

Responsible Investment Policy 2025

1. Objective

The objective of this policy is to set out Perpetual Credit and Fixed Income's ("Perpetual Credit and Fixed Income" or "we" or "our") approach and expectations for considering environmental, social and corporate governance (ESG) factors in our investment decision-making and ownership practices ("stewardship") or otherwise referred to as "responsible investment" (RI). For further information on responsible investments, refer to section "Context – what responsible investment means to us" on page 4.

2. Scope

This policy applies to Perpetual Credit and Fixed Income personnel responsible for making active investment decisions. This includes:

- Investment analysts – who research and rate the quality and value of assets, and
- Portfolio managers – who make the decision to buy, retain or sell a particular asset to achieve the objectives of an investment portfolio.

Perpetual Credit and Fixed Income's investment management services are generally available to institutional, wholesale and retail investors through the Perpetual Limited (Perpetual) wholly owned subsidiary company, Perpetual Investment Management Limited (PIML).

The policy applies to Perpetual Credit and Fixed Income's investment management services regardless of the client or jurisdiction, which are provided by PIML, when it is acting in the following roles:

- responsible entity of a managed investment scheme;
- trustee of a trust; or
- investment manager of a managed investment scheme, trust, or mandate, (collectively referred to as "investment manager" in this policy).

3. Preamble

Perpetual Limited

Perpetual Credit and Fixed Income is an investment team within Perpetual Limited ("Perpetual"). Perpetual is an ASX-listed, diversified financial services company. Perpetual and its related bodies corporate have been serving Australians since 1886. Across our three businesses – Asset Management, Wealth Management and Corporate Trust – Perpetual aims to protect and grow our clients' wealth, knowing that by doing so we can make a difference in their lives. Every day we continue to strive to earn the trust of our clients.

Perpetual's corporate purpose – 'Enduring Prosperity' – embodies these aims. Our values - integrity, partnership and excellence – define how we pursue these objectives.

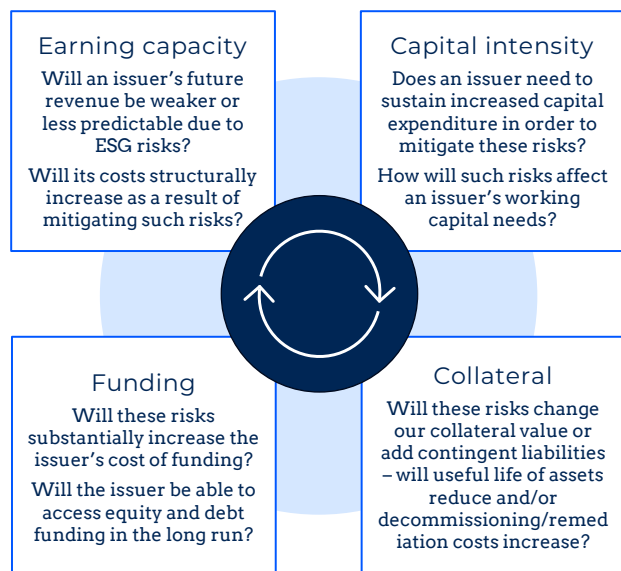
In addition to our clients, at Perpetual we are proud of the other positive impacts our business has had on society and our other stakeholders. Some examples are:

- Philanthropy is a major part of Perpetual's culture. Perpetual is trustee for over a thousand charitable trusts and endowments and works every day with philanthropists and Not-For-Profit organisations.
- Our vision for indigenous reconciliation is a better, more equal Australia, where every child can go to school, grow up, have a job and make a contribution. Where every community is safe to live, work and play. As a corporate leader, we recognise our social and economic responsibility to create opportunities for greater participation in the economy by all Australians. Perpetual is committed to actions that will open up these opportunities, including our Stretch Reconciliation Action Plan.
- Perpetual has maintained its Workplace Gender Equality Agency Employer of Choice citation since 2018.

Perpetual Credit and Fixed Income

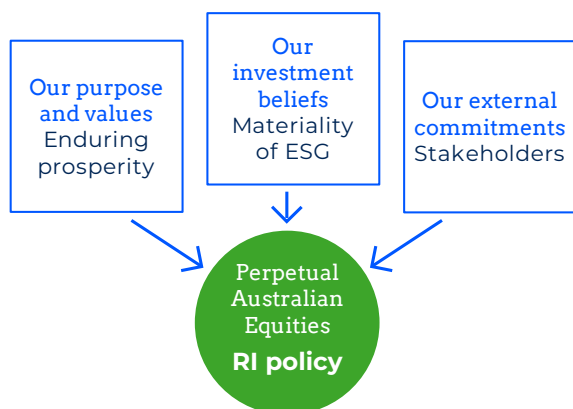
Credit research is both a risk screening function, and additionally an integral function to relative value considerations for portfolio management. Identification and monitoring of credit risks is critical in active credit management. ESG risks are core credit risks as shown below and have always been researched, assessed, monitored and recorded in our credit research reviews.

ESG Impacts on credit



Over time we recognise that the relevance of RI issues to the performance of our investment products has become more apparent and consistent with our fiduciary responsibilities as an investment manager, where applicable in accordance with the law.¹ We recognise the growing expectation that issuers conduct themselves responsibly and sustainably. Perpetual has a long-standing commitment to responsible investing; and in 2009 Perpetual Investments became a signatory to the United Nations supported Principles for Responsible Investment (PRI).² The PRI is the world's leading proponent of RI.

In summary, this policy is driven by our corporate purpose and values, the increasing relevance of RI to our investment products and the expectations of our clients and other stakeholders:



There are foundational elements of our approach to RI which underpin our investment activities:

What we believe

- We believe ESG risks and opportunities impact the long-term investment performance of our clients' portfolios and our funds.
- We believe that, aligned with being active managers, being active stewards of our clients' capital can improve the investment outcomes for our clients, including in regard to ESG issues
- We believe that improving ESG practises can have broader benefits, like improved outcomes for our investee organisation's stakeholders and broader society
- We believe that some of our clients wish to align their investments with additional ESG principles or values
- We believe our success as a business is dependent on a sound approach to ESG within our own business

What we do

- We integrate consideration of ESG issues into investment analysis and decision making within investment portfolios where these issues are assessed by Perpetual Credit and Fixed Income personnel to be relevant to the current or future financial performance of an investment³
- We engage and advocate for positive change on relevant ESG issues where we can have influence with our investee organisations and we believe it is in the best interest of our clients
- We join industry and other collaborative initiatives with other like-minded investors to help achieve our ESG goals
- We disclose our approach to ESG to our clients and other stakeholders
- We offer specialist ESG investment strategies that incorporate additional ESG considerations to meet the various investing principles or values of our clients
- We implement appropriate ESG principles within our own business

¹ See 2019 Fiduciary Duty in the 21st Century - PRI, UNEP Finance Initiative

² In 2009 Perpetual Credit and Fixed Income was part of Perpetual Investments.

³ For further information on how we integrate ESG factors into our investment decision making process, refer to "Context – what responsible investment means to us".

4. POLICY

Investment analysis and decision-making

It is our policy that investment managers should incorporate ESG issues into investment analysis and decision-making where relevant and possible to each investment capability.

In enacting this policy, ESG will be relevant to our fundamental, active investment capabilities where these issues are assessed by Perpetual Credit and Fixed Income personnel to be a factor that may impact the current or future financial performance of an investment. 'Incorporate ESG issues' typically refers to an analysis of:

- What ESG issues the investment is exposed to and whether any of these factors present risks to the investment's current or future financial performance;
- What impact ESG issues are likely to have on the investment's prospects; and
- How well ESG issues are being managed by the issuer, and therefore how likely the possible impacts are to occur.

Investment opportunities of an ESG nature are also considered as part of our normal investment activities in Credit and Fixed Income.

Our ESG Risk Process is the primary ESG incorporation approach we use to implement this policy. The ESG Risk Process consists of three steps within our credit research issuer review process for corporate issuers:

1. Assign ESG risk score:

- Identify the key ESG risks which may have a material impact on the issuer's credit profile and assign a materiality score.
- Evaluate the effectiveness of risk mitigants to each key ESG risk and assign a mitigation score.
- Combine materiality and mitigation scores to determine an ESG Risk Score for each key ESG risk (from Low to Very High). The issuer is then assigned an overall ESG Risk Score equal to the highest ESG Risk Score for the key ESG risks identified.

2. Periodic ESG risk score review

- ESG Risk Scores are reviewed per periodic credit research issuer follow up reviews.

3. Ongoing ESG risk monitoring

- If monitoring indicates an ESG Risk Score change is warranted, an analyst can change this at any time via an inter-period follow up review.

ESG scores are the credit analyst's expression of how they view ESG risks. This score results in a clear, consistent and comparable assessment. It provides additional focus on ESG risk factors and is a signal to portfolio managers on how these factors may affect an

issuer's credit profile. This is a tool to help portfolio managers manage credit risk in their portfolios and incorporate these risks into relative value pricing considerations (part of their investment decision-making process) – that is whether these factors may have an impact on the current or future financial performance of the issuer.

For certain other investments (derivatives, sovereign or semi-sovereign, asset-backed or structured debt), our methods of incorporating ESG factors will vary depending on the nature of each investment, and relevance of ESG factors to investment analysis and decision-making to each investment as explained in this section above.

The impact of the above analysis on investment analysis and decision-making is discussed further in the **CONTEXT – WHAT RESPONSIBLE INVESTMENT MEANS TO US** section on page 4.

Stewardship

Corporate engagement

It is our policy as investment managers to engage with issuers on matters that could affect their credit profile, including their exposure to, and mitigation of, ESG risks, with the objective of achieving better investment decisions and outcomes over the long term ("corporate engagement").

From an ESG perspective this means encouraging investee issuers' management and boards:

- To have the processes and systems in place to identify and manage ESG risks effectively that may impact the current or future value of the issuer
- To be transparent, honest and accountable, which includes providing the level of disclosure necessary for informed investment decision-making, and
- To implement corporate structures and management incentives which ensure the issuer is managed in the long-term interests of stakeholders (which includes sustainable business practices).

Engagement with issuers will always be conducted in accordance with the applicable laws and regulations and our policies.

5. Context – what Responsible Investment means to us

Investment analysis and decision-making

Our duty to our clients requires us to seek to achieve the objectives of our investment funds. Objectives normally included achieving the investment returns over specified time periods.

We satisfy this obligation by employing a range of investment techniques. While traditional financial

measures are an important consideration, (ESG) factors can also influence an issuer's investment performance.

Our investment managers consider those ESG risks that are determined to be a factor that may impact the current or future financial performance of the issuer. Some examples are shown in the Appendix.

This includes the ESG risks of investing in issuers that are involved in products or services considered to be unethical or contrary to societal values. We employ additional screening up front, based on these values and other ESG criteria, to the capabilities and funds we manage that have a defined ESG purpose. Here, ethical or moral judgements are made on particular practises or issues and investments are removed from consideration for investment based on the application of these screens.

However it is not our policy to apply these ethical or moral judgements (for example values-based or ESG screening) based on particular involvement across all our Credit and Fixed Income investment strategies and funds. Imposing such considerations to the investment decisions affecting all our clients would not be appropriate or practical, as values are personal and subjective to each client and change over time as society mores and values change. This approach also ensures that we remain focused on, and there is no conflict with, our fund objectives - typically investment performance.

We believe that integrating ESG has indirect benefits for our clients and broader society (see the section "Indirect outcomes of integrating ESG" below for further information).

We also recognise that the influence of ESG factors is growing and will require closer scrutiny as:

- An increased understanding of our effect on the environment, coupled with a growing population, force significant changes to economies globally, which will also impact the relative performance of individual businesses
- Globalisation, the rise of non-government organisations and the free flow of information heighten social and environmental risks for an increasing number of issuers, and
- Businesses have become larger and more complex, and so require good corporate governance practices to ensure management accountability, transparency and focus, while avoiding unethical practices.

Our investment managers considering ESG in the way described in this section can have the following possible investment outcomes or portfolio decisions:

- The ESG risks (ESG Risk Scores) are low (immaterial impact on the current or future financial performance of the issuer) and so ESG factors are not a major consideration in making the investment decision.

- The ESG risks are higher but the likely reward is sufficient compensation for the risk and so an investment is made or is held.
- The ESG risks are elevated compared to the likely reward:
 - We may not approve the credit to be included in the list of approved issuers.
 - We may require a higher price premium to compensate us for the elevated ESG risk(s).
 - We may adjust our preference for bonds' tenors or where they sit within the capital structure to reflect different level of ESG risks.
 - We may reduce portfolio exposure to an issuer.
 - We may withdrawal approval on a previously approved credit.
 - We may add to an issuer's exposure following an ESG controversy if we deem that the price movement overly exaggerated the impact on the credit.

Stewardship

In all investment outcomes or portfolio decisions above, as an active manager, we may choose to engage with the management and/or Board of an issuer or use other means as described in the "POLICY" section to raise ESG and other concerns and encourage more focused management of the issue(s) where we believe it is in the best interest of our clients. Engaging with issuers in this way may reduce the ESG risk above, making the issuer a more attractive investment. Increased recognition and improved management of ESG risks will enable issuers to better deal with a changing environment and may improve their overall performance.

Stewardship activities (issuers) are conducted by the Perpetual Credit and Fixed Income team - the same team that undertakes investment analysis and decision-making. This is because engagement rights are valuable assets of the investor; important tools to be used to help us achieve the objectives of our investment funds. We do not believe it would be in our clients' best interest to outsource stewardship activities outside the Perpetual Credit and Fixed Income team, where other objectives may be pursued which may dilute our influence or introduce conflicts with the objectives of our investment funds. We believe our approach enhances our credibility - issuers are more likely to consider change if the change message is communicated directly by an institutional investor who directly controls the decision to allocate client capital to the issuer.

In managing client assets in this way, engagement is part our approach to ESG within our investment process.

6. Indirect outcomes of integrating ESG

We are also aware of, and encourage, the broader benefits which improved ESG practices in our investee issuers can bring including:

- Higher standards of business conduct
- Increased market efficiency
- Sustainable environmental management for the use of future generations,
- Improved outcomes for issuer stakeholders including employees, customers, suppliers and the broader community and
- Ultimately a more cohesive and fairer society.

We believe that if the investment management industry can help promote enduring economic growth this should translate into higher and more consistent investment returns. For example, if investor engagement contributes to issuers being better prepared for the regulatory and environmental impacts of climate change, a more efficient and less disruptive transition to a low carbon economy becomes more likely.

7. Roles and responsibilities

- The Chief Executive, Perpetual Asset Management, Australia⁴ is accountable for all aspects of this policy.
- Perpetual Credit and Fixed Income' leadership and senior asset managers support the content and implementation of this policy as appropriate.

If you would like more information on this policy please email PerpetualUTqueries@cm.mpms.mufg.com.

8. Reporting

We will publicly report on our approach to ESG. More information can be found at www.perpetual.com.au/Asset-Management/Institutional-Investors/Responsible-Investing/

9. Review and approval of this policy

This policy is overseen by Perpetual's Investment Governance Forum. The policy will be reviewed annually or more frequently should circumstances require it.

The policy has been approved by the PIML board.

⁴ Perpetual Credit and Fixed Income is part of Perpetual Asset Management Australia

Appendix

ESG risk examples

Risk	Description	Examples
Environmental	The impact of an issuer's operations, products, services, or other activities on the physical environment (air, water, etc.) creates environmental externalities (costs) for which the issuer is ultimately held to account.	• Climate change • Pollution • Biodiversity and Land use
Social	The issuer's actions negatively impact on its 'stakeholders' – in particular its employees, customers, suppliers, government and the community at large – harming an issuer's reputation (or 'social license to operate'), leading to negative financial impact.	• Product Safety and Consumer Protection • Human rights violations • Cybersecurity prevention
Governance	Weaknesses in how the issuer is controlled and operated can lead to poor culture and conduct and decision-making and a lack of accountability, to the detriment of shareholders.	• Business ethics and conduct • Corporate governance • Corruption and financial crimes

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