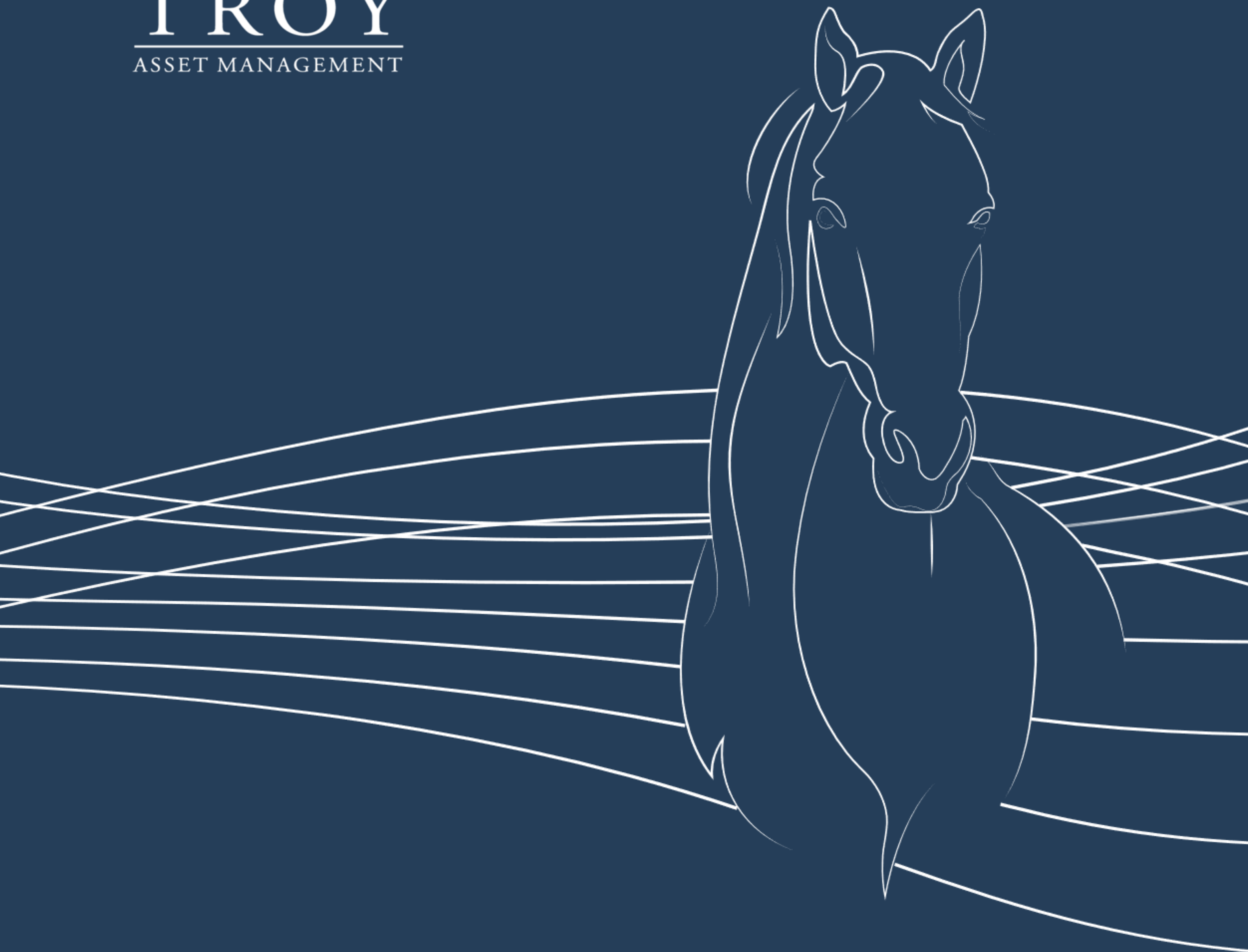
TROY
ASSET MANAGEMENT



Troy Asset Management Limited

Responsible Investment – Climate Change Adverse Impacts Policy

Date: August 2024

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1. Introduction

Troy Asset Management ("Troy") considers climate change to be one of the most significant and complex systemic risks facing the world today. As a result, Troy believes it is important to assess the greenhouse gas ("GHG") emissions and climate transition strategies of the companies in which it invests. Delaying climate mitigation efforts and investment in adaptation will heighten the impact of climate-related disruption and increase costs at a later date.

Troy actively engages with investee companies to promote the goals of the Paris Agreement. To this end, Troy became a signatory to the Net Zero Asset Managers initiative ("NZAM") in July 2021. As a signatory, Troy commits to supporting the transition towards net zero GHG emissions by 2050, in line with international efforts to limit global warming to 1.5°C above pre-industrial levels ('net zero emissions by 2050 or sooner'). Given this, certain funds (as set out in the section headed "Scope" below) have committed to consider the principal adverse impacts of investment decisions on climate-related sustainability factors under the Sustainable Finance Disclosure Regulation ("SFDR").

2. Scope

This policy is binding on the following funds:

Trojan Funds (Ireland) plc – Trojan Fund (Ireland), Trojan Income Fund (Ireland), Trojan Ethical Fund (Ireland), Trojan Global Income Fund (Ireland) and Trojan Global Equity Fund (Ireland).

The asset classes within scope of this policy are equities (including real estate investment trusts) and corporate debt securities. For the avoidance of doubt, this policy does not cover investments in collective investments, index futures/options, government debt securities, exchange traded commodities, physical commodities or currency derivatives[1].

As the funds follow different strategies, investors and potential investors should compare the scope of this policy with the investment objective, policy and strategy sections set out in the prospectus of the relevant fund, to ascertain the extent of the impact of this policy on that particular fund.

[1] The methodologies, industry practice, frameworks, and measurement tools of climate change mitigation are less developed for certain asset classes and as a result it has been deemed appropriate to exclude such asset classes from the scope of this policy.

3. Climate Related Principal Adverse Impacts

SFDR sets out six principal adverse impact indicators relating to climate-related impacts, as set out below (the "PAI indicators"):

Principal Adverse Impact indicator	Metric
1. GHG emissions	Scope 1 GHG emissions
	Scope 2 GHG emissions
	Scope 3 GHG emissions
	Total GHG emissions
2. Carbon footprint	Carbon footprint
3. GHG intensity of investee companies	GHG intensity of investee companies
4. Exposure to companies active in the fossil fuels sector	Share of investments in companies active 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
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector

In line with this policy, Troy considers all the above PAI indicators when considering the principle adverse impacts of investment decisions on climate-related sustainability factors.

The purpose of considering these PAI indicators is to seek to mitigate the adverse impacts of the underlying investments in the fund on the climate.

4. Methodology for considering PAIs

The relevant Fund Manager(s) is responsible for considering the climate-related principal adverse impacts for the relevant fund, as assisted by the Investment Team.

Troy sources data for the above PAI indicators from MSCI ESG Research. The data is added to Troy's centralised Climate Alignment Spreadsheet (the "CA spreadsheet") which is updated at least quarterly. The CA spreadsheet has climate related data on all holdings within Troy portfolios and equity investment universe for the purpose of assessing a company's alignment to, or commitment to align to, net zero greenhouse gas emissions by 2050.

The Fund Manager(s) will use the spreadsheet to identify the securities with the largest negative impact to the outer world, on an absolute basis, for each indicator. The list will be aggregated across the PAIs 1-6 to identify the five securities within each fund that have the greatest absolute adverse impacts on the climate, typically these are the companies held with the largest total emissions footprint. Upon identifying these securities, they will be subject to further analysis which entails a review of their efforts to mitigate climate change by way of GHG emissions reduction, improved resource efficiency and general decarbonisation efforts.

For the securities identified as having the most significant adverse impact, a qualitative analysis will be carried out which will consider additional measures taken by companies to mitigate their climate-related impact. The framework for assessing a company's alignment to, or commitment to align to, net zero greenhouse gas emissions by 2050 will be by reference to the Paris Aligned Investor Initiative's Net Zero Investment Framework (NZIF) outlined below (Troy's "Net Zero Criteria"):

Alignment Categories	Description	Criteria
Not Aligning	Any company that has not set a long term 2050 goal consistent with achieving global net zero.	
Committed to Aligning	A company that has complied with criterion 1 by setting a clear goal to achieve net zero emissions by 2050.	**Criterion 1** - Ambition: A long term 2050 goal consistent with achieving global net zero.
Aligning towards a net zero pathway	Companies that: • Have set a short or medium-term target (criterion 2); • Disclose scope 1, 2 and material scope 3 emissions data (criterion 4); and • Have a plan relating to how the company will achieve these targets (partial criterion 5) but has yet to show sustained performance against those targets.	**Criterion 2** - Targets: Short- and medium-term emissions reduction target (scope 1, 2 and material scope 3). **Criterion 4** - Disclosure: Disclosure of scope 1, 2 and material scope 3 emissions. **Criterion 5** - Decarbonisation Strategy: A quantified plan setting out the measures that will be deployed to deliver GHG targets, proportions of revenues that are green and where relevant increases in green revenues.
Aligned to a net zero pathway	Companies that: • Meet criteria 1-6 for high impact companies or criteria 2, 3 or 4 for lower impact companies; and • Have adequate performance over time in relation to criterion 3, in line with targets set.	**Criterion 3** - Emissions Performance: Current emissions intensity performance (scope 1, 2 and material scope 3) relative to targets. For High Impact Sectors[2] Only: **Criterion 6** - Capital Allocation Alignment: A clear demonstration that the capital expenditures of the company are consistent with achieving net zero emissions by 2050.

[2] 'High impact sectors' has the meaning set out in in Appendix B in the Institutional Investors Group on Climate Change's ("IIGCC") Net Zero Investment Framework Implementation Guide available here.

Achieving net zero	Companies that have current emissions intensity performance at, or close to, net zero emissions with an investment plan or business model expected to continue to achieve that goal over time.	

Other factors feeding into the analysis may include an assessment of the company's performance relative to its peers.

The analysis has two potential outcomes:

1) The company is on a net zero pathway and is meeting its targets under the Net Zero Criteria, therefore no further action is required by Troy.
2) The company is either not on a net zero pathway or not meeting its targets under the Net Zero Criteria, therefore Troy must seek to engage with the company.

All holdings are formally reviewed, using the above framework, prior to each investment, and with respect of continued holdings, at least on an annual basis.

Prior to investing

Prior to investing in a new security, the Fund Manager(s) will conduct an analysis of the PAI indicators by reference to the data within the CA spreadsheet and will follow the aforementioned process.

4. Engagement

Troy engages[3] with those investee companies which are either not on a net zero pathway, or not meeting their targets under the Net Zero Criteria. The objective of these engagements is to encourage each company to set targets consistent with the goals of the Paris Agreement and ensure they are meeting their short-, medium- and long-term targets, facilitating a transition towards net zero by 2050.

The first step in our engagement process is to contact the investee company setting out Troy's approach to assessing climate change and formally requesting to engage with the company in relation to its climate strategy.

Where formally engaging with a company in this context, the engagement must be raised with the company at least annually to update on progress. Following an update, the assessment set out in section 3 should be reviewed, and, where relevant, refreshed.

[3] For more detail on engagement, see Troy's Responsible Investment & Stewardship Policy.

Troy maintains a log of all engagements with investee companies, which includes: the subject of the engagement, medium of communication, current status and outcome. The engagement log is provided to, and reviewed by, Troy's Responsible Investment & Climate Committee.

5. Escalation

All companies Troy engages with under this policy are reported to the Responsible Investment & Climate Committee on a quarterly basis, along with the engagement activity undertaken in relation to such companies. If the Responsible Investment & Climate Committee concludes that the relevant company is not taking sufficient action to mitigate its adverse climate-related impacts by way of GHG emissions reduction and progress on its decarbonisation strategy, or where the engagement process has been ongoing for two years without progress, the engagement activity will be escalated.

Escalation of engagement activities may include:

- Engaging with the Board
- Collaborative engagement via collective engagement forums such as the Carbon Disclosure Project[4] and Climate Action 100+[5]
- Using voting rights on behalf of Troy's clients (where Troy has authority to do so) in an attempt to drive change
- Filing or co-filing shareholder resolutions, where Troy has authority to do so
- The partial or complete sale of a holding

Information on voting carried out by Troy is reported on Troy's website.

6. Divestment

As described above, partial or complete sale of a holding may be pursued as a form of escalation. However, given the current bias within Troy's portfolios to less carbon-intensive sectors and companies with relatively low transition risk, we expect engagement to be the predominant driver of change.

7. Investor Reporting

Troy will report on the PAI indicators of each fund at least annually. Portfolio reporting will be calculated in line with the methodology as set out in the SFDR RTS (Commission Delegated Regulation (EU)) 2022/1288 of 6 April 2022, which is weighted based on the size of the position in the portfolio.

8. Internal Oversight

[4] Further details of the Carbon Disclosure Project can be found here: https://www.cdp.net/en
[5] Further details of Climate Action 100+ can be found here: https://www.climateaction100.org/

Adherence to the processes set out in this policy are monitored on a periodic basis by Troy's Compliance Team. The Responsible Investment & Climate Committee is responsible for oversight of this policy and the processes set out herein.

9. Review

This policy will be reviewed on an annual basis.