

A large, layered ice wall, likely a glacier or ice shelf, dominates the background. The ice shows distinct horizontal and vertical striations, suggesting different layers of accumulation. In the foreground, two people in red kayaks are paddling across the water. The water is a deep blue, and there are small ice floes scattered around. The overall scene is serene and majestic.

Responsibility Report

2020

Foreword

It is impossible to conduct a review of 2020 without talking about the Covid-19 pandemic. Beyond the immediate impact on each of us over the last year, we will undoubtedly see long-term changes to the way we live and work.

Montagu has always been about change – we focus on learning from our successes and our mistakes, and we are always looking for ways to do it better. I am very proud of the speed and positivity with which the team came together through the various phases of the crisis, and I believe our continued success through 2020 has brought us closer to our investors, our portfolio companies and each other. We will continue to seek, drive and embrace change.

Our focus on Finding and Building Businesses the World Needs has always meant an inherent element of sustainability and responsibility in our investments, but we have a hunger to improve and a shared belief that doing the right thing is consistent with creating long-lasting value. We believe that the arc of history is tending towards a cleaner, better world and we were therefore early to realise that ESG-aligned initiatives can be a driver of value as well as a mitigator of risk.

This is our 2020 ESG Report, which also serves as our UN Global Compact Communication on Progress. We remain committed to the Global Compact and its principles. I'm pleased to say that we have taken several important steps over the past year, including an update to our **responsible investment policy**, improvements to our investment and monitoring processes and a strengthened commitment to the environment, diversity and inclusion.

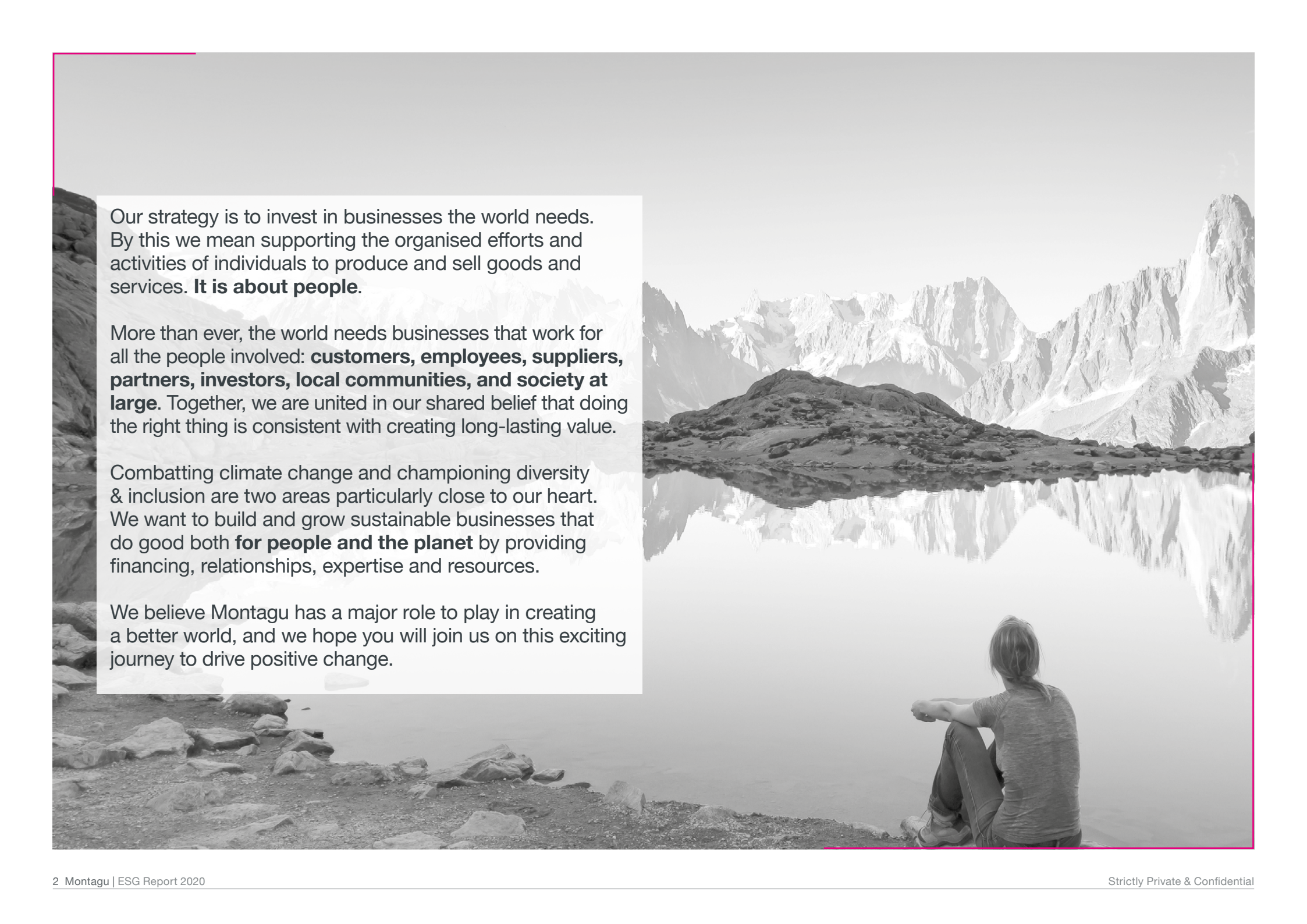
We are a people business. Our team, our investors, our management teams and the 16,000 people employed by Montagu companies are the driving force behind our success. We believe that it is good business to access talent from the broadest possible pool. Our policies, our Associate Programme and our work with portfolio companies to improve Diversity & Inclusion reflect this belief.

We recognise the urgent issue of climate change, and are committed to our pledge to support the transition to a low-to-zero carbon economy. We are proud to say that Montagu is certified as a carbon neutral firm, but this is a step on the way, not a finishing point. As we look to the future, our vision is to become an environmental leader within the private equity industry. We hope you will accompany us on the journey.



We firmly believe that doing the right thing is consistent with creating value for our investors.

JASON GATENBY
CEO, Montagu Private Equity LLP



Our strategy is to invest in businesses the world needs. By this we mean supporting the organised efforts and activities of individuals to produce and sell goods and services. **It is about people.**

More than ever, the world needs businesses that work for all the people involved: **customers, employees, suppliers, partners, investors, local communities, and society at large.** Together, we are united in our shared belief that doing the right thing is consistent with creating long-lasting value.

Combatting climate change and championing diversity & inclusion are two areas particularly close to our heart. We want to build and grow sustainable businesses that do good both **for people and the planet** by providing financing, relationships, expertise and resources.

We believe Montagu has a major role to play in creating a better world, and we hope you will join us on this exciting journey to drive positive change.

Montagu at a glance

Montagu specialises in Finding and Building Businesses the World Needs. We are a leading European mid-market Private equity firm with over 50 years' investing experience and a core expertise in Healthcare, Technology and Essential Products & Services.

We work with our companies to achieve their growth ambitions and deliver an inflexion in performance through growth-focussed operational enhancement – we call it Full Potential Partnership. We are a learning organisation, with a culture that encourages sharing of ideas, successes and challenges so that we can continuously improve.

ESG is an integral part of our strategy, and our commitment to responsible investment is fully integrated into our investment and value-creation process. We believe that doing the right thing is consistent with creating value for our investors.

Finding and Building Businesses The World Needs

70%+
first-time buyout¹

118

Montagu team members

16,353

employees across our portfolio companies

24

carve-outs since 2002

10%

average portfolio revenue growth²

29%

gross IRR since 2009

0%

realised losses since 2009

1 Where previous ownership includes corporates, families, founders or a financial investor with limited in-house operating capabilities

2 Average weighted by market value of investments held in fund

Our commitment to change

OBJECTIVE



Reduce Montagu's carbon footprint, including increase recycling, reduce waste and develop awareness of 'green' solutions

For further information on Montagu's environmental commitment, please see page 5 of this report



Promote and support diversity and inclusion within the workplace

For further information on Montagu's commitment to diversity, equity and inclusion, please see pages 6-7 of this report



Positively impact our community, its education and our employees' wellbeing



Meet requirements of the Modern Slavery Act ("MSA"), mitigate risks and encourage better behaviour within Montagu's supply chain



Continue to improve our approach to ESG, including sharing best practice among private equity peers

KEY 2020 ACHIEVEMENTS

- ✓ Implemented ESOS suggestions for energy savings
- ✓ Analysed 2019 carbon usage

- ✓ Recruiter shortlists more gender and ethnically diverse
- ✓ My Family Care introduced for UK employees including emergency care cover and advisory services around balancing work and family life

- ✓ Flexible working arrangements
- ✓ Introduction of staff volunteering days with the local community

- ✓ Zero tolerance approach to slavery and forced labour in our business or supply chain, including mandatory training for all Montagu employees
- ✓ Conducted modern slavery risk mapping for Montagu's suppliers

- ✓ Responsible Investing policy updated
- ✓ Training for investment professionals on ESG materiality assessments and spotting opportunities completed in February 2020
- ✓ Joined Initiative Climat International (iCI)

2021 TARGETS

Reduce carbon emissions through individual accountability for emissions from business travel

Assess high carbon emissions within Montagu's supply chain

Calculate and monitor gender pay gap regularly

Promotion of paternity leave usage by senior leaders

Continue regular wellbeing seminars

Continue to support several local charities and organisations including South London Cares and St. Thomas the Apostle College

Continue to educate employees on how to prevent human trafficking and modern slavery

Embed ESG into employees' annual objectives for 2021

Recruit an additional dedicated ESG resource to support Montagu's ESG programme

Striving to be an environmental leader

At Montagu, we recognise the urgent issue of climate change, and are committed to our pledge to support the transitioning to a low to zero carbon economy. We are proud to say that Montagu has been carbon neutral since 2019.

We have also taken several steps to strengthen our environmental approach, including forming an internal working group to further enhance the firm's approach to environmental factors.

Notable actions taken during 2020 include:

- Updated Montagu's RI policy, including extending the number of environmental factors considered
- Introduced a new standardised pre-deal analysis to simplify the identification of environmental risks and opportunities
- Commissioned an Energy and Carbon report from a third-party supplier to further increase the accuracy of Montagu's carbon footprint calculations
- Achieved 'Carbon Neutral Plus' status (certified by Carbon Footprint Ltd) by offsetting Montagu's carbon footprint

MONTAGU PRIVATE EQUITY LLP CARBON EMISSIONS

	2020	2019 Restated
Scope 1 (tCO ₂ equivalent)	3,622	10,479
Scope 2*	9,583	52,476
Scope 3	36,714	935,117
Total tonnes of CO₂ equivalent	49,919	998,072
kgCO₂ per full-time employee	416	9,505

* Scope 2 shown above is calculated using the GHG Protocol 'market-based' approach
Emissions using 'location-based' approach for 2020: 79,293 (2019: 128,899)

OFFSETTING AND REDUCTION INITIATIVES

Montagu has been certified as a 'Carbon Neutral Plus' organisation by going the extra mile to offset our carbon footprint. We are supporting a UK tree planting project, helping to provide wildlife habitats and support biodiversity by predominately planting trees in school grounds, reserves and managed woodland.

The project supports three of the 17 UN Sustainable Development Goals.



In addition to offsetting, we are also committed to reducing Montagu's footprint. For 2021, we look to prioritise green travel options and implement a set of environmentally focused operations and IT initiatives across its offices.

INITIATIVE CLIMAT INTERNATIONAL

In 2020, Montagu joined Initiative Climat International (iCI), a network of private equity investors seeking to reduce carbon emissions and build and manage climate-aligned and resilient portfolios. One of the key principles of iCI is to share best practice amongst private equity peers, enabling the members to better understand the risks associated with climate change. iCI is officially endorsed by the UN PRI, of which Montagu has been a signatory of since 2015.

MONTAGU'S ENVIRONMENTAL LEADERSHIP GROUP

CAROLYN GAZZARD
Learning & Development

ED SHUCKBURGH
Investment team

JASON GATENBY
Chief Executive

KATHARINE BRADLEY
Executive team

MICHAEL CARRATT
Insights & Portfolio

NATHALIE KOKKALA
Investment team

NICK TASSELL
Compliance

RICK LAWRENCE
Investor Relations &
Communications

STEPHEN COOPER
Portfolio Reporting

Promoting and supporting diversity, equity and inclusion

Montagu recognises the importance of equity, diversity, and inclusion, and are committed to providing an environment in which each employee is recognised, valued, able to fulfil their potential and maximise their contribution.

We appreciate the value and creative potential that individuals of different backgrounds and abilities bring. We work hard to ensure equitable treatment in all aspects of working life, and an inclusive and supportive culture where differing views and experience are respected. We firmly believe that such a culture significantly enhances our ability to provide a quality service to our clients.

ATTRACTING A DIVERSE POOL OF TALENT

To attract the best talent, Montagu uses direct recruitment and third-party recruiters. Our direct recruitment, utilising platforms such as LinkedIn and 2to3Days, enables us to reach high-quality candidates outside our traditional networks. When engaging with third party recruiters, we only work with organisations who share our firm commitment to diversity and inclusion, and we request diverse candidate shortlists and candidate searches across a wide range of non-traditional talent pools. When we do receive less diverse shortlists, we carry out analysis to understand the root causes and improve recruitment approaches without introducing any discrimination.

During the recruitment process, Montagu uses structured interviews and job-sample tests to assist with the removal of any unconscious bias during selection, mixing competency assessments with the use of cognitive and / or psychometric assessments to aid decision making.

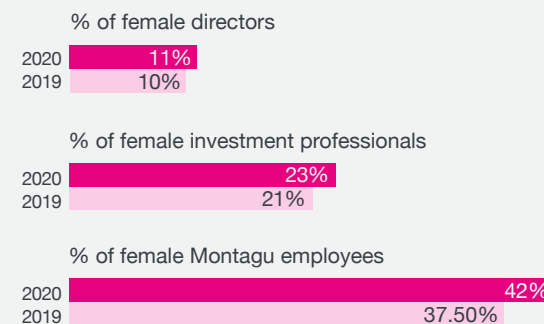


Montagu's culture is characterised by honesty, humility and excellence. We believe that attracting talented people from all backgrounds and with differing views and experiences allows us to better serve our stakeholders, whether it be investors, businesses we partner with or the communities which we operate in."

ALIX MASSENDER

Head of Talent

MONTAGU GENDER BALANCE



Promoting and supporting diversity, equity and inclusion continued

FOSTERING A CULTURE OF INCLUSIVITY

Each year Montagu requires all employees to attend Dignity at Work training to ensure a comprehensive understanding of responsibilities. Furthermore, Montagu has introduced Unconscious Bias training for all line managers. In 2020, 30 managers participated in the training programme.

We are also determined to support new parents through our maternity and paternity leave pay policy, and actively promote senior leaders to take parental leave. In addition, all employees have access to My Family Care, an initiative which provides backup childcare and dependent care, a parental leave toolkit, as well as practical support, advice, and information.

Montagu provides external support for minority groups through memberships of Level 20 and Out Investors.

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



SUPPORTING THE PORTFOLIO

Montagu continuously engages with its portfolio companies on diversity and inclusion topics, including relevant policies, gender and/or ethnicity pay gaps and monitoring of KPIs.

Furthermore, Montagu hosts regular events with portfolio companies focusing on D&I, including the Women in Leadership Conference in 2019 and the virtual roundtable in 2020 for portfolio HR managers. The roundtable featured sessions on how to prevent unconscious bias and foster inclusive corporate cultures.

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



We want every individual person, whether at Montagu or within our portfolio, to feel accepted for who they are, and know that they bring something unique to the world. By challenging existing norms and want to create workplaces where everyone feels comfortable to voice their opinions in line with our belief that there is always more to learn.”

WIET STOKHUYZEN

Director - Origination, Investors & Portfolio

In 2021, we joined the ILPA Diversity in Action initiative, an initiative for market participants to engage in the journey towards becoming more diverse and inclusive and to build momentum around the adoption of specific actions that advance Diversity, Equity and Inclusion over time.



Integrating ESG into Montagu's investment cycle

Responsible Investing (RI) is at the core of Montagu's investment philosophy, purpose and values. We adopted our responsible investment policy in 2016, and are continuously developing our approach to ESG.

We recognise that we are in a unique position to bring positive change, and we believe ESG performance is an important part of our fiduciary duty to our investors.

PRE-INVESTMENT

Identifying ESG risks and opportunities

During the pre-investment phase, Montagu screens any potential investment against its RI policy and seeks to determine the ESG factors relevant to each company.

- Exclusions of prohibited sectors as defined by the RI policy
- Screening for ESG risks and opportunities using the "Montagu ESG Grid", setting out how the relevant risks will be addressed during due diligence
- ESG due diligence conducted by third-party experts (when deemed appropriate)
- ESG discussed at the Investment Committee as part of their overall deliberations as to whether an investment is made
- Depending on the materiality of the ESG risks identified, Montagu will either develop a list of actions required to address the ESG risks post-acquisition or pass on the investment opportunity
- ESG integration into the pre-investment process is monitored via the inclusion of an ESG assessment in investment memorandums

2020 UPDATE

- Development of the "Montagu ESG Grid"
- Explicit requirement to include an assessment of Environmental & Climate Risk for every investment opportunity

OWNERSHIP

Managing and monitoring ESG

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

- ESG risks identified during the pre-investment phase are discussed with the management team of the company immediately following investment
- Full ESG diagnostic completed to establish a baseline and benchmark current ESG performance against best practice and peers
- Company-specific ESG action plan developed as part of the wider Full Potential plan. The plan is agreed with the management team and discussed at a board level
- Ongoing support from the Montagu ESG team, including discussion of material and emerging ESG topics
- Portfolio companies are asked to answer an annual ESG questionnaire, reporting on ESG policies, initiatives and KPIs to Montagu
- ESG is also discussed at least annually at board level
- ESG integration into the ownership process is monitored via the ESG team's continuous interactions with portfolio managers as well as portfolio companies' response rate to the annual ESG data request

2020 UPDATE

- Refinement of Montagu's ESG questionnaire, including expanding the number of KPIs

EXIT





















Continuing the ESG journey

Assessing the ESG performance and progress made during Montagu's ownership

- Seek to maximise the financial value of the ESG programme through a higher exit price
- ESG vendor due diligence conducted by third-party experts (when deemed appropriate)
- In line with Montagu's values, we encourage established good practice to continue under the future owner by providing ESG information to interested potential buyers as well as help the company prepare for ESG questions
- Case studies, which includes a summary of ESG progress made during the ownership period, are drafted after exit in order to enable sharing of best-practice and knowledge within the Montagu network

Finding and building businesses the world needs

Montagu specialises in finding and building businesses the world needs, working in partnership with management teams to unlock the full potential of their companies.

 <p>Revolutionising our interaction with the aquatic environment through high-quality and secure dive and water sports equipment</p>	 <p>Supporting health and well-being through innovative natural medicines and dietary supplements</p>	 <p>Improving quality of life by maintaining and restoring eyesight for its patients</p>	 <p>Simplifying healthcare provision and payment through claim processing software and services for insurers</p>	 <p>Looking after building owners, residents, visitors and shoppers by delivering best-in-class property management services</p>	 <p>Connecting schools to families and improving pupil experience through education software solutions</p>	 <p>Helping people through difficult times, remembering the lives of those they have lost with dignity and respect</p>
 <p>Educating over 100,000 young people every year through a growing international network of universities</p>	 <p>Improving animal welfare through assisted reproduction technologies and veterinary imaging</p>	 <p>Facilitating understanding and decision-making through emerging markets data, analysis and research</p>	 <p>Ensuring operational resilience for "always on" environments where technology failure means business failure</p>	 <p>Collating and sharing aerospace and defence information worldwide, informing critical decisions</p>	 <p>Helping hospitals and medical teams deliver quality care through mission-critical software, improving population health</p>	 <p>Helping its customers to innovate their packaging through ground-breaking new printing technologies</p>
 <p>Increasing patient safety and satisfaction by developing easy to use and reliable drug delivery devices</p>	 <p>Supporting regulatory compliance by allowing customers to store, manage and digitise their documents efficiently</p>	 <p>Developing software that enables the UK insurance industry to help manage risks in a more responsive and tailored way</p>	 <p>Improving people's quality of life by providing surgical implants</p>	 <p>Improving care and education by helping the public sector adopt interoperable health and care software systems</p>	 <p>Supporting the regulatory compliance and efficiency of financial market participants through fund administration services</p>	 <p>Helping companies enhance their operating models and ways of working by connecting any device, anywhere</p>

Responsibility reporting

Montagu and our portfolio

We are committed to reporting progress transparently, both in areas we have done well and also in those that will improve in 2021. We have shown progress in several key areas in 2020, including in basic governance and the number of companies with formal commitments and strategies in place to address sustainability and diversity.

However, there is room to improve, particularly in the adoption of carbon reduction strategies and the diversity of senior leadership teams. Initiatives have been put in place to drive improvement in these areas during 2021.

MONTAGU PORTFOLIO

ENVIRONMENT

Have systematic environmental initiatives



Have a carbon reduction strategy

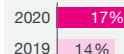


SOCIAL

Have a diversity & inclusion policy



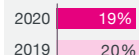
Annual employee turnover



% of employees who identify as women



% of female employees in c-suite



GOVERNANCE

Have an anti-bribery & corruption policy



Have a code of conduct



Have a sustainability or CSR policy



Have provided company-wide training in respect to cyber-related risks



PORTFOLIO KEY FACTS

€2.7bn

portfolio revenue

16,353

total number of employees

819

net jobs created (excluding M&A):

2,569

ESG data points collected and analysed

100%

response rate

Please note that all figures above are LfL, and therefore excludes any acquisitions made by Montagu funds during 2020.

Engaging with the Montagu portfolio on environmental topics

Montagu is committed to reducing negative climate impacts and taking meaningful action to create positive impacts amongst the companies we are invested in.

We believe that climate action is not only a responsibility for any business, but that failure to address the exposure to climate change adds significant risk to any investment. There are also opportunities for positive returns from reduction in carbon emissions and from investment in activities that will benefit from the transition to a carbon neutral economy.

Thanks to Montagu’s sector focus, our portfolio generally has a low-risk profile from a climate perspective. Nevertheless, we continuously engage with all our portfolio companies to assess their climate risk and engage on material matters relating to climate and emissions. Each portfolio company is asked annually to report metrics supporting their greenhouse gas emissions and reduction plans. During 2020, Montagu also commissioned an assessment of the entire portfolio’s climate and environmental impact, which we plan to use to target our engagement activities in the year ahead.

MONTAGU PORTFOLIO CARBON EMISSIONS*

	2020 Full portfolio	2020 LfL	2019 Full portfolio
Tonnes of CO ₂ equivalent (Scope 1 and 2)	82,721	59,459	60,226
Tonnes of CO ₂ equivalent / €m revenue	30.3	30.5	32.9

* Please note that the 2019 CO₂ equivalent figures have been restated as several portfolio companies have carried out more accurate assessments of their carbon footprint. 2 out of 18 portfolio companies’ calculations for 2020 are based on estimates. For comparison to 2019, 2020 LfL excludes investments during 2020.



Deep dive: In harmony with nature



The Arkopharma story began more than 40 years ago when Doctor Max Rombi decided to devote himself to his passion for natural medicine. Ever since, the company has grown remarkably to become a European leader within its field, combining science, innovation and respect for the environment.

During Montagu's ownership, Arkopharma has continued to work closely with its partners and suppliers to preserve natural resources, combat climate change and protect biodiversity. The company obtains its plants in two ways, through cultivation (sowing, planting, cutting) or collection in the wild.

In 2020, Arkopharma purchased 88 tonnes of organic plants, and the company is well-aware of the strategic importance of having long-term access to high-quality plants. Its sustainability efforts include harvesting plants only when they are perfectly mature, in harmony with the inherent life cycle, ensuring that no pesticides are used and promote organic, and where possible, local farming. In addition to a supplier questionnaire, which includes questions related to the adoption of precautionary principles in the face of environmental concerns, the company also regularly carries out supplier audits and collaborates with inter-professional organisations, such as ITEIPMAI to promote sustainable farming practices. 80% of its suppliers are focused on producing organic plants.

Arkopharma plant suppliers/producers selection criteria:

- The quality of their plants
- Their knowledge and protection of the plant
- Their cultivation and / or harvesting methods
- Their production and collection capacity
- Their tracing capacity and strict supply controls
- Respect for the integrity of the local biotope
- No-modification of the plant

In 2020, Arkopharma further strengthened its environmental commitment by partnering with suppliers to reduce, reuse and recycle items used for packaging of raw materials to reduce waste. Today, 85% of the primary packaging and 100% of the secondary packaging is recyclable.

Through its environmental initiatives, Arkopharma is contributing to SDG 3, 13 and 15.



HELPING CUSTOMERS AND COMMUNITIES DURING THE PANDEMIC

As a response to Covid-19, Arkopharma dedicated one of its product lines to producing hydroalcoholic gel to help combat the virus. During the past year, the company has donated over 100,000 tubes to hospitals, firefighters, police, town halls and elderly care homes.



As Arkopharma continues to grow, it is imperative that we safeguard the environment. Nature – a source of inspiration, exploration, and beauty – is vital to our business model. Our commitment is two-fold, as a well-managed environment is interlinked with human health.”

ERIC PANIJEL
CEO, Arkopharma

Deep dive: Protecting the world's oceans



The world's oceans cover 71% of the surface of our planet and are home to millions of marine species. They play a critical role in mitigating the impact of climate change by absorbing carbon dioxide (CO₂) released by human activities, thereby contributing significantly towards social and economic development, as well as overall human well-being. Protecting marine biodiversity and preventing the deterioration of the ocean's health is therefore of the utmost importance.

Aqualung Group's deep connection to the oceans, seas and marine resources began in 1943 when Jacques-Yves Cousteau teamed with Émile Gagnan to develop the first 'aqua-lung' that made underwater exploration possible and accessible to all. Today, the group continues to be a leading global designer and manufacturer of scuba dive equipment and water sports gear for recreational and professional use.

In 2020, Aqualung Group further strengthened its environmental approach by designing eco-friendly dive wet suits and swimwear, using fabric made from recycled plastic bottles and scrap rubber tires. Through its brands, the Group collaborates with likeminded partners to improve the

oceans' health. The group also streamlined its packing solutions, significantly reducing the use of plastic bags, and has started measuring environmental KPIs in order to track its progress.

Several of Aqualung Group's facilities have taken actions to reduce their environmental footprint, and one of the manufacturing plants is already producing over 1800kWh of clean energy per day by using rooftop solar panels, representing 80% of the electricity needed in the daily operations. In addition, its warehouse is utilising Solatube technologies to provide natural light and is equipped with motion-sensors to power down any equipment not in use.

In the future, Aqualung Group aims to become an environmental leader within its industry. Through the help of its 'global task force', the group will continue to work with each department to reduce the carbon footprint and adopt a circular economy business model.

Through its environmental initiatives, Aqualung Group is contributing to SDG 8, 12 and 14.



I spent a lot of time at sea, but I still find it shocking to see the amount of plastic and litter dumped into the oceans. About 70% of the oxygen we breathe is produced by the oceans, and there is an urgent need to reduce our environmental footprint. Aqualung Group shares my passion for protecting our oceans by contributing to a circular economy."

ROMAN PILLIARD

Founder of Use It Again!,
Solo skipper and Aqualung
Group Brand Ambassador

Deep dive: Helping to accelerate the pace of environmental progress



The Internet of Things (IoT) is changing the way the world works. Through the integration of smart, connected products, with sensors being built into everything from consumables, wearables, buildings and transportation, Wireless Logic connects one new 'thing' to their cellular platform every 18 seconds.

With over 16,000 customers, Wireless Logic is helping to accelerate the pace of environmental, social and economic progress. Below you'll find a few examples of how Wireless Logic's solutions are benefitting the world as well as its customers.

BBOXX – Bringing power to the people

BBOXX has improved quality of life for over 1.5 million people in Africa and the developing world by providing innovative plug and play solar systems. Through Wireless Logic's solutions, BBOXX is able to remotely control the solar power devices as well as monitor real-time usage patterns and device performance even across the most remote parts of Sub-Saharan Africa.

Masternaut – Encouraging driver behaviour that is good for people and the planet

Masternaut is one of Europe's largest fleet telematics service providers, providing connected solutions for fleet tracking and optimisation. By using Wireless Logic's technology, the company is able to quickly track over 200,000 vehicles on behalf of their clients, accessing information on positioning, distance travelled and speed. This helps drivers to reduce emissions and increase road safety by encouraging more mindful and fuel-efficient driving, thereby helping to protect the planet as well as people.

Plug-N-Go – Supporting the transition to electrical vehicles

Plug-N-Go's mission is to provide the best-in-class charging infrastructure for electrical vehicles to reduce carbon emissions and improve air quality. The company's charging stations, powered by Wireless Logic's cellular connectivity solutions, are located both in rural and urban locations, and its customers need reassurance that their nearest charging point is in full operation. Wireless connectivity enables a range of value-added capabilities including footfall surveys, monitoring, payment and on-screen interactivity. It also helps Plug-N-Go run a more cost and energy-efficient maintenance programme, without needing to send engineers to monitor fully functional sites.

UK Environment Agency – Safeguarding people and the environment

The Environment Agency works to adapt to environmental challenges like flooding and drought. In order to make informed decisions about potential flooding, the Environment Agency relies on approximately 5,500 telemetry outstations across England. Wireless Logic solutions form part of the Environment Agency's communications network to provide data that supports flood forecasting and warning services.



Our offering is at the forefront of the connected future, and we are proud of our ability to help customers develop green products and services, reduce their own environmental footprint as well as create positive social impact."

OLIVER TUCKER

Co-Founder and Chief Executive Officer

Our commitment to UN Global Compact

2020 progress

HUMAN RIGHTS

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.

In 2020, Montagu engaged with its portfolio to conduct risk assessments for human rights abuses and encourage more rigorous supply chain evaluation. 53% of portfolio completed supply chain risk analysis, and 53% has implemented a policy setting out its commitments to preventing modern slavery and human trafficking. Montagu also conducted a risk review of its suppliers and acted on the results as part of adhering to the UK Modern Slavery Act. During 2021, Montagu plans to further incorporate human rights into supply chain assessments as well as encourage sharing of best practice within the portfolio.

LABOUR

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 2020, Montagu strengthened its approach to diversity, equity and inclusion, both at a firm and portfolio level. Montagu engaged with third party recruiters, and only works with organisations who share the firm's commitment to diversity and inclusion. Montagu requests diverse candidate shortlists and candidate searches across a wide range of non-traditional talent pools. The firm also introduced Unconscious Bias training for all line managers, and joined Out Investors and ILPA Diversity in Action initiatives.

Finally, as a response to Covid-19, Montagu further developed its approach to flexible working in order to protect its employees. On a portfolio level, 93% of the companies have a designated individual responsible for Health and Safety, and 60% have a diversity and inclusion policy. Montagu will continue to support best practices in terms of labour and employment within its portfolio. For more information on Montagu's commitment to diversity, equity and inclusion, please see pages 7-8 of this report.

ENVIRONMENT

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

As a firm, Montagu has been carbon neutral since 2019. In 2020, Montagu formed an internal working group to further enhance the firm's approach to environmental factors. Montagu also introduced a climate action policy as part of its updated policy on responsible investing, and reviewed annual data for carbon emissions across its portfolio, with environmental impact reduction initiatives ongoing both for the firm itself and several portfolio companies. For more information on Montagu's environmental commitment, please see page 5 of this report, and for information on engagement with its portfolio, including examples of environmental initiatives, please see pages 11-14.

ANTI-CORRUPTION

10. Businesses should work against corruption in all its forms, including extortion and bribery.

In 2020, Montagu introduced enhanced anti-corruption policies and procedures around identifying customers and suppliers representing a higher risk. All staff received training on anti-corruption and bribery measures during the year. Montagu also continued to support corruption prevention policies and procedures in the portfolio. In 2020, 93% of the portfolio had an anti-corruption policy.

PRI index

As described in Montagu's Responsible Investing (RI) policy, we seek appropriate disclosure our own activities and progress towards better management of ESG, both to our investors and publicly on our website.

As part of our commitment to transparency, guided by the UN Principles for Responsible Investment's (PRI's) ESG Monitoring and Reporting Framework, we have included a reference index to clarify where the related information is available, either in the ESG report or elsewhere.

POLICY, PEOPLE AND PROCESSES

1.1	What updates have you made to your responsible investment policy/guidelines and/or strategy?	<ul style="list-style-type: none"> • CEO foreword (p. 1) • Integrating ESG into the investment process (p. 8)
1.2	What changes have you made to how responsible investment is resourced and structured at the firm?	<ul style="list-style-type: none"> • No changes have been made to how ESG management is structured and resourced during the reporting period
1.3	How has your responsible investment policy/guidelines and/or strategy been implemented?	<ul style="list-style-type: none"> • Integrating ESG into the investment process (p. 8) • Portfolio scorecard (p. 10)
1.4	How does your firm manage the ESG aspects of its own operations (corporate responsibility)?	<ul style="list-style-type: none"> • UN Global Compact progress (p. 15) • Montagu scorecard (p. 4) • Montagu's environmental commitment (p. 5) • Montagu's commitment to D,E&I (pp. 6-7)

PORTFOLIO

2.1	What is the ESG risk and opportunity profile of the portfolio companies in the fund? Have there been any changes to the ESG risk and opportunity profile of the fund in response to emerging ESG issues, and, if so, which ones?	<ul style="list-style-type: none"> • Portfolio scorecard (p. 10)
2.2	How are ESG factors managed by the portfolio companies in the fund?	<ul style="list-style-type: none"> • Integrating ESG into the investment process (p. 8) • Portfolio scorecard (p. 10) • ESG deep dives (pp. 12-14)
2.3	Report specific ESG indicators for portfolio companies	<ul style="list-style-type: none"> • Portfolio scorecard (p. 10) • ESG deep dives (pp. 12-14)
2.4	Describe your approach to assessing the risks and opportunities that climate change poses to your portfolio companies.	<ul style="list-style-type: none"> • Portfolio scorecard (p. 10) • Portfolio environmental commitment (p. 11) • ESG deep dives (pp. 12-14)
2.5	Describe your approach to assessing the environmental and social benefits created by your portfolio companies.	<ul style="list-style-type: none"> • Portfolio scorecard (p. 10) • Portfolio environmental commitment (p. 11) • ESG deep dives (pp. 12-14)

MATERIAL ESG INCIDENTS

3.1	Immediate notification of material ESG incidents	<ul style="list-style-type: none"> • Included in investor communications to the Limited Partner Advisory Committee
3.2	Periodic summary of material ESG incidents	<ul style="list-style-type: none"> • Included in investor communications to the Limited Partner Advisory Committee

Get in touch

If you have any questions or feedback, please feel free to contact us at responsibility@montagu.com or ir@montagu.com. We would love to hear from you.



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Any questions regarding this report should be directed to Montagu Private Equity LLP at 2 More London Riverside, London SE1 2AP.

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The information in this report is accurate as of the date of 30th March 2021.
