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ASX Limited
ASX Market Announcements Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Perpetual Limited – Sustainability Report and Sustainability Strategy

The following announcements to the market are provided:

- ✓ Sustainability Report 2024

Yours faithfully,



Sylvie Dimarco
Company Secretary
(Authorising Officer)



Sustainability Report 2024

Perpetual GROUP

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Our reporting suite

Welcome to our FY24 Sustainability Report, which provides an update on the sustainability performance of Perpetual Group (Perpetual Limited and its subsidiaries) for the 2024 financial year (FY24). This report forms part of Perpetual Group's annual reporting suite, which also includes our Annual Report and Corporate Governance Statement.

Annual Report



Corporate Governance Statement



Sustainability Report



More information about our FY24 financial and operational performance can be found online: perpetual.com.au/shareholders/reports-and-presentations/

Acknowledgement of Country

Perpetual Group acknowledges Aboriginal and Torres Strait Islander peoples of this nation. We acknowledge the Traditional Custodians of the lands on which our company is located and where we conduct our business. We pay our respects to ancestors and Elders, past and present. Perpetual Group is committed to honouring Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.

About Perpetual Group

Today, Perpetual Group provides asset management, private wealth and trustee services to local and international clients. Our clients include Australian and international institutions, not-for-profit organisations, private businesses, financial advisers, individuals and families.

Our business



Asset Management

A global, multi-boutique Asset Management business that provides an extensive range of specialist investment capabilities through its boutique businesses across key regions globally.



[Learn more](#)



Wealth Management

The Wealth Management business consists of Perpetual Private and three other distinct specialist businesses (Fordham, Priority Life and Jacaranda), offering a unique mix of wealth management, advice and trustee services.



[Learn more](#)



Corporate Trust

The Corporate Trust business is a leading provider of debt market, managed funds, and digital solutions to the banking and financial services industry across Australia and Singapore.



[Learn more](#)

A message from our Chief Executive Officer and our Chief Risk and Sustainability Officer

From our origins as a trustee company in 1886, Perpetual Group has supported our clients and communities over generations. Our purpose is to create enduring prosperity for our clients, our people and communities which is also embedded in our approach to sustainability.

Since the launch of our sustainability strategy, *Perpetual's Prosperity Plan*, in September 2022, we have progressed many of our commitments. We seek to build an inclusive, high-performance culture; strengthen local communities; consider the risks and opportunities relating to climate change on behalf of our clients; and work to uphold good governance, accountability and integrity.

Throughout FY24, we have continued to make good progress across our four key areas of governance, planet, people and communities, with 26 out of the 35 commitments in our sustainability strategy on track or achieved.

During the year, the Perpetual Limited Board (Board) and management conducted a Strategic Review of our business and the outcome of that review, which was announced in May, was the separation of our Wealth Management and Corporate Trust businesses (see page 7).

Planning for this change, whilst ensuring our businesses continue to deliver to our clients, our shareholders and other key stakeholders has been a core focus during the second half of the year. During this period of change, we have continued to progress activities relating to the sustainability strategy, managing our impact on the environment, supporting our people and the communities we operate in and ensuring high standards of corporate governance in our own business.

Managing our impact on the environment

We offer sustainability-orientated funds to clients, ranging from those with norms-based and environmental, social and governance (ESG) screens to those with a sustainable thematic or impact focus.

As of 30 June 2024, \$16.9 billion of our assets under management (AUM) were in funds with an ESG, sustainability or impact label in their product name, or where sustainability is mentioned in the investment objective of the fund or is a stated client intent in the schedule of an Investment Management Account. These funds benefit from the expertise of teams across the Perpetual Group, including Trillium and Regnan, who have been at the forefront of sustainable investing over decades.

In FY24, funds that we define as supporting a low carbon future saw outflows due to a more challenging investment environment for sustainability-orientated funds but we continue to explore investment products to meet the needs of our clients on this topic.¹



1. Our definition of funds that support a low carbon future includes Trillium's larger cap-equity strategies, which are subject to an interim target for 75% of the holdings to commit to set science-based targets for reducing their Greenhouse Gas (GHG) emissions, as approved by the Science Based Targets Initiative, by the end of 2030.

A message from our Chief Executive Officer and our Chief Risk and Sustainability Officer

Progress has been made on our commitments relating to the environmental impact of our own operations. In FY24, we procured GreenPower for our Australian operations and we are on track to be carbon neutral for our global operations.¹ For the first time, we also received Climate Active certification for our Australian operations.²

We have developed a climate roadmap to prepare for mandatory climate-related disclosures in Australia under the draft Australian Sustainability Reporting Standards (ASRS).

As part of our roadmap, in FY24 we undertook a project to assess our climate-related risks at a Group level and within our Asset Management business. We conducted focus groups with each of our Asset Management boutiques to understand the climate-related risks they face and the controls in place to manage those risks.

During the year, we launched a new Gender Equality Strategy, which prioritises retaining, promoting and hiring women in leadership roles.

Championing diversity and supporting our people through change

We are committed to creating a more inclusive workplace and ensuring our industry is welcoming to, and supportive of, women and people from diverse backgrounds. In FY24, 37% of our senior leaders globally were women, an increase from 34% in FY23 but below our 40% target for FY24. Female representation in investment professional roles in Australia is 19%, flat on the previous year and below our target of 25% by FY24.

During the year, we launched a new Gender Equality Strategy, which prioritises retaining, promoting and hiring women in leadership roles and sets clear divisional targets with bi-monthly reporting to drive accountability for delivering the targets.

We are part of industry partnerships with Future IM/Pact and Women in Banking and Finance in Australia, J O Hambro's partnership with Diversity Project Pathway in the UK, and Barrow Hanley's work with STREAM in the US, all of whom share an ambition to increase the number of people from underrepresented communities in asset management through internships, graduate schemes and work experience initiatives.

37%

of our senior leaders globally in FY24 were women

19%

of investment professional roles in Australia are held by women

The announcement to separate our business follows on from a period of integration in our Asset Management business, following the acquisition of Pental Group, which was completed in January 2023. This has been a prolonged period of organisational change, which has had an impact on how our people are feeling about work. 'Leading through Complex Change' workshops have been delivered across our business to provide 218 of our leaders with the skills to support their teams and their own wellbeing. All employees have access to Perpetual's Employee Assistance Program, which offers free and confidential counselling to staff and their families.

Upholding the highest standard for clients and in our business

Our primary way of understanding how our clients are feeling about Perpetual Group is through our annual Net Promoter Score (NPS).³ Our NPS in FY24 was +53, our second highest ever score, and above our target of +40. It is a credit to our people who have continued to support and deliver for our clients through this period of change.

Perpetual Group is committed to managing its key risks through robust corporate governance and by making effective risk management central to decision making and business practices. During the year, mandatory online training was conducted on topics such as anti-money laundering, counter terrorism, sanctions, information security and generative artificial intelligence.

As the sophistication of cyber-attacks continues to increase, protecting the privacy and safeguarding the personal information of our clients is critical. We have a Data Management Framework that covers how data are managed across Perpetual Group, enhanced oversight and monitoring of select critical third-party service providers on cyber security, and data breach and cyber-incident response plans in place to effectively manage any security incidents.

- Carbon offsets for our global operational GHG emissions in FY24 were contracted for at the time of this report's publication, however the credits will be retired after the publication date due to payment processing times.
- Climate Active is an Australian Government certification program that supports national climate policy by driving voluntary climate action. We received carbon neutral certification for our Australian business operations for FY23. Climate Active provide certification after the date of publication for our Sustainability Report each year so it is reported in arrears for the previous financial year.
- NPS is a measure of advocacy, or the extent to which our clients are willing to recommend us to friends, colleagues and peers.

A message from our Chief Executive Officer and our Chief Risk and Sustainability Officer

Supporting strong communities

We are a longstanding supporter of the Uluru Statement from the Heart, and in FY24, we supported the call for a First Nations Voice to be enshrined in the Constitution. While the referendum was ultimately unsuccessful, our support for Aboriginal and Torres Strait Islander communities has not wavered. During the year, we came to the end of our 2021–2023 Stretch Reconciliation Action Plan (RAP), which sets out the actions we are taking to promote reconciliation.¹

Our impact on communities extends to the work of our Wealth Management business, where the Philanthropy team manages over 1,100 charitable trusts, foundations and endowments, helping philanthropists to have greater impact in the communities they are passionate about. In FY24, we have \$3.6 billion in funds under advice (FUA) on behalf of philanthropists, and, in FY24, our clients granted \$124 million to the charity sector.

We are proud to partner with charities like LifeChanger and Running for Premature Babies. This year, we gave the equivalent of \$2.51 million through donations and volunteering.² This is below our target of giving the equivalent of 1% of underlying profit before tax (UPBT). Our community giving spend has been impacted by a lack of bandwidth for community activities given the extent of corporate change, which has meant we have had to pause some activities due to the focus on the Strategic Review.

Looking to the future

As we look ahead to FY25 and as we chart a path for future success for Perpetual Group, maintaining a responsible and sustainable approach will continue to be critical for our business. We are already planning now for that future and, subject to our shareholders agreeing to the separation of our Wealth Management and Corporate Trust businesses, a materiality assessment will be undertaken to understand the sustainability-related issues that are most relevant for a multi-boutique, global asset management business. Work is also being undertaken to support our Wealth Management and Corporate Trust teams on key sustainability-related projects so those businesses are also well prepared for their future regulatory and disclosure requirements.

This has been a significant year for Perpetual Group, and despite a period of change, we have continued to make progress on our sustainability strategy. Through our Prosperity Plan, we are committed to continuing to develop and improve our approach on sustainability, and to play our part to help create a more equitable and sustainable world.



Rob Adams

Chief Executive Officer
and Managing Director



Sam Mosse

Chief Risk and
Sustainability Officer

As we look ahead to FY25 and as we chart a path for future success for Perpetual Group, maintaining a responsible and sustainable approach will continue to be critical for our business.

1. Our 2021–2023 Stretch RAP was over the calendar year.

2. Based on the Business for Societal Impact (B4SI) community giving reporting framework. This includes cash and in-kind donations, matched giving of staff fundraising, management costs associated with community giving activities, employee volunteering time and memberships and sponsorship of community organisations.

Understanding the impact of the Strategic Review

On 8 May 2024, Perpetual announced the completion of a comprehensive Strategic Review and that it had entered into a Scheme Implementation Deed with an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, “KKR”) who will acquire 100% of Perpetual’s Wealth Management and Corporate Trust businesses via a Scheme of Arrangement (Scheme). If the Scheme is approved, Perpetual will become a standalone, multi-boutique, global asset management business.

The Scheme for the proposed transaction is subject to both a shareholder vote, which is anticipated to occur in early 2025, and satisfaction of other customary conditions precedent including court and regulatory approvals.

As a diversified set of businesses, separating our Asset Management, Wealth Management and Corporate Trust divisions could result in a different set of sustainability-related issues being relevant for each underlying business. Subject to the Scheme being approved by our shareholders, a materiality assessment will be undertaken to understand the sustainability-related issues that are most relevant for the multi-boutique, global asset management business shareholders will retain. Work is also being undertaken to support our Wealth Management and Corporate Trust businesses on key sustainability-related projects so they are prepared for future regulatory and disclosure requirements.

For further information on the Scheme please visit our website here: perpetual.com.au/shareholders/scheme-information/.



Perpetual Group’s Prosperity Plan

To ensure a prosperous world, we must build a sustainable world.

In September 2022, we launched our sustainability strategy, *Perpetual’s Prosperity Plan*. Our FY24 Sustainability Report provides an update on performance in FY24 across the four pillars within our Prosperity Plan.

Focusing on our material issues

Perpetual Group’s material issues inform the topics and structure of our FY24 sustainability reporting.

As part of developing our sustainability strategy, in 2022 we conducted a materiality assessment to identify the sustainability issues most material to our business and stakeholders. The priority themes of the materiality assessment are described in the graphic on the right.

Subject to the Scheme being approved by our shareholders (see page 7), a materiality assessment will then be undertaken to understand the sustainability-related issues that are most relevant for a multi-boutique, global asset management business.

Pillars and priority themes

Governance



Good governance

See pages 12–13

Behaviours and conduct

See pages 12–13

Risk management

See page 13

Ethical business

See pages 13–15

Client care

See page 15

Data privacy

See page 14

Transparency and anti-corruption

See page 13

Sustainable products and services

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Sustainable products and capabilities

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Integrating ESG considerations

See pages 16–18

Planet



Decarbonisation

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Investment exposure to carbon-related risks

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Disclosure of climate risks

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Operational environmental footprint

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Local environmental impacts

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Waste

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Paper usage

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Sustainable buildings

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People



Diversity and inclusion

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Inclusive hiring and promotion

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Inclusive culture and sense of belonging

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Talent, development and wellbeing

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Talent attraction, retention and development

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Employee wellbeing

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Communities



Social and community impacts

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Volunteering and community giving

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Philanthropy services

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Socially sustainable procurement

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Human rights

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First Nations advocacy and support

See pages 41–43

First Nations trustee services

See page 43

Reconciliation

See pages 41–42

Progress on our Prosperity Plan




For more than 135 years, Perpetual Group has been building prosperity for our clients.

We know that lasting financial wellbeing depends on a sustainable planet and resilient, equitable communities. This is our plan to create enduring prosperity, not only for our clients and shareholders, but also for communities and the environment on which we all depend.

On this page is a description of the four pillars of our sustainability strategy and a high-level overview of our progress on our commitments.

Despite a significant period of change for our business, 26 of our 35 commitments are either on track or achieved.

Progress across the four pillars of our sustainability strategy

Pillar	Description	Progress
Governance 	Committed to the highest standard Draw on our trusted brand and deep history, to work to uphold best practices, accountability and integrity in all we do.	 <ul style="list-style-type: none"> ● 0 ● 3 ● 6
Planet 	Managing our impact on the environment Consider the risks and opportunities relating to climate change on behalf of our clients and reduce the environmental footprint of our own operations.	 <ul style="list-style-type: none"> ● 1 ● 6¹ ● 3¹
People 	Champion inclusion and high performance Strive to create a harmonious, diverse and inclusive workplace culture that enhances wellbeing and supports each of our people to bring their best.	 <ul style="list-style-type: none"> ● 7 ● 1 ● 0
Communities 	Support strong communities Leverage our services, time and philanthropy to support not-for-profit organisations, give back to communities, and help advance First Nations prosperity.	 <ul style="list-style-type: none"> ● 1 ● 2 ● 5

● Not on track ● On track ● Achieved

1. This has been restated from our FY24 Annual Report, which stated 7 Planet commitments on track and 2 Planet commitments achieved.



Governance










Committed
to the highest
standard

We partner with our clients to support their financial wellbeing, creating relationships spanning generations. On their behalf, we prioritise providing exceptional products and outstanding service.

Perpetual Group is built on a solid foundation of excellence, integrity, accountability and transparency. We are committed to continually raising governance standards within our industry.



Performance against our commitments

Commitment	Status	FY24 progress	More info
Increase ESG skills and capabilities across our business		The Board undertook training on climate risk. Focus groups were held with each Asset Management boutique on climate risks and controls. Training sessions were conducted on modern slavery with Perpetual Corporate Trust Responsible Entity and Wholesale Trust teams.	page 26 page 46
Uphold our values and always act with integrity		Group employees are assessed annually on the extent to which they demonstrate key risk and enterprise behaviours. Analysis of those assessments is then discussed with relevant leadership teams, the CEO and the Board. Risk and compliance reviews of financial adviser client files had a pass rate of 100%, indicating high-quality advice results.	page 13
Maintain strong client advocacy with +40 Net Promoter Score		+53 in FY24, down from +57 the previous year. For the second consecutive year, our NPS has exceeded +50.	page 15
Maintain compliance and promote strong governance standards in our business, with our clients, investment holdings and other stakeholders		The Board considers it complies with all of the ASX's Corporate Governance Principles and Recommendations (4th Edition). Mandatory online training was conducted on topics such as anti-money laundering, counter terrorism, sanctions, information security and generative artificial intelligence.	page 13
Integrate considerations within client and supplier due diligence to ensure alignment with sustainability strategy		All new clients are subject to thorough due diligence checks set out in Part B of our Anti-Money Laundering and Counter-Terrorism Financing program. Corporate Trust provide training and resources to clients relating to Australian Securities and Investments Commission (ASIC) guidance on ensuring products are true to label when offering sustainability-related products. Key metrics on spend with Supply Nation certified or registered suppliers and suppliers with high risk of modern slavery included within Procurement internal monthly dashboard reporting.	page 13
Contribute to public policy, thought leadership and multi-stakeholder collaborations around priority sustainability sub-topics		Launched Perpetual's Philanthropy Snapshot report in April 2024. Sponsored Dhawura Ngilan Business and Investor Initiative. Participated in sector collaboration on increasing diversity in asset management, such as Future IM/pact, Diversity Project Pathway and STREAM.	page 44 page 43 page 34
Continue to incorporate consideration of ESG factors into investment analysis, decision making and engagement practices		Consideration of ESG issues is incorporated into investment approaches based on each of our businesses' investment processes for the majority of our AUM, with the exception of some asset classes such as derivatives, cash, currency and commodities.	page 21
Ensure robust governance and transparent disclosure of sustainability strategy		Provided six-monthly sustainability strategy and climate updates to the Board and Executive committee. Board skills matrix was updated to include a category relating to sustainability and responsible investment. FY24 financed GHG emissions metrics for equity investments have been externally assured.	page 26 page 26 page 30
Include sustainability priorities in Executive remuneration		Qualitative overlay on sustainability applied to setting bonuses as part of FY24 Group Scorecard.	page 12

 Not on track  On track  Achieved

Ensuring robust governance of our sustainability strategy

Our governance approach for our sustainability strategy is to ensure that sustainability is relevant and supported at all levels of our organisation, with the Board having ultimate accountability for our sustainability agenda. The Board is responsible for setting Perpetual Group's sustainability strategy and for monitoring performance on its implementation. The Board's Audit, Risk and Compliance Committee (ARCC) is responsible for overseeing Perpetual Group's approach to risk and compliance management including oversight of the key sustainability-related risks as set out in our Risk Appetite Statement (RAS, see page 13).

Our Executive Committee provides leadership to support delivery of the strategy, makes decisions on key issues and oversees performance. Sam Mosse, Chief Risk and Sustainability Officer (CRSO), formally represents and is accountable for sustainability, overseeing a dedicated Sustainability team who are responsible for the day-to-day management, monitoring and reporting of the sustainability strategy and supporting the businesses to deliver our commitments.

As a multi-boutique asset manager, each of our Asset Management businesses have their own approaches to responsible investment, and many of them also have their own dedicated teams for supporting their investment teams on that agenda.

A series of working groups also help to ensure specific sustainability-related topics are integrated into day-to-day operations and processes, including:

- Climate Disclosure Working Group – cross-functional team set up to prepare for mandatory climate reporting (see page 26).
- RAP Working Group – supports our reconciliation agenda and the delivery of Stretch RAP (see page 41).
- Modern Slavery Working Group – ensures ongoing compliance with the Australian Modern Slavery Act and UK Modern Slavery Act (see page 46).

- Perpetual's Diversity and Inclusion Council – led by our CEO, Rob Adams, responsible for the delivery of Perpetual Group's Diversity and Inclusion strategy (see page 35).
- Pride network for our LGBTQ+ colleagues, allies and community (see page 36).

Integrating sustainability into executive compensation

A sustainability overlay is applied to bonus funding for Executive remuneration. To do this, an annual assessment is conducted on progress against of each of the 35 commitments in the Prosperity Plan. For FY24, on balance, given the Group's progress against the commitments, no adjustments were made to bonus funding levels at the Group or divisional levels.

More information can be found in the Remuneration Report in our FY24 Annual Report here: perpetual.com.au/shareholders/reports-and-presentations/.

Assuring our financed GHG emissions relating to equity investments

This year, the Board has engaged KPMG to provide independent, limited assurance for our financed GHG emissions relating to the Scope 1 and 2 emissions for our equity investments in FY24 as shown in Chart 4 on page 30.

KPMG's limited assurance statement can be found here: perpetual.com.au/sustainability/archive/.



Upholding high governance standards in our business



The Board is committed to upholding high standards of corporate governance in our business by ensuring we have the right systems, procedures and practices in place. The Board considers it complies with all of the ASX's Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

Policies play a key role for Perpetual Group in communicating principles and obligations to guide decision making and to set standards for expected employee behaviour in particular situations. These include our Code of Conduct, Diversity and Inclusion Policy, Anti-Bribery and Corruption Policy, Personal Trading Policy and Whistleblowing Policy.

These policies, and more information on our compliance with the ASX recommendations, can be found here: perpetual.com.au/about/corporate-governance-and-policies/.

Details of our tax disclosures are found within the Perpetual Group [Tax report](#).

Fostering a risk aware and responsive culture

Perpetual Group is committed to managing its key risks through robust corporate governance and a shared approach to embedding effective risk management into decision making and business practices. This commitment is reflected in our [Risk Management Framework](#) (RMF), which starts with the 'tone at the top' and applies throughout our organisation. The RMF is reviewed annually by the Board and contains a separate risk category of 'Sustainability and Responsible Investing'.

Our RAS defines the amount of risk the Board permits management to take in the pursuit of its strategic vision and objectives. The RAS contains key risk indicators that incorporate our key commitments in our sustainability strategy and are monitored quarterly by our ARCC.

A description of our business risks, and the mitigants we have in place to manage those risks, are outlined on page 82 of our [FY24 Annual Report](#).

During the year, mandatory training was conducted on topics such as anti-money laundering, counter terrorism, sanctions, information security and generative artificial intelligence. All new clients are subject to thorough due diligence checks through our Anti-Money Laundering and Counter-Terrorism Financing program, which includes the minimum customer identification procedures to confirm each customer's existence, and that they are who they claim to be.

Employees are assessed annually on the extent to which they demonstrate key risk and enterprise behaviours. Analysis of those assessments is then discussed with relevant leadership teams, the CEO and the Board. Risk and compliance reviews of financial adviser client files had a pass rate of 100%, indicating high-quality advice results.

Protecting cyber security and client data

We are committed to protecting the privacy and safeguarding the personal information of our clients.

In June 2023, we experienced an extended outage as a result of an IT security incident involving a third-party service provider for some of Perpetual's funds. The third party provides unit registry and administration services to Perpetual's Asset Management and Wealth Management businesses' investment funds, WealthFocus and Select products.

There was no impact to Perpetual's listed products, institutional mandates, Pandal, Perpetual Corporate Trust, Perpetual Wrap clients or any of our international Asset Management businesses. Importantly, there was no impact to any Perpetual client investments, or Perpetual's own systems, which remained and continue to remain safe and secure. The third-party service provider resolved the incident, restoring critical functionality for client transactions in June 2023, and the incident was formally closed in May 2024 following a final round of resilience testing.

We have governance, frameworks and monitoring in place to ensure we have resilient technology systems and secure data, including:

- Technology and Cyber Committee, a sub-Committee of the Board, providing oversight of technology and cyber risk.
- Data Management Framework covering how data are managed across Perpetual Group.
- Internal reporting to management and the Board on the effectiveness of our security controls.
- Enhanced oversight and monitoring of select critical third-party service providers on cyber security.
- Additional data logged and analysed on the use of IT systems and applications to improve incident detection and forensics capabilities.
- Training and tools to educate employees on cyber security risks, email phishing and data privacy.
- Data breach and cyber-incident response plans and regular crisis management response simulation exercises to effectively manage any security incidents.

More information is available in our [Online Security Portal](#), along with our [Privacy Policy](#).



Striving for excellence in client experience

We strive to maintain a high standard of service for our clients. We measure client satisfaction through a Net Promoter Score (NPS). This is a measure of advocacy, or the extent to which our clients are willing to recommend us to friends, colleagues and peers.

In FY24, we recorded a score of +53, our second highest ever score although down from +57 the previous year. For the second consecutive year, our NPS has exceeded +50 across Perpetual Group and is in excess of our target +40.

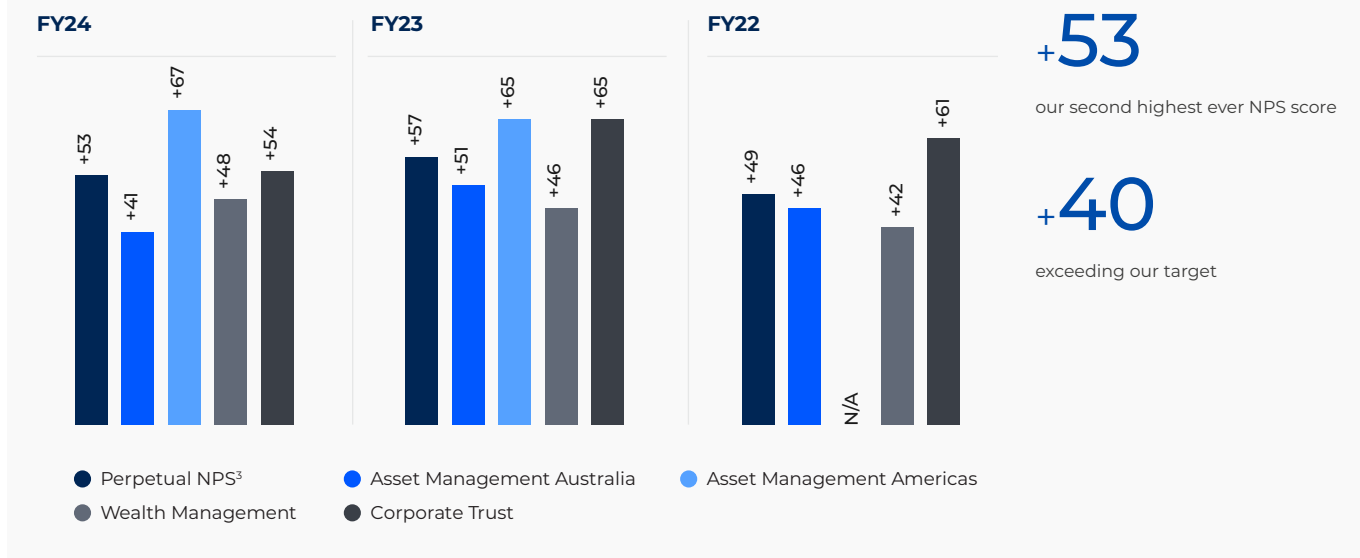
Putting our clients first

Effective management of complaints demonstrates our commitment to addressing concerns and improving our relationships with our clients. Our Client Advocacy team are responsible for assisting clients to achieve a responsive, timely and fair resolution to complaints they raise about our Australian businesses and for analysis and reporting on complaints received across the Group.

During FY24, we received 3,723 complaints across the Group. This is higher than the 2,813 complaints we reported in FY23. There was an increase in complaint volumes between June and August 2023¹, following the IT security incident and associated extended outage that impacted the systems used by a third-party service provider to provide administration services to some of Perpetual's funds (see page 14).

For complaints that required an investigation, the median length of time to close a complaint was 12 days.² For more information about our approach to client advocacy, see perpetual.com.au/about/service-commitment/.

Chart 1 – Net Promoter Score (NPS)



1 Only July and August 2024 fell within FY24, which is the scope for this report

2 The reduction in the median days to respond to a complaint in FY24 compared to FY23 (see page 47), reflects the change in case mix of complaints received during FY24, recognising that, for most complaints raised regarding the IT security incident and technical outage, the only feasible resolution that could be provided was an apology and explanation only.

3 Following the 2023 acquisition of Pandal Group, measurement of Asset Management Australia was done through surveys with institutional clients, key accounts and retail advisers concerning the brand (Perpetual, Pandal or Barrow Hanley) they have most interaction with. This closely mirrored the prior structure although prior surveys focused on the Perpetual brand alone. Asset Management Americas included surveys with Barrow Hanley and Trillium clients. J O Hambro, TSW and Regnan are expected to be included in future programs.

Investing responsibly across our businesses

Each of our Asset Management and Wealth Management businesses has its own investment philosophy, and our investment teams exercise independence in determining their investment objectives. Consideration of financially material ESG issues is integrated into investment analysis, decision making and ownership practices in the context of each of our businesses' investment approaches and the needs of its clients.

For a description of our Asset Management and Wealth Management businesses and brand's approaches to responsible investment see the responsible investment page of our website at: perpetual.com.au/sustainability/responsible-investing/.



Offering sustainability-orientated products

Our Asset Management and Wealth Management businesses also offer sustainability-orientated funds to clients, ranging from those with norms-based and ESG screens to those with a sustainable thematic or impact focus. These products provide solutions that meet the needs of clients interested in investing in a manner consistent with their sustainability preferences, or who want to use ESG information to impact investment performance.

As of 30 June 2024, \$16.9 billion of our AUM were in funds with an ESG, sustainability or impact label in their product name, or where sustainability is mentioned in the investment objective of the fund or is a stated client intent in the schedule of an Investment Management Account.¹

Examples of our different sustainability-orientated funds can be found in the graphic to the right.



1 Includes assets from our Asset Management business only but not from our Wealth Management business.
 2 The European Securities and Markets Authority guidelines on funds' names using ESG or sustainability-related terms are due to come into force around the start of the 2025 calendar year. This may result in the term 'ESG' being removed from Barrow Hanley's ESG-labelled strategies.
 3 Article 8 funds are defined as those that promote environmental or social characteristics, or a combination of both, provided that the companies in which the investments are made follow good governance practices.

Taking a multi-boutique approach to engagement

Across our Group we take part in collaborative multi-stakeholder initiatives. For instance, we are active members of the Responsible Investment Association Australasia (RIAA), participating in RIAA's Human Rights, First Nations Peoples' Rights and Nature working groups. Perpetual, Pental and Regnan are members of Investor Group on Climate Change and both Trillium and Pental are signatories and investor participants to the Climate Action 100+.

Each of our Asset Management and Wealth Management businesses has its own approach to stewardship and engagement with investment holdings. See our case studies to the right for examples of how two of our investment teams engaged through the year or see the responsible investment page of our website at: perpetual.com.au/sustainability/responsible-investing/.



Case Study

Pental's Australian Equities team meets with Australian companies, seeking outcomes that are in the long-term interests of shareholders. In FY24, the Pental Australian Equities team conducted 276 engagements where ESG issues were referenced. Climate change and water use were frequent topics, with over 50% of those engagements referencing environmental issues. 268 of the conversations related to social issues and governance was a key focus for 148 meetings, particularly on remuneration, boards and diversity.

➤ For more information visit: pendalgroup.com/about/investment-capabilities/responsible-investing



Case Study

Trillium led efforts asking Starbucks to develop a path forward for collective bargaining agreements and worker organising processes. In February 2024, the company reached an agreement with Starbucks Workers United which was praised by labour experts, and was attributed to a worker-led organising campaign, reputational damage, and investor actions, including a shareholder proposal and letters by Trillium and others.

➤ For more information visit: trilliuminvest.com





Planet

Managing our impact on the environment

We offer sustainability-focused investment solutions and actively engage with our investment holdings to support their role in the energy transition, when suitable to do so.

We will seek to reduce the environmental impact of our operations while improving our disclosure on climate.



Progress on our commitments

Commitment	Status	FY24 progress	More info
Grow our products and services that support a low carbon future		There were just under \$1.7 billion in outflows in FY24 from funds defined as supporting a low carbon future. ¹ Outflows were concentrated in the Trillium Global Equity strategy.	page 22
Carbon neutral operations ²		On track to have carbon neutral global operations in FY24 through carbon reduction programs, including renewable power purchases, and purchases of carbon offsets for operational emissions. ³	page 23
100% renewably powered operations by FY25		Purchased GreenPower for our Australian offices in FY24 and we are exploring purchasing additional renewable power for our global operations in FY25.	page 24
Reduce energy intensity per full time equivalent (FTE) employee by one third in Australian operated offices by FY30 (FY21 baseline)		Energy usage per FTE of our Australian offices was 1.335 MWh per FTE in FY24, increased from 1.297 in FY23. We anticipate through office consolidation and energy efficiency measures, we will be able to meet our target.	page 24
Require Greenstar or NABERS 5 star minimum for all future lease transactions in Australia		We renewed our lease at our head office in Angel Place, which has a 5.5 Star NABERS building energy rating, and which we also plan to fit out at a Greenstar 5 Star level. ⁴	page 24
Reduce waste to landfill by 10% by FY26 in Australian offices (FY23 baseline) ⁵		Sent 15 tonnes of waste to landfill in FY24, down from 16 tonnes in FY23.	page 25
Reduce paper purchased for printing in Australian offices by 50% by FY25 (FY21 baseline)		Paper purchases decreased to 8 tonnes in FY24, from 9 tonnes the previous year.	page 25
Align our Group reporting to the Taskforce on Climate-related Financial Disclosures (TCFD)		Provided additional climate-related disclosure and undertook a project to assess climate risks and controls in our Asset Management business. We have a climate roadmap in place to align with ASRS for our future disclosure.	page 26
Measure and disclose carbon risk and emissions indicators associated with key large cap equity portfolios		Measured and disclosed financed GHG metrics associated with the Scope 1 and 2 emissions of our equity investments.	page 30
Climate change considered, where appropriate, as part of investment approaches		Approaches to considering climate disclosed on our website: perpetual.com.au/considering-climate-as-part-of-our-investment-process .	page 21

Not on track On track Achieved

1. Our definition of funds that support a low carbon future includes Trillium's larger cap-equity strategies, which are subject to an interim target for 75% of the holdings to commit to set science-based targets for reducing their GHG emissions, as approved by the Science Based Targets Initiative, by the end of 2030.

2. The commitment has been updated as it was achieved for FY23 and now becomes annual.

3. A small portion of our carbon offsets for our global operational GHG emissions in FY24 will be purchased after this report's publication due to contracting and payment processing times.

4. The National Australian Built Environment Rating System (NABERS) and Greenstar measure a building's environmental impact. Both are rated up to 6 Stars.

5. E-waste and waste from office refurbishments have been excluded from target due to current data unavailability and due to those waste streams being linked to project-based activities.

Considering climate as part of our investment processes

Each of our Asset Management and Wealth Management businesses has its own investment philosophy and approach to managing climate risk and opportunities for our clients.

For a description of the approach each of our Asset Management and Wealth Management businesses and brands takes to considering climate as part of investment approaches, see our website: perpetual.com.au/considering-climate-as-part-of-our-investment-process/.

Engaging on climate

We believe being active stewards of our clients' capital can support better investment outcomes, including on climate-related issues. If we can influence the companies we invest in to improve how they manage their impact on the environment as part of their approach to deliver sustainable financial returns to shareholders, this can support a broader benefit for society and the planet.

See the graphic to the right for some examples of engagements conducted by our investment teams during FY24 and links to further information online.



Discussing technology for the energy transition

In 2024, Barrow Hanley met with the CEO of APTIV to discuss the opportunities and barriers for growth and increase in demand for battery electric vehicles.

- For more information see Barrow Hanley's 2024 Stewardship and Engagement Report [online](#).



Engaging on the energy transition

In late 2023, our Wealth Management investment team met with South32. One objective of that meeting was to discuss the divestment of the company's Illawarra coal assets that the investment team believe could bring a financial benefit to current shareholders and attract new shareholders that currently avoid the company's carbon-heavy exposure. The investment team have since welcomed the company's announcement in early 2024 that it has an agreement to divest its Illawarra asset.

- For more information see page 6 of the Perpetual Private Direct Equities Corporate Engagement Report [online](#).



Promoting for transparency around plastic

The J O Hambro team recognised Next's inadequate transparency and lack of commitment towards reducing plastic use, despite discussions and a lack of progress noted in the 2022 Sustainability Report. Following successful engagement, Next implemented some policy changes and better plastic pledges.

- For more information see page 47 of J O Hambro's Stewardship Report 2023 [online](#).



Advocating for science-based targets

Trillium has set an interim target by the end of 2030 for 75% of the holdings of Trillium-advised larger cap-equity strategies to commit to set science-based targets for reducing their GHG emissions. Towards the end of 2023, Trillium sent letters to 86 companies across their investment strategies that had not yet set science-based targets to encourage them to do so. Ten of those companies have since made public commitments to set science-based targets. As of 30 June 2024, 67% of Trillium's investments in larger cap equity strategies had committed to setting a science-based target, up from 15% in 31 December 2019.

- For more information see Trillium's Q1 2024 Advocacy Impact Report [online](#).

Growing our products and services that support a low carbon future

Perpetual Group has committed to grow our products and services that support a low carbon future. We measure this by growth of funds, in terms of net flows, rather than new product launches or change in assets under management, which is impacted by market movements.

In FY24, funds that we define as supporting a low carbon future had just under \$1.7 billion in outflows, which is not in line with our commitment to grow this part of our business.¹ Outflows were concentrated in the Trillium Global Equity strategy. Across the US and Europe, sustainable-orientated active equity funds have suffered outflows due to a combination of macro factors, such as the interest rate environment, leading to underperformance for sustainable equity funds and uncertainty around sustainability-related regulation.

We are exploring strategies with a climate transition focus, which would add to our funds in this category.

Climate change impacts are becoming more evident, and regulation, customer preferences and other climate-related risks and opportunities, more material to investment performance. Climate is considered and managed on behalf of clients across our Asset Management boutiques, where appropriate and material to investment performance (see page 21).



Perpetual Group has committed to grow our products and services that support a low carbon future.

1. Our definition of funds that support a low carbon future includes Trillium's larger cap-equity strategies, which are subject to an interim target for 75% of the holdings to commit to set science-based targets for reducing their GHG emissions, as approved by the Science Based Targets Initiative, by the end of 2030. Perpetual Group has other sustainability-orientated investment strategies with low carbon characteristics, including those with fossil fuel screens, which are not included in the definition of funds that support a low carbon future.

Reducing our operational footprint

As well as focusing on how climate is considered as part of our investment processes, Perpetual Group is also committed to reducing our own operational environmental footprint.

Key to reducing our operational footprint is to understand our operational GHG emissions accurately. Our operational GHG emissions from FY24 are set out in the chart on the right.

We are taking actions to reduce our operational footprint (see next page) and we purchase carbon offsets to cover our operational GHG emissions globally.¹ For the first time, we also received Climate Active certification for our Australian operations.²

Chart 2 – GHG emissions metrics for our operations in FY24³

Scope	Metric (unit TCO ₂ e)	FY24	FY23	FY22
Scope 1	Direct GHG emissions from controlled sources ⁴	3	43	11
Scope 2	Electricity (location-based)	1,537	1,514	1,298
	Electricity (market-based)	335	242	1,276
Scope 3 operational emissions	Total Scope 3 operational emissions ⁵	13,419⁶	22,120	2,425
	Purchased goods and services ⁷	4,930	9,111	N/A ⁸
	Capital goods ⁷	2,267	5,000	N/A ⁸
	Fuel and energy-related activities ⁵	1,046	1,462	988
	Upstream transportation and distribution ⁹	159	127	126
	Waste generated in operations	140	314	N/A ⁸
	Business travel	3,586	4,540	1,215
	Employee commuting ¹⁰	1,290	1,566	96

1. A small portion of our carbon offsets for our global operational GHG emissions in FY24 will be purchased after this report's publication due to contracting and payment processing times.
2. Climate Active is an Australian Government certification program that supports national climate policy by driving voluntary climate action. We received carbon neutral certification for our Australian business operations for FY23. Climate Active provide certification after the date of publication for our Sustainability Report each year so it is reported in arrears for the previous financial year.
3. Based on operational control boundary setting approach.
4. Includes direct GHG emissions from natural gas usage, fuel use and refrigerants.
5. Based on location-based methodology.
6. Perpetual Group uses emissions factors supplied by Climate Active to calculate categories in our Scope 3 emissions footprint. Many of these factors saw a significant decrease between FY23 and FY24. These reductions are likely to be as a result of the updated emissions factors using a more recent base year (from 2022 rather than 2018), meaning they are derived from more recent economic and emissions data relating to a range of goods and services in our supply chain.
7. For Scope 3 categories 1 and 2, a relevance test was undertaken based on the Climate Active Carbon Neutral Standard for Organisations to determine relevant emissions sources within those categories. The following sources were excluded based on that relevance test: Professional Services, Construction Materials and Services; Food; Cleaning and Chemicals; Newspapers, journals and periodicals.
8. This was a newly reported metric in FY23.
9. Includes emissions related to couriers and postage.
10. In FY24, we improved our calculation methodology to calculate employee commuting by running an employee survey to capture information on the typical mode of transport and average commuting distances for our employees. In FY23, we had used commuting patterns including typical mode of transport and average commuting distances derived from Australian Bureau of Statistics data for Australia and linked to the number of FTE in every state within Australia, whereas for international locations, Australia average commuting patterns were used as a proxy.

Reducing our operational footprint

During FY24, our Scope 1 and Scope 2 market-based carbon emissions were 338 tonnes CO₂e¹, which is an increase from 285 tonnes CO₂e¹ in FY23. The increase from FY23 is due to the inclusion of a full year of Pental, J O Hambro and TSW offices.

To reduce our operational carbon footprint, initially we have focused on tackling the energy used to power our offices. We purchase GreenPower for the energy we use in Australia and we are also seeking to improve the energy efficiency of our offices. The energy usage per FTE of our Australian offices in FY24 was 1.335 MWh per FTE, which was a slight increase from 1.297 MWh per FTE in FY23.² This increase is due to having a full year of Pental Group's Australian office portfolio. However, in the second half of FY24, we reduced the number of floors leased at one of our offices from two floors to one and we plan to further consolidate our office portfolio, which will reduce our energy intensity in future years.

In Sydney, we renewed our lease at our head office in Angel Place, which has a 5.5 Star NABERS building energy rating. We are planning a refurbishment of the office to a Greenstar 5 Star rating to ensure our office is a sustainable and energy efficient working environment.

We purchase GreenPower for the energy we use in Australia and we are also seeking to improve the energy efficiency of our offices.



Our Scope 3 operational emissions were 13,419 tonnes CO₂e³ down from 22,120 tonnes CO₂e in FY23. The main reason for this decrease is due to updates in the underlying emission factors used to calculate our Scope 3 emissions categories, particularly for purchased good and services and capital goods.⁴ This accounts for 84% of the reduction from FY23.

Furthermore, throughout the year we saw a reduction in spend on capital goods and fewer long-haul flights undertaken by our employees, which also contributed to the reduction to a lesser degree. These factors combined have offset FY24 being the first reporting period incorporating a full year of Pental Group's Scope 3 operational emissions, following its acquisition in January 2023, mid-way through the previous year.

The GHG emissions associated with our business-related air travel were 3,513 tonnes CO₂e in FY23, down from 4,350 tonnes CO₂e the previous year. Our employees took fewer long-haul flights than in prior years which has led to lower emissions from business travel, despite the number of flights increasing with a larger global business.

1. This is based on a market-based approach to calculating our Scope 2 emissions to account for renewable energy purchases. Scope 2 market-based emissions are calculated using emission factors from contractual instruments. Scope 2 location-based emissions, which are calculated using the average emissions intensity of the grid, are reported in our KPI table on page 48.
2. In FY23, the energy usage per FTE KPI divided total energy usage in our Australian offices by total FTE in Australia as at 30 June 2023. Based on this methodology, which was consistent with prior year reporting, it meant including energy usage for six months for the new Pental businesses in the numerator for the calculation, while all Australian Pental FTE employees as at 30 June 2023 were included in the denominator. This means the intensity figure was lower than if there was a full year of Pental energy usage.
3. Based on location-based methodology. Our Scope 3 reporting approach is aligned to guidance provided in GHG Protocol standards. For Scope 3 categories 1 and 2, a relevance test was undertaken based on the Climate Active Carbon Neutral Standard for Organisations to determine relevant emissions sources within those categories. The following sources were excluded based on that relevance test: Professional Services, Construction Materials and Services; Food; Cleaning and Chemicals; Newspapers, journals and periodicals.
4. Perpetual Group uses emissions factors supplied by Climate Active to calculate categories in our Scope 3 emissions footprint. Many of these factors saw a significant decrease between FY23 and FY24. These reductions are likely to be as a result of the updated emissions factors using a more recent base year (from 2022 rather than 2018), meaning they are derived from more recent economic and emissions data relating to a range of goods and services in our supply chain.

Reducing our operational footprint

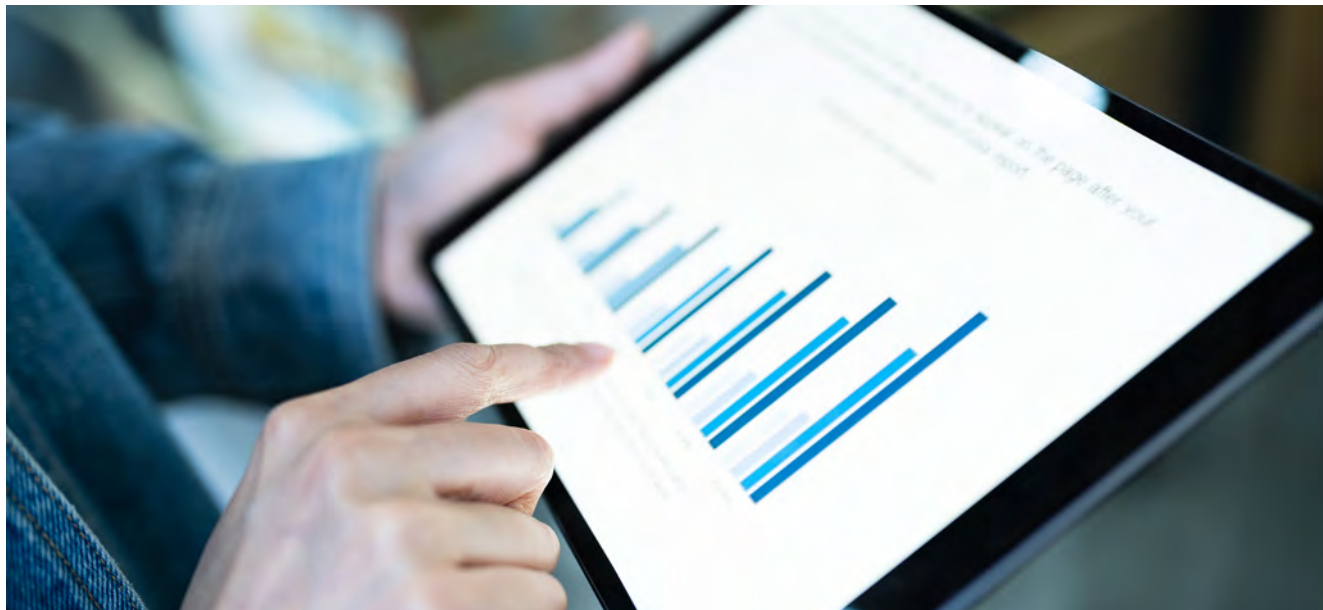
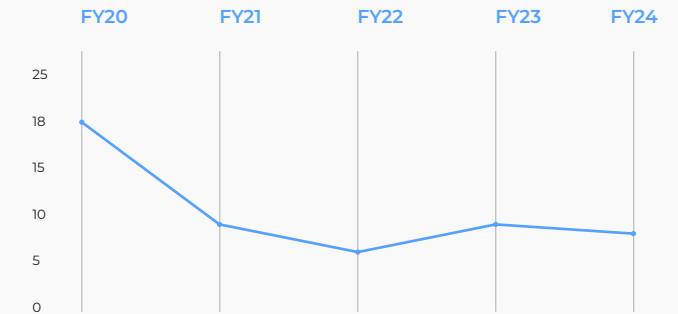
Targeting reductions in our waste and paper use

We have reduced our paper purchased for printing this year. This has decreased in FY24 to 8 tonnes from 9 tonnes in FY23 (see Chart 3). We've taken active steps to encourage our people to print less paper, including an employee-wide communications campaign 'Pixels before Paper', encouraging our people to always think digital first. We've also been looking at different ways to distribute client communications virtually.

In FY23, we set a target to reduce our waste to landfill by 10% by FY26 based on a FY23 baseline.¹ This year, we sent 15 tonnes of waste to landfill, which is a decrease from 16 tonnes in FY23.² Our office at Chifley Tower has provided a new service where dry waste is turned into a waste-to-energy product used as a coal replacement fuel in Australian cement kilns.

This has helped to reduce our waste and offset increases in other offices. We are exploring whether this service can be provided at our head office, which could help to meet our goals to reduce our waste sent to landfill.

Chart 3 – Paper purchased for printing in Australian offices (tonnes)



Case Study

Digitising our client reports

Our Jacaranda team have transitioned their printed client reports to digital versions this year. Instead of printing reams of paper twice a year and writing handwritten notes for each client, our Jacaranda Advisers now send a short video with their client's digital reports. This retains the personal touch Jacaranda is known for while helping to reduce more than 56,000 sheets of paper each year.

1. E-waste and waste from office refurbishments have been excluded from target due to current data unavailability and due to those waste streams being linked to project-based activities.
 2. Excludes e-waste and waste from office refurbishments.

Preparing for mandatory climate disclosure

Climate change is one of the greatest challenges facing society, and the financial services sector has a key role in tackling it. We support the International Sustainability Standards Board's (ISSB) aim to encourage more comprehensive, globally consistent sustainability disclosures. We are committed to transparent reporting and continuously improving our external disclosures.

We received a score of 'B', in our 2023 CDP climate submission, our highest ever score and up from a 'C' in 2022, demonstrating the improvement in our climate-related disclosure.¹

As a large business operating in Australia, Perpetual Group will be subject to the ASRS and will be required to make additional climate-related disclosure from FY26. Perpetual Group has a climate roadmap in place to prepare for the Australian mandatory climate disclosures and we have set up a cross-functional working group to help coordinate our efforts across the Group.

We received a score of 'B', in our 2023 CDP climate submission, our highest ever score and up from a 'C' in 2022.¹

Governance

Our Board has oversight for our sustainability strategy and climate-related issues. In FY24, the Board Charter was updated to include a specific reference to the Board's role in providing oversight of climate-related risks. Our Executive Committee provides leadership to support delivery of our sustainability strategy, makes decisions on key issues, and oversees performance including on our climate-related commitments.

Six-monthly updates are provided by the Group Sustainability team to the Board and Executive Committee on climate and our sustainability strategy, including a status update on our climate-related commitments, operational performance, and climate risk and emissions exposure metrics for our investments.

To provide effective oversight of climate change, it is important to have the right skills and capabilities at the Board and across the Group. During the year, a separate category relating to sustainability and responsible investment was added to the Board skills matrix. This matrix sets out the key skills and experience that the Board seeks to achieve in its Board membership with climate change now being referenced within the description of that new category.

In September 2023, the Board undertook a training session on macro trends, legislative and regulatory changes relating to climate change. We also held focus groups with each of our Asset Management boutiques on climate risks and the controls they have in place to manage those risks.

More information on our governance on sustainability, including on climate-related issues, can be found on page 12.

Strategy

Over the long-term, the transition to a lower carbon economy will require significant amounts of public and private capital, create risks for high emitting industries and opportunities for transition-aligned technologies. However, this path is unlikely to be linear, and the scale and pace of change required for this transformation is leading to economic, social and political tensions that can create volatility in financial markets. In this context, active managers have a role to play helping clients to navigate the shifting risks and opportunities of this transition.

Building on a previous climate risk assessment in FY22, which identified our universe of climate-related risks, in FY24, we undertook a project to assess our climate-related risks for our Asset Management business. Through a peer assessment and a series of focus groups with each of our Asset Management boutiques, we conducted a qualitative assessment of the inherent risks at an Asset Management divisional level and for each of the boutiques. The key controls in place to mitigate those risks were also documented to understand how the risks are being managed across the division.

Described in the table on the next two pages are the inherent climate risks identified in the assessment, and examples of some of the risk mitigants in place at the Group level and for our Asset Management boutiques, tailored to the local risk environments for those Asset Management businesses.

¹ To focus on preparation for mandatory climate disclosure in Australia, we have decided not to submit a response to CDP in 2024.

Preparing for mandatory climate disclosure

Inherent climate-related risks in our Asset Management division

Inherent climate-related risks ¹	Risk description	Risk mitigants
Failure to adequately respond to regulatory changes	Failure to adequately monitor and adapt to increasing climate-related regulation, disclosure requirements or scrutiny from regulatory bodies, leading to adverse reputational damage, heightened supervision or fines.	<ul style="list-style-type: none"> • Compliance Risk Management Framework • Regulatory change monitoring processes • Industry body memberships • ESG data vendors, platforms or systems • Climate Disclosure Working Group • Group sustainability team and investment teams in businesses with relevant skillsets
Failure to accurately represent sustainability-related credentials and transparently disclose climate-related risks	Failure to meet the level of disclosure required by more stringent climate-related disclosures or accurately represent sustainability credentials in public or client disclosure resulting in adverse reputational damage, heightened regulatory supervision, fines, or loss of investment.	<ul style="list-style-type: none"> • Due diligence processes • Established product governance frameworks in place • Disclosure approval processes, including compliance and legal review and sign off • Ongoing monitoring of public disclosures • ESG data vendors, platforms or systems • Climate roadmap to meet mandatory disclosure requirements
Failure to manage increasing climate-related legal risks	Inadequate disclosure or management of climate risks resulting in increased climate-related litigation.	<ul style="list-style-type: none"> • Due diligence processes for public facing disclosures • Climate roadmap to meet mandatory disclosure requirements • Responsible investment policies
Failure to incorporate climate risk into Group strategic decision making	Failure to adequately consider and integrate climate risks and opportunities as part of strategic and business planning, including setting and executing Group-wide climate strategy.	<ul style="list-style-type: none"> • Development and implementation of a sustainability strategy framework • Climate roadmap to meet mandatory disclosure requirements • Periodic reporting to Executive Committee and Board on sustainability strategy and climate • Board training on climate-related risk and regulation
Inadequate governance over climate risks and opportunities	Failure to ensure that company directors or delegated committees charged with climate risk governance have adequate climate competency or processes in place, resulting in inability to effectively manage climate-related risks and opportunities.	<ul style="list-style-type: none"> • Board training on climate-related risk and regulation • Board skills matrix referencing climate, sustainability and responsible investment skills • Periodic reporting to Executive Committee and Board on sustainability strategy and climate • Group sustainability team and investment teams in businesses with relevant skillsets
Failure to set appropriate decarbonisation targets	Lack of organisation-wide decarbonisation target or existing decarbonisation targets deemed to not meet stakeholder expectations.	<ul style="list-style-type: none"> • Monitoring and internal reporting of operational and financed GHG emissions • External assurance program in place for GHG emissions accounting • Initiatives in place such as procurement of GreenPower and office masterplan to meet operational targets • Climate roadmap to meet mandatory disclosure requirements

1. Inherent risks are the natural risk level before factoring in the controls or mitigations used to reduce their impact or severity.

Preparing for mandatory climate disclosure

Inherent climate-related risks in our Asset Management division

Inherent climate-related risks ¹	Risk description	Risk mitigants
Failure to account for climate risks in active investment processes	Inadequate identification and integration of climate risk into investment asset evaluation and decision-making impacting active investment performance.	<ul style="list-style-type: none"> Responsible investment policies ESG data vendors, platforms or systems Established investment governance practices in place, including investment committees and internal governance forums Appropriately skilled and experienced investment teams Well defined and disciplined investment processes and philosophy for selection
Failure to manage changing client requirements on decarbonisation and reporting	Poor understanding, management or reporting of financed emissions, including for meeting changing client expectations for portfolio decarbonisation.	<ul style="list-style-type: none"> Portfolio monitoring processes ESG data vendors ESG platforms, proprietary models, frameworks or scoring systems Appropriately skilled and experienced investment teams
Failure to account for climate-related risks and opportunities as part of product strategy	Failure to meet client demand for climate-orientated products or price in risk and return of climate solutions, particularly as the emergence of new technologies requires significant capital investment with potential delay of return on investment.	<ul style="list-style-type: none"> Product suite of sustainability-orientated funds Portfolio monitoring processes Appropriately skilled and experienced investment and product teams
Failure to adequately decarbonise operational emissions	Poor internal capabilities to account for and decarbonise operational emissions, including meeting mandatory disclosure or investor requirements.	<ul style="list-style-type: none"> Monitoring and internal reporting of operational GHG emissions External assurance program in place for GHG emissions accounting Initiatives in place such as procurement of GreenPower and office masterplan to meet operational targets Climate roadmap to meet mandatory disclosure requirements
Failure to account for physical climate hazards to operations and service providers	Inadequate consideration of physical climate hazards to operations and service provider operations, including at office and data centre locations.	<ul style="list-style-type: none"> Business continuity plans Systems and technology capability to support remote working Climate roadmap to meet mandatory disclosure requirements Partner with well-regarded, environmentally and socially responsible partners

1. Inherent risks are the natural risk level before factoring in the controls or mitigations used to reduce their impact or severity.

Preparing for mandatory climate disclosure

Risk management

The identification, assessment and management of climate risk is integrated into our enterprise-wide risk management processes. Climate-related risks are reflected in the Sustainability and Responsible Investing risk category within our [RMF](#). The RMF is in place to ensure risks are identified, assessed and managed effectively across the Group.

Our RAS defines the amount of risk the Board permits management to take in delivering our strategic vision and objectives. Key risk indicators in our RAS are aligned with the climate-related KPIs in our sustainability strategy. Our RMF and RAS are described on page 13. In FY25, insights from the climate risk and controls project described on pages 26 to 28 will inform updates to our RMF and RAS, risk profiling and controls testing processes and future scenario analysis undertaken on our Asset Management business.

This year, we further developed our Group-level reporting and analysis to assess our aggregated investment portfolios on their exposure to climate-related risks. As a global, multiple-boutique asset management firm, each of our businesses also has its own approach to managing climate-related risks on behalf our clients. The case study on the right on J O Hambro's Affinity platform provides an example of a tool being developed by one of our investment teams to manage sustainability data, including on climate-related risk exposure. For more information on the approaches our businesses take to climate see page 21.



Case Study

Affinity sustainability data and investment management platform

J O Hambro has built a sustainability data platform, Affinity, containing sustainability indicators and metrics including climate-related metrics. This proprietary platform integrates multiple third-party data feeds such as MSCI, Sustainalytics, ISS and CDP, and in 2023, J O Hambro's proprietary forward-looking emission model, Horizon, was also added to the platform. Bespoke climate analytics and dashboards utilising these various data sources are driven from the Affinity tool.

This provides the investment management teams and the Investment Risk team in J O Hambro access to climate-related data, supporting investment oversight, and aids in the identification of emerging climate-related risks within portfolios. The Affinity platform is currently being trialled by two other teams in the Perpetual Group.

Preparing for mandatory climate disclosure

Metrics and targets

In FY24, we continued to develop our approach to GHG emissions reporting for our operations and the financed emissions from our equity investment portfolios at a Group level.

Operational GHG emissions

Our operational GHG emissions metrics for FY24 are set out in Chart 2 on page 23. During the year, we improved our approach to estimating the emissions relating to employee commuting by conducting an employee survey to understand the commuting patterns of our people and how often they work from home. We can now use this more accurate data rather than using estimated Government statistics.

We have targets in place to reduce the environmental impact of our own operations, including to have 100% renewably powered operations by FY25, reduce energy intensity per FTE employee by one third in Australian operated offices by FY30 and last year, we achieved our ambition to have carbon neutral operations by FY23. See page 23 for progress against those commitments and our other targets.

Financed emissions from equity investments

This category of emissions relates to the GHG emissions associated with our equity investment holdings, held on behalf of our clients. We are currently reporting these metrics for our equity holdings only, which cover 74% of our total AUM as at 30 June 2024.¹ These are not emissions from our operations, which are described on page 23.

1. Covers 74% of total combined Asset Management and Wealth Management AUM.
2. Source: ISS ESG Data as of 30 June 2024. Includes equity holdings in our Asset Management and Wealth Management divisions where our ESG data provider has coverage. This equates to 74% of our total combined Asset Management and Wealth Management AUM as at 30 June 2024. It does not include funds under administration from our Corporate Trust division or funds under advice for our Wealth Management division. Our reporting adheres to the GHG Protocol 'operational control' approach. See our FY24 Financed Emissions Basis of Preparation for more details at perpetual.com.au/sustainability/archive/.
3. Scope in this table refers to the emissions Scopes of our equity investment holdings.
4. FY24 financed emissions metrics for equity investments are included in KPMG scope for limited assurance. KPMG's limited assurance statement can be found here: perpetual.com.au/sustainability/archive/.
5. For total carbon emissions, Scope 1 and Scope 2 GHG emissions are allocated to investors based on an equity ownership approach. It is calculated by dividing the current value of an investment in an issuer by the issuer's market capitalisation then multiplying it by the issuer's Scope 1 and Scope 2 GHG emissions.
6. For weighted average carbon intensity, Scope 1 and Scope 2 GHG emissions are allocated based on portfolio weights, that being the current value of investment relative to the current portfolio value. It is calculated using this formula: (current value of investment / current portfolio value) x (issuer's Scope 1 and Scope 2 GHG emissions / issuer's \$M revenue).

Chart 4 – GHG emissions metrics for our equity investments in FY24²

Metric	Description	Scope ³	Unit	FY24 ⁴	FY23
Total carbon emissions – equity investments ⁵	Absolute GHG emissions associated with a portfolio, expressed in tonnes CO ₂ e.	Scope 1 and 2	Million tCO ₂ e	15	15
Weighted average carbon intensity – equity investments ⁶	A portfolio's exposure to carbon-intensive companies, expressed in tonnes CO ₂ e/\$M revenue.	Scope 1 and 2	tCO ₂ e/\$m revenue	130	154

To continually improve our approach to reporting and to prepare for mandatory climate reporting, in FY24, we sought limited assurance for our financed emissions for equity investments (see Chart 4 above). KPMG's limited assurance statement can be found here: perpetual.com.au/sustainability/archive/.

Total carbon emissions and weighted average carbon intensity are two of the metrics recommended by TCFD to report on financed emissions. The metrics focus on the Scope 1 and 2 emissions of our equity investments and not their Scope 3 emissions. We will explore expanding our disclosure to include other asset classes and Scopes as data availability improves and in line with disclosure frameworks such as ISSB and mandatory reporting requirements.

While we do not have a specific target to reduce our financed emissions, we recognise that climate change poses material risks and opportunities that may impact the long-term performance of our clients' investments. Climate is considered and managed on behalf of clients across our Asset Management boutiques, where appropriate and material to investment performance (see page 21).



People


Championing inclusion and high performance

We strive to cultivate an inclusive environment where diversity is valued and different perspectives are encouraged, to create better outcomes for our people, clients and the communities in which we live and work.

Our people are empowered to learn and grow in their careers and to thrive both at work and at home. Flexibility and hybrid working are key to supporting the wellbeing and work-life balance of our people.



Performance against our commitments

Commitment	Status	FY24 progress	More info
40%+ women in leadership by FY24 globally		Global representation sits at 37%, an increase from 34% in FY23 but below our 40% target for FY24. Women in leadership in Australia is 40%, meeting our target in that region.	page 33
Increase female representation in Perpetual Group's investment professionals in Australia to 25% by FY24		Representation in Australia remains similar to FY23 at 19%, but below our 25% target for FY24. Global representation is at 21%. Recruitment opportunities have been limited due to low turnover and focus remains on working with our Asset Management businesses to address the target globally.	page 34
Develop a stretch cultural diversity target by the end of FY24		Initiative paused due to the Strategic Review and potential separation of the Wealth Management and Corporate Trust businesses, which would create a new baseline for measuring cultural diversity in the company.	page 35
80%+ of our people feel that Perpetual Group welcomes diverse people and views by FY24		73%, down from 79% in FY23 and below our FY24 target. Likely to have been impacted by uncertainty that is typically created during periods of change. A key priority post-separation will be on refreshing our Asset Management diversity and inclusion strategy.	page 35
75%+ of our people feel that Perpetual Group supports their wellbeing by FY24		57%, down from 70% in FY23 and below our FY24 target. Likely to have been impacted by uncertainty that is typically created during periods of change.	page 37
75%+ of our people would recommend Perpetual Group as a great place to work by FY24 ¹		56%, down from 69% in FY23 and below our FY24 target. Likely to have been impacted by uncertainty that is typically created during periods of change.	page 37
70%+ of our people tell us they have grown professionally in the past 12 months by FY24		56%, down from 58% in FY23 and below our FY24 target.	page 38
Maintain zero gender pay gap for all like-for-like roles ²		For roles assessed as having relevant benchmark data, average fixed remuneration like-for-like gender pay gap less than 1%. ³	page 35

 Not on track  On track  Achieved

1. In the pulse check in June 2024, in light of the upcoming separation, the question on how likely employees are to recommend Perpetual as a great place to work was updated to recommending their 'business unit' rather than 'Perpetual'.
2. Like-for-like gender pay gap analysis is conducted prior to and after the annual performance and remuneration review process to compare pay for women and men performing similar roles. The process for determining like-for-like roles is based on our organisational job architecture framework, which considers role level, functional specialities and market remuneration benchmarks for the relevant jurisdiction. We aim for the average like-for-like gender pay gap to be as close to zero as possible, while allowing for variability based on factors including performance, experience, qualifications, tenure and other relevant factors.
3. Benchmarking of our US-based Asset Management boutiques is still to be conducted and will be included in future assessments of average fixed remuneration like-for-like gender pay gap.

Championing diversity, equity, identity and inclusion

Through our policies and practices we promote an inclusive and high-performance culture where our people are empowered to grow.

We strive to provide a level playing field for all by embracing diversity in its many facets. We celebrate identity so our people feel valued and confident to bring their unique self to work.

Perpetual Group strives for diversity across our organisation when it comes to gender, ethnicity, age, sexuality, disabilities and different backgrounds and beliefs. This is key to developing an equitable workplace.

Perpetual Group has targets in place to help build better gender diversity in our business and we have been recognised as a WGEA Employer of Choice for Gender Equality since 2018, following receipt of the citation again in July 2024.

Results

Women in senior leadership roles globally at Perpetual

37%

up from 34% in FY23

Female representation in leadership roles in Australia

40%

up from 34% in FY23

Moving towards gender equity

Perpetual Group has targets in place to help build better gender diversity in our business and we have been recognised as a WGEA Employer of Choice for Gender Equality since 2018, following receipt of the citation again in July 2024.

We strive to create a culture that fosters inclusion and belonging while prioritising representation and retention of diverse talent, helping us drive innovation and client satisfaction. This aim is supported by targets to increase female representation at senior levels, and in investment management roles. Our target by FY24 to increase female Board representation to 40% currently sits at 33%, down from 44% in FY23.¹ Gender diversity will be a key consideration for future Board appointments.

As of June 2024, 37% of our senior leaders globally are women, up from 34% in FY23 but below our target of 40% representation in that cohort by the end of FY24. Female representation in leadership roles in Australia has risen from 34% in FY23 to 40%. During the year we launched a new Gender Equality Strategy which prioritises retaining, promoting and hiring women in leadership roles and setting clear divisional targets with bi-monthly reporting to drive accountability for delivering the targets. This will be an ongoing priority in FY25.



¹ Female Board representation of 33% was as of the end of FY24 (30 June 2024), which is the scope of this report.

Championing diversity, equity, identity and inclusion

Improving industry representation for women

Achieving greater gender diversity is a challenge for the funds management industry, and we recognise our responsibility to tackle this issue and the opportunity to work alongside our peers and partners to drive change.

We have set a goal to have at least 25% of our investment professional roles in Australia being held by women by FY24. We have not met this target, with 19% of asset management positions in Australia held by women, flat from the previous year. Across the Group globally, the representation is higher at 21%. There is low turnover in investment-focused roles, so a key area of focus has been on retaining women in our investment teams and seeking to encourage women to join asset and wealth management early in their careers. We are taking actions to increase representation of women in asset management roles and across our business. Some examples are included in the graphic on the right.

In Australia, we aim to achieve at least 40% female representation in our graduate recruitment to support a gender balanced talent pipeline. In FY24, 42% of our graduate cohort in Australia were women.

Perpetual Group has an ongoing collaboration with Future IM/Pact, aimed at attracting more diverse talent into asset management and we partner with F3 ([Future Females in Finance](#)), this year mentoring five female university students on a six-week project.

When hiring senior leadership positions, there must be gender balanced shortlists and a woman present on the selection panel and we require at least 40% female representation across development programs (see page 38).

Barrow Hanley partnered with Girl Scouts of America and Women in Governance, an organisation that supports women in their career advancement, on their gender parity initiative. This program is designed to ensure women hold 30% of leadership roles and earn equal pay for equal work by 2030 and have earned the Fair Play, Equal Pay Gender Parity Certification.

Barrow Hanley has set hiring goals for roles where women are underrepresented and has an associate analyst program to increase diversity in investment-focused roles.

Trillium has expanded employee benefits, including additional leave for care givers, resources to support employees in accessing reproductive healthcare, and a formalised hybrid work model.

J O Hambro is participating for a second year in the [Diversity Project Pathway Programme](#) to foster female portfolio manager talent. Four participants from J O Hambro and Regnan have participated in the program to date.

Championing diversity, equity, identity and inclusion

Our gender pay gap

Perpetual Group is committed to gender equality across all levels of our organisation and recognises that reducing the gender pay gap is a key part of this commitment. For the first time, this information has been published for our Australian-based workforce, in February 2024, due to recent amendments made to the *Workplace Gender Equality Act 2012* requiring Employer Gender Pay Gaps for private sector organisations with more than 100 employees to be disclosed, including Perpetual Group. This information is available on [WGEA's website](#).

Australian legislation currently requires that organisations disclose a median gender pay gap, which is the difference between the median of what a man is paid and the median of what a woman is paid within the organisation. The median is not skewed by outliers, providing a picture of typical earnings that exist within an organisation. Perpetual Group has a median gender pay gap in Australia of 27.4% in favour of men. This is slightly above the average finance and insurance services sector gender pay gap of 26.1%.

This is different from equal pay, which refers to women and men being paid the same for performing the same or comparable work. For roles assessed as having relevant and reliable benchmark data, our 'like-for-like' gender pay gap in FY24 was less than 1%.¹

Separating our Asset Management business is likely to mean our median gender pay gap increases in FY25. Delivering on our women in leadership and asset management targets will be key drivers for closing our median gender pay gap. We acknowledge that we have a way to go to close our current gender pay gap. Our commitment to gender equality in all forms remains steadfast across all parts of our business.

Embracing diversity across our global organisation

Diversity of thought, experiences, cultures and backgrounds is essential to creating an inclusive place to work at Perpetual Group. Our people represent more than 27 ethnicities, a huge asset to our business and we celebrated this cultural diversity in Australia during Harmony Week in May 2024.²

We have set a target that by FY24, 80% of our people surveyed in our mood monitor (see page 37) agree that Perpetual cultivates an inclusive environment accepting of diverse views and individual differences. In FY24, 73% of our people agreed with that statement, down from 79% in FY23, which is below our target.³ This is likely to have been impacted by the uncertainty our people are feeling around the Strategic Review and the proposed sale process for two of our divisions.

The Perpetual Group Diversity and Inclusion Council is chaired by Rob Adams, our Group CEO, and is responsible for the delivery of Perpetual Group's Diversity and Inclusion strategy, which has three strategic goals – inclusion, equity and identity.

Our Diversity and Inclusion working groups have reviewed 22 internal policies with a diversity and inclusion lens, proposing several recommendations, which include the use of more inclusive language, increased consistency across related policies, and the development of new policies, including a gender affirmation policy.

Due to the Strategic Review and potential sale of two of our divisions, we have paused the development of our cultural diversity target until we move past the separation process, allowing us to measure a new baseline for cultural diversity for the new organisation.

Our people represent more than

27

ethnicities

Results from mood monitor survey

73%

of our people agree Perpetual cultivates an inclusive environment accepting of diverse views and individual differences



1. Benchmarking of our US-based asset management boutiques is still to be conducted and will be included in future assessments of average fixed remuneration like-for-like gender pay gap.

2. Any ethnicity data is voluntarily supplied by employees, except in the US where it is mandatory.

3. Commitments or metrics in our Sustainability Strategy that are measured through our mood monitor are reported as financial year annual averages to allow for comparison year on year and to reduce effects of seasonal variability. Measured by employees who either agree or strongly agree with the statement 'Perpetual cultivates an inclusive environment accepting of diverse views and individual differences'.

Championing diversity, equity, identity and inclusion



Supporting LGBTQ+ inclusion

Our Pride network meets quarterly to drive initiatives to support our LGBTQ+ colleagues. Perpetual Group sends a clear message that we are a workplace that is open and accepting, where everyone feels like they can be their true self. Every year we hold events to mark Pride Month, and this year we celebrated in June 2024. We held a webinar with Anna Brown OAM, CEO of Equality Australia and Em Scott, CEO of GiveOUT Australia focusing on investing for social change, philanthropy and the LGBTQ+ community.

We identify priority areas of funding across the philanthropy sector, which are traditionally underfunded and can recommend these to our clients, where appropriate. On behalf of our philanthropic clients, we helped to facilitate \$775,000 in grants to organisations supporting LGBTQ+ people and communities.

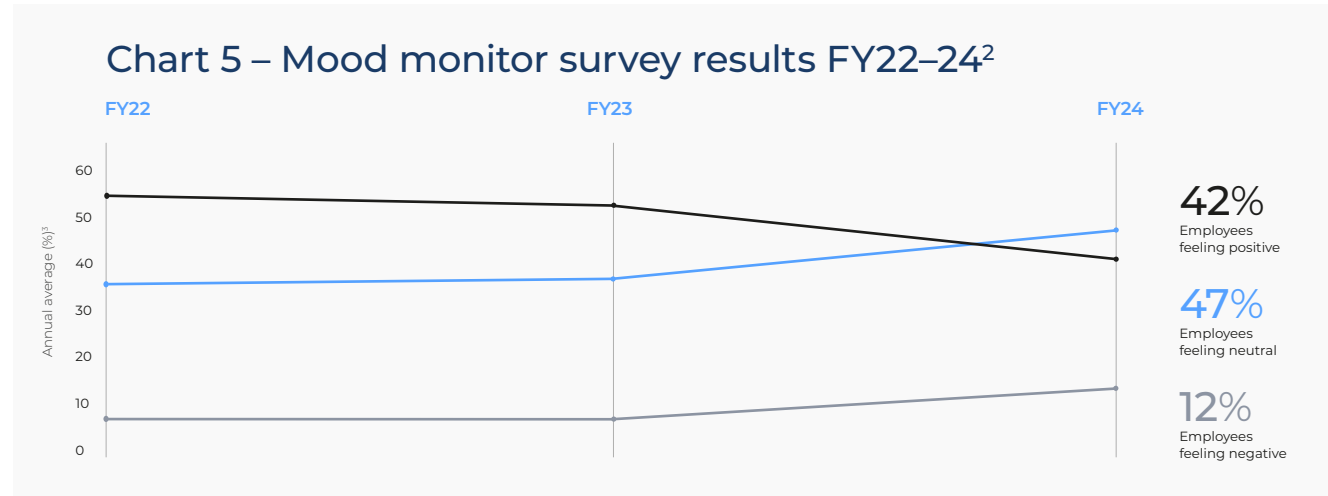
We held a webinar with Anna Brown OAM, CEO of Equality Australia and Em Scott, CEO of GiveOUT Australia focusing on investing for social change, philanthropy and the LGBTQ+ community.

Facilitated

\$775,000

in grants to organisations supporting LGBTQ+ people and communities

Supporting our people through change



A critical priority is to ensure support is available for our people during this period of change. Our leaders and teams have been supported by ‘Leading Through Complex Change’ workshops. The purpose of these workshops has been to educate our leaders on the changing nature and neuroscience behind change and provide them with the skills to manage teams and self through significant change. In FY24, 218 leaders have attended eight workshops and further sessions are planned for FY25.

Perpetual’s Employee Assistance Program is also available, offering free and confidential counselling to all employees and their families. A dedicated ‘frequently asked questions’ page for each division has also been established.

Investing in wellbeing and flexible working

Our wellbeing programs and initiatives focus on the physical, mental, social and financial wellbeing of our employees. These include providing access to services such as the Headspace meditation app, wellbeing assessments and financial health checks. An annual \$275 wellbeing allowance and an additional two weeks of Wellbeing and Community Leave are available for our people in Australia and Singapore.

Our people consistently provide feedback that flexibility is key so they can balance their work and home life. We have a flexible hybrid working model so our people can balance their time between home and the office in a way that meets the needs of their clients, team and personal commitments.

For more information on the range of benefits and other forms of support we offer to our people, see our online case studies on [wellbeing support](#) and [flexible working](#).

During the year, we announced plans for the separation of the Corporate Trust and Wealth Management divisions (see page 7). This period of change has created uncertainty for our people.

We conduct mood monitor and pulse surveys during the year to hear directly from our people to learn how best to support them through this period.

We have a flexible hybrid working model so our people can balance their time between home and the office in a way that meets the needs of their clients, team and personal commitments.

On average, in FY24, 42% of our people were feeling positive about working at Perpetual Group, down from an average of 55% in FY23 (see chart below). When asked whether our people would recommend Perpetual Group as a great place to work, in FY24, 56% said they were ‘Likely’ or ‘Highly likely’ to recommend Perpetual Group, down from 69% in FY23, and 57% of our people felt that their wellbeing is supported by Perpetual, down from 70% in FY23.¹ How our people are feeling has been impacted by uncertainty during this period of significant change for the business, which has also fed through into these measures.

1. In the pulse check in June 2024, in light of the upcoming separation, the question on how likely employees are to recommend Perpetual as a great place to work was updated to recommending their ‘business unit’ rather than ‘Perpetual’.
2. Employees in our mood monitor and pulse surveys 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 mood monitor results are an annual average taken across mood monitor surveys and pulse checks. In FY24, a mood monitor survey was conducted in July 2023 and a pulse check survey was conducted in June 2024.
3. Metrics measured through our mood monitor and pulse surveys that are commitments or KPIs in our sustainability strategy are reported as financial year annual averages to allow for comparison year on year and to reduce effects of seasonal variability.

Promoting learning and development



Perpetual's Talent Accelerator program is designed to develop our future leaders and, in FY24, 40 participants completed this 12-month course.

LinkedIn Learning Week

350%

increase in employees
accessing the platform

In FY24, 56% of our people felt Perpetual Group supported their professional growth, which is down from 58% in FY23 and below our target of 70% in FY24.

We make training and development opportunities available for our people to support their professional growth. LinkedIn Learning can be accessed by all Perpetual Group employees. LinkedIn Learning is one of the world's leading professional and personal learning and development platforms.

In FY24, nearly 700 employees accessed the resource and viewed over 30,000 videos. February was 'LinkedIn Learning week' which drove an increase of over 350% in employees accessing the platform.

Our programs support learning at different stages of our peoples' career development. We welcomed 30 new graduates in FY24, who undertook training led by senior business leaders such as on their soft skills and to understand the unique strengths that they bring to the business. For those later in their careers, Perpetual's Talent Accelerator program is designed to develop our future leaders and, in FY24, 40 participants completed this 12-month course. This program was highly regarded, with 93% of participants indicating that their effectiveness as a leader had increased.

Our global businesses have their own approaches to learning and development. For instance, Barrow Hanley encourages professional development and financially supports the team's interests in increasing their own education. The firm has adopted an Education Reimbursement Policy, covering expenses for employees to pursue professional certifications, educational conferences and training opportunities, professional leadership training and higher education.

Creating a safe working environment

We have policies and procedures in place to protect our employees and enable them and our organisation to thrive. Our global Code of Conduct, Diversity and Inclusion Policy, the Discrimination, Harassment and Workplace Bullying Prevention Policy and Equal Employment Opportunity and Anti-Discrimination Policy help create a positive working environment. Our Whistleblowing Policy serves as additional protection against misconduct. More information can be online: perpetual.com.au/about/corporate-governance-and-policies/.

To stay safe at work, our people are required to record any accidents, injuries and 'near misses' that occur at work, which we monitor in our Workday people management system and seek to learn from to prevent workplace injuries in future. In FY24, there were five of these safety incidents in Australia, down from 12 the previous year.

Mandatory health and safety training is run every two years for all Perpetual Group team members in Australia. In April 2024, we also ran training for employees in our Australian operations about psychosocial hazards with experts from Keypoint Law. This training, which covered key topics including workplace health and safety legislation, types of psychosocial risks and relevant Perpetual policies and processes, was completed by 157 employees.



Communities

Support strong communities


















For over 100 years, we have connected our philanthropic clients with high-impact organisations to support positive social, cultural and environmental change.

Through volunteering, corporate giving and advisory services, we strive to strengthen the not-for-profit sector to support disadvantaged communities and create positive impact. We work closely with our First Nations clients and their communities to determine their own future.

We commit to take action to address modern slavery across our business and continually improve our approach.



Performance against our commitments

Commitment	Status	FY24 progress	More info
Support the Uluru Statement from the Heart and the establishment of a First Nations Voice enshrined in the Constitution		We publicly supported a First Nations Voice to Parliament and continue to support the Uluru Statement from the Heart.	 page 41
Deliver our 2021–23 Stretch Reconciliation Action Plan (RAP)		Completed our Stretch RAP deliverables in line with the required threshold set out in our RAS.	 page 41
Advocate for protection of First Nations' cultural heritage		Participated in collaborative projects such as Dhawura Ngilan Business and Investor Initiative to strengthen First Nations cultural heritage management practices.	 page 43
Give equivalent to 1% of profit through community giving and volunteering ¹		Gave equivalent to \$2.51m, which is 0.88% of underlying profit before tax (UPBT), below our 1% target. Community giving was impacted by a pause in some activities and reduced bandwidth due to the Strategic Review.	 page 45
Provide 10 days of Community and Wellbeing leave for all Australian employees ²		The Community and Wellbeing leave benefit is available to all Australian employees.	 page 37
Support capacity building and thought leadership in the Australian philanthropy and not-for-profit (NFP) sectors		Perpetual Foundation and Centenary Foundation Endowments, established with our own corporate funds, distributed \$648,700 in FY24 to support capacity building in NFP sectors. Perpetual's Philanthropy toolkit, guidance and grant making documentation is publicly available online.	 page 44
			 page 44
Continuously improve our approach to addressing and mitigating modern slavery risks		Completed new modern slavery due diligence processes and engaged with investee companies during FY24.	 page 46
Launch a global human rights framework by FY25		Research project completed with F3 students to make recommendations for a global human rights framework.	 page 46

 Not on track  On track  Achieved

1 Based on the B4SI community giving reporting framework. This includes cash and in-kind donations, matched giving of staff fundraising, management costs associated with community giving activities, employee volunteering time and memberships and sponsorship of community organisations. Our reporting methodology excludes some memberships which are predominantly employee or business focused, and only including part of our sponsorship funding of community causes to account for the commercial benefit of a portion of that funding.

2 To be eligible for Wellbeing leave, employees in Australia and Singapore need to have worked with Perpetual Group for at least 12 months and have two weeks or less of their annual leave balance remaining. There are no maximum annual leave or minimum tenure requirements for eligible employees in Australia and Singapore to access Community leave.

Advocating for First Nations Peoples

The Perpetual Group's vision for reconciliation is a more equal society, where First Nations Peoples have the same opportunities for prosperity and a self-determined future. A future where First Nations individuals, organisations and communities have the support and resources to ensure good governance, economic independence and mutual respect for their cultures.

We have been a long-term supporter of the Uluru Statement from the Heart and we publicly supported a First Nations Voice to Parliament (see table next page). While the Voice was ultimately unsuccessful, we remain committed to supporting reconciliation and to standing with our Aboriginal and Torres Strait Islander clients who continue to have a positive impact in their communities.

Delivering on our Reconciliation Action Plan

We all have a role to play in working towards a more equal Australia and to promote reconciliation for generations to come. December 2023 marked the end of our most recent Stretch RAP period, which began in 2021.¹

Overseeing the delivery of the 84 deliverables in our Stretch RAP is our RAP Champion, Mark Smith, Chief Executive of Wealth Management, and our RAP Working Group. Seventeen employees sit on this group and meet monthly to ensure the business is continually moving forward with our commitments.

We included a KPI and a minimum threshold for achieving our RAP in our RAS and reported on our progress quarterly to our ARCC throughout our RAP. We achieved 80 out of 84 deliverables, exceeding the minimum threshold in our RAS.

We all have a role to play in working towards a more equal Australia and to promote reconciliation for generations to come.

The table on the next page summarises some of the key activities we have undertaken to make progress on these deliverables.

There were four deliverables we were not able to complete in our 2021–2023 Stretch RAP. Three of these deliverables related to providing 15 places for Aboriginal and Torres Strait Islander leaders and Board directors to take part in governance training through the Australian Institute of Company Directors each year. This project did not achieve the intended outcomes for participants and, as such, was not continued in 2023.

The fourth deliverable not met was to ensure the retention rate of Aboriginal and Torres Strait Islander employees was consistent with overall Perpetual and Financial Services benchmarks.

While we met our overall First Nations employment goals (see table next page), in the final year of the 2021–2023 RAP, three Aboriginal employees left the business taking the retention rate below those benchmarks. Analysis has been conducted on the reasons for those team members leaving and our Aboriginal Employment and Retention Strategy has been updated with a renewed emphasis on retention strategies and employee development.

We will learn from these lessons in creating our next RAP, which we are now planning. The proposed sale of our Wealth Management and Corporate Trust businesses will have an impact on how our next set of deliverables will be structured. We are considering what direction each business will take as we move through the separation process.

1. Our 2021–2023 Stretch RAP was based on calendar years.

Advocating for First Nations Peoples

Key achievements during our 2021–2023 Stretch RAP

Focus area

Initiative

Partnering with clients to build prosperity

- Publicly supported a First Nations Voice to Parliament through funding of the ‘Yes’ campaign through the philanthropy pledge and as signatory of the Reconciliation RAP Partner Joint Statement for the Voice.
- Held an all-employee webinar with Dean Parkin, Campaign Director for Yes23, to provide information on the Voice prior to the referendum.
- 32 Aboriginal and Torres Strait Island community programs were awarded funding of \$2.3m by our philanthropic clients, representing 7% of all funding distributed through our IMPACT Philanthropy Application Program (IPAP, see page 44).
- Continued the rollout of our financial literacy plain English presentations, The Money Story, in presentations to our Native Title clients.

Supporting communities to build independence

- Annual spend of \$120,000 with Supply Nation certified or registered Aboriginal and Torres Strait Islander owned businesses in 2023¹ bringing our total cumulative spend across the three years of our RAP to \$372,000, which exceeded our cumulative target of just under \$300,000.
- Group Procurement Strategy includes a reference to Perpetual’s RAP and our sourcing engagement process encourages use of Supply Nation registered or certified suppliers to meet our RAP-related procurement targets.
- Provided in-kind support and facilities to other community organisations.

Creating an inclusive and culturally respectful workplace

- Celebrated National Reconciliation Week by holding cultural walking tours in Brisbane, Perth, Sydney and Melbourne, celebrating nature and community.
- Our cultural awareness training module is required to be completed for all new employees in Australia. Our Native Title team and relevant staff attend specialist cultural awareness training.
- Achieved our target of a 50% increase in Aboriginal and Torres Strait Islander employment across Perpetual by December 2023, compared to four people in December 2020.
- Supported Jawun secondment program for the eleventh year. Three secondees worked with Aboriginal-led organisations in Central Australia, and in the Pilbara region in WA.

Ensuring strong governance and reporting

- Reported progress quarterly on our RAP deliverables to the ARCC.
- Our RAP Working Group joint chairs participated in two RAP leadership forums in FY24 to collaborate with other organisations on reconciliation.
- RAP champion representative on the Executive Committee.

1. Our Stretch RAP is based on the calendar year. As such our spend with Supply Nation certified or registered businesses relates to the previous full calendar year in 2023. Supply Nation is designed to harness procurement spend and redirect it to First Nations owned businesses.

Advocating for First Nations Peoples

Working with First Nations communities

Our First Nations Communities team works with Aboriginal and Torres Strait Islander communities to address pressing needs such as health and wellbeing, education, housing, preserving their cultures, and setting up infrastructure that will allow them to thrive in future. In FY24, we managed \$956 million on behalf of Aboriginal and Torres Strait Islander and Native Title clients.

The team's approach is always based on community-led, cultural decision making. Communities are empowered to establish their own priorities to achieve financial independence and are supported by the First Nations Communities team through funding, planning, training, policy development and operational support.

Communities are empowered to establish their own priorities to achieve financial independence and are supported by the First Nations Communities team through funding, planning, training, policy development and operational support.

\$956M

managed for Aboriginal and Torres Strait Islander and Native Title clients



As a Group, we are also taking part in collaborative projects to promote stronger First Nations' cultural heritage management practices and to learn about better practice. As a foundation sponsor of the Dhawura Ngilan Business and Investor Initiative, we supported the release of two new documents that were launched in March 2024 – the Principles for Businesses and Investors and the Business and Investor Guide.

These best practice standards provide practical guidance to businesses and investors on how to ensure that their actions and policies contribute to the protection of First Nations' cultural heritage protection. Perpetual Group participated in an investor group that provided feedback during the development process of the guides and our Sustainability team hosted learning sessions on the guides with two of the investment teams during FY24.

Helping philanthropists have impact

Perpetual manages over 1100 charitable trusts, foundations and endowments, providing services such as trusteeship, investment management, strategy, and grant-making and governance. We are thought leaders in the philanthropic sector and work with philanthropists to have greater impact in the communities they are passionate about. Perpetual has \$3.6 billion in FUA on behalf of philanthropists and, in FY24, our clients granted \$124 million to the charity sector, down from \$129 million in FY23.

We are thought leaders in the philanthropic sector and work with philanthropists to have greater impact in the communities they are passionate about.

\$3.6_B

in funds under advice (FUA) on behalf of philanthropists

\$124_M

granted to the charity sector

Encouraging best practice grant making

Each year, not-for-profit organisations across Australia are encouraged to apply for funding through Perpetual's IPAP. The process supports the grant-making decisions of many of our philanthropy clients.

IPAP has a best-practice assessment process used to score organisations based on their leadership, strategy, capability and outcomes. Eligible organisations that are assessed highly are recommended for funding to our philanthropy clients with an impact and values alignment.

Over 1,750 applications from community organisations of all sizes across all sectors were received. We saw an 8% increase in applications seeking funding for operating costs compared to last year, demonstrating the challenges organisations are facing in the current environment with day-to-day management.

In FY24, a total of \$32 million was committed to community organisations through the IPAP process, of which nearly \$29 million was distributed in June 2024. This is down on the \$38 million committed in FY23, due to a decrease in multi-year commitments and additional funds committed from our clients in FY23 due to a number of major programs falling in that year. For more information see our case study [online](#).

Perpetual Foundation

The Perpetual Foundation has a total value of \$392 million and, in FY24, on behalf of philanthropists distributed \$15 million to over 470 community organisations, up from \$13.4m distributed in FY23. There are over 340 endowments, or sub-accounts, within the Perpetual Foundation.

Providing long-term support for the not-for-profit sector

A strong and effective not-for-profit sector is critical to address key social and environmental challenges. We help our not-for-profit clients with investment management, quality governance and capacity building, supporting just under 170 not-for-profit clients with \$1.9 billion of FUA in the sector as at 30 June 2024.

We also invest in training and research that builds capacity across the charity sector using annual distributions from two Trustees Endowments within the Perpetual Foundation and Centenary Foundation, both established with Perpetual Group's corporate funds. Together these Trustee Endowments distributed \$648,700 in FY24, funding sector capacity building and scholarships within the for-purpose sector. This has increased compared to \$586,690 in FY23.

Generating industry insights

Our Perpetual Wealth Management division's [Philanthropy Snapshot Report](#) assists philanthropists and not-for-profits to face into sector challenges and take advantage of the opportunities available to them. Philanthropists can play a crucial role in providing practical support for not-for-profits to overcome immediate challenges, build resilience and adopt a more strategic approach.

The findings from the FY24 report, which was based on conversations with not-for-profit organisations, sector leaders and data collected through IPAP, show that increasing costs and rising demand have continued to impact the sector.

Inflation and higher living costs are straining not-for-profit organisations' ability to maintain current operations whilst also investing in strategy to create long-term sustainable impact.

To assist philanthropists and donors with their giving strategy, we use our [Philanthropy Toolkit](#), which we developed previously alongside Stanford University. The toolkit helps philanthropists assess not-for-profits, identify the ones that are best aligned to the causes that matter most to them and to keep track of their giving.

Investing in communities

Perpetual Group has made a commitment to give equivalent to 1% of our underlying profit before tax (UPBT) through community giving and volunteering. We measure community giving and volunteering using the Business for Societal Impact (B4SI) framework, which measures the financial value of our voluntary support for organisations that have a charitable purpose. This includes cash donations, memberships and sponsorships of community organisations, employee volunteering time and management costs associated with community giving activities.¹

Based on the B4SI framework, our total community giving and volunteering in FY24 was equivalent to \$2.51 million, up from \$2.16 million in FY23.

This is equivalent to 0.88% of our FY24 UPBT, so despite increasing our monetary contributions year-on-year, this was below our target of 1%.

This is due to Pental, J O Hambro and TSW having lower community giving spend relative to their contribution to overall Group profit, a focus on cost reduction, and reduced bandwidth for community initiatives, with some activities paused while we work through the priorities of separating the businesses.



\$2.51M

total community giving and volunteering in FY24

\$2.16M

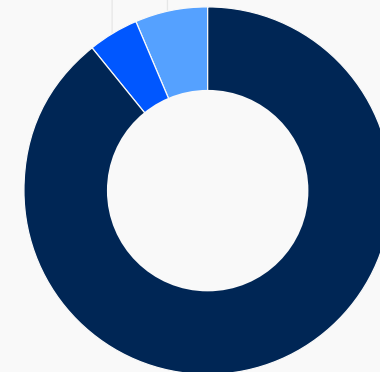
of cash donations and memberships or sponsorships of organisations with charitable purposes

Management costs

\$155,000

Time

\$188,249²



Total

\$2,507,162

Money

\$2,163,913

1. Our reporting methodology excludes some memberships which are predominantly employee or business focused, and only including part of our sponsorship funding of community causes to account for the commercial benefit of a portion of that funding.
2. Equivalent financial value of 2,201 hours spent by our people volunteering with community organisations during business hours.

Investing in communities

We've had a partnership with LifeChanger in Australia for four years. LifeChanger is a preventative mental health and wellbeing not-for-profit that empowers young people to live thriving, resilient lives, and in FY24, we contributed \$150,000 towards helping the delivery of their critical programs into schools.

Community initiatives across the Group also include a long-standing [partnership with Running for Premature Babies](#), and Trillium has committed to giving at least 1% of gross revenue to support not-for-profit organisations that are in alignment with the firm's mission and values. In addition to larger charitable donations made by Trillium, all employees are offered the opportunity to direct US\$1,000 (AU\$1,515¹) annually towards a not-for-profit organisation of their choice.

Other employee volunteering activities include our TSW team in Richmond, Virginia helping out 'Little Hands' – a local not-for-profit organisation dedicated to providing early childhood essentials – and our Corporate Trust Marketing team, who provided pro bono support to develop a website for the Sydney Alternative Investment Week (SAIW), a new initiative from the Alternative Futures Foundation (AFF). All funds raised during SAIW will support AFF's chosen charities: Red Kite, Women's Community Shelters, Noro Music Therapy, and Tranby Indigenous Education.

LifeChanger is a preventative mental health and wellbeing not-for-profit that empowers young people to live thriving, resilient lives and in FY24, we contributed \$150,000 towards helping the delivery of their critical programs into schools.

1. A conversion rate of AUD:USD – 0.66 at 30 June 2024 has been used.

Addressing the risk of modern slavery

Perpetual Group has a range of policies, commitments and due diligence processes to manage modern slavery risk across our operations and supply chain.

We seek to continuously improve our approach to addressing modern slavery risks. In FY24, we engaged with teams in all our boutique Asset Management firms, developed a guidance document to assist when engaging with companies who may be exposed to modern slavery controversies, and conducted targeted training with members of our Corporate Trust business who support clients to report on their modern slavery risks.

For more information see our most recent modern slavery statement online: perpetual.com.au/sustainability/archive/.

To progress our thinking on human rights while also encouraging future female talent, the Sustainability team took part in Future Females in Finance, mentoring five university students over a six-week mentorship program. The students undertook a research project to support our development of a global human rights framework. For more information see our case study [online](#).



LifeChanger school program

KPIs

Governance



Metric	Unit	FY24	FY23	FY22	Target
Client advocacy	NPS	+53	+57	+49	Maintain +40 NPS
Complaints	Number of complaints	3,723¹	2,813 ¹	1,024	
Median length of time to close a complaint	Days	12²	31	39	

1. The increase in complaints in FY23 and FY24 principally reflects the impact of the IT security incident and associated technical outage that occurred in early June 2023, with 1,048 of the complaints received during FY23 raised with us during the month of June 2023, and 1,723 of the complaints received during FY24 raised during the months of July and August 2023.
2. The reduction in the median days to respond to a complaint in FY24 compared to FY23, reflects the change in case mix of complaints received during FY24, recognising that, for most complaints raised regarding the IT security incident and technical outage (see page 15), the only feasible resolution that could be provided was an apology and explanation only.

Communities



Metric	Unit	FY24	FY23	FY22	Target
Community giving and volunteering (total) ¹	AUD equivalent (million)	\$2.51	\$2.16 ²	\$2.38	1% of underlying profit before tax
Community giving and volunteering (% of underlying pre-tax profit)	% of pre-tax profit	0.88%	0.98%	1.2%	
Grants from Perpetual Foundation and Centenary Foundation Trustees Endowments	AUD	\$648,700	\$568,690	\$699,100	

1. In FY22, we aligned our reporting on community giving with the B4SI framework. This includes cash and in-kind donations, matched giving of staff fundraising, management costs associated with community giving activities, employee volunteering time and memberships and sponsorship of community organisations.
2. Following external review and verification of our community reporting, we changed our reporting methodology in FY23, excluding some memberships, which are predominantly employee or business focused, and only including part of our sponsorship funding of community causes to account for the commercial benefit of a portion of that funding.

KPIs

Planet

Metric	Unit	FY24	FY23	FY22	Target
Scope 1 emissions	TCO ₂ e	3	43	11	Carbon neutral operations by FY23
Scope 2 emissions (location based) ¹	TCO ₂ e	1,537	1,514	1,298	100% renewably powered operations by FY25
Scope 2 emissions (market based) ²	TCO ₂ e	335	242	1,276	Reduce energy intensity by one third by FY30 (FY21 baseline)
Scope 3 emissions from operations	TCO ₂ e	13,419³	22,120 ⁴	2,425	Carbon neutral operations
Energy intensity per FTE in Australian offices	MWh per FTE	1.335	1.297 ⁵	1.312	Reduce energy intensity by one third by FY30 (FY21 baseline)
Energy use in Australian offices	MWh	1,874	1,815	1,542	
Paper purchased for printing in Australian offices	Tonnes	8	9	6	Reduce paper purchased for printing by 50% by FY25 (FY21 baseline)
Waste to landfill ⁶	Tonnes	15	16	N/A	Reduce waste to landfill by 10% by FY26 (FY23 baseline)

- Scope 2 location-based emissions calculated using the average emissions intensity of the grid.
- Scope 2 market-based emissions calculated using emission factors from contractual instruments.
- Perpetual Group uses emissions factors supplied by Climate Active to calculate categories in our Scope 3 emissions footprint. Many of these factors saw a significant decrease between FY23 and FY24. These reductions are likely to be as a result of the updated emissions factors using a more recent base year (from 2022 rather than 2018). See page 24 for further explanation.
- The increase in FY23 was primarily because of a change to our environmental reporting methodology. To prepare for Climate Active certification and to continually improve our environmental reporting approach, in FY23, we conducted a review of our emissions boundary, aligning to guidance provided in GHG Protocol standards. This resulted in a shift away from individual emission sources being represented within our emissions inventory to alignment with GHG Protocol Scope 3 categories. We updated our methodology to include new emissions sources for the first time, such as those associated with our waste and water usage, accommodation for business travel, employees working from home and some capital expenditure and purchased goods and services. For Scope 3 categories 1 and 2, a relevance test was undertaken based on the Climate Active Carbon Neutral Standard for Organisations to determine relevant emissions sources within those categories. The following sources were excluded based on that relevance test: Professional Services, Construction Materials and Services; Food; Cleaning and Chemicals; Newspapers, journals and periodicals.
- The energy usage per FTE KPI divides total energy usage in our Australian offices in FY23 by total FTE employees in Australia as at 30 June 2023. Based on this methodology, consistent with prior year reporting, it means including energy usage for six months for the new Pandal businesses in the numerator for the calculation, while all Australian Pandal FTE employees as at 30 June 2023 are included in the denominator. This means the intensity figure is lower than if there was a full year of Pandal energy usage.
- New metric in FY23. Excludes e-waste and waste from office refurbishments.

KPIs

People

Metric	Unit	FY24	FY23	FY22	Target
Women in senior leadership positions globally	%	37%	34%	34%	40%+ women in leadership globally by FY24
Female representation in Perpetual Group's investment professionals in Australia	%	19%	19%	20%	Increase to 25% in Australia by FY24
Our people feel that Perpetual Group welcomes diverse people and views ¹	% of people	73%	79%	79%	80% by FY24
Our people feel that Perpetual Group supports their wellbeing ²	% of people	57%	70%	70%	75% by FY24
Our people would recommend Perpetual Group as a great place to work ³	% of people	56%	69%	71%	75% by FY24
Our people tell us they have grown professionally in the past 12 months ⁴	% of people	56%	58%	60%	70% by FY24
Our people feel positive about working at Perpetual Group ⁵	% of people	42%	55%	56%	
Safety incidents ⁶	Number of incidents	5	12	4	
Annual turnover of high performers	% of people	10.1%	7%	9%	
Annual voluntary employee turnover	% of people	9.9%	12.9%	19.9%	

- 1 Employees who answered strongly agree and agree in our mood monitor survey when asked whether Perpetual welcomes diverse people and views.
- 2 Employees who answered strongly agree and agree in our mood monitor survey when asked whether Perpetual supports their wellbeing.
- 3 Employees who responded highly likely and likely in our mood monitor survey when asked whether they would recommend Perpetual or their business unit as a great place to work. In the July 2023 mood monitor, Perpetual was referenced but in the pulse check in June 2024, in light of the upcoming separation, the question on how likely employees are to recommend Perpetual as a great place to work was updated to recommending their 'business unit' rather than 'Perpetual'.
- 4 Employees who responded strongly agree and agree in our mood monitor survey when asked whether they have grown professionally in the past 12 months.
- 5 Employees who responded great or good in our mood monitor survey when asked how they are feeling about working at Perpetual.
- 6 Accidents, injuries and near misses that occur at work.

Perpetual GROUP

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