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Generation Investment Management

Statement on principal adverse impacts of investment decisions on sustainability factors

Reference Period: 01 January 2022 to 31 December 2022

Financial market participant

Generation Investment Management (“**Generation**”), comprising:

- Generation Investment Management LLP (LEI 549300V6XJXIT0VLHA91)
- Just Climate LLP (LEI 549300KL50610ARGU094)

Summary

Generation considers principal adverse impacts (“**PAIs**”) of its investment decisions on sustainability factors. The present statement is the consolidated statement on PAIs on sustainability factors of Generation Investment Management LLP and Just Climate LLP and covers the reference period from 01 January 2022 to 31 December 2022.

The information provided in this statement relates to the funds that Generation acts as investment manager or Alternative Investment Fund Manager (“AIFM”) that report on PAIs in relation to their investments, as further detailed in Generation’s Article 10 SFDR Disclosures. With respect to public equity funds managed by Generation, all PAI data was sourced from third-party providers. With respect to private equity funds for which Generation acts as investment manager or AIFM, all PAI data was received directly from portfolio companies. Where there was incomplete PAI data or inconsistencies in third party data sources or incomplete data received directly from portfolio companies, Generation sought to take reasonable steps to estimate the PAI metric based on its understanding of the portfolio companies’ operations and/or the drivers of PAI indicators. Specific explanations of the calculation methodology for the PAI indicators are outlined in the ‘Description of the principal adverse impacts of investment decisions on sustainability factors’ table below. Refer to the section ‘Sources of PAI Indicator Data’ for the proportion (weighted by market value) of data that came from direct and indirect sources.

In reviewing relevant PAI indicators for portfolio companies, Generation has implemented benchmarking in both public and private strategies to understand relative performance. The benchmarking not only allows us to further focus engagement efforts, but also gives a more structured analysis to present back to portfolio companies, when relevant. Generation has deployed various engagement initiatives across strategies, ranging from promoting Science Based Target setting across all portfolio companies to directly supporting appointments of diverse board Directors for our private equity investments. Further details on actions taken are outlined in the ‘Description of the principal adverse impacts of investment decisions on sustainability factors’ table below.

As this is the first reference period of the PAI statement, it does not provide a comparison of PAI information to previous reference periods. Generation will continue to monitor the PAI performance during the next reference period and review its overall PAI data coverage, sources and methodology as overall data standards and availability continue to develop and improve. Further, as this is the first reference period, regulatory guidance and developed market practice to assist in the interpretation of various PAI metrics used in this report remains limited. As a result, financial market participants are required to interpret how they apply certain PAI metrics. For this PAI report we refer you to the explanations of the calculation methodology in the table below and would highlight:

- PAI 4: Exposure to companies active in the fossil fuel sector
  - The definition of ‘companies active in the fossil fuel sector’, as per Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council, includes “companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels”. Distribution in this context is understood to focus on the physical distribution of fossil fuels (for example by network operators). As such, Generation understands that the definition of ‘companies active in the fossil fuel sector’ would not

include energy supply companies that (i) arrange, but do not own or provide the physical transportation of, the supply of energy to households; and (ii) do not own or operate local networks used to deliver such energy supply.

- PAI 7: Activities negatively affecting biodiversity-sensitive areas
  - Data on private companies comes directly from portfolio companies; due to lack of high quality and consistent, available data, this metric does not include data on investments in publicly listed portfolio companies. Noting data coverage is not fully available, Generation has opted to include voluntary indicators (PAI E14) to help provide a clearer picture of portfolio companies' operations.
- PAI 11: Lack of processes and compliance mechanisms to monitor compliance with the UN Global Compact principles and OECD Guidelines for Multinational Enterprises
  - There is no widely-agreed market practice to assist in the interpretation of whether other policies that would implicitly encompass the spirit of the principles of the UN Global Compact principles and OECD Guidelines for Multinational Enterprises would satisfy this requirement. Recognising this limitation, for public companies, Generation has applied a conservative interpretation and only included those portfolio companies with an explicit mechanism to monitor the UN Global Compact principles and OECD Guidelines for Multinational Enterprises requirements. For private companies, Generation has likewise been conservative and classified companies as 'having' the appropriate processes and compliance mechanisms only in the case that the company has a whistleblower protection policy (PAI S6), an anti-bribery and anti-corruption policy (PAI S15), and policies or practices relating to responsible business conduct, human rights protection and/or prevention of modern slavery. In addition, Generation has opted to include voluntary indicators (PAI S6 and S15) to help provide additional information on portfolio companies' operations.
- PAI E4: Investments in companies without carbon emission reduction initiatives
  - This PAI strictly requires portfolio companies to have initiatives "aimed at aligning with the Paris Agreement". Data on public companies is sourced from third parties. For private companies, Generation has applied its own analysis and conservatively interpreted this metric to included company initiatives that are explicitly aligned to the Paris Agreement. This may result in slightly lower alignment than a more expansive interpretation of what constitutes alignment with the Paris Agreement would have.
- PAI S15: Natural species and protected areas, Metric (2) Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas.
  - Many of Generation's portfolio companies are in low impact sectors that do not have operational sites near areas of high biodiversity value. Given the lack of market practice and interpretative guidance, Generation has interpreted this second metric to include, in the numerator, only the number of portfolio companies that both (i) have operational sites in, or adjacent to, a protected area or an area of high biodiversity value, and (ii) do not have a biodiversity protection policy.

Other than the indicators listed in the table below, no other indicators have been used to identify and assess any additional principal adverse impacts on a sustainability factor.

Description of the principal adverse impacts of investment decisions on sustainability factors

Adverse sustainability indicator		Metric	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period.
Greenhouse gas emissions	**1. GHG Emissions**	Scope 1 GHG emissions	24,970 (financed tCO_2e)	Financed emissions are calculated by dividing the market value of each investment by the portfolio company's enterprise value including cash multiplied by the relevant emission category. The impact figure presented is the sum of the financed emissions across portfolio companies. Scope 1 and 2 emissions calculation methods vary across reporting portfolio companies. Scope 3 coverage varies across investments, with the range of sub-categories included by reporting companies based on data availability.	Generation pushes for (and in private markets often sponsors) GHG emissions disclosure, acknowledging that having baseline metrics is the first step in forming reduction initiatives. Generation has an entity-wide commitment to achieve 60% Science Based Target (SBT) coverage by 2025 (portfolio-weighted). We encourage portfolio companies across strategies to set and verify targets. As companies implement targets, we expect GHG emissions to decline.
		Scope 2 GHG emissions	28,366 (financed tCO_2e)		
		Scope 3 GHG emissions	2,034,663 (financed tCO_2e)		
		Total GHG emissions	2,087,999 (financed tCO_2e)		
	2. Carbon footprint	Carbon footprint	212.9 (financed tCO_2e/ € M portfolio value)	Carbon footprint is calculated as total Scope 1-3 financed emissions (ref: PAI 1) of Generation's investments in portfolio companies divided by the total value of the investments in portfolio companies in million EUR.	For public equity investments, Generation benchmarks quarterly its Global Equity and Asia Equity funds' portfolios against the MSCI World Index and the MSCI Asia ex-Japan index, respectively. This provides insight into relative performance. For private investments, Generation benchmarks portfolio companies against one another. Across the strategies we encourage portfolio companies to set SBTs and reduce emissions in line with the 1.5C goal of the Paris Agreement.
	3. GHG intensity of investee Companies	GHG intensity of investee companies	479.8 (tCO_2e/ € M revenue)	GHG intensity is the sum total of the weighted share of each company's Scope 1-3 emissions intensity. Weighted share is calculated as the market value of a company divided by the total value of all companies included in the metric. GHG intensity is calculated as a company's total GHG	

Adverse sustainability indicator		Metric	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period.
				emissions divided by fiscal year revenue (million EUR). Note that, because of the calculation basis, this metric can only include companies with revenue > 0.	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0.0%	The percentage of investments in portfolio companies active in the fossil fuel sector as defined in the SFDR RTS. Distribution in this context is understood to focus on the physical distribution of fossil fuels (for example by network operators). As such, Generation understands this does not include energy supply companies that (i) arrange, but do not own or provide for the physical transportation of, the supply of energy to households; and (ii) do not own or operate local networks used to deliver such energy supply.	We are signatories of the Powering Past Coal Alliance Finance Principles. We will continue to actively monitor our portfolio companies for activities in the fossil fuel sector.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Consumption : 76.8% Consumption and Production: 81.7%	Generation's investments in portfolio companies' weighted average of energy consumption (and production) from non-renewable sources as a percentage of total energy used (and generated). To calculate the weighted average, data for each company is weighted by the market value of Generation's investment in that company.	Across strategies, our investments have little activity in energy production. As such, only consumption and an aggregated figure for consumption and production are displayed. As energy consumption and production drives GHG emissions, progress on Generation's SBT portfolio coverage goal implicitly incorporates encouraging our investments' progress towards cleaner energy sourcing.
	6. Energy consumption intensity per high impact climate	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	879.88 (GWh/ € M revenue)	Generation's investments in portfolio companies' weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for companies classified within the relevant high impact sectors. Revenue is a	Many of Generation's investments are in low impact sectors. As such, energy intensity metrics have few data points making up the figures. Further, data coverage for energy

Adverse sustainability indicator		Metric	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period.
	sector: ***Manufacturing***[1]			company's fiscal year revenue. Sectors are based on NACE codes. To calculate the weighted average, data for each company is weighted by the market value of Generation's investment in that company. Note that, because of the calculation basis, this metric can only include companies with revenue > 0.	consumption metrics was sparse even for those investments in the relevant sectors. As energy consumption and production drives GHG emissions, progress on Generation's SBT portfolio coverage goal implicitly incorporates encouraging our investments' progress towards cleaner energy sourcing.
	6. Energy consumption intensity per high impact climate sector: ***Electric, Gas, Steam & Air Conditioning Supply***[1]	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.00 (GWh/ € M revenue)		
	6. Energy consumption intensity per high impact climate sector: ***Wholesale, Retail, Trade, Repair of Motor Vehicles & Motorcycles***[1]	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.05 (GWh/ € M revenue)		
Biodiversity	**7. Activities negatively affecting biodiversity-sensitive areas**	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.0%	The percentage of investments in portfolio companies' that reported having operations in or near biodiversity sensitive areas and deemed to have a negative impact.	Many of Generation's investments are in sectors where this metric is not material. That said, Generation is a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum and will continue to engage actively with relevant companies on nature-related issues. Generation is also a founding member of Finance Sector Deforestation Action (FSDA) and has committed to seek to eliminate forest-risk agricultural commodity-driven deforestation activities at companies in our investment portfolios by 2025.

[1] Regarding PAI 6 'Energy consumption intensity per high impact climate sector,' only those high impact sectors that are relevant to our portfolio have been included.

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Adverse sustainability indicator		Metric	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period.
Water	**8. Emissions to water**	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.29 (tonnes/ € M)	Total annual wastewater discharged (metric tonnes) associated with 1 million EUR invested in a portfolio company. Water emissions of each company are apportioned as a function of each company's market value divided by enterprise value including cash.	Many of Generation's investments are in sectors where this metric is not material. As such, reported emissions to water intensity is low.
Waste	**9. Hazardous waste and radioactive waste ratio**	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.08 (tonnes/ € M)	The total annual hazardous and radioactive waste (metric tonnes) associated with 1 million EUR invested in a portfolio company. Waste of each company is apportioned as a function of each company's market value divided by enterprise value including cash.	Many of Generation's investments are in sectors where this metric is not material. As such, reported hazardous waste intensity is low.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Social and employee matters	**10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises**	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.8%	The percentage of investments in portfolio companies' with very severe controversies related to the company's operations and/or products.	This metric, as assessed by third parties and reported directly by companies can be highly subjective. Where third parties assess violations have occurred, Generation reviews reports fully, considers the company's actions, and comes to a view on changes necessary to improve the company's conduct and social impact.
Social and employee matters (continued)	**11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines**	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address	71.2%	The percentage of investments in portfolio companies' without written policies to monitor compliance with the concepts within the UNGC principles or OECD Guidelines for Multinational Enterprises, or, in the case of public companies, are not UN Global Compact signatories.	This metric is narrowly defined and, therefore, Generation expects low coverage given the wide diversity of companies we invest in. As such, we opted to include as a voluntary PAI metric 'Lack of anti-corruption and anti-bribery policies to provide supplementary insight into the operational maturity of companies across a more

Adverse sustainability indicator		Metric	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period.
	for Multinational Enterprises	violations of the UNGC principles or OECD Guidelines for Multinational Enterprises			specific dimension of responsible business conduct.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	20.9%	Generation's investments in portfolio companies' weighted average of the difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings. To calculate the weighted average, data for each company is weighted by the market value of Generation's investment in that company.	Gender pay gap reporting is not yet sufficiently widespread and can incorporate a range of calculation methodologies. Generation monitors the data that is available. We encourage pay gap disclosure across public and private investments and engage companies to adopt ambitious plans to improve equity, diversity and inclusion.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	26.2%	Generation's investments in portfolio companies' weighted average of the share of board members that are female. To calculate the weighted average, data for each company is weighted by the market value of Generation's investment in that company.	Generation supports board diversity across its public and private investments. In private markets, we have been involved in 14 board searches or appointments over the past two years. We have recently onboarded two Equity, Diversity and Inclusion ("EDI") advisers to support the private equity investment team. For public investments, Generation has recently licensed with a new third-party data provider that focuses on various diversity metrics, including board gender diversity, to support our monitoring of company performance and active engagement on EDI.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.0%	The percentage of investments in portfolio companies' with an industry tie to landmines, cluster munitions, chemical weapons or biological weapons. Note: Industry ties includes ownership, manufacturing and investments. Ties to	This metric is zero indicating no exposure to controversial weapons across all our strategies in line with our investment process. Generation actively monitors for exposure throughout all parts of the investment

Adverse sustainability indicator		Metric	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period.
	and biological weapons)			landmines do not include related safety products.	process across all strategies and will continue to do so.
ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Emissions	**E4. Investments in companies without carbon emission reduction initiatives**	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	37.2%	The percentage of investments in portfolio companies' without carbon emissions reduction initiatives aligned with the Paris Agreement.	This metric has been reported on a conservative basis, with Generation only acknowledging initiatives that are explicitly aligned to the Paris Agreement (including as a result of commitment to a Science-Based Target) and were in implementation during the reporting period. Generation has an entity-wide commitment to achieve 60% Science Based Target (SBT) coverage by 2025 (portfolio weighted). We are actively working with portfolio companies across strategies to set and verify targets. As we engage our companies, we expect this metric to improve over time.
Water, waste and material emissions	**E14. Natural species and protected areas**	1.Share of investments in investee companies whose operations affect threatened species 2.Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas	1. 2.6% 2. 2.6%	The percentage of investments in portfolio companies' with operations that affect threatened species, as reported by the company, or, in the case of public companies, whose operations affect The International Union for Conservation of Nature ("IUCN") Red List species and/or national conservation list species. The percentage of investments in portfolio companies' that operate near protected areas or an area of high biodiversity value outside protected areas without a biodiversity protection policy covering operational sites owned, leased, managed.	The great majority of Generation's investments are in companies whose operations do not affect threatened species. Generation is a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum and will continue to engage actively with relevant companies on nature-related issues.

Adverse sustainability indicator		Metric	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period.
ADDITIONAL INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS[2]					
Social and employee matters	**S6. Insufficient whistleblower protection**	Share of investments in entities without policies on the protection of whistleblowers	8.3%	The percentage of investments in portfolio companies' without a whistleblower protection policy.	Lack of policies is primarily concentrated in the private equity portfolio as the companies are in earlier maturity stages and have not yet, in all cases, established formal workplace policies. For private investments, Generation benchmarks portfolio companies against one another. Existence of a whistleblower policy is included in this analysis and presented to the companies to highlight areas of improvement.
Anti-corruption and anti-bribery	**S15. Lack of anti-corruption and anti-bribery policies**	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	7.5%	The percentage of investments in portfolio companies' without an anti-corruption and anti-bribery policy that is consistent with the United Nations Convention against Corruption, as determined through third party data sources and Generation's analysis.	Lack of policies is primarily concentrated in the private equity portfolio as the companies are in earlier maturity stages and have not yet in all cases established formal workplace policies. For private investments, Generation benchmarks portfolio companies against one another. Existence of anti-corruption and anti-bribery policies is included in this analysis and presented to the companies to highlight areas of improvement.

[2] The voluntary PAI indicators chosen are based on Generation's view of the probability of occurrence and severity of those adverse impacts to Generation's wider social and environmental stakeholders and mission, as well as to the financial performance of the range of its investments.

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SOURCE OF PAI INDICATOR DATA[3]

PAI	% Direct	% Indirect
1. GHG Emissions **a. Scope 1** **b. Scope 2** **c. Scope 3** **d. Total**	 a. 19% b. 20% c. 20% d. 19%	 a. 81% b. 80% c. 80% d. 81%
2. Carbon footprints	19%	81%
3. GHG intensity	19%	81%
4. Exposure to companies active in the fossil fuel sector	9%	91%
5. Share of non-renewable energy consumption and production **a. Consumption** **b. Consumption and production**	 a. Consumption: 10% b. Consumption and production: 10%	 a. Consumption: 90% b. Consumption and production: 90%
6. Energy consumption intensity per high impact climate sector **a. Manufacturing** **b. Electric, Gas, Steam & Air Conditioning Supply** **c. Wholesale, Retail, Trade, Repair of Motor Vehicles & Motorcycles**	 a. 0% b. 3% c. 0%	 a. 100% b. 97% c. 100%
7. Activities negatively affecting biodiversity-sensitive areas	73%	27%
8. Emissions to water	5%	95%
9. Hazardous waste and radioactive waste ratio	9%	91%
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	19%	81%

[3] Per the 17 November 2022 Questions and answers (Q&A) on the SFDR Delegated Regulation (Commission Delegated Regulation (EU) 2022/1288), it is good practice, but not obligatory to disclose the proportion of investments for which direct and indirect data was relied on. Direct means information came directly from the investee company. Indirect means information was obtained from third party sources or through reasonable assumptions. Note, a vast majority of data will be from indirect sources as all information for public investments is obtained indirectly (via third party data service providers).

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11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	4%	96%
12. Unadjusted gender pay gap	15%	85%
13. Board gender diversity	21%	79%
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0%	100%
E4. Investments in companies without carbon emission reduction initiatives	21%	79%
E14. Natural species and protected areas **a. Operations affect threatened species** **b. Biodiversity protection policy**	a. 7% b. 22%	a. 93% b. 78%
S6. Insufficient whistleblower protection	22%	78%
S15. Lack of anti-corruption and anti-bribery policies	22%	78%

Description of policies to identify and prioritise principal adverse impacts of investment decisions on sustainability factors

Generation's policies to identify and prioritise principal adverse impacts of investment decisions on sustainability factors are set out in the firm's PAI Assessment Policy.

Engagement policies

Generation's policy on engagement, including how the indicators for adverse impacts are considered, and the approach to be taken where there is no reduction of the principal adverse impacts over more than one period reported on, is set out in the firm's Stewardship and Engagement Policy.

References to international standards

Generation adheres to the following responsible business conduct codes and internationally recognised standards for due diligence, stewardship and reporting:

- Finance Sector Deforestation Action (FSDA)
- Net Zero Asset Managers initiative (NZAM)
- Powering Past Coal Alliance (PPCA)
- Principles for Responsible Investment (PRI)
- Task Force on Climate-Related Financial Disclosures (TCFD)
- The Climate Pledge
- UK Stewardship Code
- UN Global Compact

FSDA, NZAM, PPCA and The Climate Pledge are specifically intended to support financial sector and business alignment with the goal of the Paris Agreement to limit the global average temperature rise to 1.5C compared to pre-industrial levels.

In its PAI Assessment Policy, Generation has listed a set of mandatory and voluntary indicators that it considers as the 'minimum' set of indicators it uses to consider the principal adverse impacts on sustainability factors. Generation views all of the indicators listed in the Policy as relevant either to measuring adherence to the responsible business conduct codes and internationally recognised standards for due diligence and reporting set out above or alignment with the objectives of the Paris Agreement.

The methodologies and data used by Generation to measures this adherence or alignment are also set out the aforementioned PAI Assessment Policy.

In terms of forward-looking climate scenarios:

In listed equity, Generation currently uses the MSCI ESG Research Implied Temperature Rise service to assess the alignment of its portfolios with the goals of the Paris Agreement. This service uses 2C aligned pathways based on high level assumptions from the Intergovernmental Panel on Climate Change (IPCC) but is transitioning in 2023 to an updated model that uses open-source 1.5C decarbonisation pathways derived from the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). This is consistent with the 2022 report of the Glasgow Financial Alliance for Net Zero work stream on portfolio alignment measurement.

Across all asset classes, Generation engages with portfolio companies to adopt Science Based Targets for emissions reduction consistent with the 1.5C goal of the Paris Agreement and validated by the Science Based Targets initiative (SBTi). SBTi reviews estimates of the remaining emissions budget, top-down mitigation scenarios, and sectoral studies to determine 1.5C-aligned pathways at the global and sectoral level, including Intergovernmental Panel on Climate Change ("IPCC") reports and International Energy Agency (IEA) scenarios, in particular the IEA Net-Zero Roadmap (2021).

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IMPORTANT INFORMATION

The information contained in this report on principal adverse impacts has been compiled by Generation Investment Management LLP ("Generation IM") and Just Climate LLP, as applicable. Save as disclosed, all data is stated as at 31 December 2022.Under no circumstances is this report considered a financial promotion. It is not an offer to sell or a solicitation to buy any investment referred to in this document nor is it an offer to provide any form of investment service. This document is not meant as a general guide to investing nor as a source of any specific investment recommendation.

Notwithstanding references herein to any actions taken, actions planned, or targets set, or any other reference to sustainability, impact or ESG-related initiatives, it should not be assumed that any sustainability, impact or ESG-related requirements, laws, principles, initiatives, or standards apply or will apply to any asset in which funds managed by Generation IM and/or Just Climate LLP are or may be invested from time to time.

Nothing herein should be understood to qualify or modify the terms of any funds managed by Generation IM and/or Just Climate and nothing herein should be understood to amend the sustainability, impact, or ESG-related commitments as may have been made by such funds, in connection with SFDR or otherwise. In particular, nothing herein shall have the effect of altering any such funds' classification for the purposes of SFDR or any other sustainability, impact or ESG-related disclosure regime.

Save as disclosed in the offering documents of any funds managed by Generation IM and/or Just Climate LLP, neither Generation IM nor Just Climate LLP undertakes to achieve, any specific ESG or impact-related outcomes and there can be no guarantee that such funds will fulfil an investor's specific ESG, impact or sustainability related goals or ambitions.

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