

Sustainability Reporting

Sustainable International Share Fund (SISF)

31/03/25



Sustainability Objective (SO)

Support the transition to a more sustainable economy

The Fund aims to *support the transition to a more sustainable economy*, by aligning 80% or more of its capital in aggregate with investments that advance this transition.

We aim to do this by allocating capital to investments that in our view:

- support positive environmental and/or social change via their investment processes, positively tilt the overall investment portfolio, and/or active ownership¹; and
- avoid exposure to companies with business activities that negatively impact the environment and/or society².

We define a sustainable economy as an economic system which balances environmental, social, and economic factors.

The Fund's Sustainability Objective does not apply to derivatives.

¹Pendal defines active ownership (or stewardship), as exercising our voting rights through proxy voting and select engagement with investee companies or issuers.

²As defined by the exclusionary screens and gross revenue thresholds.



Implementing the Sustainability Objective

Primary sustainability steps

Sustainability Objective (SO)	Primary Sustainability Actions	Investment Selection	Total Portfolio Management	Monitor and Control - Investments	Monitor and Control - Total Portfolio
<p>Transition to a more Sustainable Economy</p> <p>Applied top-down</p> <p>Influences all investment decisions</p> <p>Balanced with the Performance Objective (PO)</p>	<p>Applied across all levels of the Fund where possible:</p> <ul style="list-style-type: none"> • ESG integration • Activity screening • Sustainability tilting • Active ownership 	<p>Bottom-up sustainability management</p> <p>Funds selected are generally aligned with the SO</p> <p>Each fund will have its own specific RI process for security selection & stewardship</p> <p>Assessed via a Sustainability Due Diligence Questionnaire (S-DDQ)</p>	<p>Top-down sustainability management to ensure intentional alignment with the SO, including sustainability tilting and stewardship</p> <p>Judicious management of sustainability active risk taken, using a risk budgeting method</p>	<p>Quarterly review of their holdings (e.g. carbon emissions, WACI, SDGs) and stewardship activities</p> <p>Annual Strategic Sustainability Review</p> <p>Engage where warranted</p>	<p>Quarterly tracking of aggregate Fund SO alignment and a positive sustainable tilt e.g. carbon emissions, WACI, SDGs, stewardship</p> <p>Engage with underlying funds and/or enhance the sustainable tilt where warranted</p>

Investment Selection

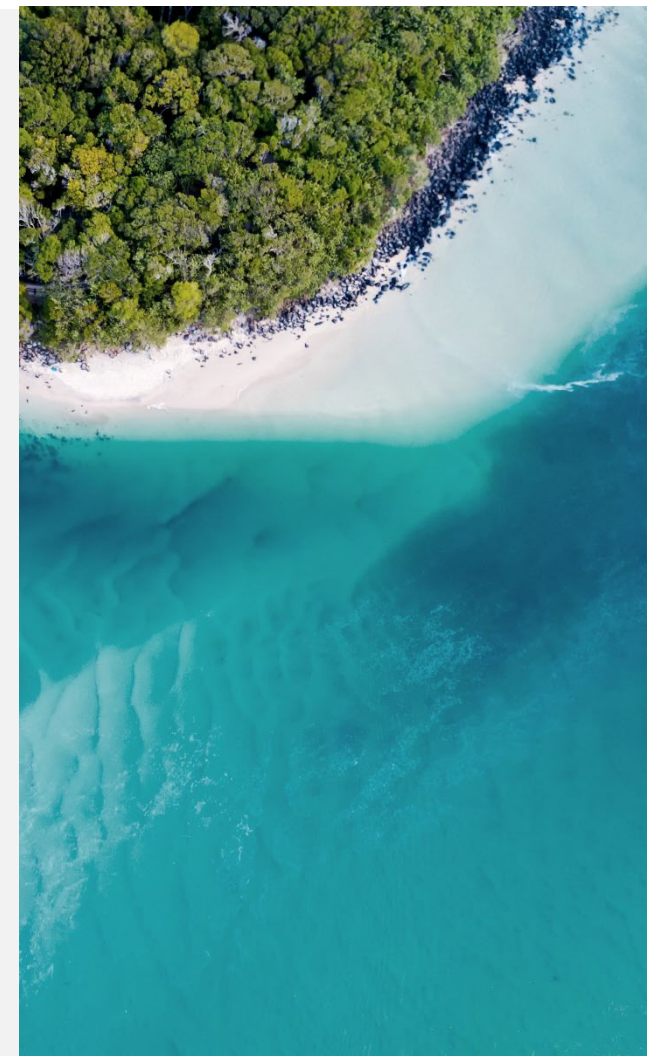
Bottom-up Sustainability Management

Selection of Investment Funds:

- When selecting, retaining or realising the Fund's investments, Pendal evaluates each investment's alignment with the Fund's Sustainability Objective, which aims to *support the transition to a more sustainable economy*.

Sustainability Due Diligence Questionnaire (S-DDQ):

- For every fund (manager) considered for the Fund, we complete an S-DDQ, which helps determine the extent to which the prospective fund contributes to a more sustainable economy.
- We review the fund's holdings, investment and stewardship approach, stewardship activity, ESG integration approach, activity screening, sustainable themes and/or tilts, and the Sustainability Objective of the fund, where applicable, along with available reporting.



Total Portfolio Management

Top-down Sustainability Management

Measurable Sustainable Objectives:

- We aim for **at least 80% of the Fund's assets under management to contribute towards a positive sustainability tilt:**
 - These investments should demonstrate a positive impact on environmental and/or social factors.
- We aim to maintain the **Weighted Average Carbon Intensity (WACI) at least 30% below that of the benchmark:**
 - An informal target, we will monitor changes in the WACI and adjust the holdings where necessary.
 - We will monitor changes in the underlying managers' WACI to understand their rationale and mitigation strategies.
 - If the underlying managers do not implement adequate mitigation strategies, we will directly reduce exposure to high WACI contributing stocks under our Sustainability Overlay Framework.



Total Portfolio Management

Top-down Sustainability Management

Emulation approach:

- Our unique emulation approach to implementing the underlying managers' target portfolios means the Multi Asset team directly owns, monitors, controls and implements all the investment holdings
- This “funds management approach” to “multi-manager” investment we view is a superior approach for sustainability management
- We attain the diversification benefits of blending complimentary managers, without the sustainability inconsistencies of a multi-manager approach. Inconsistencies may include activity screens; sustainability tilts and themes; engagement; proxy voting; controversies, etc

Sustainability Overlay Framework:

- **Activity Screening:** Ensuring one set of consistent screens is applied
- **Positive Sustainability Tilting:** Target a WACI of 30% less than the benchmark
- **Active Ownership Activities:** One approach to engagement / proxy voting / controversies

Active Ownership Panel (AOP):

- Top-down oversight of the alignment of the active ownership activities with the SO
- The AOP consists of members from the Multi Asset and Regnan teams and meets quarterly

Sustainability Metrics Tracking

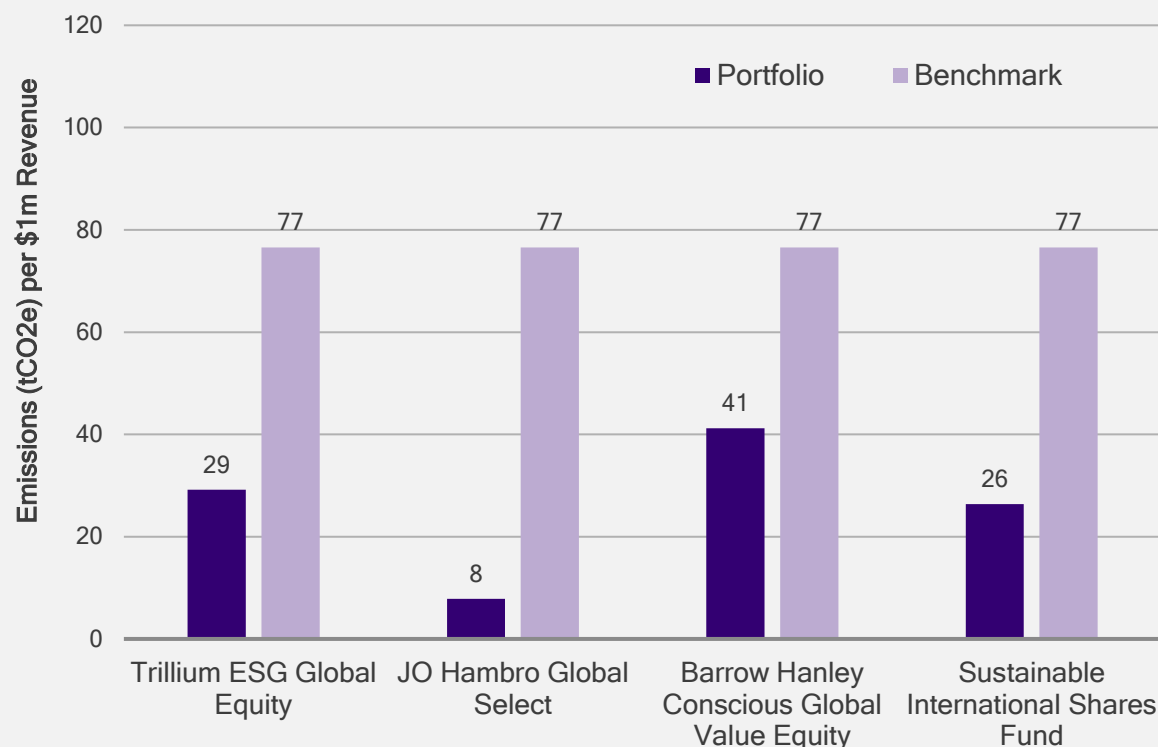
31 March 2025



Carbon Emissions Reporting

Evidencing and tracking the environmental factor: WACI as at 31 March 2025

WACI - Underlying strategies and Sustainable International Share Fund



Benchmark: The benchmark for the Fund and is the MSCI All Countries ex Australia Index
 Note: Sustainability Overlays (screening, tilting) are implemented within each emulated underlying strategy

Source: Pendal Group, ISS

The Fund has a WACI exposure significantly below the Fund's benchmark. That is, the Fund emits materially less carbon per dollar of underlying company revenue than the benchmark. This is driven by consciously selecting lower carbon intensity companies within the underlying strategies, the application of fossil fuel activity screens, and the application of the Positive Sustainability Tilting overlay when relevant.

The estimated Weighted Average Carbon Intensity (WACI) of the Fund is shown in the adjacent chart. The WACI provides an indication of the Fund's exposure to carbon emissions intensive companies, as measured by Greenhouse gas (GHG) emissions equivalents per \$1m AUD of corporate revenue. GHG (scope 1 and 2¹) intensity data supplied by ISS is weighted by the size of our holding in each exposed company. We also compare this to the WACI of the benchmark portfolio².

We caution that there are limitations of using carbon metrics as an indicator of a portfolio's overall exposure to climate-related risks. For example: not all companies report their emissions data and hence some of the analysis includes estimates; it does not include scope 3 emissions; portfolio carbon analysis does not capture exposure to physical climate-related risks, or the unique transition risks some companies within the portfolio face.

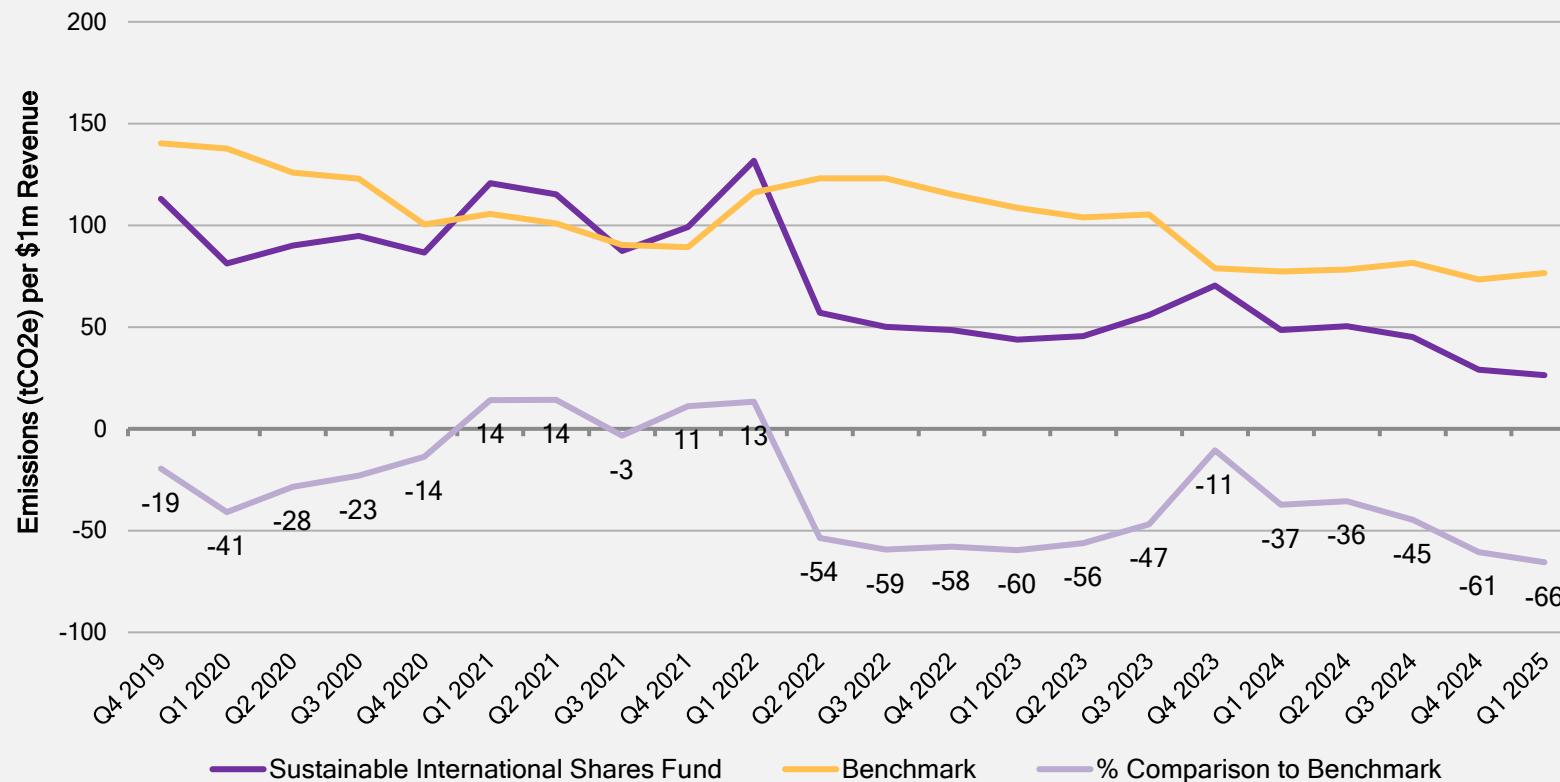
Nevertheless, the WACI metric is recommended by the IFRS Foundation's IFRS S2 standard as a key metric for climate-related disclosures, particularly for asset managers given it supports greater comparability of investor reporting.

^[1] Scope 1 GHG emissions result from sources directly owned or controlled by the company. Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company. Scope 3 GHG emissions result from activities not directly owned or controlled by the company but are associated with its operation such as business travel, waste management, commuting, and the use of sold products and services. <https://ghgprotocol.org/sites/default/files/standards/ghgprotocol-revised.pdf>

Carbon Emissions Reporting

Evidencing and tracking the environmental factor: WACI as at 31 March 2025

Weighted Average Carbon Intensity (WACI) over time



The Fund's WACI exposure has been materially better than the benchmark since mid 2022, post an investment restructure. An additional restructure and the significant underperformance of the energy sector in 2023 led to a spike in the WACI compared to the benchmark as at Q4 2023 (however remained better). When this spike occurred, the exposure to the highest WACI contributing stocks were reduced to bring the WACI again materially below the benchmark as at Q1 2023. Since April 2025, the Fund has adopted an informal target to aim to have a WACI 30% below the benchmark.

Source: Pendal Group, ISS

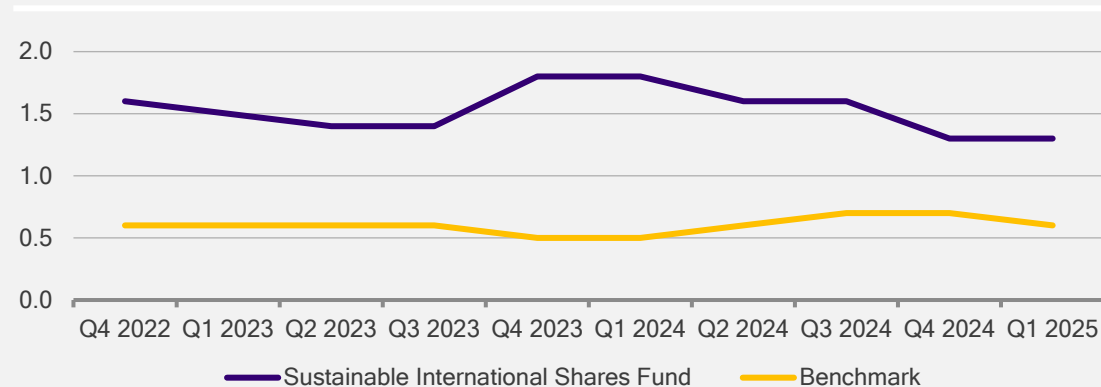
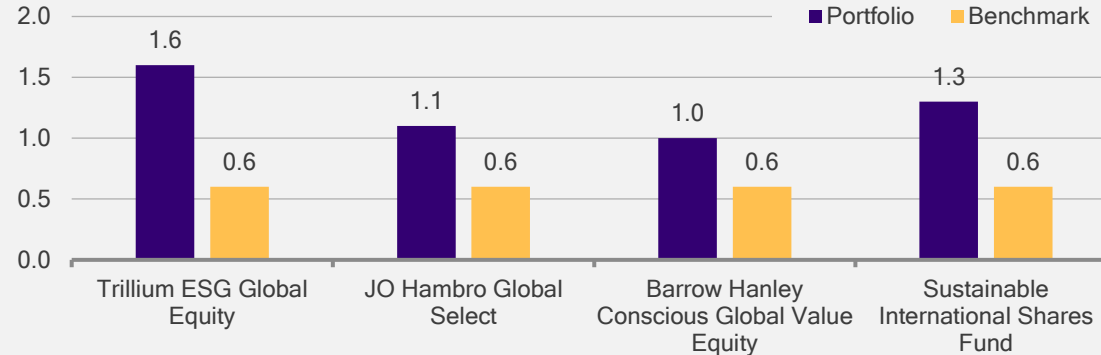
Benchmark: The benchmark for the Fund is the MSCI All Countries ex Australia Index

Social Development Goals (SDGs) Reporting

Evidencing and tracking the social factor: SDG Solutions Assessment by Score as at 31 March 2025

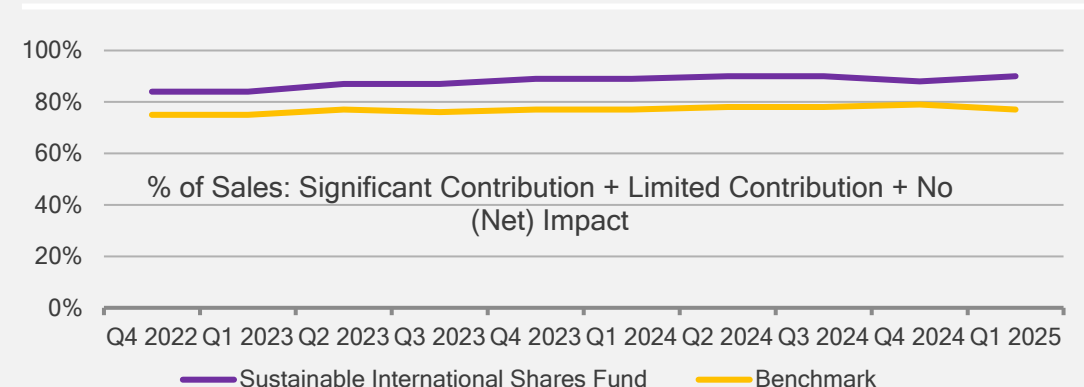
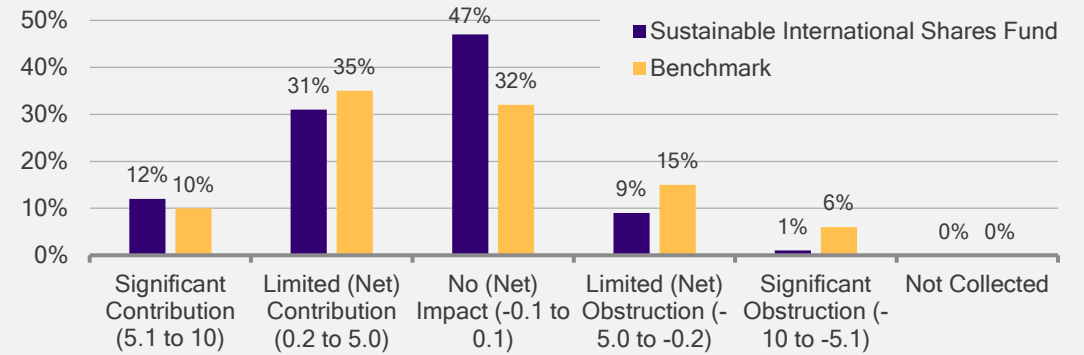
The graphs below shows an assessment of the Fund's positive and negative sustainability impacts of underlying companies' products and services, using the UN Sustainable Development Goals (SDGs) as the reference framework. The SDGs are widely seen to reflect the current global consensus regarding the world's most pressing social, environmental, and economic challenges. The Fund displays a strong positive sustainability tilt as represented by the SDG Solutions score and % of sales that provide a positive SDG contribution vs the benchmark.

SDG Solutions net scores*



Source: Pendal Group, ISS

SDG Solutions distribution (% of sales per contribution category)

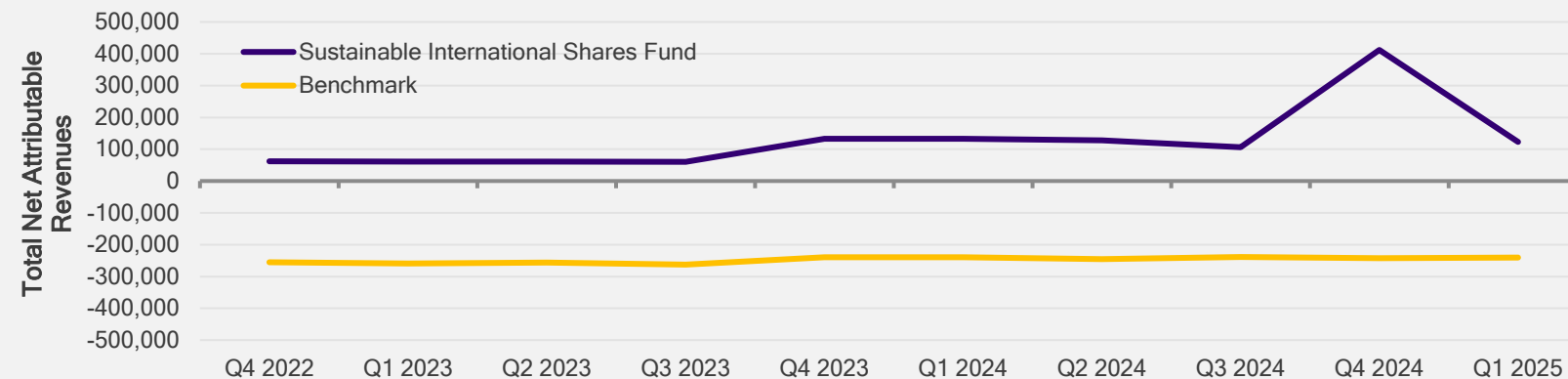
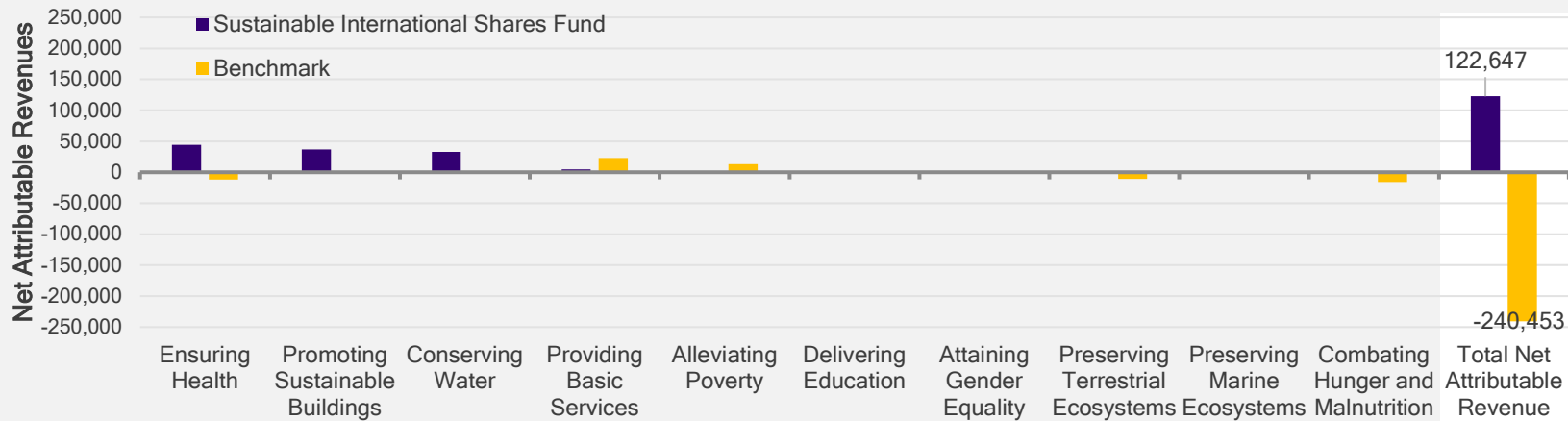


*The SDG Solutions Score (SDGS), which assesses the overall, aggregated impact of a company's product portfolio on the achievement of sustainability objectives. SDG scores range from -10 to +10, where a score of +10 represents 100% of net sales are generated with products/services classified as having a significant contributing impact on the SDGs. | Benchmark: The benchmark for the Fund and is the MSCI All Countries ex Australia Index

Social Development Goals (SDGs) Reporting

Evidencing and Tracking the Social Factor: SDG Solutions Assessment (SDGA)* by Sustainability Objectives as at 31 March 2025

Net Attributed Revenues to Social and Environmental Sustainability Objectives (per 1M USD Invested) –Top/Bottom 5



Source: Pendal Group, ISS

Benchmark The benchmark for the Fund and is the MSCI All Countries ex Australia Index

The adjacent graphs below show an assessment of the Fund's top/bottom 5 attributable revenues (of underlying companies' products and services) towards sustainability objectives (which reference the UN Sustainable Development Goals (SDGs)). Of particular note, is the benchmark's total net attributable revenue (-USD240k) is negatively aligned with the sustainability objectives. Whereas the Fund provides not only a better alignment than the benchmark, but also a positive revenue alignment with sustainability objectives evidencing a clear positive tilt.

*The SDG Solutions Assessment (SDGA) measures the positive and adverse sustainability impacts of companies' product and service portfolios. It follows a thematic approach encompassing 15 distinct Sustainability Objectives, using the 17 UN Sustainable Development Goals (SDGs) as a reference framework. The 15 objectives were defined by ISS ESG following a detailed analysis of the UN SDGs, including considerations of whether the goals are relevant for the private sector as well as whether and how they can apply to the potential (positive and negative) contribution of a company's products and services. The SDGA sustainability objectives are mapped to those UN SDGs for which assessed products and services could potentially be relevant. For example, 'water services for residential customers' and 'energy supply to residential customers' are both positively assessed in the Objective Providing basic services. While the former is relevant for SDG 6 - Clean Water & Sanitation, the latter is relevant for SDG 7 - Affordable & Clean Energy.

Active Ownership Reporting

12 months to 31 March 2025



Active Ownership (Stewardship) Process¹

Utilises Regnan's expertise in stewardship and sustainability research

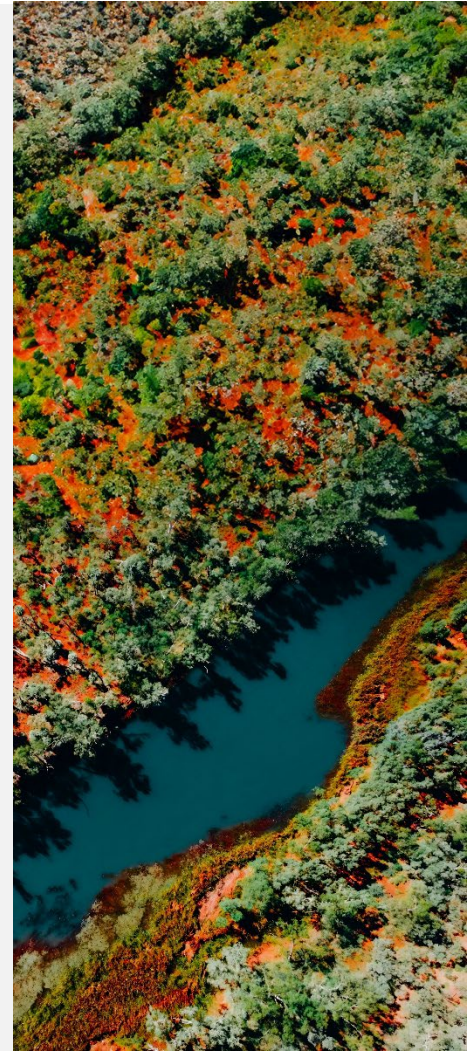
Engagement

Given the large size of the investment universe, we prioritise engagements with companies where we are most able to influence change on issues relevant to our Sustainable Objective. Regnan makes this determination and conducts the engagement on the Fund's behalf.

Proxy Voting

The Fund subscribes to a sustainable voting policy with our proxy voting provider. This means that the proxy voting provider makes recommendations through a sustainability lens. This is reviewed by Regnan on the Fund's behalf. We will override proxy voting recommendations where we hold a different view and where a different vote is better aligned with the Fund's Sustainable Objective.

¹Pendal defines active ownership (or stewardship), as exercising our voting rights through proxy voting and select engagement with investee companies or issuers.



Active Ownership (Stewardship) Process

Engagement examples in the 12 months to 31 March 2025

Alphabet Inc. (GOOGL)

Regnan engaged with Alphabet through a formal letter sent to the company's Chief Sustainability Officer in March 2025.

Objectives of the Engagement:

Encourage Alphabet to augment its sustainability approach to better manage risks and seize opportunities arising from business growth; advocate for a long-term perspective on sustainability, ensuring Alphabet remains adaptable to evolving policy and regulatory environments globally; and promote alignment with leading sustainability practices and principles.

Description:

Regnan acknowledged Alphabet's progress on renewable energy targets but raised concerns about inconsistencies with accepted emissions reporting standards, and suggested engagement with the GHG Protocol and company stakeholders.

The letter highlighted Alphabet's potential to drive renewable energy infrastructure and stressed the need to address Scope 3 emissions and material risks, advocating for expanding supplier initiatives.

Regnan sought greater transparency and accountability in policy engagement, including clear reporting on advocacy activities and board oversight.

Regnan supported Alphabet's net zero by 2030 goal but raised concerns about the projected increase in energy consumption due to AI.

Next Steps:

The letter concluded with a request for a meeting to discuss these topics further.



Active Ownership (Stewardship) Process

Engagement examples in the 12 months to 31 March 2025

Amazon, Inc. (AMZN)

Regnan engaged Amazon through a formal letter in March 2025.

Objectives of the Engagement

The engagement aimed to align Amazon's sustainability strategy with long-term value creation, particularly in light of the company's rapid operational growth and the anticipated surge in energy consumption driven by Artificial Intelligence (AI).

Description:

Regnan acknowledged Amazon's efforts to identify high-emission suppliers and require decarbonisation plans but called for increased transparency on what is excluded from its emissions accounting.

Regnan recommended Amazon set interim emissions targets to improve accountability and monitor progress toward its 2040 net zero goal.

While recognising Amazon's climate investments, Regnan noted that the company's absolute emissions have continued to rise, encouraging further capital allocation to decarbonisation and innovative solutions.

While Amazon's advocacy for renewable energy is positive Regnan sought to ensure that Amazon maintained alignment of its public commitments with positioning on clean energy legislation, seeking consistent and transparent policy reporting.

Engagement Outcomes and Next Steps:

Regnan concluded the letter by requesting a meeting to discuss these issues further.



Active Ownership (Stewardship) Process

Engagement examples in the 12 months to 31 March 2025

Ecolab Inc. (ECL)

Objectives of the Engagement:

Improve executive accountability around safety incidents (particularly fatalities). Foster a more cohesive/collective safety culture by improving messaging to employees and stakeholders.

Description:

Regnan sought to improve executive accountability around safety incidents - particularly fatalities. Regnan acknowledged the positive directional change in safety metrics for FY23 but also highlighted further progress is needed.

Citing fatalities in FY23 and May 2024, Regnan emphasised the importance of executive responsibility and accountability for safety, with the board having oversight under the incentive framework. Whilst acknowledging the existence of a modifier under 'Growth & Impact' for the Short-Term Incentive (STI), Regnan encouraged further disclosure around the factors considered by the board in each performance period to demonstrate effective accountability for executives and drive improved safety outcomes for ECL workers and contractors.

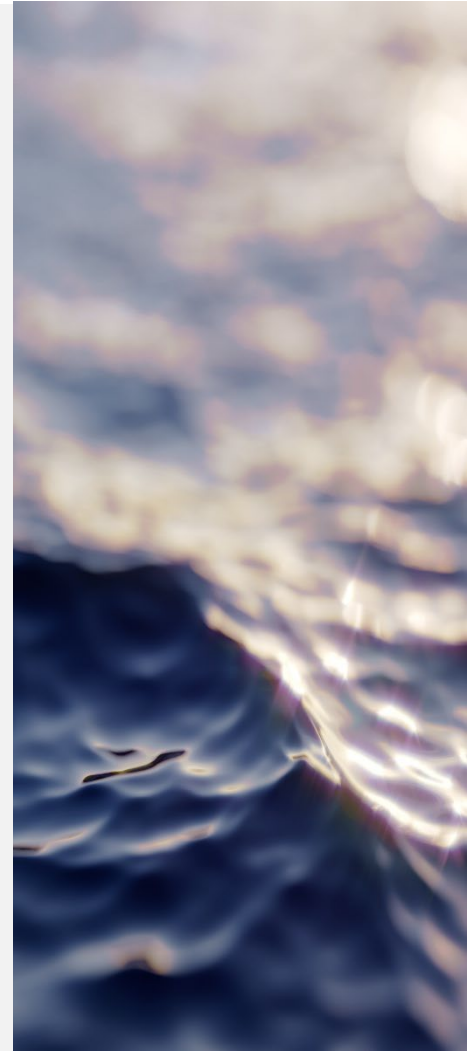
Regnan sought to foster a more cohesive safety culture through better messaging to employees and stakeholders.

Noting the lack of explicit commentary or prominent acknowledgment of the fatalities in the FY23 disclosures, Regnan highlighted the benefits of upfront acknowledgment of incidents, both publicly and internally within the workforce. Regnan also noted transparency can positively impact Ecolab's safety culture and stakeholder perception.

Engagement Outcomes and Next Steps:

Ecolab representatives committed to maintaining dialogue including future engagement meetings.

Regnan will monitor progress and seek future engagements as required.



Active Ownership (Stewardship) Process

Engagement examples in the 12 months to 31 March 2025

Fortescue Metals Group Ltd (FMG)

Regnan met with the company in June 2024 to seek improvements in the management of mining culture and workforce DEI.

Objectives:

Follow up previous conversations on culture in the mining industry and support ongoing company improvements. Encourage consideration of equitable employment practices as part of DEI program.

Description:

Regnan supported enhanced disclosures and efforts to improve mining culture, DEI, and workplace safety, highlighting improvements in board incident reporting and trend analysis, especially regarding contractor-related incidents.

FMG has acted on board suggestions to improve FIFO workers' safety by altering flight schedules, reducing the risk of on-site incidents linked to overnight stays post-shift.

Regnan encouraged FMG to further enhance reporting on preventative measures and to assign accountability for psychosocial risk at the management level.

Targets for increasing female representation and support for equitable employment practices were discussed, with a focus on inclusive decision-making and advancing Aboriginal employment pathways.

Regnan shared a DEI research paper with FMG to inform their diversity and inclusion initiatives, which FMG welcomed.

Next Steps:

Regnan will continue to monitor FMG's response to the issues raised above but note that the stock is no longer held in the portfolio.



Active Ownership (Stewardship) Process

Engagement examples in the 12 months to 31 March 2025

Ivanhoe Mines Limited (IVN)

Regnan wrote a letter to management, which resulted in a subsequent meeting with company representatives, to seek improvements in the management of key social and environmental issues.

Objectives:

Seek improvements to management of workplace health and safety. Seek disclosure improvements on the company's whistleblowing (WB) function to encourage ethical business conduct and employee behaviours. Gain assurance that Ivanhoe is effectively managing informal mining risks to local communities.

Description:

Regnan raised concerns about IVN's workplace fatality record in the DRC and encouraged stronger WHS controls, oversight, and training. Ivanhoe said that it is implementing physical safeguards and has introduced more experienced leadership to address fatalities. The board monitors safety via regular technical committee updates, tying 15% of senior management remuneration to safety performance for greater accountability. Importantly, the company is cognisant that serious safety incidents are detrimental to its workforce, disruptive to workplace culture, is counterproductive and costly financially, and is working to reduce the number of incidents.

With regard to informal mining concerns, IVN' noted that because its mines are mostly underground, informal mining is difficult; nevertheless, the company is helping transition artisanal miners into formal employment and alternative jobs which are safer and regulated.

Regnan advocated for improved reporting on misconduct allegations, including aggregated data on categories and outcomes, which Ivanhoe agreed to provide for increased transparency.

Ivanhoe highlighted that the DRC operations are greenfield projects with no legacy tailings or cobalt on their licences, reducing environmental and compliance risks.

Next Steps:

Regnan will continue to monitor IVN's response to the issues raised above, including in subsequent disclosure, and has accepted Ivanhoe's offer to meet again to discuss progress in 2025.



Active Ownership (Stewardship) Process

Engagement examples in the 12 months to 31 March 2025

Badger Meter Inc. (BMI)

Regnan met with the company in December 2024 to seek improvements in the management of WHS and human capital.

Objectives of the Engagement:

Promote a more integrated approach to organisation-wide safety with a dedicated governance and reporting framework to senior executives and non-executive board. A more direct link between management of strategic human capital and planned innovation outcomes including measurement of progress.

Description:

Regnan encouraged the company to integrate safety culture organisation-wide, suggesting that a dedicated governance and reporting framework to senior executives and the board would benefit the company. In our view, such an approach ensures the primacy of safety and helps isolate and address emerging and inherent risks within the business, particularly as it grows rapidly.

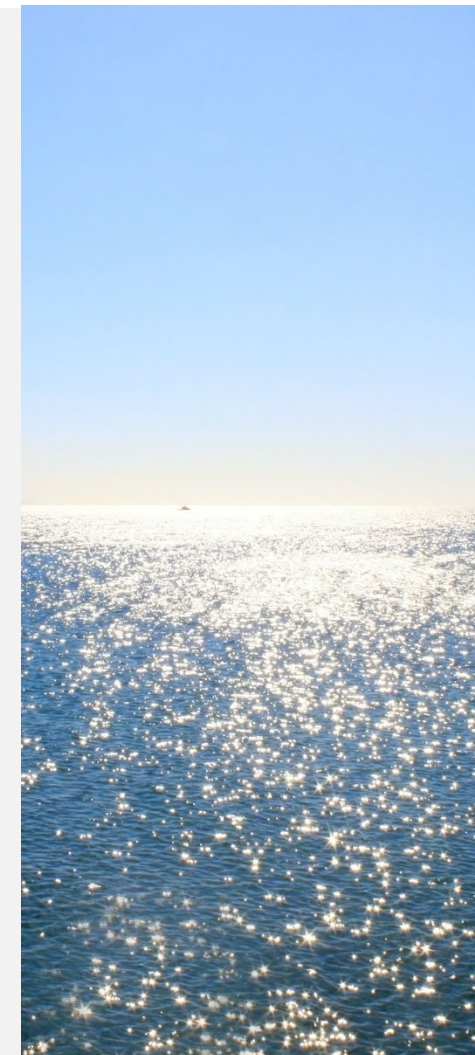
Emphasis was placed on addressing both physical and mental health aspects as the business evolves, particularly with moves into technology and software sectors.

Regnan encouraged further enhancement and alignment of the company's approach to attracting and retaining talent, innovation, and R&D, given the company's transition from an industrials company to a more technology-focused entity, noting the challenges in sourcing and retaining talent in the heated technology sector labour market.

Regnan suggested that a more detailed framework of measuring progress on its strategic goals would not only benefit the company and its employee base but also aid investors in assessing the future prospects of the company.

Engagement Outcomes and Next Steps :

Badger Meter representatives acknowledged our views and committed to maintaining dialogue including future engagement meetings. Regnan will monitor progress and seek future engagements to encourage uplift in the areas identified.



Active Ownership (Stewardship) Process

Proxy voting examples in the 12 months to 31 March 2025

Regnan reviewed all AGM resolutions where differences between management and/or shareholder positions and the proxy provider's Sustainability Policy recommendations were identified.

Examples of issues the Fund voted on and rationale

Disclosure on Ethical AI Data Acquisition and Usage (S) - **FOR**

Transparency would provide shareholders the ability to evaluate the benefits and risks associated with the company's use of external data in the development of its artificial intelligence (AI) projects. Aligned with the Sustainability Objective.

Report on Climate Risk in Retirement Plan Options (S) - **FOR**

A vote FOR this resolution is warranted. The information requested in the report would not only complement and enhance the company's existing commitments regarding climate change but also allow shareholders to better evaluate the company's management of related risks.

The information requested would enhance company's commitments re Climate change and is supportive of the Sustainable Objective of the Fund.

Report on Risks of Discriminating Based on Religious and Political Views (S) - **AGAINST**

The company provides sufficient disclosure of its own policies and practices regarding advertising and marketing, including oversight of the associated risks.

Consider Abolishing DEI Policies, Programs, Departments, and Goals (S) - **AGAINST**

Not aligned with the Sustainable Objective of the Fund.

Governance

The Fund has also voted against directors up for re-election where there are governance concerns, such as failure to remove poor governance elements which adversely affect minority shareholder rights.

Adverse Impacts Statement

Sustainable International Share Fund

31/03/25



Adverse Impacts Assessment

Monitoring potential adverse impacts on our Sustainability Objective

Adverse Impacts Assessment

We acknowledge that within the Fund's underlying portfolios, some holdings may have negative effects on the Fund's Sustainability Objective, such as those that are in hard to abate sectors (related to carbon emissions) or those that are improving their business practices or product mix but have not reached their goal yet

To mitigate this we monitor the Fund for the following:

- At overall Fund level we will use external ESG data providers to track sustainability factors such as overall WACI and carbon footprint. We will identify the underlying funds and/or securities with the largest contribution towards these portfolio measures and assess that alongside the underlying investments' purpose and overall contribution to the Fund (e.g. financial, risk management, stewardship etc.).



Important note

This report has been prepared by Pendal Fund Services Limited (PFSL) ABN 13 161 249 332, AFSL No 431426 and the information contained within is current as at 31 March 2025.

PFSL is the responsible entity of, and issuer of units in the Pendal Sustainable International Share Fund ARSN: 612 665 219 (Fund).

This report is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider whether the information is suitable for your circumstances and we recommend that you seek professional advice.

The investment memorandum (IM) for the Fund, issued by PFSL, should be considered before deciding whether to acquire, dispose, or hold units in the Fund. The IM can be obtained by calling 1300 346 821.

This report may contain information contributed or prepared by third parties. Any information contributed or prepared by third parties is believed to be accurate as at the time of compilation and is being provided in good faith without independent verification. PFSL does not warrant the accuracy or completeness of any information provided by a third party.

This report may contain forward looking statements or projections. Any such statements are based on current expectations and assumptions about future events. They may be based on incorrect assumptions or may not take into account known or unknown risks and uncertainties. Actual results may differ materially from these projections. Forward looking statements are not representations about future performance and should not be relied upon as such.

To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital.

All investing involves risk including the possible loss of principal.

For more information, please call Customer Relations on 1300 346 821 8.00am to 6:00pm (Sydney time) or visit our website www.pendalgroup.com.