversight of ESG implementation at a firm and portfolio-company level.

Critically, Montagu has both an ESG Committee, established in 2019, and has embedded ESG into other formal decision-making processes and forums. Montagu's Board has ultimate responsibility for delivering against our ESG strategy. 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.

Responsible Investment Policy

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

The policy was last updated in February 2025 and sets out the activities required to identify, deliver, and report on ESG risks and opportunities across the lifecycle of investments and how governance is applied. The policy can be found on the Montagu website.

ESG objectives in performance reviews

Remuneration for Montagu's staff is based on an annual appraisal process considering a variety of factors, including ESG where appropriate, which aligns the interest of investment teams with our investors and incentivises consideration of ESG factors linked to longer-term risk reduction and value creation, alongside financial performance.

Training

Our ESG training provision is tailored to individual team requirements and to Montagu's ESG strategy and approach.

- All new joiners at Montagu attend an 'Introduction to ESG' session as part of the Montagu Academy programme, which covers a conceptual introduction to ESG topics, as well as an overview of Montagu's ESG approach.
- New joiners in the Investment and 'Full Potential Partners' (FPP) team attend a deep-dive workshop to familiarise them with the standardised process for ESG integration across the investment lifecycle, as well as the tools and guidance available at each stage.
- Additional training is provided during the year, including updates on new or revised ESG requirements, commitments, and guidance, and on specific topics to enhance knowledge and skills. In 2024, we launched a training module for Investment Team, FPP and Montagu Board members which covered regulatory updates and their impact on our portfolio, as well as climate change and updates to our ESG integration process.
- In addition, the ESG team have established a shared library that contains guidance/playbooks, resources, templates and company examples, training and documentation.

GOVERNANCE STRUCTURE: MONTAGU BOARD AND COMMITTEES

Montagu Board

A summary of progress against our public and regulatory commitments, as well as risks and incidents material to Montagu or the funds, are discussed at every meeting of the LLP Board.

Investment Committee

Before making any investment, the ESG considerations relevant to that investment and the results of due diligence, as set out in the Montagu ESG Grid, are considered by the Investment Committee as part of their overall deliberations as to whether an investment is made. The committee also reviews the investment's ability to enable Montagu to meet company-wide and Fund-level commitments.

Portfolio Committee

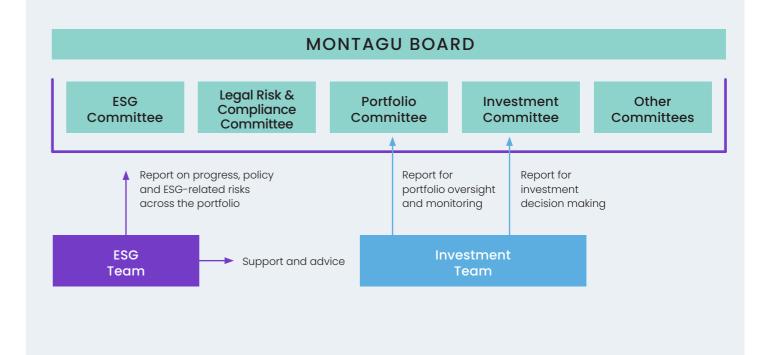
Every portfolio company is discussed individually at least twice a year at the Portfolio Committee. A discussion of ESG issues such as any incidents, risks, opportunities, and progress against the ESG Action Plan forms part of the standard agenda.

ESG Committee

Responsible for ESG policy and governance as well as the identification, management and support of material portfolio-wide ESG risks and opportunities. The ESG Committee meets quarterly.

Legal, Risk and Compliance Committee

Provides oversight of material risks and incidents, including ESG risks, for Montagu or the portfolio companies in which its funds invest, and meets at least twice a year.



Collaboration as an accelerator of change

Collaboration as an accelerator of change

We believe that for lasting change to happen, we must work together. We therefore actively participate in key industry initiatives and engage with others to drive best practice, action, and transparency. We believe that collaboration and outreach inform and accelerate our progress, as well as that of our peers, investors and the industry.

Industry collaboration

We are contributors to industry working groups and ESG events, including::

- Contributor to the Invest Europe Due Diligence guidelines working group - guidance published March 2024.
- Member of the iCl working group Training **Materials**
- Panellists at multiple ESG and value-creation conferences throughout the year.

Collaboration with co-investors

We believe that collaboration and alignment as coinvestors is 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 on the priority topics and align on data requirements as part of annual reporting. This means that we often combine data requirements into one questionnaire 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.

Working with investors

Our investors have their own ESG commitments and obligations, and we actively support them through our reporting, using standards such as EDCI and ILPA to make the transfer of ESG data easier and enabling cross-industry analysis and improvement. Where we can, we actively engage with investors for feedback, to better understand their expectations and strive to build partnerships through which we can drive progress.

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-



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.

SCIENCE

TARGETS

BASED



ESG Data Convergence

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, performancebased, and comparable ESG data from private companies. Montagu joined the EDCI in 2021.



corruption.

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 17 for further information about Montagu's climate change commitments and targets.



Our focus areas for engagement

Our portfolio communities: Montagu Connect





OUR RESPONSIBLE INVESTMENT APPROACH

Driving responsibility in our portfolio

At Montagu, we consider it our responsibility to help our portfolio companies mature their ESG programmes, which we believe will, in turn, support business growth.

We are committed to active engagement with management teams on ESG topics, to deliver long-lasting value for all stakeholders, including customers, employees, suppliers, partners, investors, local communities, and society at large.

We recognise the role that ESG factors can have on the success of our investments, both positive and negative. We therefore identify and support the management of material ESG factors across the investment lifecycle, implementing responsible investment practices throughout the ownership period to protect and enhance value for our investors.

OUR PORTFOLIO ENGAGEMENT APPROACH

Foundations for **Good Governance**

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

ESG diagnostic & action plan

An ESG diagnostic helps understand the priority topics for the company and to define its ambition and strategy. Based on the diagnostic, an ESG action plan is developed, including detailed initiatives and targets over the short and and medium terms, to support operational resilience and growth, and meet stakeholder expectations. Carbon reduction initiatives, including setting science-based targets where appropriate, is a consideration for all companies.

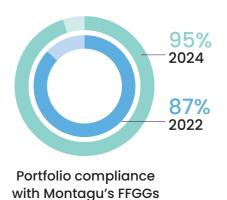
Reporting and improvements

We engage regularly with portfolio companies throughout the year to help them develop and progress against their ESG action plans. Our annual ESG questionnaire provides us with visibility over company progress against ESG action plans and targets, and allows us to provide feedback and performance benchmarking to companies.

1. Foundations for **Good Governance**

We understand that robust governance forums, policies and practices will both protect and enable our portfolio companies. We continue to develop our Foundations for Good Governance (FFGG) based on our cumulative experience and best practice, governed by the ESG Committee.

The Foundations for Good Governance are assessed during diagnosis, embedded in each company's 'Full Potential Plans' and represent the minimum standard that we expect our companies to achieve within twelve months of acquisition. The FFGGs in this report apply to all investments made since Q4 2022, prior to this date previous versions would have applied. During ownership, we help the companies to identify areas of the FFGGs for deployment or improvement and support them in doing so.



GOVERNANCE MODEL

Audit, tax, compliance, risk, and nominations and remuneration are addressed by the Board or a Board committee

Board member responsible for ESG

Sustainability working group

Named person(s) responsible for compliance

POLICIES

Code of Conduct

Human rights & Modern Slavery policy/statement

Anti-bribery & corruption policy

Cyber security policy

Privacy policy

Sustainability policy covering climate

Respectful & Inclusive workplace policy

Health and safety policy or statement and Board reporting

Business specific regulatory requirements

PROCESSES

Whistleblowing capability

Governed risk register

Procedure for confirmation of regulatory compliance, including:

- Sanctions screening procedure
- Conflicts of interest reporting process
- Gifts and hospitality log

Documented process for investigations and discipline

Employee engagement questionnaire

Our focus areas for engagement

Our portfolio communities: Montagu Connect

2. ESG diagnostic & action plan

ESG is a key component of our post-investment 'Full Potential Plan' diagnostic, conducted in the first year of ownership.

Standardised approach

Our ESG diagnostic builds on the due diligence findings for each new investment and consists of a deeper analysis of potentially material ESG risks and opportunities. Our ESG diagnostic approach is based on a standardised methodology which closely aligns with our annual ESG questionnaire. This ensures that we have a consistent framework for the assessment of ESG performance and maturity throughout the investment period. Additional components of the diagnostic include a policy implementation maturity assessment, risk register review, climate assessment, and ESG upside assessment where relevant.

Management accountability

Based on the outputs of the diagnostic, we work with management teams to develop ESG action plans, reviewed and signed off by the company Board. The action plans will cover any missing governance procedures and policies, as well as a set of initiatives and related key performance indicators (KPIs) to address the ESG topics most material to the company operations (by either protecting or enhancing value). These plans are owned by the management team and are updated and reported to Montagu on an annual basis. We provide active support to portfolio companies throughout this process by sharing relevant templates and resources, delivering training and webinars on prominent areas and connecting companies with a network of trusted advisors, as well as with other companies through our Montagu Connect communities.

Montagu review

We monitor ESG performance through our Portfolio Committee review system, in which each portfolio company is reviewed at least twice a year. In 2024, we revised the format for input on ESG matters provided into the Portfolio Committees. The standard materials for the committee now include not only a point-in-time overview of company performance against a set of pre-defined metrics, but also an indication of company progress against their targets and next steps by way of a standardised rating system. This allows the Portfolio Committee to better understand where the company is performing strongly, and to identify areas where additional support may be required.

EMBEDDING ESG IN CARVE-OUTS

Montagu has significant experience managing carve-outs and can provide tailored ESG support for companies transitioning from a corporate parent structure.

Our initial priority is establishing strong governance. We share template Terms of Reference for governance forums, and guidance and assets for any Foundations for Good Governance which are not in place. We assist companies in the identification and implementation of necessary tools and confirm that sufficient internal company expertise exists to manage controls.

Whilst strong governance is key to operational resilience, a mature ESG programme is much wider than this. We work with companies to help them understand the ESG topics which are material to their sector, business model and stakeholders to build a comprehensive ESG action plan. As part of this, we encourage company Boards to commit to setting science-based targets and developing decarbonisation plans, in line with our Montagu commitments.

3. Reporting & improvements

Transparent reporting and an effective feedback process are critical for identifying key areas of risk and opportunity across our portfolio and driving progress where it really matters.

Effective governance structures are crucial to a company's ability to drive ESG progress. To ensure that our companies are well prepared to execute on their ESG priorities, our Foundations for Good Governance require companies to nominate a Board member accountable for ESG matters and to establish a sustainability working group. The working group oversees progress against the company's ESG action plan, identifies priority initiatives, and reports regular progress against the company's action plan to the Board.

To support the creation of the ESG action plans and meet our own reporting requirements, Montagu requires all portfolio companies to complete an annual questionnaire (either directly or through our co-investors), issued through an external platform. The questionnaire covers indicators and KPIs across topics that include, but are not limited to: climate and environmental matters, diversity of talent, employment practices, governance and policy maturity, cyber risk management, and litigation.

Based on the data provided in the questionnaire, we score and benchmark companies internally against the portfolio and compare their maturity levels across different areas of ESG activity.

This allows us to provide companies with structured feedback on their ESG performance and with relevant, actionable inputs into their ESG action plans. It also enables us to identify any priority areas for engagement across the portfolio and relay our findings into appropriate Montagu governance channels. We issue each company with a report which summarises their performance across environmental, social, governance, policy, and cyber indicators; shows their relative performance within their sector; and identifies key activities to prioritise in their ESG action plans for the upcoming year. As part of the feedback process, we also compare each company's policy implementation maturity across specific risk areas to the contents of their internal risk register, to identify any discrepancies between their assessment of residual risk and the mitigation activities and plans in place.

The ESG questionnaire analysis provides us with a strong understanding of the common areas of risk and opportunity across the portfolio, allowing us to provide tailored resources and the support to address these. Through our Montagu Connect communities, we provide companies with templates, playbooks, and access to external experts to help them improve their ESG performance across priority areas.



of companies respond to Montagu's annual ESG survey



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

Our focus areas for engagement

Our portfolio communities: Montagu Connect

Our focus areas for engagement

We strive to help all our companies understand their ESG risks and opportunities based on their sector, geography, the nature of their business model, risk reviews and ESG diagnostics, and to 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 to improve resilience, drive efficiencies and align with stakeholder needs.
- We encourage portfolio companies to set carbon reduction targets in line with science-based decarbonisation pathways, develop decarbonisation plans and assess exposure to physical and transition climate risks and opportunities.

TALENT AND EMPLOYMENT PRACTICES



- We recognise that access to a broad range of talent can strengthen business performance and drive innovation. We are therefore committed to helping our companies attract and retain diverse employees to build high-performing teams.
- We support companies in fostering respectful, safe, and inclusive workplaces where all employees can thrive.
- We work with companies to strengthen talent development practices and remove barriers to identifying and advancing high-potential individuals.

GOVERNANCE, RISK AND COMPLIANCE



- We understand that well-governed companies grow more sustainably and have fewer issues.
- We support companies to assess their governance, risk management capability, and policy implementation maturity and actively support them to improve across the Montagu ESG Topic areas.

CYBER SECURITY



- We understand that 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 assess, implement and mature cyber security programmes.





Climate change poses a significant risk to the global economy. As an investor, we recognise our duty to systematically manage climate risks across our portfolio, and are committed to our pledge to support the transition to a net zero economy.

The changing climate poses risks to the environment and people in communities across the world, as well as to the operations and value chains of organisations. Companies need to adapt to changing operational risks and enhanced expectations and scrutiny from stakeholders, including customers and regulators. Those companies that commit to credible decarbonisation plans can benefit from stronger operational resilience and reduced reputational risk. Introducing initiatives to reduce emissions can also improve efficiency, reduce waste, or highlight new product and market opportunities.

In light of the potential impact of climate risks across our funds, Montagu is committed to our pledge to support the transition to a net zero economy, both in our own work and in the work of our portfolio companies. Montagu has demonstrated this commitment by being one of the first private equity firms to receive validation of our science-based target (SBT), supporting our portfolio companies to set their own targets, publishing voluntary TCFD reports, investing in new carbon reporting software for our companies, and promoting portfolio company sciencebased targets as a characteristic of Montagu VII for

the purposes of disclosures made in accordance with Article 8 of the EU SFDR.

Our engagement with portfolio companies on climate action has led to seven portfolio companies (36% of invested capital) receiving validation for their science-based targets, with a further three companies (15% of invested capital) committed to setting science-based targets (either through Board commitments or a formal SBTi commitment). We will continue to work with the management teams of portfolio companies to measure carbon emission across the value chain and to help them set sciencebased targets backed by credible decarbonisation plans, and to identify opportunities where their products and services may help their customers decarbonise.

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".

Progress against our science-based target



М	ONTAGU COMMITMENTS ²	STATUS (AS DEC 2024)
	55% of its eligible private equity investments by invested capital setting SBTi validated targets by 2026.	36% (51% including commitments)
	Reduce absolute Scope 1 and 2 GHG emissions by 70% by 2030 from a 2019 base year.	57%
	Increase annual sourcing of renewable electricity from 4% in 2019 to 100% by 2030.	78%

55,591 tCO₂e

portfolio GHG emissions1

portfolio companies have validated science-based targets (2023: 5)

A further

have a Board commitment to set an SBT within 24 months

2019

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

2021

- Became a TCFD supporter.
- Submitted SBT for validation by the Science Based Targets initiative (SBTi).
- Delivered training to the deal and FPP team. TCFD TASK FORCE ON CLIMATE-RELATE FINANCIAL DISCLOSURES

2023

- Supported 5 portfolio companies to validate their SBTs.
- Completed climate risk scenario analysis exercise across our portfolio with an external provider.
- Delivered climate trainings for portfolio companies, and Montagu Investment Team and Board.
- Delivered climate training for the Investment Team and Board, focused on climate regulation, Montagu commitments and ESG due diligence processes.
- Delivered BVCA training on "Developing and Delivering on Carbon Reduction Plans"
- Co-chaired ICI working group on 'Scope 3 Accounting for the Software and Services sector'.
- Implemented a new GHG emissions reporting solution for Montagu and portfolio companies.

2020

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



2022

- Delivered carbon accounting training to portfolio companies.
- Published the first TCFD report
- Received validation of our SBT from the SBTi. 10 companies made a formal Board commitment to set an SBT within 24 months.

2024

- Supported two companies to validate their SBTs.
- Produced first product-level TCFD reports. Received validation of our SBT from the SBTi.
- Supported companies in improving their scope 3 assessments and reporting.
- Delivered portfolio training on decarbonisation, by sector, with third party.

Our focus areas for engagement

Our portfolio communities: Montagu Connect



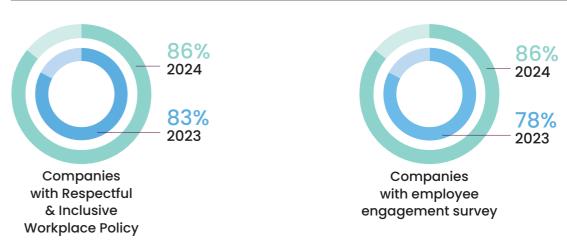
Talent and employment practices

Our businesses depend on attracting and retaining high quality talent, and we are committed to creating opportunities for people to realise their potential. We recognise the importance and value of a diverse workforce and leadership, including its potential to boost innovation, improve decision-making and positively impact financial performance. In 2024, we continued to drive progress on talent and employee management throughout our portfolio, including:

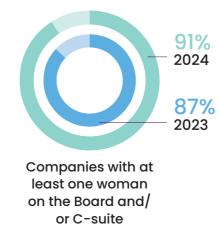
- Working in partnership with CEOs, as part of the Montagu onboarding process post-acquisition, to evaluate what is needed to support and enable the management team to accelerate performance and deliver the next stage of growth.
- Hosting our annual Future Leaders' Forum to celebrate rising Talent across the portfolio. The theme for this year's event was "Navigating the Transition from Operational Manager to Strategic Leader". This year, we hosted 44 nominees from 12 countries representing 22 portfolio companies, almost 40% of which were female. Speakers included two female and one male portfolio CEO, who shared their personal leadership journey.
- Continuing to use our HR community to drive engagement and activity throughout the portfolio. To date, the community has hosted 40 events, including an annual HR Leaders' Forum. The annual HR Forum gives the portfolio HR leaders an opportunity to share best practice and experience as well as hear from a range of speakers on current strategic HR topics. In 2024, the agenda included AI Developments in HR and a lively discussion on how best to leverage technology to automate certain HR processes and improve productivity; using KPIs, dashboards and performance metrics to measure success, what works well/not so well; first Impressions from two new joiners to the community; and a market update on HR, including the role of the HR leader and the latest trends in D&I.

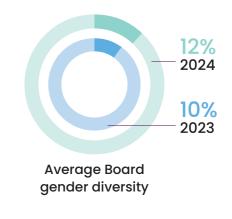
- Increasing focus on the diversity of candidate shortlists in our executive search processes, by improving our data collection capabilities and building deeper partnerships with external search firms to allow us to find the most suitable talent for each role.
- Continuing to engage on social initiatives and outcomes as one of the key focus areas for our ESG data collection, feedback and benchmarking process, encouraging and supporting companies to continuously evolve their employee management programs and policies related to respectful and inclusive workplace practices, to attract and retain talent.

Driving continuous improvement



Diverse perspectives can drive stronger performance and innovation, and we therefore encourage our companies to hire talent from a diverse candidate pool, while retaining a clear focus on selecting the best fit for each role. While measuring diversity in its fullest sense can be complex, we use gender diversity as an indicator to track our progress.





Our focus areas for engagement

Our portfolio communities: Montagu Connect



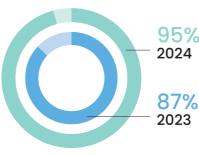
We recognise that good governance, and the policies and processes that enable it, is critical to protecting and driving sustainable company growth. For this reason, the first step in any acquisition is to identify and address any gaps against Montagu's Foundations for Good Governance. However, while these foundational elements help companies to establish a strong baseline, most companies have more to do to ensure full understanding and successful management of their governance, risk and compliance needs.

Our continued Governance and Risk focus has enabled us to drive understanding and progress across our portfolio in five key GRC areas:

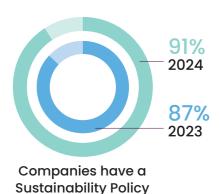
- Policy maturity assessment: In the second year of our policy implementation maturity assessment, we continued to assess the breadth and depth of policy implementation across 20 policy areas in each company.
- Risk register reviews: We reviewed company risk registers against the ESG Topic Framework for the second year and identified areas of further potential improvement. We have fed this analysis back to the companies and assisted them in improving their risk management processes or outcomes.
- Data-driven risk insights: Using these two insightful data sources, we were able to compare policy implementation maturity with risk register materiality, to highlight opportunities where ESG action plans could focus on activity that drives the most potential improvement in risk management. We also identified where portfolio implementation maturity and risk analysis information highlighted thematic opportunities for improvement across the portfolio.
- Risk management tools: We created 15 new tools to help companies to pragmatically assess and actively manage key areas of risk, as identified by the assessments above. One example is our supply chain risk review tool, which allows companies to better understand potential areas of cyber, bribery and corruption, modern slavery and environmental risk in their supply chain based on country, sector and business model.
- Knowledge sharing and best practice: We have continued to share best practices, external insights and assets in the Governance, Risk and Compliance Connect community. We held 6 events to help drive improvements, including regular "compliance coffees" to allow companies to share learnings and guidance with their peers.

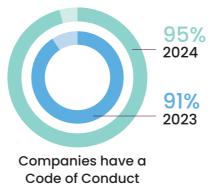
In addition to this portfolio-focused work, we also actively prepare ourselves and our portfolio companies for changes in ESG regulations and associated requirements. We believe that this reduces the risk of business disruption and increases stakeholder confidence in our capability, and the capability of our companies, to meet the increasing expectations.

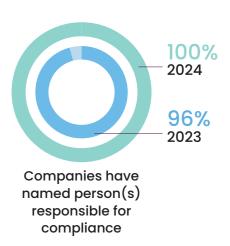
Driving continuous improvement



Companies have a Board member responsible for ESG







Our portfolio communities: Montagu Connect



At Montagu, cybersecurity remains a key focus as the threat landscape evolves and regulatory expectations tighten. We actively support our portfolio companies in understanding and meeting emerging cybersecurity requirements, particularly those operating in regulated industries.

Strong cybersecurity practices are critical—not only for protecting personal and organisational data but also for ensuring business continuity and maximising the benefits of technology. For our software-focused companies, we emphasise their responsibility to customers and partners, working closely with them to embed security-by-design principles and implement robust data protection measures across their products and services.

In 2024, we further expanded our Technology Leaders Forum and its Connect community, providing broader support and knowledge-sharing opportunities across our portfolio. To help our companies strengthen their cybersecurity posture and respond effectively to operational threats, we have built a panel of trusted advisors, including cybersecurity technical vendors, breach counsel, incident response specialists, and cyber insurance providers.

By fostering collaboration and providing access to expert guidance, we enable our portfolio companies to proactively manage cybersecurity risks, address vulnerabilities, and stay ahead of the evolving threat landscape.

Strengthening cybersecurity remains a priority across our portfolio, and in 2024, we expanded our efforts to enhance resilience and reduce risk. A key part of this has been broadening our network of trusted advisors-including CISOs, cybersecurity vendors, breach-response specialists, legal counsel, and cyber-insurance brokers-ensuring our companies have access to expertise when navigating cyber risks. For carve-outs, a critical element of our investment strategy, we work closely with experienced CIOs and CISOs to establish a strong cybersecurity baseline ahead of transitional service agreement (TSA) exits.

We also continue to advocate for recognised certifications such as Cyber Essentials Plus, ISO/ IEC 27001/27002, or equivalent regional standards, reinforcing best-in-class security practices.

To assess and strengthen cybersecurity maturity, we conducted a comprehensive review across our portfolio, evaluating companies' cyber posture through detailed scoring, risk assessments, and tailored recommendations. Findings were shared with Portfolio Committees and company Boards, highlighting critical gaps against evolving industry best practices and each business's specific risk profile. These insights have driven targeted investment and structured action plans to mitigate vulnerabilities and enhance overall security readiness.

Beyond assessments, we actively promote and support practical security measures, including cyber table-top simulations, regular penetration testing of infrastructure and software, ransomware recovery exercises, and rigorous IT and business continuity planning. These initiatives have significantly increased cybersecurity awareness, led to more impactful interventions, and contributed to reducing risk across multiple portfolio companies.

RESPONSIBILITY AT MONTAGU

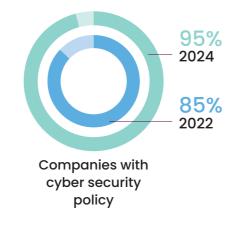
MONTAGU'S CYBER SECURITY PROGRAMME

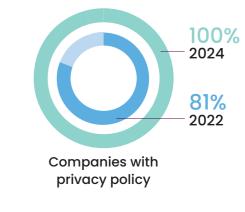
We continue to refine and expand Montagu's Cyber Security Programme in response to the evolving threat landscape. Our cybersecurity posture questionnaire and associated Threat Assessment now help us measure and score maturity across eight core areas:

- 1. Policies, Standards, and Procedures
- 2. Infrastructure and Network Security
- 3. Application Security
- 4. Endpoint and Perimeter Security
- 5. Identity and Access Management
- 6. Security Awareness, Training, and Culture
- 7. Incident Response and Recovery
- 8. Governance, Risk, and Compliance

For software-building companies, we also assess:

- 1. Secure Software Design and Architecture
- 2. Third-Party and Supply Chain Security
- 3. DevSecOps and Site Reliability Engineering (SRE)







Our focus areas for engagement

Our portfolio communities: Montagu Connect

Our portfolio communities: **Montagu Connect**

Our portfolio communities are a key method for engagement across the portfolio and for driving collaborative activity and learning.

In 2024, we continued to expand our suite of portfolio communities with the addition of CFO Connect, M&A Connect and CSRD Connect.

The Montagu Connect online platform allows us to share resources; deliver online and in-person events; publish news; and facilitate cross-portfolio collaboration and networking. The events we host include a mixture of training, webinars, and roundtables, and are delivered through a mix of Montagu and external speakers, and presentations from portfolio companies themselves.

In 2024, we also introduced informal "coffee" events across a number of our communities, to provide an opportunity for members to discuss relevant topics, share insights and learnings, and flag further opportunities for Montagu support.

This community engagement provision is continuing to reap rewards. It allows us to drive knowledge, capability and appetite for change across our companies, as well as enabling those in senior, expert-based roles across the portfolio to have a group of like-minded individuals for support and assistance.

active communities supporting portfolio companies

25+

ESG-related events across the communities to date 175+

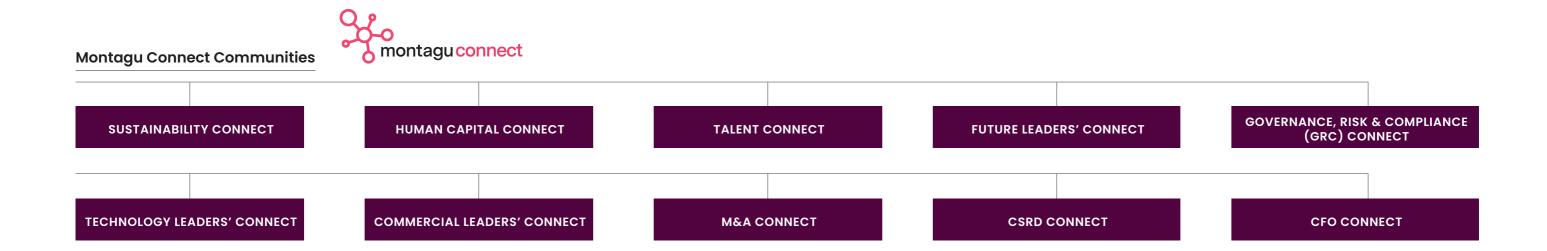
assets including 20+ playbooks

OUR COMMUNITY EVENTS

We know that getting people together to talk and share their experiences is key to generating a sense of community. Examples of events that we hosted in 2024 include:

- The CSRD community was launched with an in-person event in May. There were sessions from external advisors, as well as from portfolio companies, focusing on sharing practical tips and insights for CSRD implementation. Since the launch event, we have held regular "CSRD coffees" since as a touch point for experience sharing and discussion.
- The Sustainability, GRC and CSRD Connect communities held a joint end-of-year event, focused on the value of materiality assessments. The event consisted of a panel of portfolio company and Montagu representatives discussing different approaches to materiality assessments and the value they can bring to ESG strategy development, even for companies not in scope of the CSRD.
- The Governance, Risk and Compliance (GRC) community ran 6 events and shared 15 new tools and templates, with a focus on improving risk management through the completion of annual risk reviews, as well as improving understanding of supply chain risk. In addition,

- for those impacted by DORA, operational resilience was a considerable focus, the learnings from which will be shared with the rest of the portfolio in 2025.
- We held our 4th annual Future Leaders Forum, under the theme "Next Level Leadership -Navigating the transition from operational manager to strategic leader". The event was attended by 44 nominees from across 22 portfolio companies. Nominees heard from portfolio company CEOs and chairs; Montagu representatives; and an external speaker, who shared learnings from their own leadership journeys as well as practical tips on driving
- The CFO, Human Capital, and Technology Leaders Connect communities all held inperson events to bring together their members and provide an opportunity for networking, learning and knowledge-sharing. Further in-person events for other communities are scheduled for 2025.







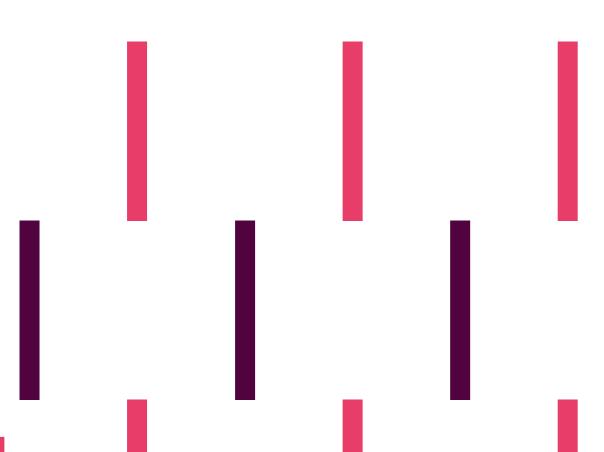
APPENDIX

The Montagu plan: driving responsibility in our operations

The Montagu plan: driving responsibility in our operations

Our commitment to responsibility extends beyond our portfolio companies, to the way that we operate as a business.

Montagu's core values of honesty, humility, excellence, and courage create a culture that propels us to champion responsibility throughout the organisation, fostering an environment where accountability and ethical conduct thrive. The Montagu plan, as set out on the following pages, captures our key focus areas, as agreed by and updated through our ESG Committee. We focus on the reduction of carbon emissions and minimising our environmental footprint; supporting our employees in their learning, development and wellbeing; and positively impacting our local communities





ENVIRONMENT

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

Our impact on the environment

Reduce Montagu's carbon footprint, including increasing renewable electricity usage, recycling and 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.

Learning & development

Objective:

Provide opportunities for employees to develop and advance their careers.

Talent & employee wellbeing

Objective:

To attract and retain diverse talent by prioritising employee wellbeing.

Community engagement

APPENDIX

Objective:

Positively impact our community and enable its development.



The Montagu plan: driving responsibility in our operations



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 HIGHLIGHTS FROM 2024

In 2024, we continued to work towards our operational science-based target of reducing absolute Scope 1 and 2 GHG emissions by 70% by 2030 (from a 2019 baseline) and increasing renewable energy usage to 100%. To date, we have reduced our operational emissions by 57% across our offices and use 100% renewable electricity in our offices in London and Luxembourg, which accounts for approximately 78% of our total firm electricity usage.

In addition, in our London office, we undertook an energy audit as part of ESOS compliance and received a recommendations report for further energy reduction. We also took part in the Southwark Climate Collective Supply Chain Workstream to identify potential measures to continue to reduce our Scope 3 emissions. We have been carbon neutral since 2019 and, while our focus remains primarily on emissions reduction, we continue to offset any residual emissions.

GHG emissions

INDICATOR	2024
Scope 1 emissions, tCO ₂ e	18
Scope 2 emissions (market-based), tCO ₂ e	57
Scope 3: categories 3.1, 3.2, 3.3, 3.5, 3.6	2,131
Total carbon emissions, tCO ₂ e (excluding investments)	2,206
Total carbon emissions, tCO ₂ e per full-time employee ¹	14
Scope 3: investments, tCO ₂ e ² (Scope 1 & 2, market-based)	30,900
Scope 3: investments, tCO ₂ e ² (Scope 1 & 2 & 3, market-based)	160,800

Number of employees includes permanent employees and contractors.

PLANS FOR 2025

- Start to implement the recommendations of our ESOS report and continue exploring new ways to enhance the sustainability of our offices and events, emphasising energy efficiency.
- Increase our renewable electricity usage across the firm by switching to a renewable electricity supply in all of our European offices.



We pride ourselves on being a results-oriented learning institution, prioritising the growth and advancement of our team members.

Our goal is to foster a perpetual learning environment that champions excellence and inclusivity, empowering all individuals throughout Montagu to realise their utmost capabilities.

KEY HIGHLIGHTS FROM 2024

We delivered team-, subject- and level-specific training courses, ensuring that training was relevant and applicable to recipients, and continued to cover ESG topics across different trainings to further embed it into the culture of the organisation. For example, each new hire joining Montagu received an average of more than 8 hours of company-specific training, including training on ESG and climate. Investment team members received an average of 8.5 hours of training during the year. This includes training on upcoming ESG regulations; climate change; and updates to Montagu's ESG integration processes.

Specifically, during 2024, we provided the following:

- ESG training to all Investment Team and Montagu Board members, focusing on regulatory updates; climate change; and Montagu ESG integration processes, as well as a separate session for all new joiners across the firm.
- Launched a suite of firm-wide lunch and learn sessions, providing knowledge sharing opportunities on new deals, our portfolio, and other internal business initiatives.
- Broader Investment Team training on relevant topics, including M&A and Board effectiveness.

- Improvements in the Associate Programme by incorporating extra training modules and broadening the scope of international secondments for our Investment professionals.
- Additional Montagu Academy training, including technical and soft skills learning options - e.g. Board Effectiveness; People Leadership; Interview Skills; and M&A Documentation.
- Compliance and controls training, focussing on areas applicable to the different job roles.

PLANS FOR 2025

- Proceed with rolling out cross-team knowledge sharing quarterly lunch & learn initiatives.
- Continue to mature the Associate hiring and learning program.
- Conduct analysis of our coaching offering and recommend further improvements.
- Continue to mature our leadership development programme.
- Continue to develop through learning needs analysis and introduce additional courses to address identified gaps within the business.
- Continue to extend training provisions, including training on neurodiversity.



²Market-based financed emissions. Prepared in line with the iCl and ERM Greenhouse Gas Accounting and Reporting Guide for the Private Equity Sector (2022).

The Montagu plan: driving responsibility in our operations

Talent and employee wellbeing

We understand that attracting and retaining a diverse range of talent is essential to fostering innovation, driving performance, and building a resilient business.

Montagu is dedicated to creating a workspace where every team member receives acknowledgment, appreciation, and the opportunity to realise their full potential while making the most significant possible contribution to the business. We continue to invest in our commitment to actively foster the physical, mental, and financial wellbeing of our employees. We also 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 HIGHLIGHTS FROM 2024

We have a broad range of initiatives in place to support employee wellbeing and help us to attract and retain fantastic talent across the organisation. These range from employee discount schemes and an employee wellness platform to private medical insurance and yoga classes. We continue to evaluate new ways in which we can invest in and support our employees.

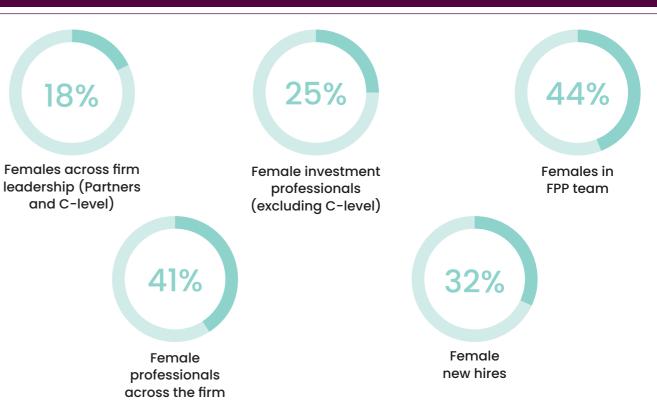
In addition to our current provisions, we have advanced our programme in 2024 through:

- Launching a suite of new benefits for our European offices, including gym membership schemes.
- Introduction of mental health first aider scheme, including training for members of the HR team.
- Launching a new public holiday leave policy to allow flexible leave for religious and culturally significant dates.
- Expanding our Parental Coaching services to include an industry specific provider to assist investment team members taking periods of leave and share best practice knowledge.
- Continuing to mature our annual training on maintaining a respectful work environment, "Dignity at work".

- Offering international secondment opportunities to develop talent.
- Undertaking an inaugural all-staff off-site event in Q4 2024, to complement existing team specific offsites and CEO update sessions, to promote employee engagement and greater cross team collaboration.
- Implementing staff surveys to provide more opportunities for employee feedback. The results of the first survey were shared and addressed at the offsite.

Montagu is committed to attracting and retaining a broad range of talent, understanding that diverse perspectives drive stronger performance and innovation. While measuring diversity in its fullest sense can be complex, we use gender diversity as an indicator to track our progress. The following data reflects our gender diversity statistics for 2024.

GENDER DIVERSITY AT MONTAGUI



PLANS FOR 2025

- Review our leave and support policy for employees impacted by infertility or pregnancy loss.
- Continue our initiatives to improve our employee inclusivity and awareness programme, particularly in relation to neurodiversity in the workplace.
- Expanding our employee discount scheme to European and US offices.
- Continuing to deliver social and team events, including annual staff offsite event to encourage collaboration and teamwork.



APPENDIX

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

OVERVIEW OUR RESPONSIBLE INVESTMENT APPROACH RESPONSIBILITY IN THE PORTFOLIO RESPONSIBILITY AT MONTAGU APPENDIX

The Montagu plan: driving responsibility in our operations



We aim to invest in businesses that are embraced by the communities in which they operate, and we hold ourselves to that same expectation.

We are actively contributing to our local communities, directing our time and resources where they can generate the most meaningful outcomes and exploring additional opportunities to participate in important causes and support charitable initiatives.

KEY HIGHLIGHTS FROM 2024

In 2024, we:

- Partnered with EY Foundation on their Private Equity Smart Futures Programme, to continue our efforts on improving social mobility, including a summer internship opportunity, work experience programme and ongoing mentoring.
- Supported St Thomas the Apostle College (STAC)
 with a business exposure event for 25 students;
 annual work experience workshops; and two
 2-week summer internships.
- Partnered with UpReach in 2024 on an internship initiative.
- Continued to support upReach through donations to support their objectives.

- Continued to back community organisations and fundraising initiatives, including:
 - Sponsoring Samuel Montagu football club's kit for 9 children's teams
 - 8 Montagu employees volunteered at Lucy Brown House helping to improve their community garden.
 - Employees donated gifts to Team London
 Bridge's annual Christmas present collection.
- Supported various employee charity events such as a charity gala and a sponsored cycle ride and participated in industry events, including the JP Morgan annual run.
- Participated in national charity initiatives such as Christmas Jumper Day with Save the Children.

EXTERNAL D&I PARTNERS

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



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
ETHNICITY

member of Investing in Ethnicity, an organisation supporting businesses in progressing the Ethnicity Agenda in their workforce and beyond.



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.



EY Foundation

We partnered with EY Foundation in 2024 on Private Equity Smart Futures Programme, and hosted two interns over the summer.



UpReach

We partnered with UpReach in 2024 and delivered our first London based Investment team internship project.

PLANS FOR 2025

- Continue current activities with STAC,
 One Southwark and Samuel Montagu football sponsorship.
- Continue to work directly with local charities and via Team London Bridge to support fundraising activities.
- Formalise our approach to fundraising and agree an approach for 'matched' giving, to provide an opportunity for all employees to receive financial support from Montagu towards appropriate charitable fundraising events.
- Explore relationships with organisations to support those from disadvantaged backgrounds to get exposure to financial services such as through internships or mentoring.



Appendix: UN Global Compact 2024 progress

Montagu supports the Ten Principles of the UN Global Compact on human rights, labour, environment and anti-corruption.

We are committed to making the principles a part of the culture and operations of our business, although we understand that our impact across these areas is driven largely by that of our investments. Therefore, in addition to Montagu's own activities, Montagu drives commitment to and progress across the UNGC principles within our portfolio companies. This is systematically embedded through the implementation of our Foundations for Good Governance, risk register reviews and Board-level ownership of ESG action plans within portfolio companies. A summary of key progress made in 2023 is below. More information can be found throughout the Responsibility Report.

Human Rights and Labour

- 1. Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2. Make sure that they are not complicit in human rights abuses.
- 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4. The elimination of all forms of forced and compulsory labour;
- 5. The effective abolition of child labour; and
- 6. The elimination of discrimination in respect of employment and occupation.

In Montagu:

Montagu stays committed to ensuring that slavery or human trafficking is not taking place in Montagu's own supply chain and has assessed the risk to be low. Montagu continues to adhere to the UK Modern Slavery Act and has published a Modern Slavery statement.

We are committed to the elimination of discrimination in employment. We recognise the value that a diverse

and inclusive workforce brings to our organisation and take active steps to maintain a respectful and supportive work environment. We provide annual "Dignity at Work" training, which reinforces expectations around respectful behaviour and workplace conduct, as well as training for line managers, equipping our leaders with the skills to foster belonging and inclusion across their teams.

Within the Portfolio:

Montagu stays committed exercising our influence to encourage adoption of policies and procedures to reduce the risk of modern slavery or human rights abuses in Montagu's portfolio companies and their supply chains. Montagu will continue to support best practices in terms of labour and employment within its portfolio.

In 2024, Montagu continued to engage with our portfolio to encourage and enable them to conduct risk assessments for human rights abuses and encourage more rigorous supply chain management. We provided expert-led training to the Montagu Connect Governance, Risk and Compliance (GRC) and Sustainability communities on implementing and enhancing responsible supply chain processes. We also created tools to assist companies in their understanding of country-based risks across cyber, bribery and corruption, modern slavery and environmental risk, in an assessment of supply chain risk based on their business model, and to simplify annual reporting of the risk assessment to the board."

On a portfolio level,

- 81% of companies have a designated executive responsible for health and safety.
- 86% have a respectful & inclusive workplace policy.
- 91% have human rights statement / policy.
- 96% have an investigation and discipline policy.

Environment

- 7. Businesses should support a precautionary approach 10. Businesses should work against corruption in all to environmental challenges;
- 8. Undertake initiatives to promote greater environmental responsibility; and
- 9. Encourage the development and diffusion of environmentally friendly technologies.

In Montagu:

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

In 2024, we continued to work towards our operational science-based target, including conducted an energy audit of our London office in line with ESOS requirements. Our office was designed with sustainability front-of-mind, but there is still more that we could do to reduce its environmental footprint. Therefore, we are working on implementing the recommendations from the ESOS report.

Within the Portfolio:

Montagu expects every portfolio company to have a sustainability policy which covers climate, and to assess environmental risks when reviewing their risk register. As such, material risks related to environmental and climate factors should be identified and managed through ESG action plans and company risk registers, both of which are visible to and governed by the portfolio company boards.

Montagu requires all companies to measure and report carbon emissions data annually and uses this as an opportunity to improve company data collection and management capability. In addition, we work to assist portfolio companies in setting science-based carbon reduction targets and outlining credible decarbonisation plans, where appropriate.

Anticorruption

its forms, including extortion and bribery.

APPENDIX

In Montagu:

Montagu prohibits any corrupt activity by way of implementing firmwide policies and procedures addressing, amongst other matters, anti-corruption and anti-bribery. Processes are in place to ensure that there is regular monitoring against such policies and procedures, including by Montagu's Compliance team. All policies and procedures are reviewed on an annual basis to ensure that they remain up-to-date and compliant with applicable laws and regulations. Employees receive training on anti-corruption, tailored to individual teams, in order to ensure that the appropriate focus is given to areas of greater risk for each individual.

Within the Portfolio:

Montagu also continued to support corruption prevention policies and procedures in the portfolio.

Montagu has a bank of anticorruption content for use by the Montagu Connect GRC community. These include an anti-bribery and corruption playbook, policy template, risk assessment tool and Board risk report template, country risk map, and guidance and tools to assist in the management of conflicts of interest, gifts and hospitality, and the management and monitoring of third-party intermediaries. Understanding how culture can influence risk, a culture and values interview quide was created to help companies to audit culture alongside traditional audit topics and thus identify any outliers that could be proactively managed to reduce risk further.



UN Global Compact 2024 progress

Montagu's Performance

Appendix: Montagu's Performance

Our Impact on the Environment

INDICATOR	2019	2020	2021	2022	2023⁴	2024	% CHANGE 2024 VS 2023
Scope 1 emissions, tCO ₂ e	11	4	11	16	31	18	-41%
Scope 2 emissions (market-based), tCO ₂ e	165	108	92	35	66	57	-13%
Scope 3: categories 3.1 ¹ , 3.2 ¹ , 3.3, 3.5, 3.6 ²	937	42	213	978	2,218	2,131	-3%
Total carbon emissions, tCO ₂ e (excluding investments)	1,113	154	317	1,021	2,290	2,206	-4%
Total carbon emissions, kgCO ₂ e per full-time employee	11	1	2	6	12	14	+14%
Scope 3: investments, tCO ₂ e (Scope 1&2) ³	-	-	-	25,000	24,900	30,900	+25%
Scope 3: investments, tCO ₂ e (Scope 1&2&3) ³	-	-	-	-	139,500	160,800	+13%

¹ Prior to 2023, only electrical goods were included in these categories. From 2023, this was expanded to cover all material categories of spend.

Diversity and Inclusion¹

Montagu is committed to attracting and retaining a broad range of talent, understanding that diverse perspectives drive stronger performance and innovation. While measuring diversity in its fullest sense can be complex, we use gender diversity as an indicator to track our progress. The following data reflects our gender diversity statistics for 2024.

INDICATOR	2020	2021	2022	2023	2024	% CHANGE 2024 VS 2023
% females in firm and investment leadership (Partners and C-Level Executives)	9%	9%	14%	17%	18%	+1%
% females of senior investment professionals	13%	13%	15%	23%	29%	+5%
% females of other investment professionals	43%	40%	44%	46%	22%	-24%
% females of senior operations professionals	33%	31%	50%	56%	46%	-9%
% females of other operations and administration professionals	69%	65%	65%	64%	63%	-1%
% females of all professionals	42%	39%	43%	46%	41%	-5%

The 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.



² In 2023, the calculation methodology for emissions from flights was amended to cover radiative forcing, leading to an increase in emissions
³ Market-based financed emissions. Prepared in line with the iCl and ERM Greenhouse Gas Accounting and Reporting Guide for the Private Equity Sector (2022).

Location-based emission data was calculated in previous years and is available upon request.

⁴ 2023 data has been restated since last year, due to improved data availability.

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