

STATEMENT OF PRINCIPAL
ADVERSE IMPACTS OF
INVESTMENT DECISIONS ON
SUSTAINABILITY FACTORS

**Comgest Asset Management
International Ltd.**

LEI: 635400IFPTXRPJVEVJ24

June 2024



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Summary

The Comgest Group¹ (“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 statement⁴ of principal adverse impacts (“PAI”) on sustainability factors covers the reference period from 1 January 2023 to 31 December 2023.

Comgest is committed to considering and mitigating, where possible, the adverse impacts of our investments on sustainability factors. In support of this, Comgest will ensure that our Investment team, including a dedicated team of ESG analysts, are provided, wherever possible, with a wide range of data, research and analysis regarding the adverse impacts. In addition, the Comgest Group has adopted an Active Ownership Policy 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 our investee companies to evaluate whether they support the conditions for sustainable growth. In doing so, we seek to protect the long-term interests of our clients by investing in companies whose financial returns, we believe, 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 sustainability 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.

Mitigation efforts also 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).

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: 6354001FPTXRPJVEVJ24

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. It will also continue to monitor progress of data providers' methodologies to estimate companies' impacts, notably via proxies, that best align with regulatory requirements.
- **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 and biodiversity. 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 our Responsible Investment Policy we actively engage with the highest emitting investee companies that represent the most significant proportion of our financed emissions or investee companies that may be involved in severe violations of the UN Global Compact.
- **Historical comparison:** A historical comparison of the period reported (2023) versus the previous year (2022) shows that there has been a reduction of principal adverse impacts for several PAI indicators, notably with a lower amount across several emissions categories except for GHG intensity and GHG emissions for scopes 1 & 2. However, it is important to note that the results obtained are highly dependent on the composition of the portfolios we manage. For example, a change in a portfolio's GHG emissions is not necessarily linked solely to lower emissions of companies held in the portfolio but may also be linked to a change in the composition of the portfolio (entry and exit of securities, change in the weighting of companies held, etc.).

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 2023 ⁶	Impact – Year 2022 ⁷	Explanation	Actions taken, actions planned and targets set for the next reference period	
Greenhouse gas emissions (GHG)	1. GHG emissions	Scope 1 GHG emissions	219 217	173 353	Sum of investee companies' carbon emissions scope 1, 2 and 3 (tCO ₂ e) 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.	<p>Actions taken in 2023 to mitigate adverse impacts:</p> <p>Throughout 2023, Comgest has focused on the various actions listed below to mitigate adverse impacts relating to GHG emissions.</p> <p>Integration</p> <p>As a signatory to the Net Zero Asset Managers initiative, we developed our <u>climate targets</u> using the Net Zero Investment Framework (NZIF), which were accepted in early 2023.</p> <p>We have translated our 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.</p> <p>We have an Exclusion policy on coal which excludes from our 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 20% or electricity producers with installed capacity based on coal equal to or exceeding 5 GW), without a coal exit strategy.</p>
		Scope 2 GHG emissions	162 974	131 851		
		Scope 3 GHG emissions	3 223 850	3 407 040		
		Total GHG emissions	3 606 041	3 712 244		
	2. Carbon footprint	Carbon footprint	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

⁷ 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 2023 ⁶	Impact – Year 2022 ⁷	Explanation	Actions taken, actions planned and targets set for the next reference period
3. GHG intensity of investee companies	GHG intensity of investee companies	585.64	536.47	The scope 1, 2, and 3 (calculated above, “PAI 1. GHG emissions”) per million EUR of revenue of investee companies.	In 2023, we implemented a dedicated Climate Policy and also formalised our stance on the Oil & Gas sector (O&G). Although energy and utilities companies are usually absent from or significantly underweight in the portfolios we manage, we screen our 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 our analysts’ assessment of ESG risks.
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	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.	<p>Engagement and voting activities</p> <p>During 2023, Comgest started tracking our annual progress against our engagement targets and focused on developing engagement plans with companies representing the most significant proportion of our financed emissions.</p>
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	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.	<p>In 2023, the most common topic that Comgest engaged on was climate change, representing nearly one-third of the total. Comgest engaged both collaboratively (for example, CDP Non-Disclosure and SBTi campaigns) and individually with companies on climate-related topics.</p> <p>Our engagement activities covered some of Comgest’s top 10 contributors to our financed emissions such as Suzuki Motor, Ryanair, Toray and Inner Mongolia Yili.</p> <p>In 2023, we also pre-declared our voting intentions to Linde and Amazon on two shareholder resolutions on climate change. As of the end of December 2023, Linde was the second largest contributor to Comgest’s financed emissions.</p> <p>Adherence to initiatives and advocacy activities</p> <p>Comgest continued to support industry-wide climate initiatives and, in 2023, joined the Institutional Investor Group on Climate Change (IIGCC) and the Avoided Emissions Initiative which aims to standardise the calculation of avoided emissions.</p>

FIGURE 1. INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

Climate and Other Environment-Related Indicators						
Adverse sustainability indicator		Metric	Impact – Year 2023 ⁶	Impact – Year 2022 ⁷	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: 0.47 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.	<p>Actions planned and targets for 2024:</p> <p>Engagement activities In 2024, Comgest will continue to track annual progress against our engagement targets, and we will further improve our engagement programme focusing on the material climate risks and opportunities we have identified as well as companies' transition plans.</p> <p>Comgest will also continue participating in key collaborative engagement climate initiatives (such as the CDP Non-Disclosure Campaign and Climate Action 100+).</p> <p>Adherence to initiatives and advocacy activities Comgest will continue supporting industry-wide climate initiatives.</p> <p>Metrics and data Comgest will continue to work with data providers to ensure consistency of data provided with regulatory requirements, notably for PAIs 5 and 6.</p>

FIGURE 1. INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

Climate and Other Environment-Related Indicators						
Adverse sustainability indicator		Metric	Impact – Year 2023 ⁶	Impact – Year 2022 ⁷	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	9.10%	0.02%	<p>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.</p> <p>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.</p>	<p>Actions taken in 2023 to mitigate adverse impacts:</p> <p>Integration</p> <p>Comgest considers the impact of biodiversity loss in our investment decision-making.</p> <p>In 2023, we developed an internal assessment methodology to measure the impact of investee companies on nature and developed a classification system (very high, high, medium, low, and very low) using data from SBTN⁸ for impact assessment. This additional metric assists Comgest's company and ESG analysts to better assess investee companies' impact on biodiversity.</p> <p>Comgest also established a Deforestation Policy in 2023 which sets out how we assess risks linked to deforestation and intend to mitigate the risks identified.</p> <p>Engagement activities</p> <p>Comgest closely monitors three thematic risk areas, including biodiversity, and prioritises for engagement companies that are exposed to high risk in this area.</p> <ul style="list-style-type: none"> - Engagement on deforestation: In 2023, Comgest launched an engagement programme on deforestation-related risks. As of end of 2023, we directly engaged with two investee companies, and we will continue to engage with high-risk companies over the coming years. Comgest also engaged as a lead investor with 11 companies by sending letters to request the submission of CDP Forest questionnaires. - Engagement on emissions to water: Given low disclosure rates, we focused our action on engaging as a lead investor with eight companies to enhance their disclosure by participating in the CDP Water Non-Disclosure Campaign. - Engagement on hazardous chemicals: As a member of the Investor Initiative on Hazardous Chemicals (IIHC), Comgest continued to participate in collaborative engagements in 2023 and co-led the engagements with two chemical companies.

⁸ We used the Science Based Target Network (SBTN) impact materiality data which provides users with ratings of materiality for different economic activities, and which identifies the different drivers of change in nature leading to biodiversity loss (land/water/sea use change, resource exploitation, climate change, pollution and invasive species). This methodology takes into account upstream and direct operations.

FIGURE 1. INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

Climate and Other Environment-Related Indicators						
Adverse sustainability indicator		Metric	Impact – Year 2023 ⁶	Impact – Year 2022 ⁷	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	1.83	9.56	<p>Tonnes of emissions to water generated by investee companies per million EUR invested. The apportioning factor used is the EVIC.</p> <p>Currently companies don't report widely on this metric leading to a low data coverage.</p>	<p>We also conducted individual engagements with companies facing controversies regarding hazardous chemicals. For instance, in 2023 Comgest engaged with Daikin via multiple meetings, regarding the allegation that a chemical plant owned by Daikin discharged hazardous chemicals into a river and contaminated the environment.</p> <p>Adherence to initiatives and advocacy activities</p> <p>We continued our support for the Investor Policy Dialogue on Deforestation (IPDD) initiative. Throughout 2023, many engagement activities took place with members of the Brazilian government, central banks, legislative representatives, and other stakeholders.</p> <p>Comgest also joined two new initiatives on biodiversity: Nature Action 100 (an engagement initiative focused on driving greater corporate ambition and action to reduce nature and biodiversity loss) and Partnership for Biodiversity Accounting (an industry-led partnership that enables financial institutions to assess and disclose impacts and dependencies of their investments on biodiversity).</p>
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	0.28	0.30	<p>Investee companies' total hazardous waste (metric tons reported) associated with 1 million EUR invested. The apportioning factor used is the EVIC.</p> <p>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.</p>	<p>We also continued our support of the FAIRR initiative and, in 2023, signed a FAIRR-led investor statement calling on the G20 Finance Ministers to repurpose their agricultural subsidies in line with climate and nature objectives.</p> <p>In addition, together with members of IIHC, Comgest signed two letters in 2023: one letter to the EU Commission urging it to protect the EU Taxonomy's ambitious proposed chemical criteria and another letter to the world's 50 biggest chemical companies encouraging them to increase transparency and investment in safer alternatives.</p> <p>Actions planned and targets for 2024:</p> <p>Engagement activities</p> <p>In 2024, Comgest intends to implement a Nature Policy and to launch an engagement programme on biodiversity.</p> <p>Comgest will continue to participate in collaborative engagements and will join new collaborative engagements on nature.</p> <p>Data and metrics</p> <p>Comgest will continue to work with data providers to encourage improvements in data coverage, notably for PAIs 8 and 9.</p>

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 2023 ⁶	Impact - Year 2022 ⁷	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%	0.05%	Captures investee companies with violations of the UN Global Compact and OECD Guidelines for Multinational Enterprises.	<p>Actions taken in 2023 to mitigate adverse impacts:</p> <p>Integration</p> <p>As part of Comgest's investment research process, company and ESG analysts look at compliance with the principal international environmental and social standards.</p> <p>Comgest uses the following international standards to identify and assess the responsible conduct of businesses and potential human rights violations:</p> <ul style="list-style-type: none"> - United Nations Global Compact (UNGC) Principles - The Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises - International Labour Organization (ILO) standards - United Nations Guiding Principles (UNGPs) <p>▪ Guidelines and policies</p> <p>In 2023, Comgest developed internal guidelines to provide the ESG and company analysts with a framework on how to assess companies' processes and procedures and their compliance with UNGC principles or OECD guidelines. We also established a Human Rights Policy in 2023 to describe our approach to assessing human rights-related issues and how this assessment is integrated in the research process.</p> <p>▪ Exclusion policy</p> <p>Comgest identifies companies involved in severe violations of the international norms listed above. These companies are automatically excluded from our 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.</p>

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 2023 ⁶	Impact - Year 2022 ⁷	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	0.10%	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.	<ul style="list-style-type: none"> Controversy monitoring We enhanced our controversy and global norms violations monitoring in 2023 and we provide a regular report to Comgest's Sustainability Committee on investee companies' exposure to controversies. 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: <ul style="list-style-type: none"> 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. For instance, following allegations that Tencent's social networking product enables surveillance of ethnic minorities and facilitates Chinese government censorship, Comgest has been actively and continuously engaging with the company on these issues. In 2023, we continued to engage with Tencent on these topics and held several meetings with the company. At the end of August 2023, Tencent was officially accepted as a UNGC signatory after almost a year of being reviewed and submitting additional materials as required by the UNGC. Voting guidelines We have detailed in our Active Ownership Policy that we support positive resolutions linked to social topics and vote against resolutions which would have detrimental social consequences. Actions planned and targets for 2024: Engagement activities Comgest plans to join new collaborative engagement initiatives linked to human rights.

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 2023 ⁶	Impact - Year 2022 ⁷	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	15.15%	13.73%	<p>Weighted average of investee companies' difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings.</p> <p>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).</p>	<p>Actions taken in 2023 to mitigate adverse impacts:</p> <p>Integration</p> <p>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.</p> <p>Data and metrics</p> <p>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, we also believe 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.</p> <p>Engagement activities</p> <p>Comgest has been a member of the 30% Club France Investor Group since 2022 and led an engagement with one company in 2023. As part of the engagement activity, the Investor Group also set reporting expectations (including KPIs on equal pay) for companies.</p> <p>Actions planned and targets for 2024:</p> <p>Comgest intends to engage with companies when material gender pay gaps have been identified.</p>

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 2023 ⁶	Impact - Year 2022 ⁷	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	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.	<p>Actions taken in 2023 to mitigate adverse impacts:</p> <p>Voting guidelines and activities</p> <p>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.</p> <p>Engagement activities</p> <p>Board gender diversity remains an important engagement topic for certain regions where companies tend to have low ratio of women on boards. For instance, in 2023, Comgest engaged with seven Japanese companies on board gender diversity due to a female representation below 30%. We also engaged collaboratively with companies on board gender diversity as a member of the 30% Club France Investor Group in 2023 and led one engagement with an investee company.</p> <p>Actions planned and targets for 2024:</p> <p>Engagement activities</p> <p>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.</p>
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	0.00%	0.00%	Captures investee companies exposed to controversial weapons.	<p>Actions taken in 2023 to mitigate the adverse impacts:</p> <p>Following our 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.</p> <p>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.</p> <p>Actions planned and targets for 2024:</p> <p>Comgest will continue to implement our Exclusion policy.</p>

FIGURE 2. INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS

Adverse sustainability indicator	Metric	Impact - Year 2023 ⁶	Impact - Year 2022 ⁷	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 2023.
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 2023 ⁶	Impact - Year 2022 ⁷	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 2023 ⁶	Impact - Year 2022 ⁷	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	22.08%	34.54%	Captures investee companies without carbon emissions reduction targets aligned with the Paris Agreement.	<p>Actions taken in 2023 to mitigate adverse impacts:</p> <p>Assessing companies' targets</p> <p>As mentioned for PAIs 1 to 6, Comgest has focused on the 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 assessment was key to establish Comgest's 2022 portfolio coverage baseline, as one of the classification criteria of the Net Zero Investment Framework pertains to companies' targets (criteria 2) and needs to be fulfilled for companies to be assessed as "aligning" and "aligned".</p> <p>Portfolio coverage target</p> <p>Towards the end of 2023, we carried out our first annual assessment of progress against its Net Zero Asset Managers ('NZAM') initiative targets. Over the course of the year, the percentage of companies in Comgest portfolios classified as "aligning" increased from 35% to 48% of its listed-equity AUM. This improvement was supported by Comgest's climate engagement programme, through which we engaged with companies representing 48% of our financed emissions.</p> <p>Engagement and voting activities</p> <p>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 sent emails to eight companies in the 2022-2023 Campaign and to three companies in the 2023-2024 Campaign. Where material, we also used individual engagement meetings with companies to encourage them to set SBTs.</p> <p>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.</p> <p>Actions planned and targets for 2024:</p> <p>Engagement activities</p> <p>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 SBTi campaign.</p> <p>Metrics and data wThe SFDR has not set up a clear definition of companies without carbon emission reduction initiatives. To classify companies with carbon emission reduction initiatives, Comgest relies on investee companies ITR (Implied Temperature Rise) which is designed and calculated by MSCI to show the temperature alignment of companies with global temperature goals.</p>

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 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	2.26%	12.00%	Captures investee companies without an anti-corruption and anti-bribery policy, consistent with the United Nations Convention against Corruption.	<p>Actions taken in 2023 to mitigate adverse impacts: Generally, Comgest expects the companies we invest in to have anti-corruption and anti-bribery policies to take effective action to combat corruption.</p> <p>Actions planned and targets for 2024: Comgest will continue to encourage our investee companies to implement anti-corruption and anti-bribery policies.</p>

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 and allows Comgest to further identify and build on mitigation action plans.

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

As part of Comgest's proprietary ESG analysis and formal ESG assessment of each portfolio company, the the Investment team identifies material ESG risks and opportunities facing each investee company's business. While top-down analysis such as sector and geographic sensitivities can be a useful starting point to identify principal adverse impact, conclusions are always informed by bottom-up research conducted on each company.

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 targeting via individual engagement or coordinated actions such as collaborative engagements and advocacy initiatives.

B) Escalation

Comgest's engagement process includes provisions for escalation where an issue is sufficiently material and when investment teams were unable to make progress. As a first step of escalation, the Investment team would typically raise their concerns to the investee company's board of directors, including any independent board members. The investment teams may also consider a collaboration with other investors which can be a more efficient form to achieve desired outcomes from escalation activities. Where these engagements do not progress in the direction that the investment teams believe is in the best interests of their clients and funds under management, other options are considered, including, but not limited to:

- Voting against resolutions at shareholder meetings.
- Filing a shareholders' resolution.
- Selling some or all of the investment, where the Investment teams see no prospect of the company enacting change and if their concern is material in nature.
- More rarely, inform regulators or the press of Comgest's stance.

As long-term investors, Comgest acknowledges that engagement may only yield results gradually and its efforts may sometimes continue over many years before it would consider that its engagement activity has reached a conclusion.

Where the Investment team sees no prospect of the company enacting 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 our 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 (NZAMI)	Comgest joined the Net Zero Asset Manager Initiative in February 2022 to support the goal of net zero greenhouse gas emissions by 2050.
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.
GDP	Comgest has supported the Carbon Disclosure Project (CDP) since 2012 and participated in the following: <ul style="list-style-type: none"> - CDP Non-Disclosure Campaign (since 2018) - CDP SBTi campaign (since inception in 2021) - CDP Transition Plan Campaign (2023) - CDP Green Finance Accelerator (2023)
"Say on Climate" Forum pour l'Investissement Responsable, "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)	In 2023, Comgest became a member of this European group for investor collaboration on climate change.
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 have 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 based on the TCFD recommendations. It covers both transition and physical risks/opportunities assessments. It can be negative (cost) or positive (gain) and the horizon is the next 15 years. Transition risks/opportunities assessment includes both policy risks and technology 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.
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.

INITIATIVE	DETAILS
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.

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 July 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”.

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) <i>AFG is the French asset management industry association.</i>	Comgest is a member of AFG's: <ul style="list-style-type: none"> – 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.
Investment Company Institute (ICI)	The Investment Company Institute (ICI) is the leading association representing regulated investment funds. It aims to help strengthen policy and regulatory frameworks and to encourage sound governance, operational and fiduciary practices.

The different initiatives assist Comgest's ESG and investment teams in their assessment of investee companies' governance practices, corporate culture, and values. Comgest exercise 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. For example, combating corruption is a key component of corporate responsibility. Careful consideration of individual company values and practices informs its investment decision-making processes.

V. Historical comparison

A historical comparison of the period reported (2023) versus the previous year (2022) shows that there has been a reduction of principal adverse impacts for several PAI indicators, notably with a lower amount across several emissions categories except for GHG intensity and GHG emissions for scopes 1 and 2. However, Comgest recognises the lack of data from certain companies which makes it difficult to fill all the data gaps and to fully understand the year-on-year changes which may sometimes be linked to better data coverage, methodology changes, increase or decrease of our portfolios' AUM or even change in the composition of portfolios managed (entry and exit of securities, change in the weighting of companies held).

For the mandatory PAIs 7, 8 and 11, as well as the optional PAI 15 (Table 3), there were significant changes in 2023 compared to 2022. Specifically, PAI 7 changed from 0.02% to 9.10%, PAI 8 from 9.56 to 1.83, PAI 11 from 6.48% to 0.10%, and the optional PAI 15 (Table 3) from 12% to 2.26%. These changes are primarily attributed to the revised methodology for PAIs 7, 8 and 11, and to changes in portfolio composition and improved disclosure by investee companies for the optional PAI 15 (Table 3). Please see below further details on these changes:

- PAI 7: In 2023, our data provider revised its methodology, resulting in a significant increase in the number of companies identified as having activities that negatively impact biodiversity-sensitive areas. In 2022, only those investee companies that reported operations in or near such areas and were implicated in severe or very severe environmental controversies were included. However, in 2023, the scope was broadened to include investee companies with operations in or near biodiversity-sensitive areas where their activities could either potentially negatively affect local biodiversity, lacked impact assessments, or were involved in controversies with severe impacts on local biodiversity.
- PAI 8: In 2023, our data provider also reviewed its methodology for PAI 8, leading to a substantial decrease in the number of companies identified as emitting to water. In 2022, all companies with water emissions were included, regardless of whether the emissions were toxic or comprised other priority substances. The 2023 methodology revision aimed to better align with the SFDR regulation, which mandates reporting only on emissions of toxic and priority substances to water.
- PAI 11: We conducted a methodology review for PAI 11 in 2023, resulting in a notable decrease in the number of investee companies lacking policies to monitor compliance with the UNGC principles or OECD Guidelines. Where there was an absence of policies directly referencing OECD guidelines, we also considered the existence of other policies, such as labour or human rights due diligence policies, to demonstrate investee companies' compliance with PAI 11.
- Optional PAI 15 (Table 3): Changes in portfolio composition and improvements in investee companies' disclosure practices have led to a significant decrease in the number of companies lacking anti-corruption and anti-bribery policies.

There has also been a slight increase in PAIs 12 and 13 compared to the previous year. Comgest will continue to engage with investee companies when material gender pay gaps have been identified and will continue targeting companies with low female board member ratios for engagement.

For some PAI indicators, Comgest hasn't performed a historical comparison between 2022 and 2023 due to methodology changes which means that a true comparison is not feasible.

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