



LEA 02	Discipline: Monetary	Principle: PRI 1, 2, 3
<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional or more comprehensive data</li> <li><input type="checkbox"/> To engage internal ESG decision</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>	<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional or more comprehensive data</li> <li><input type="checkbox"/> To engage internal ESG decision</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input type="checkbox"/> To enhance corporate transparency or identify the need for additional or more comprehensive data</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input type="checkbox"/> To enhance corporate transparency or identify the need for additional or more comprehensive data</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in service provider</li> </ul>

# RI TRANSPARENCY REPORT

## 2019

Perpetual Investments

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2019 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		-	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	🔒	n/a							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	🔒	n/a							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Private	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		🔒	n/a							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Private	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 07	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 11	ESG issues in index construction	🔒	n/a	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 13	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	🔒	n/a		✓					
LEA 10	Engagement methods	✓	Private		✓					
LEA 11	Examples of ESG engagements	✓	Private		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	✓	Private		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	✓	Private		✓					
LEA 21	Examples of (proxy) voting activities	✓	Private		✓					
LEA End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

# Perpetual Investments

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Australia

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

169

**OO 03** **Mandatory** **Public** **Descriptive** **General**

**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

Yes

No

**OO 04** **Mandatory** **Public** **Gateway/Peering** **General**

**OO 04.1** Indicate the year end date for your reporting year.

30/06/2018

**OO 04.2** Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		30	800	000	000
Currency	AUD				
Assets in USD		22	714	916	099

Not applicable as we are in the fund-raising process

**OO 04.4** Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.

	trillions	billions	millions	thousands	hundreds
Total AUM			113	919	885
Currency	AUD				
Assets in USD			84	015	605

Not applicable as we do not have any assets under execution and/or advisory approach

**OO 06** **Mandatory** **Public** **Descriptive** **General**

**OO 06.1**

Select how you would like to disclose your asset class mix.

- as percentage breakdown  
 as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	>50%	0
Fixed income	10-50%	0
Private equity	0	0
Property	0	<10%
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	10-50%	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

**OO 06.2**

Publish asset class mix as per attached image [Optional].

**OO 06.3**

Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes  
 No

**OO 06.5** Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

<b>OO 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Peering</b>	<b>General</b>
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**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

	Developed Markets	99.04
	Emerging Markets	00.96
	Frontier Markets	0
	Other Markets	0
	Total 100%	100%

### Asset class implementation gateway indicators

<b>OO 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**OO 10.1** Select the active ownership activities your organisation implemented in the reporting year.

	Listed equity – engagement	<input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors.
	Listed equity – voting	<input checked="" type="checkbox"/> We cast our (proxy) votes directly or via dedicated voting providers <input type="checkbox"/> We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

### Fixed income SSA – engagement

- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

We integrate consideration of ESG factors into our investment processes because we believe they can constitute material investment risks. Engagement with a security issuer may be part of this process if we believe we can influence how the issuer approaches this risk. So it would only make sense for us to engage if 1) we identify a material ESG credit risk (i.e. that meaningfully increases default risk); and 2) we believe engagement with the issuer would be productive in addressing this risk. Such a situation would occur very rarely. Also, our SSA fixed income exposure represents only a small portion of our funds under management, and we are a relatively small fixed income investor (i.e. with less influence).

### Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

We integrate consideration of ESG factors into our investment processes because we believe they can constitute material investment risks. Engagement with a security issuer may be part of this process if we believe we can influence how the issuer approaches this risk. So it would only make sense for us to engage if 1) we identify a material ESG credit risk (i.e. that meaningfully increases default risk); and 2) we believe engagement with the issuer would be productive in addressing this risk. Such a situation would occur very rarely. Also, our corporate (financial) fixed income exposure represents only a small portion of our funds under management, and we are a relatively small fixed income investor (i.e. with less influence).

### Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

We integrate consideration of ESG factors into our investment processes because we believe they can constitute material investment risks. Engagement with a security issuer may be part of this process if we believe we can influence how the issuer approaches this risk. So it would only make sense for us to engage if 1) we identify a material ESG credit risk (i.e. that meaningfully increases default risk); and 2) we believe engagement with the issuer would be productive in addressing this risk. Such a situation would occur very rarely. Also, our corporate (non-financial) fixed income exposure represents only a small portion of our funds under management, and we are a relatively small fixed income investor (i.e. with less influence).

## Fixed income Corporate (securitised) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

We integrate consideration of ESG factors into our investment processes because we believe they can constitute material investment risks. Engagement with a security issuer may be part of this process if we believe we can influence how the issuer approaches this risk. So it would only make sense for us to engage if 1) we identify a material ESG credit risk (i.e. that meaningfully increases default risk); and 2) we believe engagement with the issuer would be productive in addressing this risk. Such a situation would occur very rarely. Also, our securitised fixed income exposure represents only a small portion of our funds under management, and we are a relatively small fixed income investor (i.e. with less influence).

OO 11

Mandatory

Public

Gateway

General

OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - securitised

- We address ESG incorporation.
- We do not do ESG incorporation.

Cash

- We address ESG incorporation.
- We do not do ESG incorporation.

**OO 11.2** Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Property	<div style="background-color: #0070C0; color: white; padding: 5px;">Property - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</li> <li><input type="checkbox"/> We do not do ESG incorporation</li> </ul>

**OO 11.4** Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

Perpetual Investments (PI) has a Responsible Investment Policy which is available on our website <https://www.perpetual.com.au/Investments/Institutional-Investors/Responsible-Investing/>. Our Responsible Investments Policy covers our approach to incorporating ESG considerations into our investment decision-making and ownership practices.

We integrate ESG into our investment decision-making because we believe that ESG issues can impact long-term investment performance. In particular, we focus on identifying material ESG risks which may affect the investment returns of our Funds, which may impact the ability of our Funds to achieve their investment objectives - principally achieving investment performance in excess of Fund benchmarks.

Our approach to integrating ESG into each decision-making process in our Funds is as follows.

- Listed Equities - Active - A key driver of the active (above benchmark) investment performance of the Funds is PI's internal investment capabilities in listed equities (domestic and overseas). Our approach to ESG integration in listed equities is publicly disclosed on our website <https://www.perpetual.com.au/Investments/Institutional-Investors/Responsible-Investing/>.
- Listed Equities - Passive and Smart Beta - No ESG integration applies to passive listed equities as they are managed under fundamentally different investment processes as active equities.
- Domestic Credit - Our approach to ESG integration in Domestic Credit is publicly disclosed on our website <https://www.perpetual.com.au/Investments/Institutional-Investors/Responsible-Investing/>.
- Other Asset Classes - Where we outsource to external managers, we do consider aspects of ESG in our due diligence process. However, our ability to integrate ESG into these asset classes may be limited, due to the use of externally-managed pooled vehicles and the absence of well-developed ESG integration standards in certain asset classes such as infrastructure, other unlisted assets, securitised/derivative assets, etc.
- Strategic Asset Allocation (SAA) - The SAA of our Funds is reviewed annually. Integrating ESG into SAA decision-making is a very recent concept and we do not currently incorporate these issues into our allocations at a broad asset-class level (e.g. equities versus bonds). We do however consider country/market (geography) allocation risk issues, such as the governance (i.e. an ESG) risk in investing in emerging or frontier markets.

- Tactical Asset Allocation (TAA) - Integrating ESG concepts (which tend to be long-term) into TAA decision-making (which is normally medium-term) is very difficult. Implementation issues (for example via derivatives) add further challenges.

OO 12	Mandatory	Public	Gateway	General
<b>OO 12.1</b>	Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.			
<b>Core modules</b>				
<input checked="" type="checkbox"/> Organisational Overview <input checked="" type="checkbox"/> Strategy and Governance				
<b>RI implementation directly or via service providers</b>				
Direct - Listed Equity incorporation				
<input checked="" type="checkbox"/> Listed Equity incorporation				
Direct - Listed Equity active ownership				
<input checked="" type="checkbox"/> Engagements <input checked="" type="checkbox"/> (Proxy) voting				
Direct - Fixed Income				
<input type="checkbox"/> Fixed income - SSA <input type="checkbox"/> Fixed income - Corporate (financial) <input type="checkbox"/> Fixed income - Corporate (non-financial) <input type="checkbox"/> Fixed income - Securitised				
<b>RI implementation via external managers</b>				
Indirect - Selection, Appointment and Monitoring of External Managers				
<input type="checkbox"/> Property				
<b>Closing module</b>				
<input checked="" type="checkbox"/> Closing module				
<b>Peering questions</b>				



OO LE 01	Mandatory	Public	Gateway	General
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**OO LE 01.1** Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.

Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

**Percentage of internally managed listed equities**

Strategies	Percentage of internally managed listed equities
Passive	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Active - quantitative (quant)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Active - fundamental and active - other	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Total 100%	

OO FI 01	Mandatory	Public	Gateway	General
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Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

**OO FI 01.1** Provide a breakdown of your internally managed fixed income securities by active and passive strategies

Type	Passive	Active - quantitative	Active - fundamental & others	Total internally managed fixed income security
SSA	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>
Corporate (financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>
Corporate (non-financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>
Securitised	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>

OO FI 03	Mandatory	Public	Descriptive	General
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Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 03.1	Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.
------------	---

SSA	Developed markets	75
	Emerging markets	25
	Total	100%

**OO FI 03.2** Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>
Corporate (non-financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>
Securitised	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>

If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below

OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

# Perpetual Investments

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 01.1**

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

**SG 01.2**

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**SG 01.3**

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Perpetual Investments offers investors a broad range of investment options across Australian and global equities, multi asset, and credit and fixed income funds. Investment principles, philosophies and strategies will vary across these funds. Across our business, our people focus on protecting and growing clients' wealth, with a relentless focus on consistent delivery over time.

Perpetual has a long-standing commitment to responsible investment. In 2009, we became a signatory to the United Nations-supported Principles for Responsible Investment (PRI).

Our Responsible Investment Policy applies to our employees responsible for making active investment decisions. These include investment analysts and portfolio managers, across strategies that cover Australian equities and other asset classes. It is our policy that consideration of ESG factors are incorporated into our:

- investment analysis and decision making; and
- ownership practices.

We believe consideration of material ESG risks in investment analysis and decision making is consistent with our fiduciary duty.

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

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

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

**SG 02****Mandatory****Public****Core Assessed****PRI 6**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 02.1**

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

- URL

URL

{[hyperlink:https://www.perpetual.com.au/investments/institutional-investors/responsible-investing](https://www.perpetual.com.au/investments/institutional-investors/responsible-investing)}

- Attachment (will be made public)

- Screening / exclusions policy

URL/Attachment

- URL

URL

{[hyperlink:https://www.perpetual.com.au/investments/institutional-investors/responsible-investing](https://www.perpetual.com.au/investments/institutional-investors/responsible-investing)}

- Attachment (will be made public)

- Engagement policy

URL/Attachment

- URL

URL

{[hyperlink:https://www.perpetual.com.au/investments/institutional-investors/responsible-investing](https://www.perpetual.com.au/investments/institutional-investors/responsible-investing)}

- Attachment (will be made public)

- (Proxy) voting policy

URL/Attachment

- URL

URL

{[hyperlink:https://www.perpetual.com.au/investments/institutional-investors/responsible-investing](https://www.perpetual.com.au/investments/institutional-investors/responsible-investing)}

- Attachment (will be made public)

- We do not publicly disclose our investment policy documents

**SG 02.2**

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- URL

URL

{[hyperlink:https://www.perpetual.com.au/investments/institutional-investors/responsible-investing](https://www.perpetual.com.au/investments/institutional-investors/responsible-investing)}

- Attachment

- Governance structure of organisational ESG responsibilities

URL/Attachment

- URL

URL

{[hyperlink:https://www.perpetual.com.au/investments/institutional-investors/responsible-investing](https://www.perpetual.com.au/investments/institutional-investors/responsible-investing)}

- Attachment

- ESG incorporation approaches

URL/Attachment

- URL

URL

{[hyperlink:https://www.perpetual.com.au/investments/institutional-investors/responsible-investing](https://www.perpetual.com.au/investments/institutional-investors/responsible-investing)}

- Attachment

- Active ownership approaches

URL/Attachment

- URL

URL

{[hyperlink:https://www.perpetual.com.au/investments/institutional-investors/responsible-investing](https://www.perpetual.com.au/investments/institutional-investors/responsible-investing)}

- Attachment

- Reporting

URL/Attachment

- URL



URL

{[hyperlink:https://www.perpetual.com.au/investments/institutional-investors/responsible-investing](https://www.perpetual.com.au/investments/institutional-investors/responsible-investing)}

Attachment

We do not publicly disclose any investment policy components

<b>SG 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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**SG 03.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**SG 03.2** Describe your policy on managing potential conflicts of interest in the investment process.

Our two policies are:

- Conflicts of Interest - Corporate. Arises when Perpetual has competing interests or duties which may interfere with its ability to objectively perform a duty or service, exercise discretion or make a decision. Expressed another way, a Conflict of Interest is likely to occur when some or all of the interests of clients are inconsistent with or diverge from the interests of Perpetual.
- Conflicts of Interest - Personal. Arises when an Employee in a personal capacity has competing interests or duties which may interfere with their ability to objectively perform a duty or service, exercise discretion or make a decision. Expressed another way, a personal Conflict of Interest is likely to occur when some or all of the interests of Perpetual or its clients are inconsistent with or diverge from the interests of the Employee.

No

**Objectives and strategies**

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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**SG 05.1** Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

**Governance and human resources**

<b>SG 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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**SG 07.1**

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

**Roles**

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

**Select from the below internal roles**

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
  - GM Product**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Portfolio managers
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Investment analysts
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Dedicated responsible investment staff
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Investor relations
  - Other role, specify (1)
  - Other role, specify (2)
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment

<b>SG 07.2</b>	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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- Board members - ultimate oversight/accountability for responsible investment
- Group Executive (CEO) - accountable for all aspects of responsible investment policy and approach
- Portfolio managers, investment analysts - implementation of responsible investment via ESG integration
- Dedicated responsible investment staff - accountability for responsible investment framework, assist in implementation of responsible investment
- Service providers - assist in implementation of responsible investment via specialist research

<b>SG 07.3</b>	Indicate the number of dedicated responsible investment staff your organisation has.
----------------	--

	Number
--	--------

2

	I confirm I have read and understood the Accountability tab for SG 07
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I confirm I have read and understood the Accountability tab for SG 07

## Promoting responsible investment

<b>SG 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>SG 09.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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**Select all that apply**

Principles for Responsible Investment

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- Basic
- Moderate
- Advanced

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify  
FSC (Financial Services Council) ESG Working Group

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Participation on sub and working groups, meetings, content re industry submissions, etc.

- Other collaborative organisation/initiative, specify  
Responsible Investment Association of Australia (RIAA)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

RIAA certification on PI's ESG specialist investment products (e.g Ethical SRI share strategy, Ethical SRI credit strategy).

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

**SG 10.2** Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

Trainee analyst programme, education/promotion of ethical SRI investing for our Ethical SRI funds.

Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work

Description

Participation in various academic research projects

Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

Primarily via company engagement

Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Spoke publicly at events and conferences to promote responsible investment

Description

Manager, Responsible Investment participation

### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Wrote and published in-house research papers on responsible investment

### Description

Manager, Responsible Investment papers, e.g. climate change

### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

## Outsourcing to fiduciary managers and investment consultants

SG 12

Mandatory

Public

Core Assessed

PRI 4

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 12.1

Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

<b>SG 12.7</b>	Additional information [Optional].
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Equities, credit and cash asset classes are managed in-house.

### ESG issues in asset allocation

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 13.1</b>	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities
- No, not to assess future ESG/climate-related issues

### Asset class implementation not reported in other modules

<b>SG 16</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 16.1</b>	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
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<b>Asset Class</b>	<b>Describe what processes are in place and the outputs or outcomes achieved</b>
Fixed income - SSA	Consistent with our Responsible Investment Policy, we consider material default risks including ESG risks, such as environmental issues or governance red-flags. This process is informed by external ESG research. However, ESG materiality in fixed income is less prevalent than with our equity investments - so our focus on these risks has to reflect their relative importance. It's not productive for our fixed income clients to focus on issues that are not material to the risk of default (ESG included).
Fixed income - Corporate (financial)	Consistent with our Responsible Investment Policy, we consider material default risks including ESG risks, such as environmental issues or governance red-flags. This process is informed by external ESG research. However, ESG materiality in fixed income is less prevalent than with our equity investments - so our focus on these risks has to reflect their relative importance. It's not productive for our fixed income clients to focus on issues that are not material to the risk of default (ESG included).
Fixed income - Corporate (non-financial)	Consistent with our Responsible Investment Policy, we consider material default risks including ESG risks, such as environmental issues or governance red-flags. This process is informed by external ESG research. However, ESG materiality in fixed income is less prevalent than with our equity investments - so our focus on these risks has to reflect their relative importance. It's not productive for our fixed income clients to focus on issues that are not material to the risk of default (ESG included).
Fixed income - Securitised	Consistent with our Responsible Investment Policy, we consider material default risks including ESG risks, such as environmental issues or governance red-flags. This process is informed by external ESG research. However, ESG materiality in fixed income is less prevalent than with our equity investments - so our focus on these risks has to reflect their relative importance. It's not productive for our fixed income clients to focus on issues that are not material to the risk of default (ESG included).
Cash	Consistent with our Responsible Investment Policy, we consider material default risks including ESG risks, such as environmental issues or governance red-flags. This process is informed by external ESG research. However, ESG materiality in fixed income is less prevalent than with our equity investments - so our focus on these risks has to reflect their relative importance. It's not productive for our clients to focus on non-material default risks (ESG included).

<b>SG 17</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 17.1</b>	Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
----------------	--

<b>Asset Class</b>	<b>Describe what processes are in place and the outputs or outcomes achieved</b>
Property	Where we use external managers, ESG issues are considered in manager selection and monitoring where relevant.

**Innovation**

SG 18	Voluntary	Public	Descriptive	General
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SG 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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Yes

SG 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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**Better ESG Engagement Outcomes** - our policy is that investment managers have a duty to use their influence as a shareholder/asset manager in order to achieve better investment outcomes over the long term. This includes ESG issues. This engagement is possible due to our large experienced equities team, and more effective due to our size (we often own 10-15% of small companies) which gives us unparalleled access to (and influence with) company management and Boards. Thus we are able to formulate and execute innovative engagement strategies to leverage better shareholder outcomes, for example:

- sharing our industry knowledge and contacts with the company to facilitate change, e.g. to company Boards;
- influencing AGM (shareholder voting) issues;
- calling our own shareholder meetings; and
- public campaigns on ESG (using media), etc.

No

## Communication

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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SG 19.1	Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
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**Caution! The order in which asset classes are presented below has been updated in the online tool to match the Reporting Framework overview.**

If you are transferring data from an offline document, please check your response carefully.

Listed equity - Incorporation
-------------------------------

Do you disclose?
------------------

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.
- We disclose it publicly

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p><b>Disclosure to public and URL</b></p> <ul style="list-style-type: none"> <li><input checked="" type="radio"/> Broad approach to ESG incorporation</li> <li><input type="radio"/> Detailed explanation of ESG incorporation strategy used</li> </ul>	<p><b>Disclosure to clients/beneficiaries</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> Broad approach to ESG incorporation</li> <li><input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used</li> </ul>
<p><b>Frequency</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Quarterly or more frequently</li> <li><input type="checkbox"/> Biannually</li> <li><input type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input checked="" type="checkbox"/> Ad-hoc/when requested</li> </ul>	<p><b>Frequency</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Quarterly or more frequently</li> <li><input type="checkbox"/> Biannually</li> <li><input type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input checked="" type="checkbox"/> Ad-hoc/when requested</li> </ul>
<p><b>URL</b></p> <p>{hyperlink:https://www.perpetual.com.au/investments/institutional-investors/responsible-investing/}</p>	

Listed equity - Engagement

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p data-bbox="256 331 1042 394"><b>Disclosure to public and URL</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Details on the overall engagement strategy</li> <li><input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals</li> <li><input type="checkbox"/> Number of engagements undertaken</li> <li><input type="checkbox"/> Breakdown of engagements by type/topic</li> <li><input type="checkbox"/> Breakdown of engagements by region</li> <li><input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives</li> <li><input type="checkbox"/> Examples of engagement cases</li> <li><input type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)</li> <li><input type="checkbox"/> Details on whether the provided information has been externally assured</li> <li><input type="checkbox"/> Outcomes that have been achieved from the engagement</li> <li><input type="checkbox"/> Other information</li> </ul>	<p data-bbox="1067 331 1447 416"><b>Disclosure to clients/beneficiaries</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Details on the overall engagement strategy</li> <li><input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals</li> <li><input type="checkbox"/> Number of engagements undertaken</li> <li><input type="checkbox"/> Breakdown of engagements by type/topic</li> <li><input type="checkbox"/> Breakdown of engagements by region</li> <li><input checked="" type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives</li> <li><input checked="" type="checkbox"/> Examples of engagement cases</li> <li><input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)</li> <li><input type="checkbox"/> Details on whether the provided information has been externally assured</li> <li><input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement</li> <li><input type="checkbox"/> Other information</li> </ul>
<p data-bbox="256 1429 1042 1491"><b>Frequency</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Quarterly or more frequently</li> <li><input type="checkbox"/> Biannually</li> <li><input checked="" type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad-hoc/when requested</li> </ul>	<p data-bbox="1067 1429 1447 1491"><b>Frequency</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Quarterly or more frequently</li> <li><input checked="" type="checkbox"/> Biannually</li> <li><input type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad-hoc/when requested</li> </ul>
<p data-bbox="256 1749 1042 1812"><b>URL</b></p> <p data-bbox="256 1827 836 1883">{hyperlink:https://www.unpri.org/signatories/perpetual-investments/1644.article}</p> <p data-bbox="256 1921 1042 1984"><b>URL</b></p>	

{hyperlink:https://www.perpetual.com.au/investments/institutional-investors/responsible-investing/}

Listed equity – (Proxy) Voting

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p>Disclosure to public and URL</p> <ul style="list-style-type: none"> <li><input checked="" type="radio"/> Disclose all voting decisions</li> <li><input type="radio"/> Disclose some voting decisions</li> <li><input type="radio"/> Only disclose abstentions and votes against management</li> </ul>	<p>Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"> <li><input checked="" type="radio"/> Disclose all voting decisions</li> <li><input type="radio"/> Disclose some voting decisions</li> <li><input type="radio"/> Only disclose abstentions and votes against management</li> </ul>
<p>Frequency</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Quarterly or more frequently</li> <li><input type="checkbox"/> Biannually</li> <li><input checked="" type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad hoc/when requested</li> </ul>	<p>Frequency</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Quarterly or more frequently</li> <li><input checked="" type="checkbox"/> Biannually</li> <li><input type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad hoc/when requested</li> </ul>
<p>URL</p> <p>{hyperlink:https://www.perpetual.com.au/~/-/media/perpetual/pdf/resources/pi_voting_record_2017-18.ashx?la=en}</p>	

# Perpetual Investments

## Reported Information

### Public version

### Direct - Listed Equity Incorporation

## PRI disclaimer

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## ESG incorporation in actively managed listed equities

### Implementation processes


LEI 01	Mandatory	Public	Gateway	PRI 1
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#### LEI 01.1


Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)

#### ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening and integration strategies

Percentage of active listed equity to which the strategy is applied	 99
---	---

- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined
- We do not apply incorporation strategies

Percentage of active listed equity to which no strategy is applied	 1
--	---

Total actively managed listed equities

100%

#### LEI 01.2

Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

- All of the Australian equities managed by Perpetual's Investments internal equities team (the above 99% of FUM) is covered by the ESG incorporation process (Quality Filters exclusion screen and ESG integration process) as described in this module. This is consistent with our approach to responsible investment and ESG issues as described in previous modules.
- Note that a small (<10%) of this AUM is managed in specialist ESG equities strategies - Ethical SRI Fund and client 'Ethical' mandates, where additional ESG exclusion screens apply.
- The remaining 1% of our FUM above where no ESG incorporation applies is managed internally by another team in a smaller quant fund (smart Beta) where ESG is not applicable.

LEI 01.3

If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

Ethical SRI Fund and client 'Ethical' mandates

The general ESG incorporation processes as described in this module also apply to the above two strategies, i.e. all companies must pass our Quality Filters and portfolio managers need to consider ESG risks in their decision-making. However for the above Funds (Ethical SRI Fund and client 'Ethical' mandates) only, the portfolio managers have a reduced opportunity set of companies they may consider for investment, as we exclude a significant number of companies which fail specific additional ESG screens for each strategy. This is an independent process run by the Manager, Responsible Investment, where companies that rate poorly on ESG, ethical and SRI issues (varies by Fund and mandate) are identified and excluded, with the assistance of external research. These Funds suit a range of investors who require a 'higher standard' of ESG/Ethical filtering, e.g. they may not be permitted or have decided not to invest in tobacco, munitions or nuclear companies or those who rank poorly on sustainability or social responsibility measures.

(A) Implementation: Screening

LEI 04

Mandatory

Public

Descriptive

PRI 1

LEI 04.1

Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

We negatively screen by:

- Our Quality Filters (which apply to all the funds/products managed by our equities team) include ESG issues. The first of our Quality Filters, Sound Management, includes an assessment of the governance (G) practices of a company and management, including the Board. The third of our quality filters, Quality of Business, includes an assessment of issues such as environmental (E) and social (S) factors that may impact the future performance of a company. Companies that fail our Quality Filters are not considered for investment.
- In addition, a number of portfolios (see LEI 01.3) have additional screens to exclude a further set of companies that rate poorly on ethical/ESG issues.



- Positive/best-in-class screening
- Norms-based screening

#### LEI 04.2

Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.

#### Quality Filters

Our Quality Filters are the bedrock of our equities process and rarely if ever change.

#### Ethical SRI Fund and client 'Ethical' mandates

The Manager, Responsible Investment has formulated filtering processes for these portfolios to identify and exclude companies that rate poorly on ethical/ESG issues, drawing on external ESG research. The portfolio managers of these strategies are subsequently prohibited from buying these companies, and must divest any such companies that fail these screens that are already held.

The Manager, Responsible Investment is responsible for ensuring these filters are up-to-date (by design) and are regularly re-run (monthly) to capture new companies and new company or external research information.

Any criteria changes are processed through a defined internal approval process and communicated to clients as needed.

#### LEI 05

#### Mandatory

#### Public

#### Core Assessed

#### PRI 1

#### LEI 05.1

Indicate which processes your organisation uses to ensure screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- Trading platforms blocking / restricting flagged securities on the black list
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Review and evaluation of external research providers
- Other, specify
- None of the above

#### LEI 05.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- <10%
- 10-50%
- 51-90%
- >90%

**LEI 05.3**

Indicate how frequently third party ESG ratings are updated for screening purposes.

- Quarterly or more frequently
- Bi-annually
- Annually
- Less frequently than annually

**LEI 05.5**

Additional information. [Optional]

Please note, some of our responses above apply to the screening processes that apply to our specialist ESG screened strategies (Ethical SRI Fund and client 'Ethical' mandates) only.

The Quality Filters (including ESG) screening that applies across all equities strategies managed by the team is conducted based primarily on internal research. Our more intensive ESG research occurs through the ESG integration process described in this module, which applies to all stocks passing the Quality Filters.

### (C) Implementation: Integration of ESG factors

**LEI 08**

**Mandatory**




**Public**

**Core Assessed**

**PRI 1**

**LEI 08.1**

Indicate the ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.

ESG issues	Proportion impacted by analysis
Environmental	 <ul style="list-style-type: none"> <li><input type="radio"/> &lt;10%</li> <li><input type="radio"/> 10-50%</li> <li><input type="radio"/> 51-90%</li> <li><input checked="" type="radio"/> &gt;90%</li> </ul>
Social	 <ul style="list-style-type: none"> <li><input type="radio"/> &lt;10%</li> <li><input type="radio"/> 10-50%</li> <li><input type="radio"/> 51-90%</li> <li><input checked="" type="radio"/> &gt;90%</li> </ul>
Corporate Governance	 <ul style="list-style-type: none"> <li><input type="radio"/> &lt;10%</li> <li><input type="radio"/> 10-50%</li> <li><input type="radio"/> 51-90%</li> <li><input checked="" type="radio"/> &gt;90%</li> </ul>

**LEI 08.2** Additional information. [Optional]

Our Quality Filters and ESG integration processes address these material ESG risks systematically, as do our external ESG research providers who conduct company research.

<b>LEI 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**LEI 09.1**

Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly.
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other, specify  
**Internal analyst input and review of external ESG red flags**
- None of the above

**LEI 09.2**

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- <10%
- 10-50%
- 51-90%
- >90%

**LEI 09.3**

Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

**LEI 09.5**

Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify  
**Relevant, material information (including ESG risks) are inputs into portfolio decision-making by portfolio managers.**
- None of the above

# Perpetual Investments

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 01.1

Indicate whether your organisation has an active ownership policy.

Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

URL

{hyperlink:https://www.perpetual.com.au/~media/perpetual/pdf/investments/perpetual-sp-investments\_principles-sp-of-sp-internal-sp-governance-sp-and-sp-asset-sp-stewardship\_wl.ashx?la=en}

LEA 01.3

Indicate what your active engagement policy covers:

General approach to active ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Method of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other specify;
- (Proxy) voting approach

## Voting

- ESG issues
  - Prioritisation and scope of voting activities
  - Methods of voting
  - Transparency of voting activities
  - Regional voting practice approaches
  - Filing or co-filing resolutions
  - Company dialogue pre/post-vote
  - Decision-making processes
  - Securities lending processes
  - Other specify;
  - Other
  - None of the above
- No

**LEA 01.4** Do you outsource any of your active ownership activities to service providers?

- Yes
- No

## Engagement

**LEA 02**

**Mandatory**

**Public**

**Core Assessed**

**PRI 1,2,3**

**LEA 02.1** Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

#### LEA 02.4

Additional information. [Optional]

Perpetual has sufficient internal resources to not require collaborative or service provider engagements. Collaborative engagements can also be problematic due to regulatory restrictions, differences in objectives/timeframes and/or proprietary reasons.

#### LEA 03

Mandatory

Public

Core Assessed

PRI 2

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

#### LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagements.

- Yes  
 No

#### LEA 03.3

Additional information. [Optional]

We continue to note this indicator is not helpful in communicating how Perpetual undertakes corporate engagement.

This indicator may be valid for a small fund manager or asset owner with limited ESG engagement resources (i.e. who needs to prioritise), or for a signatory with a separate ESG engagement team (i.e. with priorities that may differ from investment decision-makers as per below).

However, Perpetual's engagement activities (including ESG) are an integrated part of our large equity team's investment process. Having our investment decision-makers engage directly (where it is material and relevant to their analysis and investment decision-making), rather than use a separate ESG team, we strongly believe to be more valid and effective. That is because the 'change message' is being communicated to the company by the same individuals who control our buy/sell/hold decision (i.e. whether to provide or withdraw capital to the company). Clearly this will increase the motivation of company Boards/management to consider change. We engage on this



'bottom-up', company-by-company basis as needed, rather than running 'top-down' ESG 'campaigns' on the same issue across multiple companies at the same time.

Therefore, for us it is unnecessary and impractical to institute 'a formal process for identifying and prioritising engagement activities' as per this question. This would mean in practise our equity professionals debating the worth of their respective proposed company engagements against other equity professionals' proposed engagements. We doubt any equity team would manage money in this way as it is unproductive.

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 04.1	Indicate whether you define specific objectives for your organisation's engagement activities.
----------	--

Individual / Internal engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff.
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LEA 04.2	Additional information. [Optional]
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There is no point in engaging without an objective.

LEA 05	Mandatory	Public	Core Assessed	PRI 2
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LEA 05.1	Indicate if you monitor and/or review engagement outcomes.
----------	--

Individual / Internal engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes carried out by our internal staff.
-----------------------------------	---

LEA 05.2	Indicate if you do any of the following to monitor and review the progress of engagement activities.
----------	--

Individual / Internal staff engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on continuous basis <input type="checkbox"/> Other; specify
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<b>LEA 05.3</b>	Additional information [Optional]
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Where applicable we undertake one or more of the above actions

<b>LEA 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2,4</b>
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<b>LEA 06.1</b>	Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.
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Yes

<b>LEA 06.2</b>	Indicate the escalation strategies used at your organisation following unsuccessful engagements.
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- Collaborating with other investors
- Issuing a public statement
- Filing/submitting a shareholder resolution
- Voting against the re-election of the relevant directors
- Voting against the board of directors or the the annual financial report
- Submitting nominations for election to the board
- Seeking legal remedy / litigation
- Reducing exposure (size of holdings)
- Divestment
- Other, specify

Expressing concerns through the company's advisers, other directors and/or management

No

<b>LEA 06.3</b>	Additional information. [Optional]
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We may use one or more of the above escalation strategies to exercise our influence.

<b>LEA 07</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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<b>LEA 07.1</b>	Indicate whether insights gained from your organisation's engagements are shared with investment decision-makers.
-----------------	---

Type of engagement	Insights shared
<b>Individual / Internal staff engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

**LEA 07.2** Indicate the practices used to ensure information and insights collected through engagements are shared with investment decision-makers.

- Involving investment decision-makers when developing engagement programme
- Holding investment team meetings and/or presentations
- Using IT platforms/systems that enable data sharing
- Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
- Other; specify
- None

**LEA 07.3** Indicate whether insights gained from your organisation’s engagements are shared with your clients/beneficiaries.

Type of engagement	Insights shared
<b>Individual/Internal staff engagements</b>	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

**LEA 07.4** Additional information. [Optional]

Investment decisions and engagements are carried out by the same (equities) team at Perpetual. We have communications tools (e.g. Internal Research Notes) that are a systematic internal process for communicating engagement insights to the rest of the team. Other methods include regular team meetings, e-mails and other electronic communications, etc.

**LEA 08** **Mandatory** **Public** **Gateway** **PRI 2**

**LEA 08.1** Indicate if you track the number of your engagement activities.

Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<input type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input checked="" type="radio"/> We do not track

**LEA 08.2** Additional information. [OPTIONAL]

It adds no value to our clients to track this information, and would practically be difficult.

Perpetual’s analysts and portfolio managers participate in hundreds of company meetings a year, with listed companies themselves, related peers/suppliers and other relevant groups, on a broad range of ESG and non-ESG issues, at a range of forums, individually and collectively, and for both information-gathering and engagement purposes. We typically do not ‘segregate’ meetings by the above aims, nor by issue categorization (ESG and non-ESG) as this would be impractical.

Further, we believe it would be unworkable to impose a rigid, time-consuming process where it is mandatory for investment professionals to document every single company engagement point relating to every company. Analysts and portfolio managers share relevant, material ESG and other company information with the rest of the team via

the IRN (Internal Research Note) and other systems/forums as needed. We see no value to our clients of tracking engagements in this manner.

We believe it is only reliable to highlight specific engagement examples and outcomes where we are confident we have had a degree of influence.

## (Proxy) voting and shareholder resolutions

LEA 12	Mandatory	Public	Descriptive	PRI 2
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**LEA 12.1** Indicate how you typically make your (proxy) voting decisions.

### Approach

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) who make voting recommendations and/or provide research that we use to guide our voting decisions.

### Based on

- the service provider voting policy we sign off on
- our own voting policy
- our clients' requests or policies
- other, explain
- We hire service provider(s) who make voting decisions on our behalf, except for some pre-defined scenarios where we review and make voting decisions.
- We hire service provider(s) who make voting decisions on our behalf.

**LEA 12.2** Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

The policy applies to all of the corporate governance monitoring and proxy voting activities of Perpetual Investment Management Limited's fundamental active equity managers in respect of companies we invest in. The role of proxy advisors and the Manager, Responsible Investment (ESG professional) in the voting process provides further reference to our voting policy.

While we will actively promote the governance practices in our voting policy through the way in which we vote and our company engagement, we acknowledge that there are instances where one or more of these practices may not be possible during particular stages of a company's development or in certain circumstances e.g. for tightly-held companies. We will always consider a company's corporate governance practices in the context of what is in the best interests of our clients, and have appropriate regard to the company's circumstances.

**LEA 12.3** Additional information.[Optional]

On all proxy voting decisions, our Head of Equities makes the final voting decision after consideration of:

- the voting and governance principles set out in Our Corporate Governance and Proxy Voting Policy. An internal ESG resource (The Manager, Responsible Investment) assists in this process;
- the internal views of relevant company analysts and portfolio managers;

- the proxy report, including recommendations, from our external proxy adviser - this includes consideration of current governance norms and standards (e.g. on executive remuneration, director independence, etc.); and
- any other considerations that are relevant in maximising value for clients.

Paramount in this process is the principle that voting decisions are be made in the clients' best interests.

LEA 15	Mandatory	Public	Descriptive	PRI 2
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LEA 15.1	Indicate the proportion of votes where you or the service providers acting on your behalf have raised concerns with companies ahead of voting.
----------	--

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 15.2	Indicate the reasons for raising your concerns with these companies ahead of voting.
----------	--

- Vote(s) for selected markets
- Vote(s) for selected sectors
- Vote(s) relating to certain ESG issues
- Vote(s) on companies exposed to controversy on specific ESG issues
- Vote(s) for significant shareholdings
- On request by clients
- Other

Explain
---------

Other relevant issues (case-by-case)

LEA 15.3	Additional information. [Optional]
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In all cases below, we endeavour to both:

- seek clarification/further information from companies directly prior to voting on contentious issues; and
- inform companies where we decide to vote against management's recommendation and the reasons why.

LEA 16	Mandatory	Public	Core Assessed	PRI 2
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**LEA 16.1** Indicate the proportion of votes participated in within the reporting year in which, you and/or the service provider(s) acting on your behalf, have communicated to companies the rationale for abstaining or voting against management recommendations.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

**LEA 16.2** Indicate the reasons your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.

- Votes for selected markets
- Votes for selected sectors
- Votes relating to certain ESG issues
- Votes on companies exposed to controversy on specific ESG issues
- Votes for significant shareholdings
- On request by clients
- Other

**Explain**

case-by-case

**LEA 16.3** In cases where your organisation does communicate the rationale for the abstention or the vote against management recommendations, indicate whether this rationale is made public.

- Yes
- No

**LEA 16.4** Additional information. [Optional]

However certain cases/examples are communicated to clients only

<b>LEA 17</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**LEA 17.1** For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

**Votes cast (to the nearest 1%)**

%

99

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

**LEA 17.2** Explain your reason(s) for not voting on certain holdings

- Shares were blocked
- Notice, ballots or materials not received in time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- Client request
- Other

**LEA 17.3** Additional information. [Optional]




We endeavour to always vote our stock, unless there are practical impediments to doing so.

<b>LEA 18</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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**LEA 18.1** Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

- Yes, we track this information

**LEA 18.2** Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 95
Against (opposing) management recommendations	 5
Abstentions	 0

100%

No, we do not track this information

<b>LEA 18.3</b>	In cases where your organisation voted against management recommendations, indicate the percentage of companies you have engaged.
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95

<b>LEA 19</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 19.1</b>	Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.
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- Yes  
 No

<b>LEA 19.2</b>	Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.
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- Contacting the company's board
- Contacting the company's senior management
- Issuing a public statement explaining the rationale
- Initiating individual/collaborative engagement
- Directing service providers to engage
- Reducing exposure (holdings) / divestment
- Other

<b>LEA 19.3</b>	Additional information. [Optional]
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Voting against a company-sponsored meeting resolution can be a powerful engagement tool. Should this action not have the desired outcome, one or more of the above strategies could be employed to either escalate the issue, or divest. Each case is considered case-by-case.



# Perpetual Investments

## Reported Information

### Public version

### Confidence building measures

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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**CM1 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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**CM1 02.1** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

**CM1 02.3** Additional information [OPTIONAL]

Last year's PRI Transparency report was internally reviewed before being published.

CM1 03	Mandatory	Public	Descriptive	General
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**CM1 03.1** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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**CM1 04.1** Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM1 07	Mandatory	Public	Descriptive	General
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**CM1 07.1** Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

- CEO or other Chief-Level staff

**Sign-off or review of responses**

- Sign-off
- Review of responses
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)