

Changes to Pental Institutional Limited and the Pental Sustainable Options' disclosure

Effective: 11 January 2023

Product Update

The information in this notice dated 11 January 2023 updates information contained in the BT Super for Life – Westpac Group Plan Additional Information Booklet (AIB) dated 30 September 2022 issued by BT Funds Management Limited ABN 63 002 916 458 AFSL 233724. It should be read together with the relevant Product Disclosure Statement (PDS), which can be obtained by calling 1300 776 417 (between 8.30am and 5.30pm (Sydney time) Monday to Friday) and are available at bt.com.au/staff.

It is important that you read and understand the information in this notice.

What are the changes?

Effective 11 January 2023, the investment manager Pental Institutional Limited have provided formal notice of their acquisition by Perpetual Limited. There is no change to the Pental investment options or names. Pental have also enhanced their Environmental, Social & Governance (ESG) disclosure to provide improved sustainability outcomes for investors. Changes to the Pental Sustainable disclosure apply to both the BT Pental Sustainable Conservative and the BT Pental Sustainable Balanced investment options.

Changes to the Disclosure Documents

The Pental Institutional Limited Investment Manager profile on page 47 of the BT Super for Life - Westpac Group Plan - Additional Information Booklet has been updated as detailed below.

Pental Institutional Limited (Pental) is a wholly owned subsidiary of Perpetual Limited. Pental is a global investment management business focused on delivering superior investment returns for its clients through active management.

Pental offers investors a range of Australian and international investment choices including shares, property securities, fixed income and cash strategies, as well as multi-asset and responsible investments. To complement its in-house expertise, Pental also partners with leading global investment managers.

In the Pental Sustainable disclosure on pages 17-21 of the BT Super for Life – Westpac Group Plan – Additional Information Booklet the text in red is to be inserted as outlined below.

Pental Sustainable Options

The Pental Sustainable Conservative and Pental Sustainable Balanced investment options invest in underlying funds which are managed by Pental Institutional Limited ABN 17 126 390 627 (Pental). Pental's 'sustainable' investment approach takes labour standards, environmental, social and ethical considerations into account when selecting, retaining or realising the Fund's investments in the underlying funds.

Sustainable and ethical investment practices are currently incorporated into the Australian and international shares, Australian and international fixed interest, and part of the Alternative investments' components of the underlying funds, which the Pental Sustainable Conservative and Pental Sustainable Balanced investment options invest in.

All other investments by the funds are not assessed for sustainable and ethical investment practices. Pandal actively seeks exposure to securities and industries that demonstrate leading environmental, social, and corporate governance (ESG) and ethical practices and exclude companies not meeting the investable criteria. The funds invest in securities that are considered to meet the funds' sustainable and ethical criteria.

The funds' compliance with the investment guidelines is reviewed regularly (usually monthly, but this timeframe is not fixed). If Pandal's review process identifies that an investment ceases to comply with the investment guidelines for the funds, the investment will usually be sold as soon as reasonably practicable, having regard to the interests of investors (but this may vary on a case by case basis).

Pandal's sustainable assessment process considers the extent to which a company or issuer manages its material environmental, social, and corporate governance (ESG) issues. Specifically, the assessment may consider issues such as:

Environmental Management

- Management of environmental impacts through the implementation of best practice environmental techniques, technologies, and product design.
- Environmental performance against a range of environmental indicators including, for example, greenhouse gas emissions, energy and water use and environmental incidents.
- The capacity to consult key stakeholders in relation to activities that may have significant environmental impacts.
- Adoption of best practice with regards to management and disclosure of material risks and opportunities associated with climate change.

Social Practices

- Equal opportunity, anti-discrimination and industrial relations policies and practices.
- Staff incentives, development, and training.
- Employee benefits and entitlements.
- Human capital management performance against a range of indicators, such as voluntary turnover and gender diversity in senior management.
- Products or services that provide positive social impacts such as improved health and community well-being, disease prevention and education.
- Management of contractors and suppliers.
- Workplace health and safety performance against indicators such as fatalities and lost time injury frequency rate.

Corporate Governance and Business Conduct

- Codes of conduct and the extent of their integration into the company's operations.
- Provision of regular and appropriate training.
- Whistle-blower policies and procedures.
- Ethical conduct and performance of employees and officers - the extent to which companies are adopting principles in areas such as complying with the law, fair and open dealings and accepting responsibility for their actions.
- Product safety and consumer protection.
- Engagement practices with employees, shareholders, and key community stakeholders.

Ethical Practices

The following exclusionary screens are applied in the funds.

Exclusionary Screens – Australian Shares

The funds' Australian shares investments will **not invest** in companies which directly¹

Fossil Fuels

- Extract or explore for fossil fuels (specifically, coal, oil and gas); or
- Derive 10% or more of their **gross** revenue from fossil fuel-based power generation, or from fossil fuel refinement or distribution (coal, oil and gas)*; or
- Derive 10% or more of their **gross** revenue from the provision of supplies or services which relate specifically to fossil fuel extraction or exploration (coal, oil and gas)*.

Uranium

- Derive 10% or more of their **gross** revenue from directly mining uranium for the purpose of nuclear power generation.

Logging

- Derive 10% or more of their **gross** revenue from unsustainable forestry or forest products, including non-Forest Stewardship Council certified forest products or non-Roundtable on Sustainable Palm Oil certified palm oil production.

Gambling

- Manufacture, own or operate gambling facilities, gaming services or other forms of wagering; or
- Derive 10% or more of their **gross** revenue from the indirect provision of gambling (for example, through telecommunications platforms).

Pornography

- Produce pornography; or
- Derive 10% or more of their **gross** revenue from the distribution or retailing of pornography.

Weapons

- Manufacture or distribute controversial weapons (**including** cluster munitions, landmines, biological or chemical weapons, nuclear weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments); or
- Manufacture non-controversial weapons or armaments (including civilian firearms or military equipment); or
- Derive 10% or more of their **gross** revenue from the distribution or retailing of non-controversial weapons or armaments (including civilian firearms or military equipment).

Alcohol

- Produce alcoholic beverages; or
- Derive 10% or more of their **gross** revenue from the distribution or retailing of alcoholic beverages.

Tobacco

- Produce tobacco (including e-cigarettes and inhalers); or
- Derive 10% or more of their **gross** revenue from the distribution of tobacco (including e-cigarettes and inhalers) or supply of goods or services specifically related to the tobacco industry (for example, packaging or promotion)

Animal testing

- Undertake animal testing for cosmetic products; or
- Undertake live animal export.

Predatory lending

- Provide products or services with lending practices that are unfair or deceptive to ordinary borrowers, including small amount short term loans at higher than commercial rates of interest (for example, payday loans, pawn loans or the use of aggressive sales tactics).

Breaches and misconduct

- We consider to have been found to have significant breaches of social or environmental norms or regulations, or are subject to serious and substantiated allegations of unethical conduct, which we consider have not been remedied or adequately addressed.

*Companies with a climate transition plan may be exempted from this exclusion, provided that they have in place a Paris Agreement aligned transition plan and produce climate-related financial disclosures annually, which in both cases we consider credible.

Exclusionary Screens – International Shares

The funds' international shares investments will **not invest** in companies which directly¹:

- Extract or explore for fossil fuels (specifically, coal, oil and natural gas); or
- Produce tobacco (including e-cigarettes and inhalers); or
- Manufacture controversial weapons (**including** cluster munitions, landmines, biological or chemical weapons, nuclear weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments).

The funds' international shares investments will also **not invest** in companies which derive 10% or more of their **gross** revenue directly from:

- Fossil fuel-based power generation, or fossil fuel distribution or refinement (coal, oil and natural gas)*;
- The production of alcoholic beverages;
- Manufacture, ownership or operation of gambling facilities, gaming services or other forms of wagering;
- Manufacture of non-controversial weapons or armaments;
- Manufacture or distribution of pornography; and
- Uranium mining for the purpose of nuclear power generation.

*Companies with a climate transition plan may be exempted from this exclusion, provided that they have in place a Paris Agreement aligned transition plan and produce climate-related financial disclosures annually, which in both cases we consider credible.

Exclusionary Screens - Australian Fixed Interest and International Fixed Interest

The funds' fixed interest investments will **not invest** in **issuers** which directly¹:

- Produce tobacco (including e-cigarettes and inhalers); or
- Manufacture controversial weapons (including cluster munitions, landmines, biological or chemical weapons, **depleted uranium weapons**, nuclear weapons, blinding laser weapons, incendiary weapons, nuclear weapons, and/or non-detectable fragments).

The funds' fixed interest investments will also **not invest** in **issuers** which derive 10% or more of their **gross** revenue directly from:

- The production of alcoholic beverages; or
- Manufacture, ownership or operation of gambling facilities, gaming services or other forms of wagering; or
- Manufacture of non-controversial weapons or armaments; or
- Manufacture or distribution of pornography; or
- Direct mining of uranium for the purpose of nuclear power generation; or
- Extraction of thermal coal and oil sands production.

Exclusionary Screens - Alternative Investments

A component of the Fund's alternative investments will **not invest** in companies or **issuers** which directly¹:

- Produce tobacco (including e-cigarettes and inhalers); or
- Manufacture controversial weapons (including cluster munitions, landmines, biological or chemical weapons, depleted uranium weapons, nuclear weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments).

A component of the Fund's alternative investments will also **not invest** in companies which derive 10% or more of their **gross** revenue directly from:

- The production of alcoholic beverages; or
- Manufacture, ownership or operation of gambling facilities, gaming services or other forms of wagering; or
- Manufacture of non-controversial weapons or armaments; or
- Manufacture or distribution of pornography; or
- Direct mining of uranium for the purpose of nuclear power generation; or
- Extraction of thermal coal and oil sands production.

Other Considerations

The criteria applied to the funds' investments may exclude some industry sectors, companies, or issuers from the funds' 'investable universe'. For this reason, the funds' performance may vary when compared to other funds that do not apply sustainable or ethical criteria in their investment process. This risk should be considered when deciding whether to invest in the fund.

¹All reasonable care has been taken to implement the funds' exclusionary screens to meet the criteria described above. Pandal draws on internal and supplementary external research, believed to be accurate, to determine whether a company is subject to the exclusionary screens.

For more information

bt.com.au

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IMPORTANT INFORMATION

Information current as at 11 January 2023. This information does not take into account your personal objectives, financial situation or needs and so you should consider its appropriateness, having regard to these factors before acting on it. BT Funds Management Limited ABN 63 002 916 458 AFSL 233724 (BTFM) is the trustee and the issuer of BT Super for Life – Westpac Group Plan which is part of Retirement Wrap ABN 39 827 542 991. A Product Disclosure Statement (PDS) is available for BT Super for Life – Westpac Group Plan and can be obtained by calling 1300 776 417 or via online banking. You should obtain and consider the PDS before deciding whether to acquire, continue to hold or dispose of interest in BT Super for Life – Westpac group Plan. An investment in BT Super for Life – Westpac group Plan is not an investment in, deposit with or any other liability of Westpac Banking Corporation ABN 33 007 457 141 (Westpac), any Division of Westpac or any other company in the Westpac Group. It is subject to investment risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested. Except as expressly disclosed in the relevant PDS or Additional Information Booklet, Westpac and its related entities do not stand behind or otherwise guarantee the capital value or investment performance of BT Super for Life – Westpac Group Plan.