

# Trillium ESG Global Equity Fund

## PDS update: Environmental, social and ethical factors and labour standards

Effective 19 October 2021, the disclosure relating to 'Environment, social and ethical factors and labour standards' (set out in section 5 on page 5 of the Trillium ESG Global Equity Fund Product Disclosure Statement issue number 1 dated 4 August 2020) has been updated for the Trillium ESG Global Equity Fund.

CURRENT	NEW
<p><b>ENVIRONMENTAL, SOCIAL AND ETHICAL FACTORS AND LABOUR STANDARDS</b></p> <p>Trillium integrates ESG factors into the investment process as a way of identifying the companies best positioned to deliver strong long-term performance. A leader in shareholder advocacy and public policy work, Trillium leverages the power of stock ownership to promote positive social and environmental change while providing for the financial needs of investors.</p> <p>Trillium believes that the best long-term investments are found in companies with above-average financial characteristics and growth potential that also excel at managing environmental risks and opportunities, societal impact, and corporate governance impact. Trillium believes that a company's understanding of ESG principles demonstrates the qualities of innovation and leadership that create a distinct competitive advantage and build long-term value. Therefore, Trillium conducts fundamental research to find companies with attractive environmental, societal, and financial attributes. In conducting fundamental research, Trillium combines traditional investment information with proprietary environmental, social, and governance analysis. Trillium believes that this creates a complete picture of how each company behaves commercially and how it deals with existing and emerging environmental risks and opportunities. Trillium considers a company's position on various factors such as ecological limits, environmental stewardship, environmental strategies, stance on human rights and equality, societal impact as well as its corporate governance practices.</p> <p>When selecting securities for the Fund, Trillium conducts detailed financial analysis that includes a review of ESG issues and how they may impact a stock's valuation or performance and selects securities that meet their financial and ESG criteria. ESG factors can reflect a variety of key sustainability issues that can influence company risks and opportunities and span a range of metrics including climate change policies, supply chain and human rights policies. Companies that meet Trillium's ESG criteria typically have transparent sustainability data and policy reporting. ESG criteria may be somewhat different industry by industry. For example, factory-level environmental assessments are relevant to the Industrial Sector while not applicable to the Financial Services sector. In its selection process for the Fund, of the three ESG components, Trillium emphasises environmental factors, such as ecological limits, environmental stewardship and environmental strategies, more than social and governance factors. Trillium utilises information obtained from multiple third-party providers for both financial and ESG data, in addition to internally generated analysis, throughout its proprietary investment process.</p> <p><b>ESG SCREENING</b></p> <p><b>Ecological limits:</b> Companies shall demonstrate an</p>	<p><b>ENVIRONMENTAL, SOCIAL AND ETHICAL FACTORS AND LABOUR STANDARDS</b></p> <p>Trillium integrates ESG factors into the investment process as a way of identifying the companies best positioned to deliver strong long-term performance. A leader in shareholder advocacy and public policy work, Trillium leverages the power of stock ownership to promote positive social and environmental change while providing for the financial needs of investors.</p> <p>Trillium believes that the best long-term investments are found in companies with above-average financial characteristics and growth potential that also excel at managing environmental risks and opportunities, societal impact, and corporate governance impact. Trillium believes that a company's understanding of ESG principles demonstrates the qualities of innovation and leadership that create a distinct competitive advantage and build long-term value. Therefore, Trillium conducts fundamental research to find companies with attractive environmental, societal, and financial attributes. In conducting fundamental research, Trillium combines traditional investment information with proprietary environmental, social, and governance analysis. Trillium believes that this creates a complete picture of how each company behaves commercially and how it deals with existing and emerging environmental risks and opportunities. Trillium considers a company's position on various factors such as ecological limits, environmental stewardship, environmental strategies, stance on human rights and equality, societal impact as well as its corporate governance practices.</p> <p>When selecting securities for the Fund, Trillium conducts detailed financial analysis that includes a review of ESG issues and how they may impact a stock's valuation or performance and selects securities that meet their financial and ESG criteria. ESG factors can reflect a variety of key sustainability issues that can influence company risks and opportunities and span a range of metrics including climate change policies, supply chain and human rights policies. Companies that meet Trillium's ESG criteria typically have transparent sustainability data and policy reporting. ESG criteria may be somewhat different industry by industry. For example, factory-level environmental assessments are relevant to the Industrial Sector while not applicable to the Financial Services sector. In its selection process for the Fund, of the three ESG components, Trillium emphasises environmental factors, such as ecological limits, environmental stewardship and environmental strategies, more than social and governance factors. Trillium utilises information obtained from multiple third-party providers for both financial and ESG data, in addition to internally generated analysis, throughout its proprietary investment process.</p> <p><b>ESG SCREENING</b></p> <p><b>Positive screens</b></p> <p>Trillium follows an environmental, social and governance (ESG) risk-based screening process where analysts evaluate companies to determine those meeting positive thresholds of performance on ESG issues.</p> <p><b>Ecological limits:</b> Companies shall demonstrate an understanding of the ecological limits that exist for their business and address their specific impact areas through a range of verifiable initiatives.</p> <p><b>Environmental stewardship:</b> All companies are in a position to protect and preserve the environment and shall have appropriate policies to guide their behaviour as well as a history of appropriate behaviour.</p> <p><b>Environmental strategy:</b> Companies shall have strategies for becoming more efficient in their interactions with the environment and show progress towards meaningful goals.</p> <p><b>Human rights and equality:</b> Companies shall assure that they are not directly or indirectly through their supply chain involved in egregious labour practices.</p> <p><b>Societal impacts:</b> Companies shall maintain the values and norms of the communities in which they operate. To guide this behaviour, companies must go beyond legal requirements and demonstrate foresight across all business decisions.</p>

understanding of the ecological limits that exist for their business and address their specific impact areas through a range of verifiable initiatives.

**Environmental stewardship:** All companies are in a position to protect and preserve the environment and shall have appropriate policies to guide their behaviour as well as a history of appropriate behaviour.

**Environmental strategy:** Companies shall have strategies for becoming more efficient in their interactions with the environment and show progress towards meaningful goals.

**Human rights and equality:** Companies shall assure that they are not directly or indirectly through their supply chain involved in egregious labour practices.

**Societal impacts:** Companies shall maintain the values and norms of the communities in which they operate. To guide this behaviour, companies must go beyond legal requirements and demonstrate foresight across all business decisions.

**Corporate governance:** All companies shall seek to balance the needs of and responsibilities to their stakeholders and strive to maintain a strong corporate culture. Essential to this achievement is a company's corporate governance structure and policies.

The Fund's portfolio has **no fossil fuel exposure**.

**Corporate governance:** All companies shall seek to balance the needs of and responsibilities to their stakeholders and strive to maintain a strong corporate culture. Essential to this achievement is a company's corporate governance structure and policies.

**Exclusionary screens**

Trillium also employs strict exclusionary screens under which the Fund does not invest in companies that derive a material proportion of their revenue from the activities listed in the following table:

Activity	Materiality threshold
Agricultural biotechnology	5%
Coal mining	0%
Hard rock mining	5%
Energy companies: <ul style="list-style-type: none"> <li>• with proved reserves in tar sands</li> <li>• that generate revenues from coal power</li> <li>• that generate revenues from nuclear power</li> </ul>	10% 10% 5%
Private prisons	0%
The manufacture of tobacco	0%
Armaments (including weapons)	0%
Gaming/gambling	5%
Pornography	5%

Trillium also restricts investment in companies with major, recent or ongoing controversies in the following areas:

- animal welfare
- environmental
- governance
- human rights
- product safety and marketing.

Please refer to the [Product Disclosure Statement](#) for more information about the Fund.

This information has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL No 234426. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The Product Disclosure Statement (PDS) and Target Market Determination (TMD), issued by PIML, should be considered before deciding whether to acquire or hold units in the Fund. The PDS and TMD can be obtained by calling 1800 022 033 or visiting our website [www.perpetual.com.au](http://www.perpetual.com.au). No company in the Perpetual Group (Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital.

**More information**

Contact your financial adviser or call:

Adviser Service: 1800 062 725

Investor Service: 1800 022 033.

Email: [investments@perpetual.com.au](mailto:investments@perpetual.com.au)

Trust is earned.

