

ENDURING PROSPERITY

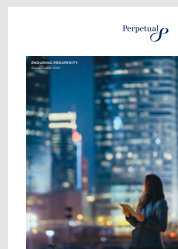
2020 Sustainability Report



INTRODUCTION

OUR REPORTING SUITE

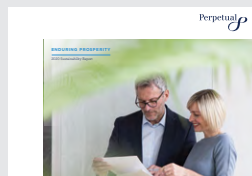
Welcome to our FY20 Sustainability Report. This forms part of our reporting suite which also includes our Annual Report, Corporate Governance Statement, Operating and Financial Review and Full Year Financial Statements. These documents provide information about Perpetual Limited's full year 2020 from 1 July 2019 to 30 June 2020 but also refer to activities before and after where relevant.



Annual Report



Corporate Governance Statement



Sustainability Report

More information about our performance can be found online at www.perpetual.com.au/reporting-suite.

3

PERPETUAL
AT A GLANCE

4

A MESSAGE
FROM OUR CEO

6

HIGHLIGHTS
FROM FY20



12

SUPPORTING OUR PEOPLE



7

OUR APPROACH TO SUSTAINABILITY



17

HELPING TO INCREASE
INVESTMENT IN COMMUNITIES



10

DELIVERING FOR OUR CLIENTS



24

REDUCING OUR IMPACT ON THE
ENVIRONMENT

PERPETUAL AT A GLANCE

Perpetual is an ASX-listed, diversified financial services company, which has been serving Australians since 1886.

Our clients include Australian and international institutions, not-for-profit organisations, small businesses, financial advisers, individuals and families.

Across our three businesses – Perpetual Investments, Perpetual Private and Perpetual Corporate Trust – we protect and grow our clients' wealth, knowing that by doing so we can make a difference in their lives.

OUR VISION

To be the most trusted in financial services

OUR PURPOSE

Enduring prosperity

The services we provide

Perpetual Investments

is a highly regarded investment manager, with a strong heritage of managing retail and institutional client assets, offering a broad range of investment, superannuation and retirement savings products. The business manages investments across a range of asset classes, including Australian and global equities, environmental, social and governance (ESG) strategies including Trillium Asset Management (Trillium, acquisition completed on 30 June 2020), cash and fixed income and multi-asset strategies. It services a diverse range of client types, from large institutional investors through to smaller retail investors.

Perpetual Private

is an advisory services business focused on the comprehensive needs of high net worth individuals, families and non-profit organisations. Perpetual Private aims to lead the market in advisory and professional services in its chosen segments. A key part of Perpetual Private is its philanthropic business and Perpetual is one of Australia's largest managers of philanthropic funds, with \$2.9 billion in Funds under Advice for charitable trusts and endowment funds as at the end of FY20.

Perpetual Corporate Trust

is a leading provider of corporate trustee services and digital solutions to the banking and financial services industry. Perpetual Corporate Trust has a depth of experience and knowledge of markets providing clients with a broad range of products to meet their needs today and in the future.

Our strategic imperatives

- Client first – delivering exceptional products and outstanding service
- Future fit – a scalable business platform that empowers our people to deliver high performance
- New horizons – adding new capabilities and building a global footprint

Our sustainability focus

At Perpetual, sustainability is about creating enduring prosperity for our clients, people, communities and the environment. This means delivering excellent service, providing a safe and inclusive workplace, helping increase investment in communities and reducing our impact on the environment. Our approach is built on strong foundations of good corporate governance, prudent risk management and responsible investment.

For more information about our business see our Operating and Financial Review at www.perpetual.com.au/OFR.

A MESSAGE FROM OUR CEO

Our purpose is to build enduring prosperity – we are here to support our clients to flourish, our people to grow; and to use our influence to create a sustainable and enduring future for our communities.



As one of Australia's oldest companies with a rich heritage dating back to 1886, we have supported our clients and our communities through periods of great change and development for more than 130 years. We are proud of our past and passionate about creating a sustainable future for our clients, our people and the communities in which we operate.

Throughout our history, our commitment has always been to earn trust through every action, every day. This philosophy has never been more important as we support our clients, our people and the community through COVID-19 and the challenges that have come from it this year.

Supporting our clients and our people through this period has been our main priority. We have been closely complying with governmental guidelines and we successfully transitioned our people to remote working arrangements. Throughout this period, 95% of our team have been working remotely and have continued to support our clients' needs with limited disruption.

I am pleased with how we have supported our clients and our local communities during this period; support we also provided during the terrible bushfires across Australia. Throughout the year we have kept our stakeholders informed with regular market updates and have been dedicated, above all, to answer any of our clients' concerns.

Our COVID-19 hub on our website had attracted 90,000 unique visits by the end of June and in March and April alone we received nearly 17,000 calls and emails, up 18% compared with the same period last year.

We know that during uncertain times, information and communication is even more important – so we have been very focused on providing timely and relevant information through a variety of mediums.

During this period, many at-risk Australians needed immediate support from the charities and donors we work with. As one of Australia's largest managers of philanthropic funds, I am pleased to report that we helped release over \$4 million in immediate funding for not-for-profits to avoid disruptions to their critical services. As trustee of many Native Title agreements, we also worked with Indigenous trust advisory councils and local leaders to make emergency funds available as quickly as possible and in some cases, helped to secure food supplies for isolated communities.

**OUR COVID-19 HUB
ON OUR WEBSITE HAD ATTRACTED**

90,000

**UNIQUE VISITS
BY THE END OF JUNE**

Our clients are at the forefront of all that we do, and our people are dedicated to supporting them, particularly through these volatile times. Our team's dedication is demonstrated by our Net Promoter Score (NPS) this year, which increased by five points to +45.

Ensuring the safety of our people has also been a top priority throughout this period. We have worked very hard to ensure that all our people have the necessary technology, tools, training and support forums to continue to work effectively. We have also focused on strong and regular communication, so our employees feel connected with the decisions we needed to make. Our recent employee 'pulse' survey results showed 96% of our people felt positive or neutral about their changed working arrangements during the COVID-19 pandemic.

“Our clients are at the forefront of all that we do, and our people are dedicated to supporting them, particularly through these volatile times. Our team's dedication is demonstrated by our NPS this year, which increased by five points to +45.”

This year we have also made changes to centralise how we oversee and handle client complaints. This function is led by the newly created role, Head of Client Advocacy, who reports directly to our Chief Risk Officer, who in turn has a direct reporting line into our Board, in order to further strengthen how client complaints are heard and responded to.

As a long-standing signatory to the United Nations supported Principles for Responsible Investment (PRI) since 2009 and a member of the Responsible Investment Association Australasia, we continue to be committed



Signatory of:



to responsible investment practices and managing our impact on the environment. In FY20, the carbon emissions from our properties reduced by 7% and, for the first time, we were awarded a five-star Green Star rating for our Rialto office in Melbourne.

We are at a crucial stage in the evolution of responsible investing. Investor demand, regulatory change and greater certainty about the positive correlation between ESG factors and long-term financial performance are all playing a role in the rapid growth of the sector. Clients the world over see the importance of ESG-related strategies.¹

We have a long history in this area, setting up our first Ethical SRI fund in 2002. In this context, I am thrilled that Perpetual acquired Trillium in the US in June 2020. Trillium is one of the pioneers in integrated ESG investing with a 38-year track record of delivering investment returns for clients while leveraging their capital for positive social and environmental impact and I am very pleased to have a partner with such a longstanding pedigree in ESG. I look forward to Trillium being an important part of Perpetual and to us leveraging their ESG expertise across all areas of our business.

While this has been a challenging year and one that we will remember for many years to come, we are proud of what we have achieved through our actions and I hope that through reading this report you will see our unwavering commitment to enduring prosperity for all.

Kind regards,

Rob Adams
Chief Executive Officer
and Managing Director

1. Natixis 2020 Global Survey of Financial Professionals, March-April 2020.

HIGHLIGHTS FROM FY20

Creating enduring prosperity for our clients, people, communities and the environment.



OUR APPROACH TO SUSTAINABILITY

ESG risks

now considered separately
WITHIN OUR RISK MANAGEMENT FRAMEWORK

Trillium

PIONEER IN ESG INVESTING
acquired in June 2020



CLIENTS

+45

NPS in FY20
up from +40 in FY19

Over 4,300

CLIENTS attended over 40 of our
WEBINARS during COVID-19



PEOPLE

Employer of choice

for **GENDER EQUALITY** for
the third year running from the
Workplace Gender Equality Agency

95%

of our **EMPLOYEES**
WORKING REMOTELY



COMMUNITIES

\$113m

DISTRIBUTED TO COMMUNITIES on behalf of
our philanthropic clients

Over \$4m

in **EMERGENCY FUNDS** that
were previously committed
to other projects accessed by
NOT-FOR-PROFITS with our help



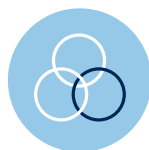
ENVIRONMENT

<50%

the **WEIGHTED AVERAGE CARBON INTENSITY** for our Wholesale
Ethical SRI Fund versus a comparable
benchmark

50%

REDUCTION IN AVERAGE MONTHLY PAPER USAGE
in Q4 FY20



OUR APPROACH TO SUSTAINABILITY

At Perpetual, sustainability is about creating enduring prosperity for our clients, people, communities and the environment.

This means delivering excellent service, providing a safe and inclusive workplace, helping increase investment in communities and reducing our impact on the environment. Our approach is built on strong foundations of good corporate governance, prudent risk management and responsible investment.

Perpetual is a trusted brand and we want to continue earning that trust by being a leader in providing high quality service to our clients. To achieve this, we will continue building a

safe and inclusive culture for our people to thrive, while making a positive impact on the environment and in our communities, working with philanthropists and not-for-profit organisations, and strengthening relationships with Aboriginal and Torres Strait Islander peoples. This year, we have further developed our climate change position (see page 24) which sets out our strong support for the Paris Agreement and reducing our environmental impact.

We are committed to having the highest standards of corporate governance, investing responsibly and ensuring environmental, social and governance (ESG) risks are effectively assessed and managed in our business. This includes cyber security risk, which we manage through a dedicated internal security team; and in FY20, we strengthened how ESG factors are considered within our risk management approach. We are also undertaking an assessment of modern slavery risk within our operations and supply chain in preparation for our Modern Slavery Statement to be published in FY21.

In FY20, we continued to strengthen our capability in delivering our commitment to sustainability, appointing a dedicated Sustainability Manager, in addition to our established Responsible Investment team within our Perpetual Investments division. Together, our teams across the business will conduct a review of our approach to sustainability at Perpetual in 2021.

For more information on our policies see www.perpetual.com.au/policies-and-positions.

Managing risk in our business

Especially in these volatile times, a company's ability to make risk-informed decisions is vital. Perpetual's commitment to managing its key risks is reflected in our Risk Management Framework (RMF), which is overseen by the Perpetual Limited Board and Audit, Risk and Compliance Committee. Risk management is integrated across our business functions and processes, with all Perpetual employees expected to play a role in effectively managing risk.

A key component of our RMF is our Risk Appetite Statement (RAS), which defines the amount of risk the Board is willing to take in the pursuit of Perpetual's strategic vision and objectives. This year, we strengthened how ESG factors are considered within our RAS and wider risk management approach. This includes setting out the Board's appetite and position on ESG risks, and the expected behaviours, measures and tolerances on ESG issues that management are to consider when setting and implementing strategy and running their day-to-day areas of responsibility.



Maintaining high standards of corporate governance

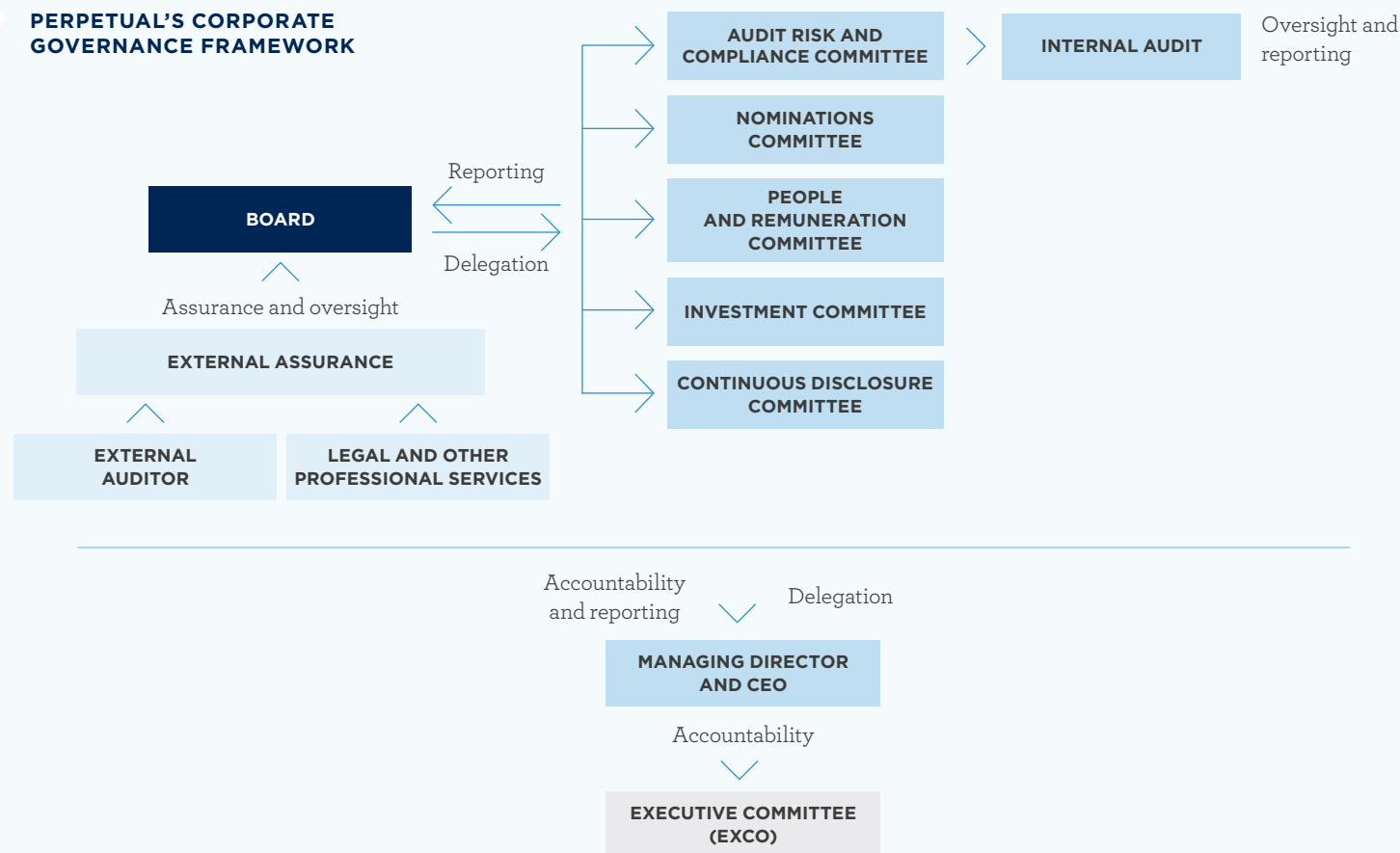
Good governance means ensuring that control and accountability are appropriately defined, balanced and monitored across the Group. We have a robust governance framework that complies with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (ASX Recommendations) 3rd edition. As a Group, Perpetual is committed to high standards of corporate governance and ensuring the right systems, procedures and practices are in place to achieve this.

Key aspects of our corporate governance framework are:

- a commitment to give all shareholders timely and equal access to information concerning the Company;
- Board member independence, with the majority of the Board being independent Non-executive Directors; and
- a Code of Conduct, which builds on Perpetual's values, applies to all Directors, executives and employees and is designed to assist them in making ethical business decisions.

We have reviewed our governance framework against the 4th edition of the ASX Recommendations and will report in compliance with those Recommendations for the financial year ending 30 June 2021.

PERPETUAL'S CORPORATE GOVERNANCE FRAMEWORK



To ensure we maintain high standards of corporate governance, over the year, we reviewed our Code of Conduct and Perpetual Securities Trading, Diversity and Inclusion and Continuous Disclosure policies. We have targets in place for the representation of women on the Perpetual and subsidiary Boards and, in FY20, our Directors undertook training and development and inductions for those who started during the year.

Our corporate governance structure

Perpetual's corporate governance is represented in the diagram above. In September 2019, we updated our team structure within our Legal, Audit, Risk, Company Secretariat and Compliance function, creating separate roles for the Head of Company Secretariat and Governance, Head of Compliance and General Manager Legal, all directly reporting to the Chief Risk Officer.

Through the Perpetual Limited Board and the Chief Risk Officer, Perpetual's Governance team is responsible for maintaining strong corporate governance frameworks, advising our Boards and Committees on matters of corporate governance, establishing and maintaining key governance policies, and compliance with ASX Listing Rules and continuous disclosure obligations.

Further information is available at www.perpetual.com.au/corporate-governance.

Investing responsibly for our clients

For Perpetual, responsible investment means incorporating consideration of ESG factors into our investment activities. The consideration of ESG factors does not include making ethical judgements on behalf of clients, unless the investment is part of a product or portfolio that has specific ethical objectives (see section below).

In Perpetual Investments (PI), which in 2009 became a signatory to the PRI, our responsible investment policy sets out our approach for considering ESG factors in our active investment decision making and ownership practices. To the extent that information is available, investment managers assess what material ESG risks an investment is exposed to and what impact they are likely to have on the value of the investment. To do this, our Investment Analysts and Portfolio Managers are supported by a specialist Responsible Investment team producing our own proprietary research, supplemented by external research providers.

Perpetual Private (PP) also has a responsible investment policy applying to our investment decisions and recommendations. This may include conducting reviews of external investment managers' policies and management on ESG issues, and understanding the ESG risks associated with underlying investments and how these ESG risks may impact PP's portfolios. ESG factors are also considered as part of the Perpetual Corporate Trust (PCT) team's analysis, due diligence, engagement and decision making.

\$699M
IN FUNDS UNDER MANAGEMENT
IN WHOLESALE ETHICAL SRI FUND

Our acquisition of Trillium Asset Management (Trillium) will mean we can respond to fast-growing client demand for responsible investing worldwide and add Trillium's global responsible investing expertise to our existing capabilities in that area.

Offering ethically focused investment products

We also offer ethical and impact focused investment products, which exclude certain investments based on ethical criteria or seek to have a positive social or environmental impact while also providing a financial return.

Our Wholesale Ethical SRI Fund, launched in 2002, and our Ethical SRI Credit Fund, established in 2018, are designed for investors who seek long-term returns while investing in companies that reflect their own values. The funds do not invest in companies or credit issuers that derive a material proportion of their revenue from gambling, tobacco and fossil fuel exploration and production among other ethical criteria. By the end of FY20, the Wholesale Ethical SRI Fund had \$699 million in Funds under Management and our Ethical SRI Credit Fund had \$41 million. See our case study on the Wholesale Ethical SRI Fund's

carbon footprint on page 26.

With a 100-year history of working with philanthropic trusts, many of our private wealth clients also seek products that align with their values. PP has dedicated portfolios with an ethical focus designed to meet our clients' needs including a direct equities portfolio which, as at end FY20, had \$84 million Funds under Advice. Twenty-four new clients were also added to that portfolio in FY20, a 50% increase on the year before. In 2017, Perpetual Private launched a Multi Asset Managed Fund portfolio for clients who want to invest in funds across all asset classes with managers that apply ethical filters. More recently, in 2018, we set up the Perpetual Impact Investment Fund that seeks to achieve a social outcome and a market-linked financial return (see case study to the right).

While not our own ethical product, PCT was recently appointed as the trustee team for the new Emerging Markets Impact Investment Fund (EMIIF) launched in July 2020 by the Australian Government. PCT will provide the fiduciary and governance oversight for EMIIF's investments, partnering with a consortium of international investment managers and other suppliers to deliver the project. The Fund seeks to help small and medium sized enterprises in Australia's regions grow and to promote investments that aim to benefit women.



Explore our Responsible Investment policies at www.perpetual.com.au/policies-and-positions.

CASE STUDY PERPETUAL IMPACT INVESTMENT FUND

The Perpetual Impact Investment Fund has made seven private equity investments to date in Australia, Chile, France, India, the US and the UK with a total value of just over \$12 million via one of our investment management partners. It allocates investments on behalf of the Perpetual Charitable Endowment Fund and aims to achieve a positive social or environmental impact.

So far, the Fund has invested in the health and wellness, financial empowerment, environmental and community development sectors. It endeavours to have a positive impact through projects to support more efficient use of renewable energy assets and packaging, large-scale ecological restoration, irrigation and ground water storage.

For example, funds were invested through investment manager, Hamilton Lane, in AeroSafe Global that develops and manufactures reusable packaging for use in temperature-sensitive shipping logistics including for the pharmaceutical and biomedical industries. Their reusable vacuum insulated packaging has decreased waste packaging that goes to landfill by around 10 million tonnes in 2019 compared with traditional single-use packaging.



DELIVERING FOR OUR CLIENTS

For over 130 years, we have been trusted by our clients to protect and grow their prosperity. We want to be recognised as a leader for the service we provide to clients and we are embedding digital solutions to improve our interactions with them.

Improving client experience

It has been an uncertain period for many of our clients since the spread of COVID-19 globally. To help them navigate through this difficult period, we have kept our stakeholders informed with regular market updates and a dedicated COVID-19 hub on our website, which attracted 90,000 unique visits by the end of June. In March and April, we received nearly 17,000 calls and emails, up 18% compared with the same period last year.

In the context of an uncertain and volatile year for investment markets, it was particularly pleasing to see that our Net Promoter Score (NPS) increased significantly to +45 in FY20, up from +40 the year before. NPS measures the propensity with which our clients would recommend us to their friends and family and is driven largely by the quality of the experience clients have in dealing with us.

Our communication was also rated highly by our clients during the pandemic. Staying in touch via phone, email and broader Perpetual communications were highly valued by clients across all our businesses. Strong relationships and the quality of our advice were also rated highly and contributed to the improved score. Perpetual Private clients, in particular, felt strongly that we cared about them and their needs, which is fundamental to earning and keeping their trust.

According to NMG Consulting's study in June 2020, Perpetual provided an exceptional level of support to our clients due to our regular communication during the COVID-19 crisis. Perpetual was the second-highest cited manager as providing an exceptional level of support.¹

1. NMG's Australian Adviser COVID (June 2020) Pulse Study.

2. NPS scores may be restated to incorporate acquisitions or changes to client segmentation within business units to allow for direct comparison year on year. The FY19 NPS score was restated from 39 to 40 to reflect the acquisition of RFI Roundtables in PCT and the addition of the Not-For-Profit client segment within Perpetual Private.

PERPETUAL NPS

+34
FY18

+40²
FY19

+45
FY20



“Very happy with quality and level of advice and information received during COVID-19. They’re doing the best they can under difficult circumstances. They give confidence.”

Perpetual client, NPS survey (April-May 2020)

Embedding digital solutions

During COVID-19 we moved to digitise our mail room and introduced electronic signatures to make it easier for our people to receive and process important documents while working remotely. We receive nearly 8,000 letters per month in our Sydney office alone with over 50 different types of sensitive documents including wills, trust deeds and contracts.

Over 70 product forms have now been converted to editable PDFs. Digitising these processes has increased traceability, and enabled employees to respond to clients more promptly and work more flexibly. It has also meant we have saved \$23,000 in printing costs in Q4 FY20 and cut our average monthly paper usage by 50% over the same period.

Our Perpetual Intelligence platform, which forms part of Perpetual Corporate Trust’s digital solutions, is at the forefront of the specialised digital products we offer to our clients. The platform simplifies and automates credit, risk, regulatory and treasury processes. It also provides access to Perpetual’s Australian securitisation and mortgage data warehouse, including over \$330 billion of mortgage data, delivered through advanced analytics technology to enable quicker and more informed decision making.

In the second half of 2020, we intend to launch the new Treasury and Finance Intelligence module on the platform, which will automate trust management, portfolio funding and pool selection processes for our clients.

Building trust through our actions

At Perpetual, we believe that trust is earned. We seek to build trust through our actions and the enduring outcomes we deliver for our clients. We care deeply about helping our clients and aim to make a difference by understanding their financial goals and providing the solutions that best suit their needs. We will always act with integrity, ensuring that all our clients are treated fairly and respectfully.

Our Executive Committee are individual signatories to the Banking and Finance Oath, a set of voluntary ethical professional principles for those working in banking and finance. This year, as part of our commitment to deliver improved client service and to enhance the way in which we handle client complaints, we have created a Client Advocacy team (see case study).

At Perpetual, we believe that trust is earned. We seek to build trust through our actions and the enduring outcomes we deliver for our clients.

CASE STUDY

OUR ADVOCATE FOR CLIENT EXPERIENCE

As part of our Client First commitment, Perpetual has established a Client Advocacy team, responsible for assisting our clients to achieve a responsive, timely and fair resolution to complaints they raise with Perpetual. A Head of Client Advocacy has also been appointed who, organisationally, is separate from our operational businesses and reports directly to Perpetual’s Chief Risk Officer, who in turn has a direct reporting line to our Board.

Our Client Advocacy team is committed to making it easier for clients when things don’t go as they expect in their dealings with Perpetual. The team will also focus on proactively identifying and addressing key improvement opportunities to stop things from going wrong in the first place.

As a new function, the initial focus areas for the team include ensuring that we make it as easy as possible for our clients to raise a complaint with Perpetual. We also want our clients to know what to expect when they do so and we have created a client charter, which sets out our service commitment to our clients.

Internally, repositioning client complaints from being viewed as issues to be resolved to being opportunities to provide better client experiences also represents a key priority for the first 12 months.

Find out more about client advocacy at www.perpetual.com.au/client-advocacy.



SUPPORTING OUR PEOPLE

We are focused on supporting our people to do great things and prosper in their roles. Their health and wellbeing are paramount, and we are committed to building a positive and inclusive culture that helps us create enduring prosperity for our people, our clients and our shareholders.

Protecting our people's health and wellbeing

Looking after the wellbeing of our people and keeping them safe is not just the right thing to do; it also means we are a stronger, more productive business. This has been critical in supporting our people through the COVID-19 pandemic.

We require our people to report all accidents, injuries and 'near misses' that occur at work or during the course of an employee's employment, which we monitor and measure. In FY20, there were 12 of these safety incidents, mainly related to trips and falls, down from 20 the year before. Of the 12 incidents in FY20, four resulted in lost time for an employee.

Financial services can be a demanding environment, so we are committed to supporting the wellbeing and mental health of our people.

Our employee coaching and support program provides confidential counselling and support services for our workplace. It was used by 7% of our people last year with mental health being the main reason people accessed the service.

Given the additional external challenges relating to COVID-19, in May 2020 we launched Headspace, a guided meditation, mindfulness and sleep application, to our people and their families to offer them additional support. By the end of FY20, nearly one-third of our people had signed up for it with many reporting increased levels of focus, reduced worry and anxiety and improved sleep patterns.

During the COVID-19 outbreak, protecting the health and safety of our people was of paramount importance. We moved quickly to home working for all but critical teams and have been seeking regular feedback from our people on how they are feeling about this change (see page 15). As we begin to transition some teams back into the office, we are taking extra precautions that adhere to social distancing requirements and ensure a safe workplace.

<1/3

OF EMPLOYEES SIGNED UP TO THE HEADSPACE APP

7%

PEOPLE MAKING USE OF EMPLOYEE COUNSELLING AND SUPPORT SERVICE



Fostering a healthy and positive culture

How our people feel impacts our performance because motivated employees who feel positive about their work experience at Perpetual are likely to be more productive and stay with us for longer. Historically, we have used an annual employee engagement survey to measure our organisational culture. Following the launch of our 2024 business strategy last year, we made the decision to move away from this annual process. Instead, we monitor the mood and sentiment of our workforce through a regular 'mood monitor' survey.

In the last few months of 2019 and as part of our new target operating model review, we reshaped our workforce to ensure Perpetual remains nimble and relevant in a fast-changing world. This was a period of significant change for our people, with only 29% feeling good or great in November 2019 (see chart). Since the start of this year, sentiment has improved and in our most recent survey in April, 55% of our people felt good or great. Eighty percent of our people told us that they thought Perpetual was making the right decisions at the right speed in response to COVID-19. In addition, our people reported that they appreciate the support they have received from their leaders and working from home has also positively affected how our colleagues are feeling with less commuting and more flexibility.

Embracing diversity and inclusion

We are passionate about creating a fulfilling, diverse and inclusive place to work. Given our strategic ambitions and our commitment to create enduring prosperity for our clients this has never been more critical. Our approach to diversity and inclusion focuses on gender equality, workplace flexibility, cultural diversity and building an inclusive environment where our people can thrive.

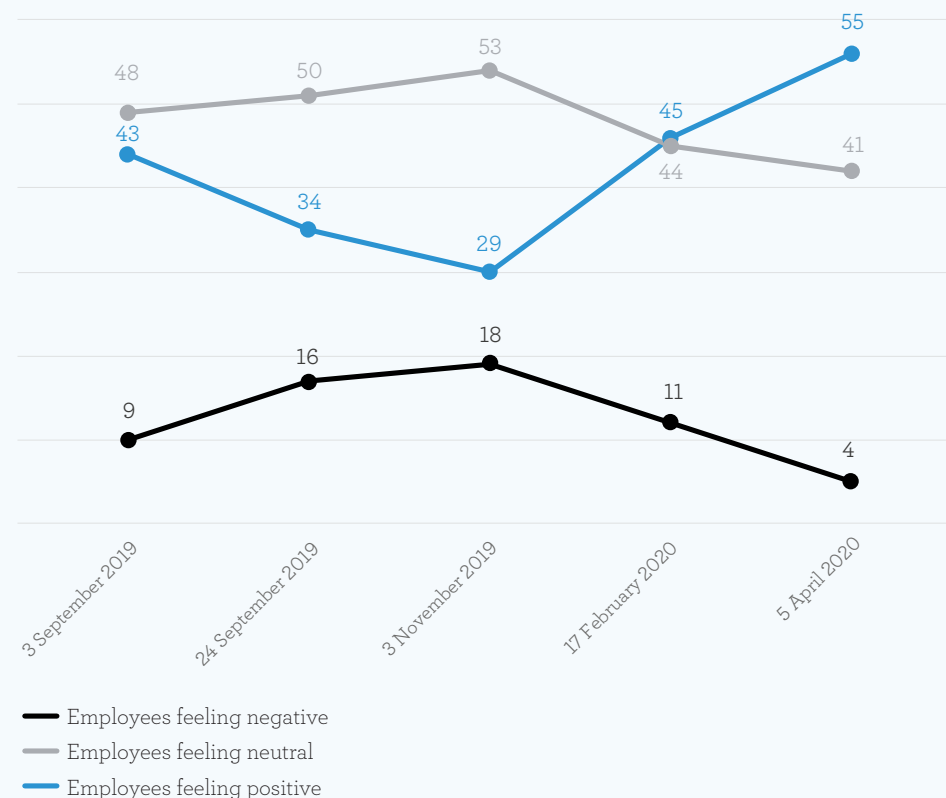
Striving for gender equality

At Perpetual, we believe that building a gender balanced leadership team and workforce delivers better business results. We are proud to have been recognised as an Employer of Choice for Gender Equality by WGEA (Workplace Gender Equality Agency) for the past three years.

We have set a target for there to be 40% of women represented on our Perpetual Board and Perpetual Services Limited Board by 2024. In FY20, we appointed two new Directors to the Perpetual Board, Fiona Trafford-Walker and Greg Cooper, maintaining the existing gender balance of 29% women. Our Perpetual Services Limited Board currently has 60% representation of women.



MOOD MONITOR SURVEY RESULTS¹ (%)



1. Employees in our mood monitor survey are asked if they feel great, good, okay, fair, bad or terrible. Employees who responded great or good are displayed as positive, okay or fair as neutral and bad or terrible as negative.

“The WiBF Mentoring for Success program was a little bit like match making in that you are paired with a mentor from another organisation based on your career goals, strengths and development areas. The ability to get an outsider perspective was invaluable in enabling me to see the forest for the trees. I am still in contact with my mentor today and anticipate that I will continue to be for years to come.”

Jacqui Olver, Senior Manager – PP Marketing, Perpetual Private and WiBF ‘Mentoring for Success’ 2019 participant

To achieve our goals, we prioritise gender balanced short lists for new appointments and in FY20, Perpetual renewed its membership to the AICD ‘30% Directors Club’, advocating for greater gender diversity in boardrooms in Australia.

To achieve greater gender balance, it is important to build the pipeline of women for senior leadership roles. In June 2020, 36% of our senior leader cohort were women. This is a slight drop from the year before and below our target to have 40% women in leadership roles. Earlier this year, Amanda Gazal was appointed to our Executive Committee in a key role as Chief Operating Officer. We are committed to developing a gender diverse talent pipeline to support achievement of our 40% women in leadership target by 2024.

Each year, Perpetual participates in the WiBF (Women in Banking and Finance) Mentoring for Success program, to help us develop future leaders who are women. This year, we have three women participating in the program who will be mentored by external senior mentors from our industry. Perpetual has also provided five senior mentors to participate in the 2020 program.

Investment management and financial advice are historically male dominated professions. We want to play our role in addressing this gender imbalance and are developing targets to increase participation of women in these types of commercial roles to be implemented in 2021. To support the pipeline for these career paths, we are committed to having a gender-balanced graduate cohort and have joined the ‘Future IM/Pact’ industry initiative aimed at increasing participation of women in asset management.

36%
**OF WOMEN IN SENIOR
LEADERSHIP ROLES IN FY20**



Working flexibly

At Perpetual, we want to empower our people to choose where, when and how they work. The response to the COVID-19 pandemic has accelerated remote working with more people aware of the benefits. Before the pandemic, 58% of our employees said they rarely, or had never, worked from home. Now 96% have said they want at least some time working from home. 80% of our people leaders said that their teams have been at least as productive working remotely, compared to being in the office.

Almost all our people felt positive or at least neutral about their working arrangement during COVID-19 although our people did have a variety of experiences. See chart below for some of the benefits and challenges our people shared about working from home during COVID-19.

The benefits and challenges of working from home

BENEFITS	CHALLENGES
Flexibility	Missing social interaction
Save commute time	Building relationships
Family time	Mental health
Work life balance	Team management
Productivity gained	Productivity impacted
Better communication	Technology limitations
Feeling safer	Ergonomics

Perpetual 'Return to Office' employee survey, June 2020.

Celebrating cultural diversity

At Perpetual, our goal is to build an environment that enables our people to contribute in their distinctive way, appreciating differences in gender, age, cultural background, disability, religion, sexual orientation, education, skills, characters and points of view.

In FY20, we celebrated a variety of events, celebrating the diversity of our team and encouraging our people to bring their whole selves to work. Celebrations for Harmony Day, Pride Day, International Women's Day, NAIDOC Week and National Reconciliation Week are opportune times for us to celebrate the cultural diversity of our organisation and broader community. We know that it is different ideas and perspectives of our teams that drive innovation and business growth.



We also have deep and genuine relationships with Aboriginal and Torres Strait Islander communities in Australia and recognise our social and economic responsibility to create opportunities for greater participation in the economy by all Australians. For details of our Reconciliation Action Plan see page 21.

Since 2015, 25 Perpetual employees have undertaken Jawun secondments with 14 Aboriginal and Torres Strait Islander led organisations in Cape York, Goulburn Murray and Inner Sydney. Secondees use their expertise to support those organisations in achieving their aims. It is also an opportunity for our people to understand more about First Nations communities and to develop their own skills through a powerful learning experience (see case study).

In FY21, Perpetual secondees will undertake secondments through the Jawun program. However, due to COVID-19 these will be completed remotely.

CASE STUDY

WORKING WITH ABORIGINAL AND TORRES STRAIT ISLANDER LED ORGANISATIONS THROUGH JAWUN

Jawun means ‘friend’ in the Kuku Yalanji language of Mossman Gorge. It is a not-for-profit organisation, which places skilled people from Australia’s leading companies and government agencies into Aboriginal and Torres Strait Islander led organisations.

Perpetual employee, Luke Friedman, shares his experience of a secondment through Jawun in 2019.



100%

OF PERPETUAL JAWUN SECONDEES SINCE 2015 FELT MORE MOTIVATED TO ACTIVELY LEARN ABOUT INDIGENOUS AFFAIRS

100%

OF INDIGENOUS PARTNERS SINCE 2015 FELT PERPETUAL JAWUN SECONDEES WILL HELP IMPROVE OUTCOMES IN THEIR ORGANISATIONS OVER TIME

“I was seconded to the Cape York Land Council in Cairns in August and September 2019. With my job at Perpetual, part of my work involves providing legal advice and reviewing documents for Perpetual’s Native Title business. I was able to utilise my legal skills during my secondment to review the charitable trust structures used by Registered Native Title Bodies Corporate in the Cape York region and prepare a template trust deed for their future use.

Part of my secondment experience also involved camping with the Traditional Owners of the Kalpowar Aboriginal Land Trust and visiting the Indigenous Communities of Hope Vale and Lockhart River, which involved meeting the Elders and visiting their schools and businesses. I would have to say that it was one of the best experiences of my life. I feel that I have learned invaluable lessons in relation to the issues faced by Indigenous People in Australia and how Perpetual has an important role in remediating these issues.”

Luke Friedman, Senior Legal Counsel,
Perpetual Limited



HELPING TO INCREASE INVESTMENT IN COMMUNITIES

For more than 100 years, philanthropists have placed their trust in us to protect their enduring legacies and help them have greater impact in the community. Today we have \$2.9 billion of Funds under Advice (FUA) on behalf of philanthropists, not-for-profit organisations and Native Title trusts.

Helping philanthropists have greater impact

Fifteen million Australians donate to good causes¹, generously providing valuable funds to charities and community groups. We are one of Australia's largest managers of philanthropic funds and work with our clients to ensure they give in a way that creates positive community outcomes.

In FY20, we distributed \$113 million to communities on behalf of our clients. This is an increase on FY19 when \$101 million was disbursed. Our philanthropy team provides a holistic service for philanthropists, which includes helping clients with everything from community funding grants, capability building, grant reporting, governance and investment management.

1. NFP: ACNC Charities Report, 2017.



“The Perpetual Philanthropic team have provided invaluable support to me as Co Trustee of the Ian Rollo Currie Foundation. This support has included providing strategic guidance to maximise the impact of the Foundation’s giving as well as providing opportunities through their Stanford partnership and networking with other philanthropists, trustees and the not-for-profit community to enhance the awareness and application of best philanthropic practices.”

John Etherington, Co Trustee,
Ian Rollo Currie Foundation

IMPACT Philanthropy Application Program (IPAP)

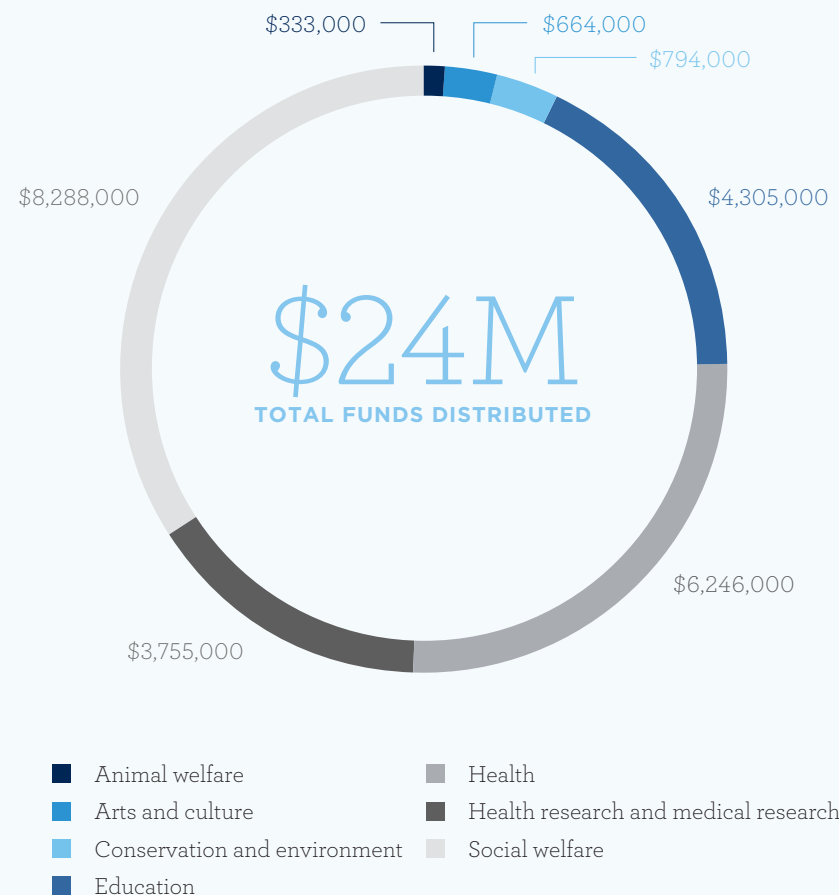
Each year, Perpetual invites not-for-profit organisations to apply for funding through IPAP. In FY20, \$24.4 million was committed in funding to community organisations through this process. This is approximately 20% of the philanthropic funds we distributed in FY20. The remaining 80% has more specific criteria set by our philanthropy clients, which makes it inappropriate for this process.

Each application is assessed based on the organisation’s strategy, leadership, capability and measurement of their impact. The average value of each grant increased in FY20 by 12% to \$83,000. Social welfare, health, education and medical research continue to attract the largest amount of philanthropic funds (see chart). This reflects broader trends in giving, where clients tend to fund, at least initially, causes that have directly impacted them.



For more details about IPAP see www.perpetual.com.au/IPAP.

FUNDS DISTRIBUTED TO DIFFERENT SECTORS THROUGH IPAP IN FY20



The Perpetual Foundation

Perpetual manages two public Foundations. The Perpetual Foundation, established in 1998, and the Centenary Foundation, established in 1988. The Foundations enable individuals, families and companies to set up named endowments without having to worry about compliance, investment and trustee responsibilities. Endowments – or donations – are invested through the Foundations, with the aim of generating income, with a percentage of the net assets distributed annually to eligible charities.

The Perpetual Foundation comprises 280 endowments with a total value of over \$260 million in the Foundation, which are held on behalf of clients and some of our employees. Last year, \$11.4 million was distributed to community organisations.

Within the Foundations are two trustee endowments set up using Perpetual's own funds, which invest in training and research that builds capacity across the charity sector. Together these two trustee endowments granted over \$650,000 in FY20. Among many other valuable projects, this included support for the Australian Women Donors Network to increase social investment for women and girls and funding the Community Council for Australia to create a blueprint for the charity sector to increase capacity and effectiveness.

Supporting the Australian not-for-profit sector

Not-for-profit organisations enrich every aspect of our community; from education, health and social services, to sport, the arts, environmental conservation and medical research. Their hard-earned capital is central to achieving their mission so prudent stewardship of their investments is critical.

We support over 100 clients in the not-for-profit and aged care sector, advising on their investments, governance and access to funding. Our clients range from major charities with a national impact, where our country-wide coverage is helpful, to smaller organisations helping their communities at a local level.

In 2020, we had up to \$1 billion of FUA for the sector. We provided new insights for our clients, including a [white paper](#) with strategic fundraising adviser, Noble Ambition, to help boards and executives understand the importance of a fundraising culture and improve their capability. Our global partnership with the Stanford Center on Philanthropy and Civil Society was also renewed until 2021 so we can continue to share with our clients and the broader community international best practice approaches in philanthropy, digital data governance and strengthening civil society.

\$260m

TOTAL VALUE OF THE PERPETUAL FOUNDATION

\$11.4m

OF FUNDS WERE DISTRIBUTED TO COMMUNITY ORGANISATIONS

Providing support through COVID-19

For many not-for-profits the COVID-19 crisis has provided significant challenges. Having been already stretched by the bushfire crisis, the pandemic has placed more demands on the charity sector as communities have been hit by job losses, rental and mortgage stress and with issues such as mental health and domestic violence exacerbated by the shutdowns.

We continue to work with philanthropic clients to determine how they can provide additional support to not-for-profits to help them maintain operations and avoid disruptions in critical services (see the chart to the right).

HOW WE HELPED PHILANTHROPIC CLIENTS TO SUPPORT NOT-FOR-PROFITS DURING COVID-19

1.

Helping community organisations access over **\$4 million** in existing grants that were previously committed to other projects to **meet their immediate needs**.

2.

Providing **\$600,000** of our clients' philanthropic funds to organisations that particularly rely on volunteers or **service under-supported communities**.

3.

Making **funds available quickly** to help not-for-profits **keep their critical services running**.

4.

Giving access to **additional** legal, organisational and fundraising **support**.

5.

Providing free **data and insights** including making our data platform partner, Seer Data & Analytics', financial **vulnerability mapping tool** freely available (see [case studies](#) online).

6.

Listening to what the **community sector** needs to help philanthropic clients better direct their funds.

7.

Encouraging **flexibility** in our IPAP process as some projects and community needs changed during **COVID-19**.

8.

Extending existing and new grant **reporting periods** to give not-for-profits more time to report.



See [video](#) on how our philanthropy team supported not-for-profits through COVID-19.

CASE STUDY

INCREASING HOME OWNERSHIP WITH PILBARA TRADITIONAL OWNERS

In 2019, our Native Title team worked with a Pilbara based Native Title group to implement an innovative charitable distribution policy aimed at increasing home ownership and financial and estate management skills within their communities.

This home ownership grant is designed to assist members to fulfil their aspirations for home ownership. It does this by providing direct financial support to eligible members for the purchase or building of a new home and for the renovation or mortgage repayments of an existing one.

Since the policy has been in place, home ownership in one Pilbara community has increased from 2% to 22%. The number of members of the community who now have a valid will has also increased by 50% due to legal support funded through the policy. The new homeowners are also supported by a maintenance and repairs fund they can access on an annual basis to maintain the value of their new homes.

Working with communities and Native Title trusts

Perpetual has been working with Aboriginal and Torres Strait Islander communities for nearly a decade to ensure their Native Title trusts benefit their communities now and into the future.

We are one of the largest trustees of Native Title agreements with \$300 million FUA as at June 2020. Our role extends beyond managing funds – we work with members of communities to help build financial education programs and access finance for Aboriginal and Torres Strait Islander people in remote areas (see case study for example).

Our vision for reconciliation is a more equal Australia, where Aboriginal and Torres Strait Islander people, families and communities have the opportunities to live healthy and prosperous lives.

Supporting remote communities during COVID-19

Aboriginal and Torres Strait Islander peoples across Australia identified that COVID-19 posed a high risk if infection spread to their communities. In many remote areas, lockdown was absolute with no travel permitted in or out.

We worked with Trust advisory councils and local leaders to make emergency funds available as quickly as possible. For some isolated communities, it was difficult to secure a necessary supply of food and other essentials. In the Pilbara, which had critical challenges around food security, we consulted with local government and logistics businesses to ensure that supplies got to where they needed to go. In our roles as trustees, we assisted the distribution of 450 extra-large food packages to remote and regional Indigenous communities and over \$1 million in financial assistance to beneficiaries located in Western Australia and South Australia.

Renewing our Reconciliation Action Plan

Our vision for reconciliation is a more equal Australia where Aboriginal and Torres Strait Islander people, families and communities have the opportunities to live healthy and prosperous lives. We support the Uluru Statement and we are committed to taking actions that will increase opportunities for Aboriginal and Torres Strait Islander people within our business and the wider community.

Our Reconciliation Action Plan (RAP) outlines the initiatives we are undertaking that support our commitment to Aboriginal and Torres Strait Islander people and organisations. Since we launched our inaugural RAP in August 2013, we have moved from the 'Reflect' to the 'Stretch' stage in our plan.

During 2016 to 2019, the period for our most recent Stretch RAP, we developed an Aboriginal and Torres Strait Islander Procurement Policy and more recently we finalised our Aboriginal and Torres Strait Islander Employment and Retention Strategy and a Cultural Awareness Strategy. Two annual five-day On-Country cultural immersion activities were also attended by 11 Executives, senior leaders and Native Title team members in the Pilbara region of Western Australia, undertaking respectful and meaningful engagement with the Yindjibarndi People and their culture.

Since the start of our partnership with Jawun in 2015, 25 of our employees have undertaken secondments with Aboriginal and Torres Strait Islander led organisations (see case study on page 16). We continue to recognise Australia's Aboriginal and Torres Strait Islander histories and achievements during National Reconciliation Week and NAIDOC Week. Our Native Title team works with 30 Aboriginal and Torres Strait Islander community groups across Australia.

There is still much more to do. We aim to increase opportunities for Aboriginal and Torres Strait Islander employment. As of June 2020, Perpetual employed five Aboriginal or Torres Strait Islander people. This is below the goal we had set ourselves within our most recent RAP and is recognised as one of our biggest challenges so this will be a continuing priority. One of the key learnings we have identified through our RAP is that we need to actively create pathways to increase awareness and appetite for Aboriginal and Torres Strait Islander peoples to be attracted to the finance sector and that the roles that exist can be tied back to what is important to Aboriginal and Torres Strait Islander peoples.

This year, we have been working to renew our commitment with an updated Stretch RAP for 2021 to 2023. This was submitted in July 2020 by our RAP Working Group for review and endorsement by Reconciliation Australia.

Contributing to good causes

We encourage our people to contribute to charities through fundraising, volunteering and payroll giving. Perpetual matches employees' personal donations given to the charities we support including the Cancer Council and Starlight Children's Foundation.

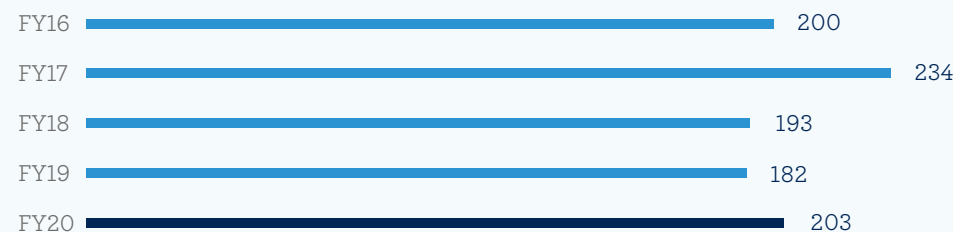
With the terrible bushfires raging across Australia, we focused our summer fundraising appeal on charities supporting bushfire relief such as the Salvation Army and Australian Red Cross. Together, we raised nearly \$140,000 including a \$100,000 donation by Perpetual to the Foundation for Rural and Regional Renewal, a not-for-profit organisation with a long history of supporting bushfire-affected communities in their recovery.

Our employee and Company donations in FY20 totalled over \$203,000, over 10% more than the previous year.

Our people also give their time volunteering in the community and Perpetual offers a week of contribution leave, which is an extra week of annual leave employees can take to support charitable causes.



TOTAL PERPETUAL EMPLOYEE AND COMPANY DONATIONS (\$'000)



CASE STUDY

PERPETUAL'S PROUD HISTORY OF SUPPORTING PHILANTHROPY IN AUSTRALIA

For more than 130 years, our clients have entrusted us to act as a steward to help ensure their philanthropic donations have a deep and meaningful impact in the communities they serve. These examples highlight how Perpetual has supported clients to leave enduring legacies that keep giving.

DAME EADITH CAMPBELL WALKER: SUPPORTING VULNERABLE WOMEN



City of Canada Bay
Local Studies Collection

1897

Dame Eadith Campbell Walker, one of Australia's early philanthropists, recognises the needs of women who have no families to support them in their retirement. She builds cottages in Yaralla in Sydney to provide them with homes and with the help of Perpetual sets up a charitable trust to provide ongoing support for this community.

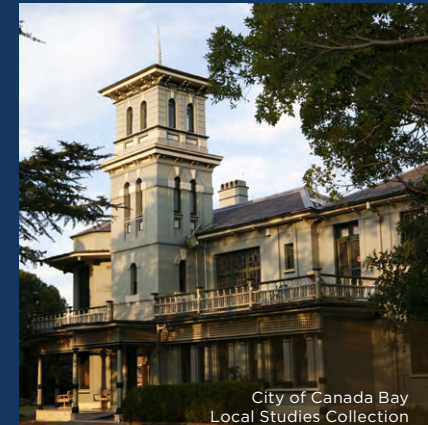
1917

At the end of the First World War, Dame Eadith provides accommodation to returning soldiers, many who are suffering with post-traumatic stress disorder. Perpetual assists to create a charitable trust to support the men in their recovery.



2020

Perpetual continues to be trustee for Dame Eadith's charitable trusts and has partnered with Mission Australia who manage the cottages, providing safe accommodation for women in Sydney aged 35 years and over who are experiencing, or at risk of, homelessness.



City of Canada Bay
Local Studies Collection

CLIVE AND VERA RAMACIOTTI FOUNDATIONS: FUNDING BIOMEDICAL RESEARCH



1970

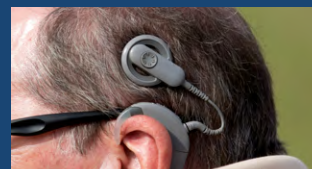
Following the sale of The Theatre Royal, Sydney, Vera Ramaciotti uses the \$6.7 million proceeds to establish The Clive and Vera Ramaciotti Foundations, two charitable trusts to be managed by Perpetual. The trusts result in the establishment of the Ramaciotti Awards supporting pioneering biomedical research.

1971

The trusts make their first major grant to the Walter and Eliza Hall Institute of Medical Research.

1978

With the support of Perpetual as trustee, the charitable trusts make a philanthropic gift to Professor Graeme Clark and his team. The \$15,000 donation comes at a critical point in their research, enabling them to create the first prototype of what becomes the Cochlear Implant.



1989

Professor Ian Frazer's research project first receives funding from the Ramaciotti Foundations. It is instrumental in getting his ground-breaking project established to develop the world's first cervical cancer vaccine.

2020

To date, the Ramaciotti Foundations have donated over \$61 million to support biomedical research in areas such as molecular biology, genetics and immunology.





REDUCING OUR IMPACT ON THE ENVIRONMENT

Climate change presents risks for the enduring prosperity of our clients, communities and our business. We are taking action to address climate change by reducing our own environmental impact, investing responsibly for our clients and strengthening our governance and disclosure on climate change.

Reducing our own environmental impact

It is important we manage the impact of our own operations on climate change and the environment. The major contributors to carbon emissions in our operations are related to electricity consumption in our offices and the flights our people take for business travel.

During FY20, we estimate our Scope 1 and Scope 2 carbon emissions from electricity used to power our offices was 1,821 tonnes CO₂e which is a 7% decrease compared to the previous year (see chart on next page). The reduction was mainly due to having less people in our offices in Q4 FY20 while our people worked from home during COVID-19.



OUR POSITION ON CLIMATE CHANGE

Climate change is one of the most significant long-term challenges facing society and the global economy. We accept the long-standing scientific research on human-induced climate change and support the aim of the Paris Agreement to limit global average temperature rise to well below 2°C.

Climate change presents risks for the enduring prosperity of our clients, communities and our business, which need to be managed. We monitor and assess climate risks and the potential impact on our business and have established a climate change action plan. This consists of: reducing our own environmental impact; investing responsibly; offering investment products that include climate-focused exclusions; and reinforcing our governance and disclosure on climate change.

We collaborate with other investors as signatories to the UN supported Principles for Responsible Investment and through our membership of the Investor Group on Climate Change. For Perpetual, responsible investing means consideration of environmental, social and governance (ESG) factors is incorporated into our investment activities.

We are committed to transparent reporting and to aligning of our climate change disclosure with the Task Force for Climate-related Financial Disclosure (TCFD).



The pandemic also meant flights were cancelled towards the end of FY20. Employees took around 2,800 business-related flights in FY20, which is 32% less than the previous year. The carbon emissions associated with our business-related air travel also dropped to 577 tonnes CO₂e in FY20, down 21% on FY19.

While COVID-19 has disrupted the way we do business, most of our people have felt productive and positive while working from home. Only 4% of our employees want to return to the office on a full-time basis in the long term. Like many organisations, we are exploring how we can create a workplace where our people deliver their best work, where and how they work best. This will have implications for our environmental impact as employees are likely to travel for work less; and for how we collaborate remotely using more digital technology such as Microsoft Teams.

We measure the intensity of our emissions footprint by the average number of employees and per square meter of office space. Our emissions intensity decreased for both measures in 2020 (see chart to the right).

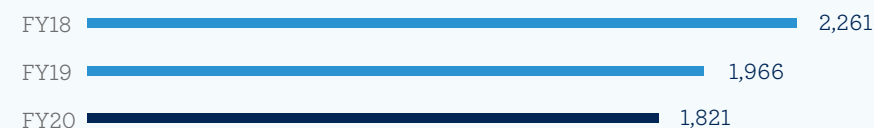
Last year, our Melbourne office in Rialto was independently assessed for the first time against the NABERS Tenancy Energy Rating, receiving an excellent five-star rating.

NABERS (which stands for the National Australian Built Environment Rating System) is rated up to six stars and measures a building's environmental footprint such as its energy efficiency and carbon emissions.

Measures we have taken to improve our Melbourne office's environmental performance include installing enhanced air conditioning systems, using more efficient video conferencing equipment and reducing the emissions intensity of our electricity supply. Our office performed more energy efficiently than 87.1% of tenancies rated in Victoria.

We are also seeking to reduce paper usage in our offices. COVID-19 made this even more necessary with most of our people working from home. We introduced a new electronic signature process, so it is now easier to sign documents while not needing to be in the office. With most people working from home, this has helped to reduce the amount of printing we have needed to do - cutting our average monthly paper usage by 50% in Q4 FY20.

SCOPE 1 AND SCOPE 2 EMISSIONS FROM DIRECT OPERATIONS (TONNES CO₂e)



EMISSIONS INTENSITY OF AVERAGE HEADCOUNT AND SQUARE METRES OF OFFICE SPACE



- Emission intensity per employee (tonnes CO₂e/average head count)
- Emission intensity per square metre office space (tonnes CO₂e/m²)

We believe that if the investment management industry can help promote more sustainable economic growth this should translate into higher and more consistent investment returns.

Investing responsibly

We believe that if the investment management industry can help promote more sustainable economic growth this should translate into higher and more consistent investment returns. Our responsible investment policies set out how ESG factors, including climate-related issues, are incorporated into our investment process (see page 9 for further details).

We also assess climate risk across our investment portfolios. We estimate our current total direct investment in companies earning significant revenue from producing fossil fuels is less than 4% of our total Funds under Management.

We are members of the Investor Group on Climate Change and support their aims that the risks and opportunities associated with climate change are incorporated into investment decisions for the ultimate benefit of individual investors.

Explore our Responsible Investment policies at www.perpetual.com.au/policies-and-positions.

Offering investment products that include climate-focused exclusions

We offer products to clients who wish to screen their investments based on ethical criteria including environmental considerations.

Our Wholesale Ethical SRI and Credit Funds exclude companies or issuers that derive a material proportion of their revenue from fossil fuel exploration and production. This year, we calculated the carbon footprint of our Wholesale Ethical SRI Fund (see case study).

Our recent acquisition of Trillium Asset Management (Trillium) will enable us to offer more ethically focused products. In August 2020, we launched two Trillium products in Australia: the Trillium ESG Global Equity Fund, which holds no material investments in fossil fuels, and the Trillium Global Sustainable Opportunities Fund that uses a thematic approach to identify companies addressing sustainability challenges and climate solutions.

Reinforcing our governance and disclosure on climate change

We are committed to transparent reporting and continue to monitor developments relating to climate change disclosure, particularly the TCFD.

We have strong systems of corporate governance and risk management at Perpetual and ESG factors are embedded in the way we conduct business. ESG risks, including climate-related risks, are identified, assessed, managed and reported in accordance with our Risk Management Framework and Risk Appetite Statement with a focus on delivering shareholder value by making a positive impact to the communities in which we are operating, including the financial community through active industry participation. ESG risks are also considered when assessing investments in our client-facing divisions.

We continue to disclose our carbon emissions data annually to the CDP (formerly Carbon Disclosure Project). We achieved a 'D' rating for our most recent submission, down from a 'C' the previous year, and will seek to improve our disclosure in future years.

In 2021, we will conduct a review of our approach to sustainability at Perpetual and consider how we can continue to reduce our impact on climate change and the environment.

CASE STUDY

ASSESSING OUR WHOLESALE ETHICAL SRI FUND'S CARBON FOOTPRINT

We conducted a carbon footprint assessment of our Wholesale Ethical SRI Fund this year to understand its contribution to climate change. This revealed that the companies within the portfolio emitted 54,000 tonnes CO₂e in FY20 based on the Fund's ownership share.

The weighted average carbon intensity for our equity holdings in the Fund was 71 tonnes CO₂e per million AUD sales. This metric indicates a portfolio's exposure to potential climate-related risks relative to other portfolios.

It has less than half the weighted average carbon intensity of the S&P/ASX 300 Accumulation Index, a comparable benchmark.

OUR OFFICES



More information about our performance can be found online at www.perpetual.com.au/reporting-suite.

Perpetual Limited
ABN 86 000 431 827

NEW SOUTH WALES

Angel Place
Level 18, 123 Pitt Street
Sydney NSW 2000

QUEENSLAND

Central Plaza 1
Level 15, 345 Queen Street
Brisbane QLD 4000

AUSTRALIAN CAPITAL TERRITORY

Level 6, 10 Rudd Street
Canberra ACT 2601

VICTORIA

Level 28 and 29
Rialto South Tower
525 Collins Street
Melbourne VIC 3000

SOUTH AUSTRALIA

Level 11, 101 Grenfell Street
Adelaide SA 5000

WESTERN AUSTRALIA

Exchange Tower
Level 29, 2 The Esplanade
Perth WA 6000

SINGAPORE

16 Collyer Quay #07-01
Singapore 049318

TRILLIUM ASSET MANAGEMENT:

Boston

Two Financial Center
60 South Street, Suite 1100
Boston, MA 02111
USA

San Francisco

160 Spear Street, Suite 250
San Francisco, CA 94105
USA

Portland

721 NW Ninth Avenue, Suite 250
Portland, OR 97209
USA

This report contains general information only and is not intended to provide you with advice or take into account your personal objectives, financial situation or needs. You should consider whether the information is suitable for your circumstances and we recommend that you seek professional advice. To the extent permitted by law, no liability is accepted by Perpetual Limited for any loss or damage as a result of any reliance on this information. Investors should consider the features and risks of a potential investment to determine if it is suitable for their circumstances.