

SUSTAINABILITY-RELATED DISCLOSURE

SUMMARY

Foord SICAV – Foord International Fund (the “Fund”) promotes environmental and/or social (E/S) characteristics in accordance with Article 8 of the Sustainable Finance Disclosure Regulation (SFDR). While the Fund incorporates ESG criteria across its investment process, it does not have sustainable investment as its objective. The Fund integrates both quantitative ESG metrics—such as Bloomberg ESG scores—and qualitative assessments aligned with frameworks including the UN Global Compact. It applies clear exclusionary criteria, including the removal of companies in the lowest 25% of ESG scorers within their peer group. The Fund does not designate a sustainable investment objective nor a reference benchmark for sustainability alignment.

NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product is classified under Article 8 of SFDR as it promotes environmental and/or social characteristics. However, it does not have sustainable investment as its primary objective within the meaning of Article 9.

ENVIRONMENT OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The Fund promotes a defined set of environmental and social characteristics by actively excluding companies with poor ESG performance, specifically those falling within the lowest 25% of their sector based on Bloomberg ESG scores. It also excludes companies that are in breach of international norms such as the UN Global Compact, including those with serious violations of human rights, labour standards, environmental practices, or anti-corruption principles. Furthermore, issuers involved in the production of controversial weapons or subject to global sanctions are excluded. These measures support the Fund’s goal of reducing exposure to sustainability risks and promoting responsible business practices.

INVESTMENT STRATEGY

Foord follows a bottom-up, fundamentally driven investment approach that prioritises long-term capital growth and risk management. ESG considerations are embedded into each stage of the investment process.

The Fund considers Principal Adverse Impacts (PAIs) of its investments on sustainability factors in accordance with Article 7 of the SFDR. These PAIs include mandatory environmental, social, and governance indicators such as greenhouse gas emissions, biodiversity, water, waste, social violations, and board diversity. The investment team incorporates these factors through a proprietary framework that combines Bloomberg ESG metrics, internal research, and third-party data.

Prior to investment, companies are screened based on their ESG scores and assessed against the UN Global Compact principles and a set of 14 Principal Adverse Impact (PAI) indicators. The investment team uses a proprietary scoring framework that incorporates both external data and internal judgment to determine whether a company aligns with the Fund’s environmental and social criteria. The Fund does not invest in companies that fail to meet these standards, and ongoing assessments ensure continued alignment. In certain instances, Foord may engage with issuers to address ESG risks before deciding whether to maintain or exit the position.



PROPORTION OF INVESTMENTS

As at the reporting date, approximately 78% of the Fund's investments are aligned with the environmental and/or social characteristics it promotes. These include equity and credit securities that have undergone ESG screening and evaluation. The remaining 22% consists of instruments such as UCITS, UCIs, commodities, structured products, sovereign bonds, and cash. These assets are not assessed against ESG criteria either due to limited data availability or because ESG considerations are not deemed relevant to their nature. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR, and no portion of the portfolio is currently aligned with the EU Taxonomy.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Fund's portfolio is monitored on an ongoing basis to ensure continued alignment with the promoted environmental and social characteristics. Monitoring involves regular reviews of ESG scores, updates to PAI indicators, and checks for compliance with international norms. Bloomberg ESG data is refreshed annually, and internal assessments flag any breaches or emerging risks. If a company no longer meets the Fund's ESG standards, the investment team may engage with the issuer or consider divestment, depending on the severity of the issue and the likelihood of remediation.

METHODOLOGIES

Foord uses a combination of quantitative and qualitative methodologies to assess whether the Fund's investments meet its environmental and social standards. Bloomberg ESG scores are used to benchmark issuers within their respective industries, and the lowest quartile is excluded from the investable universe. In parallel, a norms-based screening process is applied, evaluating companies against the principles of the UN Global Compact. The investment team also considers the 14 mandatory PAI indicators covering a range of sustainability dimensions, from greenhouse gas emissions to gender diversity and governance practices. These methodologies are applied consistently across the Fund and reviewed periodically to ensure relevance and effectiveness.

DATA SOURCES AND PROCESSING

Foord relies primarily on Bloomberg ESG data to evaluate issuers, supplemented by company filings, sustainability reports, and third-party research. Internal research analysts assess and validate this information using a structured scoring and screening framework. While the Fund prioritises reported data, conservative assumptions are applied when information is missing or inconsistent. At present, the Fund does not rely on estimated data or artificial intelligence for ESG assessments, and efforts are made to ensure data integrity and comparability.

LIMITATIONS TO METHODOLOGIES AND DATA

The primary limitations to the Fund's ESG approach relate to data availability, consistency, and comparability. Small-cap and emerging market companies often provide limited ESG disclosures, and differences in reporting standards across jurisdictions can create challenges in benchmarking. Additionally, certain instruments such as cash and derivatives are not typically assessed for ESG impact. To address these issues, Foord applies conservative thresholds, excludes companies with insufficient ESG information, and supplements external data with in-house analysis to improve reliability.

DUE DILIGENCE

The Fund applies ESG due diligence at both the pre-investment and ongoing monitoring stages. Before investing, companies are screened for ESG performance using Bloomberg data and evaluated against the UN Global Compact and PAI indicators. ESG factors are included in investment memoranda and are reviewed alongside financial and strategic assessments. After investment, holdings are reassessed periodically to ensure ongoing compliance with the Fund's ESG framework. If a company is found to have breached Foord's standards, the team may engage with management or divest the position if necessary.

ENGAGEMENT POLICIES

Foord may engage with investee companies on ESG matters, particularly where material risks are identified. The investment team may engage directly with issuers where ESG risks are material but potentially remediable. Engagement topics typically include governance, disclosure, environmental practices, and human rights issues. Engagement efforts are tailored to the company's context and are monitored for progress. If engagement does not lead to sufficient improvement, the company may be excluded from the portfolio. Foord's approach to engagement is active but pragmatic, focusing on cases where it believes influence can be constructive.

DESIGNATED REFERENCE BENCHMARK

The Fund does not use a designated reference benchmark to measure the attainment of its environmental or social characteristics. It is actively managed and does not track an ESG-aligned index. ESG performance is assessed internally through proprietary processes and third-party data, rather than benchmark-relative alignment.

