COMGEST

The Quality Growth Investor

COMGEST GROUP RESPONSIBLE INVESTMENT POLICY

May 2025

TABLE OF CONTENTS

I. INTRODUCTION 3
A. OUR RESPONSIBLE INVESTMENT PHILOSOPHY 3
B. OBJECTIVES OF OUR RESPONSIBLE INVESTMENT APPROACH 3
C. WHAT ENABLES US TO IMPLEMENT OUR RESPONSIBLE INVESTMENT APPROACH? 4
II. SCOPE 4
III. RESPONSIBLE INVESTMENT STRATEGY 4
A. INTEGRATE 5
B. ACTIVE OWNERSHIP 13
C. PARTNERSHIP 13
IV. GOVERNANCE AND RESOURCES 14
A. RESPONSIBLE INVESTMENT GOVERNANCE STRUCTURE 14
B. ESG RESOURCES 15
C. INCENTIVES 17
D. ESG TOOLS AND DATA 17
V. REPORTING & TRANSPARENCY 19
VI. OVERSIGHT 20
APPENDIX I: GOOD GOVERNANCE PRINCIPLES AND POLICY FOR SFDR ARTICLE 8 PORTFOLIOS 21
A. COMGEST'S GENERAL GOVERNANCE PRINCIPLES 21
B. GOOD GOVERNANCE PRACTICES 21
C. RESOURCES 23
D. ASSESSMENT 23
E. MONITORING AND CONTROVERSY MANAGEMENT 23
APPENDIX II: COMGEST'S CLIMATE CHANGE POLICY 24
A. INTRODUCTION 24
B. SCOPE 24
C. STRATEGY 26
D. OVERSIGHT 28
E. REPORTING 28
APPENDIX III: COMGEST'S POLICY ON NATURE AND DEFORESTATION 29
A. INTRODUCTION 29
B. SCOPE 29
C. STRATEGY 30
D. OVERSIGHT 34
E. REPORTING 34
APPENDIX IV: COMGEST'S HUMAN RIGHTS POLICY 35
INTRODUCTION 35
SCOPE 35
STRATEGY 35
OVERSIGHT 38
REPORTING 38
APPENDIX V: COMGEST GROUP EXCLUSION POLICY 39
A. INTRODUCTION 39
SCOPE 39
SECTORS BASED EXCLUSIONS 40
NORM-BASED EXCLUSIONS 41
CONTROVERSIAL JURISDICTIONS EXCLUSIONS 42
IMPLEMENTATION 42
APPROVAL AND OVERSIGHT 43

I. INTRODUCTION

The Comgest Group[1] (the "Group") is an independent equity-focused asset manager with a Quality Growth investment philosophy that has guided our portfolios consistently for over three decades. Our aim is to deliver above-average risk-adjusted returns to our clients over time across global equity markets.

As stewards of capital, we look to preserve the long-term interests of our clients by investing in companies where we believe the financial returns are sustainable over the long run. This includes assessing the social and environmental impacts of our investee companies to determine whether they support conditions for sustainable growth.

We are conscious of the trust that has been placed in our company when clients invest with us. Our investment beliefs underpin our business model and our business strategy is implicitly linked to how we invest for clients.

A. OUR RESPONSIBLE INVESTMENT PHILOSOPHY

We engage in responsible investment because we believe it enhances our financial performance as long-term investors and delivers multiple forms of value to our clients. Responsible investment has always been an integral part of our investment philosophy and approach because we believe that:

- Markets may fail to correctly value businesses with strong and sustainable competitive advantage and persistent above-average earnings growth;
- The integration of environmental, social, and governance ("ESG") factors enables a better assessment of quality; and
- Sustainable value creation is enhanced when companies deliver social utility, integrity and differentiation.

We believe that a company's responsible approach to ESG factors will positively impact their growth over the long-term. In assessing these factors carefully, the integration of our proprietary ESG research into our fundamental analysis enables Comgest's Investment team to perform a more comprehensive assessment of "quality". We also know that value for our clients derives not only from the financial returns we deliver or the service we provide but the consistency and transparency of our responsible investment approach.

B. OBJECTIVES OF OUR RESPONSIBLE INVESTMENT APPROACH

With the implementation of our Responsible Investment Policy ("RI Policy"), Comgest strives to achieve the following objectives:

- Enhance the risk-adjusted return of our portfolios over our long-term investment horizon by:
  - Improving our assessment of both quality and risk for each company, by thoroughly integrating ESG-related risks and opportunities into our research; and
  - Enhancing long-term performance through our active ownership strategy[2]; this includes encouraging investee companies to improve their disclosure and ESG risk mitigation practices as well as harnessing ESG opportunities;
- Discover investment opportunities through the assessment of companies positioned to benefit from ESG-related competitive advantages and growth engines;
- Ensure the responsible stewardship of our clients' assets.

[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, Brussels and Vienna.
2 Please refer to our Active Ownership Policy for details concerning our active ownership strategy.

C. WHAT ENABLES US TO IMPLEMENT OUR RESPONSIBLE INVESTMENT APPROACH?

- Our **long-term investment horizon** enables us to engage with companies over the long-term, striving for continual improvement. We seek to deliver value to our clients by utilising time-horizon arbitrage, looking beyond the short-term market "noise" to identify drivers of long-term performance.
- Comgest has always been 100% owned by employees and founders. We regard our **independent and broad ownership structure** as a key advantage to implement an unbiased and effective engagement and advocacy strategy.
- Our **experience integrating ESG into our investment analysis** as part of our Quality Growth approach. Comgest has focused on long-term, Quality Growth investing for over three decades. We became a signatory to the Principles for Responsible Investment ("PRI") in 2010, hired our first ESG Analyst in 2012 and formalised our Group-level Responsible Investment Policy in 2016.
- We believe that our **proprietary ESG research** performed by diverse, on-the-ground teams with local language skills and cultural knowledge allows us to make more informed investment decisions.
- Our **ESG Analysts are fully embedded within the Investment team** to work alongside our Company Analysts, attending company meetings, performing research and conducting proprietary ESG Assessments.

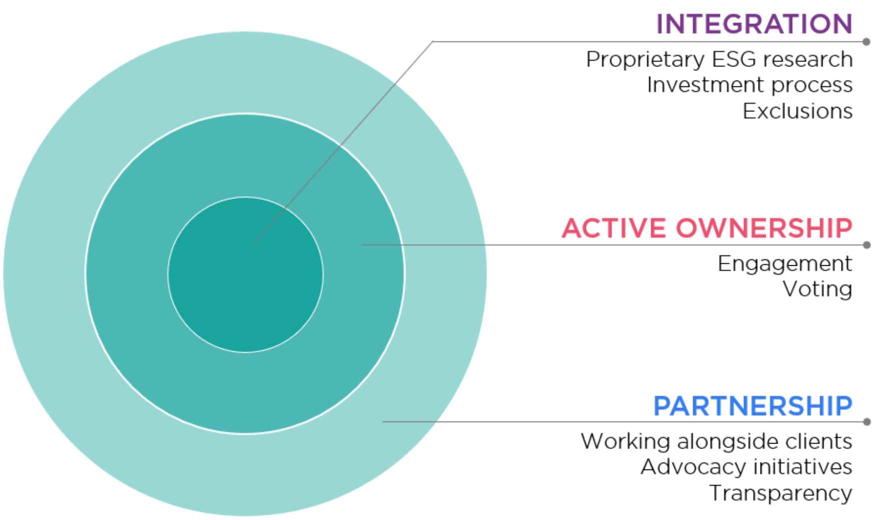
II. SCOPE

Our RI Policy applies to all of Comgest's assets under management worldwide.

III. RESPONSIBLE INVESTMENT STRATEGY

Comgest implements a three-pronged Responsible Investment Strategy ("RI Strategy"):

Figure 1. Comgest three-pronged RI Strategy



- **Integration:** We conduct proprietary company research as part of our bottom-up stock selection process. We form our own opinions on the ESG profile of each company based on this fundamental research. Our assessment of ESG factors is incorporated throughout our investment process. We maintain an Exclusion Policy[3] that defines our limits to exposure regarding activities where ESG-related risks tend to be more significant.
- **Active ownership:** As long-term investors managing concentrated portfolios, we engage with our investee companies to exchange information and drive improvements on ESG topics over time. As shareholders, we recognise voting as a key tool for active ownership. We are intentional in the implementation of our proprietary voting policy, adapting its principles to each company's unique circumstances. This approach may lead us to vote against management or even our own policy, demonstrating our commitment to active voting.
- **Partnership:** We strive to work together with our clients as responsible stewards of their capital. This means sharing knowledge and developing an understanding of our clients' specific priorities regarding responsible investment.

As part of our partnership strategy, we join efforts with other like-minded investors or industry bodies to engage with companies and other industry participants when we believe this can drive more effective and/or more timely positive change.

Comgest's values and responsible investment philosophy are anchored in transparency. Just as we demand transparent disclosures from our investee companies, we aim to provide high quality and comprehensive communication concerning our responsible investment activities. When reporting on our responsible investment activities, we provide details of our achievements (e.g. engagement successes) as well as our limitations, lessons learned (e.g. ESG-related divestments) and our ambitions for improvement.

We deliver this transparency through our regular client reporting, our discussions with clients, our responses to bespoke ESG information requests and the publication of ESG-related disclosures.

A. INTEGRATE

i. Defining sustainability risks

Comgest believes that the consideration of sustainability risks (or ESG-related risks) in the investment decision-making process can enhance financial outcomes.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. Sustainability risks are the potential negative consequences (financial, legal or reputational) to a business that may result from its impact (or perceived impact) on the natural environment (such as air, water or soil), on the stakeholders of the entity (including employees, customers and local communities) or from shortcomings in a company's management structure (such as misbehaviour, corruption, failure to adequately vindicate shareholder rights or lack of tax compliance). The occurrence and significance of sustainability risks vary between sectors and geographical locations.

ii. Defining Principal Adverse Impacts

Comgest believes that enhanced outcomes can also be achieved from the consideration of Principal Adverse Impacts ("PAI") in the investment decision-making process.

PAIs on sustainability factors are negative material or likely material impacts of a firm's investment decisions on sustainability factors.

Please refer to our **Principle Adverse Sustainability Impacts Statement**.

[3] See Appendix V for *Comgest's Group-level Exclusion Policy*.

iii. Considering sustainability risks and PAIs in our investment decision-making process

The manner in which we take sustainability risks and PAIs into consideration is through our ESG integration process. ESG factors and PAI indicators are incorporated into the investment decision-making process with the objective of improving the long-term financial and sustainability-related outcomes of our clients' portfolios, consistent with their objectives. This approach ensures that the Investment team is aware of an investee company's sustainability risks, including those that could have a material impact on returns and PAI indicators that could have a material impact on the environment and society. Comgest ensures that sustainability risks and opportunities as well as PAI indicators are taken into account in a systematic manner.

iv. ESG integration process

a. What are the types of ESG factors that we consider throughout our process?

ESG factors that we specifically consider, depending on their materiality to the business in question, include the following:

ENVIRONMENT

- Greenhouse gases emissions
- Energy use and efficiency
- Deforestation
- Raw materials consumption
- Biodiversity and its protection
- Air, water and ground pollution
- Water and waste management
- Lifecycle impacts and circular economy

SOCIAL

- Social utility
- Human rights
- Labour practices and working conditions, health & safety
- Product safety and quality
- Data privacy and security
- Diversity, equity and inclusion
- Supply chain management
- Relationships with stakeholders: customers, communities, governments/regulators, suppliers, unions etc.

GOVERNANCE

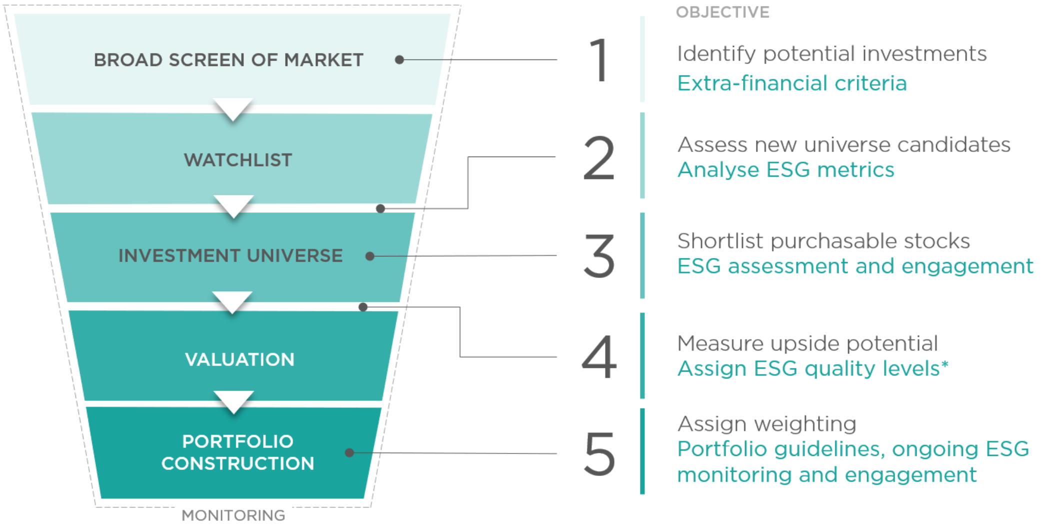
- Culture and ethics
- Shareholder rights
- Audit and accounting
- Effective allocation of all forms of capital (financial, social, natural, human)
- Corruption and bribery
- Board and board committee characteristics including diversity
- Board member competence
- Independence
- Compensation
- Management structure
- Risk management
- Transparency
- Tax compliance

In Comgest's ESG research, priority is given to what we consider the most material ESG issues which are likely to have an impact on companies and their ecosystem for sustainable development. This focus on materiality allows us to monitor key issues and to use the results of our research for valuation purposes as explained in *section III.A.v., Impact on valuation*.

Comgest monitors and manages climate, biodiversity and human rights related risks as part of our ESG risk assessment process (see Appendices II, III and IV for more information).

Comgest adopts an ESG integration approach which aligns well with our investment style focused on bottom-up stock picking of quality growth companies.

Figure 2: ESG integration at every step of our investment process



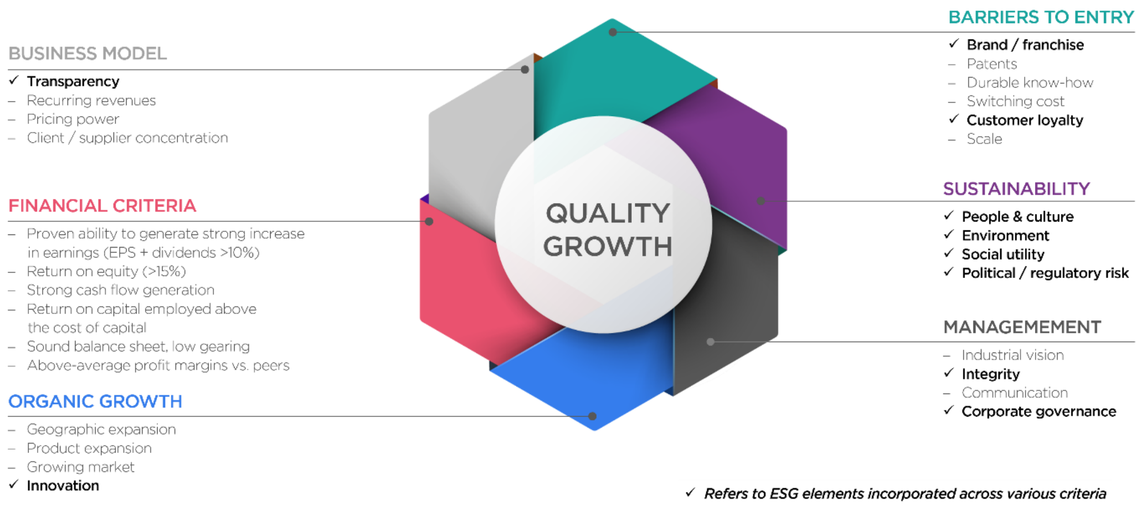
* Please see section III.A.v., Impact on valuation for further information.

b. Investment process step-by-step

1. Broad screen of market

Within the evolving universe of potential investments, we look for companies that demonstrate a variety of quality growth criteria (examples of criteria illustrated in Figure 3). This broad screen of the market is carried out by the Company Analysts and ESG Analysts and considers both financial and extra-financial quality growth criteria. This occurs on a continuous basis through evaluation by the Investment team, contact with companies as well as through industry and other sources, such as broker research and the occasional use of screening tools.

Figure 3: Examples of Comgest's quality growth criteria



2. Watchlist

Where companies pass our initial screening, they are considered as potential investment ideas and are added to a “Watchlist”. The Investment team conducts the following activities for Watchlist companies:

- Fundamental analysis of companies, competition, markets and ESG factors
- Assessment of growth potential using qualitative analysis and proprietary forecasts
- Meetings with management and, potentially, with competitors, suppliers, customers and industry experts

We are focused on conducting our own fundamental in-house research and will collaborate with specialised industry consultants to access key insights. The integration of ESG analysis is an important research element in building conviction levels about the quality and sustainability of the business model of a company. ESG research during this phase may also lead to identifying significant ESG-related competitive advantages and growth engines.

3. Investment Universe

Comgest’s Investment Universe for each strategy represents a list of quality growth companies that have been rigorously selected and may be included in portfolios. A unanimous decision by all members in attendance at the team meeting is required for inclusion in the Investment Universe. Assessing whether a stock will make Comgest’s “quality growth grade” is a rigorous and often lengthy process. It can take anywhere from several months to several years to build the necessary conviction.

When moving from the Watchlist to the Investment Universe of eligible companies, Company Analysts and ESG Analysts identify what they believe to be the most material sustainability issues, including those that could have an impact on a company’s performance and share price.

We analyse how the identified ESG risks contribute to broad risk headings such as governance risk, reputation risk, regulatory and litigation risk, operational risk, demand shift risk, sourcing/ supply chain risk and corporate culture risk, recognising that the materiality of certain ESG risks can vary by industry and/or by region.

During this research phase, our Investment team may start a direct dialogue with companies to further construct our investment and sustainability thesis. These discussions are helpful in cases where data is less available and where there is less certainty about the ESG profile of a company.

4. Valuation

The team constructs conservative five-year earnings and dividend discount models for all Investment Universe stocks, based on proprietary estimates. The discount rates we use in valuations take into account country risk, equity risk and ESG risks/opportunities identified throughout the process.

For companies that have been assigned an ESG Quality Level, a company-specific ESG discount rate is applied to the overall discount rate used in the company valuation process. Impacts can be either positive or negative, depending on whether the ESG Quality Level reflects a risk or opportunity. See *section III.A.v., Impact on valuation* for further information.

Discount rate components:

Risk-free rate
(country/regional government bond yield)
+
Equity risk premium
+
Company risk factor: business model
+
ESG rating impact*

* For companies with an assigned ESG Quality Level

5. Portfolio construction

Based on team discussions, we select companies from the Investment Universe to create concentrated portfolios, assigning weightings based on the relative attractiveness of each company. When adding a company to a portfolio, ESG integration contributes to all three components used in determining the weight of a holding:

- Earnings visibility/ quality of the business
- Attractiveness of valuation
- Level of growth

Figure 4: ESG in portfolio construction

Each of these three characteristics involves elements of our ESG integration process:

EARNINGS VISIBILITY / QUALITY OF BUSINESS

The portfolio managers carefully consider the visibility of a company's future earnings which depends on the overall "quality" of the business according to our selection criteria. In this assessment, many ESG-related items are considered, such as governance structure, stakeholder relationships, transparency of management, controversies and other material sustainability risks and adverse impacts.

ATTRACTIVENESS OF VALUATION

ESG considerations are taken into account within the company-specific discount rate used in our models (*section III.A.iv., Impact on valuation*), directly impacting the calculation of potential upside (financial return) with reference to a company's prevailing stock market valuation. Lower ESG risk leads to higher potential upside, a factor considered in the position sizing process.

LEVEL OF GROWTH

The ESG profile of a company can impact our estimate of the level of growth. Companies with strong ESG credentials may have a higher probability of delivering longer duration growth. We are likely to assign a lower confidence level to forecasted growth rates to companies with significant ESG risks that may materialise into financial risks over our 5-year investment horizon.

Comgest is prepared to invest in companies with a lower ESG Quality Level where there is an identified opportunity for improvement. In such cases, the company's heightened ESG risk is reflected in the higher discount rate applied to the valuation, which impacts the Investment team's projected upside on the stock. Where companies identified for improvements have not demonstrated progress towards those measures over time despite our engagement with them, Comgest may escalate its engagement with the company or eventually divest.

6. Ongoing monitoring and controversy screening

Investee companies across all strategies are monitored on an ongoing basis from an ESG perspective. The primary objective of this ongoing monitoring is to identify any significant ESG-related events—such as controversies or any developments that could negatively impact a company's ESG/quality profile, valuation, or overall reputation.

This monitoring is conducted systematically for all strategies using third party tools that provide timely updates on new controversies. The tools enable the ESG team to stay informed about developments that could impact portfolio companies.

When such alerts highlight material events, the ESG Analyst works closely with the Company Analyst to revise, where necessary, the company's ESG Assessment. Depending on the severity of the issue, the investment thesis for the affected company may also be re-evaluated.

Additionally, the ESG Analyst and the Company Analyst may engage directly with a portfolio company in instances where significant areas of concern are identified. The aim of this engagement is to encourage improvements on specific ESG issues flagged as part of the ongoing monitoring and controversy review. If necessary, we may further escalate the matter through voting.

c. ESG exclusions

To help reduce risks linked to ESG factors, we may apply targeted exclusion policies for certain activities where sustainability risks or adverse impacts tend to be more significant (including controversial weapons, tobacco and coal). For further information on our Exclusion Policy please refer to our Comgest Group Exclusion Policy (Appendix V) as well as our Comgest Plus Exclusion Policy.

d. A differentiated approach for Article 8 products: ESG review of the investable universe

For Comgest's public funds classified as Article 8 under the European Union's Sustainable Finance Disclosure Regulation ("SFDR") as well as certain mandates, we undertake an ESG review of the investable universe to identify companies that are eligible for inclusion in the top 80% of the investable universe.

1. Definition of the investable universe

For the purposes of the ESG review, the investable universe is defined as the constituents of the comparative index for the fund (or a different appropriate index where specified in the fund documentation), with the addition of companies not listed in the relevant index and which Comgest has identified as potentially eligible for investment by the fund.

2. Identification of the top 80% ESG performers within the investable universe

The investable universe is assessed through the application of the negative and positive screening processes described below to allocate companies with weaker ESG credentials to the bottom 20%:

- **Negative ESG screening**

Comgest first applies its Exclusion Policy (please refer to our Comgest Group Exclusion Policy in Appendix V for details) and additional norms based and activity-based ESG screening to the investable universe. This process aims to eliminate companies engaged in activities with higher environmental or social risks. It includes normative screening which evaluates companies' adherence to international norms and standards, and activity-based screening which excludes companies involved in activities considered harmful, such as those with substantial environmental, social, or governance risks. These companies are placed in the bottom 20% of the investable universe.

- **Positive ESG screening**

Companies with ESG ratings above a set threshold are then included in the top 80% of the investable universe. For this step, Comgest's proprietary rating system is used. Comgest's internal rating system ranging from 1 (ESG leader) to 4 (improvement expected) evaluates material ESG risks and opportunities. Companies rated between 1 (ESG leader) and 3 (Basic) are included in the top 80% of the investable universe.

– **Adjustments using external ESG scoring**

If the negative screening does not already encompass at least 20% of the investable universe, then companies not categorised pursuant to the negative or positive screening are assessed based on their ESG score assigned by an external data provider. Companies with the lowest overall external ESG score are added to the bottom 20% of the investable universe to reach 20%.

Where no external scoring is available, the company is either assessed internally or, where an internal assessment is not available, is not included in the review or, by consequence, in the investable universe.

At least 90% (based on number of investee companies) of the relevant fund's investee companies must be from the top 80% of the investable universe.

v. Impact on Valuation

a. Definition of the ESG Quality Level

As a result of our proprietary ESG assessment process, an overall ESG Quality Level may be assigned to each company, ranging from 1 (leader) to 4 (improvement expected) using an internal rating system as illustrated in Table 1. The ESG Quality Level reflects the consensus opinion of the Company Analyst(s) and ESG Analyst(s).

Table 1: ESG Quality Levels

Comgest ESG Quality Level	Discount rate Impact (DM = Developed Markets/ EM = Emerging Markets)	Summary description
1 **ESG Leader**	**Lower** -50bps for DM -100bps for EM	– Meets Comgest's "quality growth" criteria and governance principles to qualify for the Investment Universe* – Demonstrates significant ESG-related competitive advantage(s) and/or growth engine(s) – Sustainability embedded in corporate culture – High quality disclosure on material sustainability risks – Demonstrates excellent mitigation of inherent ESG risks – Excellent measures in place to respond to potential material ESG issues
2 **Good ESG Quality**	**Neutral** No impact on the discount rate	– Meets Comgest's "quality growth" criteria and governance principles to qualify for the Investment Universe* – Acceptable disclosure on material sustainability risks – Demonstrates good mitigation of inherent ESG risks – Adequate response to other potential material ESG issues expected – Potential exposure to significant ESG opportunities without meeting the criteria to qualify as an ESG Leader
3 **Basic ESG Quality**	**Higher** +100bps for DM +150bps for EM	– Meets Comgest's "quality growth" criteria and governance principles to qualify for the Investment Universe* – Companies exhibit one or more of the following elements: • Suboptimal disclosure on material sustainability risks • Weakness detected in the mitigation of inherent/ potential ESG risks • Recurring non-material ESG controversies
4 **ESG Improvement Expected**	**Higher** +200bps for DM +300bps for EM	– Meets Comgest's "quality growth" criteria and governance principles to qualify for the Investment Universe* – Companies exhibit a need for improvement on one or more of the following elements: • Disclosure on material sustainability risks • Mitigation of inherent ESG risks • Response to other material ESG issues • Exposure to significant and recurring ESG controversies

** Comgest's governance principles include long-term performance orientation, accountability and transparency, honesty and integrity, shared purpose, and engagement. Further information on Comgest's governance principles can be found in our Good Governance Policy (Appendix I) and our Active Ownership Policy.*

b. Impact on company discount rates used in our valuation models

As displayed above, ESG Quality Levels result in a company-specific ESG discount rate being applied to the overall discount rate used in the company valuation process. Impacts can be either positive or negative, depending on whether the ESG Quality Level reflects an overall ESG risk or opportunity.

As ranges of company discount rates are different according to whether it is a developed market or an emerging market Investment Universe, ranges of the ESG discount rate component also differ accordingly.

Figure 5: ESG discount rates

DEVELOPED MARKETS

ESG quality level	ESG discount rate
1	-50 bps
2	0 (no change)
3	+100 bps
4	+200 bps

EMERGING MARKETS

ESG quality level	ESG discount rate
1	-100 bps
2	0 (no change)
3	+150 bps
4	+300 bps

B. ACTIVE OWNERSHIP

We believe that active ownership is key to delivering long-term performance to our investors because it can result in improvements to companies' operations and earnings sustainability.

As long-term investors that manage high conviction, concentrated portfolios, our Investment team researches our investee companies intensely over many years. Analysts build deep knowledge of companies' businesses and ecosystems in which they operate. Developing strong relationships and maintaining an active and open dialogue with investee companies is a key element of our research process and, in extension, of our investment process.

In light of this investment approach, we are well-positioned to benefit from companies improving their sustainability practices. Active ownership, combining company engagement, voting and broader advocacy efforts, is key to our strategy of delivering long-term performance to our investors.

Please refer to our **Active Ownership Policy** for details concerning our engagement and voting approach and principles, escalation process and our approach to managing ESG-related conflicts of interest.

C. PARTNERSHIP

i. Working alongside clients

a. Tailoring to bespoke ESG needs

Developing trusted partnerships with our clients is a key element of our investment philosophy. We consider it a privilege to manage assets on behalf of our clients and with this comes a duty to understand their needs and priorities, and to provide high-quality performance, servicing and reporting. Where possible, we help clients develop and implement their own policies as well as provide tailored ESG reporting.

b. Working together to drive change

As part of our active ownership strategy, we can partner with our clients in order to drive positive change. Combined engagement activity is one of the ways we seek to drive positive change with our investee companies.

c. Knowledge sharing

Comgest is always pleased to exchange with clients on evolving ESG topics. We participate in a number of knowledge-sharing activities with our clients including dedicated training sessions and events.

ii. Advocacy initiatives

Our independent ownership structure is regarded as a key advantage to implementing an unbiased and successful advocacy strategy.

In delivering our highly active, quality growth investment approach, we seek to identify market-wide and systemic risks affecting the commercial and financial landscape in which issuers operate. We do this through our own research and engagement and through our support for industry-wide initiatives.

While many sources of systemic risk are largely out of our direct control, such as the respect for the rule of law in various countries, human rights and government policy, our policy is to engage actively with industry participants, where possible, in an effort to collectively seek to reduce these risks over time and to facilitate the better-functioning of financial markets. These initiatives help us to deepen our understanding of market-wide and systemic risks and add our weight to efforts to respond to them. They also provide us with an external lens through which we can analyse our effectiveness in responding to such risks and any implications for our portfolio companies.

Our advocacy work may target industry participants such as regulators, policymakers, governments and a broad range of financial industry stakeholders (e.g. our peers, industry bodies, asset owners, SRI label providers, consultants, etc.). Our areas of advocacy focus may evolve according to our engagement priorities.

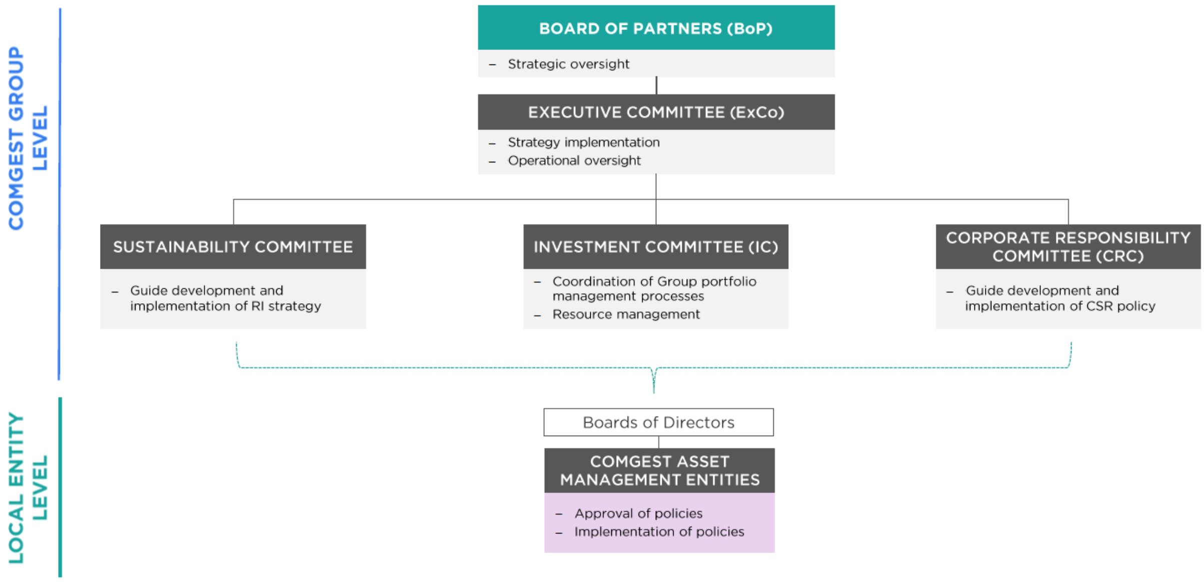
We implement our advocacy activities either directly or by joining industry and/or collaborative initiatives. Activities may include the signing of investor statements, participation in public and private working groups and responding to industry consultations. We demonstrate our support by adhering to a number of industry Stewardship Codes (e.g., UK, US and Japan Stewardship Codes).
The list of our advocacy activities can be found on our **website**.

IV. GOVERNANCE AND RESOURCES

A. RESPONSIBLE INVESTMENT GOVERNANCE STRUCTURE

The Comgest Group is an independent asset manager owned by its employees and founders. This ownership structure is central to developing and implementing our responsible investment approach and strategy. The following governance bodies support our responsible investment strategy: a Board of Partners ("BoP"), an Executive Committee, an Investment Committee and a Sustainability Committee.

Figure 6: Sustainability governance



- The **Board of Partners** of Comgest Global Investors, S.A.S. serves as the strategic oversight body for the Group.
- The **Executive Committee** brings together the investment and operational sides of the business to ensure that strategic initiatives meet client and regulatory concerns and that the operational support is provided to manage risks and deliver on opportunities.
- The **Sustainability Committee** is chaired by the Chief Investment Officer ("CIO") and maintains high-level oversight of all responsible investment-related activities and serves to assist the broader Comgest partnership and the Boards of the Group entities in the application of the Group's RI Strategy.
- The **Investment Committee** is chaired by the CIO and is responsible for overseeing portfolio management processes across the Group entities, including ESG integration.
- The **Corporate Responsibility Committee** is chaired by Comgest's Chief Executive Officer and maintains oversight of and contributes to the definition and implementation of the Group Corporate Responsibility Strategy.
- While the Group level governance helps to ensure a common strategy and approach, the **asset management entities of the Comgest Group** are responsible for approving and implementing the policies in the day-to-day activities.

Sustainability Committee

Chaired by Comgest's CIO, the Sustainability Committee members represent a wide variety of teams including the Investment team, ESG, Compliance and Risk, Marketing, Investor Relations, and Operations.

The Sustainability Committee's mandate and key objectives are to:

- Assist in the further definition of the Group's RI Strategy
- Ensure the RI Strategy is adequately articulated in the Group's policies, operations, and disclosures
- Oversee the implementation of the RI Strategy
- Address ad hoc sustainability matters that may be raised to the Committee

The Sustainability Committee also seeks to assist Group entities in their understanding of regulatory, market or commercial developments with respect to responsible investment and the recommended course of action.

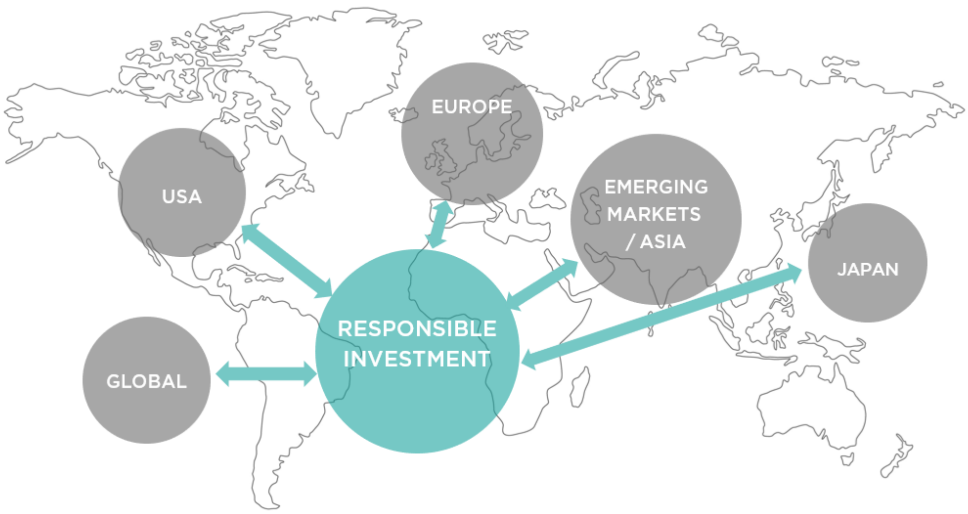
The Sustainability Committee convenes at least every two months and addresses an evolving agenda in line with the business's activities. At each meeting, a recurring report is reviewed which may include material engagements, notable controversies and reputational risk events (if any). The Sustainability Committee prepares an annual report for the Executive Committee.

B. ESG RESOURCES

i. Investment team

The Group's RI Strategy is implemented by regional investment teams with the ESG team as coordinators and stewards of the ESG integration process, under the supervision of the CIO and the Group Investment Committee. The Investment team includes dedicated ESG Analysts organised by region.

Figure 7: Comgest Investment team



We believe that our approach of integrating ESG responsibility within the Investment team has important benefits. Comgest's investment strategy is based on acquiring a deep and multidimensional understanding of our portfolio companies and building relationships with their management over many years. The Investment team members conduct ESG research as well as engagement activities and they are responsible for voting decisions.

Our structure ensures that investment professionals who have the deepest understanding of our portfolio companies, and the context in which they operate, are able to bring that knowledge into our proprietary ESG analysis.

ii. Dedicated ESG resources

The ESG team is responsible for the day-to-day implementation of the firm's ESG framework, at both corporate and portfolio-level. With Comgest's integrated ESG approach, all members of the broader Investment team are also highly involved in the implementation of the framework at portfolio level as ESG analysis and active ownership forms part of their daily investment work.

Comgest's dedicated ESG team fulfil two distinct functions: Responsible Investment and Responsible Development. Both functions directly report to the Head of Sustainable Investment.

- The **Responsible Investment** function is carried out by experienced investment professionals, each focused on company coverage within specific geographic regions. Importantly, they are embedded within Comgest's Investment team, rather than operating as a siloed function. As an integrated part of the investment team, the ESG Analysts work alongside our Company Analysts attending company meetings, performing research and conducting proprietary ESG Assessments. They also participate in proxy voting, individual company engagements and broad ESG research.
- The **Responsible Development** function comprises a specialist team leading thematic and collaborative engagement on topics such as climate change, biodiversity, and human rights. The team oversees ESG strategy, advocacy initiatives, policies, regulations, internal training and communication of Comgest's RI Strategy.

A number of other Comgest professionals are involved in Responsible Investment implementation including members of the middle office, project management, compliance, risk, legal, data management, investor services and marketing & communication teams.

C. INCENTIVES

Comgest's broad employee partnership structure and its remuneration policy are designed to incentivise long-term thinking and behaviour.

With this structure, employees who have been with Comgest for several years typically become partners of the firm, meaning they are personally invested in the share capital. Comgest employs a mix of short- and long-term employee incentives which are reflected in our bonus systems and equity ownership structure. Our underlying goal is for our incentive system to help drive long-term product performance and team stability. We believe that the long-term success of the company is dependent largely on the long-term success of the companies we invest in, which we strongly believe can be enhanced by ESG factors.

For the Investment team

All members of the Investment team are encouraged through their objectives and annual performance evaluation to properly implement the RI Strategy and systematically take ESG factors into account in their investment analysis and decision-making processes.

Variable compensation is based on a set of quantitative and qualitative criteria that favour processes and behaviour over outcomes. This is based on our belief that quality research inputs combined with sound methodology typically lead to positive outputs over the long-term. The assessment incorporates responsible investment criteria including ESG integration, identification of sustainability risks, quality of engagement and participation in ESG training.

For Executive Committee members and other regulated entities' board members

All members of the Executive Committee, as well as the board members of other regulated entities (except for external board members or independent board members), are encouraged through their objectives and annual performance evaluation to properly implement the RI Strategy.

Furthermore, award of variable compensation takes into consideration the successful achievement of RI-related objectives. These objectives encompass a range of responsibilities, including the oversight of the RI Strategy's implementation, participation in RI-related training, and other relevant activities that demonstrate a commitment to advancing Comgest's RI Strategy.

This alignment between remuneration and RI-related objectives reflects Comgest's dedication to embedding responsible investment practices within its governance structures, ensuring accountability and progress at the highest levels.

D. ESG TOOLS AND DATA

At Comgest, we value proprietary, fundamental analysis throughout our research process. To gather ESG information, we use our own research, the services of independent external service providers and information released by the companies themselves. Comgest's ESG research is conducted internally by the dedicated ESG Analysts and the Company Analysts. We do not rely solely on service providers' data, we apply our own analysis and insights to the raw data supplied.

ESG data providers have been selected by Comgest based on information quality and geographical coverage criteria. Examples of providers used include:

- **MSCI ESG Research**: general ESG data, climate scenarios modelling, physical risks analysis
- **BoardEx**: governance information
- **RepRisk**: controversies and reputational risks
- **S&P Global Trucost:** environmental data
- **Bloomberg**: ESG data
- **Sustainalytics**: controversies

Other sources of information are also used, such as companies' sustainability reports, information and alerts by specialist providers, contacts with companies and their stakeholders, companies' answers to the CDP questionnaires (e.g. Climate Change, Water Security, Forests), brokers' reports, NGO reports, media reports and academic research.

In order to collect and share ESG data and information more efficiently within Comgest, we have developed several in-house tools including central "dashboards" hosting key information at security and portfolio level. We also maintain a bespoke ESG Assessment tool that summarises key metrics alongside our proprietary research on portfolio companies.

V. REPORTING & TRANSPARENCY

Comgest considers the timeliness and quality of client reporting a core component of our portfolio management services. We follow a principle of maximum transparency, which we believe is essential to building trust and long-term client partnerships. We provide regular, standardised reporting and are able to tailor information to specific client needs. We also regularly add to our library of investment publications.[4]

We know that the information we provide may be helpful to our clients in demonstrating how they have fulfilled their own ESG responsibilities to their stakeholders.

Example of communications include:

- **Annual Stewardship Report:** as a signatory to the UK Stewardship Code we publish an annual report which details how we have applied the 12 Principles of the UK Stewardship Code throughout year and how we continue to invest in and develop our stewardship activities in line with our mission, investment philosophy and business model.
- **Annual Sustainability Report:** a comprehensive report compiled at Group level and for selected strategies. The report covers the four core elements of the TCFD recommended climate-related financial disclosure (governance, strategy, risk management and metrics and targets).
- **Quarterly Responsible Investment Report:** quarterly report that details on voting activity, company engagement and outlines our involvement in industry and collaborative initiatives.
- **Monthly and quarterly fund factsheets:** fund-level reports that contain ESG information pertaining to ESG labels, regulatory classifications as well as key ESG metrics.
- **Proxy voting dashboard:** a summary of Comgest's voting activity for each investee company. This dashboard is updated daily and voting results are visible with a 90-day lag.
- **Regulatory reports:** including the Annual PAI Statements and SFDR Annual Periodic Disclosures
- **PRI disclosures:** our PRI Transparency Report and PRI Assessment Report
- **Bespoke reporting:** where possible, Comgest is pleased to help clients develop and implement tailored ESG reporting to help them to meet their information needs.

Greenwashing risk

Greenwashing is a term used to describe market practices in which an asset manager's publicly disclosed sustainability profile, or the characteristics and objectives of its financial product, do not accurately reflect the true sustainability profile of the asset manager or the financial product. This may occur either through deliberate actions or by omitting important and/or relevant information.

Comgest recognises the serious implications of greenwashing. It not only undermines investor confidence but also threatens the integrity and fairness of the financial system. In light of these concerns, Comgest has implemented a comprehensive approach to safeguard against greenwashing.

The Sustainability Committee plays a crucial role in this effort: it is responsible for regularly reviewing and monitoring Comgest's ESG practices, ensuring that all activities align with the stated objectives. Additionally, the Committee annually reviews and approves a greenwashing risk mapping performed by the ESG team and reviewed by Compliance. This risk mapping is designed to assess Comgest's exposure to greenwashing risks and to facilitate the development of appropriate action plans to mitigate these risks.

Comgest has implemented several measures to prevent and counteract greenwashing risks, including:

- **Training**: The training of Comgest staff on ESG related topics included greenwashing risks.

[4] Visit our ESG library, available and regularly updated on our website.

— **Internal control framework:** Comgest has implemented an industry-standard internal control framework which uses three levels of controls to manage all risks including greenwashing-related risks.

— **Transparent communication**: A number of our reports and marketing materials containing ESG-related information communicated externally are reviewed and approved by our compliance teams. This process ensures that these materials are fair, balanced and do not present a greenwashing risk.

VI. OVERSIGHT

The Sustainability Committee oversees the annual review and approval of this RI Policy by the relevant entities and boards. The RI Policy may be reviewed more frequently as required. The Sustainability Committee also oversees the RI Policy's implementation which is carried out by the Investment team together with dedicated ESG resources.

APPENDIX I: GOOD GOVERNANCE PRINCIPLES AND POLICY FOR SFDR ARTICLE 8 PORTFOLIOS

This policy sets out additional information regarding Comgest's general governance principles as well as the assessment of good governance practices for investee companies within Comgest's portfolios categorised as promoting environmental or social characteristics under Article 8 of the European Union's Sustainable Finance Disclosure Regulation ("SFDR").

We believe that good governance is critical to the efficient and effective operation of any company. In accordance with the SFDR, all investee companies in SFDR Article 8 portfolios must follow several key good governance practices as set out in section B below. Therefore, Comgest's investment process systematically considers these good governance practices for all stocks in these portfolios.

This policy forms part of our overall approach to responsible investment.

A. COMGEST'S GENERAL GOVERNANCE PRINCIPLES

As set out in Comgest's **Active Ownership Policy**, Comgest looks for and encourages all the companies it invests in to apply the following four principles in their governance systems:

- **Long-term performance orientation**: companies should think big and plan long. Boards of directors, management and employees should be responsible for ensuring continuous improvement through all levels of the organisation. Innovation and initiative should be part of the corporate culture. We believe a long-term performance orientation leads to better personal, team and financial performance and encourages employees to "go the extra mile" for customers and shareholders.
- **Accountability and transparency**: executive and non-executive directors need to take full ownership of their duties and responsibilities, share information in a sufficiently open and timely manner, be able to answer questions and explain decisions, uphold trust and confidence and be fully accountable for the consequences of their actions.
- **Honesty and integrity**: compromising honesty and integrity can be disastrous for a company's image, brand, morale and performance. Qualities, attributes and competencies that nurture and embrace honesty and integrity are vital to keeping a company whole, internally and externally. Companies should be vigilant, reliable and constantly seek to earn the trust of employees, customers and shareholders.
- **Shared purpose and engagement**: both executive and non-executive directors should align their own interests with what is best for the company. Managers should lead by example with respect to all of the company's stakeholders and successfully engage with them via their vision, leadership and capacity to inspire trust. Similarly, each employee should understand how his or her role contributes to the successful realisation of the company's business purpose. Fundamentally, a company is a team and it takes a strong team of highly motivated people to achieve outstanding and sustainable long-term performance.

Comgest aims to encourage and reinforce the inherent values contained within these four principles. In making our investment decisions, we look for companies that are led by executive directors and guided by non-executive directors who embody, demonstrate and perpetuate these values.

B. GOOD GOVERNANCE PRACTICES

In assessing the good governance practices for portfolios subject to SFDR Article 8, we consider the governance indicators listed below:

i. Sound management structures

In order to assess the management structure of an investee company, Comgest evaluates the company's board size, board structure, board independence, board gender diversity, board committees, board skill sets and any executive misconduct, among other factors.

ii. Tax compliance

In our view the effective tax rate of a company is a good proxy (when compared with the statutory tax rate) to gauge the contribution of the company to society. Indeed, when companies pay their fair share to society (i.e., when they do not adopt irresponsible aggressive tax optimization strategies), they positively contribute to the financing of pensions and health insurance systems, to public transportation infrastructure, etc. This responsible behaviour allows companies to sustainably keep their social license to operate. This is why, with regard to tax information, we expect transparency from companies to allow us to form our own view of their tax strategy. Notably we think country-by-country reporting is a best-practice and we expect companies to report on tax-related risks.

To ensure our investee companies comply with their tax obligations, we assess the difference between their effective tax rate and the weighted average of statutory rates or "tax gap". We assess our investee companies' disclosure on how they address tax-related risks, including information on overarching policies and governance of the issue. We also take into consideration publicly reported cases of inappropriate tax practices within our portfolio companies.

iii. Employee relations

We believe that investing in companies which show best practice when it comes to human capital will better manage downside risks while the best performers in this area will enjoy an improved risk/return performance. In assessing employee relations, we look at a company's performance in the following areas:

- **Human rights and labour rights**: Companies have the responsibility to respect the freedoms and rights of humans as enshrined in the Universal Declaration of Human Rights, the Guiding Principles on Business and Human Rights and the core standards of the International Labour Organization ("ILO"). Comgest expects and encourages companies to disclose an explicit policy to observe human rights for their own operations as well as for their supply chains, particularly if they are in a country or sector with higher exposure to these risks. Child and forced labour are unacceptable and employees have a right to reasonable working hours and fair wages without any gender distinction. All companies should strive for diversity and inclusion within their workforce and management teams. Comgest believes that everyone is entitled to equal opportunities, the freedom of association and the protection against any form of discrimination.
- **Human capital**: The company's focus on attracting, developing and retaining talent directly through employees, or indirectly through suppliers and the contribution of talent management to the success of businesses.
- **Employee health and safety:** Good employment conditions and the promotion of employee satisfaction is important to promote a safe and healthy workplace. Companies should actively monitor health and safety through management systems, within their own operations and their supply chains. Companies are also expected to provide a robust whistleblowing mechanism which allows employees and third parties to report on violations of workplace rules on health, safety, employee welfare or corruption.

We take these different factors into account both in regard to a company's current position on these points as well as how they have been progressing to achieve these if not already in place. Comgest uses the UN Global Compact to identify and assess the responsible conduct of businesses and potential human rights violations. The 10 principles of the UN Global Compact as well as the OECD's Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights provide a good framework for companies to commit to and for investors to measure a company's progress. Comgest also uses data provided by MSCI ESG Research on human rights, labour rights and human capital scores to assess our investee companies.

iv. Remuneration of staff

Remuneration structures of investee companies should reinforce, and not undermine, sustained value creation. We expect companies to compensate their employees in a manner that is satisfying and reflective of their true contribution to their collective success. The issues around talent attraction and retention, as well as human dignity and paying a fair wage, are critical to the health and development of companies and their employees.

Performance-based remuneration for management should incorporate risk, including measuring risk-adjusted returns, to help ensure that no inappropriate or unintended risks are being incentivised. In the majority of cases, Comgest believes that a company should design and implement a simple and coherent remuneration structure for all levels of management within the organisation via collaboration between the remuneration committee and the company's human resources department.

Comgest takes into account multiple factors when evaluating a company's executive and employee remuneration including consideration of company practices in relation to equity-linked instrument plans, performance shares and the use of free/discounted shares as incentives for employees. Further details on Comgest's policies in relation to investee company remuneration and compensation are set out in our **Active Ownership Policy**.

C. RESOURCES

To gather information on investee companies' good governance practices, we principally use our own research, the services of independent external service providers (including MSCI ESG Research and RepRisk) and information released by the companies themselves.

Other information sources used by our analysts may include: brokers' reports, NGO reports and academic research.

D. ASSESSMENT

Using the above-mentioned governance indicators, our own research and data obtained from external data providers, Company Analysts and ESG Analysts form their opinion as to each company's good governance practices. When performing their assessment, they take into account a variety of factors such as the investee company's country of origin, applicable local laws and practices as well as any commitments taken by the investee company to improve any shortcomings. We look for the companies to have good governance practices with limited need for improvements.

E. MONITORING AND CONTROVERSY MANAGEMENT

As an active manager, Comgest continues to research and monitor the activities and governance of our investee companies on an ongoing basis. We actively review shareholder resolutions, vote at annual general meetings and engage with companies. The Company Analysts and ESG Analysts track news flows on a company to remain aware of alerts and controversies, including any controversies related to governance.

Controversy monitoring is mainly done using the tools of our various ESG research suppliers (including RepRisk, MSCI and Bloomberg) but we also draw on other sources such as brokers and generalist and specialist media. When a controversy affecting a company comes to light, its content, source and the number of sources reporting it are reviewed by Comgest's analysts. If the controversy is considered both credible and material, it is shared internally for further review. Comgest analysts may approach the company in question and/or other affected stakeholders to assess its truth and potential impacts. The content of controversies may be shared with our clients as part of our engagement reporting.

APPENDIX II: COMGEST'S CLIMATE CHANGE POLICY

A. INTRODUCTION

Our climate is warming at unprecedented rates and rising temperatures have already led to irreversible impacts across ecosystems (i.e., terrestrial, freshwater, ocean) and human systems (i.e., water scarcity and food production, health and well-being, cities, settlements and infrastructure) worldwide. Every additional increment of global warming will increase the frequency and intensity of weather events and will translate into additional severe risks for businesses, people, and nature. At the same time, curbing global greenhouse gas emissions will imply a far-reaching transition across all sectors translating into both transition risks and opportunities for companies.

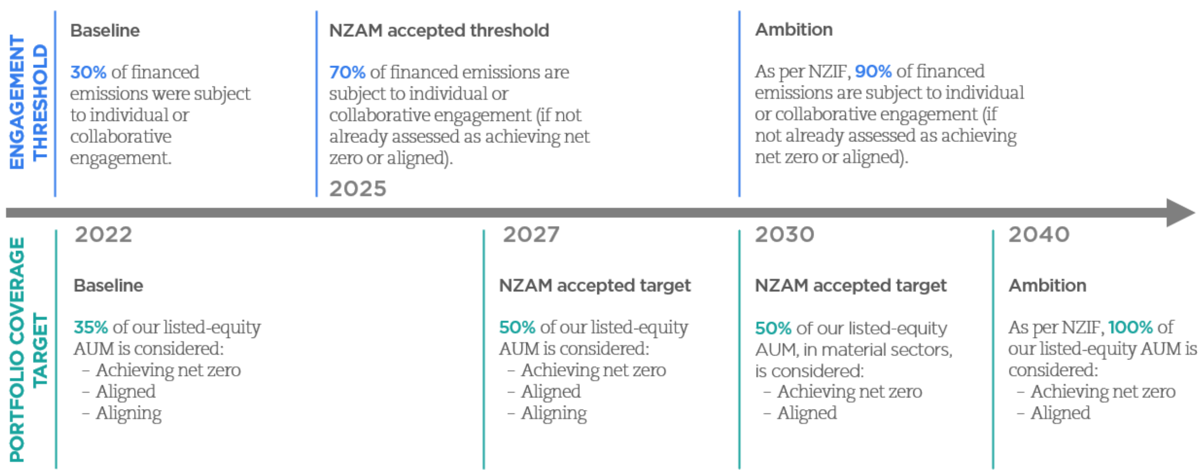
Being a signatory to the Net Zero Asset Managers initiative ("NZAM") and supporting the global goal of net zero greenhouse gas emissions by 2050 across all our listed equity assets allows us to better navigate these climate-related risks and opportunities. This commitment is linked to our overall investment philosophy. As long-term quality growth investors, we believe that understanding our investee companies' climate-related risks and opportunities and engaging with them on material climate issues strengthens our research, investment process and ability to deliver durable earnings to our clients.

We recognise the climate challenge ahead is immense. We cannot divest ourselves of net zero. Success in achieving net zero portfolios relies on the world achieving a net zero economy and numerous stakeholders, including governments and companies, following through with their own commitments. Partnership – with clients, companies, industry peers – and active ownership are central to our climate approach.

B. SCOPE

We have translated our commitment to supporting the global 2050 net zero goal into short- and medium-term targets. These targets cover **100% of our listed equity AUM**, which include companies operating both in material[5] and non-material sectors. These targets allow us to prioritise our engagement resources on the highest-emitting companies facing the most stringent climate risks. Targets also help us assess companies' climate practices, informing our research on their overall quality.

Figure 1: Asset alignment target and engagement threshold target



[5] Material sectors are defined as sectors covered by NACE codes A-H and J-L.

i. Target setting framework and methodology

We have selected the PAII[6] Net Zero Investment Framework ("NZIF") to develop and set our targets. This framework has been updated in June 2024 and we have been using this updated framework ("NZIF 2.0") since December 2024.

a. Asset alignment target: key assumptions

We have considered the following elements when developing our portfolio coverage target:

- **Company classification**: We use the NZIF six mandatory alignment criteria to assess companies' alignment categories (see table 1).
- **Data source**: We use several sources to assess performance against each NZIF criteria. These include: SBTi, CDP, Climate Action 100+ and MSCI. Companies' alignment categories are reviewed by our ESG analysts.
- **Aggregation**: We have aggregated the data based on the weight of companies in our overall listed equity AUM.

Table 1. Alignment Criteria and Categories

Criteria for all sectors

Criteria for high impact material sectors only

[7]

<table>
<tr><th></th><th></th><th>Achieving Net Zero</th><th>Aligned to a 2050 Net Zero Pathway</th><th>Aligning towards a 2050 Net Zero Pathway</th><th>Committed to Aligning</th><th>Not Aligned</th></tr>
<tr><td>Ambition</td><td>Long-term goal consistent with the global goal of achieving net zero by 2050.</td><td rowspan="6">Companies with emissions intensity required by sector and regional pathway for 2050 and whose operational model will maintain this performance.</td><td>x</td><td>x</td><td>x</td><td></td></tr>
<tr><td>Targets</td><td>Short and medium term science-based targets to reduce GHG emissions (scope 1, 2 and material scope 3).</td><td>x</td><td>x</td><td></td><td></td></tr>
<tr><td>Disclosure</td><td>Disclosure of operational scope 1, 2 and material scope 3 emissions.</td><td>x</td><td>x</td><td></td><td></td></tr>
<tr><td>Decarbonisation plan</td><td>A quantified set of measures exists to achieve short and medium term science-based targets by reducing GHGs and increasing green revenues, when relevant.</td><td>X</td><td>X (partial is sufficient)</td><td></td><td></td></tr>
<tr><td>Capital allocation alignment</td><td>A clear demonstration that the capital expenditures are consistent with a relevant net zero pathway.</td><td>X</td><td></td><td></td><td></td></tr>
<tr><td>Emissions performance</td><td>Current absolute or emissions intensity is at least equal to a relevant net zero pathway.</td><td>x</td><td></td><td></td><td></td></tr>
</table>

b. Engagement threshold target: key assumptions

We have considered the following elements when developing our engagement threshold:

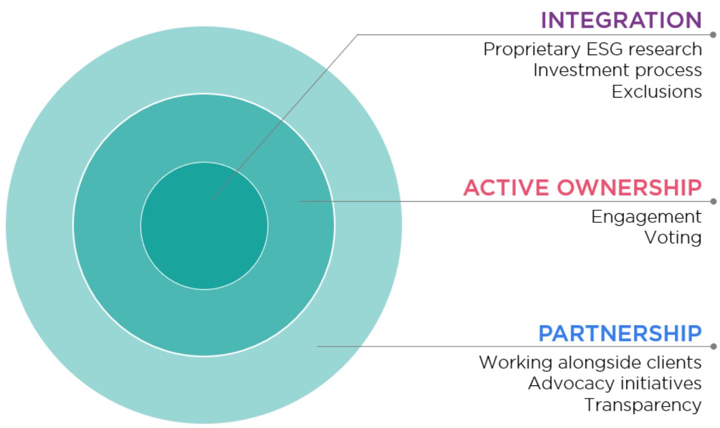
[6] The Paris Aligned Investment Initiative ("PAII") is coordinated by four investor networks: IIGCC, Ceres, AIGCC and IGCC.

[7] Companies operating in high impact material sectors are defined by the NZIF 2.0 methodology as companies on the Climate Action 100+ focus list, companies in high impact sectors consistent with Transition Pathway Initiative sectors; banks; real estate; and agriculture, forestry and fishing.

- **Data source:** Carbon emissions data and Enterprise Value Including Cash ("EVIC") data are sourced from MSCI.
- **Scopes considered:** All three scopes of emissions have been considered to calculate financed emissions. The data used is either reported data or estimated data. Including scope 3 data (even if estimated) allows us to have a more comprehensive view of companies' impact and ensure highest emitting actors are targeted for engagement.

C. STRATEGY

Our climate strategy applies the three-pronged approach of our Responsible Investment Strategy:



i. Integration: Embedding climate in our investment process

a. Climate in our investment process

Material climate-related risks and opportunities are integrated into our analysis of companies and into our investment decision-making process. Our Company Analysts and ESG Analysts, who are regularly trained on climate-related topics, are responsible for identifying and assessing these material climate issues. We use both internal and external tools and data to carry out climate-focused research, notably:

- **MSCI's Climate Value-at-Risk:** To perform scenario analysis, at company or portfolio level, Comgest uses MSCI's Climate Value-at-Risk ("Climate VaR") methodology to measure climate-related risks and opportunities within our portfolios. Based on the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations, this forward-looking and return-based methodology includes both transition and physical risk assessments. It can be negative (cost) or positive (gain) and the horizon is the next 15 years. Transition risk assessments include both policy risks and technology opportunities.
- **ESG dashboard:** Our proprietary ESG dashboard summarises internal and external information relating to climate (emissions data, NZIF alignment categories, Climate VaR, etc.). This allows the Investment team to access the latest climate-related information as input to their research.

b. High impact sectors

Embedding climate into our investment process and managing climate-related risks involves developing a tailored approach for high impact sectors including oil & gas and coal sectors.[8] Exploration or development of new oil and gas fields, as well as the use of unconventional practices, have severe environmental impacts and face significant climate-related risks, notably transition risks (i.e., stranded assets risks). Hence, although energy and utilities companies are usually absent from or significantly underweighted in our portfolios, 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 the following upstream, midstream and downstream activities:

Table 2: Oil & Gas screened activities

Unconventional oil & gas extraction	Companies involved in the extraction of unconventional oil & gas, where unconventional is defined as: fracking, tar sands, coal bed methane, extra heavy oil, ultra-deepwater, and arctic drilling.
Upstream development	Companies involved in conventional and unconventional oil & gas upstream expansion projects, applying the following thresholds: – All companies that intend to add ≥20mmboe[9] of oil & gas resources to their production portfolio. – All companies that spend ≥USD 10 million annually on exploration.
Midstream development	Companies involved in expansion of pipelines (developing ≥100km) and LNG terminal capacity (≥1Mtpa of annual capacity).
Downstream development	Companies developing gas-fired power (≥ 100 MW of gas-fired power capacity).

Captured exposure forms part of the overall ESG analysis of companies, and notably informs our analysts' assessment of ESG risks. Understanding companies' exposure to oil & gas development is also considered to define engagement objectives, as we acknowledge the importance of dialogue to support companies' transitions over time to achieve real world decarbonisation.

Our exposure to fossil-fuel activities is disclosed on an annual basis to strengthen the transparency of our investment approach.

ii. Active Ownership: Supporting companies on their climate transition

Active ownership is central to our climate strategy and is a key lever we use to progress against our climate targets.

The guiding principles of our climate engagement activities are to support companies in:

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

[8] For details on thermal coal please refer to our Coal Exit Policy, included in our Group Exclusion Policy (see Appendix V). For further details on oil & gas exclusions applied to our Plus Fund range please refer to our Plus Exclusion Policy.
[9] Million barrels of oil equivalent.

We acknowledge that we cannot engage efficiently with all of our investee companies and have therefore established the following criteria to prioritise our engagement targets:

- **Percentage of financed emissions**: we prioritise engagement with companies representing the most significant percentage of our financed emissions; and
- **Classification category**: we prioritise engagement with companies classified as "not aligned", "committed to aligning" and "aligning".

Our climate engagement approach includes both direct dialogue with companies as well as collaborative engagement and aligns with specific guidelines on climate-related resolutions (i.e., we generally vote in favour of resolutions requesting companies to disclose climate-related information and set science-based targets, etc.).[10]

Our engagement activities are tailored to each companies' specific context, but are grounded in assessing robustness of climate transition plans, using for instance the Institutional Investor Group on Climate Change ("IIGCC") "Investor Expectations of Corporate Transition Plans" five components:

1. Comprehensive, aligned emissions targets;
2. A credible strategy to deliver those targets;
3. Demonstrable engagement commitments to support the achievement of targets;
4. The contribution to climate solutions[11]; and
5. Supporting emissions and accounting disclosures.

We also use our voting rights actively to influence better outcomes on climate-related topics. We encourage companies to implement a "say on climate" and put forward advisory resolutions on their climate action plans, decarbonisation targets and progress on emissions reduction at their AGMs. We generally support these advisory resolutions where we have deemed a company's climate targets and strategy to be aligned with our own climate commitment.

iii. Partnership: Working alongside clients and peers to advance climate action

Reaching net zero implies a systemic transition of the economy. Therefore, partnership with industry peers to share knowledge and best practices, as well as to advance engagement with companies, where applicable, is important. We also work with data providers, where relevant, to contribute to enhancement and availability of climate data. Key initiatives we have joined to partner on knowledge exchange include: the NZAM and the IIGCC. We also aim to provide our clients with climate-related information on their investments and to help them progress against their own climate targets.

D. OVERSIGHT

The Sustainability Committee oversees the annual review and approval of this Climate Change Policy ("Policy") by the relevant entities and boards. This Policy may be reviewed more frequently as required. The Committee also oversees the Policy's implementation which is carried out by the investment teams together with dedicated ESG resources.

E. REPORTING

Disclosures on climate metrics and targets, aligned with TCFD recommendations, are included in our PRI assessment reports as well as in our Annual Sustainability Report. The Annual Sustainability Report covers metrics and targets at the Group level, as well as metrics and targets for our main investment strategies. We also measure and report on our climate impacts and related mitigation actions through our Annual Statements of Principal Adverse Impacts of Investment Decisions on Sustainability Factors (PAI Statements). These reports are available on our **website**.

[10] More details on our engagement approach can be found in our Active Ownership Policy.
[11] We recognise that not all companies are positioned to provide climate solutions. This component is therefore not applicable to all our investee companies.

APPENDIX III: COMGEST'S POLICY ON NATURE AND DEFORESTATION

A. INTRODUCTION

This policy sets out our strategy for identifying and addressing nature-related risks across our investee companies and our thematic focus on deforestation.

The term nature represents the global natural ecosystem in its entirety and encompasses both biodiversity and ecosystem services.

- **Biodiversity** as defined by the Convention on Biological Diversity relates to the diversity of species as well as diversity within species, diversity of ecosystems, and the interactions between them. Biodiversity is part of ecosystems and supports ecosystem services. The loss of biodiversity undermines the ability of nature to provide ecosystem services on which the society and businesses rely.
- **Ecosystem services** are positive benefits that wildlife or ecosystems provide to people. These ecosystem services include provisioning services (e.g., food, raw materials, fresh water, pollination), regulating services (e.g., climate regulation, erosion and flood control) and cultural services (e.g., recreation and tourism). The importance of these ecosystem services is such that human society and the global economy could not exist without them.

Investee companies may have dependencies and/or impacts on nature:

- A **dependency assessment** aims to determine how much a company depends on ecosystem services. This involves understanding the degree of dependency of an investee company, considering whether the dependency is direct or along the value chain. By assessing the degree of dependency of our investee companies on ecosystem services we can assess to what extent our investee companies run a financial risk when the provision of ecosystem services is affected.
- An **impact assessment** aims to determine a company's impact on nature. This involves understanding the negative contribution of an investee company to changes to nature from its own operations or from its supply chain. According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services ("IPBES") the five main drivers of biodiversity loss are changes in land (e.g., deforestation) and sea use, direct exploitation of resources, climate change, pollution, and invasive species.

Nature-related risks are risks stemming from investee companies' dependencies and impacts on nature. As with climate-related risks, nature-related risks are characterised as either physical or transition risks:

- **Physical risks** arise due to the materialisation of damage to nature and the decline in the state of nature disrupting the ecosystem services on which an investee company depends (e.g., lack of raw materials for pharmaceutical production or loss of revenues because of reduced soil productivity).
- **Transition risks** arise from changes in policy, new technologies, legal requirements, consumer preferences, etc.

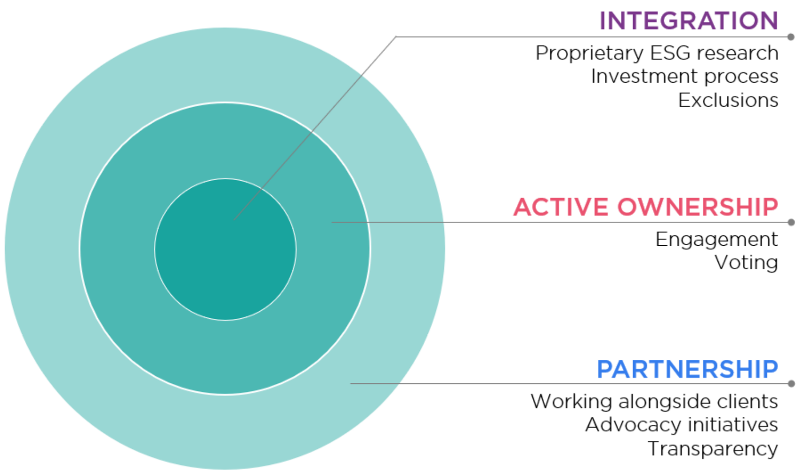
It is therefore essential for Comgest to understand the extent to which the risks resulting from nature loss will lead to financial risks and over what timescale, and how these risks contribute to the total risk profile of our investee companies and the portfolios we manage. Our assessment will enable us to identify and prioritise companies most exposed to nature-related risks.

B. SCOPE

This policy applies to all listed companies that we invest in, worldwide.

C. STRATEGY

Our biodiversity strategy applies the three-pronged approach of our Responsible Investment Strategy:



i. Integration

a. Embedding the assessment of nature-related risk within the investment process

As part of the ESG integration process, nature related-risks and opportunities are assessed through a combination of Company and ESG Analyst research. Nature-related metrics are incorporated into our ESG dashboard and are factors our ESG and Company analysts consider when performing sustainability risk and principal adverse impact assessments of investee companies. All companies are also assessed for controversies related to impacts on nature using third-party data. Our findings are summarised in our proprietary ESG assessments.

Our assessment of the dependency on ecosystem services will cover direct operations and our assessment of impacts on nature will cover both direct operations and those of its upstream suppliers.

1. Identification of high-risk companies

- **Using data from ENCORE**[12], we identify economic activities that have high dependency on ecosystem services. Given their potential very high dependence on ecosystem services, companies mapped to these economic activities could face an important financial risk if the ecosystem service(s) they rely on stopped or declined. Therefore, investee companies mapped to these economic activities will be classified as high-risk for nature dependency.
- **Using data from ENCORE**, we identify economic activities that have very high impact on nature, specifically on the main drivers of biodiversity loss (i.e., changes in land and sea use, direct exploitation of resources, climate change, pollution, and invasive species). Given their potentially very high impact on nature, companies mapped to these economic activities could face an important financial risk if their impact led to regulatory fines, reputational risk or legal risk. Therefore, companies mapped to these economic activities will be classified as high-risk for nature impact.

[12] Exploring Natural Capital Opportunities, Risks and Exposure

2. Identifying priority companies

Companies that are classified as high-risk will be prioritised for an in-depth assessment, which will include:

- The extent of the company's impact or dependency on nature;
- Measures being taken by the company to mitigate impact or dependency (preservation, restoration, education of suppliers, procurement guidelines, risk management practices to address biodiversity dependence and impacts, etc.); and
- Targets and timeline set to reduce adverse impacts.

If the companies have not adopted any mitigation measures, they will be prioritised for engagement.

b. Actions taken to align with nature-related goals and targets

Ongoing rapid declines in biodiversity and ecosystem services mean that the goals set in the Convention of Biological Diversity[13] for conserving and sustainably using nature will not be achieved based on current trajectories. Conscious of this risk, the UN Biodiversity conference COP15 in Montréal established the Kunming-Montreal Global Biodiversity Framework. The 23 targets in the Framework include targets to reduce threats to biodiversity (e.g., bringing loss of high biodiversity areas "close to zero" by 2030, reducing pollution risks by 2030, minimising the impact of climate change and ocean acidification on biodiversity) and targets to encourage the sustainable use of biodiversity (e.g., a substantial increase of the application of biodiversity friendly practices, using nature-based solutions and ecosystem-based approaches). Target 15 of the COP15 emphasises the need for financial institutions to monitor, assess, and transparently disclose their risks, dependencies and impacts on biodiversity.

c. Measuring our investee companies' alignment with nature-related goals

We measure the alignment of our investee companies with nature-related goals and targets by using an environmental footprint developed by Trucost which provides an indicative assessment of investee companies' negative environmental impact through the assessment of key environmental pressures (i.e., GHG, water, waste, soil and water pollutants, air pollutants, and the use of natural resources). The impact assessment takes into account a company's own business activities and those of its upstream suppliers. The results obtained allow us to better understand the overall impact of our investment strategy and investment decision-making on nature.

d. Comgest's targets

In line with target 15 of the COP15, we monitor, assess, and intend to disclose nature-related risks, dependencies and impacts. We encourage investee companies to assess their dependencies and impacts on nature and to publicly disclose their actions.

We also expect our high-risk portfolio companies (very high dependency and/or very high impact) to reduce negative outcomes over time. We will be setting initial engagement targets for these high-risk companies to ensure they are subject to either individual or collaborative engagement. As part of this engagement, we will request information on the investee companies' assessment of impact and/or dependency, board and management oversight and policies implemented to address nature-related risks.

Target Type	Target Baseline	Target
Engagement Threshold on high-risk companies	0% of high-risk companies that were subject to individual or collaborative engagement in 2023.	100% of high-risk companies to be subject to individual or collaborative engagement by end of 2028 (if they have not already implemented mitigation actions).

[13] https://www.cbd.int/

ii. Thematic focus: Deforestation

a. Why a focus on deforestation?

Deforestation and natural ecosystem conversion are key drivers of biodiversity loss, climate change and severe human rights violations of indigenous peoples and local communities. Halting deforestation plays a key role in reducing such impacts and risks for businesses, people and nature.

Agricultural commodity sourcing for palm oil, soy, beef, leather, timber, and pulp & paper is by far the largest cause of deforestation and conversion. This means reducing agricultural commodity-driven deforestation for these commodities has the potential to make a large and rapid positive impact on the climate and nature risks that we face as investors.

In order to take an active approach to addressing this important topic, we became a signatory to the Financial Sector Commitment Letter on Eliminating Commodity-Driven Deforestation launched at the COP26 in Glasgow in November 2021. Investors that have signed up to this commitment, including Comgest, agree to use their best efforts to eliminate agricultural commodity-driven deforestation linked to key forest risk commodities – palm oil, soy, beef, leather, timber, and pulp & paper – from their investment and lending portfolios by 2025. Comgest will report on its progress in reaching the different milestones set towards eliminate commodity-driven deforestation in our investments.

b. Embedding the assessment of deforestation-related risk within the investment process

Not all sectors and geographical areas are concerned in the same way or to the same degree, and not all investee companies in our portfolios are involved in the production, trade, use or financing of forest-risk commodities which include palm oil, soy, beef, leather, timber, and pulp & paper.

- Company level deforestation risk assessment

Using data from external providers (such as Forest 500) Comgest screens its investee companies to identify those most exposed to deforestation-related risks and assesses how they are mitigating these risks.

Forest 500 covers 350 companies and 150 financial institutions who are regarded as the most influential companies in the deforestation-related commodity supply chains. Companies are annually assessed on a broad range of indicators related to deforestation and human rights. The review of the report enables us to perform a high-level risk assessment and identify companies that are most exposed to deforestation risk and to identify companies that should be prioritised for engagement. By identifying companies with low scores in the Forest 500 report we can identify gaps in their approach on deforestation and human rights and engage with the companies on how to improve their approach to align with best practice.

Information obtained from external providers will be factors that our ESG and Company Analysts take into account when performing sustainability risk and principal adverse impact assessments for investee companies that are identified as high-risk in respect of deforestation-related risks. The ESG and Company Analysts will review metrics including Forest 500 and CDP scores and assess a company's transparency in reporting progress against their commitments. Where available, analysts will also review a company's commitments on deforestation and to a traceable supply chain, their deforestation-related risk assessments, any human rights abuses associated with deforestation. Our analysts' findings will be incorporated in the overarching investee company's ESG Assessment and will help the ESG and Company analysts determine engagement priorities for companies with heightened deforestation-related risks.

- Overall assessment of Comgest's exposure to deforestation-related risks

By carrying out the deforestation-related risk assessment at investee company level, Comgest can assess and report on its overall exposure to deforestation-related risk and identify opportunities to drive change through company engagement and advocacy initiatives.

iii. Active Ownership

As long-term shareholders, we are in a position to encourage and support improvements on nature-related issues by our investee companies. Issues which could materially affect our portfolio companies may lead to targeted voting and engagement activity. We combine several active approaches to achieve this. Please refer to our Active Ownership Policy for further information.

a. Individual company engagement

We prefer direct dialogue to address issues with our companies. This enables us to better understand each company's position, to encourage improvement and to monitor progress.

We may engage with companies on broader biodiversity topics (e.g., avoiding, or minimising biodiversity impact) or engage with companies on specific nature-related themes such as deforestation, plastic pollution or chemical waste.

Our research findings help the ESG Analysts and Company Analysts set engagement priorities with high-risk companies that have either high impact or high dependency on nature.

Our dialogue with these companies allows us to both better understand how nature-related risks are managed, and assess the various mitigation actions companies have implemented or plan to implement.

Our Company Analysts and ESG Analysts expect all high-risk companies to demonstrate an understanding of their exposure to nature-related risks, including through their supply chain, and their intention to reduce them. Our analysts may also request that companies implement further risk mitigation actions and track progress on these recommendations. Companies that do not yet comply with these expectations will remain targeted for engagement.

We also encourage high-risk companies to apply or participate in credible standards and certifications schemes such the Roundtable on Responsible Soy ("RTRS"), Forest Stewardship Council ("FSC") or the Roundtable on Sustainable Palm Oil ("RSPO") which help demonstrate a company's willingness to adopt best industry practices.

b. Collaborative engagement

Engaging alongside other investors enables us to strengthen our voice when engaging with companies.

Collaborative engagement can achieve powerful results, particularly with companies that are not responsive to individual engagement. We currently take part in several collaborative initiatives linked to nature, as listed on our website.

c. Voting

We use our voting rights actively to influence better outcomes on nature-related topics. We typically support resolutions linked to relevant positive impacts on nature and vote against resolutions which would have detrimental consequences on nature.

d. Partnership

Joining forces with other like-minded investors, clients and industry participants can be an important tool for addressing biodiversity-related risks. We achieve this by:

- Participating in a variety of industry initiatives. This includes industry events, workshops and meetings dedicated to sharing our views and knowledge with others;
- Engaging with our investors on this topic through dedicated meetings, events and knowledge sharing initiatives; and
- Disclosing our activities transparently (see *section E. Reporting*).

D. OVERSIGHT

The Sustainability Committee oversees the annual review and approval of this Policy on Nature and Deforestation ("Policy") by the relevant entities and boards. The Policy may be reviewed more frequently as required.

The Committee also oversees the Policy's implementation which is carried out by the Investment team together with dedicated ESG resources.

E. REPORTING

Reporting on the implementation of this Policy is included in various documents produced by Comgest both at Group and strategy levels.

Further details regarding reporting on responsible investment activities are included in the Group Responsible Investment Policy.

APPENDIX IV: COMGEST'S HUMAN RIGHTS POLICY

INTRODUCTION

This Human Rights Policy ("Policy") sets out our strategy for identifying and addressing human rights risks and impacts across our investee companies. As a quality growth investor, Comgest pays careful attention to the social risk profile of companies. The costs associated with human rights violations can be material to a company's business. The abuse of human rights can present financial, regulatory, reputational, legal and societal risks. There are many examples of human rights incidents negatively impacting share prices. These include product safety issues, disputes over wages and working conditions, data privacy breaches, employee discrimination, severe workplace accidents, etc.

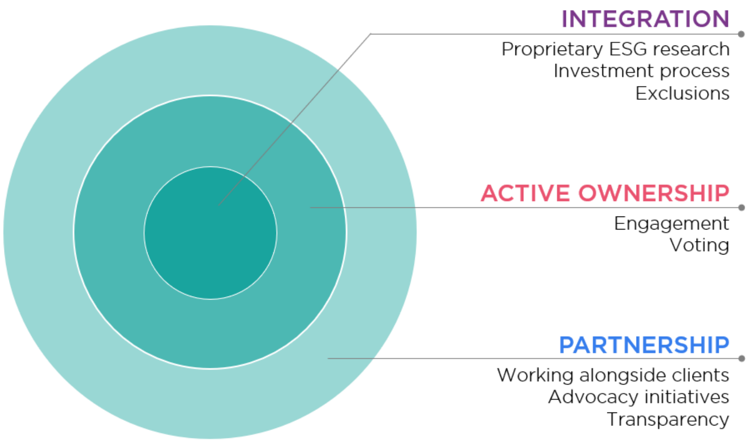
We use the following international standards to assess the responsible conduct of businesses and identify potential human rights violations and related risks: the principles of the United Nations Global Compact ("UNGC"), the United Nations Guiding Principles ("UNGPs"), as well as the conventions of the International Labour Organization ("ILO") and the Organisation for Economic Cooperation and Development ("OECD") Guidelines for Multinational Enterprises.

SCOPE

This Policy applies to all listed companies that we invest in, worldwide.

STRATEGY

Our human rights strategy applies the three-pronged approach of our Responsible Investment Strategy:



i. Integrate: embedding human rights within the investment process

As part of our investment research process, we aim to identify and assess all potential material human rights issues. These material issues and associated risks are notably outlined within Comgest's proprietary ESG Assessments.

a. Identifying human rights issues

Human rights issues that we consider throughout the investment process may include, but are not limited to:

- **Labour practices and working conditions**: modern slavery, forced or trafficked labour, child labour, freedom of movement, debt bondage, collective bargaining and recognition of trade unions, freedom of expression and association, workplace health and safety, access to training and skills. This includes direct employees as well as contractors and sub-contractors within the supply chain;

- **Standard of living**: fair wages, working hours, fair treatment and training, standard of living status, equal opportunities for promotion;
- **Affordability and access:** unethical distribution of products and services, price discrimination;
- **Product safety**: safety standards and certifications, product labelling and marketing, training;
- **Data privacy and security:** fraud, hacking, misuse or loss of confidential data;
- **Diversity, equity and inclusion (DE&I)**: gender diversity and pay gap, DE&I practices, harassment and discrimination; and
- **Respect for local communities including indigenous peoples' rights**: uncontrolled side effects business operations to people, their standard of living and their environments, forced displacement, lack of effective security, strain on infrastructure and public services, land rights including lack of respect for ancestral land and cultural heritage.

A company's industry, geographic or business focus can help to identify potential human rights risks. For example:

- Textiles companies, particularly those with global supply chains, may be more prone to risks including migrant labour working conditions, fair wages, child labour and modern slavery;
- Technology, communication services, financials and payments companies may be more prone to issues surrounding data privacy and security;
- Pharmaceutical companies may be more prone to issues surrounding product safety, product access and affordability;
- Chemicals companies may be more prone to occupational health and safety issues for employees, product safety issues for consumers and impact to local communities due to the handling and use of hazardous substances;
- Companies with operations or supply chains in lower-cost frontier and emerging markets may be subject to risks concerning employees' and contractors' level of wages, working conditions and local labour practices;
- High growth companies with a strong performance culture may be prone to increased risk of workplace health and safety issues (notably mental health) as well as harassment and discrimination.

While an inherent exposure analysis based on sector, business activities and geography is a good starting point for identifying human rights risks, our proprietary research process is adapted to each company and each company is assessed according to its unique circumstances. Our Investment team is responsible for assessing human rights issues for each portfolio company, with a focus on companies exposed to material human rights risks. Material risks and opportunities, where identified, are summarised within each ESG Assessment.

Our analysis may include the following elements:

- Assessment of a company's reporting and information gathered throughout our research and interaction with company representatives. We look for:
  - Public commitments, for example the endorsement of the Universal Declaration of Human Rights, identifying salient human rights issues as defined by the UN Guiding Principles on Business and Human Rights, signatory status of the UN Global Compact;
  - Human rights due diligence system to identify, prevent, mitigate and account for adverse human rights impacts;
  - Human rights policy: topics may be embedded in other policies for example, a code of conduct, sustainability/corporate social responsibility policy, sector-specific policy, and policies relating to recruitment, employment, health and safety or community relations. We look to see evidence of policy implementation including training and monitoring practices.
- Review of independent industry and company data available through sources such as Know the Chain, World Benchmark Alliance and the Business and Human Rights Resource Centre;
- Use of third-party data such as MSCI and RepRisk to assess:
  - Alignment with the UNGC, the UNGPs and the ILO fundamental principles (existence of due diligence policies on labour issues);
  - Controversies: we analyse negative human rights-related company events and assess the effectiveness of a company's response to these events (transparency, action, provision of access to remedy)

- We intensify our research on any high-risk areas identified as part of the assessment process.

b. Exclusions

Comgest identifies and excludes companies involved in severe violations using the following international standards :

- United Nations Global Compact ("UNGC") Principles
- The Organisation for Economic Co-operation and Development ("OECD") Guidelines for Multinational Enterprises
- International Labor Organization ("ILO") standards
- United Nations Guiding Principles ("UNGPs")

Please refer to the Group Exclusion Policy (Appendix V) for further details.

For our Plus Strategies additional exclusion criteria, please refer to the Comgest Plus Exclusion Policy.

ii. Active Ownership

As long-term shareholders, we are in a position to encourage our investee companies to improve their human rights practices and uphold human rights standards. Issues which could materially affect our portfolio companies may lead to targeted voting and engagement activity. We combine several active approaches to achieve this:

Individual company engagement

We prefer direct dialogue to address issues with our companies. Direct communication allows us to gain a deeper and more nuanced understanding of a company's position, which helps us encourage improvement and monitor progress.

As well as encouraging the improvement of everyday work practices for companies exposed to significant risks, we push for companies to disclose their human rights commitments by publishing formal policies. We also recommend that companies adopt compliance with credible standards, certifications, partnerships, and initiatives focused on material human rights topics. This could include, for example, certifications regarding workplace safety standards and product safety.

Collaborative engagement

Joining forces with likeminded investors and other stakeholders can be a powerful way to achieve results, particularly with companies that are not responsive to individual engagement. We currently take part in several collaborative initiatives linked to human rights initiatives, as listed on our website.

We may also choose to engage at industry level on systemic human rights issues. Engaging alongside other investors typically enables us to strengthen our voice when communicating our opinions to policymakers and other key industry participants.

Voting

We support relevant positive human rights-related resolutions and vote against resolutions which would lead to negative impacts on human rights. Please refer to our Active Ownership Policy for further information.

iii. Partnership

Partnering with investors, clients and industry participants can be an important tool for addressing human rights issues. We achieve this by:

- Participating in a variety of industry initiatives. This includes industry events, workshops and meetings dedicated to sharing our views and knowledge with others;
- Working alongside our clients on this topic through dedicated meetings, events and knowledge sharing initiatives; and
- Disclosing our activities transparently (refer *section E. Reporting*).

OVERSIGHT

The Sustainability Committee oversees the annual review and approval of this Policy by the relevant entities and boards. The Policy may be reviewed more frequently as required. The Sustainability Committee also oversees the Policy's implementation which is carried out by the Investment team together with dedicated ESG resources. Further details on the Sustainability Committee can be found in the Comgest Group Responsible Investment Policy.

REPORTING

Reporting on the implementation of this Policy is included in various documents produced by Comgest both at Group and strategy levels.

Further details regarding reporting on responsible investment activities are included in the Group Responsible Investment Policy.

APPENDIX V: COMGEST GROUP EXCLUSION POLICY

A. INTRODUCTION

As a quality growth investor, we invest and partner with companies that we believe can sustain investment returns over the long term. Environmental, social and governance ("ESG") factors are important drivers of investment returns from both an opportunity and a risk mitigation perspective.

We believe that value creation is enhanced when companies deliver social utility while limiting their negative impacts on the environment and society. These investment beliefs lead us to integrate ESG considerations throughout our investment process and implement the exclusion criteria defined in this Comgest Group Exclusion Policy ("Policy").

Our investment selection process makes it unlikely that companies with substantial ESG risks will satisfy the required standards of quality, visibility and sustainability that we seek in quality growth companies. Nevertheless, for certain activities where ESG risks and impacts tend to be more significant or are subject to regulatory restrictions, Comgest applies and implements targeted exclusion criteria. This Policy defines these criteria as well as outlines how these criteria are managed and overseen.

Our exclusion criteria is summarised in Table 1 below, with more detailed information in sections C, D and E.

Table 1: Summary of Comgest exclusion criteria

<table>
<tr><th></th><th>Exclusion Type</th><th>Exclusion Measure</th><th>Exclusion Criteria</th></tr>
<tr><td rowspan="5">Sector-based exclusions</td><td>Controversial weapons</td><td>Involvement</td><td>No involvement</td></tr>
<tr><td rowspan="2">Tobacco</td><td>Revenue from producer</td><td>>0%</td></tr>
<tr><td>Revenue from distributor, retailer and/or supplier</td><td>≥ 5%</td></tr>
<tr><td rowspan="2">Thermal coal</td><td>Revenue from coal mining</td><td>>0%</td></tr>
<tr><td>Electricity production based on coal</td><td>Revenue ≥ 10%
Installed capacity ≥ 5 GW
Developing new coal-fired power capacity ≥ 100 MW</td></tr>
<tr><td>Norm-based Exclusions</td><td>Controversial behaviour</td><td>UNGC, OECD, ILO and UNGP compliance</td><td>Severe violations</td></tr>
<tr><td>Jurisdictional Exclusions</td><td>Controversial Jurisdictions</td><td>High-risk jurisdictions, sanctions regime, etc.</td><td>Investment restrictions</td></tr>
</table>

SCOPE

Comgest implements this Policy for all portfolios we manage except where otherwise requested by clients or where implementation is prohibited by applicable laws.

In addition, Comgest's Plus Strategies apply additional ESG screening criteria. For more information, please refer to the Comgest Plus Exclusion Policy available on our website.

SECTORS BASED EXCLUSIONS

i. Controversial weapons policy

a. Anti-personnel mines and cluster munitions

Comgest does not financially support companies involved in the development, manufacture, maintenance or trade of anti-personnel mines and cluster munitions.

The standards applied to define these weapons are based on criteria agreed upon in the following conventions:

- Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (1997)
- Convention on Cluster Munitions (30 May 2008)

Comgest applies the following criteria to define a company's degree of involvement:

- The company is involved in the development, manufacture, maintenance or trade of a product that is considered anti-personnel mines or cluster munitions;
- The company is involved in the development, manufacture, maintenance or trade of a key and dedicated component or service for a product that is considered anti-personnel mines or cluster munitions; and
- The company holds a stake (>20%) in a company or is owned (>50%) by a company that is involved in controversial weapons as set out in either of the points above.

b. Biological/chemical weapons, depleted uranium, and nuclear weapons

Comgest does not financially support companies involved in biological/chemical weapons, depleted uranium, and nuclear weapons.

The standards applied to define these weapons are based on the following conventions:

- Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction (26 March 1975)
- Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (29 April 1997)
- Treaty on the Non-Proliferation of Nuclear Weapons (1970)

Comgest applies a 0% revenue threshold on biological/chemical weapons, depleted uranium, and nuclear weapons (nuclear missiles and/or nuclear warheads) or tailor-made components of nuclear weapons, including nuclear fissile materials and nuclear (support) systems and services.

In addition, we exclude any company that holds a stake (>20%) in a company or is owned (>50%) by a company that is involved in biological/chemical weapons, depleted uranium, and nuclear weapons.

c. Incendiary weapons, non-detectable fragments and blinding lasers

Comgest does not financially support companies involved in incendiary weapons (including white phosphorus), non-detectable fragments and blinding lasers.

The standards applied to define these weapons are based on the Convention on Certain Conventional Weapons (1980, amended 2001):

- Incendiary weapons: Convention on Certain Conventional Weapons – Protocol III
- Non-detectable fragments: Convention on Certain Conventional Weapons – Protocol I
- Blinding lasers: Convention on Certain Conventional Weapons – Protocol IV

Comgest applies a 0% revenue threshold on incendiary weapons, non-detectable fragments and blinding lasers.

In addition, we exclude any company that holds a stake (>20%) in a company or is owned (>50%) by a company that is involved in incendiary weapons, non-detectable fragments and blinding lasers.

ii. Tobacco policy

Comgest does not financially support tobacco producers and applies a 0% revenue threshold for companies that manufacture tobacco products, such as cigars, blunts, cigarettes, e-cigarettes, inhalers, beedis, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco. This also includes companies that grow or process raw tobacco leaves.

Comgest also excludes companies that derive 5% or more of their total annual revenues from the following subcategories:

- **Distributor**: Companies that derive revenue from the independent wholesale of tobacco products to retailers and other distributors.
- **Retailer**: Companies that retail tobacco products.
- **Supplier**: Companies that manufacture and supply key products necessary for the production of tobacco products, such as tobacco flavouring, cigarette filters (acetate tow), tobacco roll paper, cigarette manufacturing machines, and tobacco packaging; specifically cigarette cartons, films, and aluminium foil.

iii. Coal Exit Policy

a. Mining

Comgest excludes companies that derive revenue from the mining of thermal coal, applying a 0% revenue threshold.

b. Electricity production

Comgest excludes companies involved in electricity production with an energy mix exposed to coal exceeding the following relative or absolute thresholds:

- revenue linked to thermal coal-based power generation equal to or exceeding 10%;
- installed capacity for thermal coal equal to or exceeding 5 GW.

Additionally, Comgest excludes companies developing new coal-fired power capacity of at least 100 MW.

c. Threshold management and data sources

The thresholds defined above regarding electricity production will be progressively lowered to reach a coal phase-out by 2030 for Developed Markets and 2040 for Emerging Markets. To implement our coal exit policy, Comgest uses MSCI data and Urgewald's Global Coal Exit List ("GCEL"). Based on data obtained from these providers, Comgest draws up an exclusion list. This list is updated once a year for data extracted from the GCEL and quarterly for data extracted from MSCI.

Comgest may decide to exempt certain companies from the exclusion list if they make credible commitments to reduce their exposure to coal within a set timeframe. Consideration for exemption from the policy will be submitted for approval to the Sustainability Committee. The approval process for exemption includes an assessment of both quantitative and qualitative criteria (e.g., the company's climate strategy and their coal exit plan as well as the degree of prioritisation given to a lower-carbon business model by management, etc.).

NORM-BASED EXCLUSIONS

Companies of all sectors and in all countries can profoundly impact the human rights of employees, consumers, and communities. These impacts may be positive, such as increasing access to employment or improving public services, or negative, such as polluting the environment, underpaying workers, or evicting communities.

Comgest identifies and excludes companies involved in severe violations using the following international standards :

- United Nations Global Compact ("UNGC") Principles

- The Organisation for Economic Co-operation and Development ("OECD") Guidelines for Multinational Enterprises
- International Labor Organization ("ILO") standards
- United Nations Guiding Principles ("UNGPs")

CONTROVERSIAL JURISDICTIONS EXCLUSIONS

i. High-risk jurisdictions

Comgest doesn't carry out any investment in bonds issued by high-risk jurisdictions subject to a Call for Action as defined by the Financial Action Task Force ("FATF") and in companies listed in those jurisdictions. The most recent list of high-risk jurisdictions can be found on the FATF **website**.

ii. Sanctions regime

Comgest complies with the United Nations ("UN") Sanctions and follows any mandatory investment restrictions deriving from these sanctions. The most recent sanctions list can be found on the UN **website**.

It also complies with applicable EU or US sanctions to which it is subject and follows any mandatory investment restrictions deriving therefrom.

To ensure compliance, Comgest monitors applicable sanctions lists and screens equity issuers prior to the security's inclusion into the Comgest Investment Universe and on an ongoing basis.

iii. Insufficient scoring on the Freedom House Index

For certain of Comgest's public funds, including any funds classified as Article 8 under the European Union's Sustainable Finance Disclosure Regulation ("SFDR"), sovereign bond issuers classified as "not free" according to the **Freedom House Index** will be excluded.

IMPLEMENTATION

Companies on the exclusion lists are blocked by our trading system and, therefore, cannot be purchased. If a company in which Comgest is already invested is added to an applicable exclusion list, further purchases will be blocked and the existing position will be sold in the best interest of our clients. These exclusions lists are updated on a quarterly basis.

To help implement its exclusion policies, Comgest primarily uses MSCI ESG Research's latest available data. Comgest may supplement this with data from other external providers and with its own research on the companies and their activities, for example, where Comgest finds that data used by the external service provider is not up to date or where Comgest does not agree with the data provider's assessment. Any exemptions are reviewed on a semi-annual basis by the Sustainability Committee.

APPROVAL AND OVERSIGHT

The Sustainability Committee oversees the annual review and approval of this Policy by the relevant entities and boards. The Policy may be reviewed more frequently as required. The Sustainability Committee also oversees the Policy's implementation which is carried out by the Investment team together with dedicated ESG resources.