

2025

MONTEFIORE INVESTMENT CLIMATE REPORT

In accordance with TCFD & IFRS S2

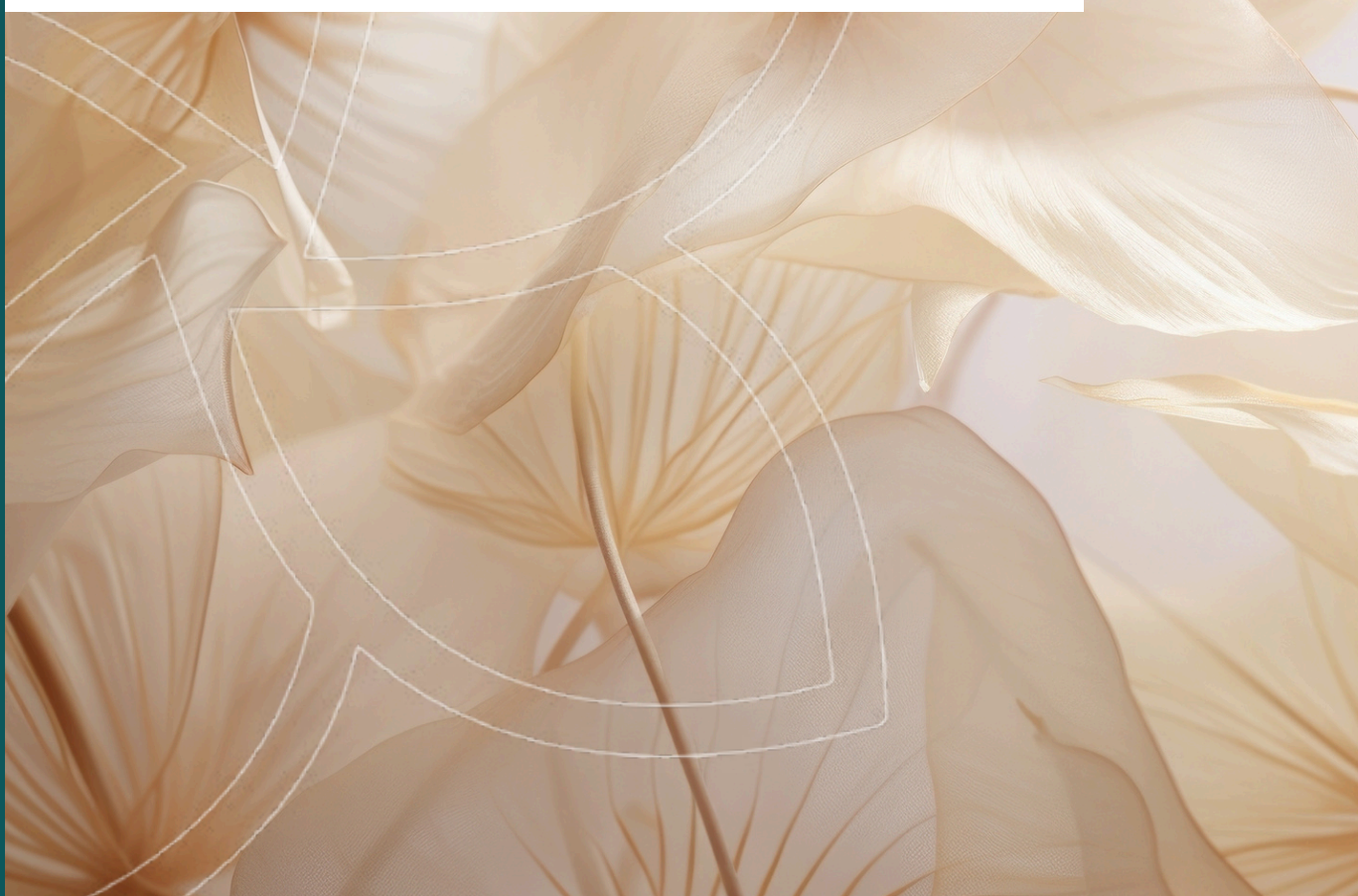


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INTRODUCTION

Montefiore Investment recognises the critical importance of addressing climate-related risks and opportunities in its investment process and operations.

This report outlines our commitment and progress, structured in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and aligned with the requirements of IFRS S2 Climate-related Disclosures.

Our climate journey is marked by proactive engagement and strategic evolution. Since joining the Initiative Climate International (iCI) in 2021, we have established robust governance structures, processes, and quantitative targets to manage our climate impact. This report details our methodologies, the results of our comprehensive scenario analysis, our metrics and our clear roadmap for the future.

02

GOVERNANCE

Board Oversight

Ultimate oversight for climate-related matters rests with the Montefiore Investment Board of Directors, with delegated responsibility to the Sustainability Committee. Structure and mandate: The committee is composed of 10 senior members, including Managing Partners and the Head of Sustainable Development and Impact. It meets quarterly to supervise the firm's sustainable development strategy, oversee the implementation of climate policies, review progress against targets, and provide guidance on ESG risks in new investments.

The committee's expertise is derived from the extensive experience of its members in investment, corporate management, and sustainability. To ensure the continuous development of skills, Montefiore has a formal, annual training process for its teams. In recent years, this has included dedicated sessions on key regulations (CSRD), responsible investment practices, carbon footprint assessment, and the integration of ESG into the investment process. Training on climate strategy and biodiversity is planned for 2025 to further enhance the committee's and the firm's competencies.

Management's Role

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

To directly link performance with our climate goals, remuneration is tied to ESG performance at all levels. For executive management and investment team members, 10% of the annual bonus is linked to achieving ESG objectives.

Sustainability Team

A dedicated two-person sustainability team leads the firm's climate-related initiatives. This team is supported by the broader 10-person Sustainability Committee, which ensures that climate strategy and best practices are effectively disseminated and implemented across all functions of the firm.

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STRATEGY

Climate-related Risks & Opportunities

In 2024, with the support of an external firm, Montefiore Investment identified and assessed the climate-related risks and opportunities that could impact its portfolio over various time horizons (short-term: 1–3 years, medium-term: 3–10 years, long-term: over 10 years). Montefiore Investment analysis, based on the NGFS (Network for Greening the Financial System) scenarios (Orderly, Disorderly, and Hot House World), identified the following key impacts:

- Opportunities: Significant opportunities exist in the digital consultancy sector, driven by the demand for green technology and efficient solutions. Across the portfolio, there is growing demand for sustainable products and services and a focus on resource efficiency.
- Risks: The primary transition risks are stricter regulations and increased costs across the value chain. The primary physical risks, most acute in a "Hot House World" scenario, include business disruption from extreme weather events, which particularly affect the construction and travel, accommodation & food services sectors.

ESG Integration in Investment Process

Montefiore Investment systematically integrates ESG factors throughout its investment process, from pre-investment screening and due diligence to exit. For every new investment, a formal ESG Due Diligence is conducted. Montefiore Investment 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.

Furthermore, we actively seek opportunities to deploy capital into climate solutions, demonstrated by our strategic co-investment with our partner Starquest Capital in the new "Objectif Biodiversité" joint-fund.

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 sectors identified as most vulnerable to climate risks (construction, travel, accommodation & food services) represent 32% of our Net Asset Value, while the highly resilient digital consultancy sector represents 34% as of December 31, 2024.

This analysis informs our transition plan, guiding our capital allocation toward more resilient assets and sectors. The company is committed to aligning its investment portfolio with the goals of the Paris Agreement and is actively looking for investment opportunities in the low-carbon and climate-resilient economy and by supporting the transition of our investments into vulnerable sectors toward more sustainable and resilient practices.

Engagement of Portfolio in Decarbonation Strategy

Our transition plan is focused on actively decarbonizing our portfolio. At this stage, our primary engagement action is to require all new companies we invest in to carry out a complete carbon footprint assessment (covering Scopes 1, 2, and 3) and to establish a formal decarbonization plan if one is not already in place. This foundational step ensures that every asset has a clear understanding of its climate impact and a strategic plan to manage it, which is essential for our long-term decarbonization goals. This is one of our four key sustainability targets for 2030.

Actions at the Management Company level

While our direct operational emissions are less than 0.1% of our total footprint, we are committed to leading by example. We have calculated our own carbon footprint annually since 2021 and aim to drastically reduce our emissions linked to our operations.

03

RISK MANAGEMENT

Process for Identifying & Assessing Climate Risks

We employ a multi-faceted process to identify and assess climate risks. This process includes systematic due diligence before every investment, regular assessments of the portfolio, and engagement with our portfolio companies.

- Inputs and parameters: The process is informed by several inputs, including:
 - External consultant reports: in-depth ESG due diligence for each potential investment.
 - International standards: frameworks such as SASB to identify industry-specific risks.
 - Specialized tools: The ENCORE methodology for biodiversity risks and an ESG controversy screening tool for reputational risks.
- Prioritization: Risks are assessed and prioritized based on their potential financial impact on the investment and their importance to key stakeholders.

Risk Management Integration

Climate-related risks are integrated into Montefiore Investment's overall ESG risk management framework. The Investment Committee, which includes members of the Sustainability Committee, is responsible for reviewing the integrated risk assessment and ensuring that appropriate mitigation strategies are implemented and monitored at the portfolio company level. When specific risks are identified, an ad hoc committee is organized in order to assess them better and decide on whether or not to proceed with a deal or deal with the identified risks.

04 METRICS & TARGETS

Carbon Footprint & Climate Strategy

We measure our financed emissions to understand our climate impact and track progress against our ambitious goals. As a matter of policy, we have 0% exposure to companies active in the fossil fuel sector.

Portfolio carbon footprint (2024 reporting period):

- Scope 1: 23 520,9 tonnes CO₂e
- Scope 2: 1 876,6 tonnes CO₂e
- Scope 3: 742 332,4 tonnes CO₂e

Annual Plan & Sustainability Committee Validation

On climate-related topics and other ESG aspects, Montefiore Investment will set a yearly plan that is 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. As of year-end 2024, 66% of companies in our flagship funds have a Scope 3 footprint and 55% have a climate strategy

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

Our carbon footprint has been calculated annually since 2021 and will be updated regularly. This assessment covers Scopes 1, 2, and 3 for both the management company and our portfolio companies and is a foundational element of our climate strategy. Emissions are currently calculated according to the EU SFDR Principal Adverse Impacts (PAI) methodology.

Industry-based Metrics (Asset Management & Custody Activities)

As of December 31, 2024, assets under management amount to approximately 5 billion euros. 89% of which are classified as Article 8 under the SFDR, promoting environmental and social characteristics (ie. ESG integration).

Montefiore Investment systematically and explicitly includes material ESG factors in our investment analysis and decision-making processes. Our approach includes:

- **Due Diligence:** Conducting formal ESG due diligence for all new investments to identify material risks and opportunities.
- **Investment Decision:** Integrating the findings of the due diligence into the final decision-making process at the Investment Committee level.
- **Active Ownership:** Incorporating ESG clauses into shareholder agreements and defining an ESG roadmap with KPIs for each portfolio company post-investment.

As a private equity investor, our engagement strategy focuses on active ownership and continuous dialogue rather than formal proxy voting at public assemblies. We systematically secure board representation in our portfolio companies, allowing us to directly influence strategy and oversee ESG performance. We engage with management on climate issues at least once per year at the board level to ensure alignment with our sustainability objectives.

Climate-related Targets

Our targets are designed to drive tangible action across our portfolio.

- **Portfolio coverage targets:** by 2030, 70% of portfolio companies will have a complete Scope 3 carbon footprint and a defined climate strategy, with a goal of 100% by 2035. Furthermore, Montefiore is committed to having an audited net-zero trajectory by 2030.

- Use of carbon credits: No formal policy regarding the use of carbon credits is currently in place. Our primary focus is on achieving gross emissions reductions within our portfolio companies.

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CONCLUSION

Montefiore Investment is committed to being a responsible investor by supporting its portfolio companies in their transition to a low-carbon and climate-resilient economy.

Our approach, informed by rigorous scenario analysis and integrated into our governance and risk management, allows us to address climate challenges effectively. We will continue to engage actively with our portfolio companies to drive decarbonization and create long-term, sustainable value for all stakeholders.



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