EUROPEAN SRI TRANSPARENCY CODE

Open-ended SRI funds – Comgest Plus Funds – June 2020

STATEMENT OF COMMITMENT

Comgest has been involved in responsible investment since 1985 and we welcome the Transparency Code approved by the Association Française de Gestion (AFG), the Responsible Investment Forum (FIR) and Eurosif. This is our first statement of commitment and covers the period from 1 January 2019 - 31 December 2019. Our full response to the European SRI Transparency Code can be viewed in this document, on our website or via the AFG or Eurosif websites.

COMPLIANCE WITH THE TRANSPARENCY CODE

Comgest S.A., an asset management company, is committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments in the countries in which we operate. Sustainable and responsible investing is an essential part of the strategic positioning of Comgest and fund management. All funds managed by Comgest group entities mentioned in this document meet the full recommendations of the Code.

Contents

1. LIST OF FUNDS COVERED BY THE CODE

The transparency code applies to the following funds: Comgest Growth Emerging Markets Plus, Comgest Growth World Plus and Comgest Growth Europe Plus ("Plus funds").

Principal and complementary strategies	Main asset class	Exclusions applied by the fund	Fund AUM as of 31/12/19	Labels	Links
☐ Best in class ☒ Best in universe ☒ Best effort ☒ Exclusion ☐ SRI thematic ☒ Commitment	☐ French equities ☐ Euro zone equities ☒ EU equities ☒ International equities ☐ Bonds and other debt securities denominated in euros ☐ International bonds and other debt securities ☐ Monetary assets ☐ Short-term monetary assets ☐ Structured funds	☐ Alcohol ☒ Arms ☒ Coal ☒ Non-conventional fossil fuels ☒ Global compact ☒ Tobacco ☒ Other sector policies • Controversial weapons • Conventional fossil fuels • Nuclear energy and uranium mining • Thermal coal-based power generation and oil & gas power generation	Comgest Growth Emerging Markets Plus: 0 (not yet seeded) Comgest Growth Europe Plus: €1.2m The Plus funds have been launched in December 2019.	☐ SRI ☐ TEEC ☐ CIES ☒ Luxflag ☒ FNG ☐ Austria ☐ Other (please specify):	Prospectus KIID Annual/half-year/quarterly/ monthly report Policy and reporting: • Responsible Investment Policy • Responsible Voting Policy Plus funds specific exclusion policy

2. GENERAL INFORMATION ABOUT THE FUND MANAGEMENT COMPANY

2.1 Name of the fund management company that manages the applicant fund(s).

Comgest Growth Europe Plus and Comgest Growth Emerging Markets Plus are sub-funds of Comgest Growth Plc, an open-ended umbrella investment company with segregated liability for its sub-funds, constituted and approved by the Central Bank of Ireland and managed by Comgest Asset Management International Limited. Management of the funds is delegated to Comgest S.A..

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2.2 What are the company's track record and principles when it comes to integrating SRI into its processes?

For over 30 years, Comgest has developed an investment philosophy based on "quality growth", oriented toward the long term and prioritising companies that apply sound commercial and financial practices and can deliver sustainable profit growth.

Comgest's investment process is characterised by in-depth research, analysis and knowledge of target companies. It uses a rigorous approach to identify quality companies that should be capable of generating above-average growth on a sustained basis. The disciplined company selection process aims to make it possible to withstand market trends and fluctuations. The specific nature of Comgest's approach is reflected in concentrated portfolios and inherently high-risk aversion.

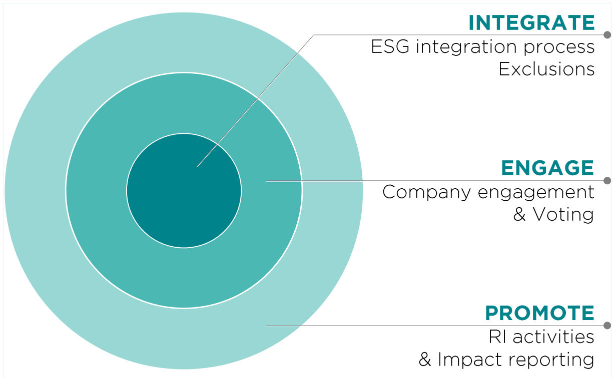
We believe that our social utility is first and foremost to deliver above-average risk-adjusted returns to our clients over time. Allocating our client's capital to activities that generate positive social and environmental impacts at a reasonable price can help us to achieve these returns.

Beyond our clients, we recognise that our employees, business partners, the environment and society in general can be stakeholders to which we try to deliver positive outcomes through our activities. The way we try to achieve this is critical and is carried out by promoting a long-term, responsible and independent mindset among our people, clients and portfolio companies within the culture of enduring partnership.

In 2010, Comgest made an official commitment to responsible investment by becoming a signatory to the United Nations Principles for Responsible Investment (UN PRI), a voluntary international initiative launched in 2006.

Comgest has developed and implemented a three-pronged responsible investment strategy:

- Integrate: ESG integration, exclusions
- Engage: voting, company dialogue
- Promote: RI activities, impact reporting



Comgest has chosen the environmental, social and governance (ESG) integration approach because it fits very well with Comgest's general approach of stock picking quality companies with a long-term investment horizon. ESG integration allows financial analysts and portfolio managers to increase their knowledge of the company in terms of risks but also in terms of opportunities that can be or will be material to the business. ESG factors are then incorporated into Comgest's in-house valuation model where the ESG profile of each company is considered.

Comgest is a "bottom-up" stock picker whose research process emphasises direct interaction with companies. For Comgest, a natural part of such interaction is dialogue with companies on ESG issues. As an active shareholder and promoter of responsible investment practices, we engage with companies through a variety of actions.

Comgest has adopted a group-wide policy on controversial weapons to avoid investment in companies involved in anti-personnel mines, cluster bombs, biological/ chemical weapons, depleted uranium, and nuclear weapons. For Comgest's Plus funds, it has extended this policy to conventional weapons, to additional business activities deemed to have adverse environmental impacts, and to companies which are involved in severe controversies violating the principles of the UN Global Compact.

2.3 How does the company formalise its sustainable investment process?

Comgest sees incorporating ESG factors into its investment and decision-making processes as part of its fiduciary duty.

Responsible Investment Policy

In 2011, Comgest launched a programme to systematically and simultaneously integrate ESG criteria into its investment process. Comgest takes a "Quality-based" approach to ESG integration. Evaluation of the risks and opportunities linked to ESG factors is used to enhance the asset management company's fundamental analysis and better measure the inherent quality of the companies Comgest considers investing in. ESG information is compiled from Comgest's own in-house research, independent external service providers and data provided by the companies themselves. In-house ESG research is carried out by three dedicated ESG analysts, in collaboration with regional investment teams.

Policy and reporting:

- Responsible Investment Policy
- Responsible Voting Policy

Reports based on our practices:

- PRI Assessment Report
- PRI Transparency Report

Analysts/portfolio managers attend companies' ESG presentations and can access brokers' ESG research. They address ESG issues with companies' management.

Voting rights policy

As an active investor and a member of the UN PRI, Comgest's objective is to vote systematically at all shareholder meetings held by all companies it invests in when this is technically possible and deemed to be in the interest of the shareholders. To help it achieve this objective, Comgest has chosen Institutional Shareholder Services (ISS) as a proxy voting service provider. ISS analyses resolutions and makes recommendations on how to vote consistently with Responsible Investment (RI) principles.

Engagement policy

Comgest has a best-effort approach based on company engagement. Comgest typically engages with companies with lower ESG quality where we think a positive change is likely to occur, i.e. when the targeted company is ready to hear our message encouraging it to make improvements on material ESG issues.

As an active shareholder and promoter of responsible investment practices, Comgest engages in a range of committed actions, either individually or collaboratively with the companies. It initiates constructive dialogue with the companies in which it invests to obtain more information to refine its investment analysis and, where necessary, analysts interrogate companies on specific ESG factors with a view to improving their communications, reducing risks, etc.

Exclusion policy

In addition to Comgest's group-wide exclusion policy on controversial weapons and tobacco, the Plus funds comply with an additional exclusion policy. Since the fossil fuel industries can pose unacceptable environmental, climate and societal risks and investment in these industries could retard investments in transitional and renewable energy sources, Comgest does not invest in companies that derive any of their revenue from coal, unconventional or conventional oil and gas extraction or power generation. Furthermore, it bans companies from its investment universe that pose a high risk to society and environment and derive revenue that exceeds a certain threshold from business activities linked to nuclear energy, conventional weapons or wholesale trading of tobacco products. Investments that derive more than 10% of their revenues from the wholesale trading of tobacco products are excluded. Companies' efforts to mitigate impact on biodiversity, their use of water as well as their contribution to society through tax payments are scrutinised.

Reporting

The ESG team produces a quarterly Responsible Investment report which includes the following:

- Activities carried out by Comgest within international initiative frameworks: UN PRI, ICGN, CDP, IIRC
- Voting rights exercised by Comgest at General Meetings;
- Where applicable, ESG alerts received on securities held in UCITS;
- A summary of the main individual and thematic engagement activities with portfolio companies;
- The latest ESG analyses regarding investee companies; and,
- Activities carried out by Comgest in the context of collaborative engagement.

2.4 How are ESG risks and opportunities, such as climate change, understood/considered by the company?

Our responsible investment policy systematically and simultaneously incorporates ESG and climate criteria (both risks and opportunities) into our investment process. The process – which includes research, engagement and integration of ESG criteria – allows us to identify and manage ESG-related risks and opportunities.

Comgest conducts thematic investment analysis that focuses on "quality growth" in the long term. It seeks out companies that can generate sustainable profit growth and incorporating ESG analysis helps identify opportunities and the associated risks.

ESG opportunities can be viewed as either relative or absolute. Relative opportunities come from companies that are poised to improve their environmental, social and governance practice. A "relative" opportunity means that either an existing risk will tend to reduce as it is better managed or a neutral or already positive starting point will become still better, based on the idea that high-quality companies often pursue – and achieve – continuous improvement.

An "absolute" opportunity refers to companies whose business models include elements that directly contribute to resolving environmental issues, such as electric vehicles, or social issues, such as models that target disadvantaged customer segments and can improve their access to services like health, communications, finance, etc.

When **analysing risks**, ESG criteria are determined by companies' exposure to different sustainability risks and sector issues. This ESG risk analysis allows us to re-internalise negative social and environmental externalities.

When considering risks associated with climate change, analysts look at both physical and transition risks. The Comgest Group signed the Global Investor Statement on Climate Change in September 2014. Since 2017, Comgest has also supported the TCFD[1] and "Climate Action 100+[2]".

In addition, many countries are tightening regulations on greenhouse gas emissions, including emerging market countries. In many cases these derive from governmental environmental policies to address worsening air or water quality with its consequent impact on public health.

Comgest is also active on shareholder engagement: analysts seek to raise awareness among companies held in portfolios of the importance of these issues and of the need for reliable data and specific commitments.

2.5 Which teams are involved in the responsible investment activity of the company?

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

Comgest's ESG team is composed of 3 dedicated ESG analysts / portfolio managers, supported by an ESG Officer. The ESG team directly reports to Comgest's Chief Investment Officer (CIO). As members of the investment team, the ESG analysts / portfolio managers work in collaboration with financial analysts and other portfolio managers. They support regional investment teams (Global Emerging Markets, Europe, US, Japan, Asia ex-Japan, India) as well as the Global team. The financial analyst, based on their in-depth knowledge of the companies in question, represents a major source of information for the ESG Analysts.

The ESG analysts / portfolio managers co-manage the Comgest Plus funds with regional portfolio managers.

Definition and implementation of responsible investment (RI) strategy

The RI strategy, as set out in this policy, is defined by Comgest Group's CIO and the Investment Team Managers in collaboration with the ESG analysts and is reviewed once a year. It is then implemented by the regional investment teams with ESG analysts as coordinators and stewards of the ESG integration process, under the

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[1] Task Force on Climate-related Financial Disclosures - https://www.fsb-tcfd.org/

[2] http://www.climateaction100.org/

supervision of the CIO and the Investment Team Managers. Objectives are set for the coming year and longer term. They are updated annually.

An ESG Officer is responsible for the accurate implementation and communication of Comgest's Responsible Investment Policy across investment teams and for facilitating Comgest's engagement activities.

Voting officers oversee the execution of the voting decisions upon recommendations of the analysts and portfolio managers who follow investee companies.

2.6 How many employees are directly involved in the company's sustainable investment activity?

We estimate that Comgest has 15 FTE employees working on ESG/SRI:

- 1 ESG Officer and 3 dedicated ESG analysts / portfolio managers; and,
- All 42 financial analysts/portfolio managers who devote part of their time to ESG/SRI.

2.7 Is the company involved in any RI initiatives?

General	Environmental / climate	Social	Governance
☐ SIFs – Social Investment Forum ☒ PRI – Principles for Responsible Investment ☐ ICCR – Interfaith Centre on Corporate Responsibility ☐ ECCR – Ecumenical Council for Corporate Responsibility ☒ Commissions AFG ☐ EFAMA RI WG ☐ European Commission's High-Level Expert Group on Sustainable Finances ☒ Other: ▪ IIRC (International Integrated Reporting Council) ▪ Fiduciary Duty in the 21st Century	☒ IIGGC (Institutional Investors Group on Climate Change) ☒ CDP – Carbon Disclosure Project (CDP Climate Change & CDP Water) ☐ Montréal Carbon pledge ☐ Portfolio Decarbonization Coalition ☐ Green Bonds Principles ☐ Climate Bond Initiative ☐ Appel de Paris ☒ Other: ▪ Climate Actions 100+ ▪ TCFD (Task Force on Climate-related Financial Disclosures)	☐ Accord on Fire and Building Safety in Bangladesh ☒ Access to Medicine Foundation ☐ Access to Nutrition Foundation ☐ Other	☒ ICGN (International Corporate Governance Network) ☐ Other

2.8 What is the total number of SRI assets under the company's management?

Comgest had SRI assets under management totalling €31,859m as of 31/12/2019. This includes Comgest Plus funds and other funds not covered in this transparency code fully integrating ESG in their investment process.

2.9 What is the percentage of SRI assets compared to the total AUM of the company?

Comgest's SRI assets made up around 96,3% of all assets under management as of 31/12/2019.

2.10 What are the publicly distributed SRI funds of the fund management company?

The open-ended SRI funds managed by Comgest are:

- Comgest Growth Asia ex-Japan
- Comgest Growth Asia-Pacific ex-Japan
- Comgest Growth Europe
- Comgest Growth Emerging Markets
- Comgest Growth World
- CG Nouvelle Asie
- Comgest Monde
- Magellan
- Renaissance Europe
- Comgest Growth Emerging Markets Plus
- Comgest Growth Europe Plus
- Comgest Growth World Plus

3. GENERAL INFORMATION ABOUT THE SRI FUND(S)

3.1 What is (are) the fund(s) aiming to achieve by integrating ESG factors?

Comgest has chosen the ESG integration approach because it fits very well with Comgest's general approach of stock picking quality companies with a long-term investment horizon. ESG integration allows financial analysts and portfolio managers to increase their knowledge of the company in terms of risks but also in terms of opportunities that can be or will be material to the business. ESG factors are then incorporated into Comgest's in-house valuation model where the ESG profile of each company is considered. In addition, Comgest rigorously complies with its Plus fund exclusion policy to avoid contributing to significant risks that have a negative impact on society and the environment.

Comgest is a "bottom-up" stock picker whose research process emphasises direct interaction with companies. For us, a natural part of such interaction is dialogue with companies on ESG issues. We initiate constructive dialogue with investee companies we invest in to obtain more information and refine our investment analysis. Where necessary, we interrogate companies on specific ESG factors with a view to improving their communications, reducing risks, etc.

Comgest also regularly joins other investors to take part in collaborative engagement initiatives. The purpose of collaborative engagement is really to influence companies and encourage them to make improvements in specific ESG areas. The fact that several investors (asset managers and/or asset owners) accounting for large combined assets under management act together puts a lot of pressure on targeted companies.

3.2 What internal or external resources are used for ESG evaluation of the issuers who make up the investment universe of the fund(s)?

To gather ESG information, Comgest uses its 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 who draw on external extra-financial information sources, such as companies' CSR reports, information and alerts by specialist providers, contacts with companies and their stakeholders, NGO and media reports, and other sources.

ESG data providers have been selected by Comgest based on ESG information quality and geographical coverage criteria. The following providers are currently used:

Sustainalytics	Information on controversial weapons and sustainable products
MSCI ESG Research	General ESG information and screening
RepRisk	Controversial news and reputational risk
Trucost	Carbon and environmental data
CFRA	Forensic accounting analysis, legal and governance analysis
ISS (International Shareholder Services)	General ESG information
BoardEx	Governance specialist
CDP (Carbon Disclosure Project)	Information on carbon and water disclosures
Bloomberg	General ESG information and carbon data

ESG analysis also looks at compliance with the principal international environmental and social standards, which can notably be found in the ten principles of the Global Compact, but also in the conventions of the International Labour Organisation (ILO) or the OECD's Guidelines. Potential breaches of the ten principles of the Global Compact by the investee companies are monitored daily.

Other information sources are also used: brokers' reports, NGO reports, academic research, etc.

Comgest analysts draw on all the above sources for their ESG analyses. It should be stressed that scores produced by ESG data providers are never used by Comgest in its ESG integration process. Analysts work from raw data and form their own opinion as to each company's ESG quality.

3.3 What ESG criteria are taken into account by the fund(s)?

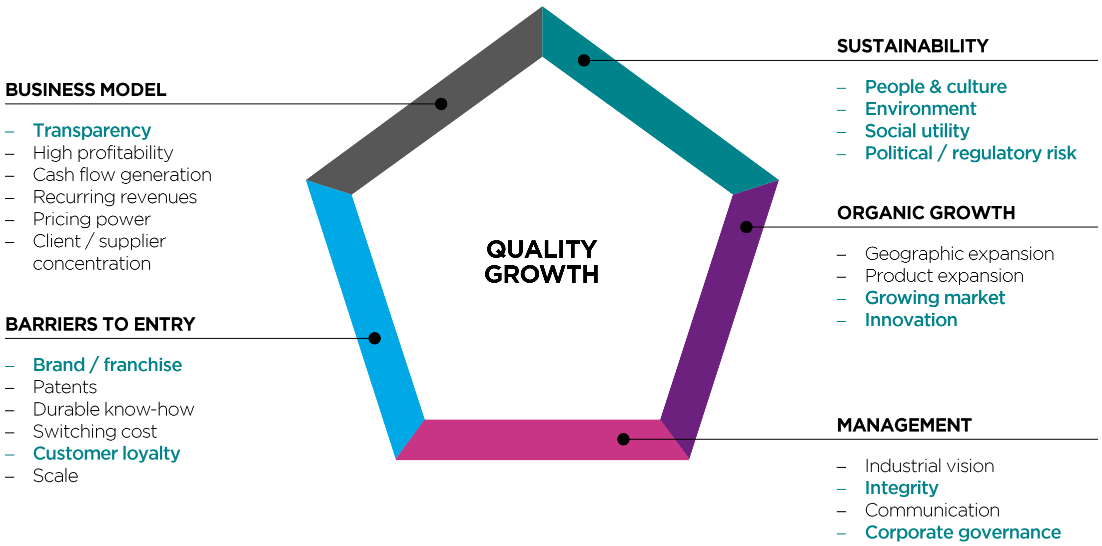
In line with our corporate purpose, Comgest has developed an investment philosophy focusing on long-term "quality growth" that favours companies with sound business and financial practices and which can generate sustainable earnings growth.

In their analysis, our analysts and portfolio managers pay special attention to two governance issues: accountability and the quality of the management team. Management is generally judged based on its expertise, behaviour and greater or lesser willingness to communicate with investors. We also keep a close eye on remuneration and stakeholders' interests, making sure the company is well managed with a view to creating long-term value.

Integrating ESG factors means financial analysts and portfolio managers get to know the company better. Specifically, they have a clearer idea of the risks and opportunities that are important to the business or likely to become so in the future. ESG factors are then integrated into Comgest's proprietary valuation model, which takes into account each company's ESG profile.

We consider ESG factors at several stages of the investment process, to make sure investment teams are well aware of the ESG risks and opportunities affecting companies and systematically apply the results of ESG analysis in their investment decisions.

To assess a company's quality, we use the following criteria, half of which relate to ESG:



ESG criteria are based on the concept of sustainable development (see Brundtland Report, 1987) and the Corporate Social Responsibility (CSR) report. These issues play a major role in our investment analysis and decision-making.

In conducting our ESG research, we focus most on those ESG factors that we consider most important and likely to impact companies. This emphasis on materiality means we can monitor the key issues in depth and feed the results of our research back into our valuations.

Comgest takes a differentiated approach to ESG integration, tailored to each company's specific characteristics: organisational structure, business sector, geographical footprint, regulatory regime, behaviour of the company within its ecosystem, etc.

So, for each company analysts define a subset of a few ESG criteria that are considered "material", i.e. that may have a significant impact on the value and reputation of the firm, particularly over a medium-/long-term horizon.

Comgest's analysis of ESG factors applies to companies and focuses on the principal criteria grouped together by pillar in the following table:

Environment	Social	Governance
Air, water and ground pollution	Net social utility *(refers to a measure including both social benefits and social costs of an economic activity)*	Culture and ethics
Greenhouse gases emissions	Working conditions, health & safety	Shareholder rights
Energy use and efficiency	Diversity programmes	Audit and accounting
Raw materials consumption	Retention	Corruption and bribery
Transportation	Human rights	Board and board committee characteristics
Water and waste management	Relationships with stakeholders (unions, NGOs, communities, etc.)	Board member competence
Biodiversity and its protection	Supply chain management	Independence
Lifecycle impacts	Materials sourcing	Compensation
	Product safety and quality	Risk management
	Customer relationships	Transparency
		Regulatory capture

Analysis covers all **environmental** criteria that relate directly to the nature of the company's business and are material in their effects. These environmental criteria are systematically analysed in carbon-intensive and/or high environmental impact sectors such as: energy, construction and materials, mining, chemicals, food and beverages, transport, etc. While Comgest's strict selection process makes it unlikely that a company operating in the fossil fuel sectors satisfies the required standards of quality, the Plus funds exclude companies involved in coal-based power generation or oil & gas power generation (fossil fuel-based power generation), conventional and unconventional oil and gas extraction, uranium mining and nuclear energy. They also exclude companies involved in severe environmental controversies.

Social issues considered depend heavily on the company's business, geographical footprint and regulatory regime. In their search for high-quality companies, Comgest analysts run a fine-tooth comb over the social utility of the company's business, employee satisfaction scores, relations with customers and suppliers, positive and negative impacts of its activities for stakeholders and the longevity of its social "licence to operate". Comgest's Plus funds exclude companies involved in severe controversies related to corruption and the violation of human rights and labour rights. They also exclude companies that derive more than 10% of their revenues from the wholesale trading of tobacco products and companies involved in the production of weapons, including nuclear weapons.

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

Comgest looks for and encourages 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 throughout 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 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.

For companies that are part of Comgest Growth Europe Plus whose investment strategy is focused on developed countries, a number of factors are considered in greater depth, such as:

- Corporate culture (responsibility, frugality, performance, etc.);
- Management of human resources, and,
- Quality of the social eco-system.

For companies that are part of Comgest Growth Emerging Markets Plus whose investment strategy targets emerging markets, a number of factors are scrutinised in greater depth, such as:

- Type of controlling shareholder (state, family, founder, etc.) if applicable
- Respect for the rights of non-controlling shareholders
- Related-party transactions

3.4 What principles and criteria linked to climate change are taken into account in the fund(s)?

The purpose of analysing these criteria is to measure any negative externalities that a company may impose on the environment. Analysis seeks to gauge the volume of inputs its activities require and whether it uses these resources sustainably over the long term so that it can pursue its business without degrading the environment beyond a point of no-return. It is a matter of identifying whether the company develops products or services that help reduce environmental impacts at any stage of the life cycle.

When considering risks associated with climate change, analysts look at both physical and transition risks.

Measuring transition risks

Regarding climate risks, Comgest is not a specialist in carbon calculations and therefore calculates an annual carbon footprint for each fund as a whole. The footprint is then compared to that of the fund's benchmark[3]. Trucost methodology considers scopes: 1 (direct emissions) and 2 (indirect emissions linked to energy consumption) alongside scope 3 (other indirect emissions) upstream. That said, at the moment, it is hard to obtain reliable scope 3 data. The carbon footprint gives a picture of the portfolio's greenhouse gas contribution. By calculating carbon footprints we can calculate:

- Which companies emit most GHGs in absolute terms; and
- Whether portfolio companies emit more or less GHGs than others in the same sector.

It also means we can identify which companies fail to provide data on GHG emissions. These companies can then be prioritised for engagement. Data used to calculate the funds' carbon footprints feed into a Trucost estimate for each company. This analysis identifies which companies are contributing to reducing greenhouse gas emissions, notably green energy producers.

[3] The indexes are used for comparative purposes only and the funds do not seek to replicate the indexes.

Measuring physical risks

TCFD recommendations encourage asset management companies to assess not only transition risks but also physical risks linked to climate change.

Companies operating in emerging markets may be at greater risk because their activities may expose them to extreme climate events (see below). Companies that operate in developed countries generally do not run direct risks in their own business activities. However, businesses they rely on upstream may be exposed to such events, which include:

- **Drought:** impact on agricultural commodity prices (cocoa, coffee, cotton, etc.), impact on the availability of water, required for some production processes (e.g. beer), etc.
- **Storms/tidal surges:** destruction of production plants, destruction of essential supply infrastructure, higher insurance premiums, etc.
- **Heavy rainfall/flood:** destruction of production plants, crops, etc.
- **Rising sea levels:** destruction of production plants, crops, etc.
- **Heat stress:** lower productivity, damage to plants or equipment, higher energy consumption for air-conditioning, etc.

Comgest assesses the physical risks of a majority of the companies of Plus funds. These physical risks are assessed by MSCI. The MSCI methodology combines historical data and future projections to analyse:

- Chronic climate risks: they manifest slowly over time. This modelling is based on statistical extrapolation of historical data.
- Acute climate risks: they occur from rare natural catastrophes such as tropical cyclones in distinct time intervals. Such risks are modelled using physical climate models.

As mentioned above, the environmental criteria scrutinised relate directly to the nature of the company’s business. They are taken into account wherever material. These environmental criteria are systematically analysed in carbon-intensive and/or high environmental impact sectors such as: energy, construction and materials, mining, chemicals, food and beverages, transport, etc. But, to date, all the funds covered by the code have only been lightly invested in companies with high levels of greenhouse gas emissions.

3.5 What is the methodology of ESG analysis and evaluation of issuers (portfolio construction, ratings scale, etc.)?

Whenever a fund’s financial analyst/portfolio manager has a strong conviction for a company included in Comgest's investment universe and considers the time right to open a position, he/she proposes to include the company in the portfolio. The financial analyst/fund manager informs the ESG team.

The ESG analyst carries out an in-depth ESG analysis on the company in collaboration with the financial analyst. It is important to involve the financial analyst in ESG analysis as this gives them a better understanding the issues. In most cases, the company is contacted (at least via conference call or email) to discuss the most important ESG problems. The ESG analyst draws up an “ESG analysis” including their ESG opinion and assigning an ESG quality level. The quality level has an impact on the discount rate used in the valuation model. The ESG analyst concentrates mainly on ESG issues which could potentially have a material financial impact on a five-year horizon.

To refine the quality assessment of the companies, an ESG quality level is assigned to each company in the portfolio. It is the result of a consensus between the ESG analyst and the financial analyst on the level of ESG quality specific to the company. The ESG quality level is on a scale of 1 to 4.

ESG QUALITY LEVEL		DESCRIPTION (ONE OR MORE OF THE SAMPLE ELEMENTS BELOW)
1	**ESG Leader**	Sustainability/CSR fully embedded in corporate culture, strategy to benefit from ESG opportunities, excellent disclosure, mitigation of existing ESG risks
2	**Good Quality**	Good awareness and mitigation of low ESG risks, adequate disclosure, few controversies, able to benefit from ESG opportunities
3	**Basic Quality**	Basic awareness of ESG risks, limited measures in place, moderate ESG risk exposure, low disclosure, ESG controversies, room for improvement
4	**Improvement Expected**	High ESG risk exposure, no consideration of ESG risks, very low or absence of disclosure, no measures, significant ESG controversies, priority for engagement

Following the ESG analysis, ESG issues are systematically discussed during the research meeting to be sure that the whole investment team has understood ESG risks and opportunities.

3.6 How often is the ESG evaluation of the issuers reviewed? How are any controversies managed?

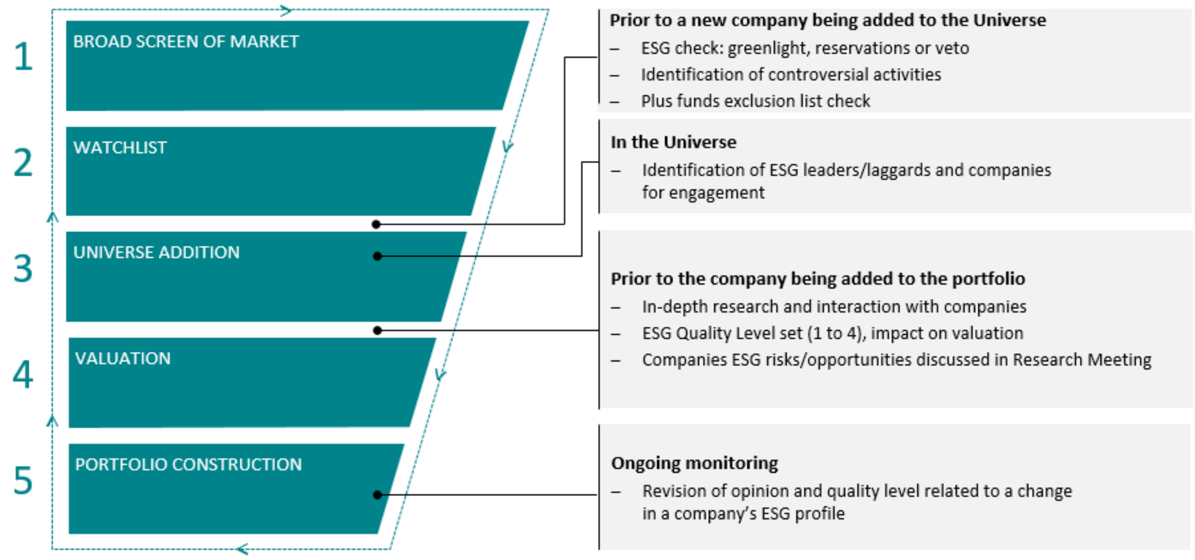
The team tracks news flow on a company to make sure the ESG opinion remains valid. The companies we invest in are permanently monitored for ESG issues. A formal review of the ESG evaluation is carried out every two years, unless there is an intervening event, controversy or significant management change. Comgest's exclusion lists are reviewed on a quarterly basis.

Controversy monitoring is mainly done using the tools of our various ESG research suppliers (RepRisk, MSCI, Bloomberg, ISS etc.) but we also draw on other sources such as brokers and the generalist and specialist media. When a controversy affecting a company comes to light, we assess its seriousness based on its content, source and the number of sources reporting it. If we consider this controversy to be both credible and material, we share the content and an initial internal analysis. We then decide to talk to the company in question and perhaps other affected stakeholders to assess its truth and potential impacts. We share the content of some of these controversies with our clients through a quarterly report in which also report on our engagement actions.

4. INVESTMENT PROCESS

4.1 How are the results of the ESG research integrated into portfolio construction?

The investment process has five evaluation stages: stock market analysis of equities, detailed analysis of companies, the investment universe, valuation and finally portfolio construction.

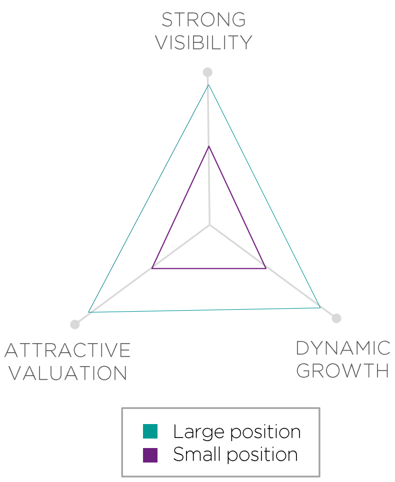


Discount Rate

Each ESG quality level band corresponds to a positive, neutral or negative impact on the discount rate used in the valuation model for the company. This adjustment to the discount rate takes account of ESG issues that cannot be measured precisely in cash terms and has an impact on the stock's target price. Qualitative aspects of the ESG analysis are also discussed at research meetings. This qualitative aspect is an important part of Comgest's investment process. ESG analysis affects how firmly the portfolio manager holds his/her conviction. Ultimately, the firmness of the investment manager's conviction determines the weighting the company is given within the portfolio.

With regards to portfolio construction, ESG integration contributes to all three components that determine the weights of any holding:

- **Quality / visibility:** the ESG analysis leads portfolio managers to assess the overall quality of a company (e.g. management, positioning vs. competitors, resilience)
- **Dynamic growth:** the ESG analysis leads portfolio managers to assess the growth opportunities related to sustainability themes (access to communication in Emerging Markets, ageing population, access to healthcare, health and wellness, renewable energy etc).
- **Attractive valuation:** the ESG quality level resulting from the ESG analysis has an impact on the inputs of the valuation model (see 3.1.2)



Before inclusion in Comgest's investment universe

Companies undergo an initial analysis by financial analysts and where they pass this initial screening, they are considered as investment ideas and are added to a watchlist. Checks are then carried out to prevent investment in companies that are on the exclusion list.

If there is more interest in a specific company, a deep fundamental financial analysis is conducted by the financial analyst. If the company passes Comgest's high financial / quality criteria, it is proposed to be included in Comgest's investment universe. In this case, the financial analyst informs the ESG team of the new candidate.

ESG research and analysis starts at step 2, focusing on the watchlist provided by Comgest analysts which only includes companies that have already passed several financial and quality filters. At this stage we have eliminated a large part of the market; so, this watch list already includes companies with a high degree of quality, considering our criteria.

At this early stage, an ESG check is conducted by the ESG analyst on the company to have a first ESG opinion highlighting any potential significant ESG issues.

The ESG analyst writes an "ESG check" document in which he validates or not the entry of the company into Comgest's investment universe. There are 3 types of validations:

- **Greenlight:** the company can be included in the investment universe
- **Reservations:** the company can be included in the investment universe but the ESG analyst makes reservations because of short-term or structural ESG concerns with a material impact that have been found during this ESG check
- **Veto:** the company cannot be included in the investment universe because it is on Comgest's Controversial Weapons or tobacco blacklist or on the Plus Funds specific exclusion list

In Comgest's investment universe

In step 3, an ESG screening is performed on the companies included in Comgest's investment universe using the data from external ESG service providers. The purpose of this screening is to identify:

- ESG leaders
- Companies with higher exposure to ESG risks
- Companies with low ESG disclosure
- Companies for future engagement (i.e. ESG laggards with potential for improvement)

On selection for the portfolio

Once the ESG quality level has been determined, it is translated into a company specific ESG discount rate which is added to the initial discount rate given by the financial analyst based on country / market risk and business risk. The ESG discount rate considers all environmental, social and governance risk / opportunity elements found in the in-depth ESG analysis.

It is worth noting that when a company has an ESG quality level 1, the initial discount rate is reduced.

As ranges of initial discount rates are different according to whether it is a developed market or an emerging market investment universe, ranges of ESG discount rates also differ accordingly.

DEVELOPED MARKETS

ESG QUALITY LEVEL	ESG DISCOUNT RATE
1	-50 bp
2	0 (no change)
3	+100 bp
4	+200 bp

EMERGING MARKETS

ESG QUALITY LEVEL	ESG DISCOUNT RATE
1	-100 bp
2	0 (no change)
3	+150 bp
4	+300 bp

When the financial analyst / fund manager has a strong conviction on a company included in Comgest's investment universe and considers that it is a good time to initiate the position, the company is proposed to be included in the portfolio. The financial analyst / fund manager informs the ESG team.

The ESG analyst then conducts a deep ESG analysis on the company in collaboration with the financial analyst. It is important that the financial analyst is associated with ESG research to better understand the stakes. Contact with the company to discuss key material ESG issues is done in most cases, at least through a call or an email. The ESG analyst writes an "ESG analysis" document in which an ESG opinion and an ESG quality level are given. The ESG quality level has an impact on the discount rate in the valuation model (see section 3.1.2). The ESG analyst primarily focuses on ESG issues which are likely to be financially material over the next five years.

The ESG analysis is given to the financial analyst / fund manager who takes the results of this analysis into account in the investment decision both qualitatively in the investment case and quantitatively in the valuation of the company. If the financial analyst / fund manager still has a strong conviction, the company is added to the portfolio.

Following the ESG analysis, ESG issues are systematically discussed during the research meeting to be sure that the whole investment team has understood ESG risks and opportunities.

4.2 How are criteria specific to climate change integrated into portfolio construction?

The ESG analyst integrates climate risks into the ESG quality level whenever they have material implications for the company's economic activity. The discount rate applied is adjusted depending on the ESG quality level, either increasing or reducing upside. Upside in turn affects each company's weighting in the portfolio.

We also calculate carbon footprints using two different methodologies for all funds covered by this code. Our two suppliers are Trucost and Bloomberg. They provide estimates of transition risk, both absolute and relative to benchmark. These ex-post risk measurements allow us to monitor how climate change risks to a portfolio evolve over time.

Finally, Comgest collaborates with MSCI to assess physical risks related to climate change, which potentially have an impact on Comgest's Plus Funds. These analyses quantify physical risks for each investment position and for the portfolio as a whole.

4.3 How are the issuers that are present in the portfolio, but not subject to ESG analysis evaluated (not including mutual funds)?

Where managers see an investment opportunity in unrated securities (ESG quality level), they are authorised to take a marginal position. The position is then reviewed once the rating is available.

4.4 Has the ESG evaluation or investment process changed in the last 12 months?

The philosophy and stages of the investment process are unchanged, including the ESG evaluation processes.

4.5 Is a part of the fund(s) invested in entities pursuing strong social goals/social enterprises?

No.

4.6 Does (do) the fund(s) engage in securities lending activities?

Comgest does not engage in securities lending/borrowing.

4.7 Does (do) the fund(s) use derivative instruments?

Comgest Plus Funds can use forward contracts to hedge exchange rate risks, with exposure capped at 100% of net assets.

4.8 Does (do) the fund(s) invest in mutual funds?

Exposure to other funds is capped at 10% of net assets. Funds can invest in other funds from the Comgest group. Our robust investment process applies to funds also, ensuring fund selection policy is consistent with the Responsible Investment Policy.

5. ESG CONTROLS

5.1 What internal and/or external control mechanisms are in place to ensure compliance of the portfolio with the ESG rules on managing the fund(s) as defined in section 4?

The Compliance and Internal Control team is responsible for ensuring Comgest conducts its business in compliance with regulations in force, professional best practice and internal policies and procedures.

Specific ESG controls

Eligibility check

- Before a new security can be brought into a portfolio, the Risk Management team checks it does not appear on the ESG team's lists of banned securities; and
- These lists are updated quarterly by the ESG team and input into the GPlus order placement software.

Regular/daily controls

- Compliance with the ESG banned lists is also checked during pre-trade controls via a simulation of the portfolio manager's order when the dealing desk transmits it to the market;
- If an alert is triggered, warning of a possible limit breach, the order is blocked and Risk Management informed; and
- Finally, daily post-trade controls are run to check compliance with portfolio investment constraints, including the ESG banned lists.

Quarterly controls

- Internal Control makes sure applicable ESG rules are checked and respected during the controls over the investment process.
- These controls are run each quarter. Internal Control checks are necessarily post-trade.

Time to divest in case of non-compliance with ESG constraints

- In principle, given the eligibility checks, there is little risk the ESG banned lists will ever be breached;
- That said, if, despite all the procedures in place, a breach was discovered the principle applied is that the security should be divested as soon as possible consistent with the clients' best interests.

Voting procedure:

- Check compliance with the voting procedure by meeting and:
  - Sampling a number of securities in the scope of exercisable voting rights to make sure votes were cast;
  - Analyse any cases that arise;
  - Check that votes comply with the voting policy in the procedure; and
  - Identify any votes that might create conflicts of interest and check that Management and Head of Internal Control were consulted before they were cast.
- Identify cases where the company was unable to exercise voting rights on behalf of portfolios under its management and analyse the reasons.
- Analyse the validity of justifications for any votes cast contrary to current voting policy or against the resolution put forward.
- Meet ESG analysts and obtain the list of the company's commitments on governance issues. Ensure the company complies with the principles it has espoused. This might for instance mean checking they live up to commitments to the UK or Japanese Stewardship Codes.

Controls: risks and internal control

Comgest has a five-member **risk committee** composed of the Deputy CEO, independent of management, the Representative of the management teams, CFO, Head of Compliance and Internal Control and Head of Risk Management. The Risk Committee may invite any other employee to attend any meeting where the matters under discussion warrant.

The **compliance and internal control** department takes a risk-based approach to ensure its resources are efficiently allocated. The system is regularly reviewed to make sure it remains appropriate to the company's structure and activities.

Strict conditions apply when adding any security outside the framework of the investment strategy and these limit the scope for adding ineligible securities to a portfolio: (1) a security that has not been previously input into the investment universe cannot be acquired for a portfolio, which ensures the investment process is respected; and, (2) adding any security to a portfolio requires the agreement of the risk controller.

The Compliance and Internal Control department has 3 staff: the Head of Compliance and Internal Control and 2 Internal Controllers. Their main missions are:

- To control and regularly assess the appropriateness and effectiveness of policies, procedures and measures in place to ensure the company complies with laws, directives and rules governing the profession.
- To advise and assist corporate officers and executives in carrying out their roles directing and controlling the company.
- To advise, assist, raise awareness and train employees about regulation and compliance issues so that they can fulfil their professional obligations.
- The Head of Compliance and Internal Control must ensure that the company's compliance and internal control procedures meet regulatory standards and are appropriate to the risks posed by the business, structure and resources of the company.

6. IMPACT MEASURES AND ESG REPORTING

6.1 How is the ESG quality of the fund(s) assessed?

Comgest uses ESG analysis to assess companies' quality. Using the above-mentioned criteria and information, Comgest's investment team, supported by 3 dedicated ESG analysts / portfolio managers, targets analysis as far as possible on those ESG criteria that are most material for each company. At the end of any ESG analysis, an internal rating called the "ESG quality level" is assigned to each company. It reflects Comgest's evaluation of the company's ESG quality and can impact the discount rate used in the in-house valuation model.

Companies entering into our **developed markets** investment universe already have a high quality level. The ESG analysis enables us to further refine the ESG quality level of each company on a scale of 1 to 4.

ESG QUALITY LEVEL		DESCRIPTION (ONE OR MORE OF THE SAMPLE ELEMENTS BELOW)	ESG DISCOUNT RATE
1	ESG Leader	Sustainability/CSR fully embedded in corporate culture, strategy to benefit from ESG opportunities, excellent disclosure, mitigation of existing ESG risks	-50pb
2	Good Quality	Good awareness and mitigation of low ESG risks, adequate disclosure, few controversies, able to benefit from ESG opportunities	0 *(no change)*
3	Basic Quality	Basic awareness of ESG risks, limited measures in place, moderate ESG risk exposure, low disclosure, ESG controversies, room for improvement	+100pb
4	Improvement Expected	High ESG risk exposure, no consideration of ESG risks, very low or absence of disclosure, no measures, significant ESG controversies, priority for engagement	+200pb

Companies entering into our **emerging markets** investment universe already have a high quality level. The ESG analysis enables us to further refine the ESG quality level of each company on a scale of 1 to 4.

ESG QUALITY LEVEL		DESCRIPTION (ONE OR MORE OF THE SAMPLE ELEMENTS BELOW)	ESG DISCOUNT RATE
1	ESG Leader	Sustainability/CSR fully embedded in corporate culture, strategy to benefit from ESG opportunities, excellent disclosure, mitigation of existing ESG risks	-100pb
2	Good Quality	Good awareness and mitigation of low ESG risks, adequate disclosure, few controversies, able to benefit from ESG opportunities	0 *(no change)*
3	Basic Quality	Basic awareness of ESG risks, limited measures in place, moderate ESG risk exposure, low disclosure, ESG controversies, room for improvement	+150pb
4	Improvement Required	High ESG risk exposure, no consideration of ESG risks, very low or absence of disclosure, no measures, significant ESG controversies, priority for engagement	+300pb

6.2 What are ESG impact indicators used by the fund(s)?

Comgest uses the following ESG impact indicators for our funds:

- Environmental footprint, provided by Trucost;
- Carbon footprint, provided by Trucost;
- Tax rate;
- Mapping of the UN sustainable development goals (SDGs); and
- Voting record at General Meetings.

6.3 What communication resources are used to provide investors with information about the SRI management of the fund(s)?

Comgest publishes information on our responsible investment policies and our funds via:

- The Comgest website www.comgest.com which includes publications with a range of content related to our RI approach and the funds we manage;
- Our responsible investment policy page also has our reports and policies, including:
  - Comgest's Responsible Investment Policy
  - Comgest's UN PRI Assessment and PRI Transparency reports;
  - Report on Article 173 of the French Law on Energy Transition for Green Growth;
  - The Responsible Voting Policy and our voting record at each General Meeting via the Proxy Voting Dashboard;
- Digital versions of legal documents under the "Products" section, including:
  - Prospectuses;
  - KIID;
  - Annual/half-year report

6.4 Does the fund management company publish the results of its voting and engagement policies?

Annual Voting Report and Voting record (Proxy Voting Dashboard)

Quarterly ESG report (upon request) and Article 173 reports (see website).

IMPORTANT INFORMATION:

The document is published for information purposes only and shall not be construed as a recommendation or offer to buy or sell or an incitement to invest or trade. In no circumstances shall this document be construed as an offer to persons resident in a jurisdiction where the abovementioned funds are not authorised for distribution. Before making any decision to invest, investors should read the latest prospectuses and key investor information document (KIID), available free from our office and on our website www.comgest.com. The prospectus sets out a more detailed description of the risk factors affecting the fund.

The funds described may pose a risk of capital loss. The overall value of the investments and revenues they generate may go down as well as up. Past performance offers no guide to future performance.

Comgest S.A is a portfolio management company regulated by the Autorité des Marchés Financiers, with registered office at 17, square Édouard VII, 75009 Paris.

Comgest Asset Management International Limited is an investment firm regulated by the Central Bank of Ireland and registered as an Investment Adviser with the Securities and Exchange Commission in the USA. Its registered office is at 46 St. Stephen's Green, Dublin 2, Ireland.

Comgest Far East Limited is regulated by the Hong Kong Securities and Futures Commission. Its registered office is at Level 10, 28 Hennessy Road, Hong Kong.