

**Pacific Assets Trust plc ("the Company")****Alternative Investment Fund Manager ("AIFM"):** Frostrow Capital LLP**Portfolio Manager:** Stewart Investors**Product LEI:** 2138008U8QPGAESFYA48**Date of disclosure:** 2 December 2024

References to 'we', 'us' or 'our' below are references to First Sentier Investors, the global asset management business which is the delegated portfolio manager of the Company. The investment team that manages the Company's portfolio operates under the trading name of Stewart Investors which is part of the First Sentier Investors Group.

**The Company does not have a UK sustainable investment label.**

The Company does not have a specific and measurable non-financial sustainability objective nor related key performance indicators which apply to all companies in the form currently required for a SDR label. The Portfolio Manager believes that companies can contribute to sustainable development in different ways and these contributions can be assessed by reference to measures and methods which are suitable for each company.

**Sustainability approach**

The Company aims to achieve long-term capital growth through investment in selected companies in the Asia Pacific region and the Indian sub-continent, but excluding Japan, Australia and New Zealand (the "Asia Pacific Region"). To achieve this aim, Stewart Investors adopts a sustainable investment strategy, investing in companies that contribute to, and benefit from, sustainable development. We believe this leads to positive social and environmental outcomes. Every company we invest in helps improve human development, and many also have positive environmental impacts. We evaluate the Company's contributions to social and environmental outcomes using the two frameworks described below.

**Positive social outcomes – human development pillars**

We consider the following four broad [human development](#) categories to assess how each company in the portfolio contributes to positive social outcomes:



**Health and well-being** – improved access to and affordability of nutrition, healthcare and hygiene, water and sanitation



**Physical infrastructure** – improved access to and affordability of energy and housing



**Economic welfare** – safe employment offering a living wage and opportunities for advancement, access to finance and improved standards of living



**Opportunity and empowerment** – improved access to and affordability of education and information technology

**Positive environmental outcomes – Project Drawdown climate solutions**

[Project Drawdown](#), is a non-profit organisation that has mapped and measured over 90 different and existing climate solutions. These are existing practices and technologies, such as renewable energy and recycling. We use these to assess whether companies in the portfolio contribute to positive environmental outcomes.

The solutions can be summarised into the following eight broad categories:



Food system



Transport



Energy



Buildings



Circular economy and industries



Water



Human development



Conservation and restoration

**Portfolio Explorer**

Our [Portfolio Explorer](#) tool provides the contribution that each investee company makes to climate solutions and human development. It also shows what we like about each company, the most relevant Sustainable Development Goals, key risks, and areas for improvement. We update the holdings on Portfolio Explorer every quarter.

### Engagement and voting

No company is perfect, so Stewart Investors sees [engagement](#) and [voting](#) as key duties as long-term investors. We believe engagement helps reduce risk, tackle social and environmental issues, and improve sustainability. It is a core part of the investment team's responsibilities and gives us valuable insights into each company.

### Exposure to harmful or controversial products, services or practices

We use international standards such as the United Nations global norms to assess the Company's investments for [harmful or controversial products, services or practices](#) and exposure to high-risk sectors e.g. fossil fuels. We do this at least once every quarter.

We will not invest in any companies that make revenue from tobacco production and controversial weapons. We will not invest in companies which make more than 5% of their revenue from harmful products and services. We use internal analysis and external research to assess company activities such as employee or supply chain issues which cannot be measured by revenue.

If we have invested in a company that is above any of these limits, we will disclose this on our website and explain why we continue to own this company.

### Sustainability metrics

As at 30 June 2024, the Trust held **64 companies**.

**All companies (100%)** were contributing to at least one human development pillar and, in total, were making **183 contributions** to the pillars.

**46 companies (72%)** were contributing to climate change solutions. These companies were contributing to **43 different solutions** and, in total, were making **147 contributions** to the solutions.

Charts for the Company (updated twice a year) are also available on the [Pacific Assets Trust](#) and [First Sentier Investors](#) websites.

### Stewart Investors Annual Review 2023

We published a [review of our sustainable investment and business activities for 2023](#). As a supplement to the report, [portfolio-level data](#) covering the human development pillars, climate change solutions, harmful or controversial products, services or practices, engagement and proxy voting as well as climate data, is also available.

### Task Force on Climate-related Financial Disclosures (TCFD)

In line with the requirements of the UK Financial Conduct Authority's ESG Sourcebook 2, you can find a TCFD report on the Company's [website](#).

### Further details

More information about the ESG features of this Company can be found in the [Investor Disclosure Document](#) and the ESG reporting can be found in the [Annual Report](#). Information on the performance of the sustainability metrics will be made available in the Company's public Sustainability Product Report.