

2023

MONTEFIORE INVESTMENT TCFD REPORT



MONTEFIORE
INVESTMENT

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01 INTRODUCTION

Montefiore Investment recognises the importance of addressing climate-related risks and opportunities in its investment process and operations. That is why Montefiore Investment joined the Initiative Climate International in 2021. The company had set robust governance and process as well as quantitative targets to address the issue.

02 GOVERNANCE

Board Oversight

The Sustainability Committee and the board of Directors at Montefiore Investment oversees the management of climate-related risks and opportunities. The Sustainability committee, composed of 7 people within the organisation including 3 partners, members of the board of Directors and the Head of Sustainability, regularly reviews climate-related initiatives and ensures that the management team is effectively addressing climate change in the company's overall strategy.

Management's Role

The management team at Montefiore Investment is responsible for implementing the climate-related strategy approved by the Board and the Sustainability Committee. The team regularly assesses climate-related risks and opportunities, integrating them into the investment decision-making process. The Sustainability Committee oversees the sustainability strategy and implementation of the sustainability policy,

Sustainability Team

Montefiore recruited a head of sustainability that drives the process on climate and other sustainability topics. He is a reference point for the teams on those topics.

In addition to the committee, Montefiore Investment adopts a decentralised approach to sustainability, with roles and responsibilities divided among the investment and support teams based on the nature of the tasks.

The company has taken measures to raise awareness and provide training across all teams. For example, in Q1 2023, the whole team had a climate workshop of half a day during a seminar.

Sustainability criteria are integrated into the annual review form of team members and are considered in the assessment of the annual bonus, representing 10% of the target bonus. All employees, including new recruits, sign this policy and an ethical policy. The policy is communicated to investors upon request and is complemented by a yearly sustainability roadmap.

03 STRATEGY

Climate-related Risks & Opportunities

Montefiore Investment identifies climate-related risks and opportunities in its investment portfolio and operations. Risks include physical risks (e.g., extreme weather events), transition risks (e.g., policy and legal, technological, market), and reputational risks. Opportunities include investments in clean energy related services, energy efficiency services, and services around climate-resilient infrastructure.

ESG Integration in Investment Process

Montefiore Investment systematically integrates ESG factors throughout its investment process, from pre-investment screening and due diligence to exit. The company supports portfolio companies in their transformation through clear and practical roadmaps, addressing sustainability at the board level, appointing a person in charge of sustainability within portfolio companies, and implementing reporting processes to monitor progress. Montefiore also shares sustainability progress and roadmaps with potential buyers during the exit phase. As one of the most important topic of ESG, Climate risks and opportunities are systematically assessed.

Impact on Business, Strategy & Financial Planning

Montefiore Investment incorporates climate-related risks and opportunities into its business strategy and financial planning whenever it is deemed "significantly material". The company is committed to aligning its investment portfolio with the goals of the Paris Agreement and is actively seeking investment opportunities in the low-carbon and climate-resilient economy.

Engagement of Portfolio in Decarbonation Strategy

Montefiore ask all new company it invests in since 2023 to carry out a carbon footprint scope 3 and to define a climate strategy when not already done. Montefiore has also set goals across its portfolio to achieve those two main actions. Portfolio Companies account for 99,9% of Montefiore carbon footprint.

Actions at the Management Company Level

Even though the Management Company only accounts for 0,1% of the overall footprint, it is important for Montefiore to demonstrate some exemplarity taking actions like adopting a travel policy or ensuring a proper management of its electronic fleet.

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RISK MANAGEMENT

Process for Identifying & Assessing Climate Risks

Montefiore Investment has implemented a risk management process to identify, assess, and manage climate-related risks. This process includes a systematic due diligence before investment, regular assessments of the investment portfolio and operations, and engagement with investee companies.

Risk Management Integration

Climate-related risks are integrated into Montefiore Investment's overall ESG risk management framework. The company actively monitors and manages these risks, ensuring that they are appropriately considered in investment decisions and operations.

04 METRICS & TARGETS

Portfolio Carbon Footprint & Climate Strategy

Montefiore Investment has set ambitious goals for 2030 and 2035. By 2030, the company aims to have 70% of portfolio companies with a carbon footprint (Scope 3) and a climate strategy, and 100% by 2035. Montefiore is also committed to having an audited net-zero trajectory by 2030. Intermediary goals have been set to ensure progress toward long term goals.

Annual Plan & Sustainability Committee Validation

On climate-related topics and other ESG aspects, Montefiore Investment will set a yearly plan that will be validated by the Sustainability Committee. This process ensures that progress is made every year towards the long-term goals, including those related to climate change.

Reporting & Disclosure

Montefiore Investment is committed to transparent reporting on its climate-related risks, opportunities, and performance. The company will disclose its progress on meeting its climate goals and provide updates on its risk management and governance processes in line with TCFD recommendations.

Engagement with Portfolio Companies

Montefiore Investment actively engages with its portfolio companies to support their transition to a low-carbon, climate-resilient economy. This includes providing guidance on climate strategy, setting targets, and monitoring progress.

Calculation of Carbon Footprint

This assessment has been performed for the first time in 2022 for the year 2021 and will be updated regularly in the coming years.

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CONCLUSION

Montefiore Investment is committed to aligning its portfolio with the goals of the Paris Agreement and supporting its portfolio companies in their transition to a low-carbon and climate-resilient economy.

Through robust governance, strategy, risk management, and metrics and targets, Montefiore Investment aims to create long-term value for its investors and contribute to global efforts to combat climate change.

The Sustainability Committee's oversight of climate-related issues ensures that these considerations are effectively integrated into the company's overall approach to sustainability.



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