

# **ANNUAL RESPONSIBLE INVESTMENT REPORT**

2022



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Comgest's Annual Responsible Investment Report for 2022 is based on the aggregated available data of our investee companies for all portfolios managed by the Comgest Group<sup>1</sup> (the **"Comgest Portfolios"**). The data illustrated in the Appendix section of this report refers to the respective strategy referenced therein.

<sup>1</sup> The Comgest Group includes six asset management companies: Comgest, S.A. (Paris), Comgest Far East Ltd (Hong Kong), Comgest Asset Management International Ltd (CAMIL) (Dublin), Comgest Asset Management Japan Ltd (Tokyo), Comgest Singapore Pte Ltd (Singapore) and Comgest US LLC (Boston). Comgest also has the following service locations: Comgest Deutschland GmbH (Düsseldorf), Comgest Benelux B.V. (Amsterdam), Comgest Australia Pty Ltd (Sydney), as well as offices of CAMIL in London, Milan, Brussels, and Vienna.



# I. RESPONSIBLE INVESTMENT APPROACH AND 2022 HIGHLIGHTS

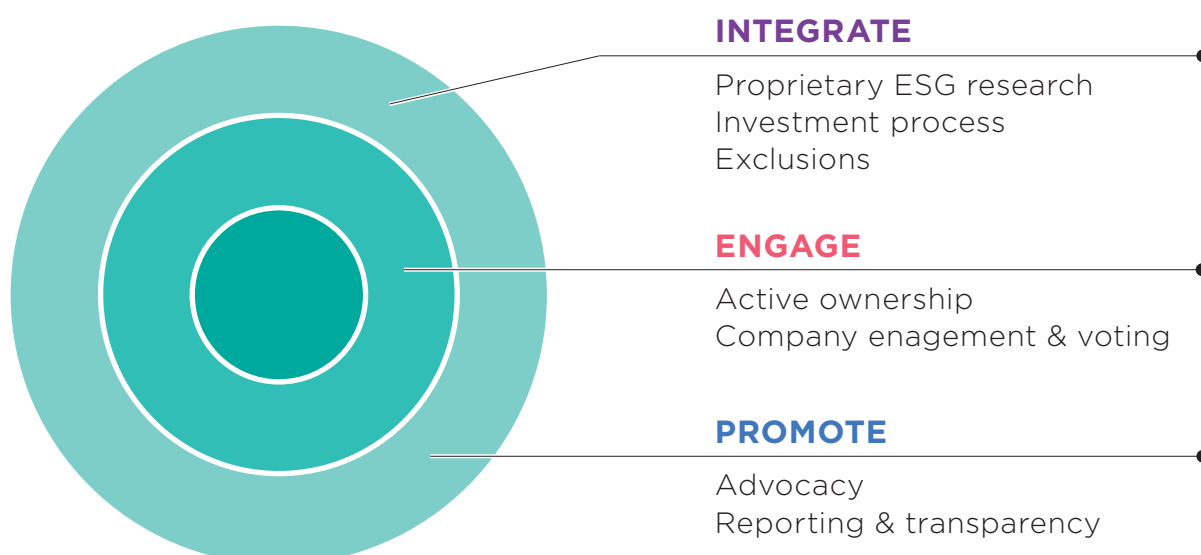
## A. OUR RESPONSIBLE INVESTMENT BELIEFS AND STRATEGY

Comgest's long-term, quality growth investment style leads us to integrate ESG analysis into all our investment decisions and to encourage our investee companies to enhance their sustainability practices. Our responsible investment approach is grounded by the following:

- **A long-term investment horizon incentivised by our partnership structure:** Comgest has always been 100% owned by employees and founders – our broad partnership structure allows us to consider the materiality of ESG issues and partner with companies over the long-term in the transition towards more sustainable economies.
- **Experience in integrating ESG into investment analysis:** For over 35 years, we have invested using a quality growth philosophy, resulting in heightened analysis of financial and extra-financial long-term risks and opportunities, being aware that the durability of a company's success depends on their entire ecosystem and ability to address ESG criteria.
- **Proprietary ESG research:** We identify quality growth companies through years of fundamental research performed by diverse, on-the-ground teams with local language skills and cultural knowledge. As an integrated part of the Investment Team, the ESG analysts work alongside our company analysts attending company meetings, performing research and conducting proprietary ESG assessments.
- **Independent ownership structure:** Independence allows us to implement an unbiased and effective engagement and advocacy strategy.

This responsible investment approach comprises a three-pronged responsible investment (RI) strategy.

Figure 1. Comgest's responsible investment strategy



## B. REFLECTING ON 2022: KEY PROGRESS AND ACHIEVEMENTS

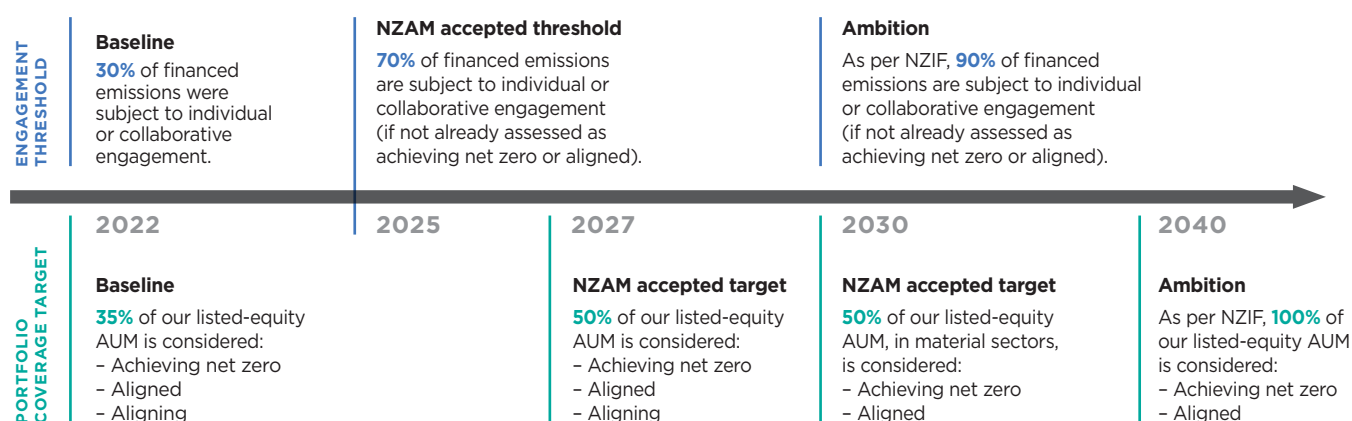
2022 was a key year for Comgest's ESG journey, exemplified by the formalisation of our Group Sustainability Committee and the expansion of dedicated ESG resources (see section II(A), "Sustainability governance" and section II(B) "Dedicated ESG resources"). We also continued to develop our ESG tools and processes (see section II(D), "ESG tools and data") to align with the latest sustainable finance regulations and the rising expectations of our external and internal stakeholders. As of 31 December 2022, 94% of our public funds were classified as Article 8 under the European Union's Sustainable Finance Disclosure Regulation (SFDR).<sup>2</sup>

2022 also marked the enhancement of our **climate commitments**. Comgest joined the **Net Zero Asset Managers Initiative (NZAMI)** early in the year, and our Group-level net zero targets were accepted by the initiative in March 2023. These targets cover 100% of our listed equity AUM and provide solid milestones on which we can anchor our climate strategy.<sup>3</sup>

In accordance with our responsible investment strategy, achieving our targets will focus on:

- Further **integrating** climate-related risks in our investment process;
- Prioritising **engagement** with investee companies to accelerate real-world decarbonisation; and
- **Promoting** collaboration with industry stakeholders and clients to advance climate action.

**Figure 2. Comgest's climate targets and roadmap**



Source: Comgest

We are proud of Comgest's continued external recognition of our ESG practices. In 2022, successfully applied to the **UK Stewardship Code**, which sets high stewardship standards for investors. In addition, a selection of our strategies applied to, and received, the below-referenced, leading European socially responsible investing (SRI) labels. We look forward to continuing to our responsible investment practices in years to come.

**Figure 3. Portfolios Holding European SRI Labels**

LABEL		
	No. of Portfolios	% Total AUM
<b>LuxFlag ESG</b>	13	60.4%
<b>Towards Sustainability (Febelfin)</b>	3	2.8%
<b>FNG</b>	3	2.8%

Source: Comgest, 31-Dec-2022.

<sup>2</sup> The EU's Sustainable Finance Disclosure Regulation (SFDR) requires firms to advise whether principal adverse impacts on sustainability factors are considered in their investment decision making process. 94% calculation is based on AUM.

<sup>3</sup> Further details on our climate strategy are included in our Climate Change Policy appended to our [Responsible Investment Policy](#).

## II. GOVERNANCE AND RESOURCES

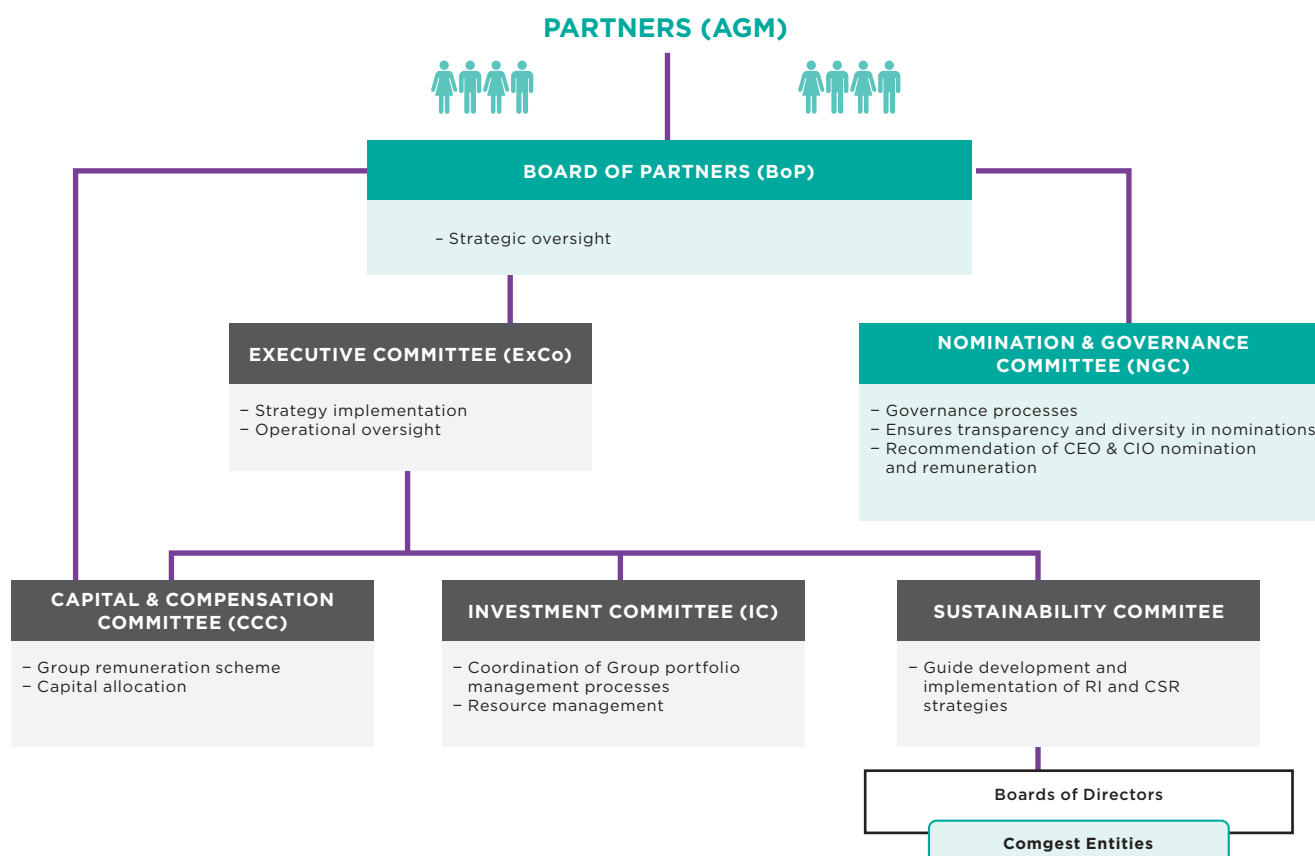
### A. SUSTAINABILITY GOVERNANCE

As noted in section I, Comgest is an independent asset management group owned by its employees and founders. This ownership structure is central to develop and implement our responsible investment approach and sustainability strategy. It is supported by a governance structure which includes the following governance bodies: a Board of Partners (BoP), an Executive Committee, an Investment Committee and a Sustainability Committee.

The Sustainability Committee (SC) is chaired by the Group Chief Investment Officer (CIO)<sup>2</sup> and its members represent a wide variety of teams including the Chief Executive Officer (CEO), Portfolio Management, ESG, Compliance, Risk, Marketing, Investor Relations, and Operations. It was established in June 2022 (replacing the Responsible Investment Committee) in line with our ambition to continually strengthen our sustainability expertise and governance. The SC assists the BoP, which serves as

the strategic oversight body for the Group, and the Executive Committee, in defining, implementing, and monitoring the Group's Responsible Investment (RI) strategy and Corporate Social Responsibility Strategy (CSR) strategy, including on specific priorities such as climate change. The SC liaises with the Group's entities to ensure that Group RI and CSR strategies incorporate local regulatory requirements, and that RI and CSR policies are implemented in each entity.

**Figure 4. Group Governance Structure**



<sup>2</sup> The CIO took on the role of Chair in 2023, previously held by the CEO.

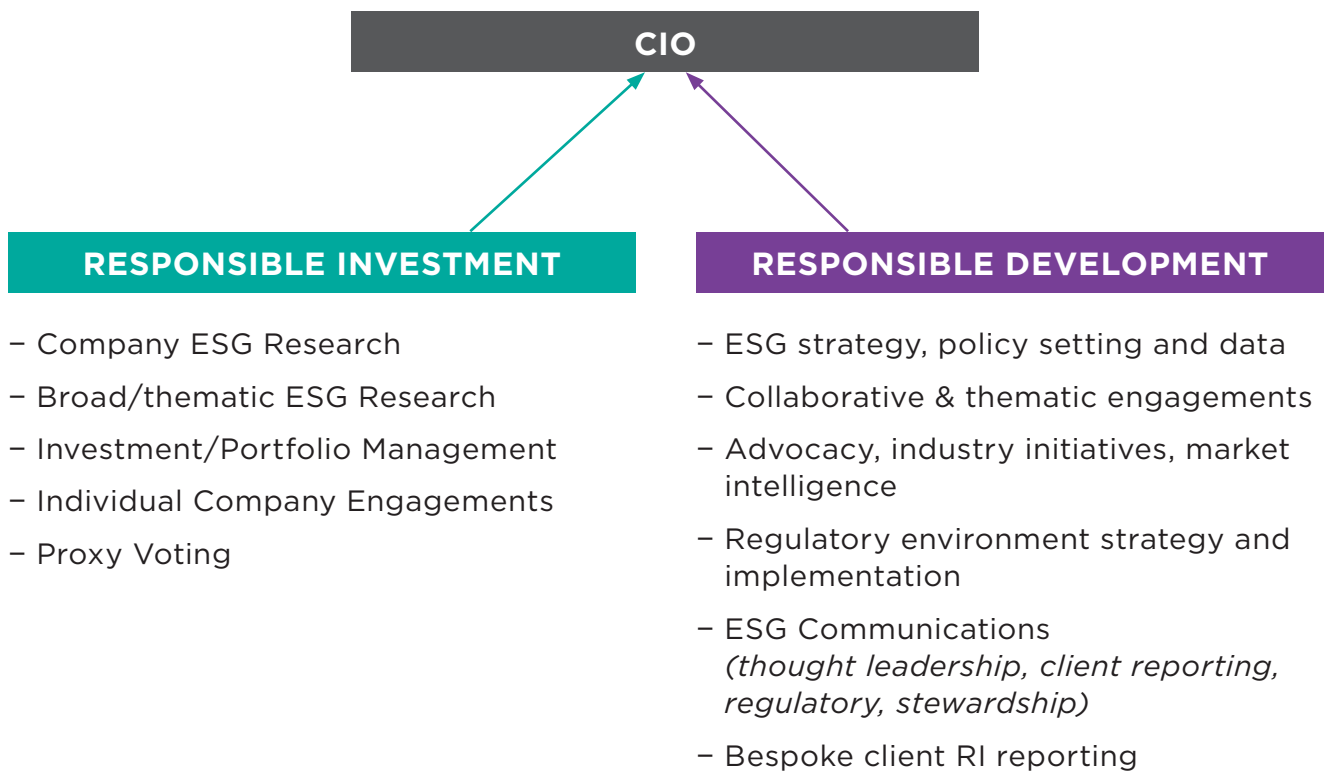
## B. ESG RESOURCES

### 1) Dedicated ESG resources

Since the hiring of our first ESG analyst a decade ago, Comgest's dedicated ESG resources have evolved considerably and comprise, as of year-end 2022, 10 members who fulfil two distinct functions:

- **Responsible Investment:** comprises 6 experienced investment professionals (ESG analysts), each focused on company coverage within specific geographic regions and embedded within Comgest's Investment Team, rather than operating as a siloed function. As an integrated part of the Investment Team, the ESG analysts work alongside our company analysts attending company meetings, performing research and conducting proprietary ESG assessments. Concurrently, the company analysts are considered key ESG resources as they are directly involved in ESG research as part of their fundamental analysis. They also conduct stewardship activities including carrying the responsibility for company voting and carrying out individual engagements, often together with a member of the ESG Team.
- **Responsible Development:** comprises 4 members of a specialist team that lead thematic and collaborative engagement on topics such as climate change, biodiversity and human rights. The team also oversees ESG strategy, policies, internal training and communication of Comgest's RI strategy. The Responsible Development Team works closely with Comgest's Project Team, with 2 project managers dedicated to the development of the Group's ESG tools and processes.

**Figure 5. Reporting Structure - ESG Resources**



## 2) Ongoing training

ESG is a rapidly evolving field and ongoing training of the ESG Team and wider Comgest teams, including investment teams, is necessary to keep skills, knowledge and thinking up-to-date. **Internal ESG knowledge-sharing** initiatives include:

- **Regular information sessions** conducted by the ESG Team for employees that are tailored to their various functions (e.g., investor relations, compliance, legal, investment, etc.) on evolving ESG topics, notably updates regarding sustainable finance regulations or thematic topics such as climate change and our recent net zero commitments. These sessions can be run on a one-to-one basis, for example for new joiners.
- Presentation and regular discussion of ESG issues at **weekly investment research meetings**, including discussing specific stocks to serve as case studies.
- **Dedicated ESG workshop** during annual investment team offsite “best practice seminar”. This gathers all Investment Team members from around the world to learn from our experiences, mistakes and each other. Training focuses on both broader topics such as climate change and specific issues relevant to a particular company or industry.
- **ESG systems and tools training sessions** to ensure that Investment Team members can maximise the use of our proprietary “ESG Dashboard” system.

We also run **training sessions and workshops with external experts and facilitators**. For instance, in December 2022, the Sustainability Committee members joined a ➔ **Climate Fresk** workshop to strengthen their knowledge on climate change. This type of workshop will be deployed across our Group in 2023. Participating in industry working groups and seminars is an important avenue for our teams, especially our ESG teams, to continuously develop their expertise.

## 3) Incentives

Comgest’s partnership structure and its remuneration policy are designed to incentivise **long-term** thinking and behaviour. For the **Investment Team members**, variable compensation is based on a set of quantitative and qualitative criteria that favour processes and behaviour over outcomes. This is based on our belief that quality research inputs combined with sound methodology typically leads to positive outputs over the long-term, whilst short-

term outcomes can be random. The assessment includes **stewardship criteria including ESG integration, identification of sustainability risks, quality of engagement and participation in training**. In addition, the calculation of the total package available for variable compensation across the company takes into account any significant risks to which Comgest’s Risk Committee considers that the company may be exposed.


## C. DIVERSITY, EQUITY & INCLUSION

Diversity is one aspect of ESG criteria that we examine in our investee companies, because we believe that it is an important indicator of the potential for higher quality decision-making. We apply the same standards to ourselves. As an equal-opportunity employer, we recognise the importance of all forms of diversity and we believe that diversity of backgrounds, skills and viewpoints leads to better informed discussions, greater creativity and open-mindedness and a more stimulating work environment. Our human resources department deliberately seeks out diverse profiles and our compensation system ensures that all employees are treated fairly and equally. There are over **30 different nationalities** represented within our staff, and we

have achieved gender balance across the wider company, with **48% of our employees** and **46% of our shareholder base being women**. Within our Investment Team, **33% of the team are women**, close to three times the industry average.

Comgest’s **Diversity, Equity & Inclusion (DEI) Working Group** comprises six members from various Comgest entities – of which 50% are women – and representatives from a range of functions across the firm, including the Investment Team. The DEI Working Group is responsible for reviewing developments and initiatives across the industry, as well as the development and implementation of DEI initiatives at Comgest.

Comgest implemented or participated in several measures over 2022, seeking to enhance the diversity of our Investment Team, including:

- **Established a diversity target** of 50% female interns for our Investment Team
- **Roundtable discussion:**  **Sharing our experience of breaking the bias**, to raise awareness of the lack of female representation
- **UK Women in Investment Awards:** 3 female Comgest partners named as finalists (November 2022)

Our goal in 2023 is to establish a formal Group-level DEI Policy and to advance our DEI responsibility and oversight structure.

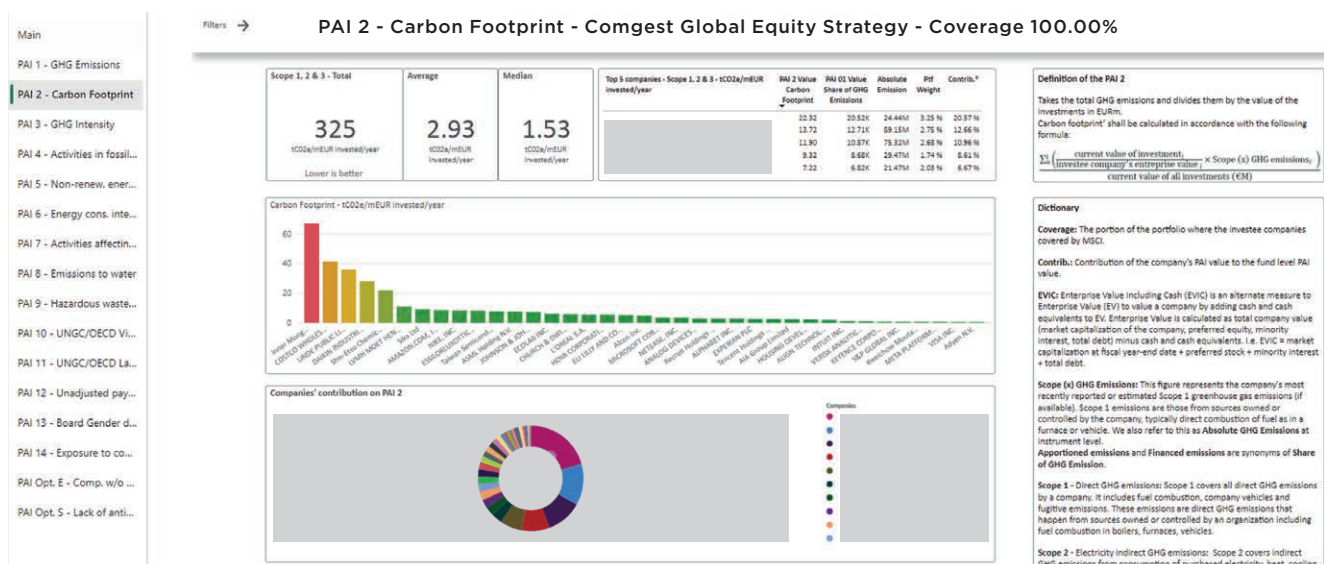
## D. ESG TOOLS AND DATA

### 1) Proprietary ESG tools

To collect and share ESG data and information more efficiently, we developed **several in-house tools**:

- **ESG Assessment tool:** designed to capture ESG-related information on a company and summarise analysts' ESG research findings
- **Engagement form:** allows analysts to record engagement activities and outcomes, which feeds into our engagement database and stores engagement data needed for monitoring and reporting purposes
- **ESG dashboard:** internal system that enables us to share a wealth of ESG information (proprietary and third party) across all investment strategies to provide the Investment Team with access to relevant ESG data and information on companies and portfolios. We are continuously enhancing the dashboard's functionalities, e.g., adding a net-zero tab summarising companies' alignment categories to monitor progress on climate targets and identify engagement priorities.
- **PAI dashboard:** developed internally in 2022 to better collect and share principal adverse impacts (as defined by SFDR) related data and information on investee companies, mainly to provide the Investment Team with instant access to all PAI-related data and information, as well as a more granular view of each indicator at the portfolio level.

**Figure 6. Comgest PAI Dashboard**



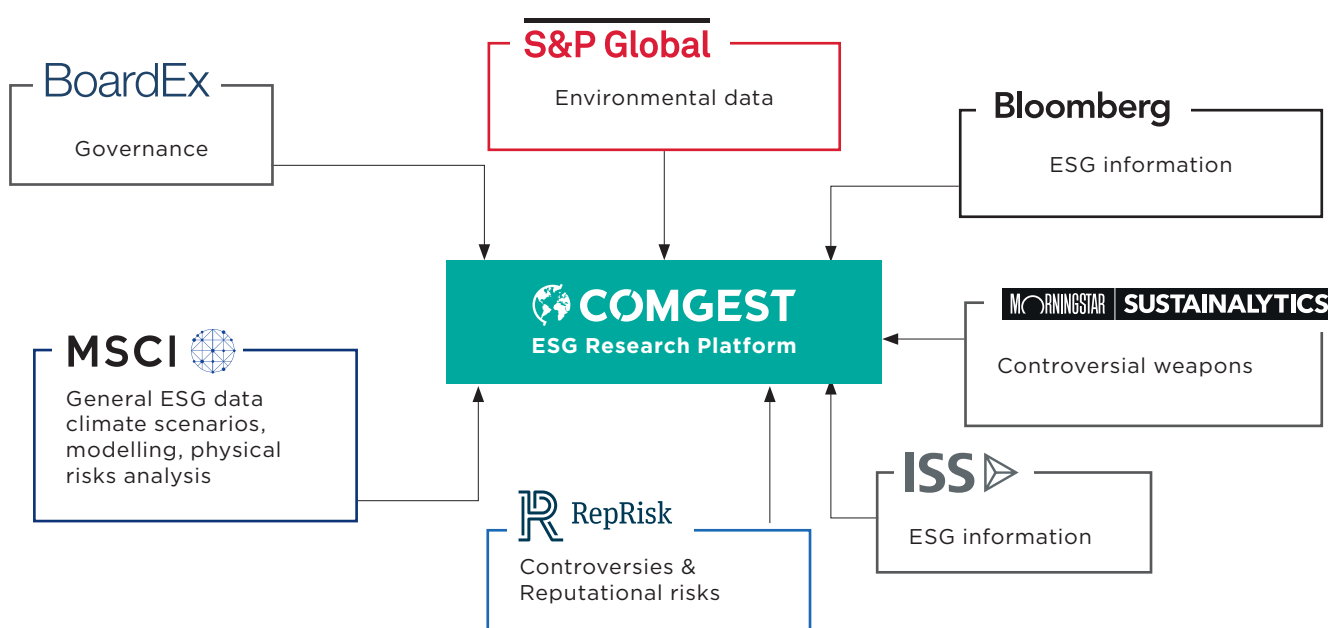


## 2) External data and information providers

In addition to our proprietary research, the ESG and Investment Teams draw on extra-financial information sources, such as companies' CSR reports, information and alerts from specialist providers, contacts with companies and their stakeholders,

NGOs and media reports. Figure 7 shows the external providers – selected for the quality of their information and their geographical coverage – that are currently used by the Teams.

**Figure 7. External Data Providers**



## III. INTEGRATE

### A. ESG INTEGRATION PROCESS

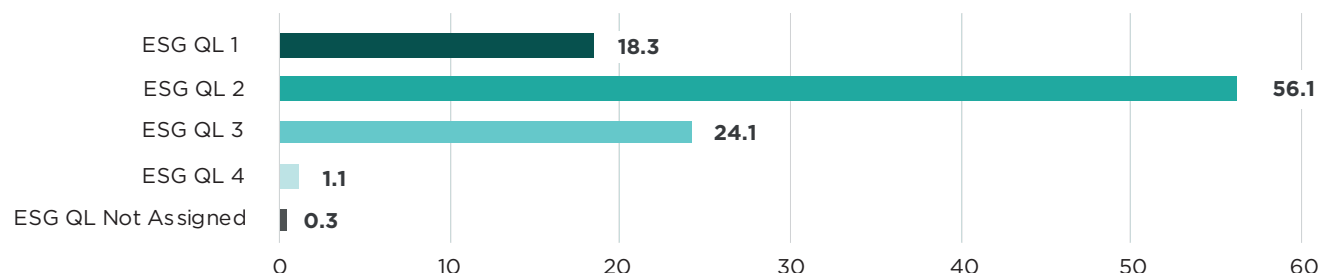
Comgest's ESG integration approach aligns well with our general approach of stock-picking quality companies with a long-term investment horizon and ensures that sustainability risks and opportunities are taken into account in a systematic manner. Our process is described in detail in Comgest's [Responsible Investment Policy](#). Proprietary ESG research is central to our investment process and an overall ESG Quality Level is assigned to each company, ranging from 1 (leader) to 4 (improvement expected) using an internal rating system (Figure 8). The Quality Level reflects the consensus opinion of the company analyst and the ESG Team, and results in a company-specific ESG discount rate applied in our valuation models.

**Figure 8. Comgest ESG Quality Levels and associated discount rates**

ESG Leaders	ESG Quality Level	Description
	Discount Rate Impact: DM/EM	(one or more of the sample elements below)
	<b>1 ESG Leader</b> -50 bps / -100 bps	Sustainability/CSR fully embedded in corporate culture, strategy to benefit from ESG opportunities, excellent disclosure, mitigation of existing ESG risks
	<b>2 Good Quality</b> 0 (no change) / 0 (no change)	Good awareness and mitigation of low ESG risks, adequate disclosure, few controversies, able to benefit from ESG opportunities
	<b>3 Basic Quality</b> +100 bps / +150 bps	Basic awareness of ESG risks, limited mitigation measures in place, moderate ESG risk exposure, low disclosure, ESG controversies, room for improvement
ESG Laggards	<b>4 Improvement Expected</b> +200 bps / +300 bps	High ESG risk exposure, no consideration of ESG risks, very low or absence of disclosure, no mitigation measures, significant ESG controversies, priority for engagement
	<b>INSUFFICIENT QUALITY GROWTH CRITERIA</b>	

Figure 9 provides a breakdown of the ESG Quality Levels (QL) for all investee companies in Comgest Portfolios as of 31 December 2022.

**Figure 9. ESG Quality Level breakdown for all investee companies (%)**



Source: Comgest, 31-Dec.-2022. Coverage: 100% of equity and equity-linked AUM.

## B. CASE STUDIES: ESG-RELATED MATERIAL PORTFOLIO CHANGES

### CASE STUDY



#### ESCALATION FOLLOWED BY DIVESTMENT – SAIC MOTOR

SAIC Motor, a Chinese state-owned automobile manufacturer, is an apt example of a situation where our escalation efforts did not bring us the expected results and, consequently, we divested from the company.

Our engagement with SAIC Motor started in 2018 and covered several topics related to ESG, in particular transparency on environmental data and human rights issues. However, the company failed to deliver a satisfactory response throughout our engagement.

Comgest participates regularly in collaborative engagements on climate and forest (participation in the CDP Non-Disclosure Campaign on climate change in 2019, 2021, and 2022, and on forest in 2021 and 2022). We also co-led the collaborative engagement under the Climate Action 100+ framework to engage with SAIC to request more disclosures on climate related issues. Despite having set operational targets for its climate change mitigation products (i.e., electric vehicle and hybrid vehicle) and starting to consider a life-cycle assessment for these products, the company stated that it had no intention to disclose environment-related data to the CDP or to publicly commit to any targets related to environmental metrics.

The company also failed to show a satisfactory response on human rights issues. In 2020, SAIC was accused of potentially using forced labour in the factories of its joint venture with Volkswagen in Xinjiang. The continued

increase in media attention on this topic exacerbated our concerns, and we questioned the company on this topic during our engagement in March 2021. The company denied the allegations.

Following MSCI's downgrade of the company in 2022 due to the aforementioned allegations involving human rights violations, we reached out to SAIC's investor relations team again to learn more about its labour practices in its own operations and at the level of the joint venture, as well as in its supply chain. We received a formal response from the investor relations team claiming that they were in compliance with China's labour laws, which used nearly the same wording as the previous response they gave us on this topic in 2021, but without actually answering any of the questions we raised.

In light of our experience with SAIC over the years in which the company showed a lack of responsiveness and willingness to improve, this response sadly came as no surprise. However, it proved as 'final straw' evidence that our engagement efforts with SAIC had not brought the progress we had hoped for. We had been gradually reducing our stake in SAIC for primarily fundamental reasons. Following this inadequate response from the company, the Investment Team discussed the validity of the holding in depth in light of its unchanged ESG risk profile, reaching a decision to divest entirely from SAIC across all portfolios by the end of 2022.

**CASE STUDY****CASE STUDY: UPGRADE OF AN ESG QUALITY LEVEL – RECRUIT HOLDINGS**

Recruit Holdings is a Japanese company that provides human resources and employment services. The social dimension is thus central to its activities and its positive general contribution to society has always been a key consideration in our investment case. Although we knew that delivering social value has been part of Recruit's DNA since its founding, additional company developments in terms of strategic commitments in 2022 have further reinforced our perception of the nature and depth of this value intended to be created by the company, and consequently of its growth prospects.

Through new meetings with the company in which these social factors were the focus, we came to better understand how achieving social impact is part of the company's core strategy, and in what ways the company might do that in practice. For example, one critical risk to falling into poverty is the time it may take to find a job, so Recruit made an official objective to shorten the time it takes to find a job in half.

At the same time, from a financial perspective, setting social impact targets positively impacts the business because, obviously, if the platform can help the users find jobs twice as fast, they will use it. From a larger societal perspective, the increased social need for services that help find jobs is also a growth driver in societies where there is a clear trend towards higher job turnover, which is the case in Japan. The company also explained how having these social objectives supports employees' engagement and pride to be part of the Recruit organisation.

As a result, this integration of social factors in our research process has led to a reinforcement of our conviction and an upgrade of our internal ESG rating on the stock from an ESG Quality Level 2 to an ESG Quality Level 1 (ESG leader). This change improved the team's upside calculation for Recruit (and thus relative attractiveness versus other stocks) as our process applies a 50bps decrease to the discount rate used in the valuation process for ESG 1 companies.



## C. EXCLUSION OF HIGHER RISK SECTORS

Comgest's investment selection process makes it unlikely that companies with substantial ESG risks will satisfy the required standards of quality, visibility, and sustainability that we seek in quality growth companies. As a result, companies with substantial ESG risks tend to be naturally filtered out during our investment selection. In addition, however, Comgest applies targeted exclusion policies, documented in our [Responsible Investment Policy](#), for certain activities where ESG risks tend to be more significant. These exclusions are implemented in Comgest's managed portfolios<sup>5</sup> and cover the following sectors and activities:

- Controversial weapons
- Conventional weapons
- Tobacco
- Thermal coal
- UN Global Compact violators
- Operations in controversial jurisdictions

Comgest's "Plus" strategies apply additional ESG screening criteria regarding the fossil fuel, nuclear energy, and uranium mining sectors. Further details are available in [Comgest's Plus Funds Exclusion Policies](#).

In 2022, we **strengthened the exclusion threshold of our thermal coal exit policy**. These changes align with our climate commitments made under the Net Zero Asset Managers Initiative. They clarify that Comgest excludes companies developing new coal-fired power plants and complement existing relative thresholds with an absolute threshold of 5 GW of installed capacity based on coal for electric utility companies. Our updated coal exit policy brings forward the phase-out date for companies operating in developed markets from 2040 to 2030. We are nonetheless keeping a 2040 phase-out date for companies operating in emerging markets, recognizing they need additional time to transition towards cleaner sources of energy.

## D. INTEGRATION OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

### 1) Climate scenario analysis and Climate VaR methodology

Comgest is committed to carefully monitoring and managing climate risks and opportunities within its investment processes. Comgest uses MSCI's [Climate Value-at-Risk](#) (Climate VaR) methodology to measure climate related risks and opportunities within our portfolios. Based on the [Task Force on Climate-Related Financial Disclosures](#) (TCFD) recommendations, this forward-looking and return-based methodology includes both transition and physical risk assessments. It can be negative (cost) or positive (gain) and the horizon is the next 15 years. Transition risks assessment includes both policy risks and technology opportunities. Climate VaR is calculated according to various temperature targets: 1.5°C, 2°C and 3°C.

As Climate VaR calculations are based on estimates and forward-looking data, results are mainly to be used as an indication of a portfolio's exposure to climate-related risks. Additionally, as for any metric aggregated at an individual portfolio level, Climate VaR results are highly tied to a portfolio's composition. In other words, a change in a portfolio's Climate VaR is not only due to a change in underlying companies' Climate VaR but could be linked to changes in the given portfolio's composition.

Applying the Climate VaR data and methodology to the Comgest Portfolios (the aggregated available data of our investee companies for all portfolios managed by the Comgest Group) provides us with the following results:

Aggregated Climate VaR (under various temperature targets)	1.5°C	2°C	3°C	Coverage of equity and equity-linked AUM
Comgest Portfolios	-7.30%	-6.20%	-6.27%	98.03%

Source: MSCI, 31-Dec-2022. The "aggressive" physical risks scenario is used in the calculation of the aggregated Climate VaR.

This means that, under a 1.5°C scenario, the aggregated Comgest Portfolios could lose 7.30% of their value in the next 15 years, while under a 2°C scenario, they could lose 6.20% of their value.

<sup>5</sup> Except where otherwise requested by clients or where implementation is prohibited by applicable laws.

## 2) Climate transition risks: policy risks and technological opportunities

The MSCI Climate VaR methodology, considers both:

- **Policy risks:** these result from regulatory changes aimed at increasing the cost and reducing the volume of greenhouse gas emissions. These are additional costs for companies affected by the regulations.
- **Technological opportunities:** these result from regulatory changes that make new low-carbon technologies possible and profitable. These are new sources of revenue and profits, the value of which is estimated through existing green revenues generated by the company and the number of patents the company has related to low-carbon technologies.

To estimate the policy component of the Climate VaR, MSCI uses the countries' Paris Agreement Nationally Determined Contributions. MSCI also uses multiple scientific scenario models, including:

- **Integrated assessment models:** AIM-CGE, IMAGE, GCAM
- **Shared socioeconomic pathways (SSP):** SSP1, SSP2, SSP3, SSP4, SSP5

Aggregated Policy Climate VaR (under various temperature targets)	1.5°C	2°C	3°C	Coverage of equity and equity-linked AUM
<b>Comgest Portfolios</b>	-4.62%	-2.19%	-0.22%	98.03%

Source: MSCI, 31-Dec-2022.

The results show that the Comgest Portfolios are impacted by variations in transition risk scenarios, with a 1.5°C Policy Climate VaR estimated to represent -4.62% of the aggregated Comgest Portfolios' value, against -2.19% in a 2°C scenario and -0.22% in a 3°C scenario. Indeed, regulatory transitions would need to be quicker and more stringent to reach a +1.5°C temperature target. Companies operating in high emitting sectors (chemicals, airlines, etc.) are the companies contributing the most to the aggregated Comgest Portfolios' overall Policy Climate VaR (e.g., Linde, Ryanair).

Aggregated Technology Climate VaR (under various temperature targets)	1.5°C	2°C	3°C	Coverage of equity and equity-linked AUM
<b>Comgest Portfolios</b>	3.67%	2.34%	0.30%	97.05%

Source: MSCI, 31-Dec-2022.

The Technology Climate VaR represents a potential gain stemming from the development of new products and services based on low-carbon patents. The results show that Comgest is investing in companies that can benefit from the transition to a lower carbon economy, including companies in high emitting sectors which are developing products and services for advancing and scaling climate solutions (e.g., LG Chem, Fanuc Corporation).

## 3) Physical climate risks

The TCFD recommendations encourage asset management companies to assess not only the transition risks but also the physical risks associated with climate change. MSCI models two types of climate risk to analyse extreme weather events that could affect a company's operations:

- **Chronic climate risks:** manifest slowly over time; modelling based on statistical extrapolation of historical data.
- **Acute climate risks:** linked to rare natural disasters such as tropical cyclones; risks determined by physical climate models.

The following ten physical risks are covered by MSCI's analysis:

- Extreme Heat
- Extreme Cold
- Wind gusts
- Heavy rain
- Heavy snowfall
- Tropical cyclones
- Coastal flooding
- Fluvial flooding
- River low flow
- Wildfires

Using a 40-year history of observed weather patterns to establish a baseline scenario, the MSCI model calculates a likely cost resulting from physical risks and opportunities for each company over the next 15 years.

Overall, comparing the various components of the Comgest Portfolios' Climate VaR (Policy, Technology and Physical), we observe that physical climate risk represents the largest proportion of the

Group's aggregated Climate VaR. In an aggressive or stressed physical risk scenario (using a hypothesis of occurrence in the 95th percentile of the cost distribution), the total cost of physical risks could amount to -6.35% of the value of the aggregated Comgest Portfolios over the next 15 years. Companies contributing the most to the physical Climate VaR include those with large infrastructure, such as Chinese gas distributor, China Resources Gas.

#### 4) Mitigating climate-related risks

Companies assessed with having the highest climate-related risks are prioritised for individual and/or collective engagement. Our dialogue with companies allows us to (1) better understand how climate-related risks are managed, and (2) assess the various mitigation actions that companies have implemented or plan to implement. Our analysts may also request that companies implement further risk mitigation actions and track companies' progress on these recommendations. If we deem that climate-

related risks are continually not being appropriately managed, we would consider that the company no longer meets our quality growth standards and would divest the holding. Additionally, our Group-wide exclusion criteria on thermal coal mining and coal-fired power generation, as well as our significant under-exposure to high climate-risk sectors such as mining, energy or airline industries, allows us to manage portfolios with significantly lower climate risks than comparative indices.

#### 5) Engaging with top emitters


Shin-Etsu is one of the largest emitters in our Japan Equity strategy (the "Japan strategy") and represents 2% of our Group's total financed emissions. The company is also one of the main contributors to our Japan strategy's Policy Climate VaR, which assesses exposure to climate-related regulatory risks.

After several interactions with Shin-Etsu throughout 2022, focusing on hazardous chemical waste and sustainability reporting, Comgest held an in-depth engagement discussion with the company on carbon emissions and decarbonisation targets. This meeting followed an initial engagement with the company in December 2021, during which we commenced discussions encouraging Shin-Etsu to set science-based targets for decarbonisation.

Our discussion with the company on their plans to curb emissions and progress on setting carbon neutrality targets allowed us to better assess how the company is considering and managing its climate transition risks. During the meeting, the company representatives highlighted the challenges that the teams have faced in establishing a realistic and actionable plan. We concluded the meeting confident that Shin-Etsu will adopt science-based targets in due course. We believe that they are taking the necessary time to properly implement science-based targets in order to mitigate business and regulatory risks the company has identified in their [TCFD report](#). Our engagement with Shin-Etsu will continue into 2023, notably through the [CDP Climate Transition Plan campaign](#).

## IV. ENGAGE

### A. 2022 ENGAGEMENT AND VOTING STATISTICS

Given our concentrated and long-term investment approach we aim to remain invested in a company for many years. Therefore, maintaining strong relationships with investee companies is a key element of our investment process. We believe that active engagement can result in tangible improvements to a company's operations and earnings sustainability and is therefore key to delivering long-term performance to our investors. Our Investment Team engages with companies in a constructive and purposeful dialogue throughout the research and monitoring process, rather than simply in reaction to one-off events or news. Additionally, Comgest's objective is to vote systematically at all shareholder meetings held by all investee companies when technically possible. All voting decisions are taken by the lead analysts for the company concerned. We apply our own  **voting policy** and do not delegate or outsource votes.

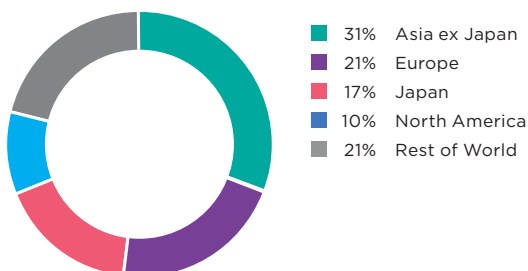
#### 1) 2022 engagement overview

In 2022, we engaged with **152 companies** (vs. 135 in 2021) and carried out **213 engagement actions** (vs. 194 in 2021). Statistics on these

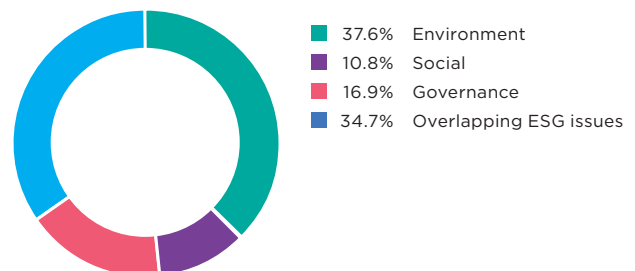
activities are provided in the charts below (Figure 10). The most common topic of engagement was disclosure of climate-related information.

**Figure 10. Engagement activities across Comgest's portfolios**

#### Regional Breakdown



#### Topic Breakdown



#### 2) 2022 collaborative engagement activities

We identify engagement themes through common issues arising from our bottom-up engagement with companies as well as through the top-down priorities we have established as a responsible investor. Our areas of focus will also take into account the results of our principal adverse impacts assessment. In 2022, Comgest set thematic priorities for collaborative engagement for the first time, identifying three ESG

risk areas of focus for the Responsible Development Team at Comgest: climate, biodiversity and human rights. These topics are considered material in relation to primary ESG risks and principal adverse impact mitigation. Climate and biodiversity have been prioritised for collaborative engagement across all portfolios and companies. Please see the below list of collaborative engagements for the year 2022.



## Examples of collaborative engagements undertaken in 2022

SPONSOR/ TITLE	REGION	OBJECTIVE	OUTCOME
<b>CDP Non-Disclosure Campaign</b>	Global	As per the last four years, Comgest participated in the CDP Non-Disclosure Campaign, a collaborative engagement campaign that encourages companies to disclose more standardised environmental information to allow for better comparison. We led engagements with 21 companies to request the submission of CDP climate change, water and/or forest questionnaires. We supported the engagement with 32 additional companies by co-signing letters requesting companies to disclose through the CDP questionnaires.	Overall, 26.5% of the companies engaged in the 2022 CDP Non-Disclosure Campaign responded to at least one CDP questionnaire (i.e., climate, water or forest). According to the CDP, companies engaged in the campaign were 2.3 times more likely to disclose if engaged by investors to do so. Out of the 53 companies engaged by Comgest, 16 responded to at least one CDP questionnaire.
<b>CDP Science-Based Targets Campaign</b>	Global	Following last year's initiative, Comgest renewed our participation in the CDP Science-Based Targets Campaign*, a collaborative engagement initiative that aims to accelerate the adoption of science-based climate targets by companies.  * CDP is one of the founding partners of the Science-Based Targets initiative (SBTi).	Overall, 24% of the companies engaged in the CDP SBT Campaign joined the SBTi between May 2021 – September 2022.
<b>FAIRR Sustainable Aquaculture Initiative</b>	Global	Comgest joined FAIRR's collaborative engagement initiative which encourages the world's largest salmon companies to develop a science-based approach to diversifying feed ingredient sources in order to better manage ESG risks associated with sourcing wild forage fish and soy. Comgest co-led the collaborative engagement of 3 companies.	The 3 companies that we engaged as a co-lead on all agreed to meet with investors, and Comgest participated in a meeting with 1 company. We will follow up to see if the companies address the recommendations made by investors for 2022 – 2023.

On human rights, Comgest signed the Investor Alliance for Human Rights' statement in June 2022, and joined two working groups:

- ICT & Human Rights
- Uyghur Region Engagement Group

### 3) 2022 voting overview

In 2022, Comgest voted at **444 general meetings**, representing over **98%** of all general meetings held by investee companies, or around **99%** excluding meetings at which Comgest declined to vote to avoid conflicts of interest (see section IV of Comgest's

➔ **Voting & Engagement Policy**).

Comgest did not vote at **5 general meetings** held by **5 companies**, either for technical reasons or because voting was not considered to be in the best interest of investors (e.g., to prevent blocking of shares).

Overall, Comgest voted on **5,107 resolutions** concerning **339 companies** in **38 countries**.

Comgest **voted against, or abstained from voting on, at least one resolution** at **287 general meetings**.

Our ➔ **voting records** are published online, which is updated every quarter with a 3-month lag.

#### General Meetings by Country

COUNTRY	VOTABLE MEETINGS	VOTED MEETINGS	%
Bermuda	2	2	100.00%
Brazil	37	37	100.00%
Cayman Islands	16	16	100.00%
Chile	1	1	100.00%
China	40	39	97.50%
Colombia	4	4	100.00%
Cyprus	1	1	100.00%
Denmark	9	9	100.00%
Faroe Islands	1	1	100.00%
Finland	1	1	100.00%
France	13	13	100.00%
Germany	16	15	93.75%
Greece	1	1	100.00%
Hong Kong	2	2	100.00%
India	65	65	100.00%
Indonesia	1	1	100.00%
Ireland	10	6	60.00%
Italy	3	3	100.00%
Japan	72	72	100.00%
Jersey (Channel IsL, UK territory)	3	3	100.00%
Kazakhstan	3	3	100.00%
Luxembourg	8	8	100.00%
Mexico	8	8	100.00%
Netherlands	10	10	100.00%
Norway	4	4	100.00%
Pakistan	1	1	100.00%

COUNTRY	VOTABLE MEETINGS	VOTED MEETINGS	%
Philippines	1	1	100.00%
Portugal	1	1	100.00%
Russia	3	3	100.00%
South Africa	4	4	100.00%
South Korea	8	8	100.00%
Spain	2	2	100.00%
Sweden	3	3	100.00%
Switzerland	12	11	91.67%
Taiwan	4	4	100.00%
USA	43	43	100.00%
United Kingdom	13	13	100.00%
Vietnam	27	25	92.59%

Comgest exercised its voting rights on **5,107** resolutions out of a total of **5,172** resolutions, representing **98.7%**.

Comgest voted on **137 shareholder resolutions**.

Resolutions are largely driven by Governance topics, even if we have seen Environmental and Social (E & S) resolutions gaining space over the past few years. Most of the E & S resolutions were shareholder resolutions.

### Exercise of Voting Rights

BREAKDOWN OF VOTES	%
For	82%
Against	15%
Abstentions or Withholdings	3%
In Line with Management	83%
Against Management	17%

BREAKDOWN OF VOTES	%
In Line with Comgest Policy	97%
Against Comgest Policy	3%
For Shareholder Resolution	64%
Against Shareholder Resolution	27%
Abstention on Shareholder Resolution	9%

### ESG Themes

BREAKDOWN OF THEMES	%
Environmental	0.20%
Social	1.37%
Governance	98.14%
ESG	0.29%

“In 2022, Comgest identified three ESG risk areas of focus: **climate**, **biodiversity** and **human rights**, which are considered material topics in relation to primary ESG risks and principal adverse impact mitigation.”



## B. ENGAGEMENT EXAMPLES IN 2022

### ENGAGEMENT IS A “MARATHON”



#### 9 YEARS OF ENGAGING WITH INNER MONGOLIA YILI (YILI)

Since 2014, we have actively engaged with Yili, a Chinese dairy company held in several of our portfolios, with Comgest's Hong Kong-based Investment Team and Paris-based ESG Team together leading the engagement.

#### YILI ENGAGEMENT TIMELINE



Source: Comgest / Company website and media communications, as of 30-Aug-2022. \*CDP is the world's leading collaborative engagement platform asking for specific climate-related improvements such as water consumption, deforestation and climate action. In 2020 50% of global market capitalization reported on climate action, deforestation and water consumption to CDP.

#### Request for disclosure and transparency

Given the company's core business activity, high levels of GHG emissions were a material sustainability issue that we prioritised. Our initial dialogues focused on increasing transparency of environmental data. In 2019, we held a lead investor role in the CDP's Non-Disclosure Campaign and asked Yili to answer three disclosure questionnaires covering climate change, water and forests. In addition to sending out letters, our analysts organised a one-on-one session with Yili in Hong Kong

to discuss the CDP's disclosure process and the benefits of greater environmental data transparency. The company ultimately submitted partial and unscored questionnaires in 2019, and has responded to the three CDP questionnaires every year since 2020, with the overall scores improving over time (from a “C” in 2020 to a “B” in 2022 on climate change; from a “B-” to a “B” on water security; and from 3 “C's” to 2 “B's” and 1 “B-” on forest).



## ENGAGEMENT IS A “MARATHON”



### 9 YEARS OF ENGAGING WITH INNER MONGOLIA YILI (YILI)

#### Encouraging the company to set science-based targets and broader sustainability plans

In 2021, Yili reached out to get our views on the SBTi and its target-setting standards. We explained the importance and benefits of setting SBTs as well as third-party validation of the targets. We were pleased to see that the company formally committed to the SBTi in H1 2022. During our meeting in 2022, the company confirmed that they had submitted their near-term targets, and were awaiting approval from SBTi and expecting to receive a formal response in 2023. During our meeting, we also discussed their initiatives and measures put in place to reduce their environmental footprint, notably on scope 3 emissions, renewable

energy use, green packaging, etc. From 2012-2021, Yili reduced its Scope 1 and 2 carbon emissions by 51% per ton of products through the use of green packaging materials and improved production efficiency; however, since Yili does not directly own any farms, the largest emissions in its value chain, namely carbon emissions from upstream farms, fall under Yili's Scope 3 emissions. Starting from 2021, Yili began to systematically compile Scope 3 emissions data and reduce carbon emissions by helping dairy farmers optimise their feed formulas. We encouraged Yili to set quantitative targets for optimising dairy feed to reduce Scope 3 emissions more efficiently.

#### In recent years, we have broadened our engagement topics and leveraged our long-term relationship with Yili to facilitate communication with other stakeholders.

In 2021, as an active supporter of the FAIRR initiative and after learning that FAIRR had not received a response from Yili on its Collier FAIRR Protein Producer Index survey, we reached out to encourage Yili to respond to the survey, which they ultimately submitted in a timely manner. During our meeting held in 2022, the company asked us to review with them ESG ratings they received from different service providers and the Collier FAIRR Protein Producer Index in order to help

them understand where they stand in comparison to their peers and where they can improve. We salute the company's openness, initiative in seeking our advice and willingness to improve. In addition, Yili informed us that they were unable to contact a specific data provider to provide feedback on some missing or incorrect data. We therefore helped them get in touch with the relevant data provider in January 2023 so they can provide their feedback.

## CASE STUDY



### CASE STUDY: BIODIVERSITY DISCLOSURE AT NESTLÉ

We have engaged with Nestlé, the world's largest food and beverage company, for years. Given the importance of the food sector on biodiversity, our engagement with Nestlé has focused largely on biodiversity-related topics. For instance, in 2020 we co-signed the CDP Non-Disclosure Campaign on Forest for Nestlé to encourage them to respond to CDP questionnaires, and eventually the company submitted the questionnaire.

Nestlé was one of the first large companies in the food sector to commit to ambitious climate and biodiversity targets. For instance, the company aims to cut emissions (their 2018 in-scope greenhouse gas emissions: 92m tonnes of total 113m tonnes\*) by 20% in 2025 and by 50% in 2030. The company is also focusing on sourcing ingredients sustainably (ingredients are responsible for two-thirds of its greenhouse gases, of which over half is dairy/livestock), shifting their product portfolio towards more focus on plant-based foods, making all plastic reusable or recyclable by 2025, using renewable energy in manufacturing and its fleets, as well as planting trees. To fund these programs, the company has set aside CHF3.2 billion for 2021-25, with CHF1.2 billion going into regenerative agriculture.

While we laud the efforts and appreciate the size and complexity of Nestlé's operations, we have found the granularity around what they currently do to be

minimal. In April 2022, during a small group meeting with the Chair of Nestlé's Board, we asked the Chair to be more transparent about some of the company's current actions undertaken to address biodiversity loss and carbon emissions in their upstream supply chain. The Chair shared with us that the company was launching a number of different initiatives and trialling new ideas. However, we expressed that we would like them to be more forthcoming about what they can scale and commit to over the next 12-24 months, particularly regarding how the CHF1.2bn will be used for regenerative agriculture. In late 2022, we were pleased to learn that the company released a regenerative agriculture framework, defining its approach with more clarity and describing its implementation strategy. In addition, Nestlé will incorporate key ingredients sourced into its performance measures and has highlighted three key products to focus on in their 2023 reporting (fresh milk, green coffee, cereals and vegetables used in baby food products). Overall, we see Nestlé's steps as a positive start and we believe it will also contribute to industry alignment on common frameworks and metrics for regenerative agriculture.

*\*Total GHG emissions were 113 million tonnes (CO<sub>2</sub> equivalent) in 2018, 92 of which were in scope of their UN 1.5°C pledge.*

## CASE STUDY



## DIFFERENT ENGAGEMENT METHODS TO ADDRESS THEMATIC ISSUES

As long-term investors, our performance is tied to the success of the companies we invest in, and we think of engagement as an opportunity to partner with these companies to drive change in their sustainability practices. We do not refrain from holding companies with weaker ESG profiles if we can see a credible path to improvement. Whilst our exclusion policy ensures that we avoid exposure to certain industries such as tobacco, electricity producers with an energy mix exposed to coal and thermal coal mines, we believe investment in other ESG-sensitive industries, such as the agriculture and food industry, is certainly possible for Comgest so long as our research properly addresses biodiversity and other environmental and social issues. To maximise the impact of the engagements that we carry out, we combine several approaches — individual engagement is ideal to maintain an ongoing dialogue with companies and monitor progress against sustainability targets, whilst collaborative engagement is useful to strengthen our leverage as well as share best practices with like-minded investors.

In 2022, we engaged both individually and collaboratively with the 3 salmon farming companies that we hold in our portfolios, namely **Bakkafrost**, **SalMar** and **Salmones Camanchaca**.

Whilst salmon farming is a lower carbon-intensive source of protein compared to land-based [livestock](#), the industry has other significant ESG risks that can't be ignored and which we address in our engagement programmes with companies operating in the sector.

We conducted an in-depth review of the sustainability credentials of the salmon farming sector, based on 4 environmental themes: biosecurity/fish health, sustainable feed, environmental footprint, and novel technology. As part of the assessment, in addition to regular meetings and site visits, we initiated individual dialogues with our portfolio companies in 2022. We engaged with Salmones Camanchaca in June 2022 to discuss biosecurity, food safety, sustainable fishing certifications, employee health and safety, whilst our individual dialogues with Salmar and Bakkafrost in Q4 2022 mainly focused on the topics of sustainable feed, emissions and seafloor waste.

In 2022, Comgest joined the FAIRR Sustainable Aquaculture Initiative, a collaborative initiative that aims to encourage the world's largest salmon companies to develop a strategic, science-based approach to diversifying feed ingredient sources. We co-led the collaborative engagement of our 3 salmon farming investee companies. As part of the engagement, we participated in a meeting with Bakkafrost executives, during which they were able to answer most questions in detail and share a thorough presentation that addressed the engagement requests of FAIRR and investors, such as their rationale for relying on marine ingredients and the results of their feed trials with plant-based ingredients. We were pleased to see that the company had conducted some risk assessments on the future volatility of marine ingredient supplies and had prepared alternative solutions. We also noted positively their willingness to work towards the milestones set by investors in terms of R&D and transparency.

**CASE STUDY****EXAMPLE OF A SUCCESSFUL ENGAGEMENT – AMADEUS**

In 2021, we started an engagement on remuneration with Amadeus, a leading travel technology company. We put forward our concerns regarding the CEO package during two meetings, and eventually voted against the 'Say on Pay' item at their AGM. In our view, the remuneration package was too generous vis-à-vis the company's results and unbalanced in terms of short- and long-term components of the remuneration scheme. Given the depth of our dialogue with the company over the years, and being a significant shareholder, we believe that it was important for us to clarify our voting rationale and further describe our expectations regarding future remuneration schemes. In addition to sharing our views during meetings with the company's Head of Investor Relations, Board Secretary and Head of Compensation, we sent a copy of our recommendations to the Board.

This dialogue held in 2021 continued in 2022, with Amadeus' Board reaching out to collect our feedback on their upcoming remuneration policy. We took comfort in the fact that some of our ideas, including expanding their range of remuneration outcomes, were included in the new policy.

We have also been advocating for the inclusion of an ESG metric based on the amount of kerosene saved thanks to the adoption and usage of some of Amadeus' solutions and software. Indeed, some solutions modules of Amadeus can help airline companies optimise their flights in many ways that lead to shorter distances travelled and less fuel burnt. While the details of how this could be calculated remain to be finalised, we were pleased to see that the Board remains focused on finding a way to link an ESG target to the sale of dedicated software and variable remuneration in the near term. Progress made by the company led us to vote for the 'Say on Pay' item on remuneration at the 2022 AGM.

In November, we resumed our engagement with the Board through a meeting held collaboratively with three other investors. During the discussion we gave feedback on the latest version of the company's remuneration policy and followed up on the inclusion of ESG targets.

Overall, we applaud the company for being open to ideas and appreciate the Board's transparency and efforts to align remuneration schemes with investors' expectations while seeking ways to better integrate ESG metrics in packages.



## CASE STUDY



## ESCALATION FOLLOWED BY DIVESTMENT – TELEPERFORMANCE

Comgest held Teleperformance in several European portfolios until November 2022. Teleperformance operates customer support service centres for large clients such as Apple or Amazon. Their employees are located across the globe (Colombia, Philippines, Albania, etc.). This ambitious company is known to have a “high-performance” culture which is helpful to sustain growth and to serve their demanding clients. That said, this type of culture is a double-edged sword that we believe can leave room for managers, heavily focused on delivering results, to create stressful and toxic work environments. As a significant shareholder with a good access to their Management and Board, we have been intensely engaging with the company and escalating in different ways to steer them towards conducting business with careful consideration of their employees and other stakeholders.

Our engagement activity started in 2019, with discussions on their workplace environment and evolution of their company culture. In 2021, we intensified our engagement following an OECD investigation of the company’s employment practises, and recommendations in August by the French National Contact Point (NCP), an independent authority, investing a complaint by UNI Global Union stating that Teleperformance violated worker rights to a safe workplace in certain countries during the covid pandemic. We held numerous calls with the company (management and Board representatives) to address the issues and communicate that we expected a roadmap with clear milestones on how their employee practises would improve. We also participated in collaborative engagements with other shareholders and stakeholders (trade unions in particular) requesting demonstrable action by the company on the issues raised. In addition, we voted against the re-election of certain Board members we deemed as too close to management, in order to encourage a structure with Board members who will challenge management and bring new ideas, establishing a better balance between business

performance and employee/stakeholder engagement.

In March 2022, in the wake of previous engagements with the company, we followed up with a call to their Deputy CEO and Head of CSR to find out if any progress has been achieved in terms of labour relations in certain countries (notably, Colombia). We noted that the company was building better communication channels in some countries and was still in the process of building bridges in others.

In April, we sent a letter to the Board to follow up on this issue and made a recommendation that they engage with an ethics specialist who has a solid track record, having previously worked with a large listed company. The Board’s response was that Teleperformance has already implemented some of the recommendations of the NCP and intended to maintain its commitments in the future. We were also reminded that a Board-level CSR Committee was created in January 2021, to take into account the increasing importance of these matters. We were not satisfied with this response, as we were expecting a more proactive response from the Board, which could have also tried to investigate the matters directly and not just rely on getting updates on measures implemented by management.

Given the strong personality of founder, Chairman and CEO, Daniel Julien, we increasingly had the impression of limited counterpower from the Board of Directors. We were also not satisfied that no clear timeline for the CEO succession was provided given Daniel Julien’s age and the less-than-ideal situation of having a combined Chairman – CEO role. Furthermore, given the continued complaints regarding employee treatment brought about by UNI Global Union, we were increasingly concerned about the gap between the company’s messages on its labour efforts and criticism from external stakeholders. In June, we decided to downgrade our internal ESG Quality Level (on 1-4 scale) for Teleperformance from Level 2 to Level 3.

## CASE STUDY



### ESCALATION FOLLOWED BY DIVESTMENT – TELEPERFORMANCE

Following a *Forbes* article published in early August that referenced allegations about the way the company manages its “content moderation” business line in the US and, in particular, for their client, TikTok, we met with the company’s CEO in September, during which the company strongly denied most of the article’s allegations and provided some factual counter-arguments. We used this controversy to urge the Board to meet with a business ethics expert that we previously recommended to the company and become more independent from the management in order to exercise oversight as rigorously as possible. After numerous attempts, a meeting between the Lead Independent Director of the Board and the business ethics expert finally took place, but without any representative from Teleperformance’s management team. In the meantime, we decided to reduce the size of our holding.

In early November, Teleperformance issued solid Q3 and 9M 2022 results. However, we were growing more concerned with the disconnect between the very solid financial performance of the company, their numerous ‘Great Place to Work’ awards, and the growing number of negative press coverage, combined with continued

allegations of poor working conditions by UNI. Some of the most senior portfolio managers of our Europe strategy, along with our company and ESG analysts, met with Daniel Julien, who is generally not available for shareholders, except for rare and important occasions. We had urged to meet with him to cover some recurring issues around their labour practices. The CEO came across as dismissive of any allegation of poor employee working conditions at Teleperformance. Following various controversies on this topic, we asked the company, and its Board in particular, to demonstrate more stringent and independent oversight on their Human Capital management. We specifically asked the company to publish the report of an investigation launched internally with the support of an independent third-party. The company did not publish it. Later in November, we met with the Lead Independent Director on the Board and urged him to exercise more oversight, along with constructive critical thinking, but we did not identify any resulting actions. With another controversy brewing at that time, and sentiment around the issue not properly overseen, we divested from the company across all our portfolios.

## C. SIGNIFICANT VOTES IN 2022

Comgest provides a rationale for voting decisions that we consider significant, such as votes against management, votes on shareholder resolutions, votes withheld, votes that are not in line with our voting policy, and votes that represent a significant shareholding. Below is an illustrative selection of significant votes during the year 2022.

### 1) Examples of Votes Against Management/Abstention

#### SAP: VOTE AGAINST MANAGEMENT (AGM, 18-MAY-22)

##### - Ratify KPMG AG as Auditors for Fiscal Year 2022

- **Rationale:** The auditor's tenure exceeds 15 years.
- **Outcome:** Pass (Dissent Level: 5.0%)

##### - Ratify BDO AG as Auditors for Fiscal Year 2023

- **Rationale:** We decided to vote against the selection of BDO as we doubt an audit firm of this size can gather the resources and competences required to audit a firm like SAP. The complexity of their revenue recognition and many other accounting-related processes is unparalleled in the software industry.
- **Outcome:** Pass (Dissent Level: 0.2%)

##### - Elect Hasso Plattner to the Supervisory Board

- **Rationale:** We decided to vote against the re-election of Hasso Plattner as Chair of the Board. Having been one of the five founders of SAP, Hasso Plattner has been at SAP for almost 50 years. We hold him accountable for some of the governance shortcomings of SAP and we would rather see him leave the Board. In our view, the company needs a different oversight.
- **Outcome:** Pass (Dissent Level: 9.5%)

#### TENCENT: VOTE AGAINST MANAGEMENT (AGM, 18-MAY-22)

##### - Elect Ian Charles Stone as Director

- **Rationale:** We voted against the re-election of Mr. Ian Charles Stone and Mr. Dong Sheng Li as directors. They have both served on the company's Board for more than 18 years and no longer meet our definition of an Independent Director and have been reclassified as Non-Independent Directors.
- **Outcome:** Pass (Dissent level: 16.7%)

#### KEYWORDS STUDIOS: VOTE TO ABSTAIN (AGM, 20-MAY-22)

##### - Re-elect Ross Graham as Director

- **Rationale:** We voted to abstain on the re-election of the Director who chairs the Nomination Committee due to a female representation below 30% and few indications they would remediate this after we engaged with the company.
- **Outcome:** Pass (Dissent Level: 9.5%)

## 2) Votes Against Comgest's Voting Policy

### KOBAYASHI PHARMACEUTICAL: VOTE AGAINST COMGEST'S VOTING POLICY (AGM, 30-MAR-22)

#### - Elect Director Kazumasa Kobayashi

- **Rationale:** Despite being over 80 years old, Chairman Kobayashi continues to remain active, performing his duties well. He attended all of the Board meetings last year, leading the meetings appropriately as Chairman, and also received good evaluations from Outside Directors of the Board. He also conducts "K-ei juku", a special training course for select employees who are officer candidates to pass down the company's DNA. Furthermore, he is aggressively communicating with the public through media interviews, a new book (published in January 2022), and lectures in a business mail magazine. He even promotes the company's products and brands in China on TikTok.
- **Outcome:** Pass (Dissent level: 4.5%)

### HALMA: VOTE AGAINST COMGEST'S VOTING POLICY (AGM, 21-JUL-22)

#### - Approve Remuneration Report

- **Rationale:** We believe the increase in executive compensation within the last 18 months is an indication that the management compensation package is no longer appropriate given the size and success of the company. Looking at the last five years, the compensation does not show any increase, but true to the performance culture of Halma, the remuneration of the executives has gone through large ups and downs in the wake of hard-to-meet but rewarding performance targets. The fixed component of the CEO's remuneration has increased but it remains in a range that we would consider adequate for a company of that size and with such success. To put this in perspective, the total compensation of the CEO has doubled over the last ten years, starting from a reasonable base, while the size and revenues tripled. The loss of a senior executive last year to become CEO of another company suggests there is competition for talent and the company needs to be at least in line with competing salaries.

- **Outcome:** Pass (Dissent Level: 32.9%)

#### - Re-elect Jo Harlow as Director

- **Rationale:** We believe it is important for Jo Harlow to continue as Chair of the Remuneration Committee and we therefore voted in favour of her re-election.
- **Outcome:** Pass (Dissent Level: 23.2%)

### 3) Votes Against Comgest's Voting Policy

#### KINGSPAN GROUP: VOTE AGAINST COMGEST'S VOTING POLICY (AGM, 29-APR-22)

- **Re-elect Jost Massenberg as Director (Outcome: Pass – Dissent Level: 23.9%)**
- **Re-elect Gene Murtagh as Director (Outcome: Pass – Dissent Level: 5.6%)**
- **Approve Remuneration Policy (Outcome: Pass – Dissent Level: 20.1%)**
- **Amend Performance Share Plan (Outcome: Pass – Dissent Level: 19.9%)**
  - **Rationale:**
    - We supported the re-election of the Chair of the Nomination Committee despite the Board being made up of only 27% female directors. Although the level is below our expected threshold of 30% for a European company, since we have discussed this with them, their female representation went from 17% to 27%, and we have received their assurances that the threshold will soon be above 30%. The Chair of the Nomination Committee has been instrumental in this progress, so it seemed counter-productive to not support them. While our Voting Policy could have led us to vote against the re-election of the current CEO for his alleged responsibility in some severe controversies, we decided to support him. Our multiple engagements with Kingspan's Board and Management, as well as the numerous steps taken by the company over the past 18 months, indicate that the Grenfell building tragedy has been managed with a deep resolve to ensure product and public safety in the future.
    - Lastly, we could have voted against the remuneration policy of the company but decided otherwise as it meets all of our criteria: fully transparent, highly relevant (both the STI and the LTI), very challenging and definitively long-term. We appreciate the cap and the Board's access for us to review in detail what drives each component. Lastly, we also recognise the competitive pressure the company is facing to retain talent.

#### SANLAM: VOTE AGAINST COMGEST'S VOTING POLICY (AGM, 08-JUN-22)

- **Reappoint Ernst & Young (E&Y) as Joint Auditors with Christo du Toit as the Individual and Designated Auditor**
  - **Rationale:** PwC has been appointed to replace E&Y effective for the 2023 financial year. It was deemed appropriate to allow E&Y to share the audit with KPMG for a smooth transition. Therefore, we vote for this resolution.
  - **Outcome:** Pass (Dissent Level: 26.8%)
- **Re-elect Kobus Moller as Member of the Audit Committee**
  - **Rationale:** Sanlam is a complicated, diverse financial services company. Kobus Moller was a very effective and strong financial director during his tenure, and he has completed his mandatory cooling off period before re-joining Sanlam's Board. With a new CFO, head of Finance and new auditors, it was deemed important to have some level of continuity to understand the history and context of Sanlam's accounting and financial culture. Therefore, we decided to vote for this resolution.
  - **Outcome:** Pass (Dissent Level: 11.3%)



#### 4) Shareholder proposals

##### WALMART: VOTE FOR SHAREHOLDER PROPOSAL (AGM, 01-JUN-22)

###### - Report on Impacts of Restrictive Reproductive Healthcare Legislation

- **Rationale:** Given that currently 11 US States ban abortion coverage in all state-regulated private insurance plans, following the Supreme Court's June 2022 decision to overturn the federal right to an abortion (under Roe v. Wade), which has triggered abortion bans in various states and increased the likelihood that the company's female workforce could be impacted. Additional information on the potential risks to Walmart caused by such policies, and how the company plans to address such risks would be beneficial to shareholders. Therefore, we voted for this resolution.
- **Outcome:** Fail (Dissent Level: 13.9%)

##### AMAZON.COM: VOTE FOR SHAREHOLDER PROPOSAL (AGM, 25-MAY-22)

###### - Commission Third-Party Report Assessing Company's Human Rights Due Diligence Process

- **Rationale:** The company says that it prohibits using its services in an unlawful method in its Acceptable Use Policy. Despite the company's assertion that the responsibility for ethical use of surveillance and facial recognition technology lies with the user, the U.N. Guiding Principles on Business and Human Rights make clear that the service provider has responsibility to ensure that its technology is not used in instances likely to cause overall harm or in a way that contravenes international law and human rights. The company does establish guidelines for potential legislation regarding the use of facial recognition technology, including human review, very high confidence score, and transparent use of the technology. However, controversies and questions surrounding the company's facial recognition technology are ongoing, as the company itself states that it will continue providing this technology to law enforcement agencies. Shareholders would benefit from independent verification on how the company is assessing, preventing, mitigating, and remedying adverse human rights impacts resulting from its business operations and end-use of its products and services. Therefore, we voted for this resolution.
- **Outcome:** Fail (Dissent Level: 40.3%)

##### NIKE: VOTE AGAINST SHAREHOLDER PROPOSAL (AGM; 09-SEP-22)

###### - Adopt a Policy on China Sourcing

- **Rationale:** While we would encourage any proposal that enhances enforcement and transparency around Nike's human rights policy and labour compliance standards, we believe that this proposal addresses the issue of Xinjiang cotton sourcing through the wrong lens. Suspending all raw material sourcing from the entirety of China is an overreach that we believe is not in the interest of shareholders. Nike's initiatives to drive change in their supply chain and promote responsible manufacturing are well documented and expected to yield results over time. Any strict ban would need to be well calibrated to not unnecessarily impact unrelated business activities within Nike. Therefore, we voted against this resolution.
- **Outcome:** Fail (Dissent Level: 6.3%)

## V. PROMOTE

At Comgest, we **seek to advance responsible investment** as well as spread a responsible and long-term mindset throughout our ecosystem in which we operate. Our **independent ownership structure** is regarded as a key advantage to implementing an unbiased and successful advocacy strategy. Our advocacy work targets industry participants such as regulators, policy makers, governments, and a broad range of financial industry stakeholders (e.g., our peers, industry bodies, asset owners, SRI label providers, consultants, etc.). We conduct advocacy activities either directly or by joining industry and/or collaborative initiatives, notably those listed below.

### A. RESPONSIBLE INVESTMENT INITIATIVES

#### Participation in responsible investment working groups, committees and initiatives

INITIATIVE	DETAILS
<b>Association Française de Gestion (AFG)</b>  <i>AFG is the French asset management industry association.</i>	Comgest is a member of AFG's: <ul style="list-style-type: none"> <li>– Responsible Investment Plenary: contributes to the development of responsible investing within the French asset management industry.</li> <li>– Corporate Governance Committee: contributes to the development of the Corporate Governance Code for the French asset management industry.</li> </ul> Topics include responsible investment regulations, ESG standards, sharing of best practices, governance codes, collaboration on response to French and European regulators' consultation papers, advocacy as an industry association.
<b>Institut Français des Administrateurs (IFA)</b>	Comgest is a member of the IFA's Prospective & Research working group which aims to identify and analyse emerging governance topics. The first round of topics and workshops focused on how to build a Board "compass" and debated the legitimacy of shareholders as the ultimate stakeholder.
<b>FinDatEx</b>	Comgest is a member of the FinDatEx's EET working group which aims at easing the exchange of ESG data between manufacturers and distributors and helping them meet the European regulatory requirements.

#### Supporting sustainability and responsible investment initiatives

INITIATIVE	DETAILS
<b>Principles for Responsible Investment (PRI)</b>	Comgest has been a signatory since March 2010. In 2021, we received a 4-star rating in three categories: "Investment & Stewardship Policy (79%)", "Direct - Listed Equity - Active Fundamental – Incorporation (89%)" and "Direct - Listed Equity - Active Fundamental – Voting (79%)", above median in each of these assessment modules.  Read Comgest's latest <a href="#">PRI Transparency Report</a> and <a href="#">Assessment Report</a> . As a signatory to the PRI, Comgest participated in 2022 in the Net Zero Listed Equity Practitioners Group. The group is a knowledge-sharing platform on Net Zero implementation for listed equity investors where participants can share information on methodologies, strategies and challenges.
<b>International Corporate Governance Network (ICGN)</b>	Comgest is a member of the ICGN to raise standards of corporate governance worldwide.

## Standards and initiatives related to climate

INITIATIVE	DETAILS
<b>Net Zero Asset Manager Initiative (NZAMi)</b>	In 2022, Comgest became a signatory to this initiative driven by an international group of asset managers committed to supporting the goal of net-zero greenhouse gas emissions by 2050 or sooner.
<b>Task Force on Climate-related Financial Disclosures (TCFD)</b>	Comgest has supported the TCFD since 2017 and encourages all portfolio companies to align disclosures to the TCFD recommendations.
<b>Climate Action 100+</b>	Comgest has been a signatory to Climate Action 100+, an investor-led initiative to ensure that the world's largest corporate greenhouse gas emitters take necessary action on climate change, since 2017.
<b>CDP</b>	Comgest has supported the CDP since 2012, as well as participated in the CDP Non-Disclosure Campaign since 2018 and the CDP-SBTi Campaign since its launch in 2021.
<b>Say on Climate Forum pour l'Investissement Responsable (FIR)</b> <i>French Sustainable Investment Forum</i>	In 2022 and 2023, Comgest was a signatory to the FIR's "Say on Climate" investor campaign which asks companies to present ambitious climate plans and targets, allowing investors to then vote.
<b>Institutional Investors Group on Climate Change (IIGCC)</b>	The Institutional Investors Group on Climate Change is the European membership body for investor collaboration on climate change. Joining the IIGCC, in 2023, strongly aligns with our Net Zero Target Setting approach as we adopted the Net Zero Investment Framework (NZIF), developed by IIGCC, to establish our targets.

## Standards and initiatives related to other environmental factors

INITIATIVE	DETAILS
<b>Deforestation Free Finance</b>	Comgest joined this new initiative in 2021 and is one of the signatories to the Financial Sector Commitment Letter on Eliminating Commodity-driven Deforestation, which is endorsed by 33 financial institutions representing USD8.7 trillion in assets under management. The signatories recognise the vital role of financial institutions in tackling deforestation and commit to adopt the roadmap proposed by the Deforestation-Free Finance Project by 2025, aligned with a Paris Agreement-compliant 1.5°C pathway.
<b>FAIRR Initiative</b>	Comgest has supported the FAIRR Initiative, a collaborative investor network that raises awareness on ESG risks and opportunities brought by intensive livestock production, since 2020.
<b>Investor Letter to FAO</b>	In November 2022, Comgest signed an investor letter to the UN Food and Agriculture Organisation (FAO), initiated by the FAIRR Initiative, calling on the FAO to deliver a clear roadmap for the Agriculture, Forestry and Other Land Use (AFOLU) sector to a sustainable global food system by 2050.

## Standards and initiatives related to social, human rights and anti-bribery/corruption

INITIATIVE	DETAILS
<b>International Corporate Governance Network (ICGN)</b>	Comgest has been a member of the ICGN to raise standards of corporate governance worldwide since 2011.
<b>Access to Medicine Foundation</b>	Comgest has supported the Access to Medicine Foundation, an independent non-profit organisation which analyses how the world's largest pharmaceutical companies are addressing access to medicine, since 2019.
<b>PRI Advance Platform</b>	Comgest has endorsed the newly created PRI Advance platform focused on human rights and social issues since July 2022.
<b>Investor Alliance for Human Rights</b>	In 2022, Comgest joined the Investor Alliance for Human Rights, which is a collective action platform for responsible investment that is grounded in respect for people's fundamental rights.
<b>30% Club France Investor Group</b>	Comgest joined the 30% Club France Investor Group (the "Group") in September 2022. The Group is a newly established collaborative engagement initiative comprised of asset managers and asset owners which aim to engage with SBF 120* on the way they promote gender equality across their organisation, with a specific focus on the executive management level, e.g., executive committees (Comités exécutifs), management committees (Comités de direction), management board (Directoire). Their aim is to achieve at least 30% of women on boards.  *“SBF 120” refers to companies listed in the French stock market index, “Société des Bourses Françaises 120”.

## B. ENGAGING WITH POLICY MAKERS ON DEFORESTATION

To maximise the impact of our engagements on deforestation and wider ESG topics, we combine several approaches. In addition to engaging with issuers, engaging with policymakers allows us to participate in aligning the rules of the game towards a low-carbon, people- and nature-positive world. ➔ **The Investors Policy Dialogue on Deforestation** (IPDD) is a good example of the positive role investors can play in influencing regulators to advance sustainability in their jurisdictions.

IPDD is a PRI-supported initiative on the PRI Collaboration Platform representing USD10.0 trillion of global AUM and 67 institutions. Comgest joined the IPDD in June 2020 and has been working with over 30 investors as a committee member and the representative for France.

This multiple high-level engagement involves interaction with senior officials globally and in Brazil and Indonesia, with an objective of making deforestation and land-use changes a more important part of climate narrative.

In 2022, a member of Comgest's Investment Team travelled to Brasilia on behalf of the IPDD and held individual meetings with Brazil's Environment Minister Marina Silva, the National Treasury and the Central Bank. The representatives shared what they saw as the main obstacles in the fight against deforestation and expressed recognition of their responsibilities in moving the process forward. In addition, they welcomed the IPDD's engagement on this front and in future engagements. We found the messages from the discussions were very positive overall. Comgest will continue to work with other members of the IPDD to address this issue.

### C. PROVIDING FEEDBACK ON ESG STANDARDS

In 2021 and 2022, Comgest staff participated in the FinDatEx European ESG Template (“EET”) Working Group, which aims to ease the exchange of ESG data between manufacturers and distributors and to help them meet European regulatory requirements. During the update of the latest version of the EET form, Comgest actively participated in the Working Group meetings and provided feedback to FinDatEx and the AFG (Association Française de la Gestion financière / French Asset Management Association).

In March 2022, Comgest participated in a European Securities and Markets Authority (ESMA) call for evidence on market characteristics for ESG rating providers in the EU, to share on our usage of such data, key challenges we have encountered as well as risks posed by ESG ratings we have identified.

“We seek to advance responsible investment as well as spread a responsible and long-term mindset throughout our ecosystem.”





## VI. TRANSPARENCY ON KEY ESG METRICS

### A. CLIMATE-RELATED METRICS

#### 1) Implied temperature rise

The ➔ **Implied Temperature Rise** (ITR) is a forward-looking metric developed by MSCI to show the temperature alignment of companies and portfolios with global temperature goals. Key to understanding the ITR is the concept of a carbon budget: how much the world can emit and, by extension, how much a company can emit (across Scopes 1, 2 and 3) and remain within the limitations required to meet a 2°C warming scenario by 2100.<sup>6</sup> MSCI uses Intergovernmental Panel on Climate Change (IPCC) guidance to understand what the budget needs to be and considers a 1491Gt CO<sub>2</sub>e budget as of January 2021. This budget is updated yearly. MSCI then establishes an emission pathway aligned with this budget by constructing a single global pathway which combines global budget considerations with global 2°C emission levels, as defined in the 2020 United Nations Environment Programme (UNEP) ➔ **Emissions Gap Report**, and a zero-emission assumption by 2070 to limit warming to 2°C, as presented in the ➔ **IPCC Special Report** on 1.5°C.

The calculation of a portfolio-level ITR involves three key steps:

- **Step 1:** Calculate the portfolio companies' carbon budget overshoot or undershoot based on their allocated 2°C carbon budget and their projected emissions, until 2070.
- **Step 2:** Allocate to the portfolio companies' overshoot and undershoot, using the enterprise Value including Cash (EVIC).
- **Step 3:** Convert the relative overshoot and undershoot to a degree of temperature rise using the IPCC Transient Climate Response to Cumulative Emissions (TCRE) approach. The TCRE factor used is 0.000545°C of warming per Gt CO<sub>2</sub>e. In other words, each emitted Gt CO<sub>2</sub>e, exceeding the global 2°C carbon budget, contributes to an additional warming of 0.000545°C.

These steps are summarized in the below formula:

$$\text{ITR} = 2^{\circ}\text{C} + \text{portfolio over / undershoot} * \text{Global } 2^{\circ}\text{C carbon budget} * \text{TCRE factor}$$

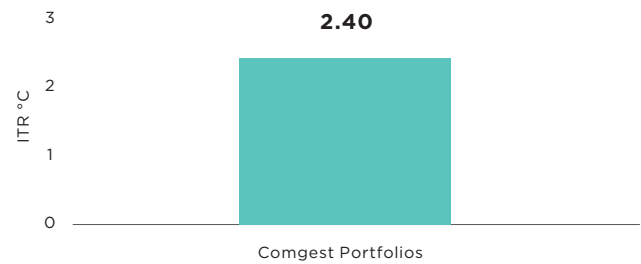
Global 2°C carbon budget = 1491Gt CO<sub>2</sub>e and TCRE factor = 0.000545°C / Gt CO<sub>2</sub>

As ITR calculations are based on projected emissions and modelled pathways, results are mainly to be used as an indication of a portfolio's alignment with global temperature goals and to identify least aligned companies for engagement. Companies need to achieve their carbon emissions reduction targets to achieve real economy decarbonisation. Additionally, as for any metric aggregated at portfolio level, ITR results are highly tied to a portfolio's composition. In other words, a change in a portfolio's ITR isn't only due to a change in underlying companies' ITR but could be linked to changes in the portfolio's composition.

<sup>6</sup> MSCI is currently developing pathways and carbon budgets required to meet a 1.5°C warming scenario by 2050. We will use this data as soon as it is made available.

As of 31 December 2022, the aggregated ITR for the Comgest Portfolios is 2.40°C. In other words, if the whole economy overshoots the global 2°C carbon budget at the same proportion as the Comgest Portfolios, global warming would reach 2.40°C by the end of the century, overshooting the Paris Agreement goals. However, as defined above, the ITR is based on companies' projected emissions and considers the decarbonisation targets they have set at the calculation date of the ITR. Engaging with companies to establish science-based targets for decarbonisation will be key to increase our alignment with global temperature goals.

#### Aggregated Implied Temperature Rise (ITR)



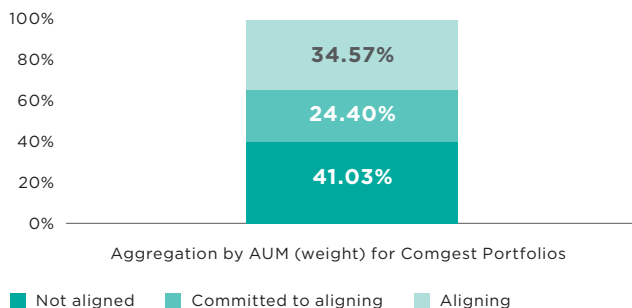
Source: MSCI, 31-Dec-2022. Coverage: 97.81% of equity and equity-linked AUM.

## 2) Portfolio coverage and engagement metrics

As mentioned in section I, “Our responsible investment approach and 2022 highlights”, we have transformed our commitment to support the global 2050 net zero goal into a portfolio coverage target and an engagement threshold. This Annual Responsible Investment Report will enable us to report on our progress towards these targets. We also intend to annually report our percentage of investee companies that have decarbonisation targets approved by the Science Based Targets initiative (SBTi) or have committed to do so.

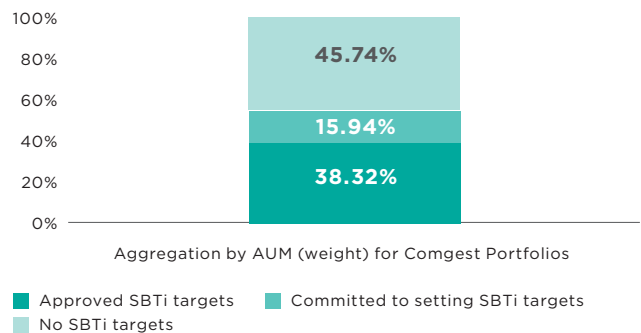
Similar to other measures (e.g. Climate VaR and ITR), the results below need to be considered with caution. As per any metric aggregated at the portfolio level, results are tied to a portfolio's composition. In other words, a change in portfolio coverage results isn't only due to changes in companies' climate performance but could be linked to changes in portfolio composition.

#### Aggregated NZIF Coverage for Comgest Portfolios\*



Source: Comgest, as of 31-Dec-2022. Coverage: 100% of equity and equity-linked AUM. \*Our portfolio coverage target has been developed using the Net Zero Investment Framework (NZIF). Further details on company classification criteria can be found in their implementation guide

#### Aggregated SBTi Portfolio Coverage



Source: SBTi, as of 31-Dec-2022. Coverage: 100% of equity and equity-linked AUM.

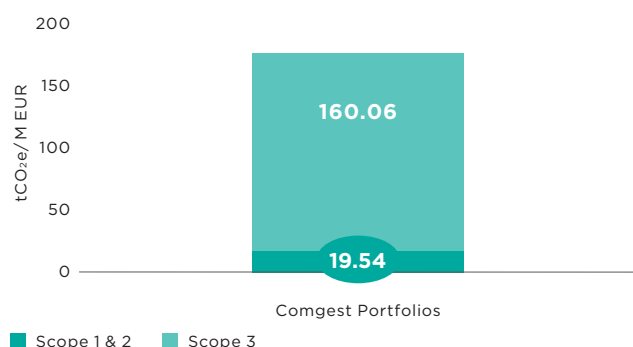
2022 Climate Engagements	
Number of companies engaged on climate	74
Number of climate engagements	82
% of financed emissions under climate engagement	30%

Source: Comgest, 31-Dec. 2022.

### 3) Carbon footprint

While the ITR and portfolio coverage are forward-looking metrics that consider companies' projected emissions, carbon footprint metrics allow us to track past emissions and identify highest emitting companies, which can be prioritised for engagement.

#### Aggregated Carbon to Value (scope 1, 2 & 3)



Source: MSCI, as of 31-Dec-2022. Coverage: 98.65% of equity and equity-linked AUM. The carbon footprint estimates the apportioned scope 1, 2 and 3 greenhouse gases emissions of the portfolio holdings, per million of Euros invested. The attributing factor used is the EVIC.

The information above is to be analysed acknowledging the fact that not all companies disclose their emissions, and therefore part of the data is estimated.

	SCOPE 1		SCOPE 2	
	Reported Emissions	Estimated Emissions	Reported Emissions	Estimated Emissions
<b>Comgest Portfolios</b>	84.79%	15.21%	84.90%	15.10%

Source: MSCI, as of 31-Dec-2022. All scope 3 emissions are estimated.

We also annually track which companies represent the largest part of the Comgest Group's financed emissions. In December 2022, 27 companies represented 70% of the Comgest Group's financed emissions, considering scope 1, 2 and 3 GHG emissions, with the largest contributors to our carbon footprint including:

COMPANY	% FINANCED EMISSIONS
<b>Suzuki Motor</b>	12%
<b>China Resources Gas</b>	7%
<b>Linde</b>	6%
<b>Inner Mongolia Yili</b>	5%
<b>LG Chem</b>	3%

Source: Comgest, MSCI, as of 31-Dec-2022. Scope 1, 2 and 3.

“At Comgest, we have transformed our commitment to support the global 2050 net zero goal into a portfolio coverage target and an engagement threshold.”

#### 4) Exposure to fossil fuels

Embedding climate risk into our investment process means developing a tailored approach for high impact sectors including oil, gas and coal sectors, and reporting on our exposure to these sectors.

	Group Level Exclusion Criteria <sup>7</sup>	Exclusion Thresholds	Aggregated Exposure of Comgest Portfolios
<b>THERMAL COAL</b>			
<b>Extraction and mining</b>	Yes	Comgest excludes all companies operating thermal coal mines, applying a 0% revenue threshold.	0.00%
<b>Power generation</b>	Yes	Comgest excludes companies involved in electricity production with an energy mix exposed to coal exceeding the following relative or absolute thresholds: <ul style="list-style-type: none"> <li>– Utilities with electricity production or revenue based on coal equal to or exceeding 20%</li> <li>– Utilities with installed capacity based on coal equal to or exceeding 5 GW</li> </ul> Additionally, Comgest excludes companies developing new coal-fired power plants.	0.00%
<b>OIL AND GAS</b>			
<b>Extraction (including non-conventional)</b>	No	N/A	0.00%
<b>Distribution</b>	No	N/A	0.50%
<b>Power generation</b>	No	N/A	0.00%
<b>Petrochemicals</b>	No	N/A	0.30%
<b>Related services (refining, trading, transport/ pipelines, dedicated equipment)</b>	No	N/A	0.00%

Source: MSCI, as of 31-Dec-2022.

<sup>7</sup> Read Comgest's Responsible Investment Policy for further information.

## B. BIODIVERSITY-RELATED METRICS AND ENVIRONMENTAL FOOTPRINT

Comgest tracks the environmental footprint of our portfolios. This metric, developed by Trucost, provides an indicative assessment of companies' negative environmental impact, taking into considerations GHG, water, waste, soil and water pollutants, air pollutants, and the use of natural resources. Trucost's applies a monetary valuation to compare the relative contribution of each environmental impact, providing an overarching common metric to assess risk and opportunity across companies and portfolios. The analysis applies the chosen valuations to the impacts

associated with a company's own business activities and those of its upstream suppliers, all the way back to raw material extraction. Environmental impacts are often concealed within global supply chains, therefore Trucost uses environmentally extended input-output (EEIO) modelling to reveal liabilities at each tier of the value chain for holistic risk and opportunity analysis. Trucost uses multiple data sources and when companies don't disclose on their environmental footprints, they rely on model-based estimations.

As of 31 December 2022, the aggregated environmental footprint of the Comgest Portfolios was as follows:

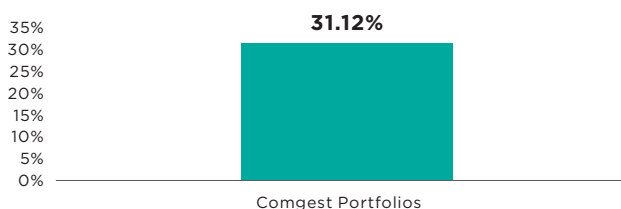
	Total	GHG	Water	Waste	Soil and Water Pollutants	Air Pollutants	Use of Natural Resources	Coverage of equity and equity-linked AUM
<b>Comgest Portfolios</b>	<b>0.72%</b>	0.72%	0.25%	0.26%	0.02%	0.07%	0.10%	99.82%

Source: Trucost, as of 31-Dec-2022. The environmental footprint estimates the apportioned ratio of annual costs linked to greenhouse gases, water abstraction, waste generation, air, land & water pollutants, and natural resource use associated with the portfolio holdings per million of euros invested.

## C. BOARD GENDER DIVERSITY

As mentioned in section III, **Integrate**, diversity is one aspect of ESG criteria that we examine in our investee companies, because we believe that it is an important indicator of the potential for higher quality decision-making. Diversity, especially at board level, forms part of the ESG criteria we consider in our analysis, and we track the percentage of female board members in our investee companies.

### Board Gender Diversity



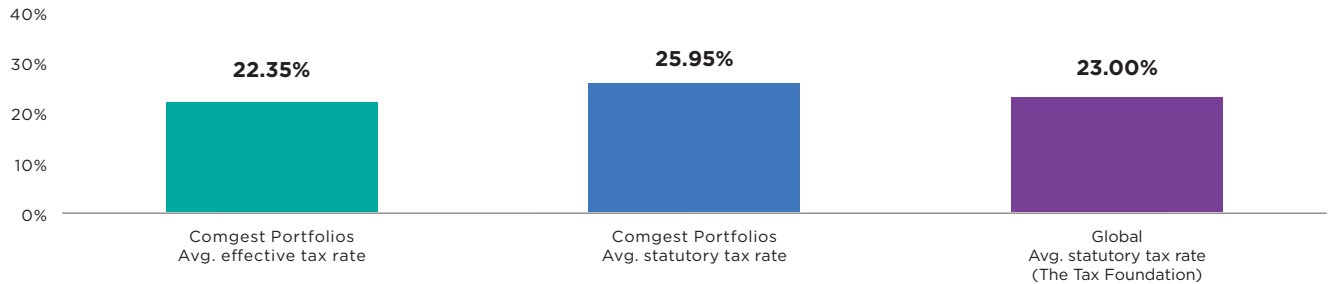
Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Coverage: 97.69% of equity and equity-linked AUM. The above figures show the weighted average of female board members.



## D. TAX RATES

The effective tax rate remains a solid indicator of corporate responsibility and impact. Using MSCI data, we calculate the Comgest Portfolios' average effective tax rate and average statutory tax rate. These two rates are compared to the worldwide average statutory tax rate, provide by The Tax Foundation, in order to provide context. As of 31 December 2022, the aforementioned tax rates were as follows:

### Income tax rate

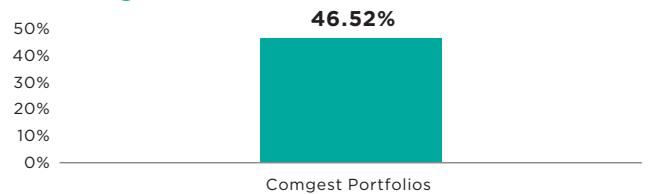


Source: Calculated on MSCI Analytics, The Tax Foundation, as of 31-Dec-2022. Coverage: 92.18% of equity and equity-linked AUM.

## E. UN GLOBAL COMPACT SIGNATORIES

The  **United Nations Global Compact** (UNGC) aims to mobilise a global movement of sustainable companies which align their strategies and operations with universal principles on human rights, labour, environment, and anti-corruption. We believe that companies signing the UNGC haven taken key steps to assess, define, implement, and measure their sustainability strategies.

### UNGC signatories



Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Coverage: 98.66% of equity and equity-linked AUM. The above figures show the weighted average of companies being signatories to the UNGC.

## VII. CORRESPONDENCE TABLE FOR TCFD RECOMMENDATIONS

Core Elements of TCFD's Recommended Climate-Related Financial Disclosures	Comgest Annual Responsible Investment Report
<b>Governance</b> The organization's governance around climate-related risks and opportunities	Details regarding Comgest Group's sustainability and climate governance are included in section II, "Governance and resources", notably regarding the roles and responsibilities of the Sustainability Committee, Board of Partners and Executive Committee regarding sustainability and climate matters.
<b>Strategy</b> The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Details regarding Comgest Group's responsible investment and climate strategy are included in section I, "Our responsible investment approach". Further information on scenario analysis is included in section III(D), "Integration of climate-related risks and opportunities."
<b>Risk Management</b> The processes used by the organization to identify, assess, and manage climate-related risks	Details regarding climate-related risks management are include in section III(D), "Integration of climate-related risks and opportunities", notably regarding processes for identifying, assessing and managing climate-related risks.
<b>Metrics and targets</b> The metrics and targets used to assess and manage relevant climate-related risks and opportunities	<p>Metrics used to assess and manage climate-related risks and opportunities, notably the MSCI Climate VaR, are include in section III(D), "Integration of climate-related risks and opportunities".</p> <p>Further backward-looking (carbon footprints) and forward-looking (ITR, portfolio coverage rates) climate-related metrics are included in section VI(A), "Climate-related metrics".</p> <p>Details regarding Comgest Group's climate targets, set under the Net Zero Asset Managers initiative, are included in section I(B), "Reflecting on 2022: Key progress and achievements".</p>

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## APPENDIX DATA SHEETS

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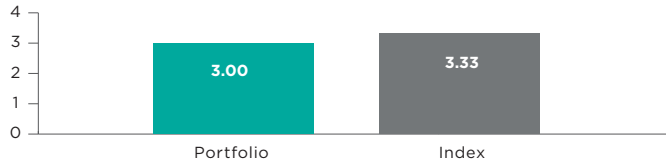
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## KEY ESG METRICS

### ENVIRONMENTAL

#### Implied Temperature Rise (ITR °C)



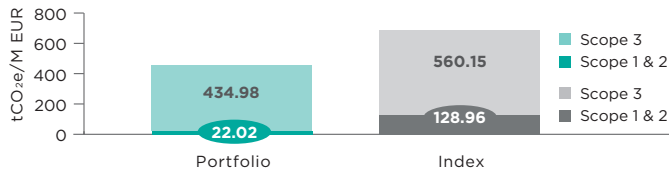
Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 92.81% of equity and equity-linked AUM. Index (MSCI AC Asia Pacific ex-Japan - Net Return) coverage: 98.79%.

#### SBTi Portfolio Coverage Rate



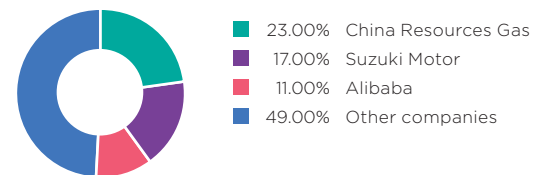
Source: SBTi, as of 31-Dec-2022; Coverage rate: 100.00% of equity and equity-linked AUM.

#### Carbon Footprint – Carbon to Value (Scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 90.60% of equity and equity-linked AUM. Index (MSCI AC Asia Pacific ex-Japan - Net Return) coverage rate: 99.29%. The carbon footprint estimates the apportioned scope 1, 2 and 3 greenhouse gases emissions of the portfolio holdings, per million of euros invested. The attributing factor used is the Enterprise Value Including Cash (EVIC).

#### Financed Emissions – Portfolio: Top 3 Contributors (scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. The above figures show the top 3 contributors to the Portfolio's financed emissions considering scope 1, 2 and 3 GHG emissions.

#### Estimated Versus Reported Emissions

	Scope 1		Scope 2	
	Reported Emissions	Estimated Emissions	Reported Emissions	Estimated Emissions
Portfolio	59.71%	40.29%	61.51%	38.49%
Index	77.45%	22.55%	77.88%	22.12%

Source: Comgest and MSCI, as of 31-Dec-2022. Index (MSCI AC Asia Pacific ex-Japan - Net Return). All scope 3 emissions are estimated.

#### Climate Value-at-Risk (VaR)

		1.5°C	2°C	3°C
Aggregated Climate VaR	Portfolio	-17.69%	-13.39%	-14.75%
	Index	-25.37%	-21.98%	-17.12%
Policy Climate VaR	Portfolio	-9.46%	-3.81%	-0.26%
	Index	-13.27%	-8.29%	-1.54%
Technology Climate VaR	Portfolio	7.23%	5.87%	0.96%
	Index	3.77%	2.18%	0.29%
Physical Climate VaR Aggressive Scenario	Portfolio	-15.45%		
	Index	-15.87%		

Source: MSCI as of 31-Dec-2022. The "aggressive" physical risks scenario is used in the calculation of the Aggregated Climate VaR. Portfolio coverage: 92.81% of equity and equity-linked AUM. Index coverage rate (MSCI AC Asia Pacific ex-Japan - Net Return): 98.88%.

#### Environmental Footprint

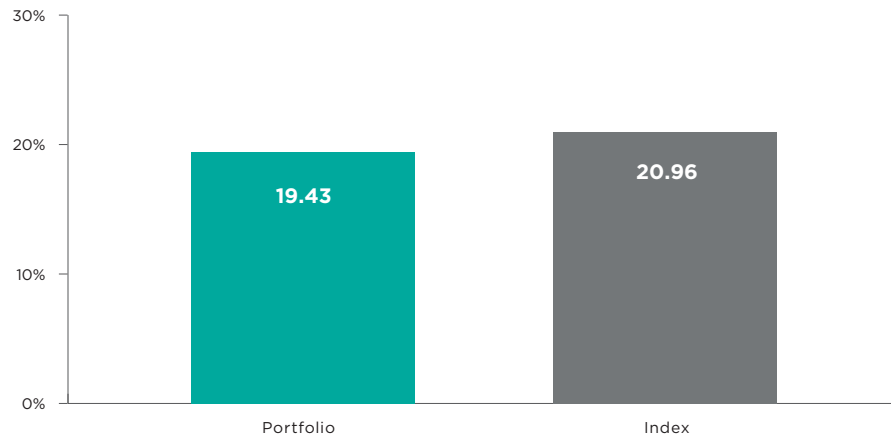
Environmental footprint	Total	GHG	Water	Waste	Soil & Water Pollutants	Air Pollutants	Use of Natural Resources
Portfolio	1.37%	0.43%	0.57%	0.04%	0.12%	0.18%	0.02%
Index	2.01%	0.81%	0.45%	0.10%	0.13%	0.24%	0.28%

Source: Trucost, as of 31-Dec-2022. The environmental footprint estimates the apportioned ratio of annual costs linked to greenhouse gases, water abstraction, waste generation, air, land & water pollutants, and natural resource use associated with the portfolio holdings per million of euros invested. Portfolio coverage: 98.17% of equity and equity-linked AUM. Index coverage rate (MSCI AC Asia Pacific ex-Japan - Net Return): 98.29%.



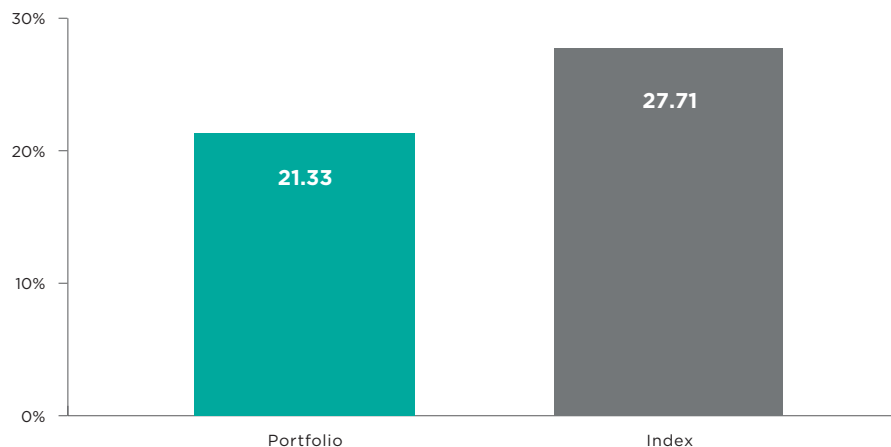
### SOCIAL & GOVERNANCE

#### Board Gender Diversity



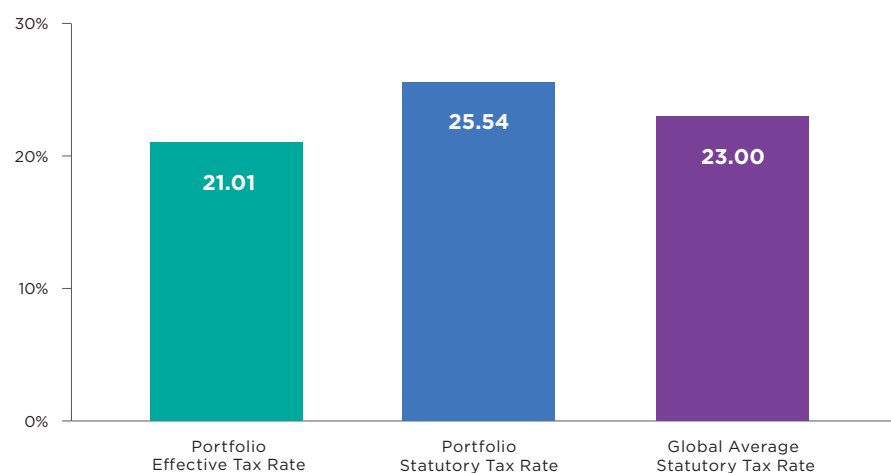
Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 85.69% of equity and equity-linked AUM. Index (MSCI AC Asia Pacific ex-Japan - Net Return) coverage rate: 98.87%. The above figures show the weighted average of female board members.

#### UN Global Compact Signatories



Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 90.60% of equity and equity-linked AUM. Index (MSCI AC Asia Pacific ex-Japan - Net Return) coverage rate: 100.00%. The above figures show the weighted average of companies being signatories to the UN Global Compact.

#### Tax Rates



Source: Calculated on MSCI Analytics, The Tax Foundation, as of 31-Dec-2022. Effective Tax Rate coverage rate 78.23% of equity and equity-linked AUM. Statutory tax rate coverage rate: 85.69% of equity and equity-linked AUM.

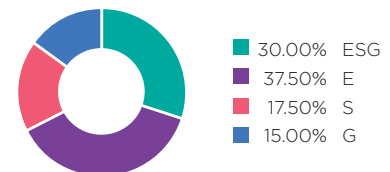
### VOTING & ENGAGEMENT

#### Engagement Statistics

Number of companies engaged	26
Number of engagements	42

Source: Comgest, 31-Dec-2022.

#### ESG Engagement Topics



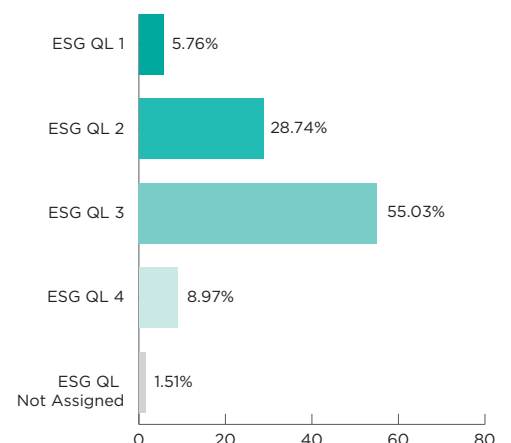
Source: Comgest, 31-Dec-2022.

#### Voting statistics

Breakdown of Votes	%
For	83.68
Against	16.32
Abstentions or withholdings	0.00
In line with management	83.86
Against management	16.14
In line with Comgest policy	96.06
Against Comgest policy	3.94

Source: Comgest, 31-Dec-2022.

#### ESG Quality Level (QL) Breakdown



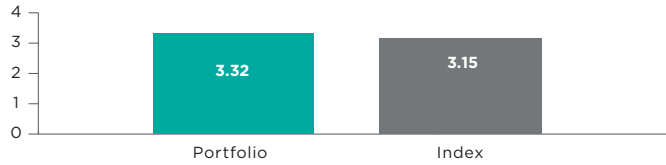
Source: Comgest, 31-Dec-2022. Coverage: 100.00% of equity and equity-linked AUM.

This 2022 data summary is based on the Comgest Asia Pac Ex Japan Equity Strategy representative account (hereafter, the "Portfolio"), a pooled investment vehicle which has been managed in accordance with the strategy discussed since inception of the strategy.

## KEY ESG METRICS

### ENVIRONMENTAL

#### Implied Temperature Rise (ITR °C)



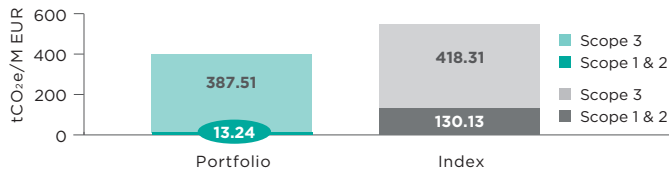
Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 98.72% of equity and equity-linked AUM. Index (MSCI China - Net Return) coverage: 99.32%.

#### SBTi Portfolio Coverage Rate



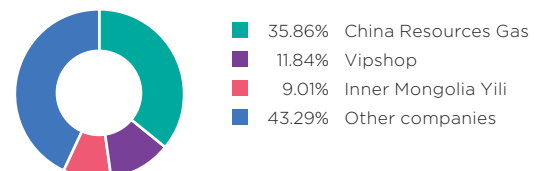
Source: SBTi, as of 31-Dec-2022; Coverage rate: 100.00% of equity and equity-linked AUM.

#### Carbon Footprint – Carbon to Value (Scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 98.72% of equity and equity-linked AUM. Index (MSCI China - Net Return) coverage rate: 100.00%. The carbon footprint estimates the apportioned scope 1, 2 and 3 greenhouse gases emissions of the portfolio holdings, per million of euros invested. The attributing factor used is the Enterprise Value Including Cash (EVIC).

#### Financed Emissions – Portfolio: Top 3 Contributors (scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. The above figures show the top 3 contributors to the Portfolio's financed emissions considering scope 1, 2 and 3 GHG emissions.

#### Estimated Versus Reported Emissions

	Scope 1		Scope 2	
	Reported Emissions	Estimated Emissions	Reported Emissions	Estimated Emissions
Portfolio	53.56%	46.44%	59.17%	40.83%
Index	68.07%	31.93%	68.31%	31.69%

Source: Comgest and MSCI, as of 31-Dec-2022. Index (MSCI China - Net Return). All scope 3 emissions are estimated.

#### Climate Value-at-Risk (VaR)

		1.5°C	2°C	3°C
Aggregated Climate VaR	Portfolio	-21.73%	-17.19%	-14.51%
	Index	-22.65%	-19.92%	-15.42%
Policy Climate VaR	Portfolio	-8.19%	-3.12%	-0.17%
	Index	-9.62%	-5.81%	-0.54%
Technology Climate VaR	Portfolio	0.82%	0.30%	0.02%
	Index	1.94%	0.86%	0.09%
Physical Climate VaR Aggressive Scenario	Portfolio	-14.37%		
	Index	-14.97%		

Source: MSCI as of 31-Dec-2022. The "aggressive" physical risks scenario is used in the calculation of the Aggregated Climate VaR. Portfolio coverage: 98.72% of equity and equity-linked AUM. Index coverage rate (MSCI China - Net Return): 99.59%.

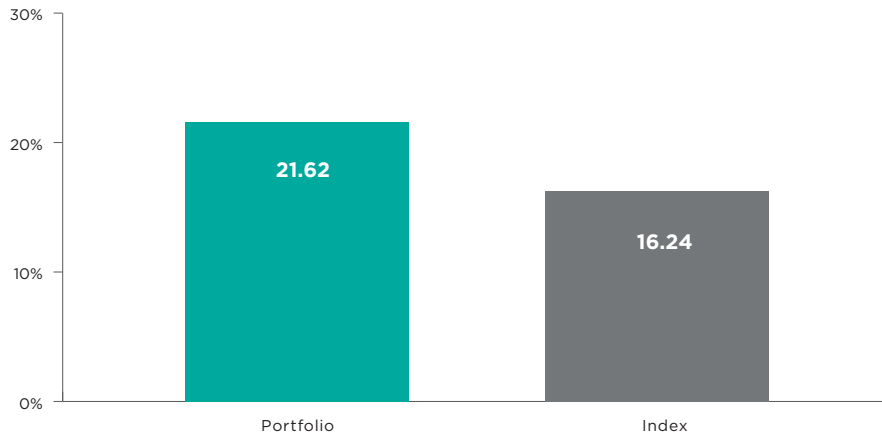
#### Environmental Footprint

Environmental footprint	Total	GHG	Water	Waste	Soil & Water Pollutants	Air Pollutants	Use of Natural Resources
Portfolio	1.01%	0.34%	0.36%	0.04%	0.10%	0.15%	0.02%
Index	1.76%	0.75%	0.34%	0.20%	0.09%	0.18%	0.20%

Source: Trucost, as of 31-Dec-2022. The environmental footprint estimates the apportioned ratio of annual costs linked to greenhouse gases, water abstraction, waste generation, air, land & water pollutants, and natural resource use associated with the portfolio holdings per million of euros invested. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index coverage rate (MSCI China - Net Return): 99.65%.

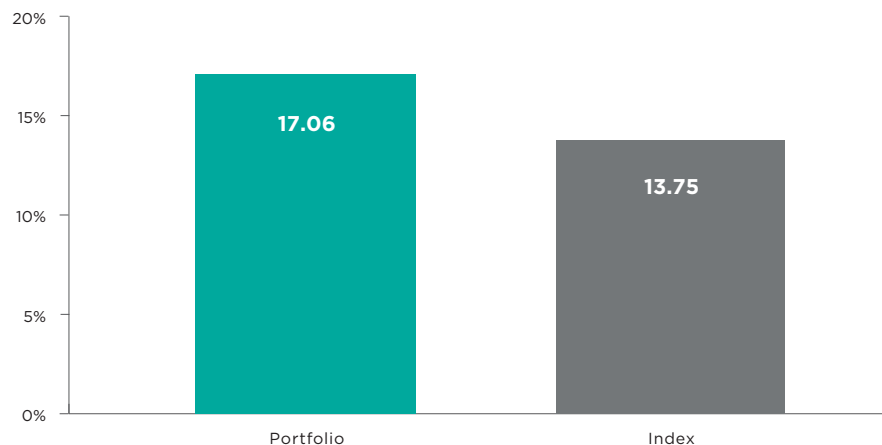
### SOCIAL & GOVERNANCE

#### Board Gender Diversity



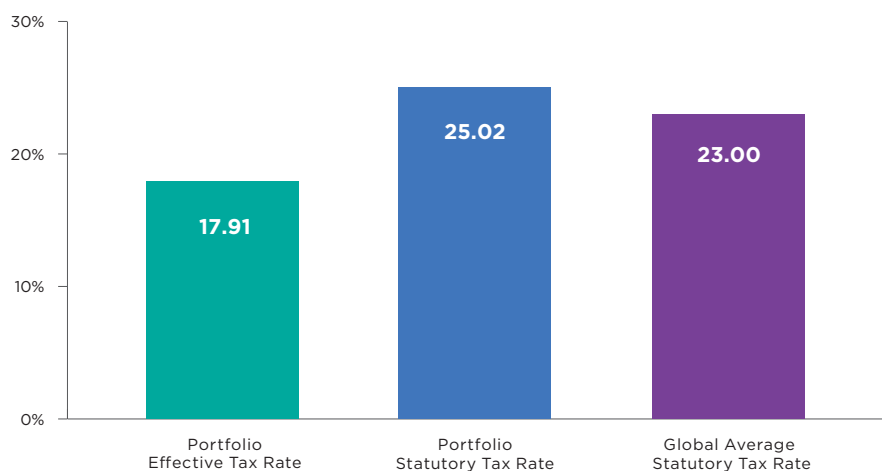
Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 90.22% of equity and equity-linked AUM. Index (MSCI China - Net Return) coverage rate: 99.37%. The above figures show the weighted average of female board members.

#### UN Global Compact Signatories



Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 98.72% of equity and equity-linked AUM. Index (MSCI China - Net Return) coverage rate: 100.00%. The above figures show the weighted average of companies being signatories to the UN Global Compact.

#### Tax Rates



Source: Calculated on MSCI Analytics, The Tax Foundation, as of 31-Dec-2022. Effective Tax Rate coverage rate 69.74% of equity and equity-linked AUM. Statutory tax rate coverage rate: 90.22% of equity and equity-linked AUM.

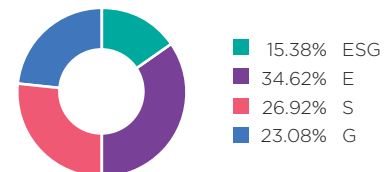
### VOTING & ENGAGEMENT

#### Engagement Statistics

Number of companies engaged	15
Number of engagements	26

Source: Comgest, 31-Dec-2022.

#### ESG Engagement Topics



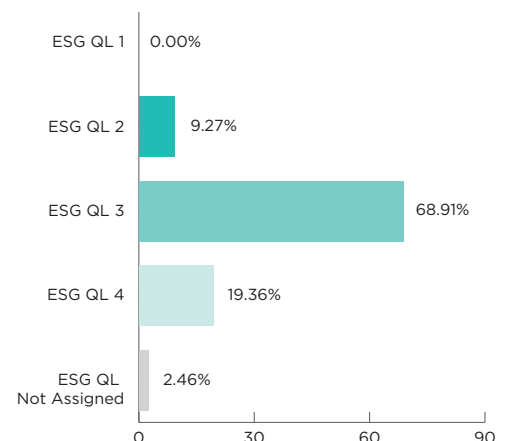
Source: Comgest, 31-Dec-2022.

#### Voting statistics

Breakdown of Votes	%
For	80.12
Against	19.69
Abstentions or withholdings	0.19
In line with management	80.12
Against management	19.88
In line with Comgest policy	96.14
Against Comgest policy	3.86

Source: Comgest, 31-Dec-2022.

#### ESG Quality Level (QL) Breakdown



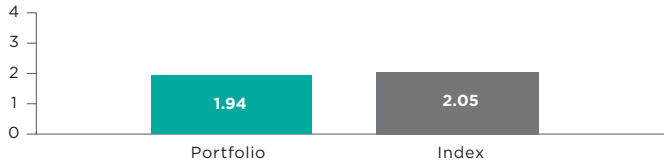
Source: Comgest, 31-Dec-2022. Coverage: 100.00% of equity and equity-linked AUM.

This 2022 data summary is based on the Comgest China Equity Strategy representative account (hereafter, the "Portfolio"), a pooled investment vehicle which has been managed in accordance with the strategy discussed since inception of the strategy.

## KEY ESG METRICS

### ENVIRONMENTAL

#### Implied Temperature Rise (ITR °C)



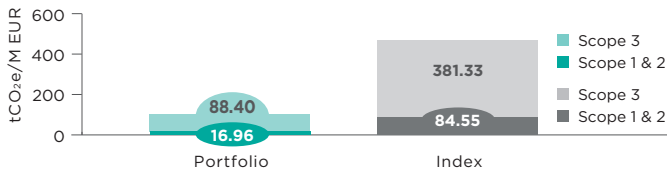
Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 98.11% of equity and equity-linked AUM. Index (MSCI Europe Ex UK - Net Return) coverage: 99.80%.

#### SBTi Portfolio Coverage Rate



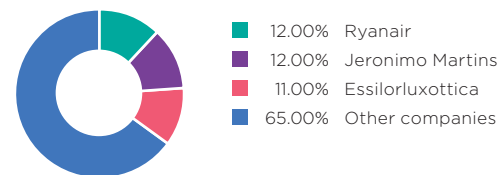
Source: SBTi, as of 31-Dec-2022; Coverage rate: 100.00% of equity and equity-linked AUM.

#### Carbon Footprint – Carbon to Value (Scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index (MSCI Europe Ex UK - Net Return) coverage rate: 100.00%. The carbon footprint estimates the apportioned scope 1, 2 and 3 greenhouse gases emissions of the portfolio holdings, per million of euros invested. The attributing factor used is the Enterprise Value Including Cash (EVIC).

#### Financed Emissions – Portfolio: Top 3 Contributors (scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. The above figures show the top 3 contributors to the Portfolio's financed emissions considering scope 1, 2 and 3 GHG emissions.

#### Estimated Versus Reported Emissions

	Scope 1		Scope 2	
	Reported Emissions	Estimated Emissions	Reported Emissions	Estimated Emissions
Portfolio	98.89%	1.11%	98.89%	1.11%
Index	94.79%	5.21%	93.66%	6.34%

Source: Comgest and MSCI, as of 31-Dec-2022. Index (MSCI Europe Ex UK - Net Return). All scope 3 emissions are estimated.

#### Climate Value-at-Risk (VaR)

		1.5°C	2°C	3°C
Aggregated Climate VaR	Portfolio	-7.34%	-6.08%	-4.49%
	Index	-11.57%	-10.95%	-8.41%
Policy Climate VaR	Portfolio	-4.11%	-2.37%	-0.31%
	Index	-11.79%	-7.08%	-1.09%
Technology Climate VaR	Portfolio	1.01%	0.53%	0.06%
	Index	7.98%	3.89%	0.44%
Physical Climate VaR Aggressive Scenario	Portfolio	-4.24%		
	Index	-7.76%		

Source: MSCI as of 31-Dec-2022. The "aggressive" physical risks scenario is used in the calculation of the Aggregated Climate VaR. Portfolio coverage: 98.11% of equity and equity-linked AUM. Index coverage rate (MSCI Europe Ex UK - Net Return): 99.80%.

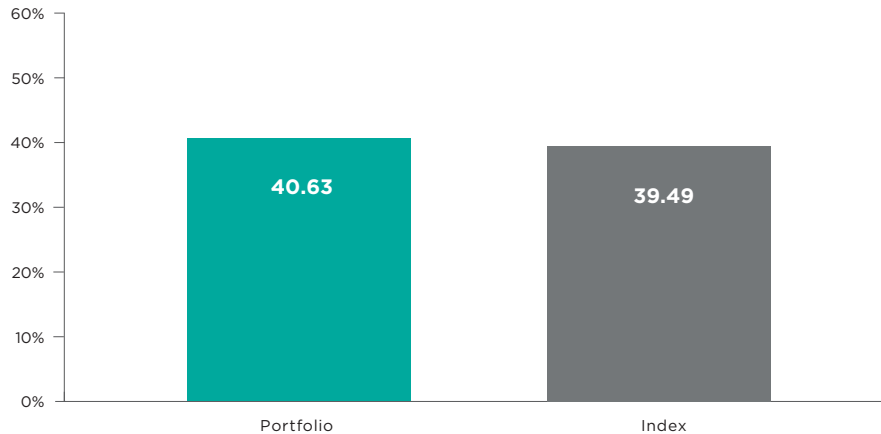
#### Environmental Footprint

Environmental footprint	Total	GHG	Water	Waste	Soil & Water Pollutants	Air Pollutants	Use of Natural Resources
Portfolio	0.57%	0.17%	0.23%	0.01%	0.08%	0.07%	0.01%
Index	1.49%	0.64%	0.43%	0.06%	0.11%	0.19%	0.06%

Source: Trucost, as of 31-Dec-2022. The environmental footprint estimates the apportioned ratio of annual costs linked to greenhouse gases, water abstraction, waste generation, air, land & water pollutants, and natural resource use associated with the portfolio holdings per million of euros invested. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index coverage rate (MSCI Europe Ex UK - Net Return): 98.59%.

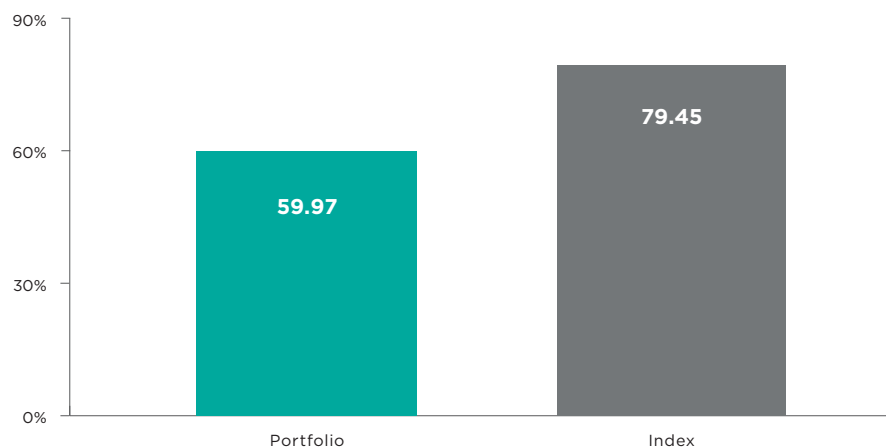
## SOCIAL & GOVERNANCE

### Board Gender Diversity



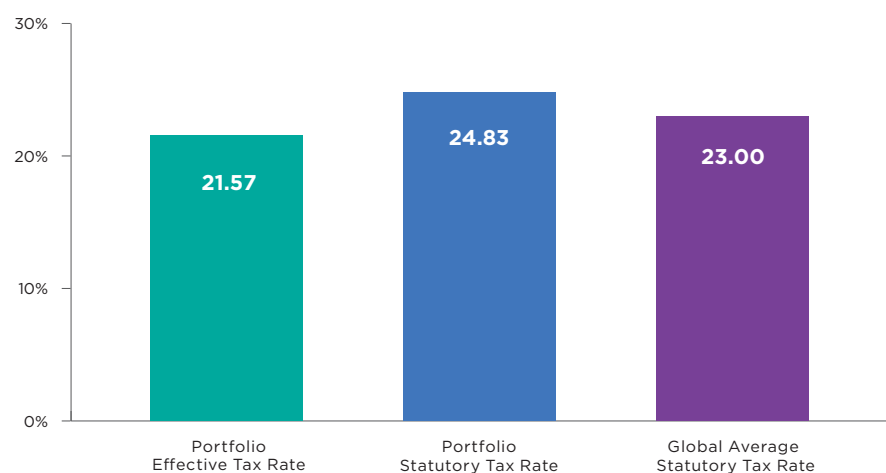
Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. Index (MSCI Europe Ex UK - Net Return) coverage rate: 99.96%. The above figures show the weighted average of female board members.

### UN Global Compact Signatories



Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. Index (MSCI Europe Ex UK - Net Return) coverage rate: 100.00%. The above figures show the weighted average of companies being signatories to the UN Global Compact.

### Tax Rates



Source: Calculated on MSCI Analytics, The Tax Foundation, as of 31-Dec-2022. Effective Tax Rate coverage rate 93.81% of equity and equity-linked AUM. Statutory tax rate coverage rate: 100.00% of equity and equity-linked AUM.

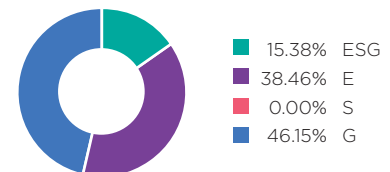
## VOTING & ENGAGEMENT

### Engagement Statistics

Number of companies engaged	13
Number of engagements	14

Source: Comgest, 31-Dec-2022.

### ESG Engagement Topics



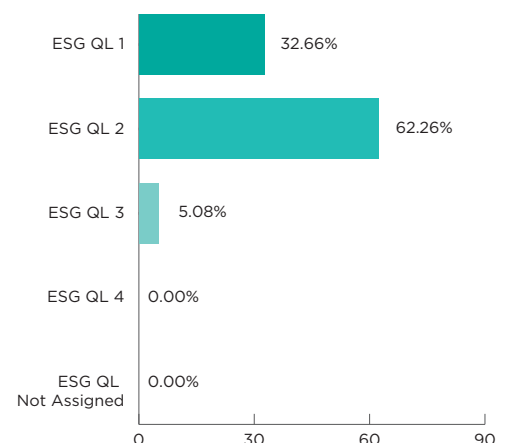
Source: Comgest, 31-Dec-2022.

### Voting statistics

Breakdown of Votes	%
For	85.49
Against	14.34
Abstentions or withholdings	0.17
In line with management	85.84
Against management	14.16
In line with Comgest policy	93.78
Against Comgest policy	6.22

Source: Comgest, 31-Dec-2022.

### ESG Quality Level (QL) Breakdown



Source: Comgest, 31-Dec-2022. Coverage: 100.00% of equity and equity-linked AUM.

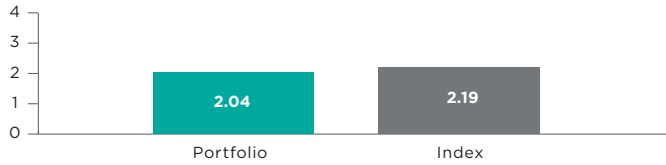
This 2022 data summary is based on the Comgest Europe Ex UK Equity Strategy representative account (hereafter, the "Portfolio"), a pooled investment vehicle which has been managed in accordance with the strategy discussed since inception of the strategy.



## KEY ESG METRICS

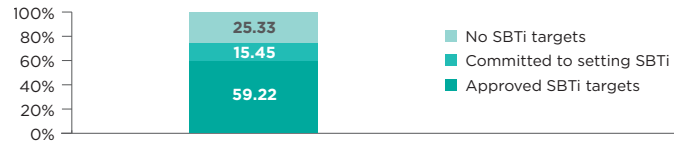
### ENVIRONMENTAL

#### Implied Temperature Rise (ITR °C)



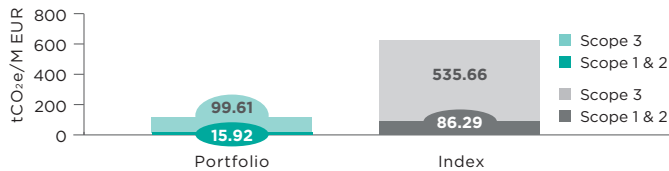
Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 98.05% of equity and equity-linked AUM. Index (MSCI Europe - Net Return) coverage: 99.85%.

#### SBTi Portfolio Coverage Rate



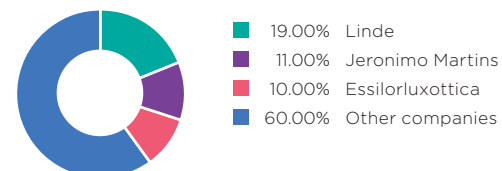
Source: SBTi, as of 31-Dec-2022; Coverage rate: 100.00% of equity and equity-linked AUM.

#### Carbon Footprint – Carbon to Value (Scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index (MSCI Europe - Net Return) coverage rate: 100.00%. The carbon footprint estimates the apportioned scope 1, 2 and 3 greenhouse gases emissions of the portfolio holdings, per million of euros invested. The attributing factor used is the Enterprise Value Including Cash (EVIC).

#### Financed Emissions – Portfolio: Top 3 Contributors (scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. The above figures show the top 3 contributors to the Portfolio's financed emissions considering scope 1, 2 and 3 GHG emissions.

#### Estimated Versus Reported Emissions

	Scope 1		Scope 2	
	Reported Emissions	Estimated Emissions	Reported Emissions	Estimated Emissions
Portfolio	99.11%	0.89%	99.11%	0.89%
Index	95.32%	4.68%	94.33%	5.67%

Source: Comgest and MSCI, as of 31-Dec-2022. Index (MSCI Europe - Net Return). All scope 3 emissions are estimated.

#### Climate Value-at-Risk (VaR)

		1.5°C	2°C	3°C
Aggregated Climate VaR	Portfolio	-7.91%	-6.07%	-4.50%
	Index	-13.94%	-11.94%	-8.74%
Policy Climate VaR	Portfolio	-4.01%	-1.97%	-0.21%
	Index	-13.29%	-7.38%	-1.02%
Technology Climate VaR	Portfolio	0.42%	0.21%	0.03%
	Index	7.50%	3.59%	0.42%
Physical Climate VaR Aggressive Scenario	Portfolio	-4.31%		
	Index	-8.14%		

Source: MSCI as of 31-Dec-2022. The "aggressive" physical risks scenario is used in the calculation of the Aggregated Climate VaR. Portfolio coverage: 98.05% of equity and equity-linked AUM. Index coverage rate (MSCI Europe - Net Return): 99.85%.

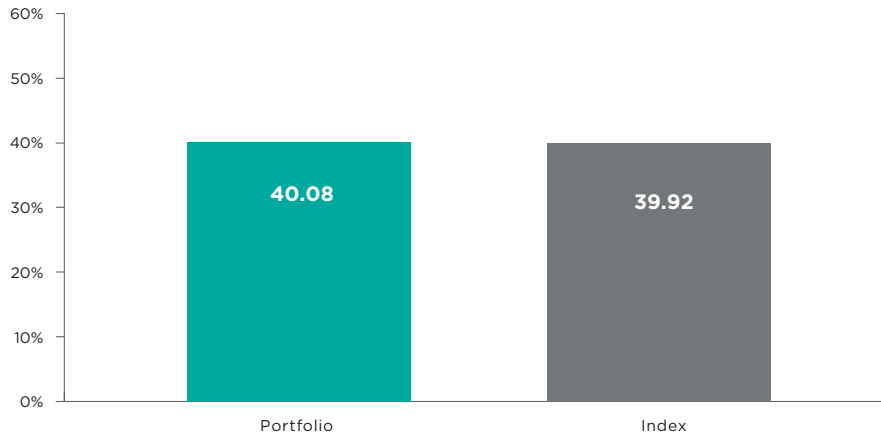
#### Environmental Footprint

Environmental footprint	Total	GHG	Water	Waste	Soil & Water Pollutants	Air Pollutants	Use of Natural Resources
Portfolio	0.64%	0.19%	0.26%	0.01%	0.08%	0.08%	0.01%
Index	1.71%	0.69%	0.46%	0.05%	0.11%	0.24%	0.15%

Source: Trucost, as of 31-Dec-2022. The environmental footprint estimates the apportioned ratio of annual costs linked to greenhouse gases, water abstraction, waste generation, air, land & water pollutants, and natural resource use associated with the portfolio holdings per million of euros invested. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index coverage rate (MSCI Europe - Net Return): 98.70%.

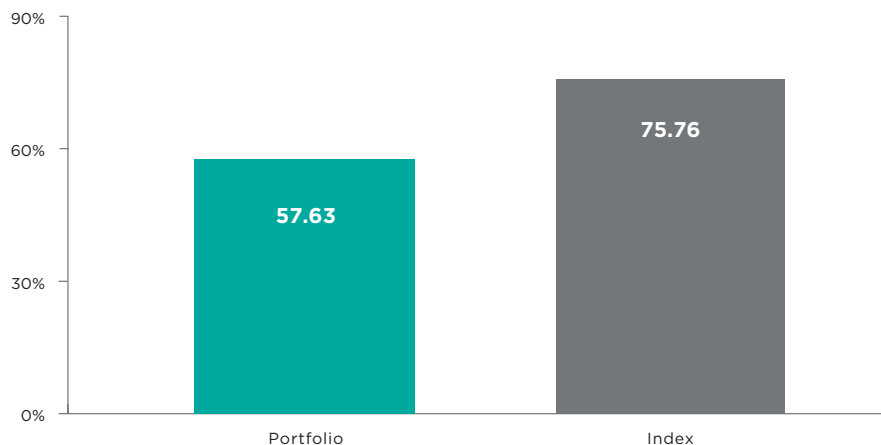
## SOCIAL & GOVERNANCE

### Board Gender Diversity



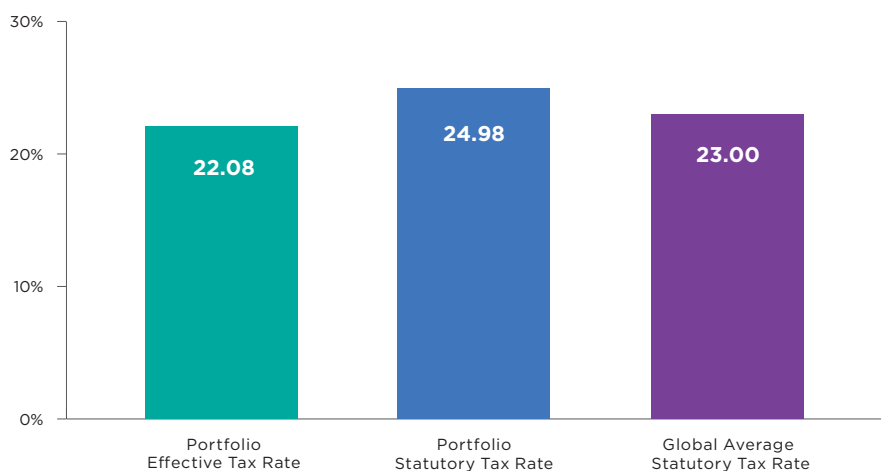
Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. Index (MSCI Europe - Net Return) coverage rate: 99.97%. The above figures show the weighted average of female board members.

### UN Global Compact Signatories



Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. Index (MSCI Europe - Net Return) coverage rate: 100.00%. The above figures show the weighted average of companies being signatories to the UN Global Compact.

### Tax Rates



Source: Calculated on MSCI Analytics, The Tax Foundation, as of 31-Dec-2022. Effective Tax Rate coverage rate 94.14% of equity and equity-linked AUM. Statutory tax rate coverage rate: 100.00% of equity and equity-linked AUM.

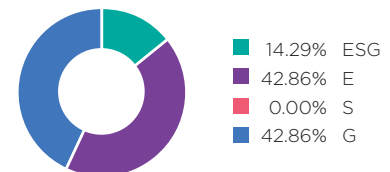
## VOTING & ENGAGEMENT

### Engagement Statistics

Number of companies engaged	14
Number of engagements	15

Source: Comgest, 31-Dec-2022.

### ESG Engagement Topics



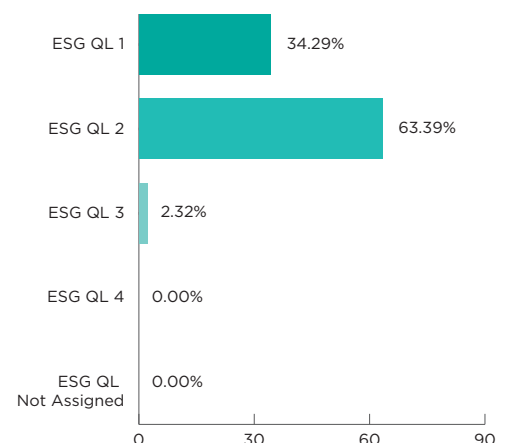
Source: Comgest, 31-Dec-2022.

### Voting statistics

Breakdown of Votes	%
For	87.32
Against	12.52
Abstentions or withholdings	0.16
In line with management	87.48
Against management	12.52
In line with Comgest policy	93.66
Against Comgest policy	6.34

Source: Comgest, 31-Dec-2022.

### ESG Quality Level (QL) Breakdown



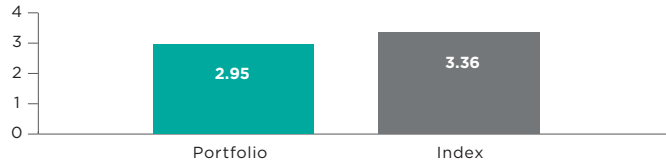
Source: Comgest, 31-Dec-2022. Coverage: 100.00% of equity and equity-linked AUM.

This 2022 data summary is based on the Comgest Europe Plus Equity Strategy representative account (hereafter, the "Portfolio"), a pooled investment vehicle which has been managed in accordance with the strategy discussed since inception of the strategy.

## KEY ESG METRICS

### ENVIRONMENTAL

#### Implied Temperature Rise (ITR °C)



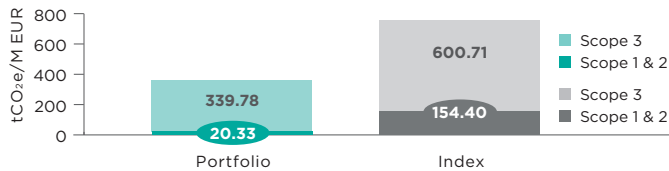
Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 97.55% of equity and equity-linked AUM. Index (MSCI Emerging Markets - Net Return) coverage: 99.38%.

#### SBTi Portfolio Coverage Rate



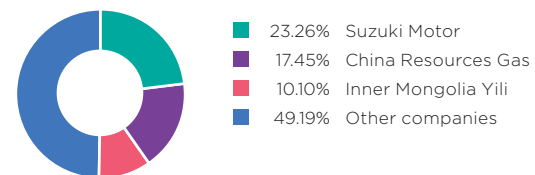
Source: SBTi, as of 31-Dec-2022; Coverage rate: 100.00% of equity and equity-linked AUM.

#### Carbon Footprint – Carbon to Value (Scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 95.66% of equity and equity-linked AUM. Index (MSCI Emerging Markets - Net Return) coverage rate: 100.00%. The carbon footprint estimates the apportioned scope 1, 2 and 3 greenhouse gases emissions of the portfolio holdings, per million of euros invested. The attributing factor used is the Enterprise Value Including Cash (EVIC).

#### Financed Emissions – Portfolio: Top 3 Contributors (scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. The above figures show the top 3 contributors to the Portfolio's financed emissions considering scope 1, 2 and 3 GHG emissions.

#### Estimated Versus Reported Emissions

	Scope 1		Scope 2	
	Reported Emissions	Estimated Emissions	Reported Emissions	Estimated Emissions
Portfolio	69.10%	30.90%	69.10%	30.90%
Index	71.95%	28.05%	72.36%	27.64%

Source: Comgest and MSCI, as of 31-Dec-2022. Index (MSCI Emerging Markets - Net Return). All scope 3 emissions are estimated.

#### Climate Value-at-Risk (VaR)

		1.5°C	2°C	3°C
Aggregated Climate VaR	Portfolio	-14.62%	-11.78%	-13.52%
	Index	-27.29%	-23.54%	-18.04%
Policy Climate VaR	Portfolio	-7.16%	-2.96%	-0.22%
	Index	-14.58%	-9.22%	-1.77%
Technology Climate VaR	Portfolio	6.71%	5.34%	0.87%
	Index	3.85%	2.23%	0.29%
Physical Climate VaR Aggressive Scenario	Portfolio	-14.16%		
	Index	-16.55%		

Source: MSCI as of 31-Dec-2022. The “aggressive” physical risks scenario is used in the calculation of the Aggregated Climate VaR. Portfolio coverage: 97.55% of equity and equity-linked AUM. Index coverage rate (MSCI Emerging Markets - Net Return): 99.48%.

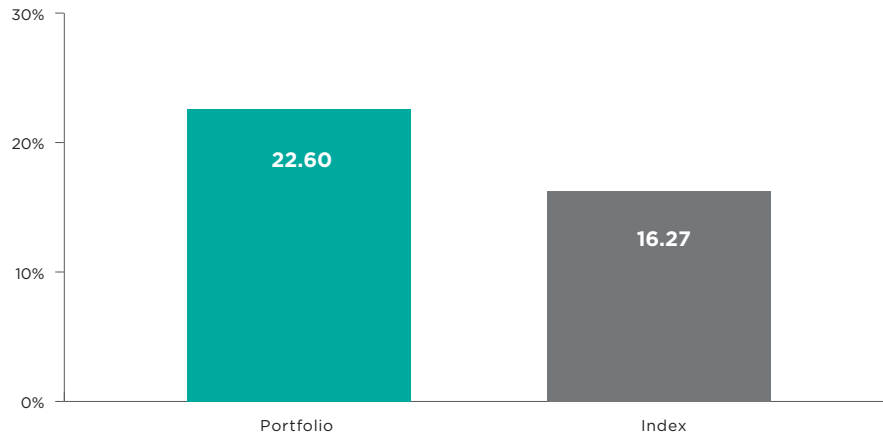
#### Environmental Footprint

Environmental footprint	Total	GHG	Water	Waste	Soil & Water Pollutants	Air Pollutants	Use of Natural Resources
Portfolio	1.08%	0.38%	0.38%	0.03%	0.11%	0.16%	0.02%
Index	2.43%	0.95%	0.46%	0.12%	0.19%	0.27%	0.44%

Source: Trucost, as of 31-Dec-2022. The environmental footprint estimates the apportioned ratio of annual costs linked to greenhouse gases, water abstraction, waste generation, air, land & water pollutants, and natural resource use associated with the portfolio holdings per million of euros invested. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index coverage rate (MSCI Emerging Markets - Net Return): 99.10%.

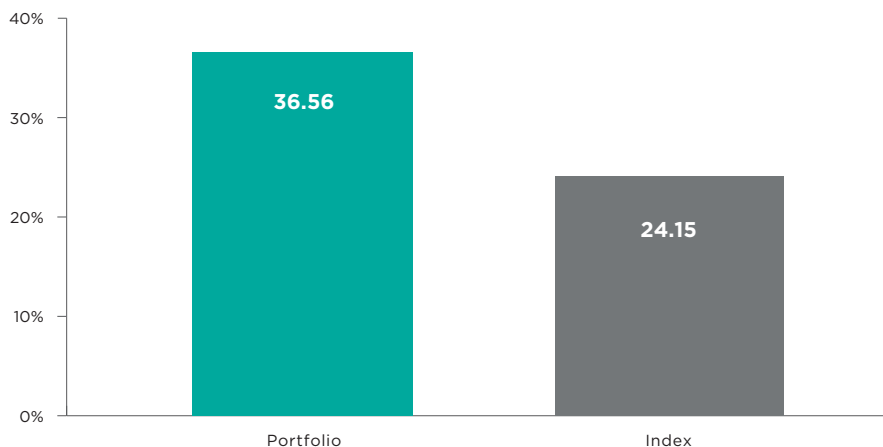
### SOCIAL & GOVERNANCE

#### Board Gender Diversity



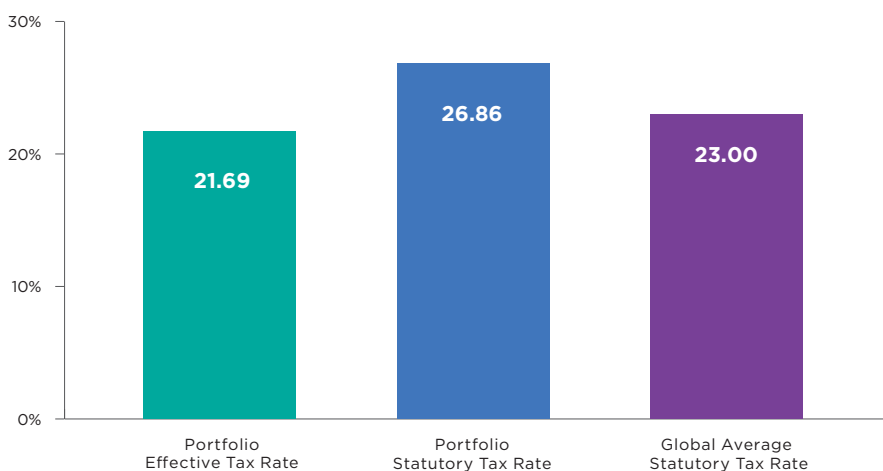
Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 92.15% of equity and equity-linked AUM. Index (MSCI Emerging Markets - Net Return) coverage rate: 99.31%. The above figures show the weighted average of female board members.

#### UN Global Compact Signatories



Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 95.66% of equity and equity-linked AUM. Index (MSCI Emerging Markets - Net Return) coverage rate: 100.00%. The above figures show the weighted average of companies being signatories to the UN Global Compact.

#### Tax Rates



Source: Calculated on MSCI Analytics, The Tax Foundation, as of 31-Dec-2022. Effective Tax Rate coverage rate 85.40% of equity and equity-linked AUM. Statutory tax rate coverage rate: 92.15% of equity and equity-linked AUM.

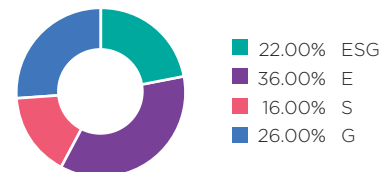
### VOTING & ENGAGEMENT

#### Engagement Statistics

Number of companies engaged	28
Number of engagements	51

Source: Comgest, 31-Dec-2022.

#### ESG Engagement Topics



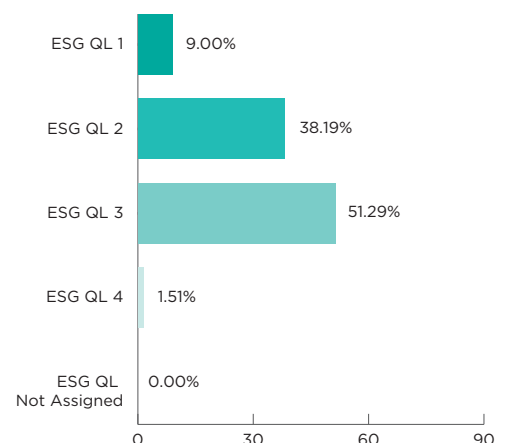
Source: Comgest, 31-Dec-2022.

#### Voting statistics

Breakdown of Votes	%
For	83.78
Against	14.48
Abstentions or withholdings	1.74
In line with management	87.45
Against management	12.55
In line with Comgest policy	93.44
Against Comgest policy	6.56

Source: Comgest, 31-Dec-2022.

#### ESG Quality Level (QL) Breakdown



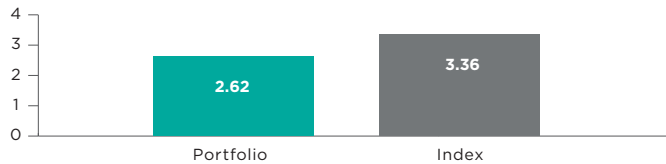
Source: Comgest, 31-Dec-2022. Coverage: 100.00% of equity and equity-linked AUM.

This 2022 data summary is based on the Comgest Global Emerging Markets (“GEM”) Equity Strategy representative account (hereafter, the “Portfolio”), a pooled investment vehicle which has been managed in accordance with the strategy discussed since inception of the strategy.

## KEY ESG METRICS

### ENVIRONMENTAL

#### Implied Temperature Rise (ITR °C)



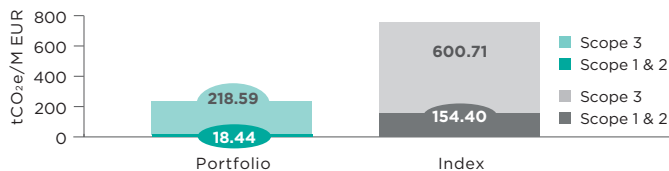
Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 97.77% of equity and equity-linked AUM. Index (MSCI Emerging Markets - Net Return) coverage: 99.38%.

#### SBTi Portfolio Coverage Rate



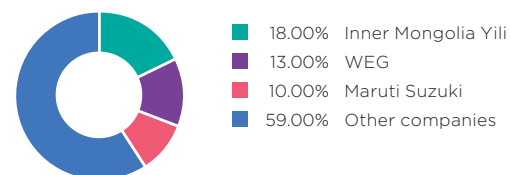
Source: SBTi, as of 31-Dec-2022; Coverage rate: 100.00% of equity and equity-linked AUM.

#### Carbon Footprint – Carbon to Value (Scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 95.58% of equity and equity-linked AUM. Index (MSCI Emerging Markets - Net Return) coverage rate: 100.00%. The carbon footprint estimates the apportioned scope 1, 2 and 3 greenhouse gases emissions of the portfolio holdings, per million of euros invested. The attributing factor used is the Enterprise Value Including Cash (EVIC).

#### Financed Emissions – Portfolio: Top 3 Contributors (scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. The above figures show the top 3 contributors to the Portfolio's financed emissions considering scope 1,2 and 3 GHG emissions.

#### Estimated Versus Reported Emissions

	Scope 1		Scope 2	
	Reported Emissions	Estimated Emissions	Reported Emissions	Estimated Emissions
Portfolio	63.61%	36.39%	63.61%	36.39%
Index	71.95%	28.05%	72.36%	27.64%

Source: Comgest and MSCI, as of 31-Dec-2022. Index (MSCI Emerging Markets - Net Return). All scope 3 emissions are estimated.

#### Climate Value-at-Risk (VaR)

		1.5°C	2°C	3°C
Aggregated Climate VaR	Portfolio	-15.20%	-13.34%	-14.12%
	Index	-27.29%	-23.54%	-18.04%
Policy Climate VaR	Portfolio	-4.57%	-1.99%	-0.17%
	Index	-14.58%	-9.22%	-1.77%
Technology Climate VaR	Portfolio	3.84%	3.12%	0.51%
	Index	3.85%	2.23%	0.29%
Physical Climate VaR Aggressive Scenario	Portfolio	-14.47%		
	Index	-16.55%		

Source: MSCI as of 31-Dec-2022. The "aggressive" physical risks scenario is used in the calculation of the Aggregated Climate VaR. Portfolio coverage: 97.77% of equity and equity-linked AUM. Index coverage rate (MSCI Emerging Markets - Net Return): 99.48%.

#### Environmental Footprint

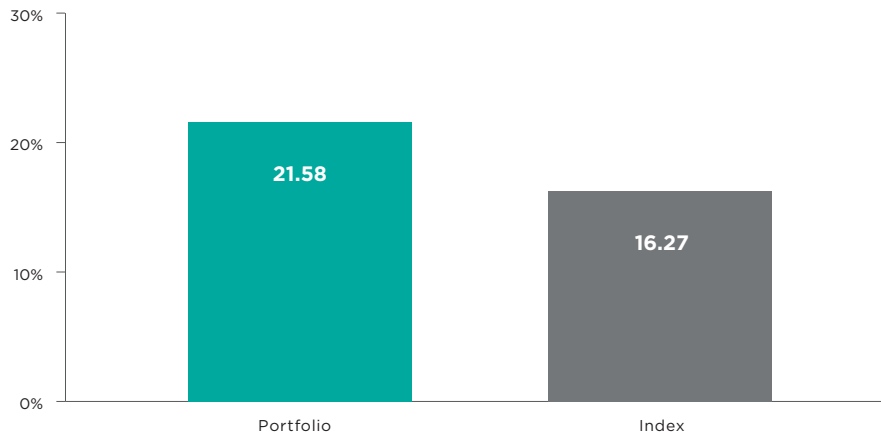
Environmental footprint	Total	GHG	Water	Waste	Soil & Water Pollutants	Air Pollutants	Use of Natural Resources
Portfolio	1.04%	0.35%	0.38%	0.03%	0.12%	0.15%	0.01%
Index	2.43%	0.95%	0.46%	0.12%	0.19%	0.27%	0.44%

Source: Trucost, as of 31-Dec-2022. The environmental footprint estimates the apportioned ratio of annual costs linked to greenhouse gases, water abstraction, waste generation, air, land & water pollutants, and natural resource use associated with the portfolio holdings per million of euros invested. Portfolio coverage: 98.60% of equity and equity-linked AUM. Index coverage rate (MSCI Emerging Markets - Net Return): 99.10%.



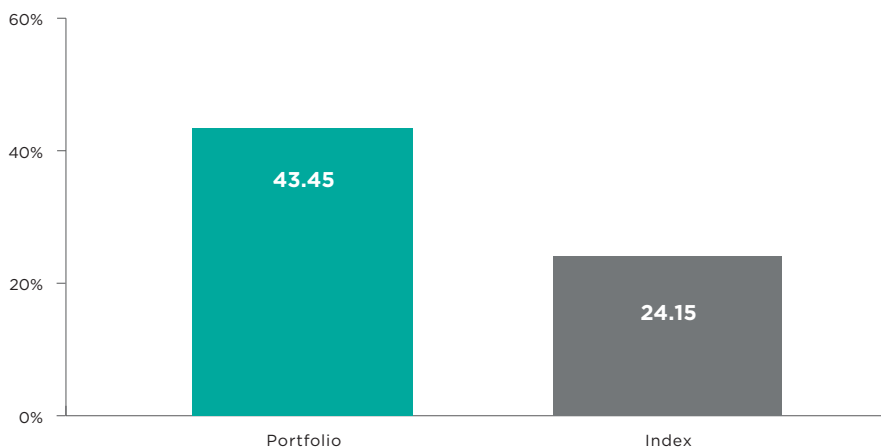
## SOCIAL &amp; GOVERNANCE

## Board Gender Diversity



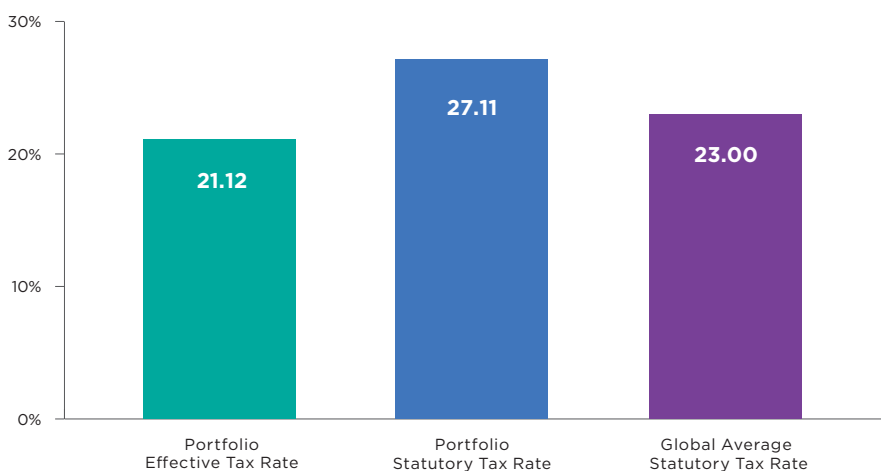
Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 85.15% of equity and equity-linked AUM. Index (MSCI Emerging Markets - Net Return) coverage rate: 99.31%. The above figures show the weighted average of female board members.

## UN Global Compact Signatories



Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 95.58% of equity and equity-linked AUM. Index (MSCI Emerging Markets - Net Return) coverage rate: 100.00%. The above figures show the weighted average of companies being signatories to the UN Global Compact.

## Tax Rates



Source: Calculated on MSCI Analytics, The Tax Foundation, as of 31-Dec-2022. Effective Tax Rate coverage rate 85.15% of equity and equity-linked AUM. Statutory tax rate coverage rate: 92.47% of equity and equity-linked AUM.

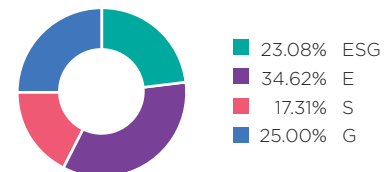
## VOTING &amp; ENGAGEMENT

## Engagement Statistics

Number of companies engaged	28
Number of engagements	53

Source: Comgest, 31-Dec-2022.

## ESG Engagement Topics



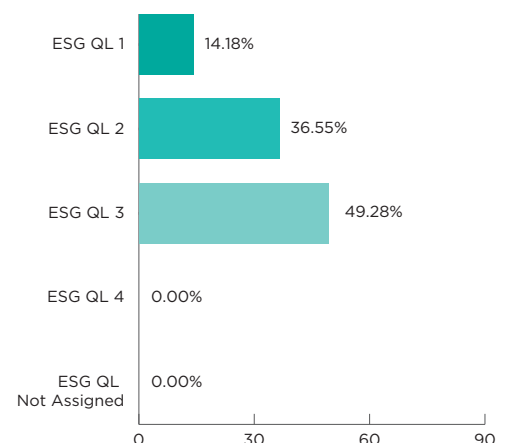
Source: Comgest, 31-Dec-2022.

## Voting statistics

Breakdown of Votes	%
For	83.62
Against	12.62
Abstentions or withholdings	2.48
In line with management	88.72
Against management	11.28
In line with Comgest policy	93.50
Against Comgest policy	6.50

Source: Comgest, 31-Dec-2022.

## ESG Quality Level (QL) Breakdown



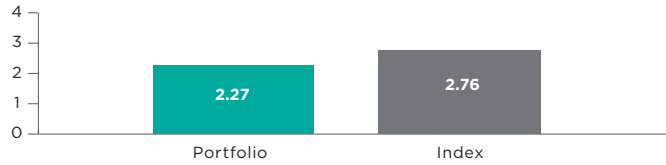
Source: Comgest, 31-Dec-2022. Coverage: 100.00% of equity and equity-linked AUM.

This 2022 data summary is based on the Comgest GEM Plus Equity Strategy representative account (hereafter, the "Portfolio"), a pooled investment vehicle which has been managed in accordance with the strategy discussed since inception of the strategy.

## KEY ESG METRICS

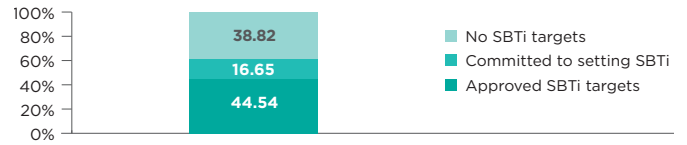
### ENVIRONMENTAL

#### Implied Temperature Rise (ITR °C)



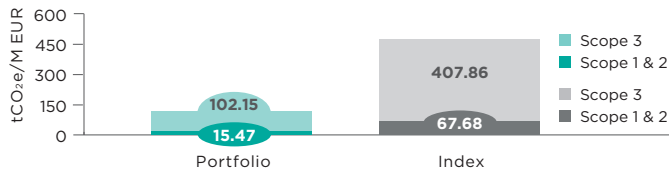
Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index (MSCI AC World - Net Return) coverage: 99.55%.

#### SBTi Portfolio Coverage Rate



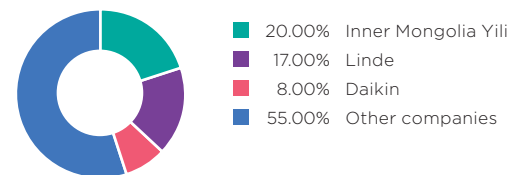
Source: SBTi, as of 31-Dec-2022; Coverage rate: 100.00% of equity and equity-linked AUM.

#### Carbon Footprint – Carbon to Value (Scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index (MSCI AC World - Net Return) coverage rate: 99.82%. The carbon footprint estimates the apportioned scope 1, 2 and 3 greenhouse gases emissions of the portfolio holdings, per million of euros invested. The attributing factor used is the Enterprise Value Including Cash (EVIC).

#### Financed Emissions – Portfolio: Top 3 Contributors (scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. The above figures show the top 3 contributors to the Portfolio's financed emissions considering scope 1, 2 and 3 GHG emissions.

#### Estimated Versus Reported Emissions

	Scope 1		Scope 2	
	Reported Emissions	Estimated Emissions	Reported Emissions	Estimated Emissions
Portfolio	88.56%	11.44%	88.56%	11.44%
Index	85.32%	14.68%	84.23%	15.77%

Source: Comgest and MSCI, as of 31-Dec-2022. Index (MSCI AC World - Net Return). All scope 3 emissions are estimated.

#### Climate Value-at-Risk (VaR)

		1.5°C	2°C	3°C
Aggregated Climate VaR	Portfolio	-6.15%	-4.77%	-3.79%
	Index	-12.64%	-10.25%	-7.83%
Policy Climate VaR	Portfolio	-3.25%	-1.51%	-0.15%
	Index	-9.43%	-4.98%	-0.62%
Technology Climate VaR	Portfolio	0.79%	0.43%	0.05%
	Index	4.26%	2.20%	0.26%
Physical Climate VaR Aggressive Scenario	Portfolio	-3.70%		
	Index	-7.47%		

Source: MSCI as of 31-Dec-2022. The "aggressive" physical risks scenario is used in the calculation of the Aggregated Climate VaR. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index coverage rate (MSCI AC World - Net Return): 99.56%.

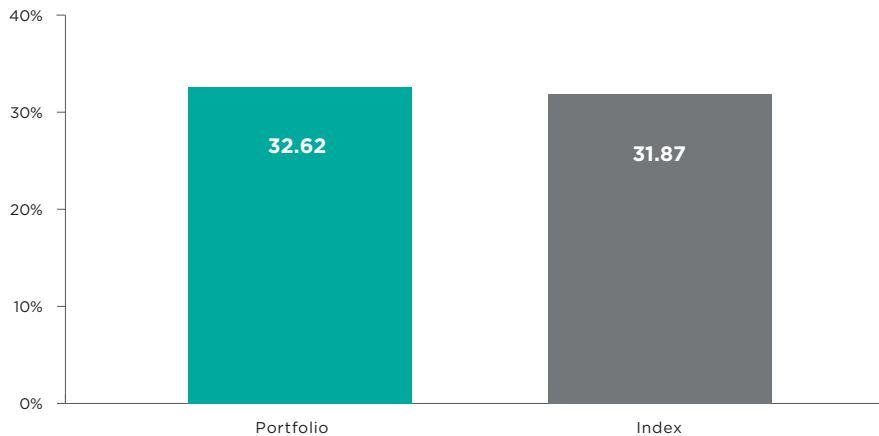
#### Environmental Footprint

Environmental footprint	Total	GHG	Water	Waste	Soil & Water Pollutants	Air Pollutants	Use of Natural Resources
Portfolio	0.59%	0.21%	0.21%	0.01%	0.07%	0.08%	0.01%
Index	1.36%	0.51%	0.40%	0.05%	0.11%	0.18%	0.10%

Source: Trucost, as of 31-Dec-2022. The environmental footprint estimates the apportioned ratio of annual costs linked to greenhouse gases, water abstraction, waste generation, air, land & water pollutants, and natural resource use associated with the portfolio holdings per million of euros invested. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index coverage rate (MSCI AC World - Net Return): 99.35%.

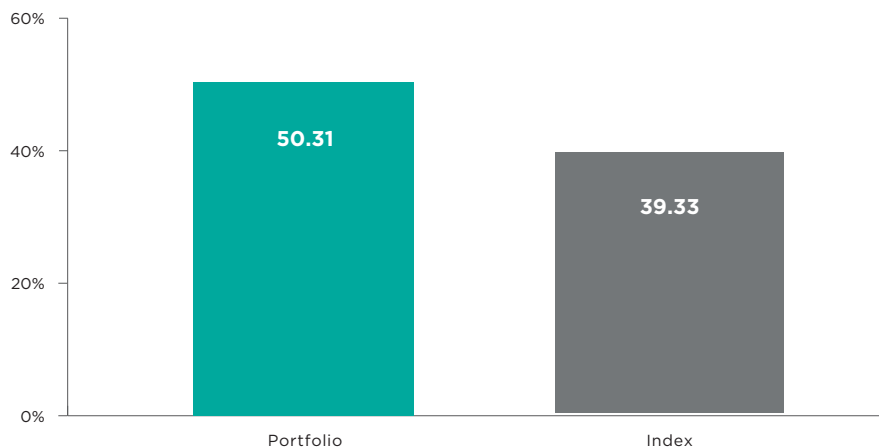
## SOCIAL &amp; GOVERNANCE

## Board Gender Diversity



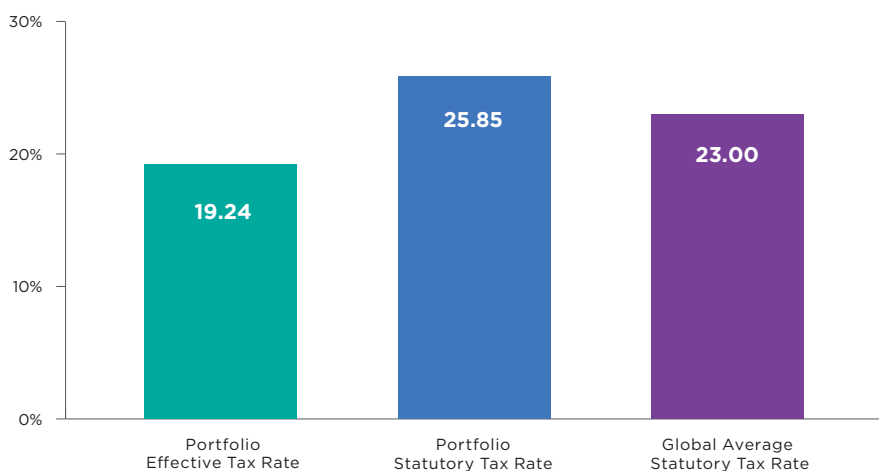
Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. Index (MSCI AC World - Net Return) coverage rate: 99.74%. The above figures show the weighted average of female board members.

## UN Global Compact Signatories



Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. Index (MSCI AC World - Net Return) coverage rate: 99.93%. The above figures show the weighted average of companies being signatories to the UN Global Compact.

## Tax Rates



Source: Calculated on MSCI Analytics, The Tax Foundation, as of 31-Dec-2022. Effective Tax Rate coverage rate 94.67% of equity and equity-linked AUM. Statutory tax rate coverage rate: 100.00% of equity and equity-linked AUM.

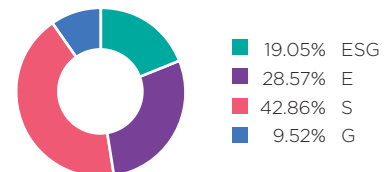
## VOTING &amp; ENGAGEMENT

## Engagement Statistics

Number of companies engaged	14
Number of engagements	25

Source: Comgest, 31-Dec-2022.

## ESG Engagement Topics



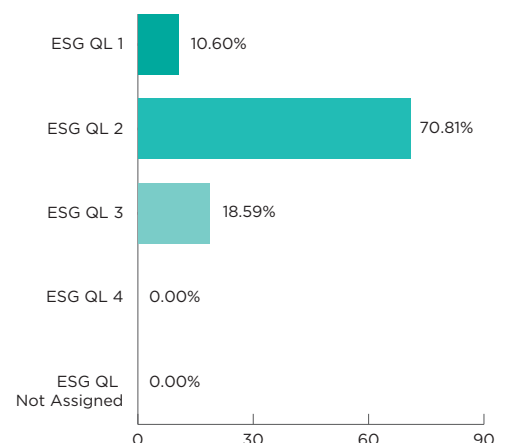
Source: Comgest, 31-Dec-2022.

## Voting statistics

Breakdown of Votes	%
For	78.50
Against	20.80
Abstentions or withholdings	0.01
In line with management	74.48
Against management	25.52
In line with Comgest policy	95.10
Against Comgest policy	4.90

Source: Comgest, 31-Dec-2022.

## ESG Quality Level (QL) Breakdown



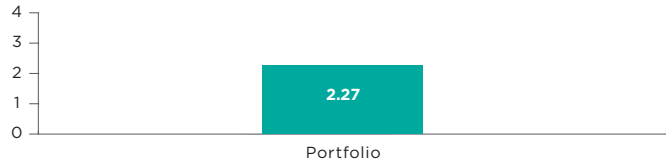
Source: Comgest, 31-Dec-2022. Coverage: 100.00% of equity and equity-linked AUM.

This 2022 data summary is based on the Comgest Global Equity Strategy representative account (hereafter, the "Portfolio"), a pooled investment vehicle which has been managed in accordance with the strategy discussed since inception of the strategy.

## KEY ESG METRICS

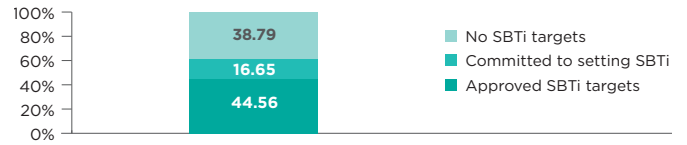
### ENVIRONMENTAL

#### Implied Temperature Rise (ITR °C)



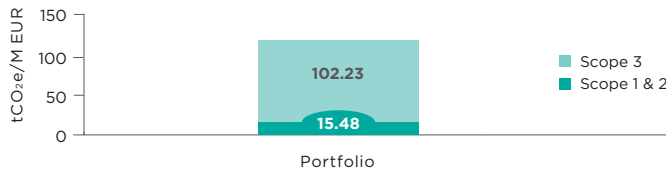
Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 100.00% of equity and equity-linked AUM.

#### SBTi Portfolio Coverage Rate



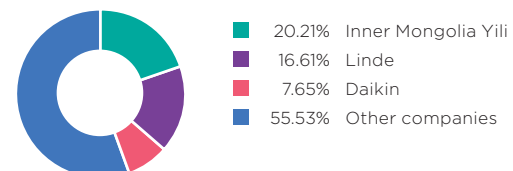
Source: SBTi, as of 31-Dec-2022; Coverage rate: 100.00% of equity and equity-linked AUM.

#### Carbon Footprint – Carbon to Value (Scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 100.00% of equity and equity-linked AUM. The carbon footprint estimates the apportioned scope 1, 2 and 3 greenhouse gases emissions of the portfolio holdings, per million of euros invested. The attributing factor used is the Enterprise Value Including Cash (EVIC).

#### Financed Emissions – Portfolio: Top 3 Contributors (scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. The above figures show the top 3 contributors to the Portfolio's financed emissions considering scope 1,2 and 3 GHG emissions.

#### Estimated Versus Reported Emissions

	Scope 1		Scope 2	
	Reported Emissions	Estimated Emissions	Reported Emissions	Estimated Emissions
Portfolio	88.59%	11.41%	88.59%	11.41%

Source: Comgest and MSCI, as of 31-Dec-2022. All scope 3 emissions are estimated.

#### Climate Value-at-Risk (VaR)

		1.5°C	2°C	3°C
Aggregated Climate VaR	Portfolio	-6.15%	-4.77%	-3.79%
Policy Climate VaR	Portfolio	-3.25%	-1.51%	-0.15%
Technology Climate VaR	Portfolio	0.79%	0.43%	0.05%
Physical Climate VaR Aggressive Scenario	Portfolio	-3.70%		

Source: MSCI, as of 31-Dec-2022. The "aggressive" physical risks scenario is used in the calculation of the Aggregated Climate VaR. Portfolio coverage: 100.00% of equity and equity-linked AUM.

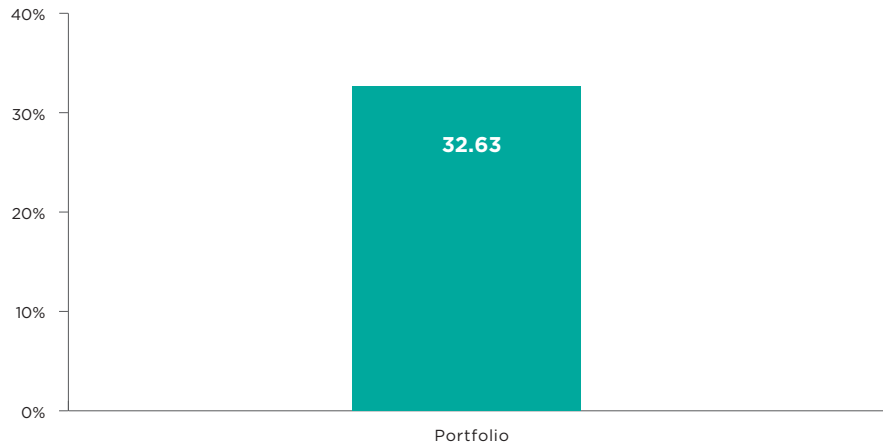
#### Environmental Footprint

Environmental footprint	Total	GHG	Water	Waste	Soil & Water Pollutants	Air Pollutants	Use of Natural Resources
Portfolio	0.59%	0.21%	0.21%	0.01%	0.07%	0.08%	0.01%

Source: Trucost, as of 31-Dec-2022. The environmental footprint estimates the apportioned ratio of annual costs linked to greenhouse gases, water abstraction, waste generation, air, land & water pollutants, and natural resource use associated with the portfolio holdings per million of euros invested. Portfolio coverage: 100.00% of equity and equity-linked AUM.

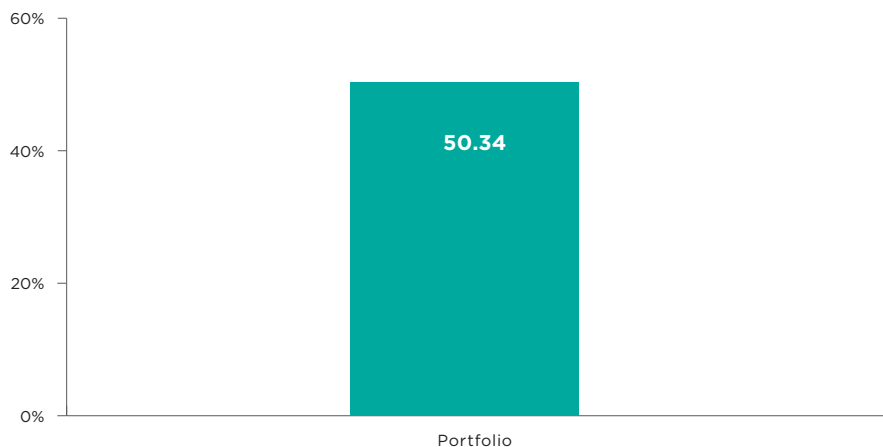
## SOCIAL &amp; GOVERNANCE

## Board Gender Diversity



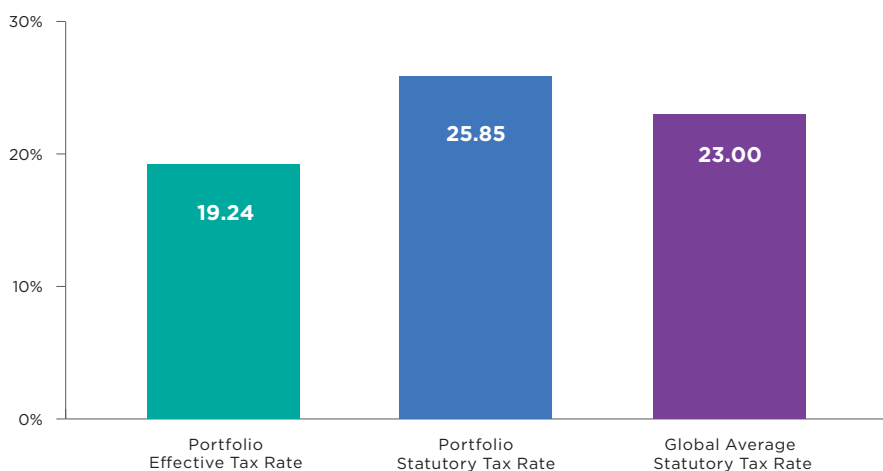
Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. The above figures show the weighted average of female board members.

## UN Global Compact Signatories



Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. The above figures show the weighted average of companies being signatories to the UN Global Compact.

## Tax Rates



Source: Calculated on MSCI Analytics, The Tax Foundation, as of 31-Dec-2022. Effective Tax Rate coverage rate 94.66% of equity and equity-linked AUM. Statutory tax rate coverage rate: 100.00% of equity and equity-linked AUM.

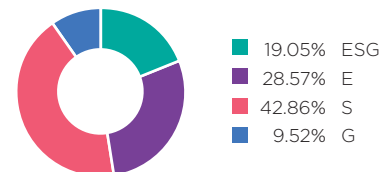
## VOTING &amp; ENGAGEMENT

## Engagement Statistics

Number of companies engaged	14
Number of engagements	25

Source: Comgest, 31-Dec-2022.

## ESG Engagement Topics



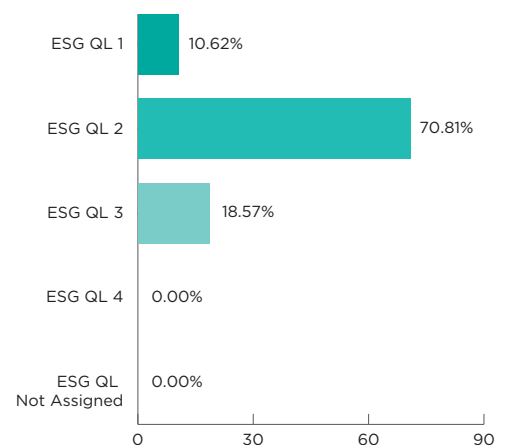
Source: Comgest, 31-Dec-2022.

## Voting statistics

Breakdown of Votes	%
For	78.74
Against	20.58
Abstentions or withholdings	0.68
In line with management	75.17
Against management	24.83
In line with Comgest policy	95.07
Against Comgest policy	4.93

Source: Comgest, 31-Dec-2022.

## ESG Quality Level (QL) Breakdown



Source: Comgest, 31-Dec-2022. Coverage: 100.00% of equity and equity-linked AUM.

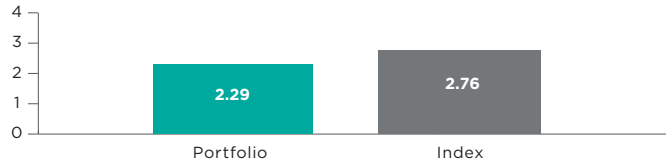
This 2022 data summary is based on the Comgest Global Flex Equity Strategy representative account (hereafter, the "Portfolio"), a pooled investment vehicle which has been managed in accordance with the strategy discussed since inception of the strategy.



## KEY ESG METRICS

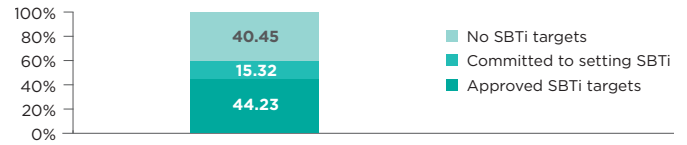
### ENVIRONMENTAL

#### Implied Temperature Rise (ITR °C)



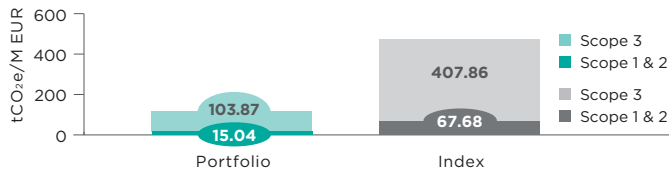
Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index (MSCI AC World - Net Return) coverage: 99.55%.

#### SBTi Portfolio Coverage Rate



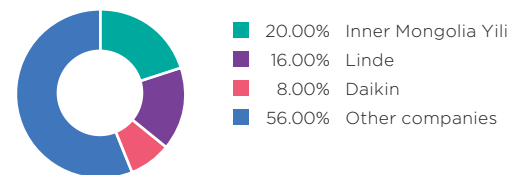
Source: SBTi, as of 31-Dec-2022; Coverage rate: 100.00% of equity and equity-linked AUM.

#### Carbon Footprint – Carbon to Value (Scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index (MSCI AC World - Net Return) coverage rate: 99.82%. The carbon footprint estimates the apportioned scope 1, 2 and 3 greenhouse gases emissions of the portfolio holdings, per million of euros invested. The attributing factor used is the Enterprise Value Including Cash (EVIC).

#### Financed Emissions – Portfolio: Top 3 Contributors (scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. The above figures show the top 3 contributors to the Portfolio's financed emissions considering scope 1, 2 and 3 GHG emissions.

#### Estimated Versus Reported Emissions

	Scope 1		Scope 2	
	Reported Emissions	Estimated Emissions	Reported Emissions	Estimated Emissions
Portfolio	86.62%	13.38%	86.62%	13.38%
Index	85.32%	14.68%	84.23%	15.77%

Source: Comgest and MSCI, as of 31-Dec-2022. Index (MSCI AC World - Net Return). All scope 3 emissions are estimated.

#### Climate Value-at-Risk (VaR)

		1.5°C	2°C	3°C
Aggregated Climate VaR	Portfolio	-5.91%	-4.63%	-3.78%
	Index	-12.64%	-10.25%	-7.83%
Policy Climate VaR	Portfolio	-3.24%	-1.50%	-0.14%
	Index	-9.43%	-4.98%	-0.62%
Technology Climate VaR	Portfolio	1.03%	0.57%	0.06%
	Index	4.26%	2.20%	0.26%
Physical Climate VaR Aggressive Scenario	Portfolio	-3.70%		
	Index	-7.47%		

Source: MSCI as of 31-Dec-2022. The "aggressive" physical risks scenario is used in the calculation of the Aggregated Climate VaR. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index coverage rate (MSCI AC World - Net Return): 99.56%.

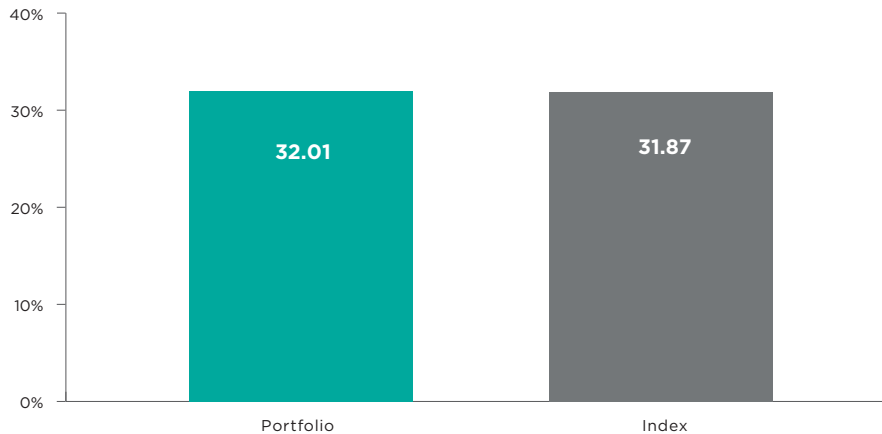
#### Environmental Footprint

Environmental footprint	Total	GHG	Water	Waste	Soil & Water Pollutants	Air Pollutants	Use of Natural Resources
Portfolio	0.60%	0.22%	0.21%	0.01%	0.07%	0.08%	0.01%
Index	1.36%	0.51%	0.40%	0.05%	0.11%	0.18%	0.10%

Source: Trucost, as of 31-Dec-2022. The environmental footprint estimates the apportioned ratio of annual costs linked to greenhouse gases, water abstraction, waste generation, air, land & water pollutants, and natural resource use associated with the portfolio holdings per million of euros invested. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index coverage rate (MSCI AC World - Net Return): 99.35%.

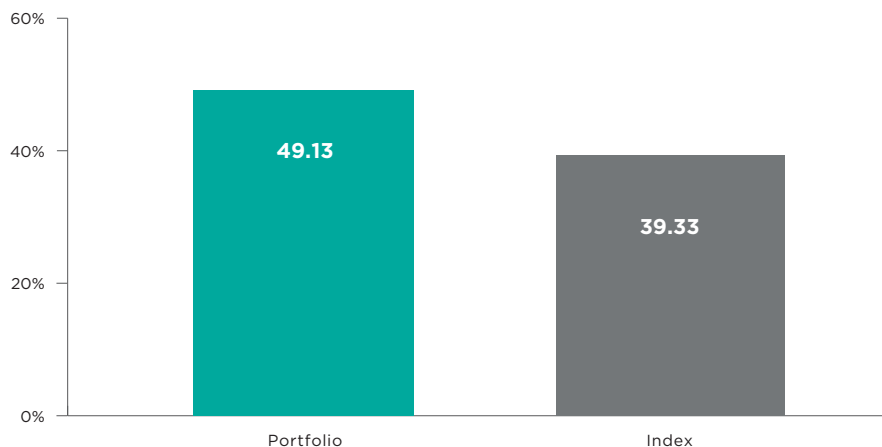
## SOCIAL &amp; GOVERNANCE

## Board Gender Diversity



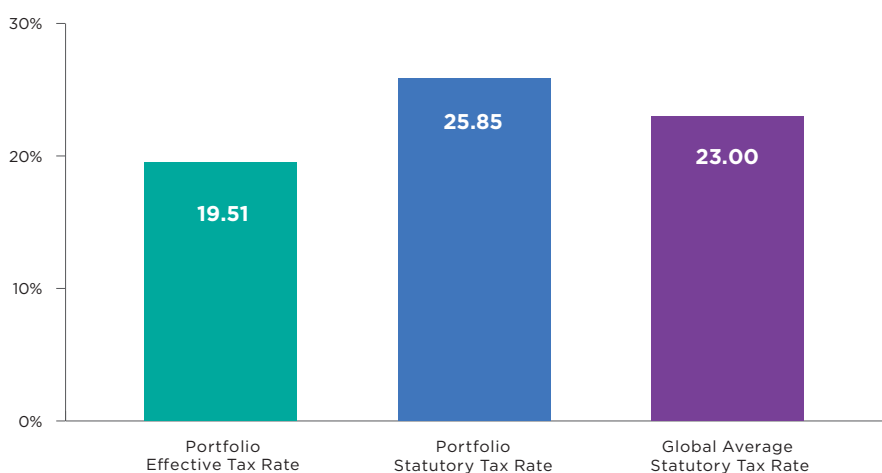
Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. Index (MSCI AC World - Net Return) coverage rate: 99.74%. The above figures show the weighted average of female board members.

## UN Global Compact Signatories



Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. Index (MSCI AC World - Net Return) coverage rate: 99.93%. The above figures show the weighted average of companies being signatories to the UN Global Compact.

## Tax Rates



Source: Calculated on MSCI Analytics, The Tax Foundation, as of 31-Dec-2022. Effective Tax Rate coverage rate 94.68% of equity and equity-linked AUM. Statutory tax rate coverage rate: 100.00% of equity and equity-linked AUM.

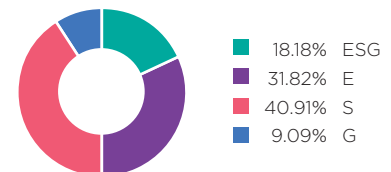
## VOTING &amp; ENGAGEMENT

## Engagement Statistics

Number of companies engaged	15
Number of engagements	26

Source: Comgest, 31-Dec-2022.

## ESG Engagement Topics



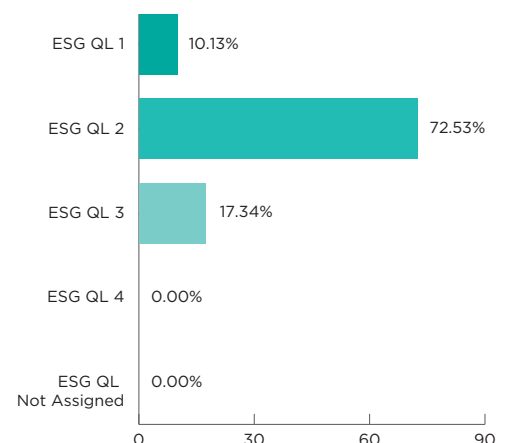
Source: Comgest, 31-Dec-2022.

## Voting statistics

Breakdown of Votes	%
For	78.42
Against	21.40
Abstentions or withholdings	0.18
In line with management	76.08
Against management	23.92
In line with Comgest policy	94.78
Against Comgest policy	5.22

Source: Comgest, 31-Dec-2022.

## ESG Quality Level (QL) Breakdown



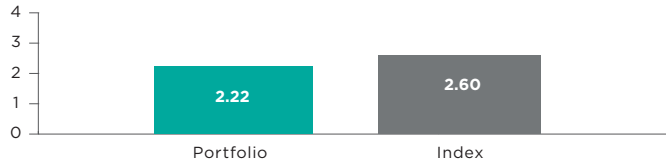
Source: Comgest, 31-Dec-2022. Coverage: 100.00% of equity and equity-linked AUM.

This 2022 data summary is based on the Comgest Global Plus Equity Strategy representative account (hereafter, the "Portfolio"), a pooled investment vehicle which has been managed in accordance with the strategy discussed since inception of the strategy.

## KEY ESG METRICS

### ENVIRONMENTAL

#### Implied Temperature Rise (ITR °C)



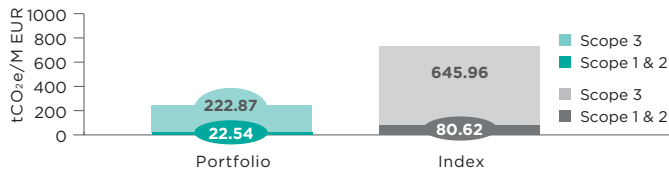
Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index (Topix - Net Return) coverage: 96.79%.

#### SBTi Portfolio Coverage Rate



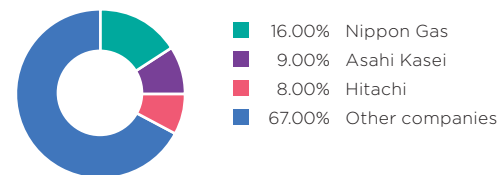
Source: SBTi, as of 31-Dec-2022; Coverage rate: 100.00% of equity and equity-linked AUM.

#### Carbon Footprint – Carbon to Value (Scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index (Topix - Net Return) coverage rate: 97.77%. The carbon footprint estimates the apportioned scope 1, 2 and 3 greenhouse gases emissions of the portfolio holdings, per million of euros invested. The attributing factor used is the Enterprise Value Including Cash (EVIC).

#### Financed Emissions – Portfolio: Top 3 Contributors (scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. The above figures show the top 3 contributors to the Portfolio's financed emissions considering scope 1, 2 and 3 GHG emissions.

#### Estimated Versus Reported Emissions

	Scope 1		Scope 2	
	Reported Emissions	Estimated Emissions	Reported Emissions	Estimated Emissions
Portfolio	68.44%	31.56%	68.44%	31.56%
Index	68.15%	31.85%	67.66%	32.34%

Source: Comgest and MSCI, as of 31-Dec-2022. Index (Topix - Net Return). All scope 3 emissions are estimated.

#### Climate Value-at-Risk (VaR)

		1.5°C	2°C	3°C
Aggregated Climate VaR	Portfolio	0.67%	-2.07%	-7.17%
	Index	-9.12%	-10.23%	-14.74%
Policy Climate VaR	Portfolio	-4.45%	-1.84%	-0.14%
	Index	-11.99%	-5.60%	-0.44%
Technology Climate VaR	Portfolio	12.98%	7.63%	0.83%
	Index	18.53%	11.02%	1.35%
Physical Climate VaR Aggressive Scenario	Portfolio	-7.86%		
	Index	-15.65%		

Source: MSCI as of 31-Dec-2022. The "aggressive" physical risks scenario is used in the calculation of the Aggregated Climate VaR. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index coverage rate (Topix - Net Return): 97.03%.

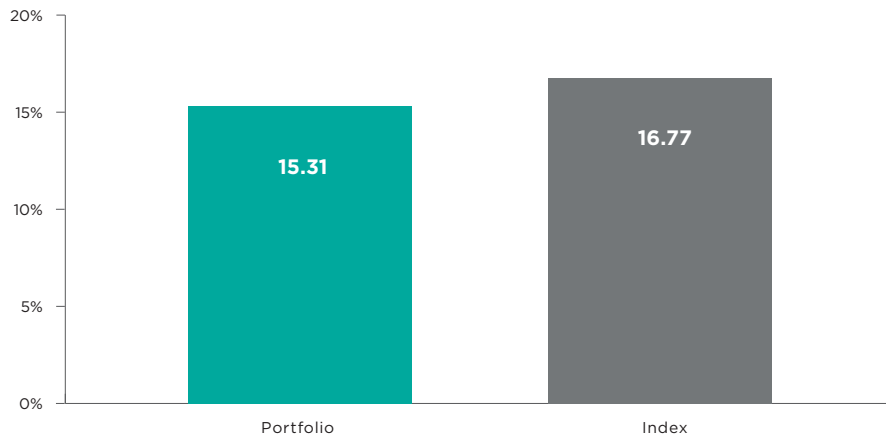
#### Environmental Footprint

Environmental footprint	Total	GHG	Water	Waste	Soil & Water Pollutants	Air Pollutants	Use of Natural Resources
Portfolio	0.87%	0.36%	0.27%	0.02%	0.06%	0.13%	0.02%
Index	2.75%	0.94%	1.02%	0.08%	0.25%	0.39%	0.08%

Source: Trucost, as of 31-Dec-2022. The environmental footprint estimates the apportioned ratio of annual costs linked to greenhouse gases, water abstraction, waste generation, air, land & water pollutants, and natural resource use associated with the portfolio holdings per million of euros invested. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index coverage rate (Topix - Net Return): 99.87%.

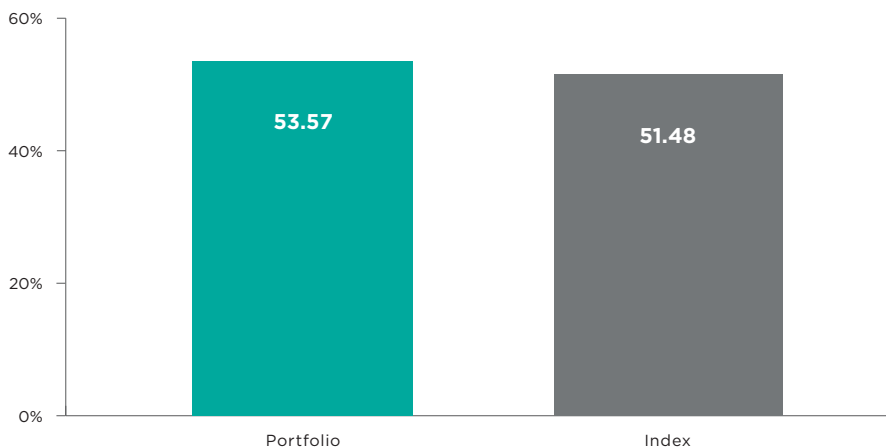
## SOCIAL &amp; GOVERNANCE

## Board Gender Diversity



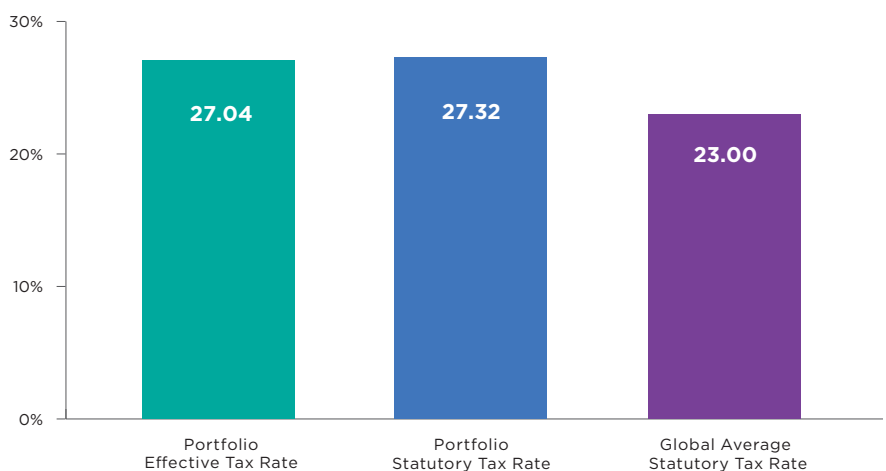
Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. Index (Topix - Net Return) coverage rate: 97.13%. The above figures show the weighted average of female board members.

## UN Global Compact Signatories



Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. Index (Topix - Net Return) coverage rate: 97.83%. The above figures show the weighted average of companies being signatories to the UN Global Compact.

## Tax Rates



Source: Calculated on MSCI Analytics, The Tax Foundation, as of 31-Dec-2022. Effective Tax Rate coverage rate 99.51% of equity and equity-linked AUM. Statutory tax rate coverage rate: 100.00% of equity and equity-linked AUM.

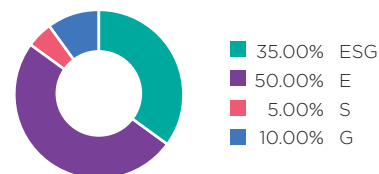
## VOTING &amp; ENGAGEMENT

## Engagement Statistics

Number of companies engaged	16
Number of engagements	21

Source: Comgest, 31-Dec-2022.

## ESG Engagement Topics



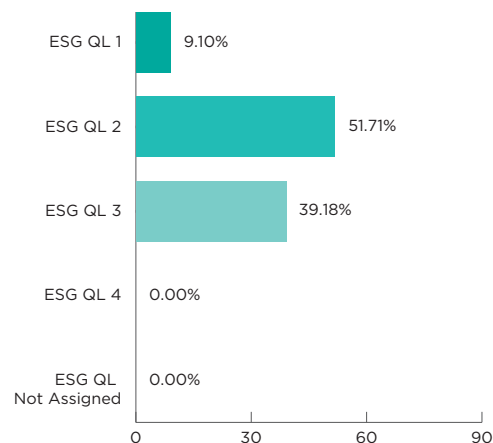
Source: Comgest, 31-Dec-2022.

## Voting statistics

Breakdown of Votes	%
For	92.83
Against	7.17
Abstentions or withholdings	0.00
In line with management	92.83
Against management	7.17
In line with Comgest policy	95.33
Against Comgest policy	4.67

Source: Comgest, 31-Dec-2022.

## ESG Quality Level (QL) Breakdown



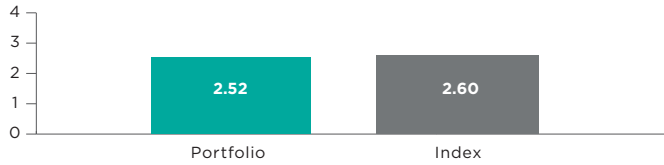
Source: Comgest, 31-Dec-2022. Coverage: 100.00% of equity and equity-linked AUM.

This 2022 data summary is based on the Comgest Japan Compounders Equity Strategy representative account (hereafter, the "Portfolio"), a pooled investment vehicle which has been managed in accordance with the strategy discussed since inception of the strategy.

## KEY ESG METRICS

### ENVIRONMENTAL

#### Implied Temperature Rise (ITR °C)



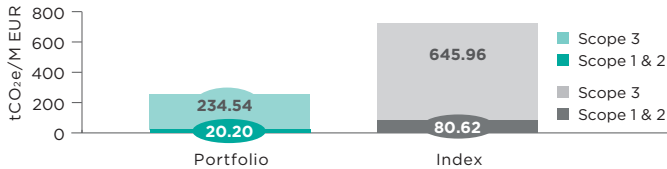
Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index (Topix - Net Return) coverage: 96.79%.

#### SBTi Portfolio Coverage Rate



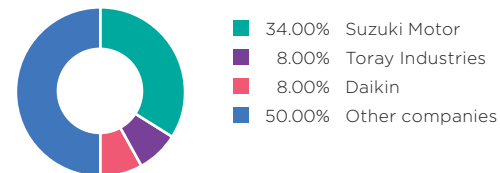
Source: SBTi, as of 31-Dec-2022; Coverage rate: 100.00% of equity and equity-linked AUM.

#### Carbon Footprint – Carbon to Value (Scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index (Topix - Net Return) coverage rate: 97.77%. The carbon footprint estimates the apportioned scope 1, 2 and 3 greenhouse gases emissions of the portfolio holdings, per million of euros invested. The attributing factor used is the Enterprise Value Including Cash (EVIC).

#### Financed Emissions – Portfolio: Top 3 Contributors (scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. The above figures show the top 3 contributors to the Portfolio's financed emissions considering scope 1, 2 and 3 GHG emissions.

#### Estimated Versus Reported Emissions

	Scope 1		Scope 2	
	Reported Emissions	Estimated Emissions	Reported Emissions	Estimated Emissions
Portfolio	69.60%	30.40%	69.60%	30.40%
Index	68.15%	31.85%	67.66%	32.34%

Source: Comgest and MSCI, as of 31-Dec-2022. Index (Topix - Net Return). All scope 3 emissions are estimated.

#### Climate Value-at-Risk (VaR)

		1.5°C	2°C	3°C
Aggregated Climate VaR	Portfolio	-0.12%	-2.40%	-6.69%
	Index	-9.12%	-10.23%	-14.74%
Policy Climate VaR	Portfolio	-4.56%	-1.84%	-0.13%
	Index	-11.99%	-5.60%	-0.44%
Technology Climate VaR	Portfolio	11.70%	6.71%	0.70%
	Index	18.53%	11.02%	1.35%
Physical Climate VaR Aggressive Scenario	Portfolio	-7.26%		
	Index	-15.65%		

Source: MSCI as of 31-Dec-2022. The "aggressive" physical risks scenario is used in the calculation of the Aggregated Climate VaR. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index coverage rate (Topix - Net Return): 97.03%.

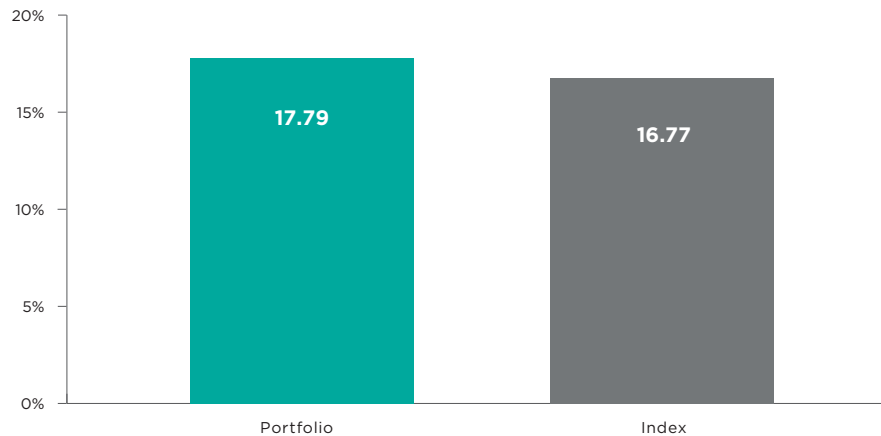
#### Environmental Footprint

Environmental footprint	Total	GHG	Water	Waste	Soil & Water Pollutants	Air Pollutants	Use of Natural Resources
Portfolio	0.91%	0.33%	0.28%	0.07%	0.07%	0.13%	0.02%
Index	2.75%	0.94%	1.02%	0.08%	0.25%	0.39%	0.08%

Source: Trucost, as of 31-Dec-2022. The environmental footprint estimates the apportioned ratio of annual costs linked to greenhouse gases, water abstraction, waste generation, air, land & water pollutants, and natural resource use associated with the portfolio holdings per million of euros invested. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index coverage rate (Topix - Net Return): 99.87%.

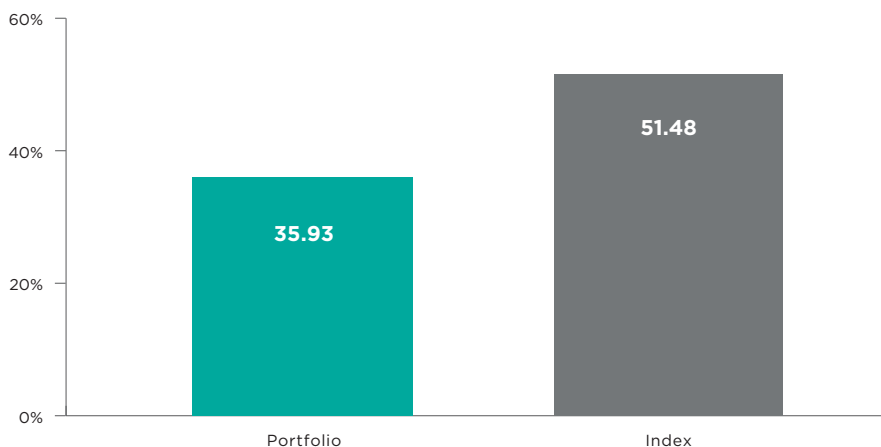
## SOCIAL &amp; GOVERNANCE

## Board Gender Diversity



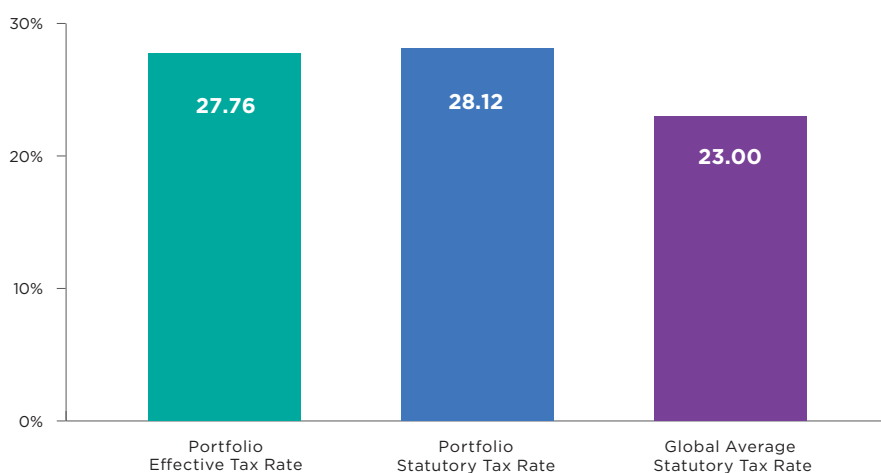
Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. Index (Topix - Net Return) coverage rate: 97.13%. The above figures show the weighted average of female board members.

## UN Global Compact Signatories



Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. Index (Topix - Net Return) coverage rate: 97.83%. The above figures show the weighted average of companies being signatories to the UN Global Compact.

## Tax Rates



Source: Calculated on MSCI Analytics, The Tax Foundation, as of 31-Dec-2022. Effective Tax Rate coverage rate 96.78% of equity and equity-linked AUM. Statutory tax rate coverage rate: 100.00% of equity and equity-linked AUM.

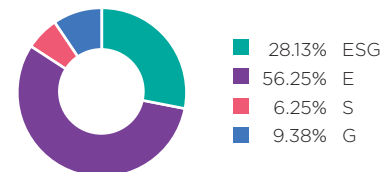
## VOTING &amp; ENGAGEMENT

## Engagement Statistics

Number of companies engaged	26
Number of engagements	34

Source: Comgest, 31-Dec-2022.

## ESG Engagement Topics



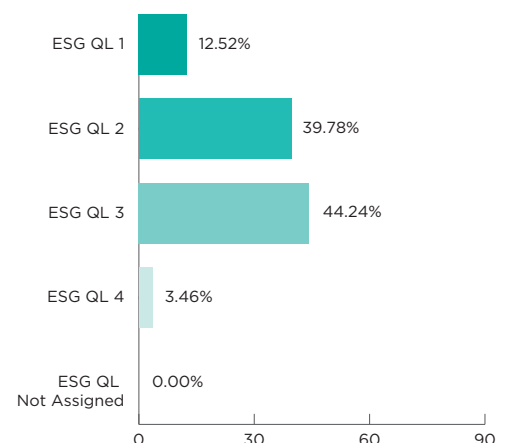
Source: Comgest, 31-Dec-2022.

## Voting statistics

Breakdown of Votes	%
For	94.30
Against	5.70
Abstentions or withholdings	0.00
In line with management	94.30
Against management	5.70
In line with Comgest policy	93.54
Against Comgest policy	6.46

Source: Comgest, 31-Dec-2022.

## ESG Quality Level (QL) Breakdown



Source: Comgest, 31-Dec-2022. Coverage: 100.00% of equity and equity-linked AUM.

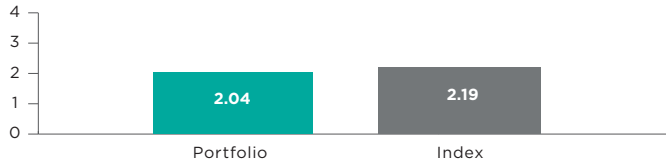
This 2022 data summary is based on the Comgest Japan Equity Strategy representative account (hereafter, the "Portfolio"), a pooled investment vehicle which has been managed in accordance with the strategy discussed since inception of the strategy.



## KEY ESG METRICS

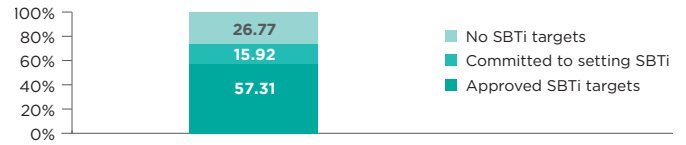
### ENVIRONMENTAL

#### Implied Temperature Rise (ITR °C)



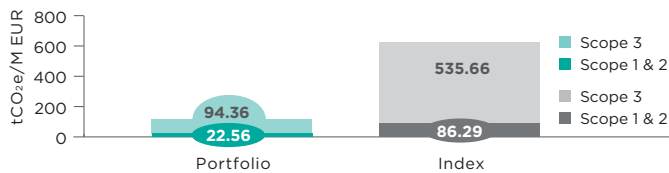
Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 97.67% of equity and equity-linked AUM. Index (MSCI Europe - Net Return) coverage: 99.85%.

#### SBTi Portfolio Coverage Rate



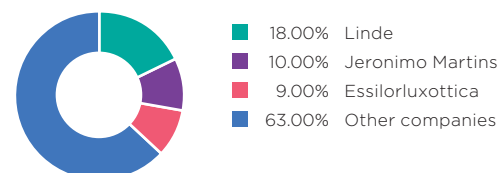
Source: SBTi, as of 31-Dec-2022; Coverage rate: 100.00% of equity and equity-linked AUM.

#### Carbon Footprint – Carbon to Value (Scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index (MSCI Europe - Net Return) coverage rate: 100.00%. The carbon footprint estimates the apportioned scope 1, 2 and 3 greenhouse gases emissions of the portfolio holdings, per million of euros invested. The attributing factor used is the Enterprise Value Including Cash (EVIC).

#### Financed Emissions – Portfolio: Top 3 Contributors (scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. The above figures show the top 3 contributors to the Portfolio's financed emissions considering scope 1, 2 and 3 GHG emissions.

#### Estimated Versus Reported Emissions

	Scope 1		Scope 2	
	Reported Emissions	Estimated Emissions	Reported Emissions	Estimated Emissions
Portfolio	99.13%	0.87%	99.13%	0.87%
Index	95.32%	4.68%	94.33%	5.67%

Source: Comgest and MSCI, as of 31-Dec-2022. Index (MSCI Europe - Net Return). All scope 3 emissions are estimated.

#### Climate Value-at-Risk (VaR)

		1.5°C	2°C	3°C
Aggregated Climate VaR	Portfolio	-7.86%	-6.17%	-4.33%
	Index	-13.94%	-11.94%	-8.74%
Policy Climate VaR	Portfolio	-4.82%	-2.65%	-0.33%
	Index	-13.29%	-7.38%	-1.02%
Technology Climate VaR	Portfolio	1.02%	0.55%	0.06%
	Index	7.50%	3.59%	0.42%
Physical Climate VaR Aggressive Scenario	Portfolio	-4.07%		
	Index	-8.14%		

Source: MSCI as of 31-Dec-2022. The "aggressive" physical risks scenario is used in the calculation of the Aggregated Climate VaR. Portfolio coverage: 97.67% of equity and equity-linked AUM. Index coverage rate (MSCI Europe - Net Return): 99.85%.

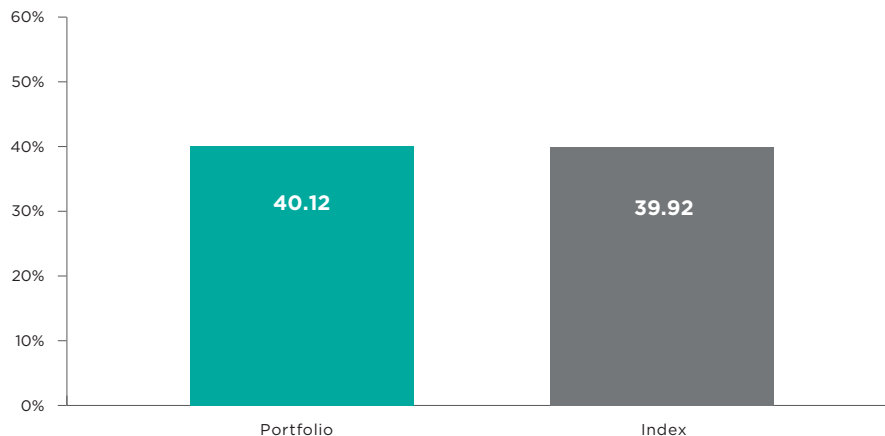
#### Environmental Footprint

Environmental footprint	Total	GHG	Water	Waste	Soil & Water Pollutants	Air Pollutants	Use of Natural Resources
Portfolio	0.59%	0.19%	0.23%	0.01%	0.07%	0.07%	0.01%
Index	1.71%	0.69%	0.46%	0.05%	0.11%	0.24%	0.15%

Source: Trucost, as of 31-Dec-2022. The environmental footprint estimates the apportioned ratio of annual costs linked to greenhouse gases, water abstraction, waste generation, air, land & water pollutants, and natural resource use associated with the portfolio holdings per million of euros invested. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index coverage rate (MSCI Europe - Net Return): 98.70%.

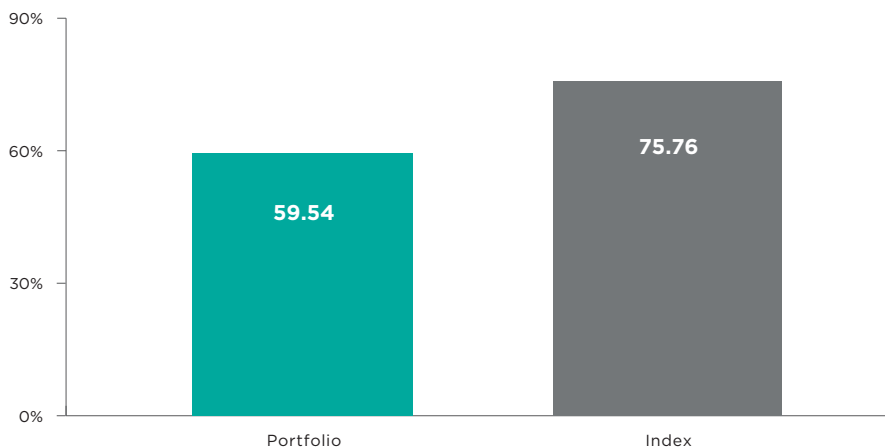
## SOCIAL &amp; GOVERNANCE

## Board Gender Diversity



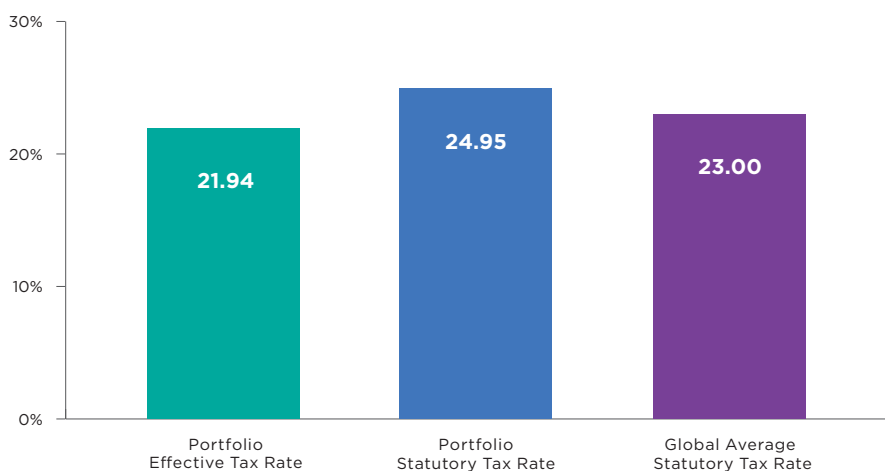
Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. Index (MSCI Europe - Net Return) coverage rate: 99.97%. The above figures show the weighted average of female board members.

## UN Global Compact Signatories



Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. Index (MSCI Europe - Net Return) coverage rate: 100.00%. The above figures show the weighted average of companies being signatories to the UN Global Compact.

## Tax Rates



Source: Calculated on MSCI Analytics, The Tax Foundation, as of 31-Dec-2022. Effective Tax Rate coverage rate 93.96% of equity and equity-linked AUM. Statutory tax rate coverage rate: 100.00% of equity and equity-linked AUM.

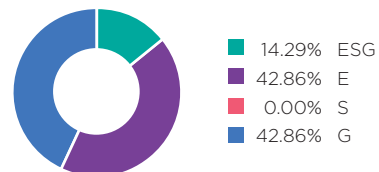
## VOTING &amp; ENGAGEMENT

## Engagement Statistics

Number of companies engaged	14
Number of engagements	15

Source: Comgest, 31-Dec-2022.

## ESG Engagement Topics



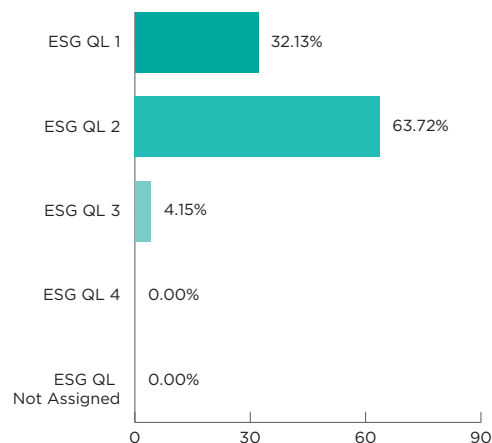
Source: Comgest, 31-Dec-2022.

## Voting statistics

Breakdown of Votes	%
For	86.18
Against	13.64
Abstentions or withholdings	0.17
In line with management	83.43
Against management	16.57
In line with Comgest policy	93.78
Against Comgest policy	6.22

Source: Comgest, 31-Dec-2022.

## ESG Quality Level (QL) Breakdown



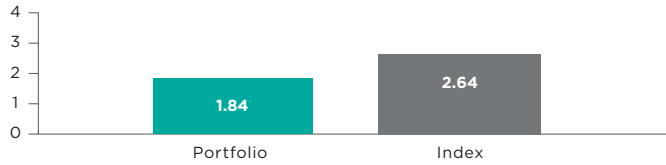
Source: Comgest, 31-Dec-2022. Coverage: 100.00% of equity and equity-linked AUM.

This 2022 data summary is based on the Comgest Pan Europe Equity Strategy representative account (hereafter, the "Portfolio"), a pooled investment vehicle which has been managed in accordance with the strategy discussed since inception of the strategy.

## KEY ESG METRICS

### ENVIRONMENTAL

#### Implied Temperature Rise (ITR °C)



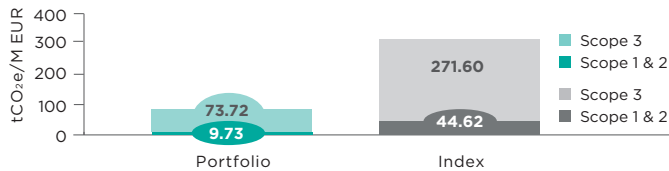
Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index (S&P 500 - Net Return) coverage: 99.74%.

#### SBTi Portfolio Coverage Rate



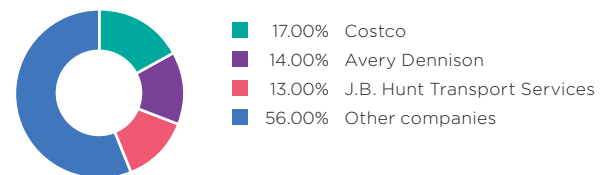
Source: SBTi, as of 31-Dec-2022; Coverage rate: 100.00% of equity and equity-linked AUM.

#### Carbon Footprint – Carbon to Value (Scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index (S&P 500 - Net Return) coverage rate: 99.88%. The carbon footprint estimates the apportioned scope 1, 2 and 3 greenhouse gases emissions of the portfolio holdings, per million of euros invested. The attributing factor used is the Enterprise Value Including Cash (EVIC).

#### Financed Emissions – Portfolio: Top 3 Contributors (scope 1, 2 & 3)



Source: Comgest and MSCI, as of 31-Dec-2022. The above figures show the top 3 contributors to the Portfolio's financed emissions considering scope 1, 2 and 3 GHG emissions.

#### Estimated Versus Reported Emissions

	Scope 1		Scope 2	
	Reported Emissions	Estimated Emissions	Reported Emissions	Estimated Emissions
Portfolio	87.93%	12.07%	87.93%	12.07%
Index	87.55%	12.45%	85.91%	14.09%

Source: Comgest and MSCI, as of 31-Dec-2022. Index (S&P 500 - Net Return). All scope 3 emissions are estimated.

#### Climate Value-at-Risk (VaR)

		1.5°C	2°C	3°C
Aggregated Climate VaR	Portfolio	-5.13%	-3.92%	-3.04%
	Index	-9.59%	-7.26%	-5.17%
Policy Climate VaR	Portfolio	-2.41%	-1.09%	-0.10%
	Index	-7.08%	-3.49%	-0.34%
Technology Climate VaR	Portfolio	0.23%	0.13%	0.02%
	Index	2.44%	1.18%	0.13%
Physical Climate VaR Aggressive Scenario	Portfolio	-2.95%		
	Index	-4.95%		

Source: MSCI as of 31-Dec-2022. The "aggressive" physical risks scenario is used in the calculation of the Aggregated Climate VaR. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index coverage rate (S&P 500 - Net Return): 99.74%.

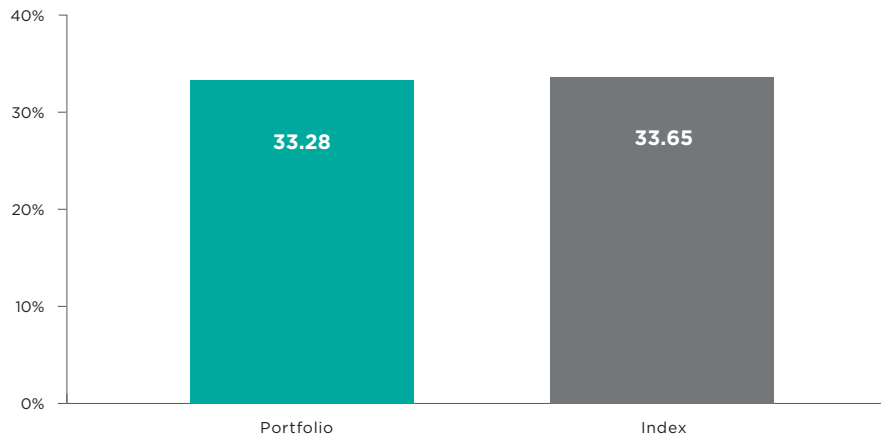
#### Environmental Footprint

Environmental footprint	Total	GHG	Water	Waste	Soil & Water Pollutants	Air Pollutants	Use of Natural Resources
Portfolio	0.42%	0.14%	0.10%	0.01%	0.02%	0.06%	0.09%
Index	0.87%	0.36%	0.27%	0.03%	0.07%	0.12%	0.02%

Source: Trucost, as of 31-Dec-2022. The environmental footprint estimates the apportioned ratio of annual costs linked to greenhouse gases, water abstraction, waste generation, air, land & water pollutants, and natural resource use associated with the portfolio holdings per million of euros invested. Portfolio coverage: 100.00% of equity and equity-linked AUM. Index coverage rate (S&P 500 - Net Return): 99.79%.

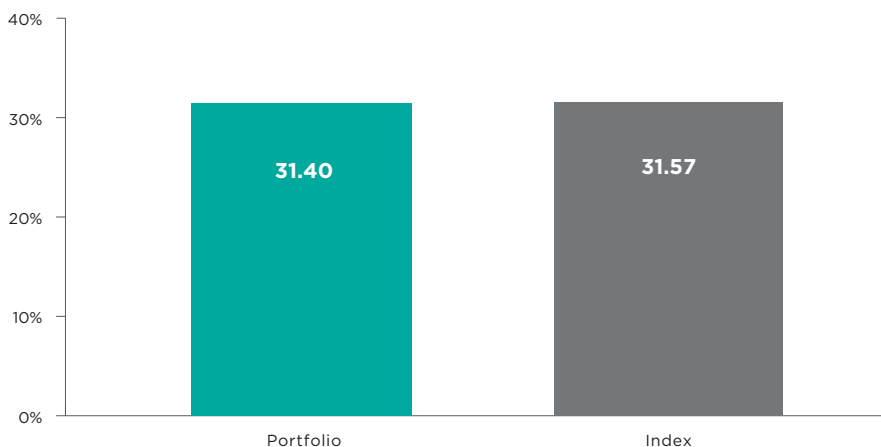
## SOCIAL &amp; GOVERNANCE

## Board Gender Diversity



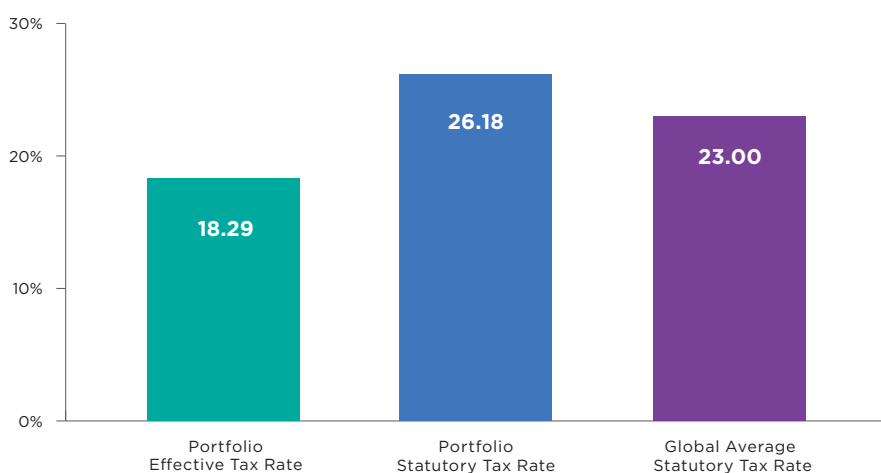
Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. Index (S&P 500 - Net Return) coverage rate: 99.88%. The above figures show the weighted average of female board members.

## UN Global Compact Signatories



Source: Calculated on MSCI Analytics, as of 31-Dec-2022. Portfolio coverage rate: 100.00% of equity and equity-linked AUM. Index (S&P 500 - Net Return) coverage rate: 99.88%. The above figures show the weighted average of companies being signatories to the UN Global Compact.

## Tax Rates



Source: Calculated on MSCI Analytics, The Tax Foundation, as of 31-Dec-2022. Effective Tax Rate coverage rate 96.50% of equity and equity-linked AUM. Statutory tax rate coverage rate: 100.00% of equity and equity-linked AUM.

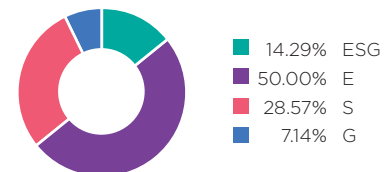
## VOTING &amp; ENGAGEMENT

## Engagement Statistics

Number of companies engaged	14
Number of engagements	16

Source: Comgest, 31-Dec-2022.

## ESG Engagement Topics



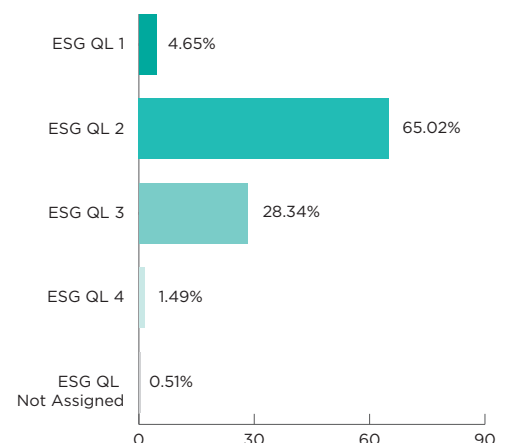
Source: Comgest, 31-Dec-2022.

## Voting statistics

Breakdown of Votes	%
For	63.84
Against	28.68
Abstentions or withholdings	7.48
In line with management	57.61
Against management	42.39
In line with Comgest policy	96.01
Against Comgest policy	3.99

Source: Comgest, 31-Dec-2022.

## ESG Quality Level (QL) Breakdown



Source: Comgest, 31-Dec-2022. Coverage: 100.00% of equity and equity-linked AUM.

This 2022 data summary is based on the Comgest US Equity Strategy representative account (hereafter, the "Portfolio"), a pooled investment vehicle which has been managed in accordance with the strategy discussed since inception of the strategy.



Comgest is an independent, international asset management group, which since its creation in 1985, has pursued a long-term “Quality Growth” and responsible investment style. Comgest serves investors around the world who share its long-term investment horizon.

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**FOR FURTHER INFORMATION, PLEASE CONTACT:**

**The ESG Team**

Comgest  
17 Square Edouard VII  
75009 Paris  
France



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**商号等：**コムジエスト・アセットマネジメント株式会社(金融商品取引業者)

**登録番号：**関東財務局長(金商)第 1696 号

**加入協会：**一般社団法人投資信託協会、一般社団法人日本投資顧問業協会