COMGEST

The Quality Growth Investor

STATEMENT OF PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

Comgest Asset Management International Ltd.

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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 2025 to 31 December 2025.

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, III, 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 five asset management companies: Comgest S.A. (Paris), 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 Far East Ltd (Hong Kong) as well as offices of CAMIL in London, Milan, Vienna and Brussels.

2 LEI: 9695009FD7COWRM2FU86

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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. In addition, the European Union's partial rollback of the Corporate Sustainability Reporting Directive (CSRD), including the narrowing of its scope and the delay of certain reporting obligations, risks further reducing the availability and consistency of ESG data in the near term, posing additional practical challenges for investors. Comgest will continue to encourage investee companies to enhance disclosure on material ESG indicators.

- **Main data usage**: Pending improvements in reporting standardisation and data coverage, Comgest has mainly been using PAI data for reporting purposes and to identify lowest performing companies on material topics to feed internal ESG research and to prioritise engagement.

- **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 2025 PAI data with that of 2022, 2023 and 2024 indicates that overall PAI metrics have remained broadly stable relative to 2024, with modest improvements in certain indicators and slight deteriorations in others. Comgest acknowledges the inherent limitations of year-on-year analysis, primarily due to incomplete or inconsistent data reported by some investee companies. These gaps, together with factors such as improved data coverage, fluctuations in assets under management (AUM), and changes in portfolio composition, may materially influence the observed results. A notable development in 2025 is the significant decrease in PAI 1 and PAI 2. This reduction is largely attributable to lower AUM levels compared to previous years. However, despite the decline in absolute emissions, the greenhouse gas (GHG) intensity of investee companies has increased. This is primarily due to portfolio composition effects, notably a higher weighting in companies with relatively elevated GHG intensity.

- **Evolving landscape in relation to climate initiatives:** The landscape around major climate-related investor initiatives continues to evolve. The Net Zero Asset Managers (NZAM) initiative, which temporarily suspended several activities in January 2025, has now completed its strategic review and formally relaunched in February 2026 with an updated Commitment Statement and renewed global investor backing within a more flexible framework.
  Comgest will continue to be a signatory to NZAM and despite the changes to NZAM's Commitment Statement, Comgest's approach remains consistent: it integrates climate-related risk considerations into its investment processes, with a focus on identifying financially material exposures and strengthening portfolio resilience.
  Engagement will continue to play a central role, enabling the Investment team to stay informed about climate-related risks and to encourage mitigations where material risks are identified among 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 2025[6]**	**Impact – Year 2024[6]**	**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	88 588	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).	**Actions taken in 2025 to mitigate adverse impacts:** Throughout 2025, 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). These targets cover 100% of Comgest's listed equity AUM. They include a 2027 and 2030 portfolio coverage target as well as an engagement target. 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	111 427	142 200	162 974	131 851		
		Scope 3 GHG emissions	1 470 159	4 207 431	3 223 850	3 407 040		
		Total GHG emissions	1 670 173	4 589 714	3 606 041	3 712 244		
	2. Carbon footprint	Carbon footprint	150.35	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
[7] Source: MSCI and Comgest

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Climate and Other Environment-Related Indicators								
Adverse sustainability indicator		Metric	Impact – Year 2025[6]	Impact – Year 2024[6]	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	604.28	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.	*Engagement and voting activities* During 2025, 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..
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0.60%	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	54.08%	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.	

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Climate and Other Environment-Related Indicators								
Adverse sustainability indicator		**Metric**	**Impact – Year 2025[6]**	**Impact – Year 2024[6]**	**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: 0.00 B: 0.68 C: 0.40 D: 0.05 E: 0.00 F: 0.13 G: 0.08 H: 0.87 L: 0.28	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 2026:** ***Engagement activities*** In 2026, 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.

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Climate and Other Environment-Related Indicators								
Adverse sustainability indicator		**Metric**	**Impact – Year 2025[6]**	**Impact – Year 2024[6]**	**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 investmen ts in investee companies with sites/operation s located in or near biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	12.74%	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 2025 to mitigate adverse impacts:** **Engagement activities** Comgest closely monitors issues related to nature and prioritises engagement with portfolio companies that are exposed to higher risk in this area.

[8] Comgest 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 2025[6]**	**Impact – Year 2024[6]**	**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	0.42	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 low data coverage.	***Adherence to initiatives and advocacy activities*** Comgest participates in several initiatives to support collaborative engagement and peer dialogue on nature-related issues, including approaches to assessing portfolio companies' exposure to nature-related risks. **Actions planned and targets for 2026:** ***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 generated by investee companies per million EUR invested, expressed as a weighted average	0.15	0.16	0.28	0.30	Investee companies' total hazardous waste (metric tons reported) is associated with 1 million EUR invested. The apportioning factor used is the EVIC. 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 2025[6]**	**Impact – Year 2024[6]**	**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%	0.00%	0.00%	0.05%	Captures investee companies with violations of the UN Global Compact and OECD Guidelines for Multinational Enterprises.	**Actions taken in 2025 to mitigate adverse impacts:** *Integration* Comgest identifies and excludes from its portfolios companies involved in severe violations of the international norms including United Nations Global Compact (UNGC) Principles, the OECD Guidelines for Multinational Enterprises, the International Labour Organization (ILO) standards and the United Nations Guiding Principles (UNGPs).

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 2025[5]**	**Impact – Year 2024[6]**	**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	0.31%	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.	*Engagement 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. **Actions planned and targets for 2026:** *Integration* In the coming year, Comgest aims to enhance its Responsible AI monitoring to better identify, assess, and respond to AI.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	15.75%	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.	**Actions taken in 2025 to mitigate adverse impacts:** *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 2026:** Comgest will continue 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 2025[6]**	**Impact – Year 2024[6]**	**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	36.73%	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 2025 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 2026:** ***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	0.00%	0.00%	0.00%	0.00%	Captures investee companies exposed to controversial weapons.	**Actions taken in 2025 to mitigate the adverse impacts:** In line with its Exclusion policy on controversial weapons, Comgest avoids investment in companies involved in anti-personnel mines, cluster munitions, biological/chemical weapons, depleted uranium, 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 2026:** Comgest will continue to implement its Exclusion policy.

FIGURE 2. INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS

Adverse sustainability indicator		Metric	Impact – Year 2025[6]	Impact – Year 2024[6]	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 2025.
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 2025[6]	Impact – Year 2024[6]	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 2025[6]**	**Impact – Year 2024[6]**	**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	36.14%	37.37%	22.08%	34.54%	Captures investee companies without carbon emissions reduction targets aligned with the Paris Agreement.	**Actions taken in 2025 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. ***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 2025. **Actions planned and targets for 2026:** ***Engagement activities*** Comgest will continue to engage with companies that represent the largest share of its financed emissions exposure and have not yet committed to decarbonisation targets. It will also 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 2025**	**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	1.71%	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 2025 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 2026:** 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 Comgest Responsible Investment Policy 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.
- Investments in companies without carbon reduction initiatives: Comgest believes companies lacking such initiatives are more exposed to climate-related risks, including regulatory tightening, transition-risk costs, and potential operational disruptions. 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 in collaboration with other investors as part of a collaborative engagement. Sometimes the Investment team may also choose to conduct thematic engagements, addressing a specific ESG issue that is relevant across multiple portfolio companies.
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 since 2022 driven by an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions.
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).
Institutional Investors Group on Climate Change (IIGCC)	Comgest is a member of this European forum for investor collaboration on climate change and participates in IIGCC's Net Zero Engagement Initiative (NZEI).
Avoided Emissions Platform	Comgest is a founding partner of this initiative, which provides a methodology to calculate avoided emissions and a curated database of avoided emissions factors for products and services critical for the low-carbon transition.

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 largest share of its financed emissions exposure.
- 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 Investor Group (DIG)	Comgest is a member of this investor group which builds on the foundations laid by FSDA (Finance Sector Deforestation Action). The investor group aims to support investors in mitigating deforestation-related risks.
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.

Finance for Biodiversity Hub (FfB Hub)	Comgest is a member of this new platform which provides financial institutions that are not signatories to the FfB Pledge with practical support, peer collaboration, and knowledge sharing on biodiversity-related topics.

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.
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 is part of a global campaign, which aims to boost the representation of women in boardrooms and executive leadership roles.
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.
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 (Italian Sustainable Investment Forum)	Comgest is a member of this forum with the aim of encouraging the inclusion of ESG criteria in financial products and processes.

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 process.

V. Historical comparison

A comparison of the period reported (2025) versus the previous years (2022, 2023 and 2024) indicates that overall PAI metrics have remained broadly stable relative to 2024, with modest improvements in certain indicators and slight deteriorations in others.
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 reduction (PAI 1 and PAI 2):**

One of the most significant developments observed was the significant reduction in total emissions reported under PAI 1 and PAI 2. Between 2024 and 2025, the total emissions across Scopes 1, 2, and 3 decreased from 4 589 714 to 1 670 173 and the overall carbon footprint (PAI 2) decreased from 261.28 to 150.35. This substantial reduction is largely attributable to lower AUM levels compared to previous years.

- **Slight increase:**

Despite the decline in absolute emissions, the greenhouse gas (GHG) intensity of investee companies (PAI 3) has increased and went from 522.76 to 604.28. This is primarily due to portfolio composition effects, notably a higher weighting in companies with relatively elevated GHG intensity.

These developments reflect Comgest's ongoing efforts to monitor and manage 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.