



Our climate policy

Climate Policy

MBO & Co is aware of its responsibility as an investor and as a driver of change on the issue of climate change. To ensure sustainable performance, MBO & Co is committed, with the International Climate Initiative (ICI), to reduce the greenhouse gas emissions of its portfolio companies and to support management teams in the transition and transformation of their business models to cope with climate risks.

MBO & Co's commitment will be reflected throughout all the investment process:

Analysis of Investment Opportunities

Firstly, after confirming that the targets' sector of activity is in line with the Principles for Responsible Investment (PRI) and not among the list of sectoral exclusions, MBO & Co will analyze for each investment opportunity the double materiality related to climate risk: the impact of climate change on the business model of the targets and the impact of the targets on the environment.

This first phase includes the assessment of physical risks and transition risks related to climate.

Physical risk	Transition risk
<ul style="list-style-type: none">• Natural disasters whose frequency and severity could increase (storms, hurricanes, floods)• Longer-term changes: sea level rise, heat waves, rainfall, disappearance of certain resources	<ul style="list-style-type: none">• Laws and regulations• Technologies• Market (example: change in raw material prices)• Reputation (perception of clients)

To assess the materiality of climate issues, MBO & Co will rely on the 7 questions of the ICI methodology:

1. Is the company concerned by a "carbon law"?
2. Have any of the ordering party (administration, major groups) already expressed expectations in terms of "carbon" strategies?
3. Is a part of the value chain located in a region with a high climate risk?
4. Has the company, or its industrial sector, recently been subject of controversy in terms of carbon issues?
5. Are the company's market conditions sensitive to climate and energy issues (dependency, competition, technological challenges, etc.)?
6. Has the company already carried out a carbon audit on a voluntary basis? (scopes 1, 2, 3)?
7. Has the company planned an IPO?

MBO & Co also analyzes the contribution to SDGs 7 and 13 to integrate the challenges of renewable energies and climate change in its risk assessment.



Depending on the materiality of the issue, the ESG due diligence will include a climate focus (including a carbon audit) to assess the progress achieved by the company, notably in terms of GHG emissions.

During the detention period:

An action plan with a low-carbon path will be integrated into the strategic plan throughout the partnership. This action plan will be based on the recommendations of the TFCF ("Task Force on Climate-Related Financial Disclosures") and will be structured around 4 main themes: governance, strategy, risk management and indicators & targets.

- **To engage the management team on climate issues**, MBO & Co will use three main drivers:
 - Raising awareness through specific communication: training, MBO & Co newsletters, dedicated events...;
 - Putting systematically on the agenda of the Supervisory Boards the analysis of the carbon audit to draw an action plan if the stakes are essential for the company;
 - Implementation of an incentive for the management indexed partly on climate/carbon criteria.
- The improvements of the portfolio companies will be measured regularly during the ESG reporting campaign and the action plan will be updated and modified to increase its scope.
- MBO & Co will map out the companies geographically and will identify physical climate risks that could disrupt its business across its value chain

At the exit:

At the exit, MBO & Co will measure the progress achieved by the company.

Commitment at the level of the investment management company:

MBO & Co must be exemplary in its low-carbon approach.

Therefore, MBO & Co will implement:

- A carbon footprint calculation for scopes 1 to 3 each year,
- An action plan presented to all employees to increase awareness on the objectives to reduce carbon footprint,
- Support of employees in the achievement of goals (subsidy for the acquisition of electric bicycles, green IT plan...),
- A training plan for employees,
- The integration of ESG criteria in the variable compensation, some of which linked to the Climate Objectives of the portfolio companies.