Pendal Multi-Asset Investments

PENDAL

# Sustainability Report

## Sustainable International Share Fund (SISF)

31 December 2025

# 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 ownership[1]; and
- avoid exposure to companies with business activities that negatively impact the environment and/or society[2].

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.

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

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

PENDAL

# 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 |
|---|---|---|---|---|---|
| Transition to a more Sustainable Economy<br><br>Applied top-down<br><br>Influences all investment decisions<br><br>Balanced with the Performance Objective (PO) | Applied across all levels of the Fund where possible:<br>• ESG integration<br>• Activity screening<br>• Sustainability tilting<br>• Active ownership | Funds (strategies) selected are generally aligned with the SO<br><br>Each aligned fund will have its own specific RI process for security selection & stewardship<br><br>Assessed via a Sustainability Due Diligence Questionnaire (S-DDQ) | Top-down sustainability management to ensure intentional alignment with the SO, including sustainability tilting and stewardship<br><br>Judicious management of sustainability active risk taken i.e. Sustainability Efficiency | Quarterly review of their holdings (e.g. carbon emissions, WACI, SDGs) and stewardship activities<br><br>Annual Strategic Sustainability Review<br><br>Engage where warranted | Quarterly tracking of aggregate Fund SO alignment and a positive sustainable tilt e.g. carbon emissions, WACI, SDGs, stewardship<br><br>Engage with underlying funds and/or enhance the sustainable tilt where warranted |

Source: Pendal

# Implementing the Sustainability Objective

## Investment Selection – Alignment with the Sustainability Objective

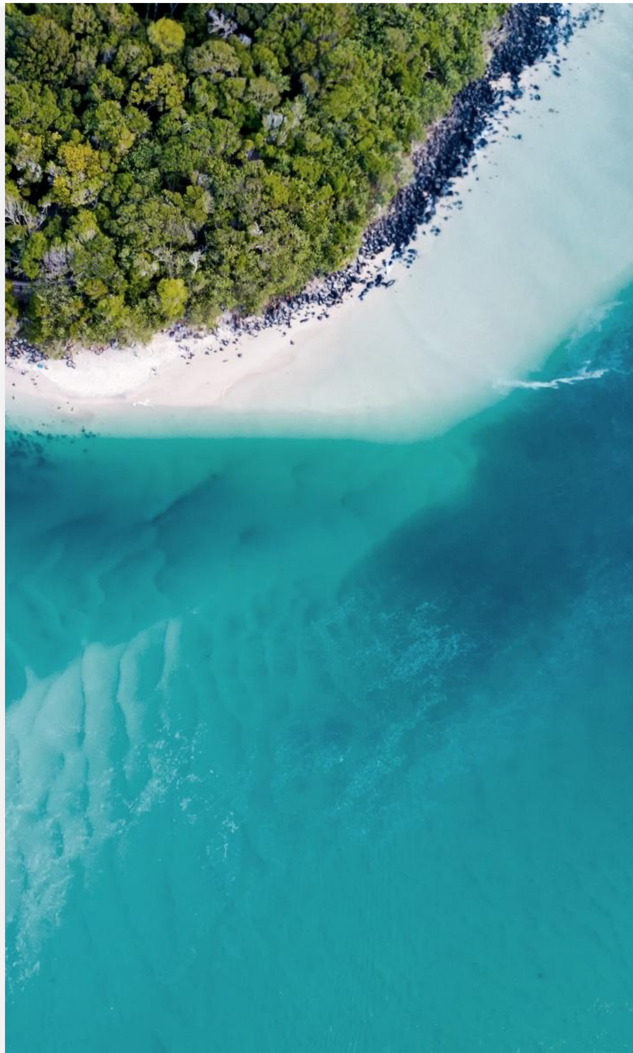
### Selection of Investment Funds (strategies):

- 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 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

- **Note**: not all underlying funds and securities held within the Fund will have a positive sustainability tilt or objective:
  - The Fund has both a performance and a sustainability objective
  - These objectives must be balanced to meet the best interest of investors



PENDAL

# Implementing the Sustainability Objective

## Total Portfolio Management - Alignment with the Sustainability Objective

### Measurable Sustainability Objective

We aim to maintain:

- **At least 80% of the Fund's total capital to contribute towards a positive sustainability tilt:**
  - These investments should demonstrate a positive impact on environmental and/or social factors

- **A Weighted Average Carbon Intensity (WACI) at least 30% below that of the benchmark:**
  - An informal target covering 100% of the Fund

Source: Pendal

PENDAL

# Implementing the Sustainability Objective

## Total Portfolio Management – Alignment with the Sustainability Objective

### 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 (SOF):

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

### Active Ownership Panel (AOP):

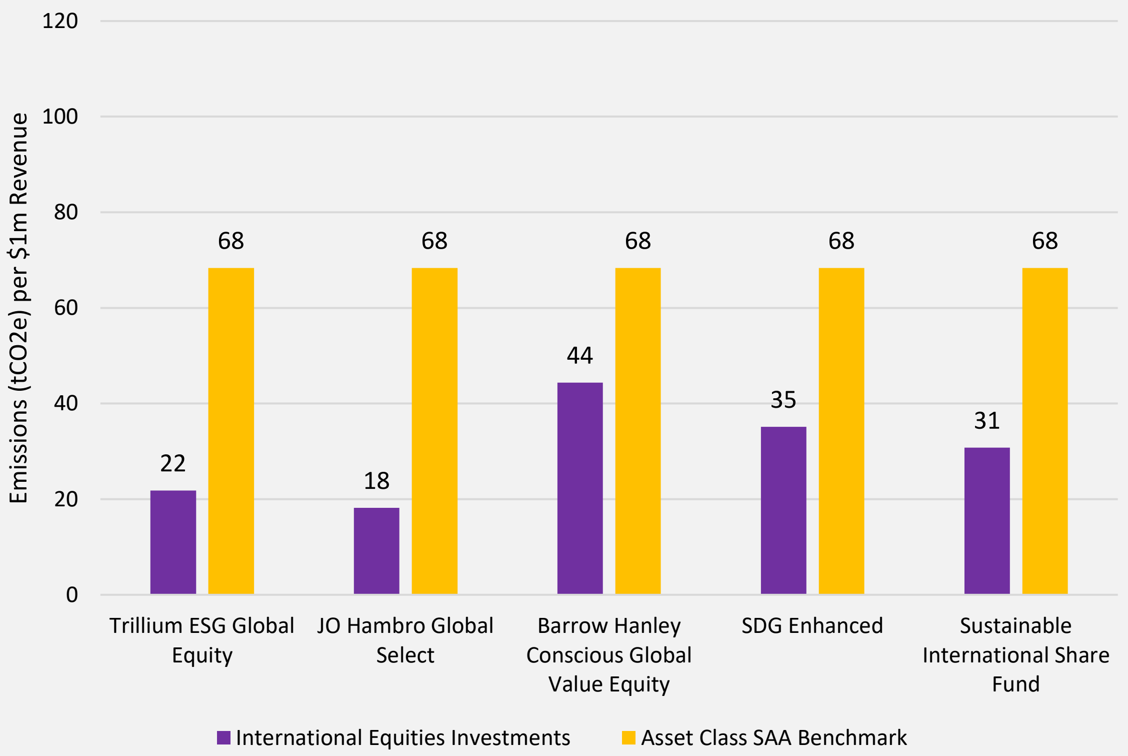
- Top-down oversight of the alignment of the active ownership activities with the SO
- The AOP consists of members from the Multi Asset and Regnan teams and meets quarterly

# Sustainability Metrics Tracking

# Carbon Emissions Reporting

## Evidencing and tracking the environmental factor: Weighted Average Carbon Intensity (WACI)

WACI - Sustainable International Share Fund & underlying strategies




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

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. During the quarter the new SDG Enhanced strategy was upweighted, with the aim of enhancing the Fund's positive sustainability tilt by favouring high SDG scoring companies,*

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 2[1]) 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 portfolio[2].

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.

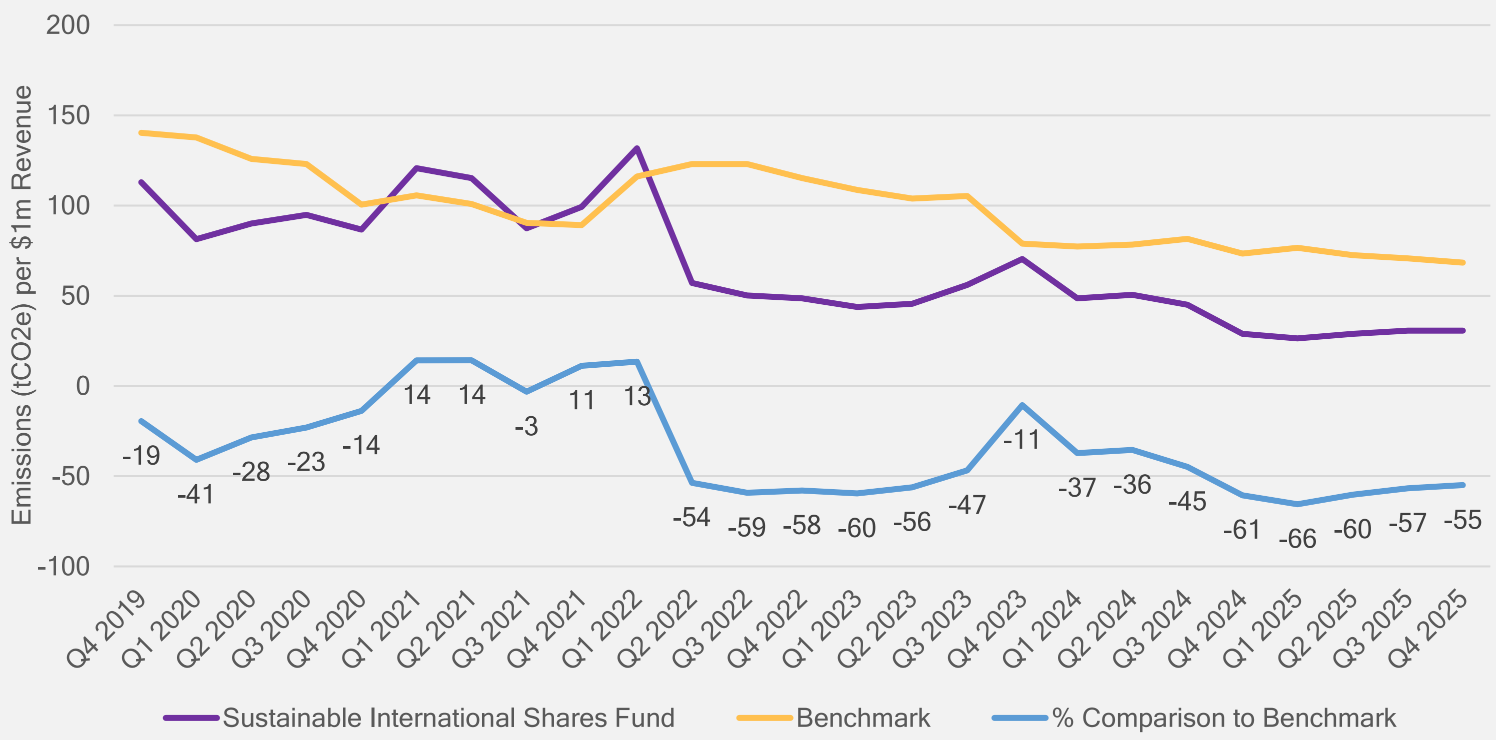
[1] Scope 1 GHG emissions result from sources directly owned or controlled by the company. Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company. Scope 3 GHG emissions result from activities not directly owned or controlled by the company but are associated 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

PENDAL

# Carbon Emissions Reporting

## Evidencing and tracking the environmental factor: Weighted Average Carbon Intensity (WACI)

Weighted Average Carbon Intensity (WACI) over time




Source: Pendal Group, ISS

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

*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.*

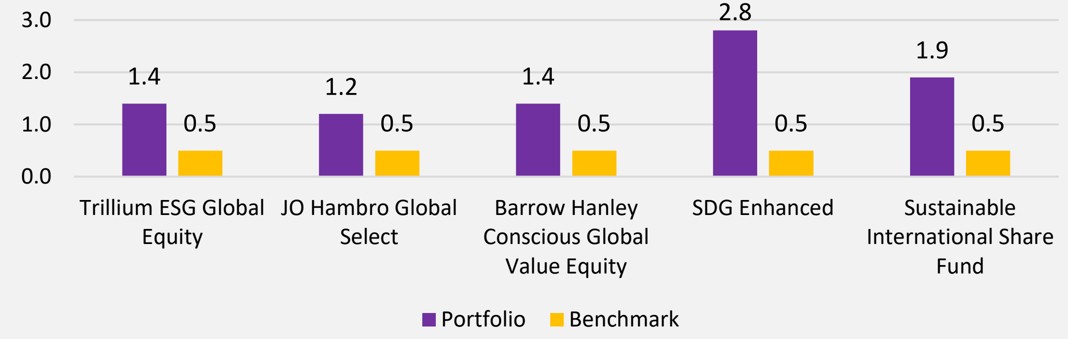
PENDAL

# Sustainable Development Goals (SDGs) Reporting

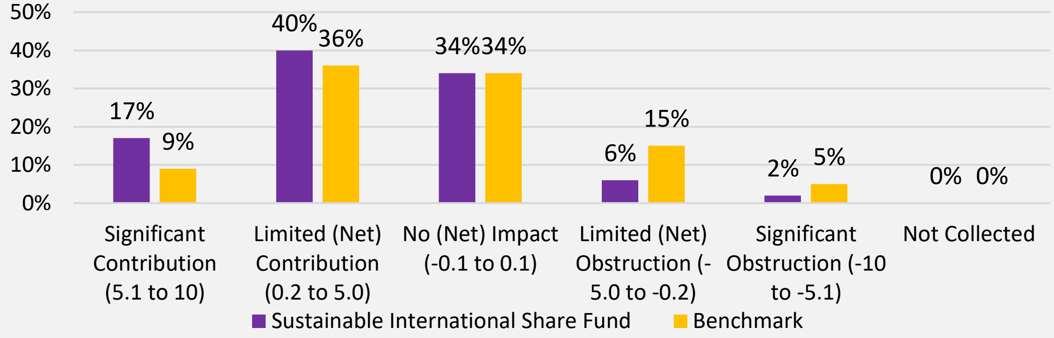
## Evidencing and tracking the social factor: SDG Solutions Assessment by Score

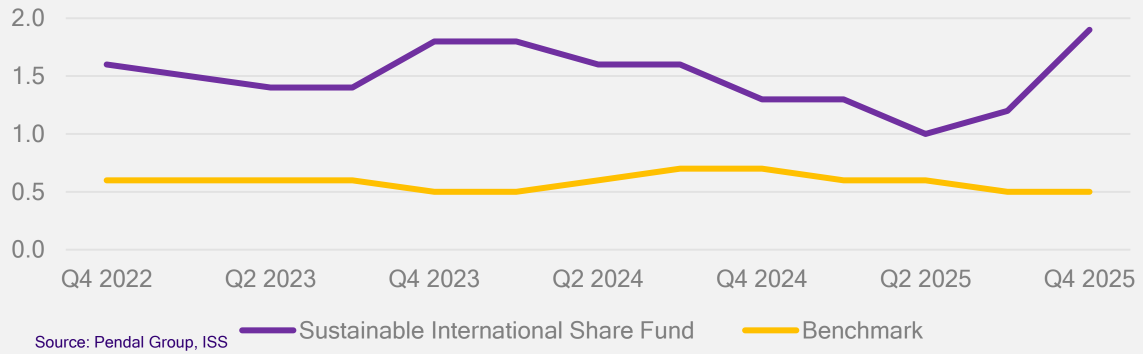
*The graphs below shows an assessment of the Fund's positive and negative sustainability impacts of underlying companies' products and services, using the UN Sustainable Development Goals (SDGs) as the reference framework. The SDGs are widely seen to reflect the current global consensus regarding the 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. The increase in sustainability tilt over the quarter reflects a material increase in International Shares as the new SDG Enhanced strategy's allocation was increased. This sustainability enhancement ensures greater sustainability intentionality, as represented by an increase in the SDG sales contribution vs the benchmark.*

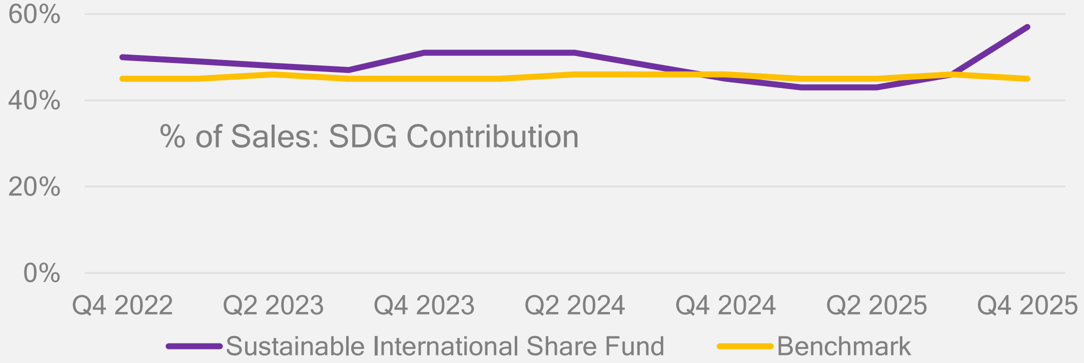
### SDG Solutions net scores*




### SDG Solutions intentionality (% of sales per contribution category)




Source: Pendal Group, ISS

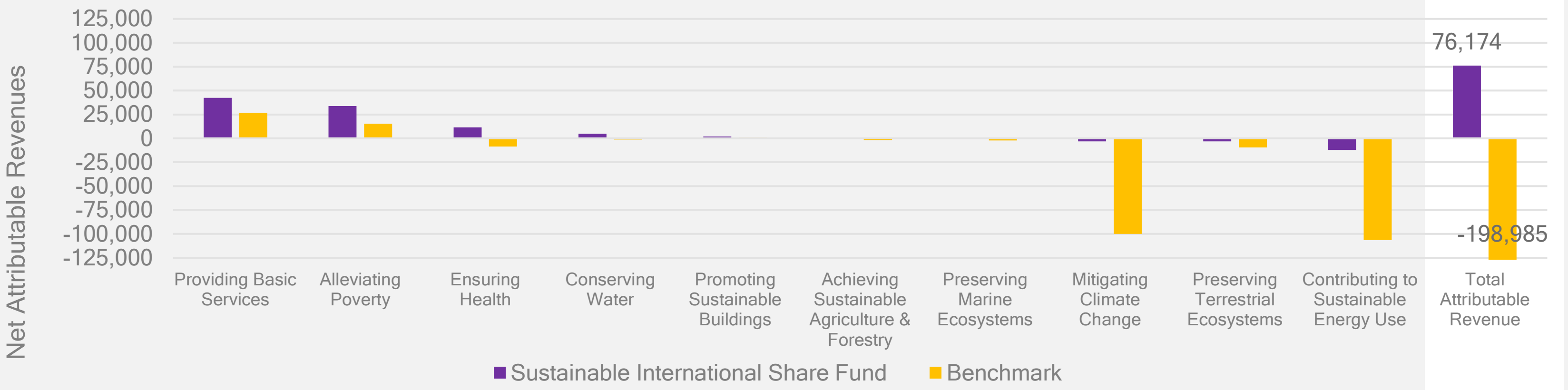
*The SDG Solutions Score (SDGS), which assesses the overall, aggregated impact of a company's product portfolio on the achievement of sustainability objectives. SDG scores range from -10 to +10, where a score of +10 represents 100% of net sales are generated with products/services classified as having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

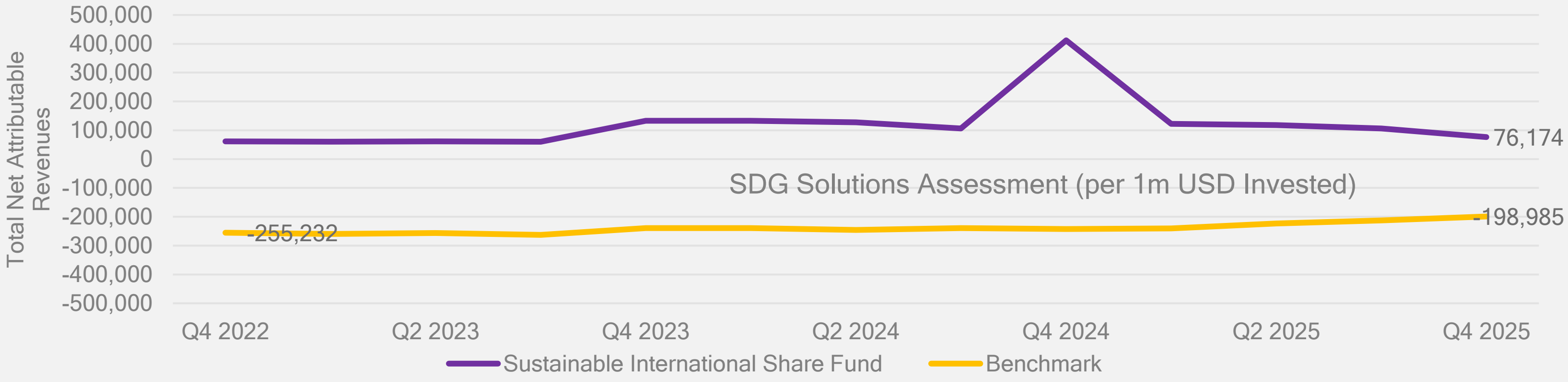
PENDAL

# Sustainable Development Goals (SDGs) Reporting

## Evidencing and Tracking the Social Factor: SDG Solutions Assessment (SDGA)* by Sustainability Objectives

Net Attributed Revenues to Social and Environmental Sustainabilty 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 (-USD199k) is negatively aligned with the sustainability objectives. Whereas the Fund provides not only a better alignment than the benchmark, but also a positive total 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

PENDAL

# Active Ownership (Stewardship) Process[1]

## Utilises Regnan's expertise in stewardship and sustainability research

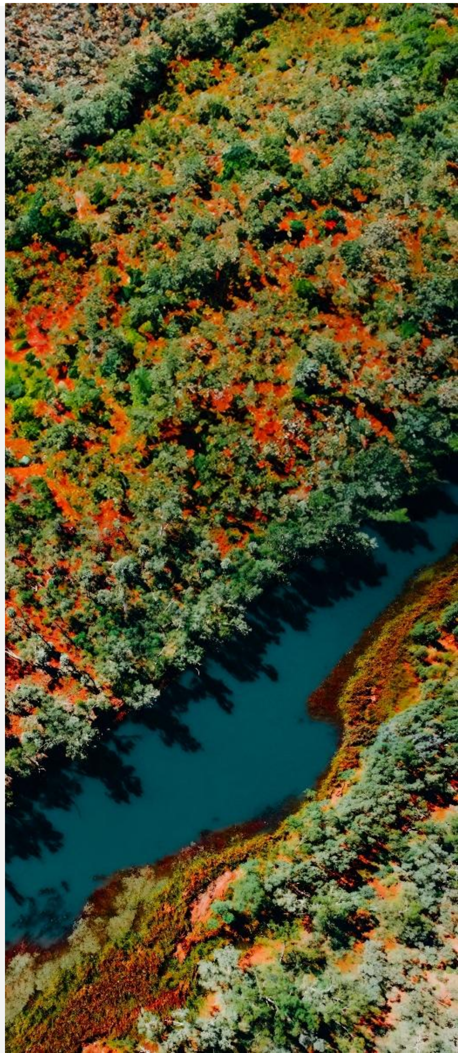
### Engagement

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.

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



PENDAL

# Active Ownership (Stewardship) Process

## Engagement examples over the quarter

### American Water Works Co (AWK)

Regnan wrote to AWK seeking change in the company's approach to physical impacts of climate change scenario analysis and sustainability disclosure.

**Objectives of the Engagement:** Augment frequency and breadth of PICC scenario analysis; Enhance disclosures to include more decision-useful information

**Key insights:**

AWK's current focus on water-stressed areas understates risk as physical impacts accelerate and water demand rises faster than expected.

Scenario-based playbooks can reduce exposure to frequent extreme events, lower renewal frequency, and build long-term resilience when integrated within capital allocation planning.

Early supply challenges in New Jersey, Pennsylvania, and Illinois—where conservation notices have been issued—underscore the need to look beyond today's high-stress zones.

# Active Ownership (Stewardship) Process

## Engagement examples over the quarter

### Brambles Ltd (BXB)

Regnan met with the company to discuss the physical impacts of climate change; climate transition; ethics and conduct; safety and human capital management September

**Objectives of the Engagement:**

Seek the conduct, and evidence, of updated and more comprehensive scenario analysis of physical impacts of climate change to improve resilience of the infrastructure and networks on which Brambles business relies; Brambles strengthen its approach to a net-zero pathway for Scope 1, 2 and 3, with clear and actionable items with milestones for addressing existing barriers around infrastructure for fleet electrification. Demonstrate that programs are substantive and not tokenistic; Strengthen the reporting on whistleblower process investigations including consequence management; Seek better demonstration and articulation of how the human capital strategy aligns with key business objectives including monitoring of leading indicators.

**Key insights: BXB has c**ompleted a second round of scenario analysis, expanding disclosure in FY26 to include NGFS scenarios and analysis of supply chain – transport, agriculture and forestry. Focus remains on resilience program via value-at-risk for asset locations, with ongoing work underway to understand third party service centre vulnerabilities. Rail disruptions remain a material operational dependency.

Regnan encouraged disclosure of number, nature and outcomes of whistleblower complaints. Brambles agreed to consider enhancements in reporting suite to align with industry practice.

Regnan noted HCM disclosure lacks granularity (e.g., eNPS) and around banded vs unbanded employees and sought expanded reporting egarding elevated turnover in unbanded employees.

Noted move from bespoke safety metric to more standard LTIFR. Broader internal consultation underway on leading indicators and potential improvements in FY26 disclosure.

# Active Ownership (Stewardship) Process

## Engagement examples over the quarter

### Deutsche Post AG (DHL)

Regnan wrote to DHL on the topics of climate transition; sustainable fuel; and physical risk.

**Objectives of the Engagement:**

Enhance sustainable fuel deployment and explore a broader range of decarbonization technologies

Expand physical climate risk assessments to the value chains and integrate physical climate risk considerations into DHL's broader climate resilience or adaptation plans, moving beyond assessment to include actionable strategies.

**Description:**

Regnan encouraged the following changes

- Transparency of sustainable fuel deployment and collaboration with other stakeholders.
- That DHL explore a broader range of decarbonization technologies across aviation, ocean freight, and long-haul road transportation
- DHL should seek to expand physical climate risk assessments to cover upstream and downstream value chains, not just core operations.
- Conduct analysis of critical infrastructure such as airports, seaports, transportation networks, and digital infrastructure to identify system-wide vulnerabilities.
- Integration of physical climate risk considerations into DHL's broader climate resilience or adaptation plans, moving beyond assessment to include actionable strategies.

PENDAL

# Active Ownership (Stewardship) Process

## Engagement examples over the quarter

### Sea Limited (SEA)

Regnan wrote to the company on the following topics climate change; waste management; circular economy.

**Objectives of the Engagement:**

Encourage pursuit of a credible climate plan which integrates scenario analysis, climate targets and credible initiatives; Track scope 3 GHG emissions and engage with merchants, suppliers and customers on sustainability, and set credible reduction targets; Enhance waste management practices to manage waste reduction and recycling in terms of waste types; and Embed circular economy principles into its core business strategy and collaborate with stakeholders

**Description:**

We encouraged SEA to consider the following initiatives :

- Develop a comprehensive Climate Change Action Plan (CCAP) that incorporates multi-scenario risk analysis for both transition and physical climate risks within business decisions and mitigation strategies.
- Set clear, science-based GHG emissions reduction targets for the short, medium, and long term, including interim targets to objectively track progress.
- Demonstrate credible initiatives, sufficient resources and effective governance structures for CCAP implementation, including board oversight and climate expertise.
- To collect and monitor Scope 3 emissions throughout its value chain, and to collaborate with merchants, suppliers, and customers to set and achieve credible reduction targets.
- Introduce a responsible waste management policy and corresponding programs to reduce environmental impact.
- Embed circular economy principles into its core business strategy and collaborate with merchants, suppliers and customers to promote circularity to minimise environmental footprint.

PENDAL

# Active Ownership (Stewardship) Process

## Engagement examples over the quarter

### Compania de Saneamento Basico do Estado de Sao Paulo (SBSP3:SAO)

Regnan met with the company on the following topics climate change; water quality; water loss; biocultural resilience.

We also conducted a site visit at the ETE Parque Novo Mundo wastewater treatment facility, a critical asset operated by SABESP, Brazil's largest water utility.

**Objectives of the Engagement:**

Integration of PICC and sustainability considerations in universalisation network expansion capex;

Enhance water loss strategy and integrate capex efficacy monitoring in relation to the multi-stakeholder program;

Enhance biocultural resilience; and Enhance assessment and remediation practices following fatalities;

Integrate forward looking metrics; and disclose

**Key insights:**

Regnan encouraged the company to more systematically embed physical climate resilience and multi-stakeholder considerations into capital expenditure planning

Water loss reduction will rely heavily on smart metering in the shorter term and will become the primary focus for the second regulatory period, after universalisation targets are achieved.

We recommended to the company to improve disclosures with regards to the drivers of fatalities, remediation actions and resulting changes to practices to prevent future occurrences.

We encouraged expansion  and integrated nature-social disclosures would better evidence the robustness of the company's practices and the scale of its positive impact.

# Active Ownership (Stewardship) Process

## Engagement examples over the quarter

### United Utilities – (UU)

Regnan met with the company on the following topics: River pollution & EPA rating; Remuneration & Water Bill; Whistleblower disclosure; Systems thinking & resilience.

**Objectives of the Engagement:**

Augment the company's response to ongoing issues around river pollution in the United Kingdom

Network and water supply resiliency to physical impacts of climate change, considering a systems view (including stakeholders)

Disclosure of whistleblower complaint management

Align remuneration structure with the Water (Special Measures) Bill

**Key insights:**

Management clarified that the downgrade to a 2-star EPA rating was driven by a methodology change where a single "red" metric automatically triggers the rating, despite UU asserting they remain the sector's second best performer

The company confirmed that executive bonuses for 2024/25 were restricted under the Water (Special Measures) Bill due to a single fisheries incident during a reservoir drawdown; Regnan emphasised the need to align remuneration structures with that of the Bill, which the company confirmed they are working on

Regnan pressed for the disclosure of consequence management statistics (e.g., number of complaints vs. disciplinary actions) to evidence the effectiveness of whistleblower channels.

PENDAL

# Active Ownership (Stewardship) Process

## Proxy voting examples over the quarter

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

### Assess and Report on Positive Financial Value of Company's Inclusion Programs (S) - AGAINST

The company's inclusion programs do not appear to have created financial harm for the company, nor do they appear to present a material risk that would warrant additional monitoring. Not aligned with the SO.

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

Not aligned with the Sustainable Objective of the Fund.

### Report on Risks of Operating in Countries with Significant Human Rights Concerns (S) - FOR

A vote FOR this resolution is warranted. The resolution aligns with the Fund's SO to promote a more sustainably economy where human rights concerns are adequately addressed. More disclosure would assist shareholders in assessing the company's processes and risk mitigation efforts.

### Report on Risks of Microsoft's ESP being Utilized for Censorship of Legitimate Speech (S) - AGAINST

The company approach to its core business software is broadly sound in respect of filtering inappropriate content. The shareholder proponents appear to want less safeguards in place which would not align with the fund's SO to create a more sustainable society and avoid community harm.

### Vote for re-election of Chair ( E and S) - AGAINST

Significant risks to shareholders stemming from severe ESG controversies have been identified at the company, which reflects a failure by the board to proficiently guard against and manage material environmental, social and governance risks. Votes AGAINST board chair are warranted given that the chair of the board ultimately shoulders the most responsibility amongst all board members for failing to effectively supervise the management of risks to the company and its shareholders, and should therefore be held the most accountable for poor board oversight of ESG risk exposures at the firm. Aligned with the SO

PENDAL

# 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 December 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.**