

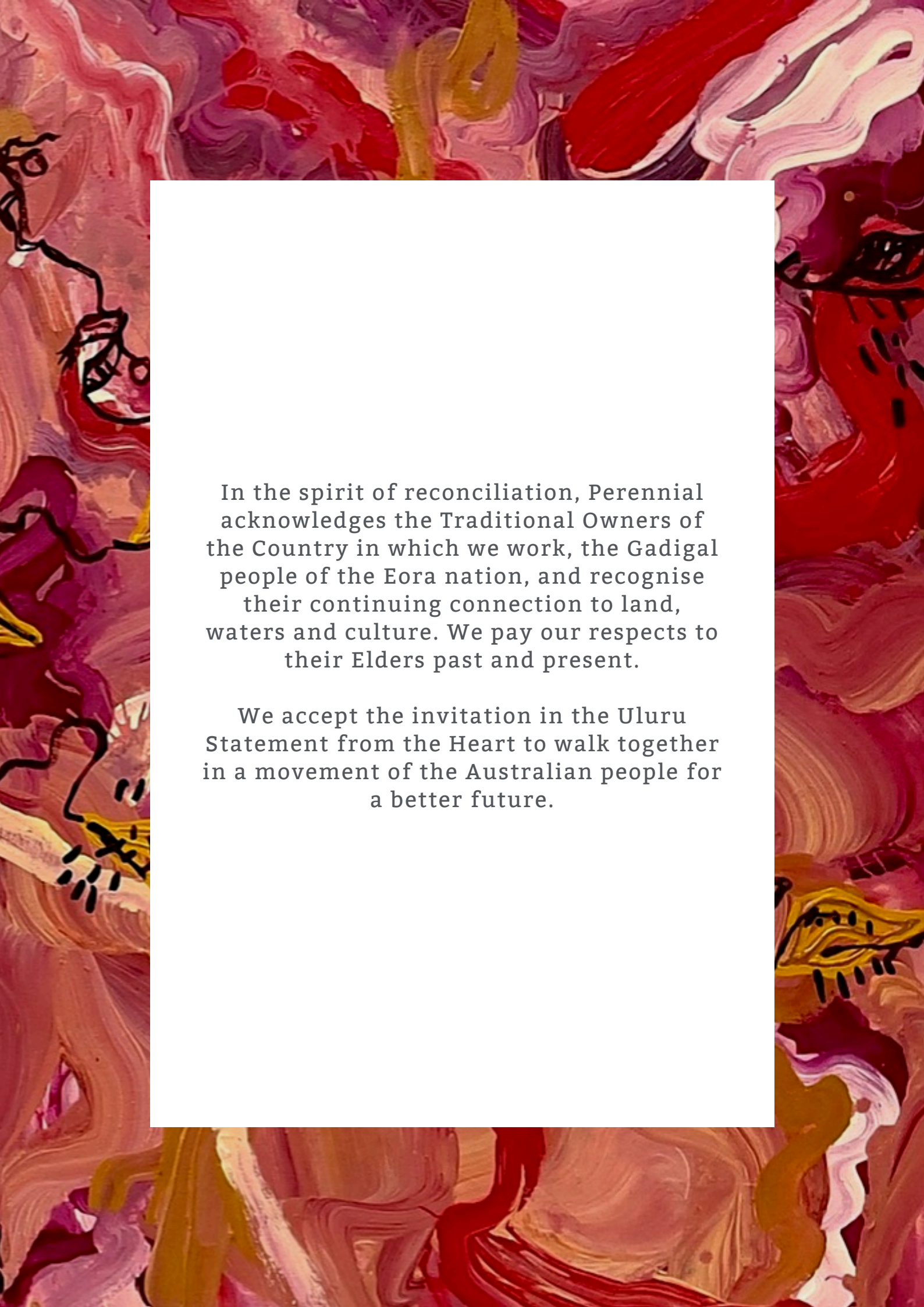
Perennial Partners

ESG & ENGAGEMENT REPORT FY25

1 July 2024 - 30 June 2025

Released December 2025

WWW.PERENNIAL.NET.AU



In the spirit of reconciliation, Perennial acknowledges the Traditional Owners of the Country in which we work, the Gadigal people of the Eora nation, and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past and present.

We accept the invitation in the Uluru Statement from the Heart to walk together in a movement of the Australian people for a better future.



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Welcome

Established in 2000, Perennial is an Australian fund manager managing approximately A$8.3 billion* on behalf of institutional and retail clients. Perennial Partners is a house of specialist investment teams. We partner with outstanding investment people pursuing great investment outcomes in segments where active management can add meaningful value. Our boutiques included in this report are Perennial Better Future, Perennial Private Investments, Perennial Smaller Companies, Perennial Value and Fututre of Healthcare Fund.

This is Perennial's fourth annual ESG and Engagement Report. This report aims to provide insight into the firm's integration of ESG at both a corporate and investment level, in addition to our ESG engagement efforts with companies in our investible universe for the FY25 financial year period.

Perennial believes that environmental, social and governance (ESG) issues can impact the performance of companies. Therefore, ESG & sustainability performance can influence the returns generated by our investment portfolios. We are dedicated to integrating ESG & sustainability into our investment decisions and improving our corporate ESG & sustainability.

During the year we were pleased to onboard the Future of Healthcare Fund onto the Perennial Responsible Investment Policy and welcomed the Melior Fund at Perennial Partners.

Whilst globally, there has been some political push back on sustainability in general, little has changed in terms of drivers, appetite for sustainability and regulation continues to increase globally. Perennial, along with its clients, value the additional investment insight sustainability analysis can provide, and seek to integrate it into the investment process where it represents a material financial driver. You will read about examples of this throughout the report.

*as at 30 June 2025



Responsible Investment

Perennial was recognised as a Responsible Investment Leader by the Responsible Investment Association Australasia (RIAA) in 2024 for the fifth consecutive year.

The Perennial Better Future Trust and the Perennial Better Future Active ETF (ASX:IMPQ) were designated "Sustainable Plus", the highest classification under the new RIAA Sustainability Classification Initiative.

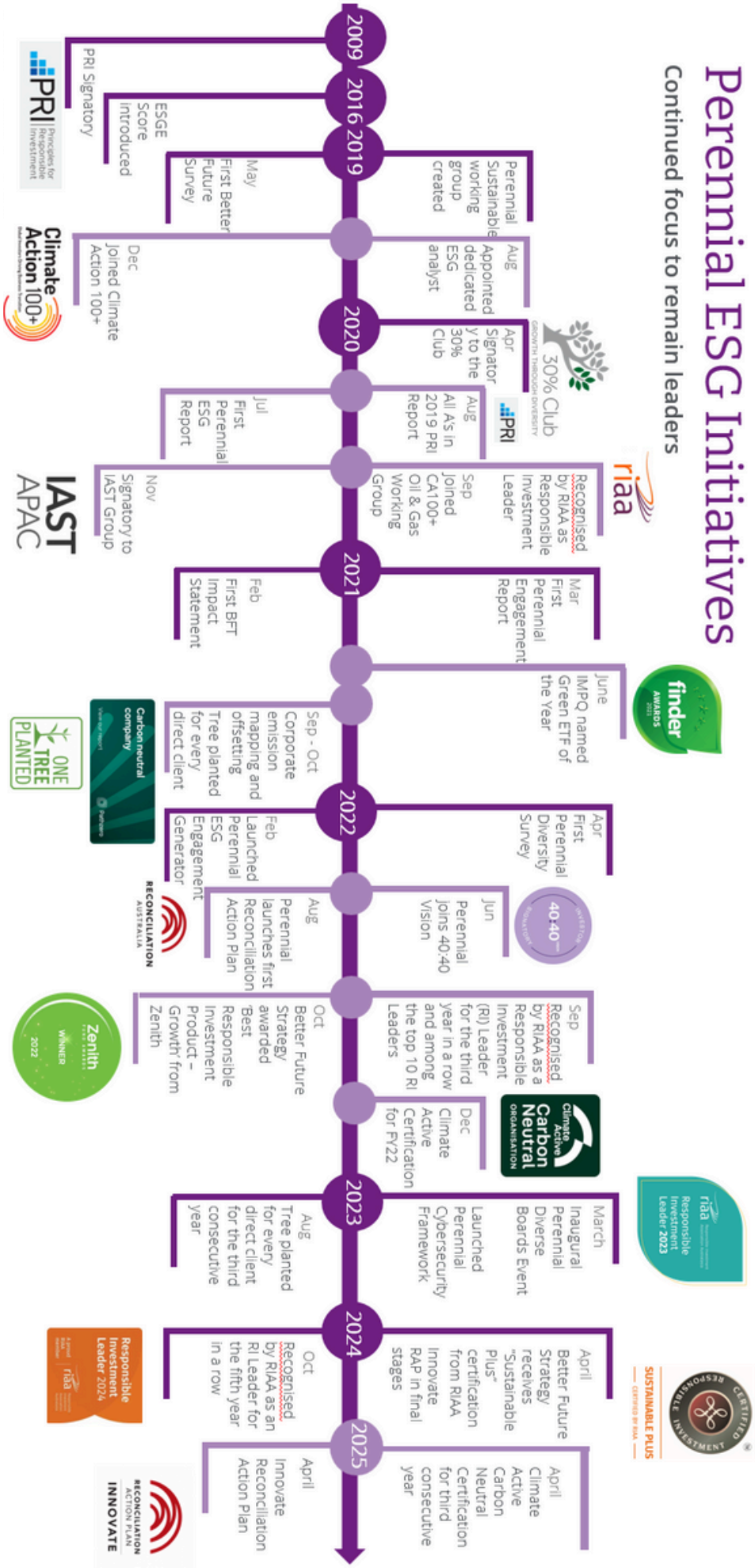
Perennial achieved Climate Active Certification for the third time; an Australian government-backed program to certify carbon-neutral claims. We are in the process of achieving Climate Active certification again for FY25.

Perennial Partners has been a signatory of the UNPRI since 2009 and continues to score above the median in Policy, Governance, Strategy, Direct Equities and Confidence Building Measures.

Perennial's Innovate Reconciliation Action Plan has been endorsed by Reconciliation Australia in 2025.

UN PRI Signatory

Perennial has been a signatory to the United Nations Principles of Responsible Investment (UN PRI) since 2009. As a signatory, we agree to comply with the six principles of Responsible Investment. Read our transparency report here.



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ESG Investment Process

PERENNIAL'S 4 PILLARS OF ESG INTEGRATION

Our approach to integrating ESG in the investment process is based on four pillars.

1. ESG&E Score

The ESG&E Score is a proprietary scoring system established and run in-house by the Perennial sustainability team with input and insight from the sector analysts. Each company is given a score for Environment, Social and Governance performance, as well as a score for company Engagement. Each portfolio must have an ESG&E score above the weighted average benchmark score.

2. Stewardship

Engagement with companies to discuss material ESG issues, risks and opportunities.

As responsible stewards of capital, we use our voting discretion in the best interests for our clients.

3. Exclusions / Negative Screens

Portfolios that fall under Perennial's Responsible Investing Policy have exclusions as outlined within the policy, found here.

4. Portfolio Management

The company's ESG performance and characteristics are one of the considerations in portfolio construction. Stocks with ESG&E related concerns are either unlikely to be held or have a lower weight in the portfolio relative to other stocks with similar characteristics.

Engagement at Perennial

We consider it our responsibility as investment managers to engage with portfolio companies on behalf of our clients to understand ESG & sustainability issues. This helps to drive positive change that will ultimately improve corporate performance.

Understanding a corporate's material ESG drivers through engagement aids our investment decision-making, enabling us to identify ESG risks and opportunities in the business and improve business outcomes by sharing ESG ideas and best practice approaches in sustainability.

We actively engage with portfolio companies on pertinent ESG issues to improve sustainability practices within the business on topics such as climate change, gender diversity and modern slavery. Typically, our engagements with companies are on a one-on-one basis, however, we also enact change through collaborating with like-minded investors as a member of several asset owner and asset manager collaborative engagement groups.

Our active engagement with companies on ESG issues allows us to:

- Identify ESG-related risks and opportunities;
- Address ESG-related controversies;
- Assess the authenticity of a company's approach to sustainability; and
- Help improve business outcomes by sharing ESG ideas and industry best practices.

As part of our strategy, Perennial participated in several industry initiatives with the purpose to learn from other investors, continue our responsible investment approach and strengthen our ESG credentials which includes being an active member of several collaborative engagement groups, including Climate Action 100+, 40:40 Vision and IAST APAC.

Perennial's Responsible Investment Policy includes an engagement priority guideline. We prioritise engagement based on the following factors: the materiality of the engagement to the investee company, the impact on the overall portfolio, if it is one of the key areas of ESG & sustainability we have decided to focus on, for example, climate change, biodiversity, human rights & modern slavery, cybersecurity and gender diversity.



Engagement in FY25

In FY25, Perennial portfolio managers and investment analysts undertook over 1,760 company and industry meetings. We encourage our analysts to engage on ESG topics in all meetings with management.

We undertook 112 ESG engagement meetings across 95 companies dedicated to discussing environmental, social and governance issues.

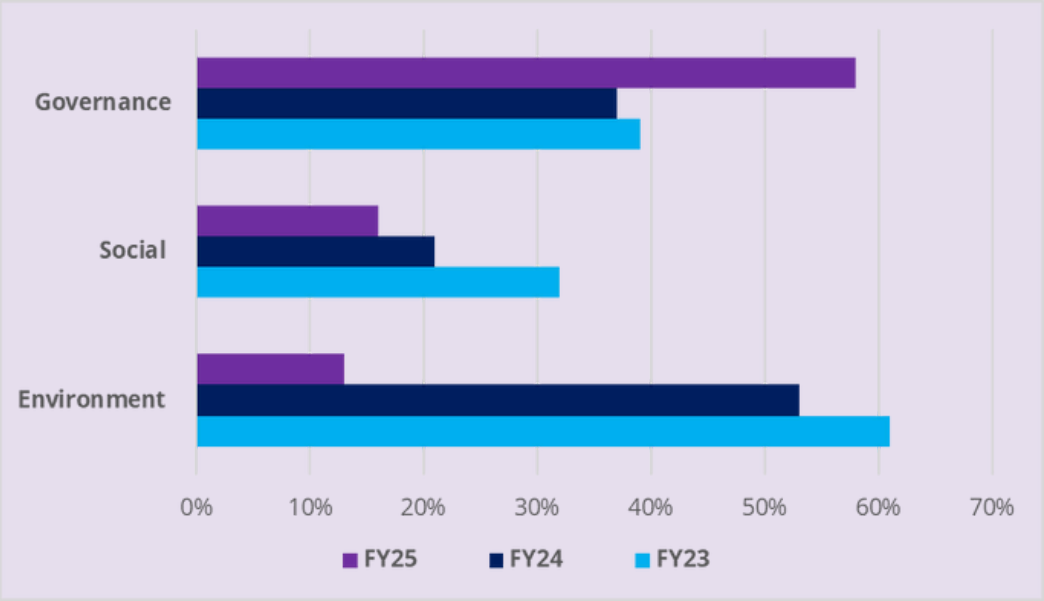
In FY25, governance issues were discussed in 58% of meetings, compared to 16% for social and 13% for environmental issues.

Governance conversations related to issues including gender diversity, remuneration structures, cyber security and data privacy management, reporting standards and changing regulations.

Environmental discussions centred around GHG emissions and reduction targets, Scope 3 emissions, mandatory climate disclosures, the safeguard mechanism, renewable energy, nature and biodiversity, water management, CCS, biodiversity, material use and animal welfare.

Common social issues discussed included gender diversity, supply chain risks, employee management & wellbeing given the various corporate changes and challenging operating environment.

Governance issues were raised the most in company meetings where ESG topics were discussed, followed by environmental and social.



Perennial FY25 company meetings where ESG topics were discussed.

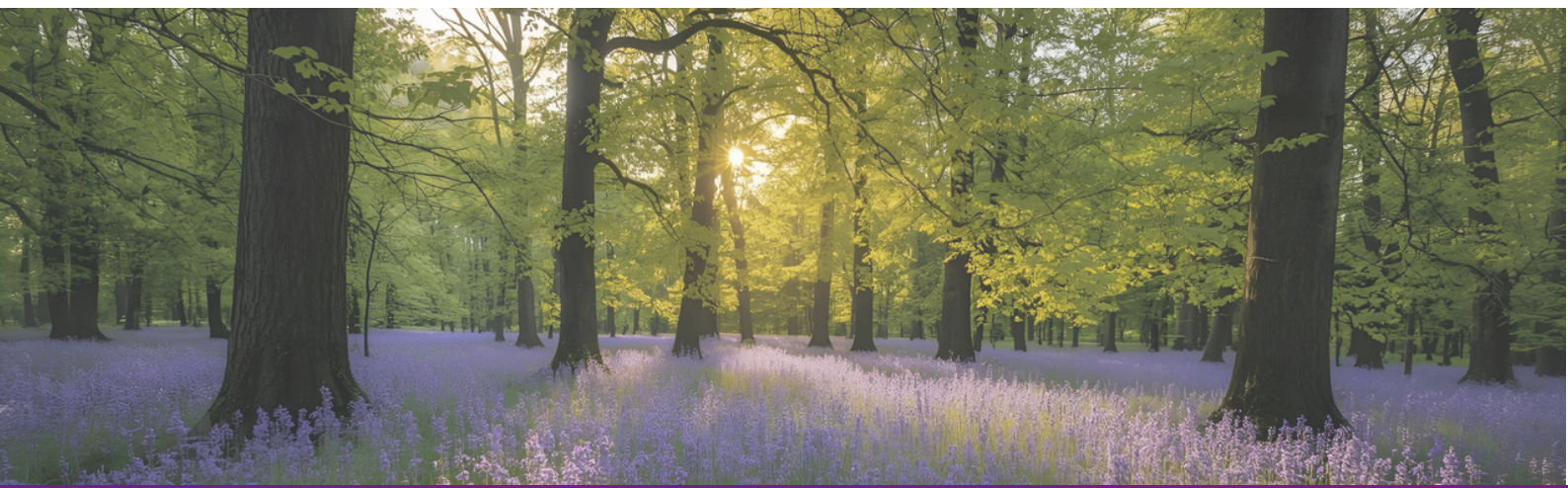
ESG Engagement Outcomes

In FY25, we had positive ESG outcomes on 23 occassions. These include in relation to female director appointments, GHG emission reporting, ESG disclosures, remuneration structure, board composition and improved executive gender diversity.

Examples of engagement outcomes

Following engagement on ESG topics, several positive outcomes were achieved in FY25, including:

- Appointment of a female Non-Executive Director, including Genetic Signatures (GSS), AUB Group (AUB), Janison Education (JAN), Telix Pharmaceuticals (TLX), IAG Group (IAG), IDP Education (IEL), Gentrack (GTK), IPH Limited (IPH).
- Improved scope, progress towards or first public disclosures of greenhouse gas emissions, including at Netwealth (NWL) and Immutep (IMM).
- Improved reporting or new ESG strategy across a number of companies, including at Arena (ARF).
- Improved reporting on gender pay gap, including AUB Group (AUB), IPH Limited (IPH).
- Companies joining the 40:40 Vision, including at Australian Ethical (AEF) and Calix (CXL).
- Introduction of 40:40:20 targets, including at Netwealth (NWL).



Proxy Voting

Perennial's Responsible Investing Policy publishes our voting principles to guide our voting decisions.

Perennial typically prefers companies to have:

- Adequate disclosures to allow shareholders to assess the company;
- A board with the appropriate mix of skills for the direction of the company;
- Diversity of gender and other forms of diversity:
    - We typically expect companies to have at least 30% representation of female directors on the board and to strive for 40% representation under the 40:40:20 principle;
- Majority independent board;
- An independent chairperson;
- An independent chair of the audit committee with an appropriate financial/accounting background. The audit committee should also be majority independent;
- Board members who are not overcommitted and able to fulfil the duty of their role adequately;
- A say-on-pay vote annually to shareholders;
- Executive remuneration with the appropriate mix of base salary and at-risk remuneration, appropriate mix of short and long-term incentives including appropriate mix of financial and non-financial metrics with clawbacks and malus provisions;
- No "poison pill" or other anti-takeover provisions;
- Made appropriate progress towards climate related initiatives and greenhouse gas reduction commitments

Other considerations when applying voting principles:

- In some instances, flexibility on the voting principles referred to above may be provided for companies if:
    - Management has indicated that it intends to address the issue in the coming year or period and there are reasonable grounds to expect that it will do so;
    - The directors and associates have a majority interest in the company;
    - The company is recently listed or is a small company that requires time to develop procedures aligned with Perennial Voting Principles.



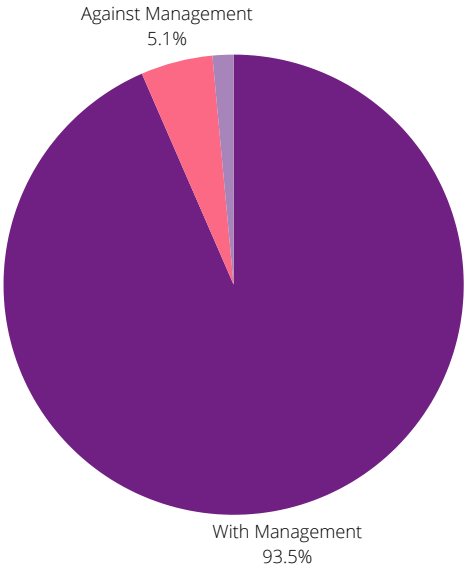
FY25 Proxy Voting Record

We publish our semi-annual voting record on the Perennial "ESG & Sustainability" webpage. In FY25, Perennial voted on 5098 proposals across 263 listed companies.

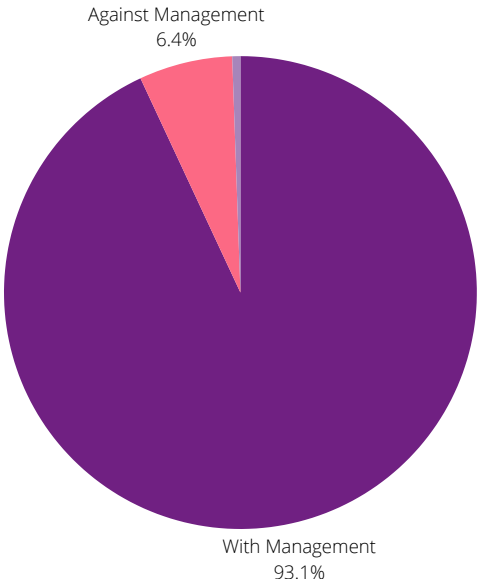
Perennial voted against management recommendations on 323 occasions across 51 companies. This represented ~6% of resolutions. The most common topic we voted against management was board governance, followed by compensation.

Perennial FY25 Vote Decisions

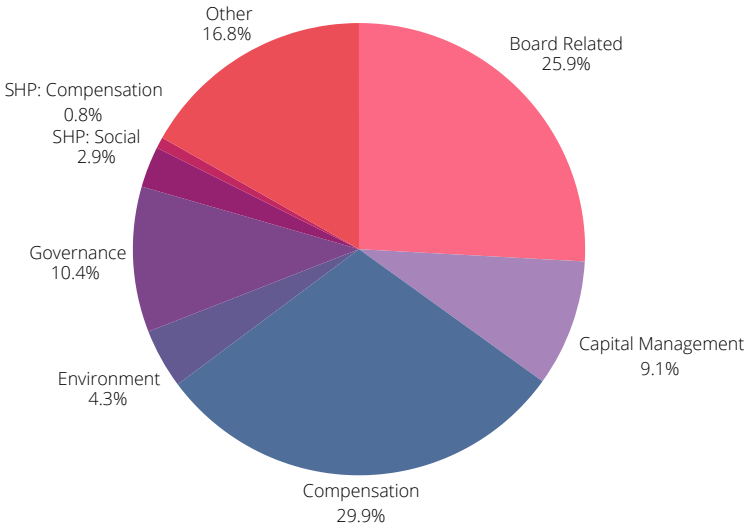
Total Proposals



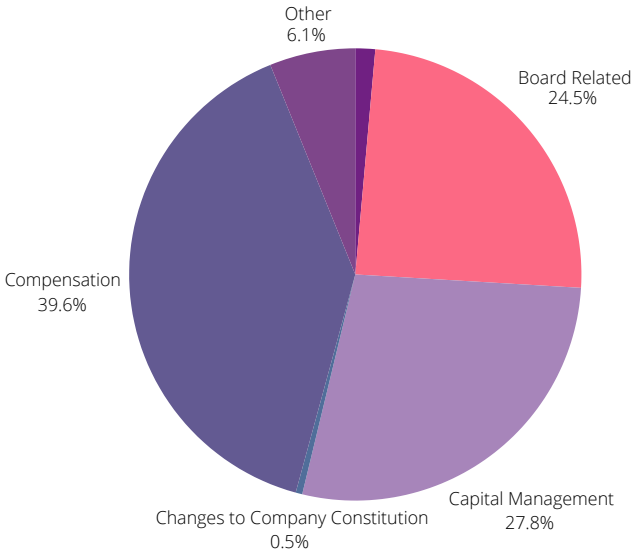
Management Proposal



Key Topics when Voting Against FY25 Proposals



Key Topics when Voting Against Management Recommendations



Note: We abstained on occasions regarding ratifying the placement of securities given we are not able to vote if we have participated in the placement. Number of FY25 proposals increased relative to FY24 proposals due to change in methodology, whereby Perennial now reports each individual funds vote rather than collaborative. "Other" may include abstain from voting, or not voted. Source: Perennial FY25 voting record.

ESG Focus Areas

CLIMATE RISK MANAGEMENT AND EMISSIONS DISCLOSURE

Perennial has consistently engagied with companies to improve their GHG emissions reporting and disclosure, as well as their management of climate related risks and opportunities. As this landscape has evolved, so to has Perennial's engagement with portfolio companies. In FY25, the focus shifted from ISSB disclosures toward engaging with companies on regulatory preparedness for alignment with upcoming mandatory climate related disclosures, specifically alignment with the Australian Accounting Standards Board S2 requirements.

We have engaged with many of our portfolio companies on ESG materiality disclosures and GHG emissions reporting over the years. With the introduction of GHG emission regulation, this requires governance uplift, resourcing preparedness and cost, for which we are engaging with companies early to encourage a smooth transition to regulatory preparedness.

Over the FY25 period, we engaged with Immutep, Telix, Neuren, Alpha HPA, 4D Medical and Genetic Signatures on emissions disclosure. During the year Netwealth and Immutep each started disclosing Scope 1 and 2 greenhouse gas emissions following engagement, Telix Pharmaceuticals is well progressed on measuring its emissions as a prelude to disclosing emissions and Arena REIT adopted an Emissions Reduction Plan in relation to their financed emissions.



ESG Focus Areas

40:40 VISION

Perennial has been a member of the 40:40 Vision since 2022. The 40:40 Vision is an investor-led initiative that strives for gender parity on executive leadership teams by 2030.

We are lead investor for additional companies and have previously written to companies to encourage them to sign onto the Vision as we believe that targets are an effective strategy to achieve gender balanced leadership. We initiated calls with numerous of the companies to discuss the vision in more detail.

As a signatory, companies are required to target 40% women, 40% men and 20% of either gender on the executive by 2030 and declare medium and long-term targets (e.g. continue to retain gender parity until 2030 since the ELT is already 50% female). Company signatories are also required to make their plans public to employees and investors and report annually on how they are tracking against targets.

In FY25, a number of our portfolio companies signed on to the 40:40 Vision or adopted 40:40:20 aligned targets. For example, Australian Ethical and Calix joined the 40:40 Vision, while Netwealth adopted 40:40:20 targets for the board and executive team by FY26.

During the year, we had a number of portfolio companies appointing Non-Executive Directors to the board, in many cases following engagement on the importance of gender diversity. The following companies have elected new directors in 2024: AUB Group, Alpha HPA, Bendigo Bank, Genetic Signatures, HUB24, Impedimed, Netwealth, Spark New Zealand.



ESG Focus Areas

MODERN SLAVERY AND ETHICAL SUPPLY CHAIN

Perennial is committed to ensuring corporates take necessary action to combat supply chain and modern slavery risks given that almost 50 million people are living in modern slavery.

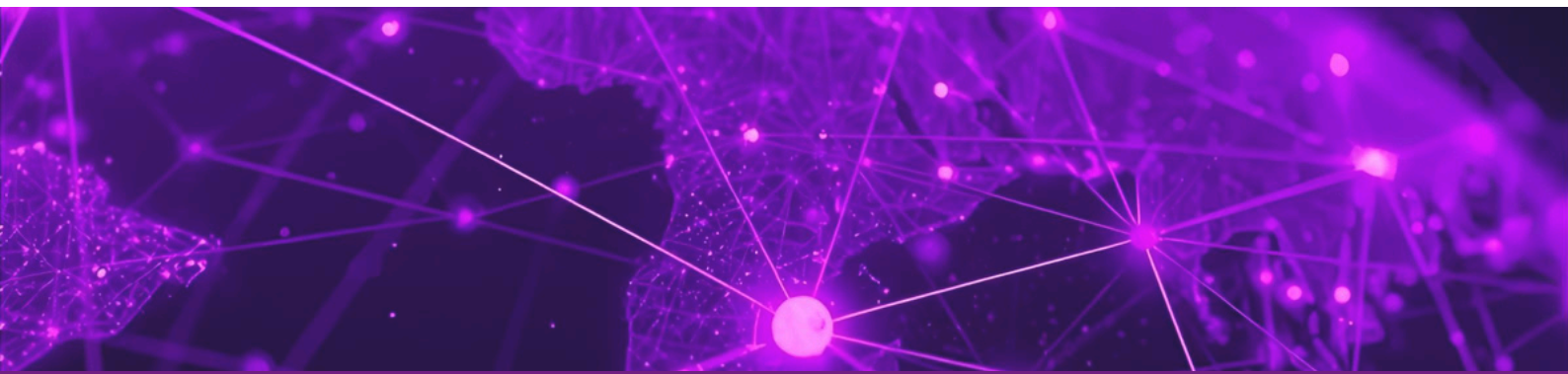
Companies exposed to modern slavery risks face compliance, brand and reputational risk, and potential financial liability. More than ever, global markets and regulatory bodies are paying attention to supply chain and modern slavery issues.

The Commonwealth Modern Slavery Act 2018 requires organisations with a consolidated revenue above A$100m to report on the risks of modern slavery in their operations and supply chains and the initiatives they are undertaking to address such risks. As investors, we expect companies to adhere to the reporting obligations and provide transparent disclosure to shareholders surrounding their supply chain processes.

As a signatory of Investors Against Slavery and Trafficking Asia Pacific (IAST APAC), alongside a group of investors, Perennial engages with companies to promote effective action in finding, fixing and preventing modern slavery in operations and supply chains. We sit on the Woolworths (ASX: WOW) working group.

For WOW's 2025 Modern Slavery Statement, the working group met with the company to discuss supply chain structure, supply chain transparency, risk assessments, remediation and shared responsibility.

IAST APAC



ESG Focus Areas

REMUNERATION

During AGM season, we discussed remuneration with numerous companies, and at times, voted against the remuneration report where we were not satisfied with the approach undertaken by management. We prefer companies to bring a say-on-pay vote annually to shareholders and implement executive remuneration with the appropriate mix of base salary and at-risk remuneration, appropriate mix of short and long-term incentives including appropriate mix of financial and non-financial metrics with clawbacks and malus provisions.

For example, during the year we engaged with 4D Medical and Impedimed in relation to the structure of their incentive plans and with IDP Education in relation to the Service Rights that they had granted to the new Managing Director without performance hurdles attached. In each case we voted against the relevant resolutions at the Annual General Meeting.

GENDER PAY GAP

in late 2024, Perennial ran an engagement initiative contacting companies regarding outcomes from WGEA gender pay gap data. Following these engagements, a number of our portfolio companies have started reporting implementing measures to address gender pay equity, published targets or statements. For example, AUB Group has since started reporting on measures implemented to address the gender pay gap, and IPH has also since produced a gender pay gap statement and adopted 40:40:20 targets for the board.



ESG Focus Areas

POLICY ADVOCACY

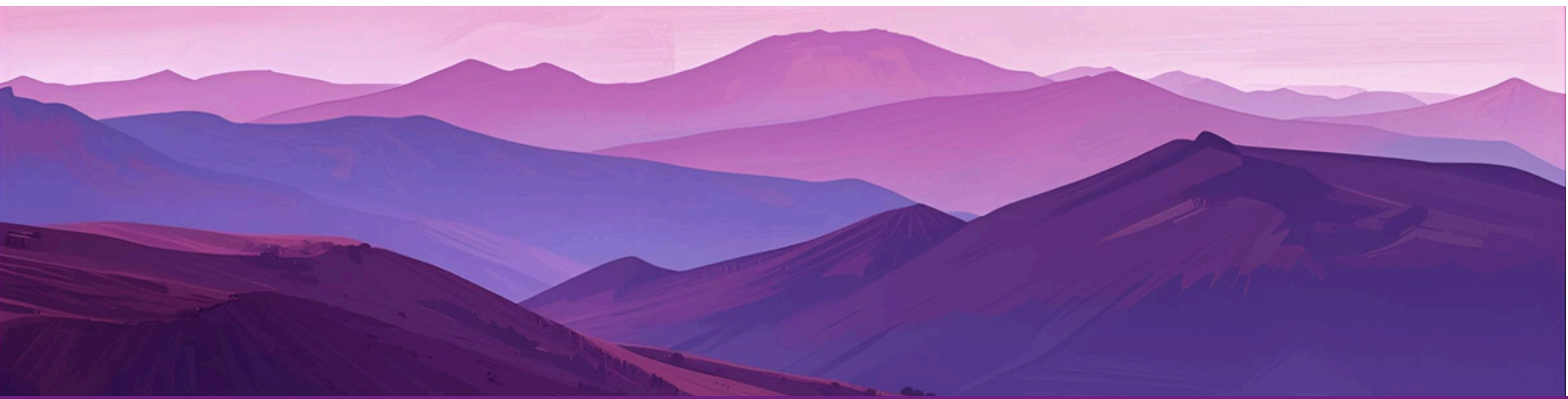
AUSTRALIAN GOVERNMENT NATIONALLY DETERMINED CONTRIBUTIONS

During the year Perennial co-signed an investor letter together with CA100+ and IGCC to advocate for a 1.5 degree 2035 NDC for Australia. This is a key enabler for policy certainty to allow for an orderly transition. The challenges from delayed actions to reduce greenhouse gas emissions include the risk of cost escalation, stranded assets, and reduced flexibility in future response options in the medium to long term.

In September 2025 the Australian Government updated their Nationally Determined Contributions, committing to a 62-70% emissions reduction below 2005 levels by 2035, building on its previous 2030 target.

UNITED NATIONS PRINCIPLES FOR RESPOSNIBLE INVESTMENT

The Principles for Responsible Investment is a United Nations supported international network of financial institutions working together to implement its six aspirational principles, referred to as “the Principles”. Perennial Partners performed well in it’s 2024 United Nations Principles for Responsible Investment Assessment. Please find our public transparency report available here.



Fund Engagement Highlights

PERENNIAL BETTER FUTURE

"We continue to have productive discussions and good engagement with companies on ESG and sustainability. Importantly, companies typically remain committed to improving outcomes despite noise from the US ."

Damian Cottier
Portfolio Manager of the Better Future Strategy

Telix (ASX: TLX)

We have been engaging for some time with Telix on various ESG issues. Telix is a biopharmaceutical company focused on development of therapeutic and diagnostic radiopharmaceuticals for oncology. Our engagement commenced in 2021 and topics have included board gender diversity and GHG emissions disclosure. Since the commencement of our engagement three female directors have been appointed to the board and the company now has a female Chair. Most recently, Marie McDonald was appointed as a director in February 2025, with significant industry relevant experience and Tiffany Olson was appointed as Chair.

	ESG&E Score	Carbon Intensity
Perennial Better Future Trust	7.3	12.5
S&P/ASX Small Ordinaries	5.7	116.1
Premium/(Discount)	+27.7%	-89.2%

As at 30 June 2025, using Perennial data, estimates made where GHG disclosures not available.

Fund Engagement Highlights

PERENNIAL SMALLER COMPANIES

This year we've been increasingly reminded how crucial the importance of good governance is to improving outcomes and supporting long-term success of companies. It all starts with the strength of the board.

Andrew Smith
Portfolio Manager and Head of Smaller Companies and Microcaps

SciDev (ASX:SDV)

After moving to consistent profitability and cashflow SciDev now has the platform to consider acquisitive growth. To manage the risks that come with this the Perennial team recommended strengthening of the board with the addition of Johannes Risseeuw who was formerly Chair of Damstra and had strong experience in M&A. Perennial also supported the elevation of Mike Utsler to the chair role bringing deep experience in the energy sector which is a largest end market for SciDev.

	ESG&E Score
Perennial Value Smaller Companies Trust	6.3
S&P/ASX Small Ordinaries	5.7
Premium/(Discount)	+9.0%

As at 30 June 2025

Fund Engagement Highlights

PERENNIAL VALUE AUSTRALIAN SHARES TRUST

Environmental and social issues have come to the fore in recent years, driven by the need for urgent action around climate change as well as an increased focus on companies' social contracts or licences to operate. However, several recent corporate scandals have reminded the market of the ongoing importance of high governance standards. Further, a number of contentious mergers and takeovers have highlighted potential weaknesses in shareholder protections regarding the issue of scrip in corporate transactions. We believe that this is an issue which warrants attention and which we will be raising with companies and Boards going forward.

Stephen Bruce, Director of Portfolio Management

Bluscope Steel (ASX: BSL)

The team has engaged with Bluescope Steel on regular occasions regarding emissions reduction targets for 2030 and 2050, the need for decarbonisation and the reality of the technological constraints in decarbonizing iron and steel manufacturing. Bluescope has made some good progress in achieving a 12% reduction in emissions intensity against a FY18 baseline, primarily driven by the ramp up of North Star expansion in producing lower emission steel. Bluescope's Neosmelt Joint Venture is developing a direct reduced iron electric smelter furnace pilot plant to produce lower emissions steel from Pilbara iron ore. Glenbrook in New Zealand will also contribute further to emission reductions. However, many discussions recently focus on how the company will comply with the Safeguard Mechanism, which will require significant technological advancements, and renewables combined with firming generation and competitively priced natural gas and hydrogen in order to meet these targets. The transition challenges faced by Bluescope highlight the economic and security issues around Australia's critical industrial capacity going forward.

	ESG&E Score
Perennial Value Australian Shares Trust	7.0
S&P/ASX 300	7.0
Premium/(Discount)	+0.2%

As at 30 June 2025

Strengthening Perennial's Boutique Offering

ONBOARDING OF THE FUTURE OF HEALTHCARE FUND AND MELIOR IMPACT FUND

PERENNIAL FUTURE OF HEALTHCARE FUND

In June 2024, Perennial Partners acquired a majority stake in Australian Unity's Future of Healthcare Fund. Victor Windeyer and Sam Walker manage the Healthcare portfolio established in 2020 to invest in emerging and innovative healthcare companies, including Australian and globally listed and unlisted companies in the pharmaceutical, life sciences, biotechnology and medical device sectors.

The Future of Healthcare Fund provides wholesale investors with the opportunity to invest with a highly experienced healthcare team investing to generate long term capital growth from investments that enhance health and wellbeing. The Fund has recently been added to Perennial's Responsible Investing Policy.

MELIOR AUSTRALIAN IMPACT FUND

In June 2025, Perennial Partners acquired a majority stake in Melior, including management of the Melior Impact Fund. The fund, which was launched in 2019 and invests in large-cap Australian equities to deliver positive social and environmental impact, will now be offered alongside Perennial's Better Future Fund which is focused on small and mid-caps.

There are no changes to the Melior Impact Fund's investment strategy, which is overseen by chief investment officer and co-founder Tim King, alongside portfolio manager Nina Wilkinson.

Both Melior and Perennial have been recognised as responsible investment leaders by the Responsible Investment Association Australasia (RIAA). For more information on Melior, see their Annual Impact Report and Responsible Investing Policy here.



Our Reconciliation Journey

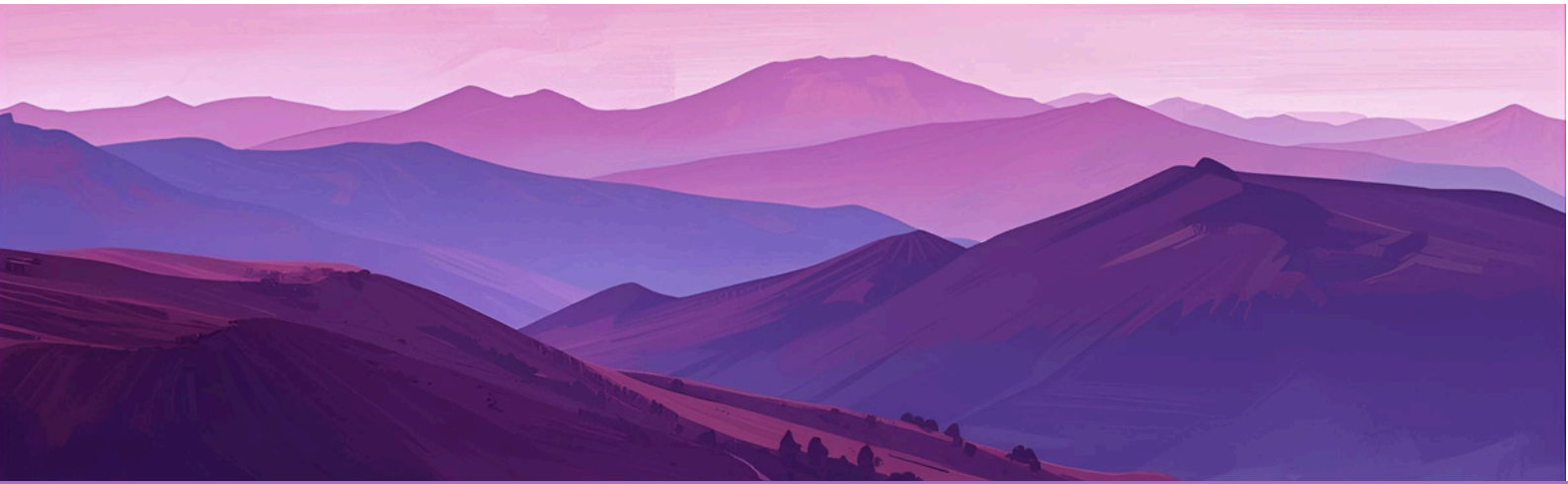
We are proud to have completed our Reflect Reconcilation Action Plan and have progressed to approval of the Innovate Reconciliation Action Plan (RAP) which has been endorsed by Reconciliation Australia in 2025 and can be accessed here. Throughout the Reflect RAP period, our team established foundations that we believe will support our ongoing and sustainable journey towards Reconciliation, as we continue to progress through the next phase.

Highlights from our Reflect RAP journey include:

- Providing staff with opportunities to attend NAIDOC week events, including hosting a documentary screening in the Perennial office and visit to the Yiribana Gallery at the Art Gallery of NSW.
- Partnering with the Aurora Education Foundation to host an intern in the Perennial Better Future team in June 2024.
- Sourcing supplies from Aboriginal and Torres Strait Islander-owned procurement businesses.
- Engaging with investment portfolio companies on Reconciliation.
- Senior leadership communication on the business case for increasing understanding, value and recognition of Aboriginal and Torres Strait Islander cultures, histories, knowledge, and rights.
- Distributing information and resources related to Aboriginal and Torres Strait Islanders to enhance cultural awareness among staff.

We are pleased to be working on our Innovate RAP in 2025. The goal of the Innovate RAP is for organisations to deepen their understanding of their sphere of influence and determine the best approach to advance reconciliation over a 24-month period. It is an opportunity for Perennial to deepen its relationship with its community, staff and stakeholders. Perennial has appointed an external working group member to the Perennial RAP Working Group.

Throughout the Innovate RAP process, we seek to build on the foundations we established during our Reflect RAP, strengthening our relationships with Aboriginal and Torres Strait Islander people, continuing to engage with staff on Reconciliation and exploring and implementing innovative strategies to empower Aboriginal and Torres Strait Islander peoples.



ESG Initiatives

PERENNIAL SUSTAINABILITY WORKING GROUP

Perennial has an internal Perennial Sustainability Working Group which includes representatives across investment teams as well as from our operations and corporate functions. The working group meets quarterly and seeks to not only improve our approach to responsible investing, but also develop our corporate ESG & sustainability strategy.

40:40 VISION

In 2022, Perennial joined the 40:40 Vision, an investor-led initiative working towards gender-balanced executive teams by 2030. The Vision seeks to bring transparency and accountability to companies' commitments to gender diversity in senior leadership and calls for at least 40% women in executive teams by 2030. 40:40 stands for 40% women, 40% men and 20% any gender.

In 2025 Perennial Better Future signed a letter together with the Investor Working Group 40:40 Vision, to express collective support for action to accelerate diversity in leadership to companies falling behind on gender diversity in the executive leadership team and with no targets.

We believe the collective support of the ASX300 and investors is critical to achieving gender-balanced executive teams that will help strengthen corporate governance and performance for shareholders. We encourage other investors and ASX300 companies to join the pledge to achieve the 40:40:20 gender balance target in executive leadership by 2030, to bring about tangible, structural change.

30% CLUB

Since April 2020, Perennial has been a signatory to the 30% club and supported the view that the board of directors of ASX-listed companies should have a minimum 30% representation of women. We strive for equal representation where possible.

ESG Initiatives

CLIMATE ACTION 100+

Perennial is a signatory to Climate Action 100+ (CA100+). CA100+ partners with investors to ensure the world's largest emitters take the necessary action on climate change. A key goal of the group is for asset owners and managers to collaborate on engagement activities to encourage corporates to cut emissions to help achieve alignment with the Paris Agreement.

DIVERSITY STUDY

In 2025, Perennial has provided funding towards a University of Adelaide and University of Virginia research project exploring how corporate boards and leadership teams drive diversity teams whitn organizations while also supporting financial performance. Perennial has both provided some funding and introduced researchers to board members to help facilitate the study.

PERENNIAL MENTORING PROGRAM

During the year, we initiated the Perennial mentoring program for those who volunteered to participate. The initiative paired 18 mentors and mentees within the business and encouraged regular meetings to facilitate connections and career progression.

INVESTORS AGAINST SLAVERY & TRAFFICKING ASIA PACIFIC (IAST APAC)

The Investors Against Slavery and Trafficking Asia Pacific (IAST APAC) initiative is an investor-led, multi-stakeholder project. It was established in 2020 to engage with companies in the Asia-Pacific region to promote effective action in finding, fixing and preventing modern slavery in operations and supply chains. Investors can achieve greater impact working collaboratively and drawing on various sources of knowledge and expertise to assess and address modern slavery risk in operations and supply chains. IAST APAC comprises 50 investors with AU$12 trillion in Assets Under Management (AUM), together with the Australian Council of Superannuation Investors (ACSI), Walk Free and the Finance Against Slavery and Trafficking (FAST) initiative.

IAST APAC operates across two workstreams: 1) Investor statement on modern slavery and 2) Engagements with specific companies. We are participants in both workstreams 1 and 2.

ESG Initiatives

RESPONSIBLE INVESTMENT ASSOCIATION AUSTRALASIA (RIAA)

We are members of the Responsible Investment Association Australasia (RIAA). RIAA champions responsible investing and a sustainable financial system in Australia and New Zealand. In 2024, we were recognised by RIAA as a Responsible Investment Leader for the fifth consecutive year. The Perennial Better Future Trust and Perennial Better Future Managed Fund (ASX: IMPQ) is also certified as a RIAA Responsible Investment Product and received the Sustainable Plus classification - the highest of the three classifications.

Perennial has been recognised as a Responsible Investment Leader by the Responsible Investment Association Australasia (RIAA) for the fifth consecutive year. This highlights our continued commitment to responsible investing across Perennial Better Future, Perennial Smaller Companies and Perennial Value. We are proud to be in the top 20% of investment managers in the research universe as Responsible Investment Leaders.

According to RIAA, "Responsible Investment Leaders are investment/asset managers that demonstrate: a commitment to responsible investing; the explicit consideration of environmental, social and governance (ESG) factors in investment decision making; strong and collaborative stewardship; and transparency in reporting activity, including the societal and environmental outcomes being achieved. Being a Responsible Investment Leader recognises an investment manager's whole of organisation attributes."



ESG Initiatives

CLIMATE ACTIVE CERTIFICATION

Since FY21, Perennial has achieved operational carbon-neutral status for its corporate GHG emissions. At Perennial, we carbon offset our flights, use 100% renewable energy, have an organic waste bin, and use carbon neutral paper.

Perennial purchased Australian Carbon Credit Units (ACCUs) to offset the firm's corporate Scope 1, 2 and 3 greenhouse gas emissions. In 2025, we achieved the Climate Active Carbon Neutral Standard for our business operations.

PERENNIAL RESPONSIBLE INVESTMENT POLICY

In 2025 the Perennial Responsible Investment Policy was updated. The following changes have been implemented for the policy update.

The Future of Healthcare Fund was added to the policy, which has included implementing fund specific exclusions and ESG&E scoring, and clarifications around which elements of engagement and proxy voting apply to Australian holdings rather than international holdings.

The policy has had some formatting changes for improved structure and flow but the majority of the content has not changed. We believe the updated version adds improved clarity to describe how ESG is integrated at Perennial.

We have added further context to which specific funds the exclusions apply to for enhanced clarity. Please find the Perennial Responsible Investment Policy here.

Community Engagement

The Perennial sustainability team is highly engaged in the sustainable finance industry, regularly participating in ESG-related events and sharing ESG insights on various media platforms. We believe that industry participation allows us to add value to improve the sustainable investment industry overall. As a business we also aim to contribute to our community and staff have undertaken a number of community events throughout the year.

FY25 HIGHLIGHTS

- Perennial has proudly supported the Humpty Dumpty Foundation for many years, through donations and our enthusiastic participation in the annual Balmoral Burn. This year, we took another meaningful step by donating two Astodia Diaphanoscopes to hospitals in need, including Royal Prince Alfred Hospital (RPA). These machines help medical teams locate veins in newborns and infants with greater accuracy and less discomfort. We visited the RPA to see the Astodia in action and it was inspiring to witness firsthand how this technology is making a real difference in paediatric care.
- Perennial hosted an Eat Up Australia event for volunteer sandwich making to make sandwiches to feed hungry school children that would otherwise go without lunch.
- Perennial's corporate volunteer day at Wayside Chapel combined team members across the business to learn about the organisation and cook and serve lunch to the local community
- Perennial attended the Aurora Foundation End of Year Reception in November 2024. The Aurora Education Foundation is an Indigenous organisation that supports students to realise their full education and employment potential, offering programs and pathways to students to redefine indigenous education and employment success.



Perennial staff visit Royal Prince Alfred Hospital



Perennial staff Eat Up Australia event, making sandiwches for school children in need.

Community & Industry Participation

FY25 HIGHLIGHTS

- Perennial is facilitating an academic study undertaken between the a University of Adelaide and University of Virginia exploring how corporate boards and leadership teams drive diversity teams within organizations while also supporting financial performance.
- Participated in an interview on climate for a research paper at Cambridge;
- Signed PRI letter to expand ACCC definition of sustainability in draft guidance;
- Univeristy of Tasmania Survey on how green leaders shape company culture, promote pro-environmental behaviours, and build sustainable organisations;
- Glass Lewis 2024 Investor Client Policy Survey;
- Participated in the construction of the CFA DEI Code for Australia;
- Participated in RIAA's FNPRWG - First Nations Investment Market Research;
- Signatory to 40:40 Vision letter to companies with below benchmark diversity at board and management.
- Contributed to RIAA's submission to the consultation on the Australian Government's Sustainable Finance Strategy.



Aurora Foundation Reception November 2024



This information has been prepared and issued by Perennial Investment Management Limited ABN 13 108 747 637, AFSL No. 275101 (PIML) as Trustee and Responsible Entity and Perennial Partners Limited ABN 90 612 829 160 (Perennial Partners) as a Corporate Authorised Representative (No. 1293138) of Perennial Value Management Limited (PVM) ABN 22 090 879 904, AFSL No. 247293.

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