

Basis of Preparation – FY25 operational emissions reporting

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1.0 Introduction

Perpetual Limited (Perpetual) is an ASX-listed company (ASX:PPT) headquartered in Sydney, Australia, providing asset management, wealth management and trustee services to local and international clients. Perpetual has a strong heritage in Australia, operating since 1886 where it began as a trustee company for individuals. Our purpose is, and has always been, to create enduring prosperity.

Perpetual's financial year 2024-2025 (FY25) emissions reporting inventory has been developed utilising the previously prepared FY24 emissions reporting tool. The final inventory includes the scope 1, 2 and 3 emissions from Perpetual and its business units resulting from activities occurring at, or due to the operations of, the facilities under Perpetual's operational control in the reporting period.

1.1 Purpose and scope

This document has been prepared by ERM Australia Sustainability Pty Ltd (ERM Energetics) to support Perpetual in preparing carbon and energy metrics for annual reporting including within the Perpetual Sustainability Report. Perpetual has been certified under Climate Active in previous years but has withdrawn from the program effective from 24 January 2025¹. This is a combined Basis of Preparation (BoP) and reporting procedure document for the FY25 reporting period and should be read in conjunction with Perpetual's FY25 final inventory file.

The report structure is as follows:

- Approach to developing Perpetual's emissions inventory including operational control ([section 2.0](#))
- Overview of methodology ([section 3.0](#))

2.0 Emissions inventory reporting approach

This section describes the approach taken in the preparation of Perpetual's FY25 emissions inventory, including relevant standards against which the footprint was developed, the reporting period, consolidation approach, operational control, boundaries, and materiality threshold.

2.1 GHG Protocol guidance

Perpetual's FY25 inventory has been prepared in line with the following standards:

- GHG Protocol: A Corporate Accounting and Reporting Standard² (Corporate Standard) (WRI/WBCSD, 2004)
- GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard³ (Scope 3 Standard) (World Resources Institute (WRI)/ World Business Council for Sustainable Development (WBCSD), 2011).

The GHG Protocol Technical Guidance for Calculating Scope 3 Emissions⁴ (Scope 3 Calculation Guidance hereon) has been used to determine category specific methodology and boundary inclusions as part Perpetual's scope 3 inclusions.

Given Perpetual's decision to discontinue Climate Active certification, the FY25 inventory has been adjusted to reflect this change and has been prepared independent of Climate Active methodologies and protocols. Nevertheless, given Climate Active is the official Australian Government carbon neutrality certification scheme, technical guidance from the Climate Active Carbon Neutral Standard for Organisations⁵ has also been used to supplement the above standards in developing Perpetual's inventory where required.

Accounting and reporting principles

In preparing Perpetual's FY25 scope 3 inventory, the five principles that underpin the Corporate Standard and the Scope 3 Standard have been applied. Table 1 provides a description of each of the principles.

Table 1: GHG PROTOCOL PRINCIPLES

Principle	Description
Relevance	Ensure the GHG inventory appropriately reflects the GHG emissions of the company and serves the decision-making needs for users – both internal and external to the company.

¹ [Perpetual Group | Climate Active](#)

² GHG Protocol, [A Corporate Accounting and Reporting Standard](#)

³ GHG Protocol, [Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#)

⁴ GHG Protocol, [Technical Guidance for Calculating Scope 3 Emissions \(version 1.0\)](#)

⁵ Climate Active, [Climate Active Carbon Neutral Standard for Organisations](#)

Completeness	Account for and report on all GHG emission sources and activities within the chosen inventory boundary. Disclose and justify any specific exclusions.
Consistency	Use consistent methodologies to allow for meaningful comparisons of emissions over time. Transparently document any changes to the data, inventory boundary, methods or any other relevant factors in the time series.
Transparency	Address all relevant issues in a factual and coherent manner, based on a clear audit trail. Disclose any relevant assumptions and make appropriate references to accounting and calculation methodologies and data source used.
Accuracy	Ensure that the quantification of GHG emissions is systemically neither over nor under actual emissions, as far as can be judged, and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users to make decisions with reasonable assurance as to the integrity of the reported information.

Organisational boundary

As outlined in the GHG Protocol, an emissions inventory can be prepared in line with one of three possible consolidation approaches as outlined in Table 2.

Perpetual's FY25 inventory has been prepared in line with the operational control consolidation approach covering the activities associated with Perpetual's operations and its business units.

Table 2: GHG PROTOCOL CONSOLIDATION APPROACHES

Approach	Description
Operational control	Under the operational control approach, a company accounts for 100% of the emissions from operations over which it or one of its subsidiaries has operational control.
Financial control	Under the financial control approach, a company accounts for 100% of the emissions from operations over which it, or one of its subsidiaries, has financial control (i.e., >50%).
Equity share	Under the equity share approach, a company accounts for GHG emissions from operations according to its share of equity in the operation.

Operational boundary

An organisation's operational boundary covers its scope 1 and 2 emissions outlined in the GHG Protocol Corporate Standard. Based on this, Perpetual's relevant scope 3 emissions were determined in alignment with the scope 3 boundary setting test and minimum boundary requirements detailed in the GHG Protocol Scope 3 Standard. Perpetual's scope 1 and scope 2 emissions boundary has guided the scope 3 emissions boundary defined and set by Perpetual.

The operational boundary for the emissions boundary prepared for Perpetual includes:

- Scope 1 emissions: direct GHG emissions from sources owned or controlled by Perpetual
- Scope 2 emissions: indirect GHG emissions from electricity purchased from the grid by Perpetual
- Relevant upstream scope 3 emissions: indirect GHG emissions related to purchased or acquired goods and services
- Relevant downstream scope 3 emissions: indirect GHG emissions related to sold goods and services.

2.2 Company structure and operational control

Operational control is a concept widely used to define the reporting responsibility (scope 1 and 2) for a corporation. The GHG Protocol Corporate Standard states that a "company has operational control over an operation if the former or one of its subsidiaries...has the full authority to introduce and implement its operating policies at the operation".

In FY23, Perpetual undertook a full review of operations and facilities under its operational control. This was determined based on whether Perpetual has full authority to introduce and implement operating policies such as being able to control the operating hours of an office alongside consideration of potential to implement health and safety policies. If it was determined that Perpetual had the ability to implement the above policies, the facility was deemed to be within Perpetual's operational control. For this reason, in general, leased offices and serviced offices where Perpetual can control access to its leased/serviced space are generally deemed to be within Perpetual's operational control whereas any homeworking spaces are not. For FY25, any new facilities were reviewed by Perpetual in line with same considerations set in FY23 to determine operational control.

For the purposes of reporting, it has been assumed that Perpetual has operational control over the companies and facilities from the date of acquisition and as such the associated activities and emissions that are reportable for Perpetual are the emissions from the date of acquisition. A review of any new facilities occurs each year.

Perpetual has several home working offices for full-time equivalent (FTE) employees that work from home (WFH) full time. Perpetual does not have operational control over these offices and as such they have not been included in scope 1 and 2 reporting. Instead, emissions associated with WFH for these employees have been reflected in category 7 of Perpetual's scope 3 emissions profile.

An annual review is carried out to identify changes across the business that could impact reporting boundaries, operational control and reporting processes. The approach for assessing operational control each year is to:

1. Engage relevant facility primary contacts within Perpetual
2. Review all newly acquired facilities and any changes in the ownership of facilities within each of the Perpetual business units
3. Confirm closure of sites where lease end is expected during the reporting period
4. Ensure the above facility lists and any relevant operational control items are updated annually in line with the operational control review
5. Update any additional sections of this document to ensure that reporting processes are in line with the operational control review.

2.3 Boundary setting

Scope 3 boundary setting

The Scope 3 Standard defines 15 categories across upstream and downstream scope 3 emissions sources. Using the accounting and reporting principles and adopting an operational control consolidation approach, Perpetual's FY25 scope 3 boundary was developed based on its FY24 emissions boundary, with discussions undertaken during the reporting kick-off meeting to understand if there were any significant changes during the reporting period. In FY25, a key change noted by Perpetual was its decision to withdraw from the Climate Active Program. As a result, the FY25 inventory has been updated to exclude Climate Active-specific reporting metrics including update of Climate Active specific emission factors utilised previously. The inclusion of categories is based on the Scope 3 Standard criteria for identifying relevant scope 3 categories as summarised below.

Under the Climate Active⁶ program⁷, if two or more of the criteria set out below are met then a category is deemed relevant and should be included in the reporting organisation's scope 3 boundary. Whilst Climate Active provides guidance on the number of criteria required to determine relevance, the Scope 3 Standard does not include any such guidance. For FY25, ERM Energetics has assumed that for each category, if one or more criteria are met, then the category is deemed relevant and has been included in the inventory. This is consistent with the broader Scope 3 Standard principle of 'completeness'.

Table 3: GHG PROTOCOL SCOPE 3 STANDARD CRITERIA FOR IDENTIFYING RELEVANT SCOPE 3 ACTIVITIES

Criteria	Description
Size	They contribute significantly to the reporting company's total anticipated scope 3 emissions.
Influence	There are potential emissions reductions that could be undertaken or influenced by the reporting company.
Risk	They contribute to the company's risk exposure (climate change related risks such as financial, regulatory, supply chain, product and customer, litigation, and reputational risks).
Stakeholders	They are deemed critical by key stakeholders (e.g., customers, suppliers, investors, or civil society).
Outsourcing	They are outsourced activities previously performed in-house or activities outsourced by the reporting company that are typically performed in-house by other companies in the reporting company's sector.
Sector guidance	They have been identified as significant by sector-specific guidance.
Other	They meet any additional criteria for determining relevance developed by the company or industry sector.

For categories 1 and 2, a review was undertaken by Perpetual in FY23 for individual expenditure items to determine relevance as part of Perpetual's inventory in preparation for its first year of certification under the Climate Active Program. The relevance test that was conducted aligned to guidance provided within the Climate Active Carbon Neutral Standard for Organisations⁸ as listed in Table 4 below. For FY25, while Perpetual is no longer pursuing Climate Active certification, the outcomes from the relevance test undertaken in FY23 were applied to determine category 1 and 2 inclusions for the FY25 period. ERM Energetics recommends this be reviewed in future reporting periods to ensure consistency with the Scope 3

⁶ Technical Guidance Manual, 2022, Climate Active [Guidance - Organisations - Public Disclosure Statement \(climateactive.org.au\)](https://climateactive.org.au/Guidance-Organisations-Public-Disclosure-Statement)

⁷ Climate Active is the only carbon neutral certification program endorsed by the Australian Government.

⁸ Climate Active Carbon Neutral Standard for Organisations, Climate Active, [Climate Active Carbon Neutral Standard for Organisations](#)
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Standard Guidance and in preparation for assurance required as part of the upcoming Australia Sustainability Reporting Standards *Climate-related Disclosures* (AASB S2) mandatory reporting regime.

Table 4: CLIMATE ACTIVE ORGANISATION CRITERIA FOR IDENTIFYING RELEVANT SCOPE 3 ACTIVITIES AND PERPETUAL GROUP DEFINITION

Criteria	Climate Active description	Perpetual defined understanding
Size	The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions.	Where emissions sources are equal to, or more than, 5% of our Scope 1 & 2 operational emissions (location-based). ⁹
Risk	The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.	Where the source contributes to the company's risk exposure (e.g. climate change related risks such as financial, regulatory, supply chain, product and customer, litigation, and reputational risks).
Stakeholders	The emissions from a particular source are deemed relevant by key stakeholders.	Where Perpetual has evidence that they are deemed relevant by our stakeholders including through our stakeholders research conducted as part of our sustainability strategy materiality assessment.
Influence	The responsible entity has the potential to influence the reduction of emissions from a particular source.	Where Perpetual has the ability to influence the emissions reductions, either through our direct actions or through our indirect influence in our supply chain where a sufficient number of Climate Active carbon neutral certified options are available.
Outsourcing	The emissions are from outsourced activities that were previously undertaken within the organisation's boundary or from outsourced activities that are typically undertaken within the boundary for comparable organisations.	Where activities have previously been undertaken in-house and have been outsourced (e.g. cloud data centres).

Based on the above, a summary of the categories included in Perpetual's FY25 scope 3 inventory is outlined in Table 5.

Table 5: SCOPE 3 CATEGORIES AND THEIR INCLUSION PERPETUAL'S FY25 EMISSIONS INVENTORY

Category	GHG Protocol description	Minimum boundary (for reference only)	Inclusion in FY25 inventory
1. Purchased goods and services	Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in Categories 2 - 8	All upstream (cradle-to-gate) emissions of purchased goods and services	Included – relevant expenditure items
2. Capital goods	Extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year	All upstream (cradle-to-gate) emissions of purchased capital goods	Included – relevant expenditure items
3. Fuel- and energy-related activities (not included in scope 1 or scope 2)	Extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in scope 1 or scope 2.	a. For upstream emissions of purchased fuels: All upstream (cradle-to-gate) emissions of purchased fuels (from raw material extraction up to the point of, but excluding combustion) b. For upstream emissions of purchased electricity: All upstream (cradle-to-gate) emissions of purchased fuels (from raw material extraction up to the point of, but excluding, combustion by a power generator) c. For T&D losses: All upstream (cradle-to-gate) emissions of energy consumed in a T&D system, including emissions from combustion d. For generation of purchased electricity that is sold to end users: Emissions from the generation of purchased energy	Included
4. Upstream transportation	Transportation and distribution of products purchased by the reporting company in the	The scope 1 and scope 2 emissions of transportation and distribution providers that	Included

⁹ 5% threshold developed based on details provided by Climate Active for non-quantified emissions.

and distribution	reporting year between a company's tier 1 suppliers and its own operations (in vehicles and facilities not owned or controlled by the reporting company) Transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics, outbound logistics (e.g., of sold products), and transportation and distribution between a company's own facilities (in vehicles and facilities not owned or controlled by the reporting company)	occur during the use of vehicles and facilities (e.g., from energy use) Optional: The life cycle emissions associated with manufacturing vehicles, facilities, or infrastructure	
5. Waste generated in operations	Disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company)	Scope 1 and scope 2 emissions of waste management suppliers that occur during disposal or treatment Optional: Emissions from transportation of waste	Included
6. Business travel	Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company)	The scope 1 and scope 2 emissions of transportation carriers that occur during use of vehicles (e.g., from energy use) Optional: The life cycle emissions associated with manufacturing vehicles or infrastructure	Included
7. Employee commuting	Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company)	The scope 1 and scope 2 emissions of employees and transportation providers that occur during use of vehicles (e.g., from energy use) Optional: Emissions from employee teleworking	Included
8. Upstream leased assets	Operation of assets leased by the reporting company (lessee) in the reporting year and not included in scope 1 and scope 2 – reported by lessee	The scope 1 and scope 2 emissions of lessors that occur during the reporting company's operation of leased assets (e.g., from energy use) Optional: The life cycle emissions associated with manufacturing or constructing leased assets	Not included - not relevant to Perpetual (all assets included in scope 1 and 2)
9. Downstream transportation and distribution	Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company)	The scope 1 and scope 2 emissions of transportation providers, distributors, and retailers that occur during use of vehicles and facilities (e.g., from energy use) Optional: The life cycle emissions associated with manufacturing vehicles, facilities, or infrastructure	Not included - not relevant to Perpetual
10. Processing of sold products	Processing of intermediate products sold in the reporting year by downstream companies (e.g., manufacturers)	The scope 1 and scope 2 emissions of downstream companies that occur during processing (e.g., from energy use)	Not included - not relevant to Perpetual
11. Use of sold products	End use of goods and services sold by the reporting company in the reporting year	The direct use-phase emissions of sold products over their expected lifetime (i.e., the scope 1 and scope 2 emissions of end users that occur from the use of: products that directly consume energy (fuels or electricity) during use; fuels and feedstocks; and GHGs and products that contain or form GHGs that are emitted during use) Optional: The indirect use-phase emissions of sold products over their expected lifetime (i.e., emissions from the use of products that indirectly consume energy (fuels or electricity) during use)	Not included - not relevant to Perpetual

12. End-of-life treatment of sold products	Waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life	The scope 1 and scope 2 emissions of waste management companies that occur during disposal or treatment of sold products	Not included - not relevant to Perpetual
13. Downstream leased assets	Operation of assets owned by the reporting company (lessor) and leased to other entities in the reporting year, not included in scope 1 and scope 2 – reported by lessor	The scope 1 and scope 2 emissions of lessees that occur during operation of leased assets (e.g., from energy use). Optional: The life cycle emissions associated with manufacturing or constructing leased assets	Not included - not relevant to Perpetual
14. Franchises	Operation of franchises in the reporting year, not included in scope 1 and scope 2 – reported by franchisor	The scope 1 and scope 2 emissions of franchisees that occur during operation of franchises (e.g., from energy use) Optional: The life cycle emissions associated with manufacturing or constructing franchises	Not included - not relevant to Perpetual
15. Investments	Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in scope 1 or scope 2	N/A	Not included - not relevant to Perpetual

The reportable activities for facilities within Perpetual's operational control should be reviewed on an annual basis to ensure the inclusion of all relevant activities. This process should be led by the Sustainability and Environment Manager and could include input from Perpetual Property, Procurement and Finance teams, as required. This session could include:

- discussion of new activities, new facilities, and changes in insourced/outsourced activities that have occurred within the reporting period
- drawing on existing resources, where available, to confirm the completeness of reported activities, e.g., via inquiry with Property team or others to check whether natural gas is consumed at any new properties.

2.4 Base year

According to the GHG Protocol Corporate Standard, a base year is “a historic datum (a specific year or an average over multiple years) against which a company's emissions are tracked over time.”

A base year recalculation is triggered by one of the following events:

- Structural changes in the reporting organisation that have a significant impact on the company's base year emissions. Examples of structural changes include:
 - Mergers, acquisitions, and divestments
 - Outsourcing and insourcing of emitting activities
- Changes in calculation methodology or improvements in the accuracy of emission factors or activity data that result in a significant impact on the base year emissions data
- Discovery of significant errors, or several cumulative errors, that are collectively significant.

Perpetual's FY20 inventory was previously prepared as a base year for scope 1, 2 and 3 reporting given the acquisition of Barrow Hanley and Trillium at the time. With the acquisition of Pental in January 2023 and full review of Perpetual's boundary, the FY23 inventory formed an updated 'base year' due to the acquisition and inclusion of new categories 1 and 2.

Given Perpetual's FY23 inventory only included emissions from the month of acquisition of Pental (January 2023), a base year recalculation wasn't triggered for FY24 as the first full year of emissions included for Pental post-acquisition. A base year recalculation has not been triggered for FY25, as such, the FY24 inventory is retained as the 'base year' for Perpetual.

2.5 Reporting requirements

As noted, Perpetual publishes sustainability information and data, including in an annual Sustainability Report. Each report covers a set of metrics across scope 1, 2 and 3 emissions. Previously Perpetual only included a subset of emissions sources within its Sustainability Report compared to its CDP reporting. In FY23, as part of the full review of Perpetual's emissions inventory, Perpetual reviewed the inclusion of metrics within its Sustainability Report. These metrics have been included in reporting for the FY25 period.

Table 6 provides an overview of reported energy and emissions sources for each reporting framework.

Table 61: PERPETUAL ENERGY AND EMISSIONS SOURCES

Energy and emissions sources	Scope (as applicable)	Scope 3 category	Sustainability Report	Notes
Stationary fuels	Scope 1	n/a	✓	-
Diesel	Scope 1	n/a	✓	-
Refrigerants	Scope 1	n/a	✓	-
Purchased electricity (location-based approach)	Scope 2	n/a	✓	-
Purchased electricity (market-based approach)	Scope 2	n/a	✓	-
Purchased goods and services	Scope 3	Cat 1	✓	-
Capital goods	Scope 3	Cat 2	✓	-
Fuel and energy-related activities (location-based electricity)	Scope 3	Cat 3	✓	Includes scope 3 purchased electricity, BCP and base building electricity
Fuel and energy-related activities (market-based electricity)	Scope 3	Cat 3	✓	Includes scope 3 purchased electricity, BCP and base building electricity
Upstream transport and distribution	Scope 3	Cat 4	✓	Covers courier and freight expenditure
Waste	Scope 3	Cat 5	✓	*Paper waste metric included in Sustainability Report
Business travel	Scope 3	Cat 6	✓	Includes air travel and accommodation
Employee commuting	Scope 3	Cat 7	✓	-
Working from home	Scope 3	Cat 7	✓	-

3.0 Perpetual inventory items and methodology

This section describes the methodology for developing and preparing Perpetual's FY25 emissions reporting tool to support its sustainability reporting.

3.1 Overview

ERM Energetics methodology for preparing Perpetual's FY25 emissions inventory is summarised as follows:

1. Review FY24 category inclusion (boundaries), based on relevance test, and emissions calculation approach.
2. Document boundary (based on FY23) and any changes made.
3. Prepare RFI document and collect data.
4. Prepare FY25 emissions inventory including review of data, data processing and manipulation, development of assumptions where required and update of emissions factors.
5. Review outcomes including conducting variance checks.

Further details on each of these steps per category are outlined in the following. Unless otherwise stated, all emissions totals are for Perpetual's FY25 period consisting of emissions from the companies and facilities within Perpetual's operational control, as detailed in section 2.2.

3.2 Scope 1 and 2 emissions sources

Scope 1 emissions

Data overview

This category covers the direct GHG emissions from sources that are owned or controlled by Perpetual. For Perpetual, this includes:

- Refrigerant usage from commercial refrigeration units at Perpetual office locations (where applicable).
- Natural gas usage at St James's Market, London.
- Diesel usage for generators and yearly testing of these generators at Angel Place, Sydney.

Perpetual has confirmed that no fuel / gas is used for heating at its office locations outside of the UK.

Emissions calculation approach

Total emissions (tCO₂e) = \sum [fuel consumption by fuel type] x [fuel specific emission factor] + \sum [total refrigerant recharge by refrigerant type] x [refrigerant type GWP] + \sum [total refrigerant stock by refrigerant type] x [refrigerant leakage rate] x [refrigerant type GWP]*

*Note, the leakage rate method is only applied for a particular unit where recharge data is unavailable.

Scope 1 emissions factors for fuel and Global Warming Potential (GWP) factors for refrigerants were sourced from National Greenhouse Accounts (NGA) Factors 2024¹⁰.

Scope 2 emissions

Data overview

This category covers the GHG emissions from the generation of purchased electricity at sites under operational control by Perpetual. There are two methods for calculating emissions from purchased electricity: location-based and market-based methods. Both reporting approaches have been adopted for the purposes of estimating Perpetual's scope 2 emissions profile (i.e. dual reporting).

Emissions calculation approach

ERM Energetics calculated electricity-related emissions under a location-based and market-based approach.

For the location-based approach: total emissions (tCO₂e) = \sum [electricity consumption by location] x [location-based electricity emission factor]

Location-based emission factors have been sourced from country specific emission factor databases for overseas locations.

For the market-based approach: total emissions (tCO₂e) = \sum [electricity consumption in Australia] x [1 - Australia state-specific renewable power percentage] x [Australia electricity residual mix factor (RMF)] + \sum [electricity consumption in all other locations] x [location's electricity RMF]

Market-based emission factors have been sourced from country specific emission factor databases. Where a country specific RMF was unavailable, ERM Energetics sourced the latest renewable energy percentage available for the location and back calculated the RMF as per NGA Factors guidance¹¹: RMF = national location-based emissions factor/(1-RPP), where the RPP has been replaced by the actual renewable energy percentage as opposed to the target.

3.3 Scope 3 emissions sources

Category 1: Purchased Goods and Services Goods

Data overview

This category covers the upstream emissions associated with purchased goods and services, by Perpetual. Direct expenses data was provided for all business units with rolled-up category descriptions.

Review of category line items

Data was provided for all "direct expenses" as part of Perpetual's financial extracts. ERM Energetics undertook a review exercise for any expenditure items deemed not relevant to the category based on the below criteria:

- Where expenditure is captured as part of other GHG Protocol scope 3 categories, e.g. travel expenses under category 6.
- Where the expenditure item does not relate to a purchased good or service, e.g. tax expenses.

Emissions were then mapped to an emission factor category to calculate emissions.

¹⁰ Australian National Greenhouse Accounts Factors August 2024, DCCEEW, [Australian National Greenhouse Accounts Factors \(dcceew.gov.au\)](https://www.dcceew.gov.au/nga)

¹¹ Ibid.

Perpetual's review of relevance of specific emission sources was then applied to account for individual expenditure categories (based on Climate Active expenditure categories) as per the relevance test detailed in section 2.3. The results from the relevance test for individual line items are detailed in Table 8 below.

Table 82: RELEVANCE OF INDIVIDUAL EMISSIONS CATEGORY LINE ITEMS AS DEFINED BY PERPETUAL – BASED ON CLIMATE ACTIVE EMISSIONS CATEGORIES

Climate Active emissions category	Size	Risk	Stakeholders	Influence	Outsourcing	Relevance outcome
Business services – computer	Yes	Yes	Yes	No	Yes (for data centres)	Yes
Computer and electrical components, hardware and accessories	Yes	Yes	Yes	No	No	Yes
Computer and technical services	Yes	Yes	Yes	No	Yes	Yes
Telecommunications	Yes	No	Yes	No	No	Yes
Advertising services	Yes	No	No	No	No	No
Business services - other	Yes	No	No	No	No	No
Accounting services	No	No	No	No	No	No
Legal services	Yes	No	No	No	No	No
Surveying services	Yes	No	No	No	No	No
Entertainment	Yes	No	No	No	No	No
Confectionary	Yes	No	No	No	No	No
Printing and stationery	Yes	No	Yes	Yes	No	Yes
Building and facility maintenance and repair services	No	No	No	No	No	No
Electronic office equipment	No	No	Yes	Yes	No	Yes
Newspapers, journals and periodicals	Yes	No	No	No	No	No
Sanitary and garbage disposal	No	No	Yes	Yes	No	Yes
Insurance	Yes	No	No	No	No	No

In FY25, given Perpetual's withdrawal from the Climate Active Program, the emissions categories and factors adopted by Climate Active were not able to be applied. The relevance test however has still been utilised, and each Climate Active emissions category has been mapped to an equivalent emissions category from the updated emission factor database that has been used to estimate emissions – EXIOBASE - as outlined in Table 9Error! Reference source not found. below.

Table 93: CLIMATE ACTIVE EMISSIONS CATEGORY MAPPED AGAINST EXIOBASE EMISSIONS CATEGORY FOR CATEGORY 1

Climate Active emissions category	EXIOBASE emissions category
Business services – computer	Computer and related activities
Computer and electrical components, hardware and accessories	Manufacture of office machinery and computers
Computer and technical services	Computer and related activities
Telecommunications	Post and telecommunications
Advertising services	Other service activities
Business services - other	Other service activities

Accounting services	Activities auxiliary to financial intermediation
Legal services	Other service activities
Surveying services	Other service activities
Entertainment	Other business activities
Confectionary	Processing of Food products nec
Printing and stationery	Publishing, printing and reproduction of recorded media
Building and facility maintenance and repair services	Real estate activities
Electronic office equipment	Manufacture of office machinery and computers
Newspapers, journals and periodicals	Publishing, printing and reproduction of recorded media
Sanitary and garbage disposal	Other service activities ¹²
Insurance	Activities auxiliary to financial intermediation

Data was provided for 12 months of actual data.

Emissions calculation approach

Total emissions (tCO₂e) = $\sum [(Purchased\ good\ or\ service\ spend\ item)] \times [spend-based\ emissions\ factors\ (for\ specific\ activity\ data)]$

Emissions have been calculated by applying input-output (I/O) emission factors to expenditure data. Spend data was mapped to emission factors, based on Climate Active categorisations from FY24. These categorisations were then mapped to an equivalent EXIOBASE environmentally extended input-output (EEIO) factor. New line items were reviewed and mapped based on expenditure details provided.

Country-specific emissions factors have been used. As noted above, these emission factors are EXIOBASE EEIO factors sourced by ERM Energetics via SimaPro¹³ and adjusted for currency and inflation.

Category 2: Capital goods

Data overview

This category covers the upstream emissions associated with purchased capital goods by Perpetual. Capital expenditure data was provided for all business units with the following two category descriptions:

- PPE: furniture, fixtures and fittings, leasehold improvements, right-of-use (ROU) assets (leased premises)
- SWR: software.

Emissions calculation approach

Total emissions (tCO₂e) = $\sum [(Capital\ good\ spend\ item)] \times [spend-based\ emissions\ factors\ (for\ specific\ activity\ data)]$

Emissions have been calculated by applying input-output (I/O) emission factors to expenditure data. Spend data was mapped to emission factors, based on Climate Active categorisations from FY24. These categorisations were then mapped to an equivalent EXIOBASE factor. New line items were reviewed and mapped based on expenditure details provided.

Country-specific emissions factors have been used. As noted above, these emission factors are EXIOBASE EEIO factors sourced by ERM Energetics via SimaPro¹⁴ and adjusted for currency and inflation.

Category 3: Fuel- and Energy-Related Activities

Data overview

¹² Assumed to be the service component. Emissions associated from waste itself is captured in category 5.

¹³ EXIOBASE v3.3.16b1 in SimaPro-compatible format.

¹⁴ EXIOBASE v3.3.16b1 in SimaPro-compatible format.

This category covers emissions from the following emissions sources:

- Extraction, production, and transportation of purchased fuel and electricity consumed by Perpetual at the facilities Perpetual has operational control over (noted as scope 3 purchased fuel and electricity hereon in)
- Perpetual's share of base building electricity consumption e.g., electricity used for heating and cooling of share spaces, electricity used for operation of lifts (noted as base building electricity hereon)
- Consumption of electricity by Perpetual's business continuity partners (BCP) - BCP electricity consumption is associated with the operation of computers, data centre racks and air conditioning (noted as BCP electricity hereon in).

Emissions calculation approach

ERM Energetics calculated emissions under a location-based and market-based approach for electricity consumption.

For the location-based approach: total emissions (tCO₂e) = Σ [electricity/fuel consumption by fuel type] x [upstream location-based electricity/fuel emission factor] + Σ [base building and BCP electricity consumption] x [location-based full fuel cycle emission factor]

Scope 3 location-based emission factors have been sourced from country specific emission factor databases in. Where a scope 3 country-specific factor was unavailable, a state-specific Australia proxy was selected based on similarity of the scope 2 emissions factor.

Refer to scope 1 and 2 emissions sources for scope 1 and 2 emission factors which were applied to determine the full fuel cycle factor.

For the market-based approach: total emissions (tCO₂e) = Σ [electricity consumption in Australia] x [1 - Australia state-specific renewable power percentage (RPP)] x [electricity residual mix factor (RMF)] + Σ [electricity consumption in all other locations] x [electricity residual mix factor (RMF)]

A scope 3 market-based RMF was only available in Australia (i.e. no international scope 3 RMFs available). As such, the Australian scope 3 RMF has been applied. Given the representation of the electricity mix across different states and that the Australia scope 3 RMF is higher than all state specific location-based scope 3 factors except for Queensland, ERM Energetics believes this is a conservative approach.

Category 4: Upstream Transportation and Distribution

Data overview

This category covers the upstream emissions associated with downstream transport and distribution. The activity data provided covered expenditure amount for postage and couriers.

Spend-based data was provided for 12 months of actual data.

Emissions calculation approach

Total emissions (tCO₂e) = Σ [spend per courier type] x [spend-based emission factor]

Country-specific EEIO factors have been used. These emission factors are EXIOBASE factors sourced by ERM Energetics via SimaPro¹⁵ and adjusted for inflation.

Category 5: Waste generated in operations

Data overview

This category covers scope 1 and scope 2 emissions of waste management suppliers that occur during the disposal and treatment of waste generated by Perpetual's operations. The activity data captures the emissions from waste to landfill, organics and wastewater. All organics were assumed to go to composting based on Topsoil Organics Capability Statement provided in FY23 and confirmed with Perpetual as applicable for FY25 with this assumption applied across all facilities.

Emissions calculation approach

¹⁵ EXIOBASE v3.3.16b1 in SimaPro-compatible format.

Total emissions (tCO₂e) = Σ [total mass of waste type per end-of-life fate] x [end-of-life fate emission factor] + Σ [total water usage] x [wastewater emission factor]

Emission factors were sourced from the NGA Factors 2024¹⁶.

Category 6: Business travel

Data overview

This category covers emissions associated with business travel from Perpetual's employees in FY25, namely air travel and accommodation.

Emissions calculation approach

For air travel: total emissions (tCO₂e) = Σ [distance travelled by transport mode and class] x [emission factor]

For accommodation: total emissions (tCO₂e) = Σ [nights spent per room per location] x [emission factor based on location]

Emission factors were sourced from the sources below:

- Air travel and accommodation emissions factors were sourced from DESNZ, Greenhouse gas reporting: conversion factors 2025.¹⁷

Category 7: Employee Commuting

Data overview

This category covers all employee commuting to and from work using FTE data and employee survey responses, as well as emissions from working from home (WFH).

Emissions calculation approach

Total emissions (tCO₂e) = Σ ([total commuting distance for all FTE by mode of transport per year] x [mode of transport emission factor]) + [WFH emissions]

For employee commuting, commuting patterns and average commuting distances were derived from outputs of employee survey responses.

For modes of transport the following modes were included in emissions calculations: bicycle/scooter, bus, driver/passenger in electric car, drive/passenger in petrol/diesel car, ferry, train, tram and walking.

Emission factors per transport mode were sourced from DESNZ Greenhouse gas reporting: conversion factors 2025¹⁸.

For WFH:

- Emission factors for UK FTE per FTE working hour were sourced from DESNZ Greenhouse gas reporting: conversion factors 2025¹⁹.
- For all other locations, the total FTE WFH for each month was input into ERM Energetics' proprietary WFH calculator to estimate associated emissions. This determines estimated consumption from heating, cooling, electronics use during the working period based on average household sizes and usage patterns at a state level. Emission factors for consumption of fuel and electricity were sourced from National Greenhouse Accounts (NGA)

¹⁶ Australian National Greenhouse Accounts Factors August 2024, DCCEEW, [Australian National Greenhouse Accounts Factors \(dceew.gov.au\)](https://dceew.gov.au)

¹⁷ Greenhouse gas reporting: conversion factors 2024, Department for Energy Security and Net Zero [Greenhouse gas reporting: conversion factors 2025 - GOV.UK](https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024)

¹⁸ Greenhouse gas reporting: conversion factors 2024, Department for Energy Security and Net Zero [Greenhouse gas reporting: conversion factors 2025 - GOV.UK](https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024)

¹⁹ Ibid.

Factors 2024²⁰. International employees WFH were mapped to Victoria WFH emissions estimates as a conservative approach given it is the state with highest emissions per FTE WFH.

All other scope 3 categories

Categories 8 – 15 were deemed as not relevant to Perpetual.

3.5 Sign-off

Sign-off

For all data sets, the data provided should be sense-checked internally by each relevant data owner and then by Perpetual's Sustainability Team. Final emissions calculations and any key assumptions for each category should be reviewed and signed-off by relevant parties as identified by Perpetual.

²⁰ Australian National Greenhouse Accounts Factors August 2024, DCCEEW, [Australian National Greenhouse Accounts Factors \(dcceew.gov.au\)](https://www.dcceew.gov.au)

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