



LEA 02	Discipline: Mandatory	Principle: PRI 1, 2, 3
<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transition or identify the need for additional or other support</li> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> To enhance corporate transition or identify the need for additional or other support</li> </ul>	<p><b>Type of engagement</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Individual/ internal staff engagements</li> <li><input type="checkbox"/> Collaborative engagements</li> <li><input type="checkbox"/> Service provider engagements</li> </ul>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transition or identify the need for additional or other support</li> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> To enhance corporate transition or identify the need for additional or other support</li> </ul>

# RI TRANSPARENCY REPORT

## 2017

Perennial Value Management Limited

## About this report

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

This report is an export of the individual Signatory organisation's response to the PRI during the 2017 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

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

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

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

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

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

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	🔒	n/a							✓
OO 12	Modules and sections required to complete	✓	n/a							✓
OO End	Module confirmation page	✓	-							

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

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public							✓
LEI 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	🔒	n/a	✓						
LEI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
LEI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 11	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 12	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 13	ESG issues in index construction	🔒	n/a	✓						
LEI 14	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 15	Measurement of financial and ESG outcomes of ESG incorporation	✓	Public	✓						
LEI 16	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI 17	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	⚡	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	⚡	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagement methods	✓	Public		✓					
LEA 13	Engagements on E, S and/or G issues	-	n/a		✓					
LEA 14	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 15	Examples of ESG engagements	-	n/a		✓					
LEA 16	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 17	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 18	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 19	Percentage of voting recommendations reviewed	⚡	n/a		✓					
LEA 20	Confirmation of votes	-	n/a		✓					
LEA 21	Securities lending programme	✓	Public		✓					
LEA 22	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 23	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 24	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 25	Shareholder resolutions	✓	Public		✓					
LEA 26	Examples of (proxy) voting activities	✓	Public		✓					
LEA 27	Disclosing voting activities	✓	Public		✓				✓	
LEA End	Module confirmation page	✓	-							

# Perennial Value Management Limited

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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

## Basic Information

OO 01	Mandatory	Public	Gateway/Peering	General
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OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 02	Mandatory	Public	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

Australia

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

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

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

FTE

33

OO 03	Mandatory	Public	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04	Mandatory	Public	Gateway/Peering	General
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**OO 04.1** Indicate the year end date for your reporting year.

31/12/2016

**OO 04.2** Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on.

	trillions	billions	millions	thousands	hundreds
Total AUM		7	177	409	558
Currency	AUD				
Assets in USD		5	349	323	741

**OO 06**

**Mandatory**

**Public**

**Descriptive**

**General**

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

**OO 06.1** How you would like to disclose your asset class mix.

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	100	0
Fixed income	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0

Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

**OO 06.2** Publish our asset class mix as per attached image [Optional].

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

Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
<i>Total</i>	<i>100%</i>

**Gateway asset class implementation indicators**

<b>OO 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**OO 10.1** Select the direct or indirect ESG incorporation activities your organisation implemented for listed equities in the reporting year.

- We incorporate ESG in our investment decisions on our internally managed assets
- We do not incorporate ESG in our directly managed listed equity and/or we do not address ESG incorporation in our external manager selection, appointment and/or monitoring processes.

**OO 10.2** Select the direct or indirect engagement activities your organisation implemented for listed equity in the reporting year.

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

**OO 10.3** Select the direct or indirect voting activities your organisation implemented for listed equity in the reporting year

- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

# Perennial Value Management Limited

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

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

**SG 01.1**

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

Yes

**SG 01.2**

Indicate the components/types and coverage of your policy.

Select all that apply

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

**SG 01.4**

Indicate what norms you have used to develop your investment policy that covers your responsible investment approach.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

No

**SG 01.6**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

We believe that the incorporation of ESG principles into our investment processes is in the best interests of our clients. The research we undertake into a company's ESG attributes, in conjunction with our analysis of the numbers and financials, can provide us with a more holistic view than the numbers and financial analysis alone. We believe that this approach will ultimately lead to better return outcomes for our clients.

**SG 02**

**Mandatory**

**Public**

**Core Assessed**

**PRI 6**

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

**SG 02.1**

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

- Policy setting out your overall approach

URL/Attachment

- URL

URL

[http://www.perennial.net.au/about\\_us/ESG](http://www.perennial.net.au/about_us/ESG)

- Attachment (will be made public)
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Asset class-specific RI guidelines
- Engagement policy
- (Proxy) voting policy

URL/Attachment

- URL

URL

[http://www.perennial.net.au/\\_data/assets/pdf\\_file/0017/4238/141231\\_Perennial-Proxy-Voting-Record.pdf](http://www.perennial.net.au/_data/assets/pdf_file/0017/4238/141231_Perennial-Proxy-Voting-Record.pdf)

- Attachment (will be made public)
- We do not publicly disclose our investment policy documents

SG 03

Mandatory

Public

Core Assessed

General

SG 03.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

- Yes

SG 03.2

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

Perennial's conflict of interest policy covers how we manage any potential conflicts in the investment process.

There must be no conflict, or perception of such, between the interests of any employee and their responsibility to Perennial or its stakeholders. All employees may never improperly use their position for personal or private gain to themselves, a family member, or any other person.

In controlling any conflicts, we must first identify what these are and undertake an impact assessment/evaluation. This may necessitate the disallowance of certain activities. However, it is important that we do not significantly compromise the services that are being provided, either by a change in the arrangement or during any transition period. We will then need to decide upon and implement an appropriate response, for example, make a disclosure to the client, allocate another representative to the client, decline to provide services to the client and initiate internal or external disciplinary action. We will need to monitor each situation when it arises. All arrangements will need to be documented and auditable and must be kept for at least seven years.

- No

## Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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<b>SG 05.1</b>	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not reviewed

SG 06	Voluntary	Public	Descriptive	General
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<b>SG 06.1</b>	List the main responsible investment objectives that your organisation set for the reporting year.
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	Responsible investment processes
--	----------------------------------

- Provide training on ESG incorporation

	Key performance indicator
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All staff must complete at least one hour of ESG training as part of their minimum training requirements.

	Progress achieved
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Compliance monitors all training outcomes for staff.

- Provide training on ESG engagement

	Key performance indicator
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All staff must complete at least one hour of ESG training as part of their minimum training requirements.

- Improved communication of ESG activities within the organisation
- Improved engagement to encourage change with regards to management of ESG issues

	Key performance indicator
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To understand remuneration structures in the market and to determine the most appropriate measures in which to engage change with companies.

- Improved ESG incorporation into investment decision making processes
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Other activities

- Joining and/or participation in RI initiatives
- Encouraging others to join a RI initiative
- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

**Governance and human resources**

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

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
- Other Chief-level staff or head of department, specify  
 Senior Manager - Institutional Business



- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
- External managers or service providers
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

<b>SG 07.2</b>	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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We execute these responsibilities in our day to day roles.

<b>SG 07.3</b>	Indicate the number of dedicated responsible investment staff your organisation has.
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	Number
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0

<b>SG 07.4</b>	Additional information. [Optional]
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Perennial Value has a team member who along with their Portfolio Management or analyst responsibilities is responsible for coordinating, recording and implementing ESG issues and engagement within the team.

<b>SG 08</b>	Voluntary	Public	Additional Assessed	General
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<b>SG 08.1</b>	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
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**Board members/Board of trustees**

- Responsible investment included in personal development and/or training plan

**SG 08.2**

Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.

All staff are required to complete at least one hour of ESG training per year. This is monitored by compliance.

None of the above

**Other C-level staff or head of department**

Senior Manager - Institutional Business

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Portfolio managers**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Investment analysts**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**SG 08.3**

Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

As part of Perennial's annual training requirements all staff must do at least one hours ESG training per year. Many staff, especially on the investment side, far exceed this requirement.

## Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

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

**SG 09.1**

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced
- AFIC – La Commission ESG
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- ESG Research Australia

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

- Basic
- Moderate
- Advanced
- Eumedion
- EVCA – Responsible Investment Roundtable
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify  
RIAA

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

- Basic
- Moderate
- Advanced
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

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

Yes

**SG 10.2** Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Wrote articles on responsible investment in the media.
- Other, specify

specify description

Internal staff training, promotion of ESG in client reports regardless of if client requests such information, including ESG process and information in external presentations.

No

SG 11	Voluntary	Public	Additional Assessed	PRI 4,5,6
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<b>SG 11.1</b>	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.
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- Yes
- No

**Implementation not in other modules**

<b>SG 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 12.1</b>	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.
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- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

<b>SG 12.2</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
----------------	---

- We do the following
- We do not consider ESG issues in strategic asset allocation

<b>SG 13</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>SG 13.1</b>	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.
----------------	--

- Changing demographics
- Climate change

**SG 13.2**

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

**SG 13.3**

Indicate which of the following tools you use to manage emissions risks and opportunities

- Carbon footprinting
  - Scenario testing
  - Disclosure on emissions risk to clients/trustees/management/beneficiaries
  - Target setting for emissions risk reduction
  - Encourage internal and/or external portfolio managers to monitor emissions risk
  - Emissions risk monitoring and reporting are formalised into contracts when appointing managers
  - Other, specify
  - None of the above
- Resource scarcity
  - Technology developments
  - Other, specify(1)
  - Other, specify(2)
  - None of the above

**SG 14****Mandatory to Report Voluntary to Disclose****Public****Descriptive****PRI 1**

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

**SG 14.1**

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes
- No

# Perennial Value Management Limited

## Reported Information

Public version

Direct - Listed Equity Incorporation

## PRI disclaimer

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

## Overview

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

### Percentage of internally managed listed equities

	Passive	0
	Active - quantitative (quant)	0
	Active - fundamental and active - other	100
	Total	100%

## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 03	Mandatory	Public	Gateway	PRI 1
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEI 03.1** Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)

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

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



Percentage of active listed equity to which the strategy is applied	%
	100

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

**Total actively managed listed equities**

100%

**LEI 03.2** Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

All of Perennial's equity investments use an integration strategy to incorporate ESG as we believe this strategy is the most appropriate and meaningful way to integrate ESG considerations to our investment process. This strategy places the integration of ESG on the same level as other important key metrics that are considered when analysing sound companies to invest in.

<b>LEI 04</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**LEI 04.1** Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

**Type of ESG information**

- Raw ESG company data

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Company-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Sector-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Screened stock list
- ESG issue-specific analysis or ratings
- Other, specify

<b>LEI 04.2</b>	Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.
-----------------	---

As shown above, Perennial collects ESG research from a range of sources including but not limited to internal fundamental research, extensive company meetings, public available sustainability and company reports, external ESG provides such as, CGI Glass Lewis. This research allows Perennial's analysts to form their own view on each company and the ESG issues that may surround it and integrate this into the company's valuation.

To promote quality research from the sell-side we discuss ESG issues with broking analysts so they are aware that we value their input. More formally, we include the quality of ESG research as part of our Broker panel analysis. Each broker is assessed during this analysis with these results used to allocate brokerage.

<b>LEI 04.3</b>	Indicate if you incentivise brokers to provide ESG research.
-----------------	--

Yes

<b>LEI 04.4</b>	Describe how you incentivise brokers.
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Brokers are incentivised to provide ESG research by two methods:

1. An important factor in the Annual Broker review is the quality and amount of ESG research a broker provided over the previous year. This is a key factor in determining the percentage of brokerage that will be allocated to the broker over the upcoming year. Other factors that form the end rating include level of service, quality of company analysis etc.
2. Brokers can also be incentivised and rewarded for quality ESG research by tagging them in trades. An example of when this may occur is if a broker was to provide a high quality report on ESG which may be company, sector or country specific.

No

<b>LEI 05</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>LEI 05.1</b>	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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- Engagement
  - We have a systematic process to ensure the information is made available.
  - We occasionally make this information available.
  - We do not make this information available.
- (Proxy) voting
  - We have a systematic process to ensure the information is made available.
  - We occasionally make this information available.
  - We do not make this information available.

**(C) Implementation: Integration of ESG issues**

<b>LEI 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>LEI 10.1</b>	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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<b>ESG issues</b>	<b>Coverage/extent of review on these issues</b>		
Environmental	<table border="1" style="width: 100%; background-color: #0070c0; color: white;"> <tr> <td style="width: 20%;"></td> <td style="text-align: center;">Environmental</td> </tr> </table> <ul style="list-style-type: none"> <li><input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly</li> <li><input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly</li> <li><input type="radio"/> We do not review environmental issues</li> </ul>		Environmental
	Environmental		
Social	<table border="1" style="width: 100%; background-color: #0070c0; color: white;"> <tr> <td style="width: 20%;"></td> <td style="text-align: center;">Social</td> </tr> </table> <ul style="list-style-type: none"> <li><input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly</li> <li><input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly</li> <li><input type="radio"/> We do not review social issues</li> </ul>		Social
	Social		
Corporate Governance	<table border="1" style="width: 100%; background-color: #0070c0; color: white;"> <tr> <td style="width: 20%;"></td> <td style="text-align: center;">Corporate Governance</td> </tr> </table> <ul style="list-style-type: none"> <li><input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly</li> <li><input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly</li> <li><input type="radio"/> We do not review corporate governance issues</li> </ul>		Corporate Governance
	Corporate Governance		

LEI 11	Voluntary	Public	Additional Assessed	PRI 1
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LEI 11.1	Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.
----------	--

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Company information and/or ratings on ESG are updated regularly
- A periodic review of the quality of the research undertaken or provided is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Other, specify
- None of the above

LEI 11.2	Describe how ESG information is held and used by your portfolio managers.
----------	---

- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

LEI 12	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 1
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEI 12.1** Indicate which aspects of investment analysis you integrate ESG information into.

- Economic analysis
- Industry analysis
  - Systematically
  - Occasionally
- Quality of management
  - Systematically
  - Occasionally
- Analysis of company strategy
  - Systematically
  - Occasionally
- Portfolio construction
- Fair value/fundamental analysis
  - Systematically
  - Occasionally

**LEI 12.2b** Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.

- Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- Adjustments to valuation tools (discount rates, terminal value)
- Other adjustments to fair value projections, specify  
Analyst conviction ratings.

**LEI 12.4b** Describe the methods you have used to adjust the income forecast / valuation tool

ESG factors can be incorporated into the valuation tool through trend analysis, pricing fade and in analyst conviction ratings.

- Other, specify

**Outputs and outcomes**

LEI 14	Voluntary	Public	Descriptive	PRI 1
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**LEI 14.1** Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

- Integration of ESG issues

Select which of these effects followed your ESG integration:

- Reduce or prioritise the investment universe
- Overweight/underweight at sector level
- Overweight/underweight at stock level
- Buy/sell decisions
- Other, specify
- None of the above

LEI 15	Voluntary	Public	Additional Assessed	PRI 1
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**LEI 15.1**

Indicate whether your organisation measures how your approach to ESG issues in listed equity investments has affected financial and/or ESG performance.

- We measure whether our approach to ESG issues impacts funds' reputation
- We measure whether our approach to ESG issues impacts funds' financial performance: return
- We measure whether our approach to ESG issues impacts funds' financial performance: risk
- We measure whether our approach to ESG issues impacts funds' ESG performance
- None of the above

LEI 16	Voluntary	Public	Descriptive	PRI 1
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**LEI 16.1**

Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.

- ESG issue 1

ESG issue and explanation
<p>We engaged with Clydesdale Bank in relation to their remuneration policies. We were please by both the approach being taken to executive remuneration which centred on a balanced scorecard of "risked" measures as opposed to simple earnings per share or total shareholder return metrics as well as the way they were proactively seeking out shareholder feedback prior to finalising the remuneration structure and believe this should set an example for other companies.</p>
ESG incorporation strategy applied
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Integration</li> </ul>

- ESG issue 2

ESG issue and explanation
<p>Earlier in the year, we wrote to the Board of Ansell regarding their executive remuneration policy. Our strong preference was to adopt an approach which combined hurdles tailored to company and sector specific financial metrics, earnings per share targets, and return on capital targets, and to exclude the commonly adopted total shareholder return (TSR) metric. The key reason for this is that share prices may not reflect the underlying performance of the business in the short to medium term. Pleasingly, during the quarter, Ansell advised changes to its executive remuneration framework and adopted all of our recommended changes.</p>
ESG incorporation strategy applied
<input checked="" type="checkbox"/> Integration

- ESG issue 3
- ESG issue 4
- ESG issue 5

## Communication

LEI 17	Mandatory	Public	Core Assessed	PRI 2,6
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<b>LEI 17.1</b>	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.
-----------------	---

- We disclose it publicly

	Provide URL
--	-------------

[http://www.perennial.net.au/about\\_us/ESG](http://www.perennial.net.au/about_us/ESG)

<b>LEI 17.2</b>	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
-----------------	---

- Yes
- No

<b>LEI 17.3</b>	Indicate the information your organisation proactively discloses to the public regarding your approach to ESG incorporation.
-----------------	--

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

**LEI 17.4**

Indicate how frequently you typically report this information to the public.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested

**LEI 17.5**

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

**LEI 17.6**

Indicate how frequently you typically report this information to clients/beneficiaries.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries

**LEI 17.7**

Additional information. [Optional]

While the above link provides a broad overview, Perennial happily provides detailed explanations of our ESG incorporation strategy, along with recent company examples, should a member of the public be interested in further details. Examples of when and how ESG has been incorporated are included in quarter commentaries which are available publically. When in face to face meetings with clients we can go into great detail regarding ESG items.



# Perennial Value Management Limited

## Reported Information

### Public version

### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Engagement

### Overview

LEA 01	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

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

LEA 01.1	Indicate whether your organisation has a formal engagement policy.
----------	--

Yes

LEA 01.2	Indicate what your engagement policy covers:
----------	--

- Conflicts of interest
- Prioritisation of engagements
- Transparency
- Environmental factors
- Social factors
- Governance factors
- Engagements following on from decisions
- Other, describe
- None of the above

LEA 01.4	Provide a brief overview of your organization's approach to engagement
----------	--

Perennial will seek to engage companies on their significant environment, governance and social issues that have the potential to impact on company perception and performance. This will lead to a more complete understanding of a range of material issues affecting a company and ultimately result in increased returns and lower risk for a portfolio.

No

LEA 02	Mandatory	Public	Gateway	PRI 1,2,3
--------	-----------	--------	---------	-----------

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

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

## Process

### Process for engagements run internally

LEA 03	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

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

**LEA 03.1** Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

<b>LEA 03.2</b>	Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.
-----------------	--

- Geography/market of the companies targeted
  - Materiality of ESG factors
  - Systemic risks to global portfolios
  - Exposure (holdings)
  - In reaction to ESG impacts which has already taken place
  - As a response to divestment pressure
  - As a follow-up from a voting decision
  - Client request
  - Other, describe
- No

<b>LEA 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	---------------	----------------------	--------------

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

<b>LEA 04.1</b>	Indicate if you define specific objectives for your engagement activities.
-----------------	--

- Yes
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out by internal staff.

<b>LEA 04.2</b>	Indicate if you monitor the actions that companies take following your engagements.
-----------------	---

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out by internal staff.

<b>LEA 04.3</b>	Indicate whether your organisation defines milestones and goals for engagement activities carried out by internal staff.
-----------------	--

- Yes
- No

<b>Process for engagements conducted via collaborations</b>				
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<b>LEA 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	---------------	----------------------	--------------

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

**LEA 05.1** Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

- Yes
- No

<b>LEA 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	---------------	----------------------	--------------

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

**LEA 06.1** Indicate if you define specific objectives for your engagement activities carried out collaboratively.

- Yes
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out collaboratively.

**LEA 06.2** Indicate if you monitor the actions companies take following your collaborative engagements.

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out collaboratively

**LEA 06.3** Indicate whether your organisation defines milestones and goals related to engagement activities carried out via collaborations.

- Yes
- No

### General processes for all three groups of engagers

<b>LEA 09</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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**LEA 09.1** Indicate if insights gained from your engagements are shared with your internal or external investment managers.

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

LEA 10	Mandatory	Public	Gateway	PRI 2
--------	-----------	--------	---------	-------

**LEA 10.1** Indicate if you track the number of engagements your organisation participates in.

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

### Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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**LEA 11.1** Indicate the amount of your listed equities portfolio with which your organisation engaged during the reporting year.

	<b>Number of companies engaged</b> (avoid double counting, see explanatory notes)	<b>Proportion (to the nearest 5%)</b>	<b>Specify the basis on which this percentage is calculated</b>
Individual / Internal staff engagements	<div style="background-color: #0070C0; color: white; padding: 2px;">Number of companies engaged</div> 252	<div style="background-color: #0070C0; color: white; padding: 2px;">Proportion (to the nearest 5%)</div> 100	<div style="background-color: #0070C0; color: white; padding: 2px;">Specify the basis on which this percentage is calculated</div> <input checked="" type="radio"/> of the total number of companies you hold <input type="radio"/> of the total value of your listed equity holdings
Collaborative engagements	0	<div style="background-color: #0070C0; color: white; padding: 2px;">Proportion (to the nearest 5%)</div> 0	<div style="background-color: #0070C0; color: white; padding: 2px;">Specify the basis on which this percentage is calculated</div> <input checked="" type="radio"/> of the total number of companies you hold <input type="radio"/> of the total value of your listed equity holdings

**LEA 11.2** Indicate the proportion of engagements that involved multiple, substantive and detailed discussions or interactions with a company during the reporting year relating to ESG issue.

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input type="radio"/> > 50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> None

**LEA 11.3** Indicate the percentage of your collaborative engagements for which you were a leading organisation during the reporting year.

Type of engagement	% Leading role
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> None

<b>LEA 12</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>LEA 12.1</b>	Indicate which of the following your engagement involved.
-----------------	---

- Letters to outline the engagement and the objectives
  - In some cases
  - In majority cases
  - In all cases
- Meetings and/or calls with the appropriate team
  - In some cases
  - In majority cases
  - In all cases
- Visits to operations
  - In some cases
  - In majority cases
  - In all cases
- Roadshows
- ESG research
  - In some cases
  - In majority cases
  - In all cases
- Other, specify

<b>LEA 14</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 14.1</b>	Indicate whether you track the number of cases during the reporting year where a company changed its practices, or made a formal commitment to do so, following your organisation's and/or your service provider's engagement activities.
-----------------	---

- Yes
- No

## Communication

<b>LEA 16</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
---------------	------------------	---------------	----------------------	----------------

<b>LEA 16.1</b>	Indicate whether your organisation proactively discloses information on its engagements.
-----------------	--

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

<b>LEA 16.5</b>	Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.
-----------------	--



## Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

### LEA 16.6

Indicate how frequently you typically report engagements information

- Disclosed continuously (prior to and post engagements)
  - Disclosed quarterly or more frequently
  - Disclosed biannually
  - Disclosed annually
  - Disclosed less frequently than annually
  - Ad hoc/when requested
- We do not proactively disclose it to the public and/or clients/beneficiaries.

### LEA 16.8

Additional information. [Optional]

Perennial will always discuss our issues and concerns with the company first, prior to resorting to a further course of action. In some circumstances, Perennial has engaged the press to highlight any corporate governance issues. These issues are obviously disclosed publically. Perennial has also engaged with other investment managers or substantial shareholders to gain a consensus on an issue. However, these are extreme measures and we find it more beneficial to engage the company directly to achieve a better result.

Perennial also include a section in their Trust's quarterly commentaries discussing any positive or negative ESG issues and/or significant company engagements over the quarter.

## (Proxy) voting and shareholder resolutions

### Overview

LEA 17

Mandatory

Public

Gateway

PRI 1,2,3

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

### LEA 17.1

Indicate whether your organisation has a formal voting policy.

- Yes

**LEA 17.2**

Indicate what your voting policy covers:

- Conflicts of interest
- Prioritisation of voting activities
- Transparency
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Share blocking
- Regional voting practices
- Record keeping
- Company dialogue pre/post vote
- Securities lending process
- Other, describe
- None of the above

**LEA 17.4**

Provide a brief overview of your organization's approach to (proxy) voting.

Our policy is to vote on all company resolutions, where we have the ability to do so. We believe that voting rights are a valuable asset and should be held in high regard. We try to vote 'yes' or 'no' in all circumstances. We prefer not to 'abstain' from any vote.

For Perennial Value to vote against a board of directors, there must be a valid reason. We will always discuss our issues with company management prior to voting 'no' with the aim to obtain a better outcome for our clients.

All votes are cast with the best interests of our clients in mind. Our Proxy Voting Policy also ensures that we adhere to, and are compliant with, the Financial Services Council Standard No 13 (Voting Policy, Voting Record and Disclosure). For further details about our's Proxy Voting Policy please read Perennial's Corporate Governance Policy.

**LEA 17.5**

Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).

All proxy voting details are recorded via our proxy voting platform, CGI Glass lewis. This is can be reviewed to ensure voting has been in line with our voting policy. If a vote is cast against our proxy voting research provider recomendation, the analyst or porflio manager must provide their reasoning of their vote.

No

**Process****LEA 18****Mandatory****Public****Descriptive****PRI 2**

<b>LEA 18.1</b>	Indicate how you typically make your (proxy) voting decisions.
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<b>Approach</b>
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- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.

<b>Based on</b>
-----------------

- the service provider voting policy signed off by us
  - our own voting policy
  - our clients' requests or policy
  - other, explain
- We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) that make voting decisions on our behalf.

<b>LEA 18.2</b>	Additional information.[Optional]
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Perennial have access to third party assessment and analysis of a company from providers such as CGI Glass Lewis or Riskmetrics. This information is used as a sounding board only. It is the Perennials intimate company knowledge, company meetings with management and internally generated research which will ultimately determines how each team votes.

Each team votes in line with Perennial's voting policy however we do vote in line with a clients policy at their request. If we had strong concerns about a certain resolution and vote we would engage the client to discuss our reasons with them.

<b>LEA 21</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>LEA 21.1</b>	Indicate if your organisation has a securities lending programme.
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- Yes
- No

<b>LEA 21.3</b>	Additional information.
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Perennial does not engage in security lending directly. As long term investors we do not believe this is in the best interests of our investors. However, our institutional clients may choose to participate in security lending for the stock we manage on their behalf.

<b>LEA 22</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>LEA 22.1</b>	Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting
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- Yes, in most cases
- Sometimes, in the following cases:
- Neither we nor our service provider raise concerns with companies ahead of voting

<b>LEA 22.2</b>	Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.
-----------------	---

- Yes, in most cases
- Sometimes, in the following cases.
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

<b>LEA 22.3</b>	Additional information. [Optional]
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## Outputs and outcomes

<b>LEA 23</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 23.1</b>	For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- We do track or collect this information

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

	%
--	---

99

	Specify the basis on which this percentage is calculated
--	--

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

**LEA 23.2** Explain your reason(s) for not voting certain holdings




- Shares were blocked
  - Notice, ballots or materials not received in time
  - Missed deadline
  - Geographical restrictions (non-home market)
  - Cost
  - Conflicts of interest
  - Holdings deemed too small
  - Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
  - We do not vote on environmental resolutions
  - We do not vote on social resolutions
  - On request by clients
  - Other
- We do not track or collect this information

LEA 24	Mandatory	Public	Additional Assessed	PRI 2
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**LEA 24.1** Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

- Yes, we track this information

**LEA 24.2** Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 90
Against (opposing) management recommendations	 6
Abstentions	 4

100%

**LEA 24.3**

Describe the actions you take after voting against management recommendations.

Perennial analysts continue to monitor all situations where it does not vote with management. If appropriate we will contact the board directly with our concerns to bring them to their attention.

No, we do not track this information

<b>LEA 25</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 25.1**

Indicate if your organisation directly or via a service provider filed or co-filed any ESG shareholder resolutions during the reporting year.

- Yes  
 No

<b>LEA 26</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 26.1**

Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

Add Example 1

Topic or ESG issue	Director Independence (Imdex Limited)
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	Promote new independent board members.
Scope and Process	Engaged with company and voted against the re-election of a director.
Outcomes	We voted against the resolution as the fees paid to a firm associated with Kevin Dundo make him an affiliate, we would prefer more independence

Add Example 2

Topic or ESG issue	Corporate Governance
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	To promote shareholders rights.
Scope and Process	
Outcomes	We voted against this proposal given this is not in shareholder's interests as it would allow them to issue preference shares etc without shareholder approval, especially since the Board has a bad habit of signing off on non-core acquisitions ie Dairy Farms, Mining camps

- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

## Communication

LEA 27

Mandatory

Public

Core Assessed

PRI 2,6

LEA 27.1

Indicate if your organisation proactively discloses information on your voting activities.

- We disclose it publicly

provide URL

[http://www.perennial.net.au/\\_data/assets/pdf\\_file/0017/4238/141231\\_Perennial-Proxy-Voting-Record.pdf](http://www.perennial.net.au/_data/assets/pdf_file/0017/4238/141231_Perennial-Proxy-Voting-Record.pdf)

LEA 27.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes
- No

**LEA 27.3** | Indicate the voting information your organisation proactively discloses to the public.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

**LEA 27.4** | Indicate how frequently you typically report voting information to the public.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc/as requested

**LEA 27.5** | Indicate the voting information your organisation proactively discloses to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided



**LEA 27.6**

Indicate how frequently you report voting information to clients/beneficiaries.

- Continuously (primarily before meetings)
  - Continuously (soon after votes are cast)
  - Quarterly or more frequently
  - Between quarterly and annually
  - Less frequently than annually
  - Other
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries