

MONTANARO

ASSET MANAGEMENT

Modern Slavery Statement

2024

Voluntary statement on slavery and human trafficking

This voluntary statement is made pursuant to Section 54(1) of the Modern Slavery Act (the "Act"). It sets out the processes that Montanaro Asset Management ("MAM") has implemented to prevent modern slavery and human trafficking in its business operations and supply chains.

MAM opposes slavery and human trafficking in all its forms. These are devastating crimes which effect people in countries throughout the world. This statement aims to affirm our opposition to slavery and human trafficking and outline the steps we have taken to ensure that such practices do not take place within our business or supply chains.

About us

MAM is a privately owned investment boutique, established in 1991, to invest exclusively in quoted global Small & MidCap equities on behalf of our clients. We are responsible investors and became a certified B Corporation in 2019.

During the Financial Year ended 31 December 2023, our annual turnover was £22.6 million, which is below the £36 million threshold beyond which companies are required to make a modern slavery statement under section 54 of the Modern Slavery Act 2015. However, we are making this voluntary statement to show our commitment to ethical trading principles and to set out the steps we are taking to tackle modern slavery and human trafficking in our business and supply chains.

As an Asset Manager investing directly in publicly quoted companies, our supply chain is predominantly comprised of:

- investee companies;
- IT service providers;
- other services providers;
- equipment (e.g. stationary, office equipment).

Policies

Our Investment Team conducts environmental, social and governance (ESG) analysis on every company that we consider for investment. This analysis is defined by our ESG policies, which are explained in our ESG Handbook. Oversight is provided by our in-house Sustainability Committee.

Our ESG policies are explained in our ESG Handbook. This document explains how we consider the profile of a company from an ESG perspective. Our Social Policy specifically asks Analysts to score a company on their approach to Human Rights, Supply Chain Management and Modern Slavery.

We are engaged investors and are in regular dialogue with our investee companies. We report on our stewardship responsibilities to our clients and are signatories to the FRC UK Stewardship Code.

Our approach to engagement demonstrates how we act upon any controversial matters involving our investee companies and exert our influence as stakeholders to shape and improve business practices. We have a defined engagement process and are willing to sell holdings in companies that fail to improve.

Due Diligence

To identify and monitor the risk of slavery and human trafficking, we review the policies and procedures of companies we work with and invest in. This involves:

- conducting ESG analysis on all potential investments;
- regular dialogue with investee companies;
- monitoring suppliers' labour practices.

We assess the risk of modern slavery and human trafficking through:

- an ESG Checklist used during investment analysis;
- continuous monitoring of investee companies' practices;
- engagement with companies to improve their practices, with willingness to divest if necessary.

Effectiveness in combatting Modern Slavery

In order to measure how effective we have been at ensuring that slavery and human trafficking is not taking place in any part of our business or supply chains, we:

- use the Montanaro ESG Checklist to ensure that we monitor and score all investee companies on their ability to manage and mitigate risks. This allows us to identify which companies need to improve their approach to Modern Slavery and Human Trafficking;
- monitor the ethical labour practices of our suppliers;
- monitor any reported breaches related to Modern Slavery.

Training

We are committed to ongoing staff training to help identify and address Modern Slavery risks.

About this statement

This statement was approved by our CEO, Cedric Durant des Aulnois, on 16 July 2024. This statement represents MAM's voluntary slavery and human trafficking statement. Our progress and compliance with the policy will be reported to and monitored by the Board, following which a statement will be regularly reviewed and published on our website.