

FFG Global Equities Low Carbon

A fund of FFG, SICAV • Category SFDR : Article 9 • LEI: 6367003KXLXQKRFYDO10
 Date: 31/12/2025

Summary

The FFG – Global Equities Low Carbon Sub-Fund will seek long-term capital appreciation through a diversified portfolio of global equities. The sub-fund is actively managed without reference to an index.

The Sub-Fund as a sustainable investment objective in the meaning of Article 9 of the Sustainability Regulation.

The sustainable investment objective promoted by the Sub-Fund's investments is climate change mitigation.

To this end, the Sub-Fund will only invest in companies whose carbon emissions profile is compatible with the objective of the Paris Agreement, which is to keep the increase in global average temperature well below 2°C above pre-industrial levels, and preferably to limit the increase to 1.5°C, by the end of the 21st century.

In addition, this Sub-Fund will promote compliance with international human and labour rights standards and the exclusion of socially controversial activities.

No significant harm to the sustainable investment objective'

The fund's objective is sustainable investment.

All of the fund's net assets (excluding cash and hedging instruments) must meet sustainability criteria. Alignment with the Paris agreements, exclusion of controversial activities and compliance with international human rights standards help to avoid any significant detriment to an environmentally or socially sustainable investment objective.

In this respect, all the indicators of negative impact on sustainability listed in Table 1 of Annex I to Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 are taken into account in the investment process. An internal model for monitoring the main negative impacts (PINs) and compliance with the principles of good governance has been established. This model makes it possible to identify any significant detrimental effects of a sustainable investment on other sustainability objectives. Within this framework, the Manager tests each potential investment against the PINs by applying a threshold to measure the level of negative impact. A threshold has been established for each of the PINs listed in table 1 of appendix I.

Sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

Sustainable Investment Objective of the financial product

The **sustainable investment objective** promoted by the Sub-Fund's investments is **climate change mitigation**.

To this end, the Sub-Fund will only invest in companies whose carbon emissions profile is compatible with the objective of the Paris Agreement, which is to keep the increase in global average temperature well below 2°C above pre-industrial levels, and preferably to limit the increase to 1.5°C, by the end of the 21st century.

In addition, the fund promotes a number of **environmental and/or social characteristics**:

Compliance with international human rights and labour standards
 This Sub-Fund will only invest in securities issued by companies that comply with international human rights, labour, environmental and anti-corruption principles, standards or frameworks.

Exclusion of socially controversial activities

This Sub-Fund will only invest in securities issued by companies that are not materially involved in economic activities considered harmful for the society. The harmful activities covered are activities related to weapons (conventional and unconventional), tobacco, fossil fuels (thermal coal, oil and gas), gambling and adult entertainment.

Promoting job creation to fight poverty

In addition to the environmental and social characteristics promoted by the Sub-Fund through its investments, investing in this Sub-Fund indirectly generates a concrete social impact through Funds For Good, the SICAV's distribution coordinator. After deducting its operating costs, Funds For Good donates the greater of 50% of its net profits or 10% of its income to the social project it has created and manages, "Funds For Good Impact". "Funds for Good Impact devotes all its financial resources to combating poverty by promoting job creation. "Funds for Good Impact" grants unsecured, interest-free loans to people in precarious employment who have a business project. This financial support (coupled with human support in the form of coaching) enables these entrepreneurs to set up their own business. More information is also available at www.fundsforgood.eu.

Investment strategy

The Sub-Fund will seek long-term capital appreciation while pursuing a sustainable investment objective.

To this end, the Sub-Fund will invest primarily in a diversified portfolio of global equities. The Sub-Fund may also invest in UCITS and other UCIs (including ETFs), as well as derivatives for hedging purposes. The Sub-Fund is actively managed without reference to an index.

As part of its sustainable investment objective, which is climate change mitigation, the Sub-Fund applies a **'thematic' strategy** and will only invest in companies whose carbon emissions profile is compatible with the Paris Agreement's objective of keeping the global average temperature rise well below 2°C above pre-industrial levels, and preferably limiting the increase to 1.5°C, by the end of the 21st century.

Any company that meets at least one of the following three criteria is considered to contribute to the sustainable investment objective:

1. The company's current carbon intensity is compatible with keeping global temperature rise below 2°C by the end of the century.
2. The company has set emission reduction targets that have been approved by the Science Based Targets initiative (SBTi).
3. The company's annual emission reductions (scope 1 and 2) are in line with those required for the current year in order to achieve the Paris Agreement targets.

As part of its consideration of environmental and social characteristics, the Sub-Fund also applies an **'exclusion' strategy**, whereby issuers of financial securities are excluded from the investment universe if they do not comply with certain international standards and/or are involved in controversial activities beyond a predefined materiality threshold. This strategy is also based on the Funds For Good exclusion list, which references various issuers (companies and/or governments) in which the Sub-Fund cannot invest.

The indicators used to measure the compliance of investments with the environmental and social characteristics monitored are as follows:

- The intensity of greenhouse gas emissions of companies in the portfolio;
- The absence of serious violations of the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, the International Labour Organisation standards and the OECD Guidelines for Multinational Enterprises;
- Involvement in commercial activities related to arms, tobacco, fossil

Sustainability Information - Website sustainability-related disclosures

- fuels, gambling and pornography;
- Revenues derived from electricity generation from fossil fuels;
- Inclusion on the Funds For Good exclusion list
- The definition of harmful activities, the materiality thresholds applied and any exceptions granted are detailed in the Funds For Good Responsible Investment Policy, available on the website www.fundsforgood.eu/documents.

Proportion of investments

The Sub-Fund has sustainable investment as its objective and will contain a minimum of 90% of sustainable investments with an environmental objective in economic activities that are not considered environmentally sustainable under the EU taxonomy (#1 Sustainable). All investments made by the Sub-Fund will be aligned with the environmental and social characteristics pursued by the Sub-Fund.

Investments included under "#2 Non-Sustainable" are cash investments or investments for hedging purposes. Cash and hedging investments that do not promote sustainable investment will not be aligned with the environmental and social characteristics pursued by the Sub-Fund. The weight of these investments in the portfolio is limited to 10% of the sub-fund's net assets under normal market conditions.

Monitoring of the sustainable investment objective

The investment manager monitors the overall environmental or social performance on a regular basis, and at least monthly. The environmental and social characteristics are checked before each investment and on a regular basis after the investment.

Data sources and processing

Data sources include: Funds For Good's exclusion list, MSCI's ESG research and data provided by companies. This data is updated at least twice a year.

Limitations to methodologies and data

The strategy relies on data provided by various providers to assess the environmental and social characteristics of investments. However, despite the use of recognised ESG data providers, several limitations remain. On the one hand, the accuracy of estimates may be reduced, as companies still publish little ESG information, forcing providers to resort to estimates that are sometimes less reliable than directly reported data. Secondly, the timing of data is a significant constraint: information published by companies is often delayed, which can lead to the use of outdated data in the analysis and decision-making process. Finally, the lack of harmonisation in reporting standards makes comparisons between companies and jurisdictions difficult, limiting the consistency of analyses.

Given these limitations, data provided by other suppliers is used for comparison purposes, in particular to check values that appear to be aberrant. Furthermore, the sub-fund does not invest in companies for which the minimum ESG data (necessary to measure the contribution to the sustainable investment objective and to take into account the environmental and social characteristics promoted by the sub-fund) are not available.

Due diligence

The management team assesses the compliance of the investments with the sustainability objective and the E/S characteristics promoted by the sub-fund prior to investment and regularly thereafter. An investment universe based on these various constraints is established. The manager may only invest in this universe. In addition, sector exclusions are also monitored by the management company.

Engagement policies

Orcadia AM does not take an activist approach of investing in unsustainable companies in order to influence their management. However, the company recognises that in certain sectors, sustainability risks are higher than in

others, even for companies that may be considered above average in their sector. Companies operating in these sectors may be subject to bilateral communication when a sub-fund's exposure exceeds €25 million. In this context, the sustainability team assesses any shortcomings in the company's sustainability profile and, if necessary, engages in formal dialogue with the company. If no satisfactory response is received within a reasonable period of time, the case is submitted to the investment committee, which determines the appropriate measures, including voting against certain governance resolutions or temporarily excluding the company from the investment universe. In the event of exclusion, divestment must be completed within a maximum of three months.

The sub-fund uses an ESG-conscious voting policy. The manager has entered into a voting agreement (as part of its sustainability proxy voting programme) with ISS, a global leader in this field. ISS analyses all items submitted to general meetings and, based on its criteria, which include ESG considerations, indicates for each item whether a vote for or against the item submitted to shareholders appears appropriate. Under the agreement, ISS votes on behalf of the manager at the general meetings of all companies in which the sub-fund is invested.

Reference benchmark (ESG)

No benchmarks have been designated to meet the environmental and social characteristics promoted by the Sub-Fund.

Terms to understand

E/S Environmental and/or social.

ESG Environmental, social and governance.

ESG risk, sustainability risk An ESG event or trend that may bring reputational or financial harm to a corporate or sovereign issuer.

ESG score A measure of an issuer's exposure to ESG/sustainability risks, typically based on data and developed through the investment team's analysis and scoring method.

EU Taxonomy The EU's official classification of economic activities that contribute to an environmental objective (such as climate change mitigation, water protection, circular economy, pollution prevention or biodiversity protection). In future the taxonomy will include activities with a social objective.

issuer A company, government, government agency, government-sponsored organisation, or supranational or public international entity that registers and sells securities.

reference benchmark An index or combination of indices used by the fund to attain or compare its E/S characteristics.

SFDR Regulation (EU) 2019/2088 on sustainability-related disclosures for financial products.

sustainable investment An investment in economic activities, undertaken by companies that follow good governance practices, that contribute to an E/S objective without significantly harming other E/S objectives.

UN Global Compact A United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.