COMGEST

The Quality Growth Investor

STATEMENT OF PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

Comgest Asset Management International Ltd.

LEI: 635400IFPTXRPJVEVJ24

June 2025

CONTENT

Summary

The Comgest Group[1] ("Comgest"), through its European subsidiaries Comgest S.A.[2] ("CSA") and Comgest Asset Management International Ltd.[3] ("CAMIL"), considers principal adverse impacts of our investment decisions on sustainability factors.

This CAMIL statement[4] of principal adverse impacts ("PAI") on sustainability factors covers the reference period from 1 January 2024 to 31 December 2024.

Comgest is committed to considering and mitigating, where possible, the adverse impacts of its investments on sustainability factors. In support of this, Comgest will ensure that its Investment team, including a dedicated team of ESG Analysts, considers, wherever possible, a wide range of data, research and analysis regarding the adverse impacts. In addition, the Comgest Group has adopted an Active Ownership Policy available on the Comgest website and currently supports various international standards aimed at improving adverse environmental and societal impacts.[5]

Comgest believes that all investments may have impacts on society and the environment. Comgest must therefore monitor the impacts of its investee companies to evaluate whether they support the conditions for sustainable growth. In doing so, it seeks to protect the long-term interests of its clients by investing in companies whose financial returns, it believes, are sustainable well into the future.

ESG research is integrated into Comgest's investment process in the belief that this enables a better assessment of the "quality" of a company. Undertaken by both ESG and Company Analysts, ESG-related research is used to complement the fundamental analysis which is otherwise undertaken and to increase the analysts' knowledge of the companies they follow, both in terms of the key material risks but also opportunities that may impact a business. As part of its ESG integration process, Comgest's Investment team assesses the principal adverse impacts caused by companies in which they invest by monitoring the 14 mandatory principal adverse impact indicators referenced in Annex 1 of the delegated regulation (EU) 2022/1288 as well as two optional indicators selected by Comgest.

Adverse impact mitigation efforts include the application of targeted exclusion policies for certain activities, as outlined in section 1 of the full statement (Description of the principal adverse impacts on sustainability factors), where sustainability risks and adverse impacts tend to be more significant.

Other mitigation efforts are outlined in sections II, II, and IV of the full statement. These include stewardship activities with investee companies through voting at annual general meetings and initiating a dialogue with the relevant company on specific ESG issues as well as continuing to support industry initiatives that guide Comgest's assessment of principal adverse impacts as outlined in sections II, III and IV of the full statement (Description of the principal adverse impacts on sustainability factors).

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1 Comgest Global Investors, S.A.S. is the holding company for the Comgest Group which 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, Vienna and Brussels.

2 LEI: 9695009FD7COWRM2FU86

3 LEI: 635400IFPTXRPJVEVJ24

4 The CAMIL statement is available on the Comgest website.

5 https://www.comgest.com/en/our-business/esg/our-commitments

Key learnings from this assessment period include:

- **Data coverage and metric development**: Companies do not yet report consistently on several PAIs, leading to low data coverage and challenges in interpreting results and planning for effective mitigation actions. Comgest will continue to expect investee companies to further disclose on material ESG indicators.

- **Main data usage**: Pending improvements in reporting standardisation and data coverage, Comgest has mainly been using PAI data to identify lowest performing companies on material topics to feed internal ESG research and to prioritise engagement. It has also looked to map PAI data with Comgest's own targets or commitments, notably on climate. This mapping allows Comgest to plan for PAI mitigation actions that align with its overall responsible investment strategy.

- **Implementation of the Active Ownership Policy**: This assessment period demonstrates an effective implementation of Comgest's Active Ownership Policy. For example, in line with its Responsible Investment Policy Comgest actively engages with the highest emitting investee companies that represent the most significant proportion of its financed emissions or investee companies exposed to controversies.

- **Historical comparison:** A comparison of the 2024 PAI data with those of 2022 and 2023 reveals mixed trends, with improvements in certain areas but also a notable increase in some indicators. Comgest acknowledges the limitations of this year-on-year analysis, mainly due to incomplete data provided by some investee companies. These gaps, along with factors such as improved data coverage, fluctuations in assets under management, and changes in portfolio composition, may influence the results observed. One key development remains the increase in total emissions under PAI 1, particularly Scope 3 and the combined Scopes 1, 2, and 3. This substantial rise is primarily the result of a change in methodology for the Scope 3 emissions. It is worth noting however that, while total emissions have increased, GHG (greenhouse gas) intensity of investee companies has decreased.

- **Evolving landscape in relation to climate initiatives:** There are currently evolving trends and questions around several initiatives. In particular, the Net Zero Asset Managers (NZAM) initiative suspended some of its activities in January 2025 to review its purpose. This decision was influenced by recent developments in the US and varying regulatory expectations across jurisdictions. Comgest is monitoring these developments. As this area evolves, however, Comgest's approach will remain the same. We integrate climate considerations into our investment approach with the aim of identifying material financial risks and enhancing our portfolios' resilience. We will continue to use engagement to help us stay informed and mitigate material risks identified among our investee companies.

These key learnings are further detailed in section I of the full statement (Description of the principal adverse impacts on sustainability factors), including Figure 1 covering the 14 mandatory PAIs and Figure 4 covering the two optional PAIs selected.

I. Description of the principal adverse impacts on sustainability factors

FIGURE 1. INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

Climate and Other Environment-Related Indicators							
Adverse sustainability indicator		**Metric**	**Impact – Year 2024[6]**	**Impact – Year 2023[6]**	**Impact – Year 2022[6]**	**Explanation**	**Actions taken, actions planned and targets set for the next reference period**
Greenhouse gas emissions (GHG)	1. GHG emissions	Scope 1 GHG emissions	240 083	219 217	173 353	Sum of investee companies' carbon emissions scope 1, 2 and 3 (tCO2e) weighted by the value of investment in each company and each company's enterprise value including cash (EVIC). In the absence of companies' scope 1 and 2 disclosures, estimated data is used. Given inconsistency in companies' reporting of scope 3 emissions, only estimated data is used for scope 3 emissions calculations.	**Actions taken in 2024 to mitigate adverse impacts:** Throughout 2024, Comgest has focused on the various actions listed below to mitigate adverse impacts relating to GHG emissions. ***Integration*** As a signatory to the Net Zero Asset Managers initiative, Comgest developed its climate targets using the Net Zero Investment Framework (NZIF). Comgest has translated its commitment to supporting the global 2050 net zero goal into short- and medium-term targets. These targets cover 100% of Comgest's listed equity AUM. They include a 2027 and 2030 portfolio coverage target as well as a 2025 engagement threshold. Comgest has an Exclusion policy on coal which excludes from its investment universe operators of thermal coal mines (>0% of revenue) and electricity producers with an energy mix exposed to coal exceeding defined relative or absolute thresholds (production or revenue based on coal equal to or exceeding 10% or electricity producers with installed capacity based on coal equal to or exceeding 5 GW), without a coal exit strategy.
		Scope 2 GHG emissions	142 200	162 974	131 851		
		Scope 3 GHG emissions	4 207 431	3 223 850	3 407 040		
		Total GHG emissions	4 589 714	3 606 041	3 712 244		
	2. Carbon footprint	Carbon footprint	261.28	200.73	200.10	The total scope 1, 2, and 3 (calculated above, "PAI 1. GHG emissions") per million EUR invested.	

[6] Source: MSCI and Comgest

FIGURE 1. INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

Climate and Other Environment-Related Indicators							
Adverse sustainability indicator		Metric	Impact – Year 2024[6]	Impact – Year 2023[6]	Impact – Year 2022[6]	Explanation	Actions taken, actions planned and targets set for the next reference period
	3. GHG intensity of investee companies	GHG intensity of investee companies	522.76	585.64	536.47	The scope 1, 2, and 3 (calculated above, "PAI 1. GHG emissions") per million EUR of revenue of investee companies.	Although energy and utilities companies are usually absent from or significantly underweight in the portfolios Comgest manages, it screens its portfolios on a quarterly basis, using MSCI data and Urgewald's Global Oil & Gas Exit List (GOGEL), to identify all companies that are exposed to O&G sectors. This screening process forms part of the overall ESG analysis of companies and contributes to its analysts' assessment of ESG risks. ***Engagement and voting activities*** During 2024, Comgest continued tracking its annual progress against its engagement targets and focused on developing engagement plans with companies representing the most significant proportion of Comgest's financed emissions. ***Adherence to initiatives and advocacy activities*** Comgest continued to support industry-wide climate initiatives and, in 2024, joined the Net Zero Engagement initiative (NZEI), which is an investor-led initiative aimed at helping IIGCC (the Institutional Investor Group on Climate Change) members align more of their individual investment portfolios with a net zero pathway using corporate engagement, focusing on major emitters beyond the climate action 100+ focus list.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0.97%	1.04%	1.79%	Captures investee companies which are active in fossil fuel-related activities, including: exploration, extraction, mining, storage, distribution, and trading of oil and gas, production and distribution of thermal coal, and production, distribution, storage, and reserves of metallurgical coal.	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	56.84%	65.54%	73.40%	Weighted average of investee companies' energy consumption and/or production from non-renewable sources as a percentage of total energy use and/or generation.	

FIGURE 1. INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

Climate and Other Environment-Related Indicators							
Adverse sustainability indicator		Metric	Impact – Year 2024[6]	Impact – Year 2023[6]	Impact – Year 2022[6]	Explanation	Actions taken, actions planned and targets set for the next reference period
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	Energy consumption intensity per high impact climate sector A: 0.00 B: 0.68 C: 0.27 D: 0.07 E: 0.00 F: 0.15 G: 0.08 H: 2.99 L: 0.22	Energy consumption intensity per high impact climate sector A: 0.47 B: 0.70 C: 0.23 D: 0.09 E: 0.00 F: 0.15 G: 0.09 H: 3.95 L: 0.05	0.52	Weighted average of investee companies' energy consumption in GWh per million EUR of revenue, for companies classified within Nomenclature of Economic Activities (NACE) high impact climate sectors, including: A. Agriculture, Forestry, and Fishing; B. Mining and Quarrying; C. Manufacturing; D. Electricity, Gas, Steam, and Air Conditioning Supply; E. Water Supply, Sewerage, Waste Management, and Remediation activities; F. Construction; G. Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles; H. Transportation and Storage; and L. Real Estate Activities. Due to lack of available activity-level energy consumption data, energy consumption intensity at company-level is used.	**Actions planned and targets for 2025:** ***Engagement activities*** In 2025, Comgest intends to continue participating in key collaborative engagement climate initiatives (such as the CDP Non-Disclosure Campaign, NZEI and Climate Action 100+). ***Adherence to initiatives and advocacy activities*** Comgest will continue supporting industry-wide climate initiatives.

FIGURE 1. INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

Climate and Other Environment-Related Indicators							
Adverse sustainability indicator		**Metric**	**Impact – Year 2024[6]**	**Impact – Year 2023[6]**	**Impact – Year 2022[6]**	**Explanation**	**Actions taken, actions planned and targets set for the next reference period**
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	12.10%	9.10%	0.02%	Captures investee companies that have operations located in or near biodiversity sensitive areas where their activities could either potentially negatively affect local biodiversity, have no impact assessment, or are involved in controversies with severe impact on local biodiversity. The SFDR regulation hasn't clearly defined "negatively affecting biodiversity-sensitive areas". This could create potential divergence between various data providers' and asset managers' assessments.	**Actions taken in 2024 to mitigate adverse impacts:** ***Integration*** In 2023, Comgest published a Deforestation Policy, which was broadened in 2024 to become the Policy on Nature and Deforestation. This enhanced policy sets out how nature-related risks are identified and assessed, and outlines Comgest's engagement strategy to address these challenges. Based on its assessment of nature-related risks across its portfolio companies, Comgest launched a five-year engagement programme in 2024 to actively engage with companies identified as high-risk. ***Engagement activities*** Comgest closely monitors issues related to nature and deforestation and prioritises engagement with portfolio companies that are exposed to high risk in these areas.

FIGURE 1. INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

Climate and Other Environment-Related Indicators							
Adverse sustainability indicator		Metric	Impact – Year 2024[6]	Impact – Year 2023[6]	Impact – Year 2022[6]	Explanation	Actions taken, actions planned and targets set for the next reference period
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.08	1.83	9.56	Tonnes of emissions to water generated by investee companies per million EUR invested. The apportioning factor used is the EVIC. Currently companies don't report widely on this metric leading to a low data coverage.	***Adherence to initiatives and advocacy activities*** Comgest joined the Nature Benchmark Collective Impact Coalition (CIC), an initiative led by the World Benchmarking Alliance (WBA) that aims to engage companies in improving their assessment and disclosure of nature-related impacts and dependencies. In addition, Comgest participated in a biodiversity-focused working group launched by the Association Française de la Gestion financière (AFG). By the end of 2024, the group successfully achieved its objective of developing a practical guide to support asset management companies in formulating biodiversity-related policies. **Actions planned and targets for 2025:** ***Engagement activities*** Comgest will continue to participate in collaborative engagements and to implement its engagement programme on nature.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.16	0.28	0.30	Investee companies' total hazardous waste (metric tons reported) associated with 1 million EUR invested. The apportioning factor used is the EVIC. Currently companies don't report widely on this metric, leading to a low data coverage. Radioactive waste is currently only captured where reported as part of hazardous waste disclosures.	

FIGURE 1. INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters							
Adverse sustainability indicator		Metric	Impact – Year 2024[6]	Impact – Year 2023[6]	Impact – Year 2022[6]	Explanation	Actions taken, actions planned and targets set for the next reference period
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.00%	0.00%	0.05%	Captures investee companies with violations of the UN Global Compact and OECD Guidelines for Multinational Enterprises.	**Actions taken in 2024 to mitigate adverse impacts:** ***Integration*** As part of Comgest's investment research process, company and ESG Analysts look at compliance with the principal international environmental and social standards. Comgest uses the following international standards to identify and assess the responsible conduct of businesses and potential human rights violations: – United Nations Global Compact (UNGC) Principles – The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises – International Labour Organization (ILO) standards – United Nations Guiding Principles (UNGPs) ▪ **Exclusion policy** Comgest identifies companies involved in severe violations of the international norms listed above. These companies are automatically excluded from its Plus fund range. For other portfolios, as a first response, Comgest may engage with these companies to discuss improvements and actions they have taken or will take to address the violations. If severe violations persist without prospect for improvement, Comgest will exclude these companies until the violations are resolved.

FIGURE 1. INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters							
Adverse sustainability indicator		Metric	Impact – Year 2024[6]	Impact – Year 2023[6]	Impact – Year 2022[6]	Explanation	Actions taken, actions planned and targets set for the next reference period
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.37%	0.10%	6.48%	Captures investee companies which aren't signatories to the UN Global Compact, or do not have a labour or a human rights due diligence policy. Labour and human rights due diligence policies are used as proxies to assess compliance with OECD guidelines.	▪ **Controversy monitoring** In 2024, the ESG team launched ESG INSIGHTS, a quarterly internal newsletter that highlights key regulation and litigation trends, as well as ongoing controversies. This newsletter serves as a knowledge-sharing tool, leveraging the in-depth research and analysis conducted by the ESG team. ***Engagement guidelines and activities*** For companies which may be exposed to high risks, Comgest often uses direct dialogue to address issues, which enables ESG and Company Analysts to better understand each company's position, to encourage improvement and to monitor progress. Comgest encourages all companies to: – Commit to respecting and enforcing human rights across their entire operations and supply chains, taking into account all stakeholders. – Implement robust due diligence processes to identify, address and mitigate potential violations. – Adhere to international human rights standards. ***Voting guidelines*** Comgest has detailed in its Active Ownership Policy that it supports positive resolutions linked to social topics and votes against resolutions which would have detrimental social consequences. ***Adherence to initiatives and advocacy activities*** Comgest joined two new initiatives in 2024, the Ethical AI Collective Impact Coalition (CIC) an initiative that seeks to engage with technology companies to advance ethical AI policies and practices, and a collaborative engagement group organised by industry peers focused on engaging with technology companies on issues linked to the negative impacts of technology on mental health and wellbeing. **Actions planned and targets for 2025:** ***Integration*** In the coming year, Comgest aims to enhance its human rights monitoring to better identify, assess, and respond to human rights impacts.

FIGURE 1. INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters							
Adverse sustainability indicator		Metric	Impact – Year 2024[6]	Impact – Year 2023[6]	Impact – Year 2022[6]	Explanation	Actions taken, actions planned and targets set for the next reference period
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	16.41%	15.15%	13.73%	Weighted average of investee companies' difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings. Currently companies don't report widely on this metric leading to a low data coverage. Additionally, companies don't report consistently on this metric (some reporting on the absolute or uncontrolled pay gap while others control for compensable factors such as role or location).	**Actions taken in 2024 to mitigate adverse impacts:** ***Integration*** Diversity is one aspect of ESG criteria that ESG and Company Analysts examine when researching companies, because Comgest believes that it is an important indicator of the potential for higher quality decision-making. ***Data and metrics*** In Comgest's view, assessing data on "unadjusted" gender pay gap which measures the average difference in pay between men and women within the company doesn't provide sufficient information to investors when performing assessment on gender pay gap. When engaging with companies, Comgest also believes that it is important to focus on "adjusted" pay gap which measures if companies offer women and men equal pay for equal work. This data point calculates the difference in pay between women and men after accounting for the factors that determine pay, such as job role, education, and experience. ***Engagement activities*** Comgest has been a member of the 30% Club France Investor Group since 2022 and continues to participate in engagement with companies on this topic. **Actions planned and targets for 2025:** Comgest intends to engage with companies when material gender pay gaps have been identified.

FIGURE 1. INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters							
Adverse sustainability indicator		Metric	Impact – Year 2024[6]	Impact – Year 2023[6]	Impact – Year 2022[6]	Explanation	Actions taken, actions planned and targets set for the next reference period
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	36.17%	33.58%	30.63%	Weighted average of investee companies' percentage of board members who are female. For companies with a two-tier board, MSCI's calculation is based on members of the Supervisory Board only.	**Actions taken in 2024 to mitigate adverse impacts:** ***Voting guidelines and activities*** Regarding gender diversity, Comgest generally does not support the re-election of a Nomination Committee Chair if there is not at least one woman on a board of less than 10 members or two women on a board of more than 10 members. The application of this rule may vary depending on the company's country of origin, local practices and governance codes. ***Engagement activities*** Board gender diversity remains an important engagement topic for certain regions where companies tend to have low ratio of women on boards. **Actions planned and targets for 2025:** ***Engagement activities*** Comgest will continue its participation in collaborative engagements led by the 30% Club France Investor Group and will continue targeting companies with low female board member ratios for individual engagement.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.000%	0.00%	0.00%	Captures investee companies exposed to controversial weapons.	**Actions taken in 2024 to mitigate the adverse impacts:** Following its commitment to responsible investment and the integration of ESG factors, Comgest adopted an Exclusion policy on controversial weapons to avoid investment in companies involved in anti-personnel mines, cluster munitions, biological/chemical weapons, depleted uranium, nuclear weapons, incendiary weapons, non-detectable fragments and blinding lasers. Further detail on this Exclusion policy can be found in the Comgest Group's Responsible Investment Policy. To implement this Exclusion policy, Comgest draws up a list of companies involved in these activities. This list is updated on a quarterly basis. Companies on the exclusion list are blocked for trade and cannot be purchased. **Actions planned and targets for 2025:** Comgest will continue to implement its Exclusion policy.

FIGURE 2. INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS

Adverse sustainability indicator		Metric	Impact – Year 2024[6]	Impact – Year 2023[6]	Impact – Year 2022[6]	Explanation	Actions taken, actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	–	–	–	–	Comgest made no investments in sovereign bonds in 2024.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	–	–	–	–	

FIGURE 3. INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS

Adverse sustainability indicator		Metric	Impact – Year 2024[6]	Impact – Year 2023[6]	Impact – Year 2022[6]	Explanation	Actions taken, actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	–	–	–	–	Comgest makes no investments in real estate assets.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	–	–	–	–	

FIGURE 4. OTHER INDICATORS FOR PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

Climate and Other Environment-Related Indicators							
Adverse sustainability indicator		Metric	Impact – Year 2024[6]	Impact – Year 2023[6]	Impact – Year 2022[6]	Explanation	Actions taken, actions planned and targets set for the next reference period
Emissions	4. Investment in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	37.37%	22.08%	34.54%	Captures investee companies without carbon emissions reduction targets aligned with the Paris Agreement.	**Actions taken in 2024 to mitigate adverse impacts:** ***Assessing companies' targets*** As mentioned for PAIs 1 to 6, Comgest has focused on various actions to mitigate adverse impacts relating to GHG emissions. This work notably included identifying companies which have set or committed to set science-based targets (SBTs) for decarbonisation. This evaluation was essential in establishing Comgest's 2022 portfolio coverage baseline, particularly given that one of the Net Zero Investment Framework's classification criteria (criterion 2) requires companies to have such targets in place to be considered "aligning" or "aligned". ***Portfolio coverage target*** Towards the end of 2024, Comgest carried out its annual assessment of progress against its Net Zero Asset Managers ('NZAM') initiative targets. ***Engagement and voting activities*** Comgest has participated in the CDP Science-Based Targets Campaign since it started in 2021. This campaign aims to accelerate the adoption of science-based climate targets by companies. Comgest continued to participate in these campaigns in 2024. Further detail on collaborative engagement activities and voting guidelines, as well as initiatives joined, are included in the table pertaining to PAIs 1 to 6. **Actions planned and targets for 2025:** ***Engagement activities*** Comgest will continue to engage with companies which have not yet set decarbonisation targets and represent the largest proportion of Comgest's financed emissions; and will continue its support to collaborative campaigns such as the CDP Science-Based Targets campaign.

FIGURE 4. OTHER INDICATORS FOR PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters							
Adverse sustainability indicator		Metric	Impact Year 2024	Impact Year 2023	Impact Year 2022	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery, consistent with the United Nations Convention against Corruption	1.10%	2.26%	12.00%	Captures investee companies without an anti-corruption and anti-bribery policy, consistent with the United Nations Convention against Corruption.	**Actions taken in 2024 to mitigate adverse impacts:** Generally, Comgest expects the companies it invests in to have anti-corruption and anti-bribery policies to take effective action to combat corruption. **Actions planned and targets for 2025:** Comgest will continue to encourage its investee companies to implement anti- corruption and anti-bribery policies.

II. Description of policies to identify and prioritise adverse sustainability impacts on sustainability factors

A) Policy Approvals

Policies and statements in relation to principal adverse impacts are approved by CAMIL's Board of Directors.

B) Implementation

The policies and targets set in the PAI assessment reports are implemented by Comgest's regional investment teams throughout the Group with the ESG Analysts as coordinators and stewards of the ESG integration process, under the supervision of the Group's Chief Investment Officer and the Group Investment Committee.

In addition to the mandatory PAI indicators as set out under SFDR, Comgest voluntarily considers the following two principal adverse impact indicators in its investment process:

- Lack of anti-bribery and anti-corruption policies: Bribery is still prevalent in many sectors and countries, taking different shapes and forms. This activity is illegal in many countries and has adverse impacts on the economy and civil society. When uncovered, bribery can lead to very significant fines, reputational damage, management dismissal, and operational disruption. Comgest therefore believes it is an important metric to monitor whether investee companies have put in place anti-bribery and anti-corruption policies. Comgest may also consider the probability of bribery or corruption occurring, whether or not policies are in place, by taking into account the location and type of operations, local customs in the countries concerned and governance and compliance culture within the investee company.
- Investments in companies without carbon reduction initiatives: Comgest believes that having carbon reduction initiatives in place is essential to reaching carbon neutrality in the future and aligning its investments with the Paris Agreement. As part of its assessment of principal adverse impacts, Comgest's Investment team looks at whether companies have initiatives in place and, where they do not, encourages them to adopt such initiatives through their engagement with the companies.

ESG factors are incorporated into the investment decision making process with the objective of improving the long-term financial outcomes of portfolios, consistent with their objectives. This approach looks to inform Comgest of ESG factors that may present opportunities as well as identify sustainability risks which could have a negative impact on returns. As part of its ESG integration process, Comgest's Investment team also assesses the principal adverse sustainability impacts of companies in which they invest. This is done by monitoring the 14 mandatory principal adverse impact indicators referenced in Annex 1 of the delegated regulation (EU) 2022/1288 as well as the two optional indicators that Comgest has chosen.

Quantitative and qualitative data aggregated at entity level guide Comgest's assessment of the principal adverse impacts identified and allow it to measure and set engagement priorities, long-term engagement programmes, and other mitigation efforts such as voting and advocacy.

C) Data

Comgest's Investment team considers data points on principal adverse impacts from investee companies and specialised ESG data providers (e.g. MSCI) to help identify where the key impacts may be from an environmental and social perspective. Comgest may face some challenges with regard to availability of data, data quality and coverage especially in emerging markets and for small/mid-capitalisation companies.

When aggregating data at entity level and calculating the PAI results, Comgest uses reported company data and estimated company data wherever available. Where this data is not available, and for the PAIs that consider total value of investments, data gaps have been filled by reweighting the companies without data. This reweighting approach uses the average of collected data to fill missing data gaps. Comgest believes this approach provides for a reasonable assessment at this point in time.

D) Mitigating adverse impact

Where the Investment team has identified material risks through their assessment of the PAI indicators, this may also influence their assessment of a company's ESG rating and, by consequence, their valuation models as well as their portfolio construction. Where an investee company's performance on any issue identified is not what the Investment team would expect, Comgest may look to address this through either engagement, voting and advocacy on specific ESG issues as well as continuing to support industry-initiatives. Environmental, social and governance-related harm identified may also be mitigated through exclusion policies. For example, Comgest looks for investee companies to have a coal exit policy where relevant to their activity and it maintains an exclusion policy in relation to companies involved in controversial weapons. These policies assist in reducing the adverse impacts associated with PAIs 1 to 4, 10 and 14.

At the entity level, Comgest annually reviews the adverse impacts of its investment decisions on sustainability factors. This information is used to inform future action plans and targets for engagement.

III. Engagement Policies

As an active manager, company engagement is a key element of Comgest's investment approach. Comgest's Investment team analyses relevant and material adverse impact indicators through their in-depth research and engagements with investee companies. These indicators help Comgest to increase its understanding of the companies and to identify areas where engagement could have an impact.

The Investment team may engage directly with the investee company or work with other investors to seek to agree a plan for mitigation or elimination of the adverse impact with the investee company. Sometimes the Investment team may decide to engage with multiple companies on a specific ESG issue that can be relevant to a large part of the portfolio. When prioritising its efforts to remediate adverse impacts through engagement, Comgest considers, among other things, the materiality of the issue, the likelihood of success of the engagement efforts and the size of holdings.

A) Engagement Priorities

Materiality guides Comgest's engagement with companies. Comgest wants to ensure that its engagements with companies are focused on ESG issues relevant to their business today and in the future. To identify these issues, fundamental stock-level research is key. Nevertheless, an in-depth stock analysis is not sufficient. Comgest widens its view to consider how a company may be influenced by macro-level transitions, for instance driven by sector, geography or market trends. Therefore, to identify the material ESG engagement issues, Comgest's fundamental research is combined with an analysis of how companies are exposed to thematic areas of risk and insights gained through industry initiatives in which it participates.

Comgest closely monitors three thematic risk areas:

i. **Climate:** linked to PAIs 1 to 6;
ii. **Biodiversity:** linked to PAIs 7 to 9; and
iii. **Human Rights:** linked to PAIs 10 to 14.

It has developed individual policies for these topics, as outlined in the Comgest Group's Responsible Investment Policy. These topics are considered material in relation to primary ESG risks and principal adverse impact mitigation. Companies with material exposure to ESG risks within these categories may be identified for individual engagement or coordinated actions such as collaborative engagements and advocacy initiatives.

B) Escalation

Comgest believes working in partnership with investee companies and maintaining transparent dialogue on engagement issues is an efficient way to achieve improvements. It is therefore only if none of its engagement methods have yielded success, and it becomes clear that it will not achieve its engagement objectives through active dialogue, that Comgest may be compelled to escalate its concerns.

When faced with a lack of responsiveness on the part of companies in response to an engagement action, next steps taken may include the following:

- Raising concerns to the board, including independent board members. Comgest may also use its voting rights at AGMs and may convey its voting intentions to boards and executive committees ahead of AGMs in order to highlight its stance on a particular matter of disagreement;
- Pre-declaring its voting intentions;
- Collaborating with other investors;
- Sending formal letters to the company or board (either individually or collaboratively);
- Though rare, Comgest may consider informing regulators or the press of its stance, or it might file a shareholder resolution in cases where it believes the company repeatedly ignored the interests of minority shareholders; and
- Divestment.

As long-term investors, Comgest is comfortable knowing that engagement can yield results gradually, sometimes over many years, before it would consider that its activity has reached a conclusion.

Where the Investment team sees no prospect of a company implementing change and if their concern is material in nature, they may sell their position. Once an engagement that has been identified to be of material concern commences, Comgest defines a maximum horizon of 5 years for its efforts to incite change before exiting, in the best interest of its clients.

The Comgest Group has designed our Active Ownership Policy based on our beliefs as well as commonly accepted best practices and high governance standards.

More information can be found in the Comgest Group's Active Ownership Policy (available on the Comgest website) as well as the Proxy Voting Dashboard.

IV. References to International Standards

Comgest supports several international initiatives that guide its assessment of principal adverse impacts. Comgest participates in international efforts to encourage an improvement in companies' behaviour (e.g., business ethics, good governance, compliance with applicable laws and regulations, respect for human rights and labour rights) and to increase transparency. These initiatives also provide its Investment team with an external lens through which they can analyse their effectiveness in mitigating adverse impacts.

A) Standards and Initiatives for Climate-related Indicators

Comgest has chosen to adhere to or support, as appropriate, the following standards and/or initiatives which correspond to climate-related adverse impact indicators (Figure 1. PAI 1 to 6; and Figure 4. PAI related to "Investment in companies without carbon emission reduction initiatives").

INITIATIVE	DETAILS
Net Zero Asset Managers Initiative (NZAM)	Comgest has been 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.
Task Force on Climate-related Financial Disclosures (TCFD)	Comgest has supported the TCFD since 2017 and encourages all portfolio companies to align disclosures to the TCFD recommendations.
Climate Action 100+	Comgest has been a signatory since 2017 to Climate Action 100+, an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.
CDP	Comgest has supported the CDP since 2012 and participated in several campaigns (e.g. CDP Non-Disclosure Campaign).
"Say on Climate" Forum pour l'Investissement Responsible, "FIR" (French Sustainable Investment Forum)	Comgest became 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.
Institutional Investors Group on Climate Change (IIGCC)	Comgest has been a member of this European group for investor collaboration on climate change since 2023.
Avoided Emissions Initiative	Comgest is one of the founding partners of this initiative aiming to standardise the calculation of avoided emissions. The 10 partners supporting the initiative are working with specialised consultants to develop a global database of greenhouse gas emission avoidance factors for low-carbon or green enabling solutions.

Comgest became a signatory to the Net Zero Asset Managers (NZAM) initiative in February 2022 and guides the way it considers principal adverse impacts related to GHG emissions.

In early 2023, Comgest published its net zero targets which include a portfolio coverage target and an engagement threshold, to align with the Net Zero Investment Framework. Comgest has classified its investee companies as aligned/aligning/committed to align/not aligned. Comgest acknowledges that it cannot engage efficiently with all companies it invests in and has therefore established the following criteria to prioritise its engagement targets:

- Percentage of financed emissions: it prioritises engagement with companies representing the most significant percentage of Comgest's financed emissions.
- Classification category: it prioritises engagement with companies classified as "not aligned", "committed to aligning" and "aligning".

In terms of metrics, Comgest is already tracking key climate indicators and using various climate scenarios to better understand companies' and portfolios' exposure to climate-related risk and overall climate practices.

- Climate indicators and metrics:
  - Implied Temperature Rise (ITR): is a forward-looking metric developed by MSCI designed to show the temperature alignment of companies and portfolios with global temperature goals.
  - SBTi Portfolio Coverage: is a forward-looking metric that tracks the percentage of companies that have decarbonization targets approved by the Science Based Targets initiative (SBTi).
  - Carbon footprint: While the ITR and SBTi Portfolio Coverage are forward-looking metrics that consider companies' projected emissions, the carbon footprint allows us to track the Portfolio's past emissions and identify the highest emitting companies.
- Climate-related risks: Comgest uses the MSCI Climate Value-at-Risk (Climate VaR) methodology to measure climate-related risks and opportunities of companies and portfolios. The Climate VaR is a forward-looking and return-based methodology that assesses both transition and physical risks. It considers the potential costs and benefits associated with different climate scenarios, including the impacts of carbon pricing, regulatory changes, and physical climate events. By simulating these scenarios, the model estimates how climate change could affect a company's financial performance and overall valuation.
  The aggregated company Climate VaR is calculated as a percentage of market value (from minus 100% to plus 100%) for multiple climate scenarios and includes the valuation impacts arising from the following pillars: (i) policy risk, (ii) technology opportunities and (iii) physical risk and opportunities.

B) Standards and Initiatives for Other Environment-related Indicators

Comgest collaborates with different stakeholders related to biodiversity matters including deforestation, water and waste and has chosen to adhere to or support, as appropriate, the following standards and/or initiatives which correspond to other environment-related adverse impact indicators (Figure 1. PAIs 7 to 9).

INITIATIVE	DETAILS
Deforestation Free Finance	Comgest joined this 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 US$8.7 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.

INITIATIVE	DETAILS
FAIRR Initiative	Comgest has supported the FAIRR Initiative since 2020, which is a collaborative investor network that raises awareness on ESG risks and opportunities brought by intensive livestock production.
Investor Initiative on Hazardous Chemicals (IIHC)	Comgest is an active member of this initiative, which aims to reduce the impacts on human health and the environment from the manufacture of hazardous chemicals, thereby reducing financial risks to investors in these companies from litigation, regulation and threats to their license to operate.
Nature Action 100	Comgest joined this engagement initiative in 2023, which is focused on driving greater corporate ambition and action to reduce nature and biodiversity loss. Investors participating in the initiative engage companies in key sectors that are deemed to be systemically important in reversing nature and biodiversity loss by 2030.
Investor Policy Dialogue on Deforestation (IPDD)	Comgest has been a member of the IPDD Brazil since 2020, a collaborative investor initiative to engage with public agencies and industry associations in selected countries on the issue of deforestation.
Partnership for Biodiversity Accounting Financials (PBAF)	Comgest is a member of this industry-led partnership that enables financial institutions to assess and disclose impacts and dependencies on biodiversity of their investments. Joining this partnership will help Comgest be better equipped to assess and measure nature-related risks.
Nature Benchmark Collective Impact Coalition	Comgest joined the Nature Benchmark Collective Impact Coalition in 2024, an initiative organised by the World Benchmarking Alliance (WBA) which will focus on engaging with companies to improve their assessments and disclosure of impacts and dependencies on nature.

C) Standards and Initiatives for Social and Human Rights

Comgest has chosen to adhere to or support, as appropriate, the following standards and/or initiatives which correspond to social and human rights adverse impact indicators (Figure 1. PAIs 10 to 14).

INITIATIVE	DETAILS
Access to Medicine Foundation	Comgest has supported the Access to Medicine Foundation since 2019, an independent non-profit organisation which analyses how the world's largest pharmaceutical companies are addressing access to medicine.
PRI Advance Platform	Comgest has endorsed the newly created PRI Advance platform, focused on human rights and social issues, since 2022.
Investor Alliance for Human Rights	Comgest signed the Investor Alliance for Human Rights' statement. The initiative is a collective action platform for responsible investment that is grounded in respect for people's fundamental rights.
30% Club **France Investor Group**	Comgest has been a member of the 30% Club France Investor Group since 2022. This collaborative engagement initiative is comprised of asset managers and asset owners and encourages executive management teams of SBF 120* companies to appoint women to at least 30% of seats by 2025. The initiative also encourages companies to be transparent regarding the procedures used to find and appoint new members to the executive management team and how that process ensures a diverse leadership committee. **"SBF 120" refers to companies listed in the French stock market index, "Société des Bourses Françaises 120".*
World Benchmark Alliance (WBA) Collective Impact Coalition on Ethical AI	Comgest joined the Ethical AI Collective Impact Coalition in 2024, an initiative organised by the WBA and industry peers. The initiative seeks to engage with technology companies to advance ethical AI policies and practices.

To identify and assess the responsible conduct of businesses and potential human rights violations, Comgest uses the above-mentioned international standards to identify and assess the responsible conduct of businesses and potential human rights violations.

D) Standards and Initiatives for Governance and Anti-Bribery/Corruption

Comgest has chosen to adhere to or support, as appropriate, the following standards and/or initiatives which correspond to governance, anti-bribery and anti-corruption adverse impact indicators (Figure 4. PAI related to "Lack of anti-corruption and anti-bribery policies").

INITIATIVE	DETAILS
Principles for Responsible Investment (PRI)	Comgest has been a signatory since March 2010.
Association Française de Gestion (AFG) *AFG is the French asset management industry association.*	Comgest is a member of AFG's: – Responsible Investment Plenary: contributes to the development of responsible investing within the French asset management industry. – Corporate Governance Committee: contributes to the development of the Corporate Governance Code for the French asset management industry. 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.
Institut Français des Administrateurs (IFA)	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.
The Irish Funds Industry Association (Irish Funds)	Comgest is a member of the representative body for the international investment fund community in Ireland. Comgest contributes to working groups and discussions including on responsible investing.
Forum pour l'Investissement Responsible, "FIR" **(French Sustainable Investment Forum)**	Comgest became a member of FIR Asset Management Group in 2024. Comgest participates in working groups on specific engagement topics, and benefits from research conducted by the FIR and other members.
The Forum per la Finanza Sostenibile (Forum for Sustainable Finance)	Comgest is a member of this forum with the aim of encouraging the inclusion of ESG criteria in financial products and processes.

The different initiatives assist Comgest's ESG and investment teams in their assessment of investee companies' governance practices, corporate culture, and values. Comgest exercises its right to vote at shareholder meetings in accordance with corporate governance values and voting principles that have been determined with reference to regulations, industry standards, best practice, and Comgest's international experience.

Regardless of the strategy, Comgest's investment process systematically considers governance criteria for all stocks in its portfolios. Comgest believes that several fundamental principles need to apply to all investee companies that aim to be successful quality growth companies. Careful consideration of individual company values and practices informs its investment decision-making processes.

V. Historical comparison

A comparison of the period reported (2024) versus the previous years (2022 and 2023) reveals a mixed trend in the evolution of Principal Adverse Impact (PAI) indicators. While there have been improvements in certain areas, certain indicators have also shown notable increases in adverse impact.

Comgest acknowledges the limitations of this year-on-year comparison, due in part to persistent data gaps resulting from incomplete disclosures by some investee companies. These gaps restrict the accuracy and completeness of the assessment. In addition, variations in reported data may be influenced by factors such as improved data coverage, fluctuations in the portfolios' assets under management (AUM), and adjustments in portfolio composition—including the inclusion or exclusion of specific securities and shifts in the weighting of individual companies.

Key observations and trends:

– **Significant increases (PAI 1 – Scope 3 and PAI 1 – overall emissions of scopes 1, 2, and 3):** One of the most significant developments observed was the increase in total emissions reported under PAI 1, particularly Scope 3 and the combined Scopes 1, 2, and 3. Between 2023 and 2024, Scope 3 emissions rose from 3 223 850 to 4 207 431, while total emissions across Scopes 1, 2, and 3 increased from 3 606 041 to 4 589 714. This substantial rise is primarily the result of a change in methodology for the scope 3 emissions. For 2024, Scope 3 figures are based on company-reported data where available, in line with regulatory expectations. In contrast, last year's data relied on estimates from Comgest's data provider, which were significantly lower for one high-emitting company. Comgest continues to engage with high-emitting companies to encourage improved disclosure and emissions reduction.

– **Slight increases observed:** In addition to the increases in PAI 1 emissions, moderate increases were observed in other indicators. These include Scope 1 emissions (also under PAI 1), the overall carbon footprint (PAI 2), and activities negatively impacting biodiversity-sensitive areas (PAI 7). There were also slight increases in PAI 11, PAI 12, and Optional PAI 4 (Table 2). Comgest remains committed to active ownership and will continue to engage with investee companies on material sustainability issues identified through our climate and biodiversity risk assessments, as well as through our due diligence processes related to human rights.

– **Some reduction noted:** Conversely, improvements were observed across several other PAI indicators. Scope 2 emissions (PAI 1) showed a reduction, as did the greenhouse gas intensity of investee companies (PAI 3) and exposure to fossil fuels (PAI 4). Positive trends were also noted in PAI 5, PAI 6, and in indicators related to water and waste (PAIs 8 and 9). Additionally, progress was made on board gender diversity (PAI 13) and on reducing exposure to companies lacking bribery and corruption policies (PAI 15, Table 3).

These developments reflect Comgest's ongoing efforts to monitor, manage, and reduce adverse sustainability impacts. They also underscore the importance of continued engagement in assessing progress over time.

Further details on the results are set out in "Description of the principal adverse impacts on sustainability factors" section.