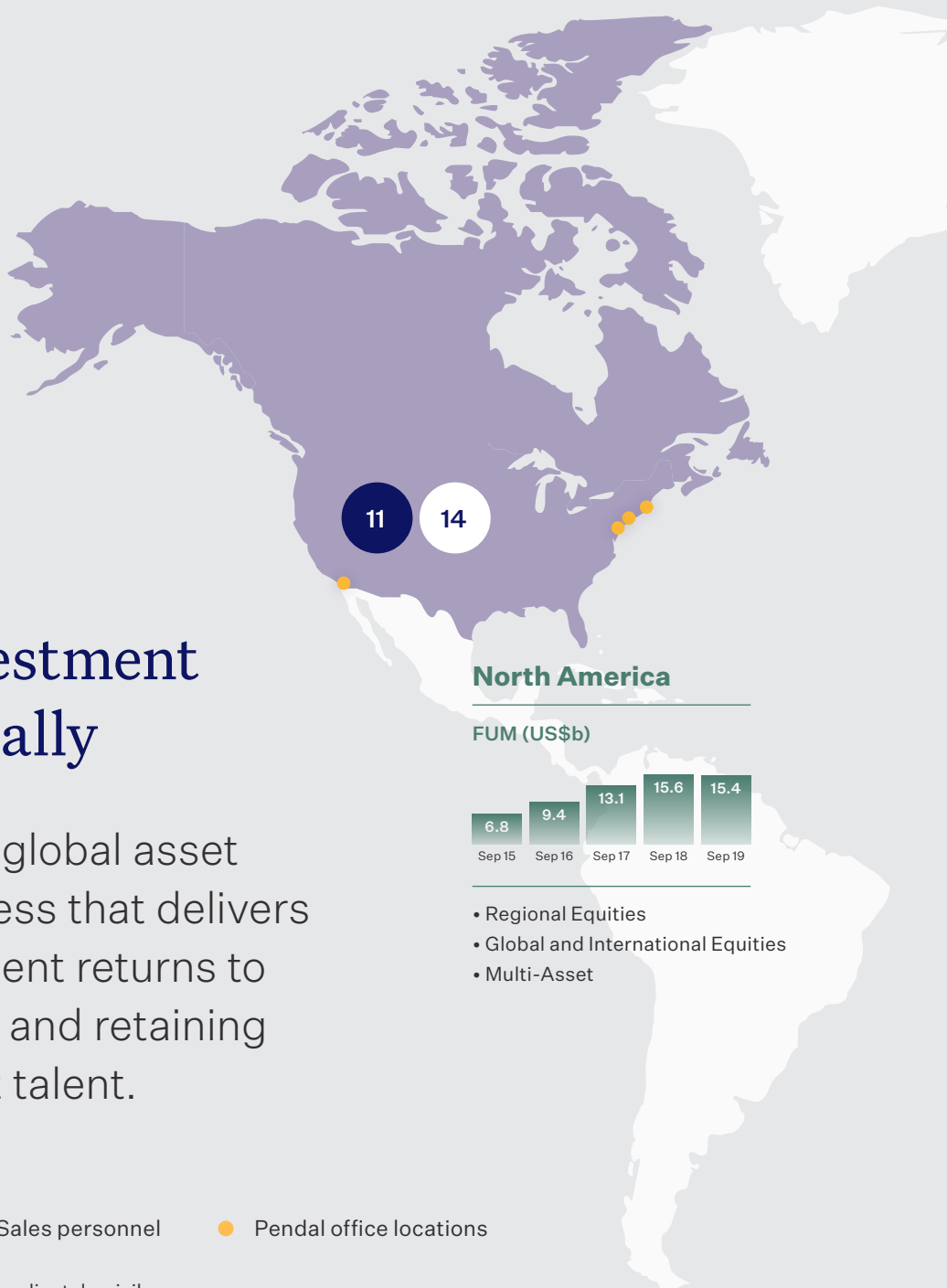


Celebrating a 35-year
heritage in responsible
investing





Delivering investment strategies globally

Our vision is to be a global asset management business that delivers exceptional investment returns to clients by attracting and retaining superior investment talent.

Investment personnel
 Sales personnel
 Pental office locations

Funds under management (FUM) classified by client domicile.

Contents

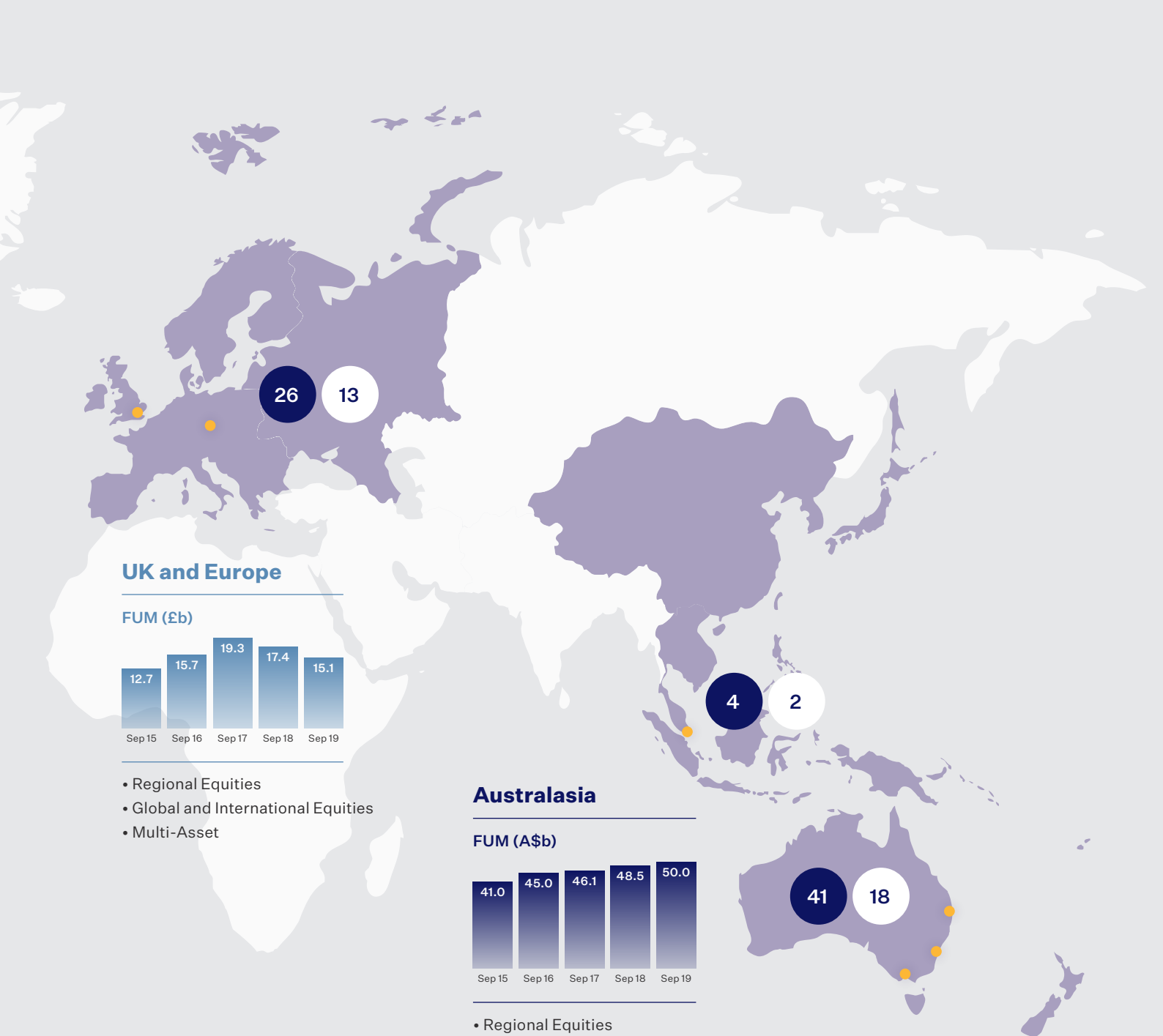
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Go to annual-report-2019.pentalgroup.com to review the Group's online annual review for 2019, including a video address from the Group CEO and the philosophies behind our investment strategies.

Additional information not included in the Annual Report document is also available on our website:

- Corporate Sustainability and Responsibility Report 2019 at pend.al/CSR-2019
- Corporate Governance Statement 2019 at pend.al/CGS-2019



Regional Equities

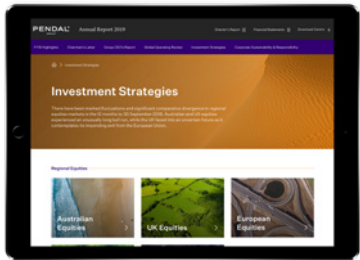
- Australian Equities
- UK Equities
- European Equities
- Asia ex Japan Equities
- Japanese Equities
- US Equities

Global & International Equities

- Global & International Equities
- Emerging Market Equities

Multi-Asset

Bonds, Income & Defensive Strategies



For a complete overview of our investment strategies, fund performance and our investment management teams, go to annual-report-2019.pendalgroup.com/investment-strategies

ESG matters in investments and operations

At Pandal, we recognise the benefit of identifying and managing material environmental, social and governance (ESG) matters, not only in our investments, but within our business operations as well.

For us ESG issues are twofold:

1. ESG issues have the potential to impact the value of our investments and need to be factored into investment decisions made on behalf of clients;
2. A number of ESG issues are material to the operations of Pandal's business, and are therefore also of interest to our own shareholders.

Key material ESG issues identified as material to our internal and external stakeholders during the 2019 Financial Year were:

- **How we consider ESG risks and opportunities** within our investment process as part of our fiduciary duty to clients.
- **Climate change**, both in terms of how we consider climate-related risk in investments and how we

might contribute to addressing climate change through the allocation of capital or using our influence as a large investor.

- **Human capital management**, including our ability to attract, engage and retain the talent required to deliver our strategy and differentiate our business as well as our commitment to diversity and inclusion.
- **Ethical conduct** given the heightened scrutiny of the financial services sector globally due to instances of misconduct, including those revealed in the Hayne Royal Commission in Australia.
- **The actions we take as a corporate citizen**, acknowledging our potential to impact the environment, the community and other stakeholders.

FY19 highlights

Enhanced ESG capabilities	Moved to full ownership of Regnan, a specialised ESG research, engagement and advisory business
	Educational support on responsible investment for our sales and client services teams
Considering ESG within investment processes	Enhanced physical climate risk analysis in the Australian Property team's investment process
	Increased capacity-building via ESG workshops and briefings for the Pandal Australia Global Equities team
	Investment-relevant materials developed on emerging ESG topics including modern slavery
	Development and testing of an impact investing framework to improve measurement, reporting and engagement on impact investments
Active stewardship	Continued to evolve our fixed income offering via enhanced ESG considerations of government related issuers
	Developed a pilot program for enhanced tracking of engagement activity on ESG issues, initially rolled out to the Australian Large Cap Equity team, to feed into more detailed measurement and client reporting
Responding to climate change	Strong results in Regnan's focused ESG engagement program, with 88% of companies demonstrating progress against change objectives (as at 30 June 2019)
	Held two Task Force on Climate-related Financial Disclosures (TCFD) workshops across the Group to further develop our understanding of current and emerging climate-related risks relevant to our business and our investments
Human capital management	Conducted an employee engagement survey within the Pandal Australia business to provide a point-in-time comparative measure and inform our change management strategy and program
	Expanded diversity and inclusion initiatives across the Group
Ethical conduct	Code of Conduct and Whistleblower Protection policies are in line with regulatory and community expectations



Pendal has a long history in managing dedicated ethical and sustainable strategies. Continuing to expand our capabilities in responsible investment is a core part of Pendal Group's strategy over the next five years and beyond. This year, we moved to full ownership of Regnan, a specialist ESG service provider, which was a key development in delivering this strategy and is discussed further in our 2019 Annual Report on pages 18-19.

Consideration of ESG in investing

This year we are celebrating a 35-year heritage in responsible investing. The Pendal Sustainable Balanced Fund was launched by the Bankers Trust group in 1984 as the BT Australia Charities Trust. We have been progressively factoring in ESG considerations more systematically into our investment process across multiple asset classes – including as a part of the research, analysis and due diligence undertaken – covering issues such as climate change, human capital and ethical conduct. We believe this to be a natural extension of Pendal Group's active approach to investment management.

Over this time we have seen first-hand that ESG issues have the potential to affect value, for example by creating new investment opportunities in the renewables and cleantech solutions sector or through findings of poor conduct having a material impact upon the financial sector. We know that the way a company handles ESG issues can provide insights into its exposure to negative incidents or emerging opportunities. Strong management of ESG issues for Pendal Group itself is also important alongside managing such risks within our investments.

Training and additional ESG support for investment teams will continue in the 2020 Financial Year in line with the Pendal Group strategy and as we work to further build internal capacity.

The role of research

The effective consideration of ESG issues requires investment-quality research. In addition, raising matters of concern directly with the companies in which we invest can enhance the quality of information available to the market more generally and facilitate improved oversight and management of these matters.

Pendal Group accesses a variety of ESG research and specialist sources to support investment decision-making, ESG risk management and true-to-label ethical and sustainable products. As a large asset manager investing across multiple asset classes and geographies, we require a range of solutions to meet the needs of our portfolio managers and to ensure research is fit for purpose.

Governance of responsible investment and strategy

The Group's responsible investment strategy has been signed off by the Board establishing formal growth aspirations for the business. Our approach recognises the potential impacts of ESG issues, especially as they become more acute, combined with changing consumer preferences and client expectations. This has increased our focus on both ESG integration and responsible investing more broadly.

Pendal Australia has formally set out its approach to responsible investment in its 'Responsible Investment Philosophy and Approach', which can be found on the Pendal Group website¹. Its implementation is supported by our responsible investment governance framework for which oversight ultimately rests with the Pendal Australia Executive Committee.

In addition, our 'Principles of Internal Governance and Asset Stewardship' sets out Pendal Australia's organisational and investment approach, internal governance and asset stewardship and is available on our website.²

JOHCM's approach to responsible investing is available on the JOHCM website³. JOHCM's Risk team provide comprehensive oversight of the style factors, macro factor sensitivities, decision-making patterns, ESG characteristics and liquidity profile of each investment strategy. JOHCM's Engagement Policy⁴ is also available on the JOHCM website.

The Pendal Group Board provides ongoing oversight of the Group's responsible investment strategy.

Regnan becomes part of the Pendal Group

To support our capabilities in this area, in the 2019 Financial Year, Pendal Group assumed full ownership of Regnan, a specialist ESG and RI service provider. Regnan will continue as an individual business unit under the Pendal Group umbrella, providing direct support for our responsible investment activities.

Pendal is closely associated with Regnan's history. The Regnan business originated with the Governance Advisory Service offered by Westpac, becoming a part of the business of BT Financial Group. Regnan became a separate entity in 2007, with BT Financial Group as a co-owner and client. Pendal acquired this part of the BT Financial Group's business when it was established in 2007, as well as the shareholding and association with Regnan. Since then Regnan has continued to support institutional investors concerned with those unattended risks (now more commonly referred to as ESG risks) with the potential to impact long-term value. It does this primarily through the provision of:

- High-quality research, evolved from an innovative process developed within Monash University and acquired through a merger with Monash Sustainability Enterprises in 2010
- Outcomes-focused engagement with S&P/ASX200 listed companies across a wide range of topics with the potential to affect financial value
- Advisory services to assist others in formalising and enhancing their own RI approaches

The Regnan team of highly experienced analysts and consultants has an average of 14 years' experience in ESG and the team has been retained in its entirety. Whilst Regnan will continue to produce independent content, supported by an internal governance framework, its services are now primarily focused on asset owner clients and support for the Pendal Group, as well as other non-asset manager clients such as industry associations. As a result, from the 2020 Financial Year, Pendal will be the only asset manager in the market offering products which use Regnan's unique insights.

The Regnan team has already begun working more closely with teams across the Group on a range of ESG matters. This has included:

- Enhanced integration of tailored ESG factors across asset classes
- Support for compliance with Australian modern slavery legislation
- Enhanced climate-related financial analysis and support for disclosure
- Bespoke research reports to support investment decision-making and company engagement
- Support for the development and testing of an impact investing framework to improve measurement, reporting and engagement on impact investments

1 Available at <https://www.pendalgroup.com/about/investment-capabilities/ethical-socially-responsible-investing/>

2 Available at <https://www.pendalgroup.com/about/corporate-governance/>

3 Available at <https://www.johcm.com/uk/about-us/537/investing-responsibly> (UK site)

4 Available at <https://www.johcm.com/uk/about-us/6/engagement-policy> (UK site)

Engagement and advocacy

As responsible stewards of capital, Pandal Group is active in engaging directly with investee companies. We focus on meeting with companies where we have identified areas of concern or where our shareholding affords us greater influence so we may drive improved ESG practices. We have a duty and an interest in doing so.

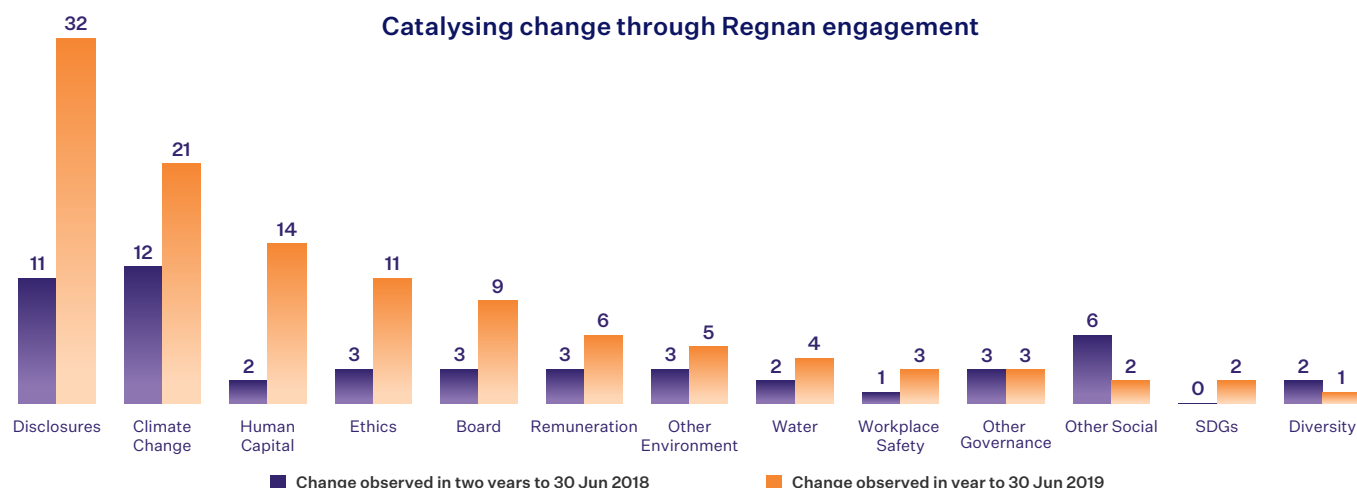
During the year we developed a pilot program for enhanced tracking of engagement activity on ESG matters, initially rolled out to the Australian Large Cap Equity team. We will be introducing the process to further teams globally across asset classes in the 2020 Financial Year. This will allow enhanced

measurement and management of our activities as well as feed into reporting on our stewardship activities to our clients.

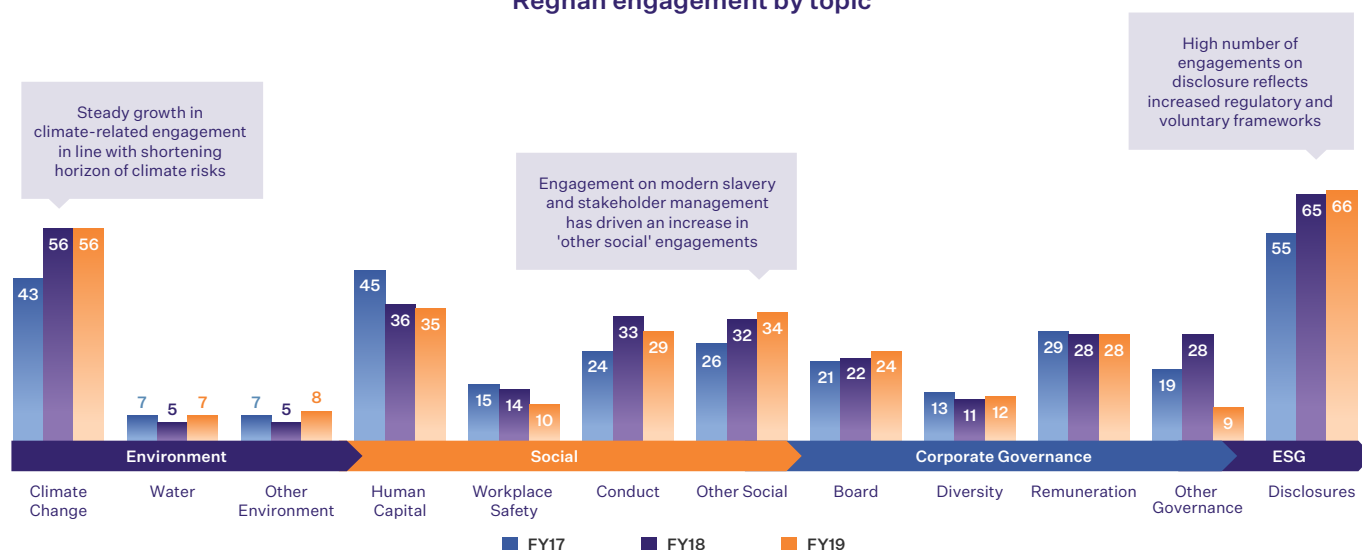
In addition to direct liaison with companies by our investment teams, we also engage with companies through Regnan's ESG-focused collective engagement program. Regnan meets with boards and senior management of ASX-listed companies to seek improved consideration of these matters in business decisions where there is potential to impact financial value. Pandal is proud to work with other institutional investors via Regnan's program to ensure a coordinated approach and to add weight to matters of market integrity.

During the 2019 Financial Year, Regnan undertook 85 engagements with 48 companies in the S&P/ASX200 Index. As at 30 June 2019, 88 per cent of active engagements had demonstrated progress against the change objectives set. Regnan's own annual report on its engagement this year was enhanced to focus on the impact of its engagement and, for the first time, disclosed greater detail on its approach and results. Regnan's 'Engagement Impact Report', which covers the 12 months to 30 June 2019, can be found on Pandal's website.⁵

Catalysing change through Regnan engagement



Regnan engagement by topic



⁵ Available at <https://www.pandalgroup.com/education-and-resources/regnan-releases-its-annual-engagement-and-impact-report/>



Engagement in action

Pendal Australia Property team: making a direct impact

During the year, the Pendal Australia Property team continued to engage with the board of a social infrastructure investee company, which operates health and child care assets, on the issue of a lack of female representation. Pendal's investment team met with the company multiple times, suggesting it enhance the skillset of the board and management given the nature of the sector's workforce.

The company was informed that the remuneration resolutions would not be supported unless progress was made to its approach on diversity within a generously set time frame. The investment team was forced to utilise its negative proxy voting option and continued to engage with the company making its concerns and rationale clear.

It is pleasing to see that the company recently appointed its first female director.

JOHCM Global and International Select team: enhancing ESG disclosure

JOHCM Global and International Select team engaged with a food producer, after identifying a misalignment between JOHCM's view and that of an ESG research house report. The investment team at JOHCM engaged with senior management, including the CEO, to discuss the negative ESG assessment. Engagement revealed that issues highlighted by the ESG research firm were not highly material to the investee company's prospects. Despite this, management responses to the issues were evident, however, not explicitly disclosed. The company provided assurances that the disclosure gaps would be proactively addressed in reporting. It subsequently acted on recommendations to allocate resources to improving future market disclosure in order to provide greater investor confidence in the company's management of ESG issues.

Pendal Australia Bonds, Income and Defensive Strategies (BIDS) team: sights set on next generation 'gender equality' bonds

Asset managers like Pendal Group have a distinct and important role to play in applying the collective pool of capital towards social bond issuers with a progressive stance on issues, such as gender equality. Pendal Australia's BIDS investment and RI teams have been working with issuers to promote the development of this space and we are one of the early investors in gender equality bonds. A gender equality bond (re)finances companies that meet gender-related criteria, such as being listed among the Australian Workplace Gender Equality Agency's Employers of Choice.

During the year the BIDS investment team was seeking to encourage measurement and disclosure that demonstrates meaningful change. These engagements also fed into advocacy around gender equality bonds, including research, in which we outlined how the next generation of gender bonds can further advance women's equality and empowerment, published to celebrate International Women's Day.

Ongoing support for industry initiatives

Pendal Group's active approach to investing sees us working together with other investors, typically via a range of industry bodies and initiatives, in order to encourage greater uptake of responsible investment practices within the financial services sector and to support the management of ESG risks and opportunities.

Principles for Responsible Investment (PRI)



JOHCM, Pendal Australia and Regnan are all proud signatories to the United Nations-supported PRI.

Each reports via the relevant investor or service provider PRI Reporting Framework. This provides an opportunity to review and monitor our performance relative to peers and identify areas for improvement. We were pleased that Pendal Australia continued to improve its assessment this year. Please refer to the Pendal Group website for our scorecard.

Australian Sustainable Finance Initiative (ASFI)

Formally launched in the 2019 Financial Year, ASFI is a collaborative effort among Australian financial sector participants to develop a roadmap, recommending pathways, policies and frameworks, to enable the sector to contribute more systematically to the transition to a more resilient and sustainable economy. Pendal Group is represented by appointees to the ASFI steering committee and one of the four technical working groups.

UK Stewardship Code

JOHCM's Engagement Policy⁶ serves not only to guide its stewardship activities but to illustrate its compliance with the UK Financial Reporting Council's Stewardship Code, which comprises seven principles for institutional investors to follow 'to protect and enhance the value that accrues to the ultimate beneficiary'. JOHCM's policy covers its approach to engagement, active management and monitoring of investee companies, as well as proxy voting. The Stewardship Code was under review in the 2019 Financial Year, with a revised version due in the 2020 Financial Year. JOHCM's policy will continue to evolve to ensure it fully complies with the updated Code.

6 Available at <https://www.johcm.com/uk/about-us/6/engagement-policy> (UK site)

Responsible Investment Association Australasia (RIAA)

Pendal Group is an active member of RIAA, an industry body representing responsible and ethical investors across Australia and New Zealand. RIAA works to promote a more responsible approach to investment and encourage more people to actively choose a responsible and ethical option for their savings and investments. We were pleased to have again been identified as an asset manager 'demonstrating industry leading ESG integration practices' in RIAA's 2019 benchmarking report.⁷ We are also an active member of RIAA's human rights and corporate engagement working groups and are represented on the RIAA board via Regnan.

RIAA also has a long-standing Responsible Investment Certification Program to certify those responsible or ethical products, which meet its high standards. All of Pendal Group's Responsible Investment funds offered in Australia have received certification.

Investor Group on Climate Change (IGCC)

As a founding member of IGCC, and current member of its management committee, Pendal collaborates with other investors to encourage government policies and investment practices that address the risks and opportunities of climate change in an economically efficient manner. This year we were also pleased to welcome IGCC's CEO to address the Sydney office about the current state of play in Australia.

Climate Action 100+ (CA100+)

Pendal Group is a proud signatory and investor participant in the CA100+ initiative, which works to ensure the world's largest corporate greenhouse gas emitters take necessary action to limit warming in line with the goals of the Paris Agreement, as well as provide greater disclosure of the climate risks they face. In the 2019 Financial Year, Pendal participated in an engagement meeting with one of the Australian focus companies, seeking greater strategy alignment to a 2°C scenario. Further, both Pendal Australia investment teams and Regnan have provided supporting materials to participating clients.

Banking and Finance Oath

Our Group CEO is on the Board of the Banking and Finance Oath, an independent organisation with a purpose to improve the ethical standards of the banking and financial services sector through the implementation of a Banking and Finance Oath. By taking the Oath, individuals working in this sector commit to adopting set of principles focused on ethical conduct in their work.

The Global Foundation

Pendal Australia is a member of the Global Foundation, an Australian organisation, which seeks to drive globalisation that is in the interest of the global common good. In June 2019, the Pendal Group CEO participated in its annual roundtable with business leaders and policy-makers in London to discuss issues including investing to address climate change, building Asia's green infrastructure, and eradicating human trafficking and forced labour.

Proxy voting

Pendal Group regards the exercise of proxy voting as an important aspect of investment decision-making and stewardship responsibilities. Pendal Group places great emphasis on exercising clients' ownership rights and responsibilities to ensure companies are managed in the best interests of their long-term investors.

We exercise our voting discretion on a case-by-case basis following an assessment of the matter at hand and after taking into consideration the likely effect on the portfolio or fund, drawing on relevant internal and external research as needed.

Information on the proxy voting activity during the 2019 Financial Year is set out below. As active managers our investment teams endeavour to engage with companies in relation to proxy matters to support informed voting decisions. Pendal publishes Australian proxy voting records on the Pendal Group website and UK proxy voting on the JOHCM website.

Proxy voting for 2019	Total items voted	For	Against	Abstain	Other ⁸
Pendal Australia					
Percentage of total resolutions ⁹	100.0%	88.5%	11.8%	1.4%	0.1%
JOHCM					
Percentage of total resolutions	99.6%	93.5%	5.6%	0.6%	0.4%

⁷ Responsible Investment Benchmark Report 2019 Australia, RIAA

⁸ Other: Resolutions where Pendal did not vote on a resolution due to administrative and other reasons, including where a shareholding was divested prior to the voting cut-off date

⁹ Resolutions voted at S&P/ASX300-listed company meetings by Pendal Australia funds. On rare occasions, individual funds may place differing votes on the same resolution and therefore the percentage of total resolutions may include more than one voting position per resolution

Ethical and sustainable portfolios

Pendal Australia and JOHCM funds adhere to responsible investment principles and consider material ESG factors. In addition, Pendal Group has developed a suite of ethical and sustainable funds to meet the needs of the growing number of clients interested in investing in a manner consistent with their values or interest in sustainability. Our ethical and sustainable series funds utilise screening to avoid certain activities or industries, and allocate capital to companies identified as sustainability leaders, while excluding those identified as poor ESG performers.

Further, our sustainable assessment process considers the extent to which a company exhibits appropriate strategic recognition, board oversight, policies and systems to manage the company's material ESG issues. This is an active process requiring the ongoing monitoring of company performance.

Throughout the 2019 Financial Year we continued to see a strong and growing interest among our clients and the broader community for investments that make a positive contribution to the environment and/or society alongside competitive financial returns. Pendal Australia has investment strategies that

actively invest in securities structured to deliver targeted positive environmental and/or social outcomes (such as labelled green bonds, climate bonds, social bonds and sustainable bonds). The money raised in these securities can only be used for predetermined projects and not for general corporate activity. Please see the box below for an example of some of the projects financed through our green bond holdings.

We continue to win new mandates in the institutional and wholesale/adviser channels across multiple asset classes, consistent with growth in the responsible investment sector more generally.

A spotlight on impact

Green bonds are securities whose 'use of proceeds' finance environmental projects within eligible sectors, such as renewable energy and green infrastructure.

The chart below highlights a range of the green projects in Australia and New Zealand that

are financed in part by climate bonds within one of our portfolios. Examples of projects financed include wind farms, solar panels, green buildings, water security and low carbon transport.

Pendal Australia is also actively engaging with issuers to drive greater standardisation and

transparency of impact disclosures by issuers of these securities; so we can in turn better meet the needs of our clients by providing quality reporting on both the environmental and/or social outcomes as well as the financial performance of our investments.



The Sustainable Development Goals (SDGs) and positive impact

In recent years we have sought to better understand and measure the social and environmental impacts of our investments. We have continued to look to the United Nations' SDGs for guidance in areas where positive social or environmental impact may better support the global agenda for economic development that is sustainable now and into the future. Specifically, the SDGs are a set of 17 goals, each with specific targets, in areas of critical importance for humanity and the planet.

A focus of our ethical and sustainable series funds is to avoid those investments with negative social or environmental impacts. Increasingly these funds also seek opportunities to actively contribute to positive impact, such as through holding green bonds or shares in a health care company which advances access to and/or the quality of health services or products, among others.

Building on previous work in the Pendal Australia Fixed Income team to determine alignment of green, social or sustainable bonds to the SDGs, in the 2019 Financial Year we have piloted using the SDGs framework in our Australian Equities team to inform investment decision-making in the areas of affordable and clean energy, sustainable cities and communities, and responsible consumption and production. This process has revealed that to make a genuine contribution to the SDGs, we need to go beyond 'mapping' existing investments to the SDGs. Instead, we need to consider the role an active asset manager can play in allocating capital to actively support these Goals, which were ultimately developed to support government and supranational organisations' policy development.

Work is underway to identify how we may invest in support of the SDGs, that is, finding those SDGs which can be more readily converted to 'investable' themes, so we may more directly focus on and measure our environmental and social impact and simultaneously deliver competitive financial returns for our clients.

SUSTAINABLE DEVELOPMENT GOALS



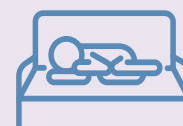
A spotlight on the SDGs – affordable housing for low income families

During the year, our Australian BIDS team invested in a social bond launched by an Australian Government-backed enterprise to fund service providers that increase the supply of social and affordable housing for low income families. The provision of stable housing is a key means to aid people in breaking the cycle of poverty. It has been estimated that there are 50 homeless people for every 10,000 people in the Australian population.¹⁰ Reduced housing affordability has seen an increased percentage of Australia's population seeking social and affordable housing. Further, the Australian Housing and Urban Research Institute estimates that there will be a need for over 700,000 additional social housing dwellings over the next 18 years.¹¹ Our portfolio manager has visited three housing projects funded via the bond and seen first-hand the direct impact it has had on the lives of Australians crippled by rental stress. The bond will annually report on metrics and present evidence to demonstrate how it supports three of the SDGs (SDG 1 No Poverty, SDG 10 Reduced Inequalities and SDG 11 Sustainable Cities and Communities).



50

homeless people for every 10,000 people in the population



¹⁰ 'Census reveals a rise in the rate of homelessness in Australia', Australian Bureau of Statistics, 14 March 2018

¹¹ 'Social housing as infrastructure: an investment pathway', Australian Housing and Urban Research Institute Limited, 2018

Modern slavery

Modern slavery is a form of human rights abuse estimated to affect 40 million people globally.¹² While there is no agreed global definition, it is widely understood to refer to human trafficking and slavery-like practices such as servitude, forced labour, deceptive recruiting, forced marriage and debt bondage.

Regulation to address modern slavery is now in place in both the UK and Australia. We welcome these regulations and broader efforts to eliminate modern slavery around the world. Not only will this benefit vulnerable people, but we believe it will enhance our ability to manage risks within investments on behalf of our clients.

JOHCM is required to report under the UK Modern Slavery Act. A copy of JOHCM's Modern Slavery Statement is available on the JOHCM website.¹³ Pental Group is required to comply with the Australian Modern Slavery Act, which came into effect on 1 January 2019. Our first annual Statement is due in March 2021, and will build on the work done by JOHCM to comply with UK legislation. The Statement will be approved by the Group Board.

A cross-function working group is reviewing the operational impacts and disclosure requirements needed for Pental Group to comply with the Australian Act, which has additional components to that of the UK. The overall accountability for compliance with the Act lies with the Group CEO and responsibility for delivery is with the Group CRO, with support from various business areas across the Group.

Further, Pental Australia investment teams have begun to include modern slavery as a topic in engagements with those companies identified as higher risk. In addition, Regnan has been engaging on Pental's behalf on this topic since 2018. In the year, a total of 22 direct or indirect engagements were held.

Given the scale of modern slavery, we believe collaboration is necessary to drive meaningful change and we actively participate in initiatives across the investment ecosystem.

Our view is that compliance with the Act should be more than a disclosure exercise – we wish to see companies demonstrating an active approach. We look for sound consideration of the risks modern slavery might present to their business, robust due diligence processes, the development of adequate feedback, remediation and grievance mechanisms and evidence that the company has considered how it would act should it discover instances of modern slavery in its value chain.



¹² Anti-slavery International, www.antislavery.org

¹³ Available at <https://www.johcm.com/uk/about-us/236/modern-slavery-act> (UK site)

Spotlight on managing climate risk

Pendal Group acknowledges that climate change presents significant challenges for humanity and the planet, with consequences for physical and financial assets. Responding to climate-related risks and opportunities requires ongoing attention so we may evolve our approach in line with improving scientific understanding and a tightening regulatory environment as the world transitions to a low carbon economy.

We welcome the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) which provided a framework to enable companies and investors alike to better articulate how risks and opportunities stemming from a changing climate will impact their business or investments, with a view to support whole-of-system financial stability.

Pendal Group acknowledges that effective management of systemic issues such as climate change requires holistic board oversight, combined with robust measurement and reporting. However, the scale of this challenge also requires a collaborative response. To this end, we are committed to sharing our perspectives with our shareholders, clients and other stakeholders, as well as supporting industry collaborations for more robust and relevant climate-related action and disclosure.

Climate risk management and the TCFD

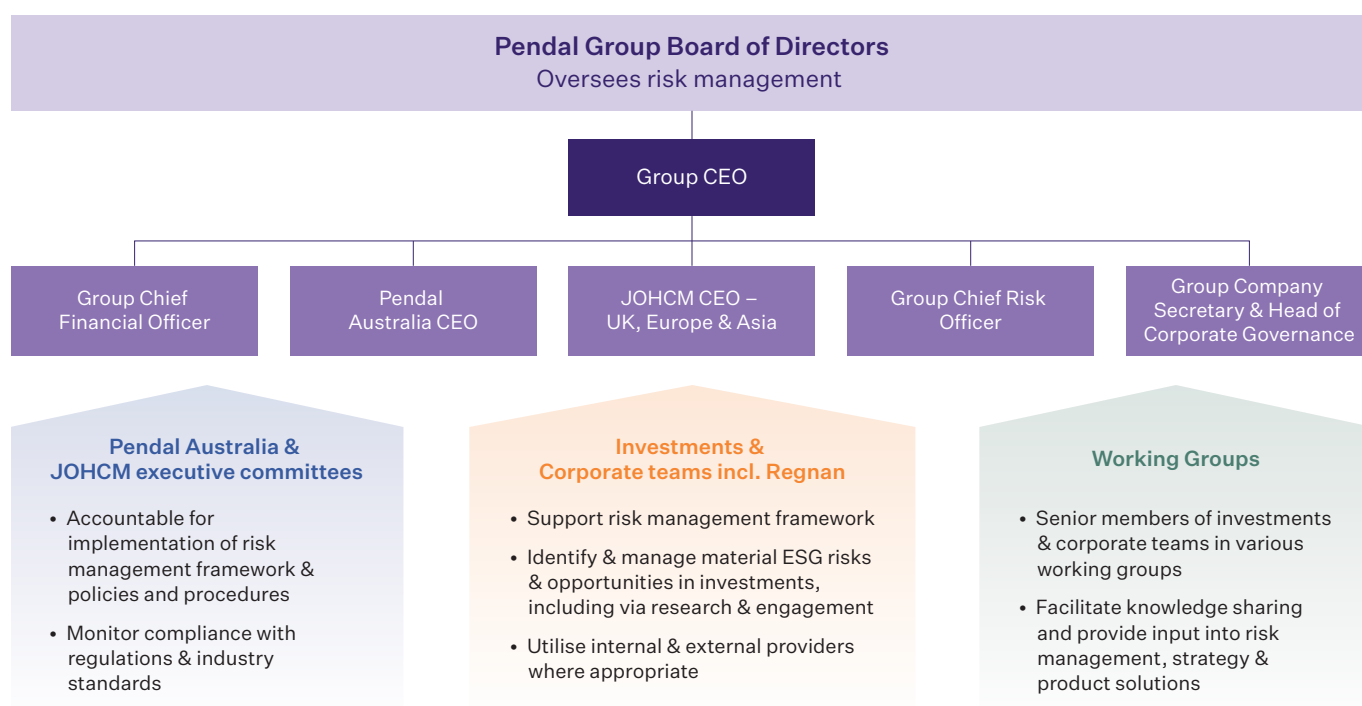
The effective management of climate risk and opportunities encompasses a wide range of day-to-day business activities, including, for example, client questionnaires, product solutions, sales strategy and business continuity. The following provides more detail on how we are managing the climate risks and opportunities we have identified for our business, aligned to the recommendations of the TCFD. This follows Pendal Group's first TCFD-aligned disclosures made in the 2018 Financial Year, as well as disclosures made in 2019 to the CDP and the PRI whose questionnaires now also align to the TCFD. Over time, we will continue to expand these disclosures to reflect outcomes from the program of work underway within the Group as we further develop our analysis and response.

Governance

Climate-related risks and opportunities for our business are considered within our broader risk management framework illustrated in the diagram below. Investment risk and opportunities are considered within our investment governance processes. These processes include a series of forums dedicated to responsible investment (including ESG integration). These include representatives from boutiques, across all asset classes.

Further, Pendal Australia's approach is outlined in its 'Responsible Investment Philosophy and Approach', which specifically references climate change. The statement publicly sets out the need to consider the impacts of climate-related risks and opportunities across all sectors and our commitment to working with clients to help them do this. The implementation of this Philosophy and Approach is supported by Pendal Australia's RI governance structure.

The Pendal Group Board oversees risk management, which includes climate-related risks where material



Strategy

How climate change and the associated transition to a low carbon economy reconfigures the investment landscape will be an important factor that could impact Pendal Group's business strategy and operations. We expect that climate change will impact our investments and result in changing demands from our stakeholders. Indeed, we anticipate that our clients and other stakeholders will increasingly expect us to play a greater role in facilitating this transition to a low carbon economy and managing for climate risk, both within our operations and investments.

Pendal Group's increasing strategic focus on RI will support our capabilities in managing climate-related risks and opportunities. That is, both considering the physical and transitional impacts of climate change on our investments, and the changing demand of our stakeholders as they too respond to climate change. We will continue to enhance the ESG integration skills among investment teams in order to better protect client and shareholder value, broaden our ethical and sustainable product offering to meet the changing needs of our clients and allocate capital in support of climate solutions.

Given the nature of our business, emissions from our business operations are not material. Notwithstanding this, we monitor the environmental impact of our business and take steps to minimise that impact where possible. Pendal Group's risk management and governance processes, outlined within this CSR Report, are used to identify when specific climate-related risks are likely to become material to our operations in the future.

Climate-related risk management

Assessing climate risk

Consistent with our approach to managing any material business risk, material climate risks are identified in line with our Group Risk Management Framework.

In the year, Regnan facilitated two workshops – one at Pendal Australia and one at JOHCM – to bring together senior staff from different departments across the Group to identify the range of risks climate change potentially poses to the Group, now and into the future. For example, some risks identified included changing client preferences and expectations, the impact of climate change on investment performance and broader macroeconomic conditions, as well as issues of business continuity. These sessions will feed into the next phase of work to more deeply understand these risks and continue to develop the Group's climate risk assessment processes accordingly.

Our investment teams have been increasingly utilising a range of sources, including ESG research covering climate risks, to form a view of companies' exposure to and management of climate-related risks and opportunities. These include both physical risks and those arising from the transition to a low carbon economy. Where these are financially material, they are factored into each asset class's investment decision-making processes and are raised in engagement.

We measure carbon intensity across our equity portfolios and make this information available to clients, including for use in their own reporting.

This also enables us to undertake internal benchmarking, for instance the carbon intensity of our low carbon (fossil fuel free) Australian share strategy, launched last year, is 37 per cent below benchmark for the S&P/ASX300 index as a whole (as at 30 September 2019).

Company engagement

As an active investment manager, our analysts discuss climate-related risks and opportunities, where relevant, during meetings with company management and use this information to assess when, where and how real and financial assets may be affected. This includes issues of business resilience to climate-related risks as well as calls for greater investor-useful disclosure.

Pendal Australia has been engaging with ASX-listed companies on climate-related risks since 2007 through Regnan's collective engagement program. In recent years, reflective of the escalating and complex nature of climate change, Pendal Australia investment teams have increased the number of company engagements on this issue. In 2019 Financial Year, Pendal Australia had over 74 engagements with companies (either directly or indirectly via Regnan) in which climate change was discussed. Since 2016, engagements have also increasingly advocated for company disclosures in line with the recommendations of the TCFD, including the completion of quality scenario analysis. In the 2019 Financial Year, the TCFD framework was discussed 40 times with 31 companies.

Pendal Group also joins collaborative engagement initiatives on climate change where appropriate. For example, we are a signatory and investor participant in the Climate Action 100+ initiative.

Globally, we have seen a steady increase in climate-related shareholder resolutions put to the annual general meetings of companies as a means of calling for greater action and/or disclosure. As an active manager, we seek to engage directly with the company where feasible to support our voting decision-making. While we wish to see companies appropriately manage their climate-related risks, and provide investors with disclosures so they may be informed of those risks, we approach each resolution on a case-by-case basis. We vote according to the merits of the resolution at hand and whether it is in the long-term interests of our clients.



Spotlight on supporting greater climate awareness

Over the past decade, the Group has developed experience in the identification and management of climate-related risks. In recent years, this has included: supporting a number of participants in the Climate Action 100+ initiative which facilitates collaborative engagement; providing detailed analysis to support client decision-making on climate-related shareholder resolutions; and undertaking analysis to determine climate risks within client holdings.

The Regnan team worked with the Pental Australia Property team to incorporate specific factors on the physical risks of climate change to support enhanced decision-making and underpin potential future engagement activity. Regnan facilitated workshops in Sydney and London to help identify potential climate-related risks and opportunities across all facets of the Pental Group business which will be used to prioritise and shape deeper analysis of the most material. This year we were also pleased to welcome IGCC's CEO to address the Sydney office about the current state of play in Australia.

Metrics and targets

We currently report a number of metrics to clients upon request that will help track alignment with the global ambition set out in the Paris Agreement, and will continue to explore reporting on other measures to help inform decision-making. These include the use of carbon intensity measures and the proportion of companies engaged where climate risk is assessed to be material.

In the year, Pental Australia also commenced a program piloting frameworks for climate-related scenario analysis across our Australian equity portfolios. This work builds on proprietary climate-related risk management tools already under development within the investment team as well as in collaboration with Regnan.

As we undertake further analysis we will look to set appropriate targets and continue to enhance disclosures.

We acknowledge that climate change is an ongoing and complex issue. We are continuing to work with our stakeholders to help them navigate the transition to a low carbon economy, while also delivering responsible, performance-driven strategies that meet our clients' long-term investment objectives. In some cases, this will involve delivering clients' own targets and will involve working collaboratively to establish and achieve these.

Our conduct as a corporate citizen

Human capital management

“Pendal Group is a business built on insight; therefore the success of our business depends on attracting, engaging, developing and retaining the highest calibre of people. Crucially, the hire and development of talented people supports the retention of our existing business and drives its future growth.”

We focus on leading human capital management policies, processes and practices acknowledging that delivery of Pendal Group’s strategy will require new skills and ways of working.

During the year, we undertook work to support broad changes in the business and help our people manage through the transition. This included the strategic recruitment of people to strengthen our sales, responsible investment, technology, data, and project and change management capabilities.

Leadership and change management capability

A challenging operating environment and structural changes within the industry, combined with our own change agenda, inevitably places greater demands on leaders across the organisation. To help current and future leaders support their teams during this period, additional workshops were held on a range of foundational leadership skills including objective setting, coaching, difficult conversations and communication. To cement the principles covered in the workshops, leaders received one-on-one coaching sessions.

During the year, the Pendal Australia business undertook an operational diagnostic across its corporate functions. The objective of the project was to identify opportunities for efficiencies and simplification, enabling a greater focus on

the strategic changes required to position the business for the future. This process has been supported by enhancing change management capabilities, including work to build the capacity of the leadership team to effectively lead the business through change.

A resilience seminar was also delivered to over 40 per cent of the workforce. The session concentrated on developing a more resilient mindset to help manage through times of uncertainty and change.

Employee engagement and value proposition

Following a global review, Pendal Australia appointed an employee engagement survey provider in 2019 to run an employee engagement survey. Key to this review was the ability to provide timely, focused and actionable feedback to drive continued improvements in performance. The survey was completed by 85 per cent of employees, and resulted in an overall engagement score of 63 per cent. This provides an important baseline against which to assess the progress and success of Pendal Australia’s business strategy.

More importantly, the engagement results provide Pendal Australia with critical insight into areas for consolidation and further improvement. For instance, strong survey results were returned in the area of ‘Work and Life Blend’, indicating that employees feel they can balance life commitments

with work. ‘Alignment and Involvement’ also scored highly, with employees confirming that they know how their work contributes to Pendal’s business goals and therefore they know what they need to do to be successful in their role. Pendal will focus effort in the immediate term on sustaining these strong results and on tailoring initiatives to address opportunities that were identified for improvement. We will monitor progress via additional pulse surveys throughout the 2020 Financial Year.

The results from the engagement survey, together with the findings of a series of workshops that were facilitated during the year with employees from across the Australian business, will also be used as the basis for redefining our employee value proposition in early 2020. This process will help us understand what attracts people to join Pendal Australia, exploring what we need to focus on to develop and retain them, shaping our people strategy and driving our talent attraction practices.

Further information about the material employee engagement risks facing the business and the strategies and controls in place to manage these are summarised in Table 4 of the Pendal Group 2019 Corporate Governance Statement.¹⁴

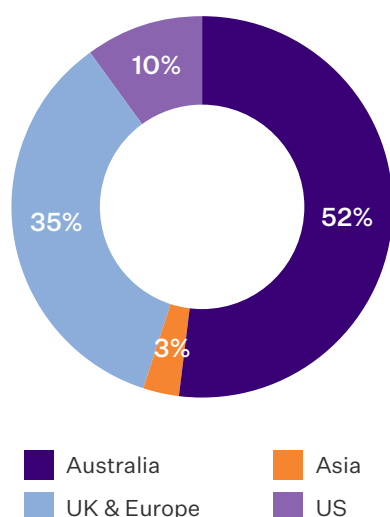
¹⁴ Available at [pend.al/CGS-2019](https://pendal.al/CGS-2019)

Employee turnover

Pendal Group's employee turnover for its 346 full-time equivalent employees as at 30 September 2019, who are located across a number of geographies as outlined in the diagram below, occurred in the operations and corporate support areas. While the 12-month rolling attrition rate was 9.12 per cent, up from 8.85 per cent in the previous financial year, Pendal Group's turnover continues to be below the industry average.¹⁵

The Group also tracks 'regrettable turnover' (employees who we actively seek to retain given the nature of their role and their performance) and seeks to minimise the risk of this occurring via active talent management and succession planning.

Pendal Group employees by geography



Talent management and succession planning

A process is undertaken annually to identify top talent across the business and determine activities to support their ongoing development and potential for succession. This is a critical process used to develop our people and manage our key business risk of 'regrettable turnover'. It also functions as a significant input to workforce planning more generally.

The talent identification and management processes complement detailed, biennial succession planning reviews in both corporate and investment teams. The reviews establish clear succession pathways for critical roles, building the immediate succession pipeline and planning across the 1-3- and 4-5-year timeframe. The plans for each role draw on internal successors with associated targeted development plans in place or they map to potential external successors in the market.

Professional development

Pendal Group continued to offer a range of programs and policies that support the ongoing education and professional development of our employees. These included:

- Leadership development programs to enhance the leadership capability of current and future leaders
- Support of relevant industry specific professional accreditations and memberships
- Financial assistance and leave for employees pursuing study relevant to our business, which includes professional qualifications such as the Chartered Financial Analyst (CFA) and CFA Institute Investment Foundations Certificate Program
- Onsite and external training programs that enhance individual technical skills, behavioural competencies and build team cohesiveness and communication. This included:
 - Targeted sales training as part of a broader sales capability framework
 - Continued roll-out of investment presentation skills training to sharpen content and pitch
 - Managing mental health in the workplace for managers
 - Investment team coaching to enhance decision-making and team performance
 - Team building to maximise individual and team performance

Employee benefits

The Group's employee benefits on offer remain focused on supporting the engagement, wellbeing and health of our employees. These benefits include:

- Employee assistance program including independent confidential support for employees and their families
- Regular wellbeing initiatives
- Employee excellence recognition awards
- Service recognition awards
- Financial study assistance
- Study leave
- Professional membership fee reimbursement support
- Charitable events participation leave for employees in JOHCM
- Health assessments
- Salary continuance insurance premiums paid by Pendal Australia
- Paid contribution leave at Pendal Australia which provides eligible employees with an additional week's leave per annum
- Emergency/Compassionate leave above legislative entitlements in Pendal Australia

¹⁵ Survey data compiled by the Financial Institution Remuneration Group

Culture and ethics

As an investment manager, earning and maintaining the long-term trust of our clients is critical to the Group's success.

Pendal Group's culture encourages individual employees to act with integrity and honesty, alerting us to instances where this is not the case.

Code of Conduct

The Group has a Code of Conduct¹⁶ that applies to Directors, the Senior Management Team, and all employees, including Pendal's contingent workforce. The Policy was refreshed this year to establish more employee-centric principles and provide clearer procedural guidance. It was also revised to ensure consistency with the fourth edition of the ASX Corporate Governance Principles and Recommendations. The Code of Conduct is based on seven key principles, which are:

- Acting with honesty and integrity
- Respecting the law and acting accordingly
- Respecting confidentiality and not misusing information
- Valuing and maintaining professionalism
- Working as a team
- Avoiding conflicts of interest
- Striving to be a good corporate citizen and achieving community respect

Other policies relevant to culture and conduct

The Group has a suite of policies in place that are specific to each business. The intent is to cultivate a positive and ethical culture and help manage conduct risk across the organisation. These policies include:

- Misconduct and Disciplinary Action Policy
- Grievance Handling Policy
- Discrimination and Harassment Policy
- Anti-Bullying Policy
- Conflicts of Interest Policy
- Gifts and Hospitality Policy
- Personal Account Trading Policy
- Managing Fraud and Corruption Policy
- Whistleblower Protection Policy
- Diversity and Inclusion Policy

Whistleblower Protection Policy and practice

Pendal Group's Whistleblower policies, together with the underlying escalation and reporting procedures, provide the framework to guide employees in how to report wrongdoing and understand the investigation process that would ensue. Training in the policies is provided at commencement of employment and forms part of mandatory training.

Pendal Australia uses Lighthouse Services as the independent, outsourced provider to operate the Company's external whistleblower reporting channel (a case management portal and hotline). This service provides employees with the opportunity to externally escalate and confidentially report any concerns in relation to wrongdoing without fear of reprisals or disadvantage in the workplace.

In addition, employees may confidentially report concerns directly to designated senior leaders across the business, known as 'eligible recipients'.

In conjunction with the new whistleblower protection regime in Australia, Pendal Australia reviewed its policy in 2019, primarily to expand accessibility to the whistleblower program and strengthen whistleblower protections. Plans are in place to raise awareness of the new provisions and revised policy to encourage its use. This includes communicating to all employees the procedure for raising conduct concerns and the roll-out of a series of workshops for designated 'eligible recipients'.

A Group wide policy is currently being constructed which complies with the legislation and regulation of the jurisdictions in which Pendal Group operates globally. All reports received through internal and external whistleblowing channels will be managed by Pendal Group's Whistleblower Investigation Officer. Concerns reported via whistleblowing channels will be escalated to the Risk Forum and Board as required. Notably, no concerns were reported via Pendal's internal or external whistleblowing channels in the 2019 Financial Year.

Anti-money laundering and counter terrorism financing

The Group has adopted Anti-Money Laundering and Counter Terrorism Financing (AMLCTF) policies and procedures and various standards that meet the requirements of the relevant AMLCTF legislation. The Group is committed to preventing its financial products being used as a vehicle for money laundering, financing terrorism, tax avoidance or other criminal activity.

Policies and standards are reviewed at least annually, or more frequently in the event of regulatory changes. The Group also implements an annual AMLCTF training program tailored to the specific jurisdiction.

¹⁶ Available at [pend.al/conduct](https://pendal.al/conduct)

Diversity and Inclusion

Aside from being the right thing to do, encouraging and embracing divergent views strengthens business innovation, decision-making and risk management and contributes to the achievement of superior client outcomes and returns to shareholders. Because of this, clients are increasingly seeking assurance that their investments are being managed by a diverse team of people.

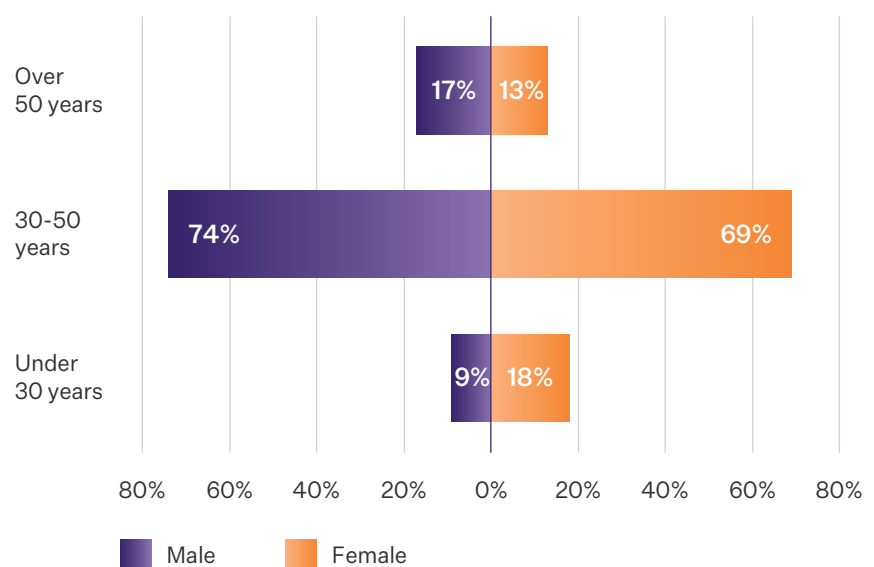
This is reflected in Pandal Group's Diversity and Inclusion (D&I) program that sets out the following strategic priorities:

- Encourage broad diversity across all levels and areas of the business, particularly at the Board and Executive level
- Mitigate leader/key decision maker bias which impacts on recruitment, promotion and development business decisions
- Embed organisational culture, values and leadership behaviours that support a diverse and inclusive work environment
- Develop women in senior leadership
- Increase female representation across the investment platform
- Ensure flexible work practices are operational across all organisational levels

“Pandal aims to attract, engage and retain a diverse mix of employees who bring differences in view, personal/work experiences, lifestyle, ethnicity, culture, age, gender, disability, marital status, religion, sexual orientation and education to the business.”

Age pyramid

Breakdown of employee headcount by age and gender



Diversity and inclusion targets

Pendal's 2023 Financial Year targets are to achieve at least 40 per cent female representation on:

- The Pendal Board and
- Across the Pendal Group Executive teams

The chart below shows gender diversity at Pendal Group Board and Executive Team level across time against the targets set for each level.

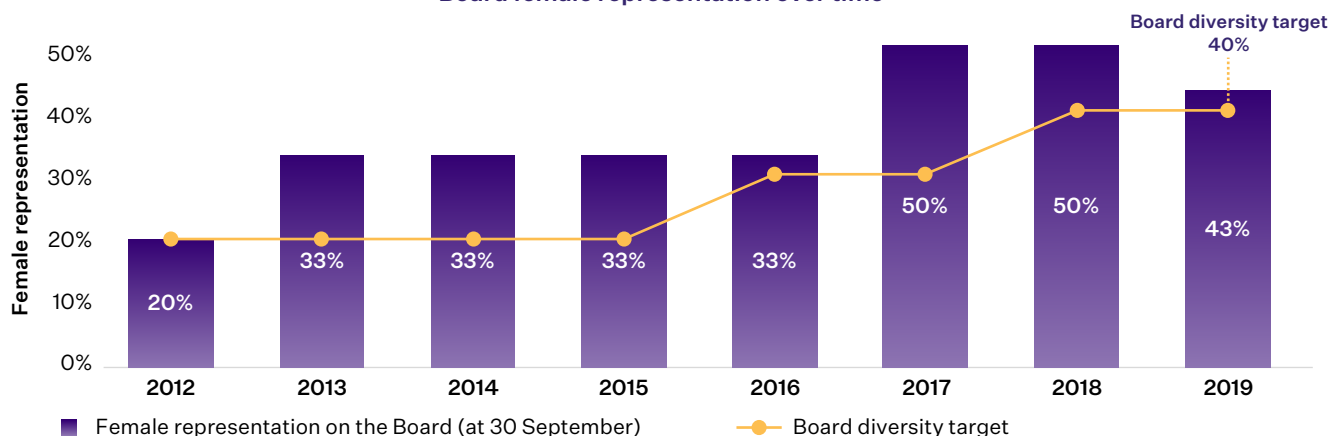
As at 30 September 2019, female Board representation was 43 per cent – ahead of our 40 per cent target and consistent with leading organisations' 40:40:20 approach to diversity targets. During the year, the total number of directors increased from six to seven, resulting in a fall in female representation on the Board from 50 per cent achieved in the previous financial year.

Female representation across Pendal Group's Executive Teams was 30 per cent as at 30 September 2019, a slight decrease on the 32 per cent gender balance recorded in the previous year.

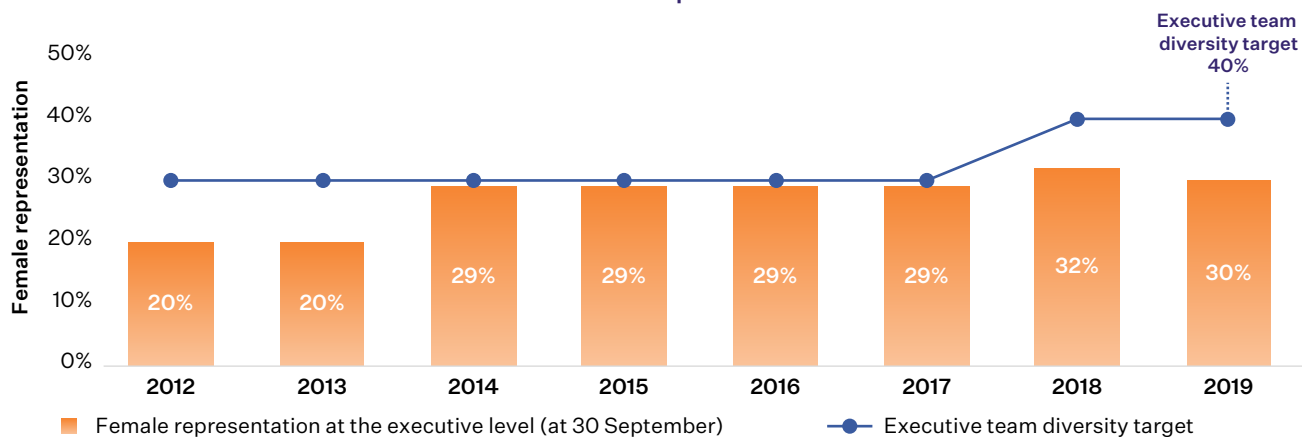
This can be attributed to senior employee movement in the business over the year, despite the appointment of our first female CEO of which we are proud. This hire represents a significant addition to our Global Executive Team and demonstrates our commitment to executive gender diversity and the achievement of Pendal Group's Diversity and Inclusion targets by 2023.

Female representation across the business was 38 per cent, which represents a slight increase on the 2018 Financial Year.

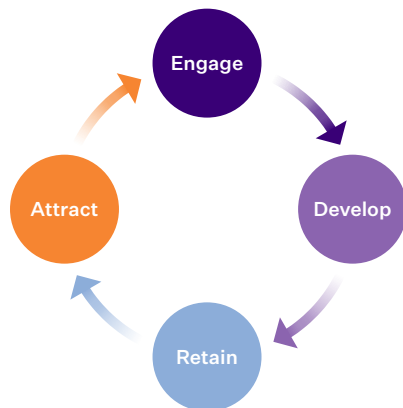
Board female representation over time



Executive team female representation over time



Diversity and inclusion 2019 Financial Year highlights



To bring to life the Group's D&I Strategy, with a particular focus on establishing a pipeline of talented female investors, and encouraging the participation of women in the funds management industry, the following are examples of our support for a host of industry initiatives in addition to our own programs during the 2019 Financial Year.

- Launching the **Women in Finance Mentoring Program**, which was co-developed with the University of Technology Sydney. The program connects leaders in the finance industry with penultimate year female university students to provide mentoring on common challenges women face in the workplace, including achieving gender pay equity, work-life balance, gender bias, and career advancement barriers. It also aims to mentor female participants in how to navigate organisational culture and job opportunities in the Finance sector and develop the confidence to succeed. During the year we mentored 12 female Finance students.
- Guest panellist as part of a **University of Technology Sydney and 3TOM** panel discussion and networking event which provided female undergraduate students with insights into careers in the finance industry.
- Panellist representation at a women in financial services event with F3 at the **University of New South Wales**. The panel shared their passion and enthusiasm for finance to inspire women to be part of the next generation of finance leaders.
- Coaching an all-female stock picking team from the University of Sydney, who finished second in a global competition held in the USA.
- Hosting high performing female university students as part of our **internship program**. **Pendal Australia's Investment Intern Program** ran over the summer and winter university breaks this year. Female penultimate year university students were selected to undertake six to eight-week investment analyst placements in our Global Equities; Responsible Investments; Australian Equities; Bonds, Income and Defensive Strategies; and Investment Solutions and Oversight teams.
- Participating in the **UK 30% Club's** mentoring pilot program, a nine-month cross-company initiative (involving 102 organisations) aimed at increasing and maintaining gender balance in the workplace. Seven JOHCM female employees joined the program as mentees and seven JOHCM employees (three female and four male) joined as mentors. The JOHCM mentees were matched with senior male or female mentors from other organisations.
- As a founding member in 2016, Pendal Australia's participation in the **Career Returners' Program** continued for a fourth successive year. We recognise the role of the program as an additional talent pool from which to draw, aligning with our D&I strategy to increase female talent within the business. The intent of the program is to provide qualified and experienced senior women with meaningful work arrangements that enable them to return to corporate work following a significant career break. Our participation in the program this year has seen a senior female being employed within Pendal Australia.
- To achieve significantly greater reach to diverse groups and further align with the Group's D&I Strategy to build a pipeline of talented female investors, Pendal Australia continued its participation in the **Future IM/ Pact Program**, an industry working group it joined as a foundation member in November 2017. The core objective of the program is to attract more diverse talent to the investment management industry. Accordingly, the group has developed an industry Employee Value Proposition to appeal to people from all backgrounds. A dedicated website has also been created to provide information about how to start an investing career and gain exposure to the industry. The program is promoted through social media, industry and university associations and was used to advertise Pendal Australia's 2019 investment team internships. Throughout the year, Pendal employees participated in networking events organised via the program and presented to female students at the University of Sydney on the topic of 'How to Prepare an Investment Thesis'.
- Partnering with **School Home Support**, a charity that works with children and families to maximise educational opportunities and career prospects and hosting a work experience program specifically targeting students from diverse socio-economic backgrounds. The initiative is aimed at providing these students with access to financial services organisations and insight to the potential career opportunities on offer.
- Launching a '**Respectful Workplace**' pilot training program in our US offices, educating our employees in Diversity and Inclusion.

Gender pay equity

Each year as part of the Annual Remuneration Review, businesses across the Group undertake gender pay gap analyses comparing pay levels for comparable roles. This is a standard salary review and benchmarking process that occurs annually. Pay equity is monitored on an ongoing basis when hiring new and promoting existing employees.

“While to date no gender pay equity issues have been identified, it remains an area we continue to monitor proactively.”

Flexible work arrangements

This financial year we continued to offer policies and practices designed to support flexible work arrangements, promote D&I and foster work-life balance, irrespective of gender and in step with the employee's stage of life. This included:

- Working from home
- Part-time work
- Compressed working hours
- Purchased leave (of up to four weeks per year)
- Paid parental leave (over and above legislative entitlements)
- Continued benefits during parental leave
- Leave and support available under the Domestic Violence Support Policy
- Superannuation during unpaid parental leave
- Time out and career breaks
- Job-sharing

Access to industry memberships

Pendal Australia maintained its memberships with the Women in Banking and Finance Group, the Diversity Council of Australia and the NSW Equal Employment Opportunity Practitioners' Association this financial year. These memberships ensure the Group keeps abreast of leading-edge D&I research, insights and thought leadership, and provide access to industry networks, specialists and online resources.

Workforce Gender Equality Agency Report

Pendal Group submitted its annual report to the Australian Workplace Gender Equality Agency in May 2019. The report provides a breakdown of gender composition and average pay across all organisational levels. It also outlines work practices and policies which support gender diversity. The report can be accessed in the shareholder centre of the Pendal Australia website.¹⁷

¹⁷ Available at <https://www.pendalgroup.com/wp-content/uploads/2019/06/Pendal-WGEA-Public-Report.pdf>

Health, Safety and Wellbeing

Pendal Group is dedicated to providing a safe and healthy work environment, where employee wellbeing is paramount. At a minimum, while on our premises, all employees and visitors can expect to be free from work-related injuries and illnesses.

This responsibility is fulfilled by:

- Eliminating or minimising health and safety risks
- Monitoring measurable objectives and targets to continuously improve health and safety performance
- Providing consultation where appropriate and when there is an impact on work health and safety
- Providing information, instruction, training and resources to ensure people can do their job safely
- Receiving and responding to health and safety incidents, hazards and near misses
- Complying with **Work Health and Safety** (WHS) regulation and legislation

HSW Management Plan

In line with Pendal Australia's HSW Management Plan, key performance metrics and information are regularly provided to the Pendal Group Board and Pendal Australia Executive Team. This enables Pendal Group Work Health and Safety Officers to meet their due diligence obligations.

During the year, HSW mandatory training compliance has consistently exceeded the 90 per cent target, consistent with previous years.

Quarterly wellbeing events also took place across the Group in the 2019 Financial Year. Almost 50 per cent of Pendal Australia's workforce participated in resilience sessions, health checks,

flu vaccinations and yoga classes, demonstrating the strong value that employees place on these activities.

Pendal Australia rolled out the 'Fit 24' team challenge again this year. This is a one-month program aimed at encouraging teams of employees to work together to reduce daily sugar intake, increase physical activity and prioritise more sleep per day, in order to better manage stress and improve resilience levels.

Further information about the material HSW risks facing the business and the strategies and controls that the Group has in place to manage them is summarised in Table 4 of the Group's 2019 Corporate Governance Statement.



Contributing to our communities

Pendal Group actively contributes to the community by supporting charitable organisations and initiatives that improve the social wellbeing of the communities in which it operates. Pendal Australia and JOHCM centrally manage and champion charitable endeavours for employees across each organisation. This includes the coordination of fundraising initiatives, volunteering and events. Efforts are often directed to support charities to which employees have a deep personal connection.

Support during the year included:

- Strategic charity partnership with the Running for Premature Babies Foundation – a charity Pendal Australia actively supports in memory of the late Ashley Smith, a long-serving and valued member of the Australian Equities team. The Foundation raises money to fund lifesaving equipment and research for babies born prematurely
- Sporting events including the annual J.P. Morgan run to raise money for the Alzheimer's Society
- Supporting the Wayside Chapel 'Winter Appeal' clothing drive, donating work clothing and accessories to aid unemployed and low-income individuals seeking employment
- Contributing to the Wayside Chapel 'Christmas Drive', through the donation of a Christmas gift to a homeless person and 'Donating a Plate', which provided Christmas lunch to the homeless on Christmas Day
- An office quiz night with proceeds going to mental health charity, MIND and Cancer Research
- Partnering with the School Home Support charity to support an employment skills workshop for students from low income and diverse socio-economic backgrounds
- Supporting Beyond Shame Beyond Stigma, a charity that provides mental health education
- Donating to 'Thinking of Oscar', a charity that supports families while in hospital care
- All charity money raised and donated by JOHCM employees was matched by the company. JOHCM employees were also supported to volunteer their time through the provision of special leave

Glossary

\$ or AUD	Australian dollars, unless indicated otherwise
2019 Financial Year or FY19	The financial year ended 30 September 2019
20XX Financial Year or FYXX	Refers to the financial year ended 30 September 20XX, where XX is the two-digit number for the year
Board	Board of Directors
Company	Pendal Group Limited (ABN 28 126 385 822)
Directors	Directors of the Company
ESG	ESG is a term that refers to the incorporation of environmental, social and governance factors into decision-making processes
Financial Services Royal Commission or Hayne Royal Commission	The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry from December 2017 to February 2019
Group	Pendal Group Limited and its consolidated subsidiaries
JOHCM	J O Hambro Capital Management Limited
NED	Non-Executive Director
Pendal Australia	The operations of the Group in Australia
Pendal Group	Pendal Group Limited and its consolidated subsidiaries
PRI	Principles for Responsible Investment
Regnan	Regnan – Governance Research & Engagement Pty Limited
Reporting period	The financial year ended 30 September 2019
RI	Responsible Investing; a term used to cover a broad range of investment approaches, including ESG integration, ethical or negative screening, sustainable investing and impact investing
Stewardship	The responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries. Commonly, this consists of integrating ESG factors in decision-making, direct engagement with companies and deploying proxy voting to encourage long-term value creation
TCFD	Task Force on Climate-related Financial Disclosures