CDP Climate Change 2021 Submission – Perpetual Limited

C0 Introduction

(C0.1) Give a general description and introduction to your organization.

Perpetual is an ASX-listed, diversified financial services company which has been serving Australian's since 1886. Our clients include Australian and international institutions, not-for-profit organisations, small businesses, financial advisers, individuals and families. Across our four businesses – Perpetual Asset Management Australia, Perpetual Asset Management International, Perpetual Private and Perpetual Corporate Trust – we protect and grow our clients' wealth, knowing that by doing so, we can make a difference in their lives.

Our vision: **To be the most trusted in financial services**.
Our purpose: **Enduring Prosperity**.

The services we provide:

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

Perpetual Asset Management International is a growing international division with a presence in Hong Kong, the UK and the US. The division includes the operations of Trillium Asset Management* (Trillium), a pioneering US ESG investment specialist, as well as Barrow Hanley Global Investors* (Barrow Hanley), a diversified investment management firm that offers value-focused investment strategies spanning global equities and fixed income.

Perpetual Private is an advisory services business focused on the comprehensive needs of high net worth individuals, families and non-profit organisations. Perpetual Private aims to lead the market in advisory and professional services in its chosen segments. A key part of Perpetual Private is its philanthropic business and Perpetual is one of Australia's largest managers of philanthropic funds and Perpetual Private is also a leading manager of Native Title trusts, providing long-term support for First Nations communities.

Perpetual Corporate Trust provides a broad range of products and services, including trustee, custodian, agency, and trust management solutions to the debt capital markets and managed funds industries in Australia and Singapore. In addition, Data and Analytics Solutions comprises data services, industry roundtables and our software as a service (Perpetual Intelligence Platform) supporting the banking and financial services industry.

Our strategic imperatives

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

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

* The initiatives and emissions for Trillium and Barrow Hanley have not been considered or assessed as part of this FY20 submission. This was because the acquisition of Trillium was only finalised on the last day of FY20 (being 30 June 2020) and Barrow Hanley on 17 November 2020.

(C0.2) State the start and end date of the year for which you are reporting data.

Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
01/07/2019	30/06/2020	No	<Not Applicable>

(C0.3) Select the countries/areas for which you will be supplying data.

Australia

(C0.4) Select the currency used for all financial information disclosed throughout your response.

AUD

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

(C-FS0.7) Which organizational activities does your organization undertake?

Investing (Asset manager)

C1 Governance

Board oversight

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Investment Committee (IC) assists the Perpetual Board in monitoring the effectiveness of Perpetual's investment governance framework in relation to the investment activities Perpetual performs for its clients. Climate change risks and issues are considered when the IC monitors investment processes within Perpetual Asset Management Australia, Perpetual Asset Management International and Perpetual Private.
Board-level committee	The Audit, Risk & Compliance Committee (ARCC) is responsible for overseeing and managing risk in Perpetual including our Risk Management Framework (RMF). A key component of our RMF is our Risk Appetite Statement (RAS), which defines the amount of risk the Board is willing to take in the pursuit of Perpetual's strategic vision and objectives. Environmental, social and governance (ESG) factors, including climate-related issues, are considered within our RAS and wider risk management approach. This includes setting out the Board's appetite and position on ESG risks and the expected behaviours, measures and tolerances on ESG issues that management are to consider when setting and implementing strategy and running their day-to-day areas of responsibility. ESG factors are embedded in the way Perpetual conducts business.

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	[FINANCIAL SERVICES ONLY] Scope of board-level oversight	Please explain
Sporadic - as important matters arise	Other, Investment Management Process	Climate-related risks and opportunities to our investment activities	Climate change risks and issues are incorporated in the Perpetual Limited Investment Committee when reviewing investment processes within Perpetual Asset Management Australia, Perpetual Asset Management International and Perpetual Private.

Scheduled – some meetings	Reviewing and guiding risk management policies Other, Monitoring and overseeing ESG risks including climate-related risks and review of the annual Sustainability Report	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our investment activities Climate-related risks and opportunities to other products and services we provide to our clients	The Audit, Risk & Compliance Committee (ARCC) is responsible for overseeing and managing risk in Perpetual including our Risk Management Framework (RMF). A key component of our RMF is our Risk Appetite Statement (RAS), which defines the amount of risk the Board is willing to take in the pursuit of Perpetual's strategic vision and objectives. ESG risks, including climate-related risks, are identified, assessed, managed and reported in accordance with our RMF and RAS. The Chief Risk Officer Report is presented on a quarterly basis to the Perpetual Limited (PL) Executive Committee (ExCo), ARCC and the PL Board and includes assessments against our RAS and associated metrics. The ARCC and the Perpetual Board reviews the draft annual Sustainability Report and provides feedback on the content before approving the final report that is disclosed to the market and published on Perpetual's website.

Management responsibility

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	[FS ONLY] Reporting line	Responsibility	[FS ONLY] Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Financial Officer (CFO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our own operations Risks and opportunities related to our investing activities Risks and opportunities related to our other products and services	Annually
Chief Risk Officer (CRO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our own operations Risks and opportunities related to our investing activities Risks and opportunities related to our other products and services	Quarterly
Environment/ Sustainability manager	Finance - CFO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our own operations	Annually
Portfolio/Fund manager	Investment - CIO reporting line	Assessing climate-related risks and opportunities	Risks and opportunities related to our investing activities	Not reported to the board
Dedicated responsible investment analyst	Investment - CIO reporting line	Assessing climate-related risks and opportunities	Risks and opportunities related to our investing activities	As important matters arise

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Chief Financial Officer (CFO) is responsible for overseeing the management of climate-related issues including reporting and strategy development across Perpetual Limited. The CFO is a member of the Perpetual Executive Committee reporting directly to the Managing Director and CEO. The Senior Manager, Sustainability (see 'Environment/Sustainability manager' in C1.2), who sits within the CFO reporting line, is responsible for day-to-day management of climate-related issues including reporting, data collection and strategy development across Perpetual Limited. In 2021, a review of our approach to sustainability is being conducted to consider how Perpetual can continue to reduce our impact on climate change. Responsibility for climate-related issues have been assigned to this role to strengthen our capability in delivering our commitment to sustainability including climate change.

The Chief Risk Officer (CRO) is responsible for overseeing risk from a management perspective. The CRO is a member of the Perpetual Executive Committee reporting directly to the Managing Director and CEO, and is a standing invitee to the Audit, Risk & Compliance Committee (ARCC) meetings. ESG factors, including climate-related issues, are considered within our Risk Appetite Statement and wider risk management approach, for which the CRO is responsible. ESG risks are reviewed by the ARCC on a quarterly basis. The rationale for inclusion of ESG risks, including climate-related risks, within our risk management approach, which the CRO oversees, is that global warming presents risks for the enduring prosperity of our clients, communities and our business, which need to be assessed and managed.

The Head of Responsible Investments (see 'Dedicated responsible investment analyst' in C1.2) in Perpetual Asset Management Australia (PAMA) is responsible for the development and maintenance of PAMA's Responsible Investment (RI) Policy and for supporting its implementation. This RI Policy sets out PAMA's approach for considering ESG factors, including climate-related issues, in active investment decision-making and ownership practices. Investment managers assess what material ESG risk an investment is exposed to and what impact they are likely to have on the value of the investment. To do this, PAMA's Investment Analysts and Portfolio Managers are supported by the Head of Responsible Investments, who produces our own proprietary research, supplemented by external research providers. The reporting line for the Head of Responsible Investments is through to the Group Executive, PAMA, who is accountable for all aspects of the RI Policy.

In terms of policy implementation, PAMA's senior asset managers (see Portfolio/Fund managers in C1.2) support the implementation of the RI Policy within their teams as appropriate. Climate change can be a material investment risk which is why PAMA's senior asset managers have responsibility to incorporate ESG risks, including climate-related risks, into investment analysis and decision-making.

Employee incentives

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Provide incentives for the management of climate-related issues	Comment
Yes	Incentives for the management of climate-related issues are described in C1.3a.

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Dedicated Responsible Investment staff	Monetary reward	Other, supporting implementation of Responsible Investment policy, including consideration of climate-related factors	The Head of Responsible Investments assists with Perpetual Asset Management Australia's (PAMA) internal efforts to consider climate change, in addition to coordinating our external climate change commitments, including our collaborative activities (e.g. Member of the Investor Group on Climate Change, CDP, etc.) and climate-related disclosure.
Portfolio/Fund manager	Monetary reward	Other, material ESG factors, including climate-related factors, could impact monetary rewards of Fund managers	PAMA's investment professionals' major KPI is investment performance. Hence, they are incentivised to demonstrate an understanding and apply consideration of ESG factors, including climate-related issues, that apply to our investments. If they fail to do so, and these risks subsequently impact our investments negatively (for example if we own fossil fuel-impacted companies), this will contribute to under-performance for our portfolios, which will directly impact their financial rewards.
ESG Portfolio/Fund manager	Monetary reward	Portfolio/fund alignment to climate-related objectives	The Portfolio managers for our Ethical SRI Funds have monetary incentives for growing the Funds, which each seek to invest in quality shares of ethical and socially responsible companies. The Funds have wider ethical and social responsibility considerations including not investing in companies that derive a material portion of revenue from fossil fuels.

Retirement schemes

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

We offer an employment-based retirement scheme that incorporates ESG principles, including climate change	Comment
Yes, as the default investment option for all plans offered	N/A

C2 Risks and opportunities

Management processes

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

Time horizon	From (years)	To (years)	Comment
Short-term	0	2	Environmental, Social & Governance (ESG) risks, including climate-related risks, are identified, assessed, managed and reported in accordance with our Risk Management Framework (RMF) and Risk Appetite Statement (RAS). Climate-related risks are considered as part of ESG risks which is one of Perpetual's ten risk categories: Strategic; People; Financial; Investment; Operational; Information Technology & Cyber Security; Outsourcing; ESG; Compliance & Legal; and Conduct. The Perpetual Risk Management Framework considered short-term time horizons to be associated with risks with a Likelihood of Almost Certain (within 6 months) or Likely (within 2 years).
Medium-term	2	5	ESG risks, including climate-related risks, are identified, assessed, managed and reported in accordance with our RMF and RAS. Climate-related risks are considered as part of ESG risks which is one of Perpetual's ten risk categories: Strategic; People; Financial; Investment; Operational; Information Technology & Cyber Security; Outsourcing; ESG; Compliance & Legal; and Conduct. The Perpetual Risk Management Framework considered medium-term time horizons to be associated with risks with a Likelihood of Possible (expected to occur between 2 to 5 years).
Long-term	5	10	ESG risks, including climate-related risks, are identified, assessed, managed and reported in accordance with our RMF and RAS. Climate-related risks are considered as part of ESG risks which is one of Perpetual's ten risk categories: Strategic; People; Financial; Investment; Operational; Information Technology & Cyber Security; Outsourcing; ESG; Compliance & Legal; and Conduct. The Perpetual Risk Management Framework considered long-term time horizons to be associated with risks with a Likelihood of Possible (expected to occur between 5 to 10 years).

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

We have not currently defined substantive financial or strategic impact specifically in the context of a climate-related risk.

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered	Risk management process	Frequency of assessment	Time horizon(s) covered	Description of process
Direct operations	Integrated into multi-disciplinary company-wide risk management process	More than once a year	Short-term Medium-term Long-term	The Board's Audit, Risk and Compliance Committee (ARCC) is responsible for overseeing Perpetual's risk management process, which is enterprise wide and applies Perpetual's approach to risk management is based on a Risk Appetite Statement (RAS) set by the Perpetual Board, which outlines the risk boundaries and minimum expectations of Perpetual Management. The RAS defines the amount of risk the Board is willing to take in the pursuit of Perpetual's strategic vision and objectives. The Chief Risk Officer report is presented on a quarterly basis to ARCC and the Perpetual Limited Board and includes assessments against our RAS and associated metrics. We have strengthened how ESG factors, including climate-related risks, are considered within our RAS and wider risk management approach. This includes setting out the Board's appetite and position on ESG risks, and the expected behaviours, measures and tolerances on ESG issues that management are to consider when setting and implementing strategy and running their day-to-day areas of responsibility. Further, in line with Perpetual's Risk Management Framework, management are responsible for ongoing ownership and management of risks within their business unit and promoting and implementing a culture of risk ownership and management that further reinforces the important role all employees play in managing risk at Perpetual.
Downstream	A specific climate-related risk management process	More than once a year	Short-term Medium-term Long term	In Perpetual Asset Management Australia (PAMA), our responsible investment policy sets out our approach for considering ESG factors in our active investment decision-making and ownership practices. To the extent that information is available, investment managers assess what material ESG risks, including climate-related risks, an investment is exposed to and what impact they are likely to have on the value of the investment. To do this, our Investment Analysts and Portfolio Managers are supported by a specialist Responsible Investment team producing our own proprietary research, supplemented by external research providers. When deciding whether to buy, retain or sell an investment, our investment managers consider those ESG risks, including climate-related risks, that are relevant and material to the prospects of the investment. Considering ESG factors in this way can have three possible outcomes: First, the risks are too high compared to the likely reward and so the investment is not made or is fully or partly sold. Secondly, the risks are significant, but the likely reward is sufficient compensation for the risk and so an investment is made or is held. Thirdly, the risks are low and so ESG factors are not a major consideration in making the investment decision. We also assess climate risk across our investment portfolios. For an example of where we have assessed transitional climate-related risks, we have estimated our current total direct investment in high carbon emissions intensive sectors is less than 3% of our Australian equity portfolios, which is two thirds the exposure of the S&P/ASX 300 Index. We have also conducted a carbon footprint assessment of our Wholesale Ethical SRI Fund to understand its contribution to climate change. This revealed that the companies within the portfolio emitted 54,000 tonnes CO_2e in FY20 based on the Fund's ownership share. The weighted average carbon intensity for our equity holdings in the Fund was 71 tonnes CO_2e per million AUD sales. This metric indicates a portfolio's exposure to potential climate change-related risks relative to other portfolios. It has less than half the weighted average carbon intensity of the S&P/ASX 300 Accumulation Index, a comparable benchmark.

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

Risk type	Relevance & inclusion	Please explain
Current regulation	Relevant, sometimes included	The Perpetual Asset Management Australia (PAMA) responsible investment policy sets out PAMA’s approach for considering ESG risks in investment decision-making. We assess material ESG risks, including climate-related risks, an investment is exposed to. If a risk is material it will be considered in our investment decision-making.
Emerging regulation	Relevant, sometimes included	The PAMA responsible investment policy sets out PAMA’s approach for considering ESG risks in investment decision-making. We assess material ESG risks, including climate-related risks, an investment is exposed to. If a risk is material it will be considered in our investment decision-making.
Technology	Relevant, sometimes included	The PAMA responsible investment policy sets out PAMA’s approach for considering ESG risks in investment decision-making. We assess material ESG risks, including climate-related risks, an investment is exposed to. If a risk is material it will be considered in our investment decision-making.
Legal	Relevant, sometimes included	The PAMA responsible investment policy sets out PAMA’s approach for considering ESG risks in investment decision-making. We assess material ESG risks, including climate-related risks, an investment is exposed to. If a risk is material it will be considered in our investment decision-making.
Market	Relevant, sometimes included	The PAMA responsible investment policy sets out PAMA’s approach for considering ESG risks in investment decision-making. We assess material ESG risks, including climate-related risks, an investment is exposed to. If a risk is material it will be considered in our investment decision-making.
Reputation	Relevant, sometimes included	The PAMA responsible investment policy sets out PAMA’s approach for considering ESG risks in investment decision-making. We assess material ESG risks, including climate-related risks, an investment is exposed to. If a risk is material it will be considered in our investment decision-making.
Acute physical	Relevant, sometimes included	The PAMA responsible investment policy sets out PAMA’s approach for considering ESG risks in investment decision-making. We assess material ESG risks, including climate-related risks, an investment is exposed to. If a risk is material it will be considered in our investment decision-making.
Chronic physical	Relevant, sometimes included	The PAMA responsible investment policy sets out PAMA’s approach for considering ESG risks in investment decision-making. We assess material ESG risks, including climate-related risks, an investment is exposed to. If a risk is material it will be considered in our investment decision-making.

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

Portfolio	We assess the portfolio's exposure	Please explain
Investing (Asset manager)	Yes	In Perpetual Asset Management Australia (PAMA), our Responsible Investment policy sets out our approach for considering ESG factors in our active investment decision-making and ownership practices. To the extent that information is available, investment managers assess what material ESG risks, including climate-related risks, an investment is exposed to and what impact they are likely to have on the value of the investment.

		We also assess climate risk across our investment portfolios. For example, we have estimated our current total direct investment in high carbon emissions intensive sectors is less than 3% of our Australian equity portfolios, which is two thirds the exposure of the S&P/ASX 300 Index.
Other products and services, Wholesale Ethical SRI Fund	Yes	We have also conducted a carbon footprint assessment of our Wholesale Ethical SRI Fund to understand its contribution to climate change. This revealed that the companies within the portfolio emitted 54,000 tonnes CO2e in FY20 based on the Fund's ownership share. The weighted average carbon intensity for our equity holdings in the Fund was 71 tonnes CO2e per million AUD sales. This metric indicates a portfolio's exposure to potential climate change-related risks relative to other portfolios. It has less than half the weighted average carbon intensity of the S&P/ASX 300 Accumulation Index, a comparable benchmark.

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

Portfolio	Portfolio coverage	Assessment type	Description
Investing (Asset manager)	Majority of the portfolio	Qualitative and quantitative	In Perpetual Asset Management Australia (PAMA), our Responsible Investment policy sets out our approach for considering ESG factors in our active investment decision-making and ownership practices. To the extent that information is available, investment managers assess what material ESG risks, including climate-related risks, an investment is exposed to and what impact they are likely to have on the value of the investment. We also assess climate risk across our investment portfolios. For example, we have estimated our current total direct investment in high carbon emissions intensive sectors is less than 3% of our Australian equity portfolios, which is two thirds the exposure of the S&P/ASX 300 Index.
Other products and services, Wholesale Ethical SRI Fund	Minority of the portfolio	Qualitative and quantitative	We have also conducted a carbon footprint assessment of our Wholesale Ethical SRI Fund to understand its contribution to climate change. This revealed that the companies within the portfolio emitted 54,000 tonnes CO2e in FY20 based on the Fund's ownership share. The weighted average carbon intensity for our equity holdings in the Fund was 71 tonnes CO2e per million AUD sales. This metric indicates a portfolio's exposure to potential climate change-related risks relative to other portfolios. It has less than half the weighted average carbon intensity of the S&P/ASX 300 Accumulation Index, a comparable benchmark.

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

Portfolio	We assess the portfolio's exposure	Portfolio coverage	Please explain
Investing (Asset manager)	Yes	Majority of the portfolio	In Perpetual Asset Management Australia (PAMA), our Responsible Investment policy sets out our approach for considering ESG risks in our investment decision-making. We assess material ESG risks, including water-related risks, an investment is exposed to. If a risk is material it will be considered in our investment decision-making.

Other products and services, please specify	Not applicable		

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

Portfolio	We assess the portfolio's exposure	Portfolio coverage	Please explain
Investing (Asset manager)	Yes	Majority of the portfolio	In Perpetual Asset Management Australia (PAMA), our Responsible Investment policy sets out our approach for considering ESG risks in our investment decision-making. We assess material ESG risks, including forests-related risks, an investment is exposed to. If a risk is material it will be considered in our investment decision-making.
Other products and services, please specify	Not applicable		

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

Portfolio	We request climate-related information	Please explain
Investing (Asset manager)	Yes, for some	If relevant information is not available when making an assessment of ESG risks, then additional information is requested from investees or potential investees as part of our engagement and information gathering process.
Other products and services, please specify	Not applicable	

Risk disclosure

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

No

(C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Primary reason	Please explain
Evaluation in process	Perpetual, in forming a portfolio view of risk, has defined ESG risk as one of its ten material risk categories. As part of Perpetual's maturing approach to managing ESG risks, we continue to undertake work to better understand and quantify the potential impact of ESG factors, including conducting additional work during FY22 to evaluate our climate-related risks. Our investment and wealth businesses are committed to integrating the consideration of material ESG issues into investment analysis and decision making. This includes the impact of long-term issues including climate change.

Opportunity disclosure

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier	Where in the value chain does the opportunity occur?	Opportunity type	Primary climate-related opportunity driver	Primary potential financial impact	Company-specific description	Time horizon
Opp1	Direct operations	Resource efficiency	Use of more efficient production and distribution processes	Reduced direct costs	**Paper consumption** We are seeking to reduce paper usage in our offices. To achieve this, we have several initiatives across the business. These include ensuring meeting rooms have projectors, moving to automated digital work processes and enabling all employees with laptops, allowing Skype for business interaction with interstate colleagues and to reduce the unnecessary printing of documents and wastage. During COVID-19, we introduced a new electronic signature process, so it is now easier to sign documents while not needing to be in the office. With most people working from home, this has helped to reduce the amount of printing we have needed to do, cutting our average monthly paper usage by 50% in Q4 FY20 and saving $23,000 in printing costs. We also moved to digitise our mail room. We receive nearly 8,000 letters a month in our Sydney office alone with over 50 different types of sensitive documents including wills, trust deeds and contracts. Over 70 product forms have now been converted to editable PDFs. Digitising these processes has not only saved paper and printing costs but also increased traceability, enabled employees to respond to clients more promptly and work more flexibly.	Short term

Opp2	Downstream	Products and services	Development and/or expansion of low emission goods and services	Increased revenues resulting from increased demand for products and services	**Wholesale Ethical SRI Fund and Ethical SRI Credit Fund** We also offer ethical and impact focused investment products, which exclude certain investments based on ethical criteria or seek to have a positive social or environmental impact while also providing a financial return. Our Wholesale Ethical SRI Fund, launched in 2002, and our Ethical SRI Credit Fund, established in 2018, are designed for investors who seek long-term returns while investing in companies that reflect their own values. The funds do not invest in companies or credit issuers that derive a material proportion of their revenue from gambling, tobacco and fossil fuel exploration and production among other ethical criteria. We conducted a carbon footprint assessment of our Wholesale Ethical SRI Fund to understand its contribution to climate change. This revealed that the companies within the portfolio emitted 54,000 tonnes CO2e in FY20 based on the Fund's ownership share. The weighted average carbon intensity for our equity holdings in the Fund was 71 tonnes CO2e per million AUD sales. This metric indicates a portfolio's exposure to potential climate change-related risks relative to other portfolios. It has less than half the weighted average carbon intensity of the S&P/ASX 300 Accumulation Index, a comparable benchmark.	Short term
Opp3	Downstream	Markets	Access to new markets	Increased revenues through access to new and emerging markets	**Trillium acquisition** Perpetual acquired Trillium Asset Management (Trillium) in the US in June 2020. Trillium is one of the pioneers in integrated ESG investing with a 38-year track record of delivering investment returns for clients while leveraging their capital for positive social and environmental impact. The acquisition increases exposure to the fast-growing client demand for sustainable investing including in the US where we now have distribution capabilities. We are at a crucial stage in the evolution of responsible investing. Investor demand, regulatory change and greater certainty about the positive correlation between ESG factors and long-term financial performance are all playing a role in the rapid growth of the sector. Clients the world over see the importance of ESG related strategies. We have a long history in this area, setting up our first Ethical SRI fund in 2002.	Short term

Identifier	Likelihood	Magnitude of impact	Are you able to provide a potential financial impact figure?	Potential financial impact figure (currency)	Potential financial impact figure - minimum (currency)	Potential financial impact figure - maximum (currency)
Opp1	Very likely	Medium-low	Yes, an estimated range		23000	92000
Opp2	Very likely	High				
Opp3	Very likely	High	Yes, a single figure estimate	5700000000		

Identifier	Explanation of financial impact figure	Cost to realize opportunity	Strategy to realize opportunity and explanation of cost calculation	Comment
Opp1	During COVID-19, we introduced a new electronic signature process, so it is now easier to sign	65000	While COVID-19 has disrupted the way we do business, most of our people have felt productive and positive while working from home. Only 4% of our employees want to	N/A

	documents while not needing to be in the office. With most people working from home, this has helped to reduce the amount of printing we have needed to do, cutting our average monthly paper usage by 50% in Q4 FY20 and saving $23,000 in printing costs. We estimate this could save up to $92,000 annually if the amount of average monthly printing continues at this lower rate.		return to the office on a full-time basis in the long term. Like many organisations, we are exploring how we create a workplace where our people deliver their best work, where and how they work best. This will have implications for our environmental impact as employees are likely to travel for work less and for how we collaborate remotely using more digital technology such as Microsoft Teams. We estimate the annual costs for the electronic signature process range from $55,000 to $75,000.	
Opp2	By the end of FY20, the Wholesale Ethical SRI Fund had $699 million in funds under management and our Ethical SRI Credit Fund had $41 million.		We are at a crucial stage in the evolution of responsible investing. Investor demand, regulatory change and greater certainty about the positive correlation between ESG factors and long-term financial performance are all playing a role in the rapid growth of the sector. Clients the world over see the importance of ESG related strategies. We have a long history in this area, setting up our first Ethical SRI fund in 2002.	N/A
Opp3	Trillium had US$3.8 billion (A$5.7 billion) funds under management (FUM) as at 29 May 2020.	63800000	Perpetual acquired 100% of Trillium for US$41.4 million (A$63.8 million). We will leverage its strong brand and distribution capabilities to accelerate the growth of Trillium’s highly sought-after products to clients in Australia and has commenced the build-out of an experienced and scalable US-based distribution team.	N/A

C3 Business strategy

Business strategy

(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?

Yes

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

Intention to publish a low-carbon transition plan	Comment
No, we do not intend to publish a low-carbon transition plan in the next two years	In 2021, we are conducting a review of our approach to sustainability at Perpetual, including consideration of KPIs and targets relating to the low-carbon transition and how we can continue to reduce our impact on climate change and the environment.

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

No, and we do not anticipate doing so in the next two years

(C3.2b) Why does your organization not use climate-related scenario analysis to inform its strategy?

In 2021 we are conducting a review of our approach to sustainability at Perpetual.

In forming a portfolio view of risk, Perpetual has defined ESG risk as one of its ten material risk categories. Work remains underway to better understand and quantify the potential impact of the sub-risk categories, including climate-related risks, as part of Perpetual’s maturing approach to managing ESG risks.

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

Business area	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Perpetual's strategy seeks to build on the foundation of four core businesses, forming a scalable business model supported by shared central services and a strong brand. In pursuing its growth strategy, the Group has determined the following strategic imperatives: • Client first – delivering exceptional products and outstanding service • Future fit – A scalable business platform that empowers our people to deliver high performance • New Horizons – adding new capabilities and building a global footprint Our acquisition of specialist ESG investment firm, Trillium, in June 2020, was a key part of the execution of our strategy to expand our core offerings and for new global initiatives. The Trillium acquisition has provided Perpetual with increased capability on ESG and exposure to a high-growth market segment. The acquisition puts us at the forefront of organisations offering sustainable, responsible and impact investment products, providing us with a new platform for future growth. In August 2020, we launched two Trillium products in Australia: The Trillium ESG Global Equity Fund, which holds no material investments in fossil fuels, and the Trillium Global Sustainable Opportunities Fund that uses a thematic approach to identify companies addressing sustainability challenges and climate solutions.
Supply chain and/or value chain	Yes	For Perpetual Asset Management Australia (PAMA), responsible investment means incorporating consideration of ESG factors into our investment activities. The consideration of ESG factors does not include making ethical judgements on behalf of clients, unless the investment is part of a product or portfolio that has specific ethical objectives. In PAMA, which in 2009 became a signatory to the PRI, our responsible investment policy sets out our approach for considering ESG factors in our active investment decision-making and ownership practices. Investment managers assess what material ESG risks, including climate-related risks, an investment is exposed to and what impact they are likely to have on the value of the investment. To do this, our Investment Analysts and Portfolio Managers are supported by a specialist Responsible Investment team producing our own proprietary research, supplemented by external research providers. As an example of the execution of our strategy, our acquisition of Trillium in June 2020 will mean we can respond to fast-growing client demand for responsible investing worldwide and add Trillium's global responsible investing expertise to our existing capabilities in that area.
Investment in R&D	Yes	We launched two Trillium products in Australia in August 2020 as we continue to assess new opportunities to come to market in the US and Australia.
Operations	Evaluation in progress	We will conduct a review of our approach to sustainability at Perpetual and consider how we can continue to reduce our operational impact on climate change and the environment.

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

Financial planning elements that have been influenced	Description of influence
Acquisitions and divestments	Perpetual acquired Trillium Asset Management (Trillium) in the US in June 2020. Trillium is one of the pioneers in integrated ESG investing with a 38-year track record of delivering investment returns for clients while leveraging their capital for positive social and environmental impact. Perpetual acquired 100% of Trillium for US$41.4 million (A$63.8 million). Perpetual will leverage its strong brand and distribution capabilities to accelerate the growth of Trillium’s highly sought-after products to clients in Australia and has commenced the build-out of an experienced and scalable US-based distribution team.

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

N/A

Business strategy: Financial services

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

(C-FS3.6a) In which policies are climate-related issues integrated?

Portfolio	Type of policy	Portfolio coverage of policy	Description
Investing (Asset manager)	Sustainable/ Responsible Investment Policy	Majority of the portfolio	For Perpetual Asset Management Australia (PAMA), responsible investment means incorporating consideration of ESG factors into our investment activities. The consideration of ESG factors does not include making ethical judgements on behalf of clients, unless the investment is part of a product or portfolio that has specific ethical objectives. In PAMA, which in 2009 became a signatory to the PRI, our responsible investment policy sets out our approach for considering ESG factors, including climate-related factors, in our active investment decision-making and ownership practices. Investment managers assess what material ESG risks an investment is exposed to and what impact they are likely to have on the value of the investment. To do this, our Investment Analysts and Portfolio Managers are supported by a specialist Responsible Investment team producing our own proprietary research, supplemented by external research providers.

			The policy applies to PAMA personnel responsible for making active investment decisions. This includes: • Investment analysts – who research and rate the quality and value of assets; and • Portfolio managers – who make the decision to buy, retain or sell a particular asset to achieve the objectives of an investment portfolio. PAMA makes active investment decisions across strategies that cover the following asset classes: Australian equities; Global equities; Credit and fixed income; and Multi-asset strategies. Perpetual Private (PP) has a responsible investment policy applying to its investment decisions and recommendations. This may include conducting reviews of external investment managers' policies and management on ESG issues, understanding the ESG risks associated with underlying investments and how these ESG risks may impact PP's portfolios. The PP Responsible Investment Policy applies to members of PP's Investment Research team, who are collectively responsible for investments recommended to PP's clients through the provision and execution of financial advice. PP makes active investment decisions for single and multi-asset multi-manager funds and portfolios as a fiduciary, as well as recommendations of managed funds and listed securities via model portfolios and the Approved Product List. These funds and securities can be classified in the following asset classes and security types: Australian listed equities; Global listed securities; Listed property securities; Credit and fixed income securities; and Alternatives (private equity, real estate, private credit, infrastructure, hedge funds).

(C-FS3.6b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Type of exclusion policy	Portfolio	Application	Description
Other, Fossil fuel exploration and production among other ethical criteria	Other products and services, Ethical SRI Funds	Other, New and existing investments in Ethical SRI Funds	We offer ethical and impact focused investment products, which exclude certain investments based on ethical criteria or seek to have a positive social or environmental impact while also providing a financial return. Our Wholesale Ethical SRI Fund, launched in 2002, and our Ethical SRI Credit Fund, established in 2018, are designed for investors who seek long-term returns while investing in companies that reflect their own values. The funds do not invest in companies or credit issuers that derive a material proportion of their revenue from gambling, tobacco and fossil fuel exploration and production among other ethical criteria. By the end of FY20, the Wholesale Ethical SRI Fund had $699 million in funds under management and our Ethical SRI Credit Fund had $41 million.

(C-FS3.7) Are climate-related issues factored into your external asset manager selection process?

Yes, for some assets managed externally

(C-FS3.7a) How are climate-related issues factored into your external asset manager selection process?

Process for factoring climate-related issues into external asset management selection	Comment
Review asset manager's climate-related policies	In Perpetual Private (PP), it is our policy that, to the extent that information is available, PP should incorporate ESG issues, including climate-related issues, into our decision-making, as part of our investment screening. This may include: • a review of the external investment manager’s policy on ESG; • an understanding of the ESG issues associated with the underlying investments; • the materiality of the ESG issues, taking into account portfolio company and industry level issues; • an analysis of the potential impact the identified material ESG issues may have on the value, earning and potential performance of the investment; and • a review of how ESG issues are being managed within the portfolio by the external investment manager and how these ESG issues may impact Perpetual Private’s portfolios.

C4 Targets and performance

Emissions targets

(C4.1) Did you have an emissions target that was active in the reporting year?

No target

(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

Primary reason	Five-year forecast	Please explain
We are planning to introduce a target in the next two years	Although Perpetual has not committed to targets relating to reducing environmental impact at this time, Perpetual has seen a reduction over time in emissions intensity and Total Scope 1 and 2 emissions. While COVID-19 has disrupted the way we do business, most of our people have felt productive and positive while working from home. Like many organisations, we are exploring how we create a workplace where our people deliver their best work, where and how they work best. This will have implications for our environmental impact as employees are likely to travel for work less and for how we collaborate remotely using more digital technology such as Microsoft Teams.	In 2021, we are working on creating a new Sustainability Strategy for Perpetual, which will include consideration of KPIs and targets. To date we have completed comprehensive stakeholder research which has helped to inform the development of our materiality assessment. Through this process, we will set out a clear vision and set of commitments to achieve our goals and play our role in advancing a sustainable and equitable world.

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

Emissions reduction initiatives

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

No

(C4.3d) Why did you not have any emissions reduction initiatives active during the reporting year?

Company level Scope 1 and 2 emissions have been seen to be decreasing over the years. In 2021, we are conducting a review of our approach to sustainability at Perpetual and consider how we can continue to reduce our impact on climate change and the environment.

Low-carbon products

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation	Description of product/ Group of products	Are these low-carbon product(s) or do they enable avoided emissions?	Taxonomy, project, or methodology used to classify product(s) as low-carbon or to calculate avoided emissions	% revenue from low-carbon product(s) in the reporting year	[FS ONLY] % of total portfolio value	[FS ONLY] Asset classes/ product types	Comment
Product	Our Wholesale Ethical SRI Fund within Perpetual Asset Management Australia (PAMA) excludes companies that derive a material proportion of their revenue from fossil fuel exploration and production.	Low-carbon product	Other, Own methodology		2.46	Listed Equity	We conduct carbon footprint assessments of our Wholesale Ethical SRI Fund. The weighted average carbon intensity for our equity holdings in the Fund in FY20 was 71 tonnes CO_2e per million AUD sales. This metric indicates a portfolio's exposure to potential climate change-related risks relative to other portfolios. It has less than half the weighted average carbon intensity of the S&P/ASX 300 Accumulation Index, a comparable benchmark. By the end of FY20, the Wholesale Ethical SRI Fund had $699 million in funds under management. In FY20, our total funds under management in PAMA for all asset classes was $28.4 billion.
Product	Our Ethical SRI Credit Fund within PAMA excludes issuers that derive a material proportion of their revenue from fossil fuel exploration and production.	Low-carbon product	Other, Own methodology		0.14	Fixed Income	By the end of FY20, the Ethical SRI Credit Fund had $41 million in funds under management. In FY20, our total funds under management in PAMA for all asset classes was $28.4 billion.

C5 Emissions methodology

Base year emissions

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope	Base year start	Base year end	Base year emissions (metric tons CO2e)	Comment
Scope 1	July 1 2006	June 30 2007	314.2	
Scope 2 (location-based)	July 1 2006	June 30 2007	3345.9	
Scope 2 (market-based)	July 1 2006	June 30 2007	3345.9	

Emissions methodology

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6 Emissions data

Scope 1 emissions data

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Year	Gross global Scope 1 emissions (metric tons CO2e)	Start date	End date	Comment
Reporting year	0	July 1 2019	June 30 2020	Gross global Scope 1 emissions are seen as not material.

Scope 2 emissions reporting

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure	We are reporting a Scope 2, market-based figure	Following a review of our environmental data reporting approach, we have updated our location-based and market-based reporting methodologies to ensure a high degree of accuracy and transparency and to align with best practice. **Location-based approach** Perpetual has previously estimated its Scope 2 electricity emissions using a location-based approach, which referred to Australia’s national grid emissions intensity. For our FY20 data in this CDP submission and going forward, we have updated this approach to use state-specific emission factors as published in the National Greenhouse and Energy Reporting (Measurement) Determination and National Greenhouse Accounts Factors 2020. We believe that this approach provides a high level of accuracy around the emissions associated with electricity consumption across our operations. **Market-based approach** Perpetual has previously estimated its Scope 2 electricity emissions using a market-based approach based on retailer emissions estimates as received on invoices. In FY20, Australia’s Climate Active (carbon neutral certification body) released guidance covering market-based emissions accounting. This approach allows for recognition of an organisation’s renewable energy purchases (as evidenced by appropriate contractual instruments). This guidance also provides formula to estimate the residual mix factor based on Australia’s legislated renewable power percentages for each calendar year and the relevant national emissions intensity factor (sourced from the National Greenhouse Accounts Factors). For our FY20 data in this CDP submission, we have adopted this approach as part of the ongoing development of our environmental disclosure. We consider this approach to provide greater transparency and consistency moving forward.

Scope 2 emissions data

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Year	Scope 2, location-based	Scope 2, market-based (if applicable)	Start date	End date	Comment
Reporting year	1527.6	1639.8	July 1 2019	June 30 2020	See C6.2 for our updated methodologies for location-based and market-based reporting to ensure a high degree of accuracy and transparency and to align with best practice.

Exclusions

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

Scope 3 emissions data

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Scope 3 category	Evaluation status	Metric tons CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Please explain
Purchased goods and services	Not relevant, explanation provided	N/A	N/A	N/A	Immaterial
Capital goods	Not relevant, explanation provided	N/A	N/A	N/A	Not applicable
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	298.4	Emissions associated with estimated base building energy was 232.4 tCO2e in FY20. This was calculated using location-based electricity factors from National Greenhouse and Energy Reporting (NGER).	100	Calculated based on share of tenancy applied to base building energy use and energy use in business continuity plan site per machine.

			Business continuity plan site electricity was 66 tCO2e in FY20. This is based on scope 2 electricity factors from NGER (location based).		
Upstream transportation and distribution	Not relevant, explanation provided	N/A	N/A	N/A	Immaterial
Waste generated in operations	Not relevant, explanation provided	N/A	N/A	N/A	Immaterial
Business travel	Relevant, calculated	593.8	Consists of business emissions relating to air travel using airline methodology (577 tCO2e) and taxis emissions (16.8 tCO2e) estimated based on trips and cost data provided by the supplier.	100	Data provided by Airline.
Employee commuting	Relevant, calculated	222.8	Estimated using employee survey data of commuting vehicle type and average commuting distance combined with average head count and average attendance at our offices.	0	Estimated
Upstream leased assets	Not relevant, explanation providing	N/A	N/A	N/A	Immaterial
Downstream transportation and distribution	Not relevant, explanation provided	N/A	N/A	N/A	Immaterial
Processing of sold products	Not relevant, explanation provided	N/A	N/A	N/A	Not applicable
Use of sold products	Not relevant, explanation provided	N/A	N/A	N/A	Not applicable
End of life treatment of sold products	Not relevant, explanation provided	N/A	N/A	N/A	Not applicable
Downstream leased assets	Not relevant, explanation provided	N/A	N/A	N/A	Not applicable
Franchises	Not relevant, explanation provided	N/A	N/A	N/A	Not applicable
Other (upstream)	Not relevant, explanation provided	N/A	N/A	N/A	Not applicable
Other (downstream)	Not relevant, explanation provided	N/A	N/A	N/A	Not applicable

Emissions intensities

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure	Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change	Reason for change
3.12	1527.6	unit total revenue	489200000	Location-based	18.65	Decrease	Our reduction in Scope 2 emissions, which was the main driver behind the reduction in our emissions intensity by revenue, was mainly due to having less people in our offices in Q4 FY20 while our people worked from home during COVID-19.
1.26	1527.6	Other, average head count	1214	Location-based	27.73	Decreased	Our reduction in Scope 2 emissions, which was the main driver behind the reduction in our emissions intensity by average head count, was mainly due to having less people in our offices in Q4 FY20 while our people worked from home during COVID-19. Please note: Metric denominator was previously reported as full time equivalent (FTE) employee. Average head count is a more accurate description of the denominator used.

C7 Emissions breakdown

Emissions performance

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Reason	Change in emissions (tCO2e)	Direction of change	Emissions value (%)	Please explain calculation
Change in renewable energy consumption				
Other emissions reduction activities				
Divestment				
Acquisitions				
Mergers				
Change in output	85.8	Decrease	5.32	Our Scope 1 and 2 emissions in FY19 were 1,613.4 tCO2e compared to 1527.6 tCO2e in FY20, a reduction of 85.8 tCO2e. This decrease of 5.32% mainly due to having less people in our offices in Q4 FY20 while our people worked from home during COVID-19 leading to lower emissions from our properties.
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8 Energy

Energy spend

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

Energy-related activities

(C8.2) Select which energy-related activities your organization has undertaken.

Activity	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	No
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

Activity	MWh from renewable sources	MWh from non-renewable sources	Total (renewable + non-renewable) MWh
Consumption of purchased or acquired electricity	0	2205.8	2205.8
Total energy consumption	0	2205.8	2205.8

C9 Additional metrics

Other climate-related metrics

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description	Metric value	Metric numerator	Metric denominator (intensity metric only)	% change from previous year	Direction of change	Please explain
N/A	N/A	N/A	N/A	N/A	N/A	N/A

C10 Verification

Verification

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

Scope	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

Other verified data

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, we do not verify any other climate-related information reported in our CDP disclosure

C11 Carbon pricing

Project-based carbon credits

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

Internal price on carbon

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12 Engagement

Value chain engagement

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our investee companies

(C-FS12.1c) Give details of your climate-related engagement strategy with your investee companies.

Type of engagement	Details of engagement	% of investees by #	% Scope 3 emissions as reported in FS14.1	Portfolio coverage	Rationale for the coverage of your engagement	Impact of engagement, including measures of success
Engagement & incentivization (changing investee behavior)	Exercise active ownership			Minority of the portfolio	In Perpetual Asset Management Australia (PAMA), our responsible investment policy sets out our approach for considering ESG factors, including climate-related factors, in our active investment decision-making and ownership practices. PAMA makes active investment decisions across strategies that cover the following asset classes: • Australian equities; • Global equities; • Credit and fixed income; and • Multi-asset strategies.	It is our policy in PAMA that investment managers that have influence as a shareholder/ asset manager have a duty to use this influence in order to achieve better investment outcomes over the long term. From an ESG perspective this means encouraging the Boards and management of investee companies: • To have the processes and systems in place to identify and manage material ESG risks effectively; • To be transparent, honest and accountable, which includes providing the level of disclosure necessary for informed investment decision-making; and • To implement corporate structures and management incentives which ensure the company is managed in the long-term interests of shareholders (which includes sustainable business practices). For equity investments, our investment managers have a number of forums, or courses of action, in which they can exercise their influence, including: • Expressing concerns to the company’s management directly; • Expressing concerns through the company’s advisers; • Meeting with the Chairman, senior independent director or with other independent directors to express concerns directly; • Exercising our voting rights regarding management resolutions at shareholder’s meetings; • Engaging in public intervention (use of a public forum to drive change); and • Full or partial divestment. Engagement with companies will always be conducted in accordance with the applicable laws and regulations.

Public policy engagement

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

No

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

We do not have a company climate change strategy in place currently. In 2021, we will conduct a review of our approach to sustainability at Perpetual and consider how we can continue to reduce our impact on climate change and the environment.

Communications

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication	Status	Attach the document	Page/Section reference	Content elements	Comment
In voluntary sustainability report	Complete	https://www.perpetual.com.au/~/media/perpetual/pdf/fy20/fy20_perpetual_sustainability_report.ashx	Page 24	Emissions figures	Information about how Perpetual approaches climate change including emissions data.

Industry collaboration

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

Type of collaboration	Industry Collaboration	Comment
Reporting frameworks	Principles for Responsible Investment (PRI)	Signatory of PRI.
Industry initiative	Principles for Responsible Investment (PRI) Other, Investor Group on Climate Change (IGCC)	Signatory of PRI and member of IGCC in Australia.

C14 Portfolio Impact

Portfolio Impact

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

Portfolio	We conduct analysis on our portfolio's impact on the climate.	Disclosure metric	Comment
Investing (Asset manager)	No	Not applicable	N/A
Other products and services, Wholesale Ethical SRI Fund	Yes	Category 15 "Investment" total absolute emissions Alternative carbon footprinting and/or exposure metrics (as defined by TCFD)	We conducted a carbon footprint assessment of our Wholesale Ethical SRI Fund this year to understand its contribution to climate change. This revealed that the companies within the portfolio emitted 54,000 tonnes CO2e in FY20 based on the Fund’s ownership share. The weighted average carbon intensity for our equity holdings in the Fund was 71 tonnes CO2e per million AUD sales. This metric indicates a portfolio’s exposure to potential climate change-related risks relative to other portfolios. It has less than half the weighted average carbon intensity of the S&P/ASX 300 Accumulation Index, a comparable benchmark.

(C-FS14.1a) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

Source of Scope 3 emissions	Evaluation status	Scope 3 portfolio emissions (tCO2e)	Portfolio coverage	Percentage calculated using data obtained from investees	Emissions calculation methodology	Please explain
Investments	Relevant, calculated	54000	More than 0% but less than or equal to 10%		We conducted a carbon footprint assessment of our Wholesale Ethical SRI Fund in FY20 to understand its contribution to climate change. This revealed that the companies within the portfolio emitted 54,000 tonnes CO2e in FY20 based on the Fund’s ownership share. Total carbon emissions is a normalized measure of a portfolio’s contribution to climate change that enables comparisons with a benchmark, between multiple portfolios, and over time, regardless of portfolio size.	As at end FY20, our total funds under management (FUM) in Perpetual Investments for all asset classes was $28.4 billion and the Wholesale Ethical SRI Fund had $699 million in FUM or 2.4% of total FUM.

(C-FS14.1b) What is your organization's Scope 3 portfolio impact? (Category 15 "Investments" alternative carbon footprinting and/or exposure metrics)

Metric type	Metric unit	Scope 3 portfolio metric	Portfolio coverage	Percentage calculated using data obtained from clients/investees	Calculation methodology	Please explain
Weighted average carbon intensity	tCO2e/$M revenue	71	More than 0% but less than or equal to 10%		We conducted a carbon footprint assessment of our Wholesale Ethical SRI Fund in FY20 to understand its contribution to climate change. This revealed that the weighted average carbon intensity for our equity holdings in the Fund was 71 tonnes CO2e per million AUD revenue. Since companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks, weighted average carbon intensity indicates a portfolio's exposure to potential climate change-related risks relative to other portfolios or a benchmark. Agnostic to ownership share, it also facilitates comparison with non-equity asset classes.	As at end FY20, our total funds under management (FUM) in Perpetual Investments for all asset classes was $28.4 billion and the Wholesale Ethical SRI Fund had $699 million in FUM or 2.4% of total FUM. Weighted average carbon intensity indicates a portfolio's exposure to potential climate change-related risks relative to other portfolios. For instance, in FY20 the Wholesale Ethical SRI Fund had less than half the weighted average carbon intensity of the S&P/ASX 300 Accumulation Index, a comparable benchmark.

(C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 "Investments" emissions or alternative carbon footprinting and/or exposure metrics)

Carbon footprinting is often linked to carbon reduction targets, which we do not currently have. In 2021, we are conducting a review of our approach to sustainability at Perpetual and consider how we can continue to reduce our impact on climate change and the environment. While we do not carbon footprint our whole portfolio, we do assess climate risk across our investment portfolios. For example, we have estimated our current total direct investment in high carbon emissions intensive sectors is less than 3% of our Australian equity portfolios, which is two thirds the exposure of the S&P/ASX 300 Index. We conducted a carbon footprint assessment of our Wholesale Ethical SRI Fund in FY20 to understand its contribution to climate change. This revealed that the companies within the portfolio emitted 54,000 tonnes CO2e in FY20 based on the Fund's ownership share.

(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

Scope 3 breakdown	Comment
Yes, by asset class	N/A

(C-FS14.2a) Break down your organization's Scope 3 portfolio impact by asset class.

Asset class	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Listed equity	Total carbon absolute emissions (CO2e)	Metric tons CO2e	54000	We conducted a carbon footprint assessment of our Wholesale Ethical SRI Fund in FY20 to understand its total carbon emissions. This revealed that the companies within the portfolio emitted 54,000 tonnes CO2e in FY20 based on the Fund's ownership share. Total carbon emissions is a normalized measure of a portfolio's contribution to climate change that enables comparisons with a benchmark, between multiple portfolios, and over time, regardless of portfolio size. As at end FY20, our total funds under management (FUM) in Perpetual Investments for all asset classes was $28.4 billion and the Wholesale Ethical SRI Fund had $699 million in FUM or 2.4% of total FUM.

Portfolio alignment

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

Portfolio	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Investing (Asset manager)	No	In 2021, we will conduct a review of our approach to sustainability at Perpetual and consider how we can continue to reduce our impact on climate change and the environment.
Other products and services, please specify	Not applicable	Not applicable

C15 Signoff

Signoff

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

Job title	Corresponding job category
Chief Financial Officer (CFO)	Chief Financial Officer (CFO)