

FINDLAY PARK FUNDS PLC

SUSTAINABILITY-RELATED DISCLOSURES

This statement explains how Findlay Park Funds PLC (the “Company”) complies with its obligations under articles 8 and 10 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector (“SFDR”).

The Company has delegated the discretionary investment management function in respect of the Findlay Park American Fund (the “Fund”) to Findlay Park Partners LLP (“Findlay Park”) and, therefore, the approach to responsible investment is the same for both Findlay Park and the Company. A complete overview of Findlay Park’s approach to responsible investment can be found in its Responsible Investment & Engagement Policy, and its approach to the consideration of sustainability impacts in its Principal Adverse Sustainability Impacts Statement.

Environmental and social characteristics

The Fund is classified as an “Article 8” product under SFDR and as such, the Fund promotes environmental and social characteristics, but does not have as its objective a sustainable investment. The Fund’s environmental and social characteristics stem from a thorough, engaged and long-term approach to responsible investment. This is built on rigorous Environmental, Social and Governance (“ESG”) integration, active engagement, voting, consideration of sustainability impacts, and exclusions of areas with the most severe impacts on society and the environment.

Climate considerations are integrated into analysis, monitoring and investment decision making, as well as voting and engagement. Findlay Park believes that climate change risks are increasing and systemic. Findlay Park’s research, engagement and voting on behalf of the Fund is therefore informed by climate indicators such as corporate climate targets and alignment with the Paris Agreement, among other issues. Findlay Park monitors temperature alignment metrics which form part of the ESG integration and engagement processes detailed below. For example, Findlay Park monitors the weighted average of the emissions of companies in the Fund and how these align with the Paris Agreement. These considerations are integrated into the investment process employed by the Fund and are a point of regular engagement and voting activity with companies.

In addition, as detailed below, Findlay Park has binding exclusions on investment in companies deriving 10% or more of revenue from coal fired power and coal mining or oil sands as these activities are considered among the most damaging to the environment.

The Fund also seeks to promote social characteristics and in this regard, Findlay Park closely monitors social factors such as employee engagement. This is based on the belief that all businesses are people driven. Scores from employee review sites such as Glassdoor are regularly monitored and form part of the ESG integration and engagement processes detailed below. Such analysis and engagement may also inform investment decision making, based on the belief that companies with highly engaged employees can outperform over time.

Findlay Park also monitors corporate controversies, particularly those that risk companies breaching international norms such as the UN Global Compact and OECD guidelines. Companies subject to such controversies tend to score

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poorly against Findlay Park's Investment Philosophy, and the Fund does not typically invest in companies which are at a high risk of breaching such international norms. This monitoring is integrated into the investment process employed by the Fund and can form part of the ESG engagement processes detailed below. These considerations may also inform decision making, for instance where they present an excessive degree of reputational risk.

In addition, as further detailed below, Findlay Park also has binding exclusions on companies deriving 10% or more of revenue from tobacco production and distribution, and those likely in breach of international conventions of controversial weapons are excluded. These areas cause significant social harm, leading to financial or reputational risk.

As regards 'governance', Findlay Park considers that good governance practices and robust oversight are key to financial sustainability. Among other measures, Findlay Park scores governance and management factors including the nature of financial incentives, and the purpose and culture of companies in which the Fund invests. This forms part of the investment decision making processes employed by the Fund and active voting and engagement is undertaken by Findlay Park with respect to these governance factors.

Investment Philosophy and ESG Integration

The integration of ESG factors, including the ESG characteristics detailed above, into the investment process is guided by Findlay Park's Investment Philosophy of identifying and mitigating business risk in order to compound returns over the long-term. Consideration of these ESG issues, including a company's purpose and culture, is key to this – the financial sustainability of a business increasingly depends on all aspects of sustainability, including environmental and social elements.

Findlay Park believes that responsibly managed companies (i.e. companies run in the long-term interests of all stakeholders, including shareholders, customers, employees and society) are best placed to achieve a sustainable competitive advantage and should provide superior long-term investment opportunities.

Findlay Park has developed a comprehensive portfolio-wide responsible investment report which combines external data sources with its own corporate voting, engagement and ESG research notes. As part of its investment process, Findlay Park seeks to include all relevant financial risks in its investment decisions and seeks to evaluate these on an ongoing basis. In doing so, relevant sustainability risks, including the ESG characteristics detailed above and/or other ESG events or conditions (relating to items such as Human Capital, Climate and Environmental, Corporate Governance, Cyber Security and Data Privacy, and Business Ethics and Reputation) that could have an actual or a potential material negative impact on the investment, are taken into account.

ESG focussed research and engagement is undertaken by the whole investment team, co-ordinated by its Responsible Investment Lead analyst, and is overseen by Findlay Park's Investment Committee ("IC"). The IC meets on a regular basis and reviews key ESG concerns related to specific companies (including reviewing the responsible investment report mentioned above), both when considering an investment in a company and on an ongoing basis in respect of companies forming part of the Fund's portfolio. These key ESG concerns are one of many factors that

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will form part of Findlay Park's overall decision to acquire, divest and/or continue to invest in these companies. The IC will also monitor progress made in resolving or mitigating any such ESG concerns. Further detail can be found in Findlay Park's Responsible Investment & Engagement Policy available at www.findlaypark.com.

Engagement

Engagement is key to Findlay Park's ESG strategy. Findlay Park has a focused team, which hold hundreds of meetings with companies each year, of which a significant number include ESG discussions relating to the environmental and social characteristics being promoted by the Fund, good governance practices, ESG risks and sustainability impacts.

Engagement is typically prioritised according to the materiality of issues at hand, including how this may develop over a long time horizon. Factors influencing this include the size of a position in a company, the extent of the holding in the Fund, and the importance of an issue to the investment thesis. The scope and severity of negative sustainability impacts is also considered in engagement. Short-term events such as upcoming voting decisions, company requests, management changes, and escalation of ESG risks or impacts, are also addressed.

Findlay Park engages on issues of concern hoping to clarify management's intentions or change behaviour. Should this not be possible, Findlay Park will follow an escalation strategy, which may lead to a variety of outcomes, including adjusting or exiting a position.

Exclusions

Companies with severe ESG risks and controversies would not meet Findlay Park's Investment Philosophy's strict criteria, which addresses matters around heightened regulatory risk, questions over long-term outlook, and susceptibility to changing consumer preferences.

For inclusion in the Fund, in addition to Findlay Park's in-depth research, corporate securities will be screened against binding exclusion criteria using third-party data. These binding restrictions are set out in the table overleaf.

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Theme	Product	Exclusion criteria
Environmental	Coal	Companies deriving >10% of revenue from coal fired power and coal mining.
	Oil sands	Companies deriving >10% of revenue from oil sands.
Social	Tobacco	Companies deriving >10% of revenue from tobacco production and distribution
	Controversial weapons	Companies deriving >0% of revenue from controversial weapons (cluster munitions, antipersonnel mines, biological and chemical weapons). ^[1]

Where a company held in the Fund is identified as having revenues from coal, tobacco or oil sands which approach these thresholds, but do not breach them, Findlay Park will seek to engage with the company. This will help Findlay Park understand future plans, for instance to exit or reduce exposure to these companies. Findlay Park will clarify its policy to such companies and encourage them not to increase exposure to these areas.

The exclusion lists are reviewed on a six monthly basis. Where an investment is identified as no longer meeting the Fund's exclusion criteria, Findlay Park will seek to sell the investment as soon as reasonably practicable taking into account the interests of the investors.

Principal Adverse Impacts

Findlay Park will consider the principal adverse impacts of its investment decisions on sustainability factors within the meaning of SFDR to the extent that the relevant information required to appropriately assess the principal adverse impacts is available. Related engagement and voting will be reported on twice annually. Further detail can be found in Findlay Park's Responsible Investment & Engagement Policy and Reports, and in the Principal Adverse Sustainability Impacts Statement available at www.findlaypark.com.

As permitted under Article 4 of SFDR and in accordance with Article 7(2) of the SFDR, Bridge Fund Management Limited, as the UCITS management company in respect of the Company and the Fund (the "Manager") does not consider the adverse impacts of investment decisions on sustainability factors on the basis that it is not a financial market participant that is required to do so given that the Manager does not have an average number of employees exceeding 500 during the financial year. The Manager may choose at a later date to publish and maintain on its

^[1] In breach of international conventions of controversial weapons comprising the following: Convention on Cluster Munitions, Anti-Personnel Mine Ban Treaty, Biological and Toxin Weapons Convention, Chemical Weapons Convention.

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website the consideration of principal adverse impacts of investment decisions on sustainability factors. The Manager will review its approach to considering the principal adverse impacts of investment decisions on sustainability factors under the SFDR once the regulatory technical standards come into effect.

For the avoidance of doubt, the Manager's approach to the consideration of principal adverse impacts of investment decisions on sustainability factors does not impact or inhibit Findlay Park's consideration of such principal adverse impacts.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the "**EU Taxonomy**"). At this point in time, neither companies nor third party data providers can give any assurance that the activities of the companies in which the Fund invests are aligned with the EU Taxonomy. Therefore Findlay Park has conservatively assessed there to be no alignment with the EU Taxonomy.

Sustainability Risks

Where an ESG risk materialises in respect of a company, there may be a negative impact on, or may be an entire loss of, its value. This may be because of damage to its reputation with a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. A company may also suffer the impact of fines and other regulatory sanctions. The time and resources of the company's management team may also be diverted from furthering its business and be absorbed seeking to deal with the relevant ESG risk(s), including changes to business practices and dealing with investigations and litigation. ESG risks may arise and impact a specific investment or may have a broader impact on an economic sector, geographical region and/or jurisdiction. ESG risks may give rise to loss of corporate assets and/or physical loss including damage to real estate and infrastructure.

Laws, regulations and industry norms play a significant role in controlling the impact of ESG risks on many industries. Any changes in such measures, such as increasingly stringent environmental or health and safety laws, can have a material impact on the operations, costs and profitability of companies. Further, companies which are in compliance with current measures may suffer claims, penalties and other liabilities in respect of alleged prior failings. Any of the foregoing may result in a material loss in value of an investment linked to such companies.

Accordingly, sustainability risks may impact the value of the companies in which the Fund invests and, as a result, the NAV of the Fund itself. The assessment of ESG risks is complex and often requires subjective judgements, which may be based on data which is difficult to obtain, incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that Findlay Park's assessments will correctly assess the impact of ESG risks on the Fund's investments. At this time, Findlay Park is unable to give a quantitative assessment of the extent of these risks and the likely impact of such risks on the returns of the Fund. Further details of the potential impact of these ESG risks can be found in Findlay Park's Responsible Investment & Engagement Policy and Reports available at www.findlaypark.com.

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Methodologies

Findlay Park uses a variety of tools, data sources and indicators to support, assess, measure and/or monitor its environmental and social characteristics, including its adherence to exclusions and consideration of principal adverse impacts. The key elements of these sources are summarised below.

Environmental characteristics

One of the most important metrics, regularly assessed by Findlay Park, is alignment of the companies in which the Fund invests, and in turn the Fund, with the Paris Agreement. MSCI ESG provides data on Scope 1 (direct) emissions and related warming potential metrics. This seeks to project future corporate emissions, and assess the expected alignment to the Paris Agreement, considering the sector of the company. The most timely and rigorous climate targets are also directly sourced by Findlay Park from the Science Based Targets Initiative – which helps develop and verify corporate targets aligned with the Paris Agreement, across Scope 1 (direct) and Scope 2 (electricity related) emissions, and Scope 3 (value chain related) emissions for some sectors.

Social characteristics

Among the social metrics monitored is the state of employee engagement, for instance as expressed on employee review site Glassdoor. Violations of UN Global Compact and OECD guideline norms are monitored through research from ISS ESG. This organisation maps controversies to these norms, and assesses whether a company is likely in breach of these on a rating scale.

Exclusions

Exclusions related to controversial weapons, tobacco and coal are provided by ISS ESG. Firms are closely and regularly monitored for involvement in the product types.

Principal adverse impacts

Principal adverse impacts are monitored through a number of data providers. MSCI ESG is used for Scope 1 (direct) and Scope 2 (electricity related) emissions, given their timelier approach to emissions reporting relative to peers assessed for this exercise. Most other environmental metrics, such as those on water pollution and Scope 3 (value chain related) emissions, are provided by S&P Trucost given their long-standing environmental modelling experience. Biodiversity metrics are developed by Findlay Park, informed by third party research on biodiversity, including from the UN, and use of the Integrated Biodiversity Assessment Tool (IBAT). Paris Agreement-aligned targets are monitored by Findlay Park, with recourse to the database of the Science Based Targets Initiative.

ISS ESG provides social and governance data points related to UN Global Compact / OECD guidelines violations, and controversial weapons, given its considerable experience in this field. Board gender diversity is monitored using BoardEx given the more timely information that it provides on this point. Gender pay gap reporting is available for

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some UK based subsidiaries of companies in which the Fund invests, which may be used as a proxy, and the UK government website is used to assess this information. Corporate policies and procedures are monitored by Findlay Park to assess alignment with the UN Global Compact and the quality of supplier codes of conduct.

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