

COMGEST VOTING INTENTIONS – 2023

By: Comgest ESG Team

This year's proxy season marks Comgest's second pre-declaration of our voting intentions. As an active manager, we consider voting as a key lever to influence and exercise our stewardship responsibilities. We view pre-declaring our voting intentions as an opportunity to strengthen ongoing engagements that we deem important. The below highlights advanced voting disclosure for the current proxy season.

Amazon

Shareholder Resolution: Provide comprehensive disclosure on GHG emissions.

US – Annual General Meeting – 25 May 2023¹

Resolution summary: Shareholders request that Amazon measure and disclose scope 3 greenhouse gas (GHG) emissions from its full value chain, inclusive of its physical stores and e-commerce operations and all products that it sells directly and those sold by third party vendors.

Lead filer: Green Century Capital Management

Co-filers: Amalgamated Bank

Background: Calculating full value chain emissions and including them in net-zero reduction strategies is highly material for a company such as Amazon, one of the largest global retailers. Disclosing a partial assessment of emissions can not only lead to less ambitious climate action, but also misguide investors and wider stakeholders in evaluating a company's exposure to climate-related risks, especially transition risks. Amazon is a company that has been held by Comgest since October 2014, and reduction of carbon emissions has been assessed by our investment team as a material topic company management needs to address. Having been unable to engage in a direct dialogue with the company, we believe using our voting rights and issuing this voting pre-declaration statement are levers we can deploy to make our voice heard on what we believe is a financially material topic.

Comgest Rationale: Comgest is a signatory to the Net Zero Asset Managers initiative and commits to supporting the global goal of net-zero GHG emissions by 2050 across all our listed equity assets. Engagement is a key lever that we use to deliver on our climate commitments and anchor our action in real-economy decarbonisation. The guiding principles of our climate engagement activities are to support companies in:

- setting a long-term 2050 goal consistent with achieving net zero globally; and
- developing credible transition plans that set out how companies intend to navigate the transition to a net-zero economy and deliver on their net-zero pledges.

We recognize that measuring full value chain emissions is challenging. However, carrying out this assessment and providing comprehensive disclosures on GHG emissions is an indispensable foundation to develop both science-based decarbonisation goals and credible transition plans. We therefore support comprehensive disclosure of scope 3 emissions, notably via the CDP climate change questionnaire. We also expect transparency on what emissions are covered by net-zero claims, and in the specific case of Amazon, for the company to follow

¹ The 2023 AGM date is not yet public, so the 2022 date has been provided as a guide for the timeframe.

through with its commitment to set targets approved by the Science-Based Targets initiative (SBTi).²

Comgest's vote intention: For Shareholder Resolution

Linde

Shareholder Resolution: Report on lobbying in line with Paris Agreement.

UK – Annual General Meeting – 25 July 2023³

Resolution summary: Shareholders request that the Board of Directors conduct an evaluation and issue a report (at reasonable cost, omitting confidential or proprietary information) describing if, and how, Linde's lobbying and policy influence activities (both direct and indirect through trade associations, coalitions, alliances, and other organisations) align with the goal of the Paris Agreement to limit average global warming to well below 2°C above pre-industrial levels and to pursue efforts to limit temperature increase to 1.5°C, as well as Linde's plans to mitigate the risks presented by any misalignment.

Lead filer: Individual (John Chevedden)

Background: Corporate lobbying that is inconsistent with the Paris Agreement can lead to delays in emissions reductions, and in turn, translate into increasingly financially material climate-related risks for companies and their investors. Linde is a company that has been held by Comgest since 2019 and reduction of carbon emissions has been assessed by our investment team as a material topic company management needs to address. We acknowledge that Linde has taken significant steps in its decarbonisation journey notably by setting SBTi approved well-below 2°C 2035 targets.⁴ Linde has also reinforced transparency regarding lobbying practices by disclosing memberships in trade associations in its Sustainable Development Report.⁵ We believe that enhancing reporting on the alignment of the company's lobbying with the Paris Agreement and the company's respective climate targets are important next steps to be taken.

Comgest Rationale: Comgest is a signatory to the Net Zero Asset Managers initiative and commits to supporting the global goal of net-zero GHG emissions by 2050 across all our listed equity assets. Success in achieving our climate targets relies on the world achieving a net-zero economy and numerous stakeholders, including governments and companies, following through on their commitments. Linde represents a substantial percentage of Comgest financed emissions. Hence, we are closely following the company's progress on climate alignment and are encouraging their management to take all necessary actions to foster transparency in the implementation of their climate strategy, including reporting on lobbying in line with the Paris Agreement. Our vote, and this pre-declaration statement, is part of our ongoing engagement activities with the company and we look forward to future dialogue opportunities with Linde on climate-related issues.

Comgest's vote intention: For Shareholder Resolution

² Amazon committed to set SBTi targets in June 2020.

³ The 2023 AGM date is not yet public, so the 2022 date has been provided as a guide for the timeframe.

⁴ <https://sciencebasedtargets.org/companies-taking-action>

⁵ <https://www.linde.com/-/media/linde/merger/documents/sustainable-development/2021/2021-sustainable-development-report-v2.pdf>

Important information

All information is as of 13 April 2023, unless otherwise noted. Investing entails risks, including possible loss of principal.

Comgest's voting intention is an internal decision, will apply where Comgest has full voting discretion, and has not been agreed with any third party.

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