



CLIMATE TRANSPARENCY REPORT 2020

Comgest

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-CEBB9E6E-F5E9-471C-BA99-559C001B43FA/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Comgest
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 30 - 50 billion AUM
Main Asset Class	>50% Listed Equity Internally Managed
Signed PRI Initiative	2010
Region	Europe
Country	France
Disclosure of Voluntary Indicators	100% from 38 Voluntary indicators

Comgest

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

We have a long-term investment focus (at least 5 years). We evaluate both the transition risks (carbon footprint, environmental footprint) and the physical risks (heat stress, water stress, extreme precipitation, cyclones, hurricanes, typhoons, sea level rise, socio-economic vulnerability, supply chain risk, market risk) of our portfolios. In addition, we monitor the positive environmental impacts of the products offered by our portfolio holdings.

Since Comgest's funds have a marginal exposure to companies with activities that emit substantial quantities of greenhouse gases (our funds do not hold companies in the construction and basic materials sectors, nor do we invest in companies involved in mining (coal or other minerals) or chemical companies), our footprint is very low and hence, we consider our transition risks to be very low. As for the physical risks, we measure and report them on an annually basis and incorporate them in our qualitative analysis which may affect the ESG rating of the company and eventually the investment decision.

The two sectors in which we generally invest and whose environmental externalities are most significant are the food and beverage sectors. We pay especially attention to environmental criteria when analyzing and engaging with companies in those sectors and the most material ones are considered in the investment decision. As the availability and quality of climate-related data is still one of the main challenges, we participated in initiatives, such as the CDP Non-Disclosure Campaign, to improve company's reporting and transparency.

No

SG 01.7 CC Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

With regards to physical risks, we rely on a model developed by 427mt which uses historical and future climate conditions:

- Timeframe: data compares changes in temperature and precipitation-based indices between historical conditions (1975-2005) and future conditions (2020-2040). This enables us to identify the areas that will experience the greatest amount of change, a critical indicator of risk. For exposure to cyclones, because climate models cannot predict specific events, we analyzed historical data on wind speed and barometric pressure for 1200 cyclones from 1984-2017. This tells us which area have been most exposed to cyclones

historically, and therefore will be most exposed to an increase in frequency and intensity of cyclones in the future. Water risk uses a mix of climate data (for drought projections) as well as existing water scarcity and projections in changes in water demand in the area.

- Scenario: Climate models only show meaningful differences between RCP (Representative Concentration Pathway) scenarios after 2050 - in other words, we are 'locked in' a certain amount of climate change for the next 20-30 years. In consequence, for our standard screening, we use the RCP 8.5 (business-as-usual) scenario.

No

SG 01.8 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

SG 01.9 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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Yes

	Describe
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Yes, the identification and management of material climate-related risks and opportunities are part our ESG integration process which is described in our RI Policy.

We conduct detailed transition and physical risk assessments on our main investment strategies and report the assessed risks and opportunities on an annual basis. The analysis is considered in the quality assessment of investee companies by Portfolio Managers and ESG Analysts and, where appropriate, addressed during engagements. However, it is still difficult to obtain reliable data, especially for scope 3 emissions, and further research is required to conduct meaningful results of scenario analysis. Hence, it is worth mentioning that we do not blindly rely on the results of the assessment but assess their validity for each company individually.

Comgest is supporting main initiatives, including Climate Action 100+, CDP, TCFD and the Global Investor Statement on Climate Change, to jointly work on improvements in availability and reliability of environmental and climate-related data as well as in gaining company commitments to address climate-related issues.

No

SG 1.10 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

Governance and human resources				
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SG 07 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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**SG 07.5
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investor relations

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (1)

Risk Manager (implementation of exclusions)

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (2)

Voting Officer on votes execution

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 For board-level roles that have climate-related issue oversight/accountability or
CC implementation responsibilities, indicate how these responsibilities are executed.

Climate-related issues are discussed on board level. Various internal initiatives have resulted from it, among others our partnership with GoodPlanet Foundation and Reforest' Action to offset carbon emissions caused by business travels. Other initiatives include internally collected funding for renewable energy projects that benefit underprivileged people in emerging markets (for example biogas in India and solar cookers in Peru and Bolivia) as well as a tree planting excursion as a team building activity.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1 Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors

Describe

All factors which may affect a company (P&L, cost of capital, liabilities, regulations, etc.)

- Yes, in order to assess future climate-related risks and opportunities

Describe

We assess physical risks with the help of 427m through various scenario analysis that takes historical and future climate conditions into account. For example, changes in temperature and precipitations are analysed based on historical conditions (1975-2005) and future conditions (2020-2040). This allows to identify areas of greatest change.

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2 Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

We only invest in stocks independently of benchmarks and focuses on bottom-up stock picking. We do not follow any country or sector allocations. Thus, ESG

- We do not consider ESG issues in strategic asset allocation

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 13.4 CC

Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

- Initial assessment

Describe

In general, Comgest's funds are marginally exposed to companies with activities that emit substantial quantities of greenhouse gases, such as the oil and gas, utilities, chemicals, automotive, or cement sector. It is not a pre-determined target but rather a consequence of Comgest's investment approach.

- Incorporation into investment analysis

Describe

For all our portfolios, we evaluate both types of risks, transition risks (carbon footprint and environmental footprint) and physical risks (heat stress, water stress, extreme precipitation, etc.).

To assess physical risks, we partner with Four Twenty Seven for a detailed evaluation. Their methodology uses a combination of historical data and future projections to identify the following physical risks:

- Operational risks: heat stress, water stress, extreme rainfall, rising sea levels and cyclones
- Risks to the supply chain: country of origin and demand for natural resources
- Market risks: country of sale and sensitivity to weather variations

The total climate risk score assigned to each company evaluates the overall exposure to physical risks based on the distribution of its assets worldwide, its activities and the sectors it mainly depends on.

Comgest measures its carbon and environmental footprint for its transition risks assessment with the help of Trucost's methodology. The fund 's carbon footprint is compared with the one of the MSCI Europe Index to ensure its alignment with the energy transition objectives. The carbon footprint is used to derive the portfolios' greenhouse gas emissions. Breaking down the carbon footprint into the contributions of each company, it is possible to determine:

- in absolute terms, which companies emit most of the greenhouse gases;
- the level of greenhouse gas emissions of each investee companies compared to other companies in the respective sector;

- Inform active ownership

Describe

Results of the risk analyses are discussed internally, their severity is reviewed on a case-by-case basis and addressed during company engagements where appropriate. It might also be used for prioritising engagements, for example companies that need to improve their environmental performance or do not provide any data on greenhouse gas emissions.

Knowing that the validity of these analyses for investment decisions is still limited due to lack of data quality and availability, Comgest is jointly working towards improving the availability and reliability of environmental and climate data and aims to not introduce but rather increase its activities in collaboration with initiatives. It has taken the lead in nine CDP non-disclosure campaigns and collaborating on thirteen other CDP non-disclosure campaigns. It is a supporter of main initiatives, including Climate Action 100+, CDP, TCFD and the Global Investor Statement on Climate Change, and commits to engage with target companies on concerning issues and on their disclosure level.

Other

specify

Fossil fuel free fund released and Climetrics award

Describe

Comgest has launched a fossil-fuel free europe and emerging market product that will have stricter exclusions regarding fossil fuel exposure than its related Growth Emerging Market or rather Growth Europe strategy, while both of these strategies already have a low direct fossil fuel exposure. The two funds adhere to the requirements of several European ESG labels.

Comgest Growth Emerging Markets fund has been recognized by Climetrics, a climate impact rating for funds, as one of the top five actively managed emerging markets equity funds for climate performance.

**SG 13.5
CC** Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

specify

Investors

**SG 13.6
CC** Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

Yes

Describe

It is already in the nature of Comgest's investment philosophy to have a very long-term view (at least 5 years and beyond) when analysing investments. When analysing climate-related risks, we also forecast future scenarios beyond our usual investment horizon and rely on 427 as a partner and its model, which analyses historical and future climate conditions. Changes in temperature and precipitations are analysed based on historical conditions (1975-2005) and future conditions (2020-2040). This enables us to identify the areas that will experience the greatest amount of change, a critical indicator of risk. Climate models only show meaningful differences between RCP (Representative Concentration Pathway) scenarios after 2050 - in other words, we are 'locked in' a certain amount of climate change for the next 20-30 years. Consequently, we use the RCP 8.5 (business-as-usual) scenario for our standard screenings.

No

SG 13.7
CC

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

SG 13.8
CC

Indicate the climate scenarios your organisation uses.

Provider	Scenario used
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input type="checkbox"/> New Policy Scenario (NPS)
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)
IRENA	<input type="checkbox"/> RE Map
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)
Bloomberg	<input type="checkbox"/> BNEF reference scenario
IPCC	<input checked="" type="checkbox"/> Representative Concentration Pathway (RCP) 8.5
IPCC	<input type="checkbox"/> RPC 6
IPCC	<input type="checkbox"/> RPC 4.5
IPCC	<input type="checkbox"/> RPC 2.6
Other	<input type="checkbox"/> Other (1)
Other	<input type="checkbox"/> Other (2)
Other	<input type="checkbox"/> Other (3)

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM			250	000	000
Currency	USD				
Assets in USD			250	000	000

Specify the framework or taxonomy used.

Launch of two fossil-free funds that apply strict exclusions of companies deriving revenue from any fossil fuel sector.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14.5

Additional information [Optional]

Technology developments: energy efficiency, telecommunications, clean tech

SG 14 CC

Voluntary

Public

General

**SG 14.6
CC**

Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Weighted average carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Assessment of transition risks	tCO2e/mEUR of revenue	Trucost
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Assessment of transition risks	tCO2e/mEUR invested	Trucost
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Assessment of transition risks	tCO2e/mEUR invested	Trucost
Total carbon emissions	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Assessment of transition risks	tCO2e	Trucost
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Assessment of transition risks	tCO2e/mEUR of revenue	Trucost
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Assessment of transition risks	Number of companies at risk	Comgest

**SG 14.8
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management
- Processes for climate-related risks are not integrated into overall risk management

Please describe

The assessment of climate-related risks is part of our ESG integration process as described in our RI policy.

**SG 14.9
CC**

Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

- Yes
- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes

SG 15.2

Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

1

SG 15.3

Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology
- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

Fossil-fuel free fund

Asset class invested

- Listed equity

Percentage of AUM (+/-5%) per asset class invested in the area

1

Fossil-fuel free fund including a part of investee companies developing environmentally-friendly technologies, products and services

NB: <1% of AUM

No