



Sustainability Report 2024

Generating enduring success



FY24 reporting suite



2024 ANNUAL REPORT



2024 CORPORATE GOVERNANCE STATEMENT



2024 SUSTAINABILITY REPORT



2023 MODERN SLAVERY STATEMENT



FY24 REPORTING SUITE IS AVAILABLE ON OUR WEBSITE

www.soulpatts.com.au/investor-centre/reports

Washington H. Soul Pattinson
and Company Limited

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ASX Code: SOL

Contents

About Soul Patts	1
Letter from our Managing Director & CEO	2
How we create long-term value	4
Our approach to sustainability	6
Our direct operations	6
Our sustainable investment approach	7
Our sustainable investments	8
Our controlled subsidiaries	9
Ampcontrol	10
Agriculture portfolio	12
Aquatic Achievers	14
Our substantial investments	16
Our people, values and culture	18
Our community investments	20
Protecting the value of our business and investments	22
Our preparation for evolving sustainability regulations	23
Sustainability metrics	24

Cover image: Frost fans installed at Hillston Citrus, a farm in the Agriculture portfolio in Hillston NSW, for mitigating crop losses that can occur from significant frost events.

About Soul Patts

A diversified investment house that is unique in Australia

With origins in owning and operating Australian pharmacies, Soul Patts has evolved into a diversified investment house with investments across a range of industries and asset classes, including listed equities, private equity, credit and property.

Today, Soul Patts is unique in the Australian market, offering our shareholders exposure to investments that perform throughout economic cycles. We are proud to have never missed a dividend payment since listing in 1903, and have increased dividend payments in each of the past 24 years.

Our commitment to long-term investing is anchored by our purpose of generating enduring success for our shareholders. This has remained the same since our listing in 1903.

Our evolution

At the time of our public listing in 1903, Soul Patts had 21 pharmacy stores. By the 1950s, it dominated the retail pharmacy market nationwide.

The 1960s and 1970s marked our diversification into building materials and resources, which included the investments in Brickworks Ltd and the purchase of what is now New Hope Corporation.

The 1980s saw us expand into media with the purchase of NBN Television, which over time grew into TPG Telecom, the third largest telco in Australia.

In 2021, we acquired one of Australia's largest listed investment companies, Milton Corporation. This transformed our scale and liquidity, allowing us to pursue a wider range of investment opportunities.

Our investment portfolio is designed to pivot to where we identify superior risk-adjusted returns. Our belief in being purposefully diversified – by industry and asset class – has enabled Soul Patts to weather market cycles and generate sustainable shareholder returns over the longer term.

Our current portfolio houses more than 200 individual investments in private, public and real assets. We are disciplined in our approach and active when opportunities arise, supported by our strong balance sheet and our reputation as trusted stewards of our shareholders' capital.

While Soul Patts no longer owns Australian pharmacies, many of the investments made decades ago remain large positions in today's portfolio.

Our journey



TO FIND OUT MORE ABOUT OUR JOURNEY, PLEASE VISIT
www.soulpatts.com.au/about/our-company

Our people, values and culture

We are proud of our values-based culture that has been developed over many generations and continues to be the core driver of our success. Our people embody our values of integrity, initiative and accountability.

Our culture is our competitive advantage. It underpins and drives our investment approach. All members of Soul Patts' small, close-knit investment team, led by the MD & CEO, are actively involved in decisions. This encourages robust debate and peer review, ensuring capital is deployed where we believe it will generate enduring value. For more information about our people, values and culture, please refer to page 18.

At Soul Patts we pride ourselves on fostering a diverse and inclusive workforce of 56 dedicated people. Our employee value proposition (**EVP**) is designed to attract and retain the best talent who drive our purpose of generating enduring success and contribute to a strong workplace culture.

Letter from our Managing Director & CEO

"Sustainability is embedded in our purpose to create lasting value for our shareholders, employees and the communities we serve."

Dear Shareholders,

We are pleased to present our 2024 Sustainability Report, which showcases our commitment to long-term value creation. We believe sustainability encompasses the financial and non-financial factors that drive enduring value. As such, sustainability is embedded in our purpose to create lasting value for our shareholders, employees and the communities we serve. It is core to our investment philosophy that for 120 years has focused on enhancing businesses, generating employment and investing in communities to foster intergenerational value.

This report highlights our approach to sustainability within our direct operations and profiles the sustainable initiatives of our three controlled subsidiaries:

- **Ampcontrol:** Leading industry decarbonisation by developing and manufacturing innovative energy solutions at scale.
- **Agriculture portfolio:** At the forefront of innovation, implementing farm practices that advance sustainable food production in an industry where Australia has a global competitive advantage.
- **Aquatic Achievers Group:** Enriching communities by delivering an average of 50,000 swimming lessons weekly across 29 locations, providing vital water safety for Australia's growing population.

Energy transition

At the heart of our investment philosophy is a culture-driven approach, where strong governance and leadership are paramount. We apply this same philosophy to navigate the energy transition, leveraging our experience, skills and insights to invest responsibly in the face of climate change and a decarbonising global economy.

The journey towards a sustainable energy future is complex and will not be linear. We are committed to investing across the energy spectrum, in assets that are managed with a strong focus on environmental sustainability, social responsibility and community wellbeing. We seek to influence change through active engagement with our controlled and substantial investments.

Our investment in New Hope demonstrates our approach to active ownership. Board representation allows us to influence governance, strategy and performance ensuring the business is operated responsibly and sustainably.

New Hope is committed to community engagement, actively participating in local initiatives and addressing key issues such as wellbeing and unemployment. It also prioritises the repatriation of land, restoring areas affected by their operations to their natural state. Additionally, New Hope invests in emission-reducing technologies, aiming to reduce its carbon footprint and enhance operational efficiency.

Our investment in Ampcontrol is an example of how we are supporting industries to deliver on their decarbonisation goals. More information on how Ampcontrol is supporting the energy transition is detailed in this report.

In an increasingly complex and rapidly changing investment landscape, our commitment to an unconstrained investment approach remains steadfast. This strategy allows us the flexibility to uncover hidden value, regardless of market fluctuations, ensuring we stay agile and responsive to emerging opportunities.

Direct operations

Our approach to sustainability in our direct operations aligns with our purpose of generating enduring success for our shareholders, employees and the community. In this report we highlight some of the ways we prioritise sustainability factors such as strong governance, a talented and motivated workforce, community partnerships and responsible environmental management.

Regulatory reporting

We are preparing to meet current and upcoming climate and sustainability-related reporting requirements by strengthening our governance, risk models, and internal and external resources. Our ability to adapt to the evolving regulatory environment and stakeholder expectations is key to sustaining our competitive edge and delivering long-term value.

This report provides further information about work underway to meet reporting requirements and key metrics in respect of Scope 1 and 2 emissions for our direct operations and controlled entities.

Community legacy and refreshed strategy

In addition to our investment activities, we are committed to leveraging our time, services and philanthropy to support not-for-profit organisations and build resilience in our communities. Our long-term partnership with the Royal Flying Doctor Service (**RFDS**) began with our founder, Lewy Pattinson, a devoted philanthropist. This legacy continues 84 years later as we commit our expertise in areas that matter including advice on strategic sustainability, emissions and fundraising activities.

The Soul Patts Foundation, formerly the Milton Foundation, was established in 1988 to support disadvantaged community members. Following a review of our community strategy, and with input from our Soul Patts employees, we identified three thematic pillars: mental health, communities, and breaking down barriers for women. Aligned with these pillars, in 2024 we established two new partnerships with the Black Dog Institute and The George Institute for Global Health.

We are also proud of the community engagement and investment activities undertaken by our investee companies. Their involvement in local communities not only enhances their business success but also reinforces our shared values of responsibility and stewardship.

Our people, our culture, our competitive edge

Our culture is our competitive edge, driving our investment approach. Our close-knit team actively participates in decisions, fostering robust debate and peer review. This ensures capital is deployed where we believe it will generate lasting value.

This year we completed our second culture and engagement survey. With a strong participation rate of 90%, our engagement score outperformed the top quartile of finance organisations in Australia. Most notable was 95% of our people are proud to work for Soul Patts, demonstrating the strong culture we have built over the past 120 years. We are proud of our values-based culture that has been developed over many generations. It continues to be the core driver of our success.

Thank you for your continued trust and support as we work to create lasting value for all our stakeholders.



Todd Barlow

Managing Director & CEO

26 September 2024



How we create long-term value

Our stakeholders



Shareholders

62k+

shareholders look to us to generate sustainable long-term returns and growing dividends.



People

A high-performing and engaged workforce motivated to deliver on our purpose of generating enduring success.



Communities

Long-term and mutually beneficial relationships with our strategic community partners and local communities.

What we do

Listed in 1903, we are a diversified investment house with investments across a range of industries and asset classes including listed equities, private equity, credit and property.

We actively manage our portfolio of 200+ investments and can adjust the portfolio mix to extract the highest quality risk-adjusted returns.



Strategic

49% of Group



Large Caps

20% of Group



Private Equity

13% of Group



Emerging Companies

9% of Group



Credit

9% of Group



Property

1% of Group

For information relating to Net Working Capital not included above, please refer to our 2024 Annual Report.



FOR MORE REFER TO
2024 ANNUAL REPORT

What makes us unique

Our aim

To grow shareholder wealth through a diversified range of investments that perform throughout market cycles.



FOR MORE REFER TO
2024 ANNUAL REPORT

Our purpose

Our commitment to long-term investing is anchored by our purpose:

Generating enduring success

Our strategy and investment approach



Long-term
commitment



Strength of
conviction



Unconstrained
mandate



FOR MORE REFER TO
2024 ANNUAL REPORT

Our measure of success

1

Increase cash
generation

2

Grow the
portfolio

3

Manage
investment risk

Our values



Integrity



Initiative



Accountability



FOR MORE REFER TO
2024 ANNUAL REPORT

The value we create

Shareholders



REFER TO 2024
ANNUAL REPORT

- Diversified investment portfolio helps mitigate risk and capture opportunities in different market cycles
- Long-term investment approach focusing on businesses and asset classes with strong tailwinds
- Financial discipline and strong balance sheet with access to permanent capital
- Consistent track record in delivering increasing dividend returns
- Strong corporate governance supports sustainable value creation

People



REFER TO
PAGE 18

- Engagement top quartile of finance organisations in Australia with 90% employee participation
- As at 31 July 2024, 48% of women employed with 43% represented on the Board and 43% in senior management roles
- Continuous learning and development opportunities
- Investing in emerging leaders through paid intern program
- Uplift in EVP programs to attract, retain and engage our people
- Activities and policies to support health and wellbeing

Communities



REFER TO
PAGE 20

- Long-term community partnerships provides certainty in delivering essential services to communities
- Employee-driven community investment strategy with a focus on mental health, communities and breaking down barriers for women
- Employment and economic opportunities in communities where our controlled subsidiaries operate in

Our approach to sustainability

Our approach to sustainability in our direct operations aligns with our purpose of generating enduring success for our shareholders, our employees and the community.

We are long-term investors with an unconstrained investment mandate. This allows for flexibility and the pursuit of hidden value through market fluctuations. This investment approach enables us to create long-term value and manage risk for our shareholders.

Our direct operations

Soul Patts' direct operations manage our investment portfolio with 56 employees located in our head office in Sydney. Our approach to sustainability in our direct operations aligns with our purpose of generating enduring success for our shareholders, our employees and the community. We prioritise strong governance, a talented and motivated workforce, community investment and responsible environmental management.

Energy, emissions and the environment

We provide our team with the resources and support to make significant, focused investments in Australian industries that have a competitive advantage and manage their environmental impact well. Alongside generating enduring investment returns from well-managed businesses, we are committed to reducing our own environmental footprint.

Our leased office at 151 Clarence Street Sydney 'Barrack Place' is managed by Investa, and in FY24 it achieved National Australian Built Environment Ratings of:

- 6/6 Star Rating for Electricity with GreenPower
- 4.5/6 Star Rating for Water

Barrack Place is a Platinum Certified member of the International WELL Building Institute for advancing human health and wellbeing.

Barrack Place is conveniently situated near public transport, and offers end-of-trip facilities to promote sustainable commuting options for employees.

In FY24, our total estimated Scope 1 and Scope 2¹ GHG emissions for our direct operations in our leased office using a location-based methodology continued to be minimal, at 40 tonnes CO₂e (carbon dioxide equivalent). We purchased 100% GreenPower to offset our Head Office electricity emissions (38 tonnes CO₂e Scope 2) and invested in a further 3 tonnes CO₂e of Australian Carbon Credit Units (ACCUs) to fully offset GHG emissions from our direct head office operations.

In FY24, we enhanced our carbon accounting process, which included implementing a third-party technology solution to calculate emissions estimates for our direct operations and our controlled investments.

In anticipation of mandatory climate-related financial reporting in accordance with the proposed Australian Sustainability Reporting Standards (ASRS), we have formalised the Board's oversight of reporting obligations, reviewed our risk management framework, and enhanced our internal and external resources, capacity and expertise. Soul Patts has taken a proactive approach by evaluating its assurance readiness for Scope 1 and 2 GHG emissions and understanding our reporting obligations for Scope 3 emissions, climate scenario analysis and transition planning.

Further details about how we calculate emissions are provided on page 24 of this report. More information about our approach to managing material sustainability and climate-related risks and opportunities is provided on page 22 of this report.

Employee value proposition

In FY24 we made important progress with our employee value proposition (EVP) and continue to build our strong values-driven culture. Our employees continue to be the core driver of our success. More information about our people, values and culture can be found on page 18 of this report.

Community investment

Our approach to community investment continues to be a focus in FY24, with an increased amount of time, services and philanthropy provided to support our communities and community organisations. Our refreshed community strategy, reflects the themes chosen by our employees: mental health, communities and breaking down barriers for women. More information can be found on page 20 of this report.

Our suppliers

In FY24, as part of our continuous improvement, we commenced an uplift in our supplier governance. This program of work included an end to end third party supplier mapping, a panel review of legal and consultant engagement, and a review of supplier processes. In FY25, we have introduced a Supplier Code of Conduct and are improving our operational efficiencies and controls.

Our 2023 Modern Slavery Statement, available on our website, details our efforts to uphold and protect human rights in our operations, controlled investments and supply chains. Our 2024 Modern Slavery Statement will be published on our website by February 2025.

¹ Scope 1 GHG emissions are direct emissions from owned or controlled sources, while Scope 2 emissions are indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the business. Scope 3 GHG emissions are all indirect emissions not covered in the business' Scope 1 and Scope 2 that occur in the value chain of the business, including both upstream and downstream emissions.

Our sustainable investment approach

Our sustainable investment approach aligns with our view that sustainability includes the financial and non-financial factors that contribute to long-term value creation.

We seek investment opportunities that are well-managed have robust governance and generate sustainable cash flows in growth industries. We also place a strong emphasis on ensuring that the culture of a substantial investment aligns with our own. Key considerations include how our investee companies protect value, how they engage with their employees, customers and communities, and manage environmental impacts.

We view ourselves as custodians of long-term value. Making thoughtful investment decisions is part of our culture and the foundation of our long-term success. We take a holistic approach to sustainability within our investment analysis, rather than viewing 'E, S and G' as separate or isolated elements.

All members of Soul Patts' small close-knit investment team, led by the MD & CEO, are involved in investment decisions. This encourages robust debate and peer review, ensuring thorough diligence and critical assessment of potential investments.

Material investment decisions are considered and approved, or recommended to the Board, by a Management Investment Committee. Our Chief Investment Officer leads the Management Investment Committee, which includes the Soul Patts' executive leadership team. Risks are overseen by management and Board risk committees. Sustainability is one of our risk pillars. Refer to page 22 for further information on our approach to sustainability risks.

The operations and associated risks and opportunities of each of the companies we invest in are managed by, or under the direction of, their respective Boards. Our oversight is tailored to the size and nature of our ownership. We influence governance, strategy and performance through board representation on all our of controlled subsidiaries and most of our substantial investments.

In our broader investment portfolio, we hold stakes in over 200 actively traded equity investments and other financial instruments. Our core competency is identifying and responding to emerging risks. We engage with our investee companies and exercise our voting rights to protect and enhance the value of our individual investments.

Our sustainable investments

We invest in growth companies in industries where Australia has a sustainable competitive advantage. This includes investments in industries aligned with the energy transition, education and agriculture.

We believe sustainability should be integrated into overall strategy, culture and business management to create long-term value. We encourage our controlled subsidiaries and our substantial investments to adopt a similar approach.

Image: Ampcontrol Advanced
Australian Manufacturing



The following examples highlight some of the ways our investee companies demonstrate their commitment to activities that create value.

Our controlled subsidiaries

We have long-term investments in controlled subsidiaries in industries where Australia has a competitive advantage.

Ampcontrol



Investing in innovative decarbonisation technologies to support the energy transition



REFER TO
PAGE 10

Agriculture portfolio



Leading innovation with farm practices that advance sustainable food production



REFER TO
PAGE 12

Aquatic Achievers



Enriching communities with vital water safety for Australia's growing population



REFER TO
PAGE 14

Our substantial investments

Our substantial investments are strategic investments in listed companies that are managed under the direction of their respective Boards.



REFER TO
PAGE 16

Image: Northside House located in Victoria using bricks supplied by Brickworks. Credit: Derek Swalwell



Our controlled subsidiaries

Ampcontrol

Investing in innovative decarbonisation technologies to support the energy transition

Ampcontrol develops innovative energy solutions to help industries decarbonise through advanced Australian manufacturing and collaborative technologies.



Reducing emissions in carbon-intensive industries



Nurturing future innovators and leaders



Net zero emissions by 2040

Image: Ampcontrol world-first battery electric vehicle and charging infrastructure for underground mining.



We invested in Ampcontrol in 2005 to gain exposure to operational and energy efficiency improvements across mining and manufacturing industries in Australia and worldwide. Arguably, the global energy transition and decarbonisation of industry provides some of the biggest investment opportunities of our generation.¹

We increased our investment ownership in Ampcontrol to 100% in 2022. We oversee strategy and performance through representation on the Ampcontrol board.

¹ Decarbonisation and changes to energy production and distribution could result in US\$100 trillion in global infrastructure investment from now until 2050 (source: International Energy Agency, 2021).

Reducing emissions in carbon-intensive industries

Ampcontrol is an Advanced Australian Manufacturing business that has recognised the need to support its customers in carbon-intensive industries. Vehicle emissions are a significant issue in mine sites, both for climate impacts, and also ventilation and noise. Ampcontrol developed a battery solution for underground mining vehicles that eliminates diesel use. They have won awards for their innovation in developing world first solutions to help decarbonise industry, including Health Excellence at the NSW Mining HSEC Awards in 2023.

Sustainability report and Sustainability action plan 2023–2026 released

The Ampcontrol Sustainability report outlines its commitment to the United Nations Sustainable Development Goals (SDGs) and its six priority goals for the period August 2023 to August 2026. Its net zero roadmap includes ambitious emissions reduction targets. Ampcontrol is committed to supporting the net zero journeys of its customers and making positive community impacts.



AMPCONTROL SUSTAINABILITY REPORT
<https://ampcontrolgroup.com/resource/ampcontrol-sustainability-report-2024>

Nurturing future innovators and leaders in the energy sector

The Ampcontrol three-year sustainability action plan invests in people and the community through employment and development in the energy sector.

It focuses on diversity, equity and inclusion, aligning with SDG 8 to foster economic growth and productive employment. Ampcontrol supports employee development with comprehensive training programs and educational support through a technical training services model.

Training centres established in Mackay and Tomago provide enhanced skills for the new energy economy, focusing on practical experience and upskilling in renewable energy.

Ampcontrol engages with schools, universities and industry programs to promote careers in science, technology, engineering and maths (STEM). It sponsors scholarships, provides industrial placements and supports outreach initiatives like HunterWISE to increase women's participation in STEM. In FY24, Ampcontrol gave opportunities to 118 apprentices, 16 trainees and 32 graduates on development pathway programs. Close to 300 Ampcontrol employees received role development through promotion, secondment and higher duties, and more than 1000 training sessions were delivered to employees.

Net zero emissions by 2040

The Ampcontrol Climate Action Plan, aligned with SDG 13, aims to decarbonise operations and achieve net zero emissions by 2040. The plan includes mitigation, adaptation and advocacy. Key mitigation efforts involve a comprehensive roadmap to reduce emissions, targeting a reduction beyond global pathways to limit warming below 2 degrees Celsius.

To reduce Scope 1 and Scope 2 emissions Ampcontrol has installed rooftop solar and entered into a ten-year renewable power purchase agreement for its New South Wales sites. Other initiatives include LED lighting upgrades and equipment power monitoring, a low-emissions vehicle policy and transition from natural gas heating to renewable electricity heating. By 2023, Ampcontrol achieved a 30% reduction in Scope 1 and Scope 2 emissions from the 2020 baseline, surpassing the pathway to the 2030 interim target of a 60% reduction. Ampcontrol addresses Scope 3 emissions reduction by engaging suppliers, customers and the community in its decarbonisation efforts, promoting renewable energy and enhancing energy efficiency across the supply chain and customers' operations.

Our controlled subsidiaries continued

Agriculture portfolio

Supporting Australia's food and agriculture industry

Our Australian Agriculture portfolio is at the forefront of innovation, implementing farm practices that advance sustainable food production in an industry where we have global competitive advantage.



**Innovation in Agtech
and farming practices**



**Investing in regional
employment and rural
communities**



**Building a strong
safety culture**

Image: Stone fruit plantings at Redland Orchards
(Swan Hill, Victoria).



There is high and growing demand for fresh, quality produce. Our investments in Australian horticulture have geographic benefits, preferred supplier relationships and a globally competitive position to respond to this demand growth. We provide high-quality agricultural assets with access to capital that allows them to significantly boost productivity, reduce resource use and create long-term value. We are supporting sustainable agriculture and a safe, well-managed workforce, ensuring long-term growth, community benefits and positive environmental impact.

The Agriculture portfolio is managed by an investment management group with a long-term focus on growing value. In 2024, it consolidated the portfolio operational structures into Redland, an operational group that upholds strong standards of governance and practices sustainable operations in agricultural asset management.

Developing cutting-edge agriculture technology and farming practices

The Agriculture portfolio aims to enhance crop productivity and resource use on all farms. It invests in research and development and trials, and it collaborates with academia and industry to identify and implement innovative technologies. Examples include permanent orchard netting, targeted foliar spraying (industry partnership with Smart Apply), oxygen nanobubble irrigation, electronic water treatment for salinity, drone-assisted multispectral imaging for digital mapping, and various sensors for monitoring crop health, soil conditions, fertiliser and water usage. Financial and non-financial data is used to track productivity, emissions and sustainability metrics across the portfolio.

The outcomes of these technological advancements have also included broader benefits, such as improved soil quality, increased soil carbon, and reduced water use, in addition to increased crop productivity.

In FY24, the Agriculture portfolio acquired a cutting-edge fruit-packing shed in Victoria. The technology in this facility includes the tallest automated storage retrieval system in the southern hemisphere, and it is the most automated agricultural packing facility in Australia, through monorail loop integration between pre-sizing lines, automated storage retrievals system and packing lines.

Investing in regional employment and rural communities

As at 31 July 2024, more than 280 permanent workers were employed across the Agriculture portfolio, primarily from regional communities with a strong commitment to a safe, diverse work environment. The permanent workforce comprises 41% female and 59% male workers, and there is representation from various cultural and religious groups. Hundreds of seasonal workers were also employed during the last financial year for regular work on farms.

A formal Redland Next-Gen graduate program is being established after a successful Cadetship Program trial. Redland promotes internal talent, allowing employees to move across different operations. With a focus on engaging local suppliers and reducing modern slavery risks, in FY24 Redland has provided 111 beds of regional accommodation to support operations and connect with seasonal workers from the Pacific Australia Labour Mobility (PALM) scheme. Redland has implemented modern slavery policies and processes to ensure migrant seasonal workers are ethically sourced, properly onboarded and paid award wage as a minimum. Integrity Line, a whistleblower hotline for grievances including pay disputes, is already in place, while the Employee Enhancement Program, is currently being rolled out to support psychological health and safety across the portfolio.

Building a strong safety culture

In January 2024, Redland appointed a Group Manager, Safety to oversee safety initiatives across all businesses in the Agriculture portfolio. A safety committee ensures consistent communication and policy standardisation across all sites. Incident reporting has improved continuously through the Safe Ag Systems online platform, and historical data is used to benchmark key leading and lagging safety indicators. For example, the Lost Time Injury Frequency Rate for the Agriculture Portfolio's farming assets was 4.6 in FY24 compared to Safe Work Australia's industry benchmark of 16.3. Incident response has been advanced with new first aid kits, personal protective equipment and procedures. Site representatives have received risk management and investigation training. One of the farms in the portfolio, Mildura Citrus, received recognition from WorkSafe Victoria for excellence in safety management.

Our controlled subsidiaries continued

Aquatic Achievers

**Keeping the community
safe and healthy**

The vision of Aquatic Achievers Group (AA Group) is to be the leading learn to swim provider, enriching the communities it serves.



**Safeguarding Children
Program accreditation
achieved¹**



**Reducing energy use
with solar**



**Advocacy and
community impact**



We acquired Aquatic Achievers, a premium operator, as our entry point in a fragmented industry. From acquisition in 2018 to the end of FY24, we have consolidated a number of swimming school businesses and expanded from five to 29 pool locations across the AA Group in Queensland, New South Wales, Victoria, ACT and Western Australia. The business is led by a high-quality management team, that is developing industry-leading infrastructure and systems for sustainable growth.

Accreditation from the Australian Childhood Foundation for the Safeguarding Children Program

Aquatic Achievers achieved accreditation from the Australian Childhood Foundation (**ACF**) for its Safeguarding Children Program in October 2023. This accreditation demonstrates the Aquatic Achievers commitment to keeping children safe both in and out of the water. AA Group plans to extend this accreditation to cover its Carille and Kirby operations, ensuring a child-first approach across the entire organisation.



Advocacy and community impact

AA Group is enhancing its community investments and donations to support community growth and engagement. In FY24, AA Group helped raise \$25,000 for Surf Life Saving Australia through its annual Christmas raffle. The group actively participates in various community initiatives, such as water safety committees, peak industry bodies and access to swimming pools for children with disabilities. AA Group has representation on the Board of the Australian Swim Schools Association, underscoring its commitment to swimming safety, the broader industry and advocacy.

Reducing energy use and emissions using solar energy and heat pumps

AA Group has made progress in reducing energy use and GHG emissions by investing in solar energy and electric heat pumps at existing and new locations. This is an ongoing initiative to decrease reliance on gas for heating of swimming pools. At Gumdale swimming centre in Queensland gas use in FY24 decreased by 85% and total GHG emissions decreased by 9% as a result of solar energy and electric heat pump installation.

AA Group has also improved the water filtration systems at selected pool locations, which has reduced energy use and water use. Improvements in the type of pumps being used for water circulation, as well as the introduction of smart plant management systems using programmable logic controllers and sensors, has further helped to reduce electricity consumption.

¹ Aquatic Achievers, part of the AA Group, achieved accreditation from the Australian Childhood Foundation (**ACF**) for the Safeguarding Children Program in October 2023. AA Group plans to extend this accreditation to include Carille and Kirby operations.

Our substantial investments

Our Strategic Portfolio has large investments in listed companies that are managed under the direction of their respective boards. Soul Patts influences positive change on long-term value drivers through board representation on all of the companies set out below, except Perpetual.

Below we provide links to publicly available sustainability reporting for each of our substantial investments.

Our strategic investments

BRICKWORKS



TUAS



Sustainability reporting

 **BRICKWORKS**
<https://www.brickworks.com.au/sustainability/>

 **NEW HOPE GROUP**
<https://newhopegroup.com.au/sustainability/>

 **TPG**
<https://www.tpgtelecom.com.au/sustainability>

 **TUAS**
<https://tuas.com.au/investors.html>

 **PERPETUAL**
<https://www.perpetual.com.au/sustainability>

 **APEX HEALTHCARE BERHAD**
<https://www.apexhealthcare.com.my/sustainability-statement>

 **AERIS RESOURCES**
<https://www.aerisresources.com.au/sustainability/>

 **PENGANA CAPITAL GROUP**
<https://pengana.com/responsible-investing/>

Image: 'Mygunyah by the Circus' is a renovation to a heritage house using carbon neutral bricks manufactured by Brickworks. Credit: Derek Swalwell



Image: Denman Public School and Sandy Hollow Public School visiting New Hope Group's Bengalla mine as part of the Upper Hunter Mining Dialogue School Mine Tours Program.

Our people, values and culture

We are proud of our values-based culture that has been developed over many generations. It continues to be the core driver of our success. Our people embody our values of integrity, initiative and accountability.



Engagement score outperformed the financial services industry benchmark by 11%, with 90% of our employees participating in the survey

48%

Females employed with 43% represented on the Board and 43% in senior management roles ¹



Paid intern program, investing in the emerging leaders of the investment sector

¹ Based on categories defined by the Workplace Gender Equality Agency (WGEA).





Integrity

- Doing the right thing
- Being respectful
- Showing resilience



Initiative

- Staying connected
- Making a difference
- Out of the box thinking



Accountability

- Doing hard things
- Continuing to learn
- Thoughtful actions

At Soul Patts we pride ourselves on fostering a diverse and inclusive workforce of 56 dedicated people. Our employee value proposition (**EVP**) is designed to attract and retain the best talent who drive our purpose of generating enduring success and contribute to a strong workplace culture.

Our culture is our competitive advantage. It underpins and drives our investment approach. All members of Soul Patts' small, close-knit investment team, led by the MD & CEO are actively involved in decisions. This encourages robust debate and peer review, ensuring capital is deployed where we collectively believe it will generate enduring value.

This year we completed our second culture and engagement survey. With a strong participation rate of 90%, our engagement score outperformed the Australian financial services industry benchmark by 11%. Most notable was the 95% of our people are proud to work for Soul Patts demonstrating the strong culture we have built over the past 120 years.

We are committed to creating a diverse and inclusive workplace. To support this, we have introduced a number of programs aimed at developing our top talent. Among these are specific initiatives for our female employees, including industry memberships and participation in key events. As at 31 July 2024, females represented 48% of our workforce with 43% represented on our Board and 43% in senior management roles and above as defined by WGEA.

In 2024, Soul Patts continued to demonstrate industry leadership through notable achievements and recognitions. In November 2023, our Chief Financial Officer, David Grbin, was prominently ranked in the Top 25 CFO Index, an independent analysis of the top-performing CFOs across Australia, commissioned by the *Australian Financial Review* (**AFR**). This accolade underscores our commitment to financial excellence and strategic leadership.

Additionally, in June 2024, we were recognised at the AFR Women in Leadership Awards with our Chief Operating Officer, Jaki Virtue, announced as the winner in the Financial Services Non-banking category. This award highlights our dedication to developing female leadership and driving success within the financial services sector.

Soul Patts understands the important role it plays in the financial services sector, particularly in nurturing and developing our future leaders and increasing female representation. As of 31 July 2024, we employed nine interns in paid roles, with a gender balance of 44% female and 56% male.

This year we have prioritised uplifting our EVP, focusing on programs to attract, retain and engage our people. In strengthening our EVP, we have considered the needs and expectations of our current and prospective employees across a number of areas including:

- **remuneration** – refining our remuneration strategy and ensuring our framework is appropriate and competitive
- **benefits** – ensuring our range of employee benefits meets industry best practice and responds to what resonates most with our people
- **career development and growth opportunities** – providing clear pathways for career advancement and personal development
- **wellbeing** – promoting policies and activities that support employee wellbeing
- **culture and values** – reinforcing and cultivating the strong and positive culture developed over many years
- **diversity and inclusion** – committing to a diverse and inclusive workplace that values different perspectives and experiences
- **philanthropy and corporate giving** – engaging in and supporting philanthropic initiatives that matter to our people.

Our community investments

Soul Patts is committed to leveraging our time, services and philanthropy to support not-for-profit organisations and build resilience in our communities.

\$735k

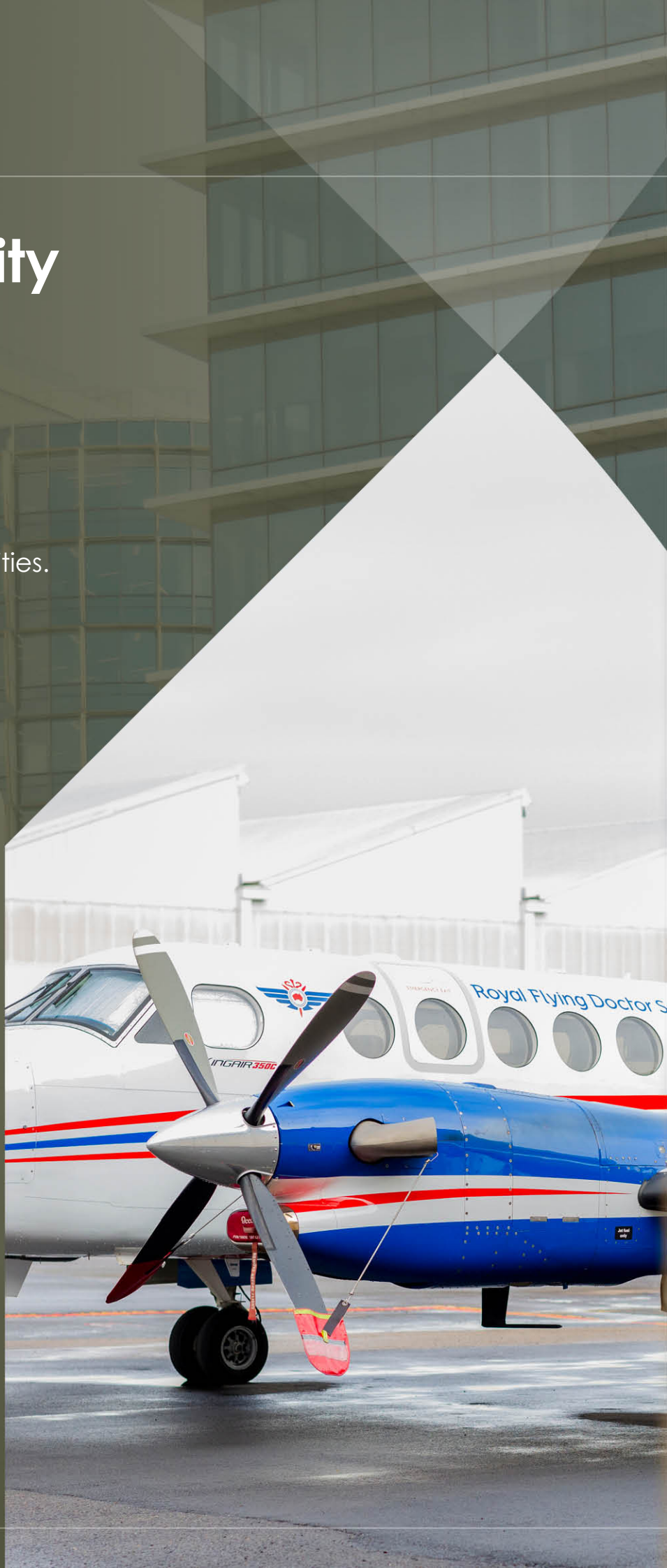
raised and donated to Royal Flying Doctors to improve rural, regional and remote primary healthcare services



Soul Patts Foundation refreshed strategy supporting mental health, communities, and breaking down barriers for women



Partnerships established with Black Dog Institute and The George Institute





Our long-term partnership with the RFDS began with our founder, Lewy Pattinson, a devoted philanthropist. In 1940, he donated the first plane to the RFDS. This legacy continues 84 years later. In 2024, with the support of our shareholders, we raised more than \$235,000. To support the fundraising efforts, Soul Patts donated an additional \$500,000, bringing the total to more than \$735,000.

The money raised will support and improve primary healthcare services in rural, regional and remote communities across Australia. With this support, the RFDS can help provide regular fly in-fly out and mobile health clinics for families, bringing expert medical care to the bush.



The Soul Patts Foundation, formerly the Milton Foundation, was established in 1988 to support disadvantaged community members.

Following a review of our community strategy, and with input from our Soul Patts employees, we identified three thematic pillars: mental health, communities, and breaking down barriers for women.

These pillars inform the decisions behind our philanthropic and sponsorship partnerships and our social responsibilities.



Through the Foundation, we have established two new partnerships, Black Dog Institute and The George Institute for Global Health. Black Dog Institute is the only mental health medical research institute in Australia. Soul Patts has donated in the past to the Black Dog Institute, but in FY24 established a formal partnership.

The Black Dog Institute has developed a world-first digital program for primary school aged children struggling with elevated levels of anxiety, and reading difficulties which means access to tools is limited. Soul Patts has donated \$180,000 to support a trial proposing an effective solution.



The George Institute for Global Health is a global medical research institute with a Women's Health Program focused on addressing the under representation of women in health and medical research.

Soul Patts has donated \$60,000 to help promising start-ups turn research into lasting solutions for women in the community with commercialisation support and mentorship.

Paid volunteer leave

This year, we also introduced two days paid volunteer leave where teams can volunteer their time to a cause aligned with our community strategy.

Protecting the value of our business and our investments

How we think about governance and risk management in our business

Soul Patts is dedicated to strong corporate governance and effective risk management, recognising these as integral to our ability to create and protect value.

The company's governance structure aligns with our strategic goals, promotes behaviour in line with our values of integrity, initiative and accountability, and supports informed risk-taking.

The Board, comprising a majority of independent directors, provides leadership, strategic guidance and oversight. Committees chaired by Independent Directors assist the Board to maintain robust governance and risk management.

The Board's diverse skill set, assessed periodically through a comprehensive skills matrix, enhances decision-making and strategy development. We regularly evaluate the independence of directors to ensure objective judgement.

Management, led by the MD & CEO, implements the Board's policies, manages daily operations, and enables risk management, supported by various committees and external advice.

Soul Patts manages risks through five pillars.

Material sustainability risks and opportunities are managed across each of the five pillars. For the complete risk pillar descriptions, refer to the Directors' Report within our 2024 Annual Report.

 Investment	 Regulatory and compliance	 Sustainability	 Brand and reputation	 Strategic and operational
In the investment risk pillar, our approach to sustainability is part of our culture-driven and governance approach to our investment philosophy. We manage sustainability and climate risks in our investments through investment team culture, a broad range of investments, due diligence and stress testing, in a way that is customised for each asset class.	In the regulatory and compliance risk pillar, we manage our obligations related to sustainability and climate, such as emissions reporting (NGER and upcoming draft ASRS 1) and modern slavery reporting. We manage this with formal governance, dedicated compliance functions, policies, employee training, expert GHG emissions and modern slavery analysis, and external reviews.	The sustainability risk pillar captures our broader strategic efforts to manage sustainability and climate risk across our business and our investments. We do this with a strategic roadmap, sustainability and climate focused due diligence, internal resources and external expertise to address specific risks.	In the brand and reputation risk pillar, we manage a range of sustainability and climate factors through formal governance structures, a dedicated corporate affairs function, and policies including our Code of Conduct.	Within the strategic and operational risk pillar is our approach to managing sustainability in our direct operations through gender diversity, managing GHG emissions of our direct operations and a dedicated Human Resources function and policies.

Our preparation for evolving sustainability regulations

The operations and associated risks and opportunities of each of the companies we invest in are managed by, or under the direction of, the directors of each investee company. Our oversight of governance and risk is tailored to the size and nature of our ownership in each company. This can include:

- appointing nominee directors and voting in relation to Soul Patts' holdings
- setting and communicating standards and expectations
- engaging with investee company boards and their senior management
- monitoring of the performance of each investment, the industry trends and macroeconomic factors.

For further information about Soul Patts' approach to governance and risk management refer to:



2024 CORPORATE GOVERNANCE STATEMENT



DIRECTORS' REPORT

PAGE 37 OF THE 2024 ANNUAL REPORT



FINANCIAL REPORT

PAGE 115 OF THE 2024 ANNUAL REPORT

We are preparing for mandatory climate-related financial reporting.

In September 2024, the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024* was passed and became law. This new Act sets out requirements for reporting climate-related financial risks and opportunities. Soul Patts is a Group 1 entity and is required to meet the reporting requirements starting from our financial year ending 31 July 2026.

The Act requires entities to prepare sustainability reports in accordance with the Australian Sustainability Reporting Standards (**ASRS**) that are expected to be finalised soon. Directors must declare that these reports comply with the ASRS, and auditors must provide assurance, although this will be phased in according to a roadmap developed by the Auditing and Assurance Standards Board (**AUASB**).

In preparation for mandatory reporting, we have formalised the Board's oversight of climate-related reporting requirements, reviewed our risk governance framework and increased our internal and external resources, capacity and skills, external resources, capacity and expertise.

Soul Patts has been proactively preparing for these requirements by assessing its assurance readiness for Scope 1 and 2 GHG emissions and understanding our reporting obligations for Scope 3 emissions, climate scenario analysis and transition planning.

Sustainability metrics

Sustainability metrics

Scope 1 and Scope 2 Greenhouse gas emissions (location-based)

Tonnes CO ₂ e (carbon dioxide equivalent)	FY24		FY23	
	Scope 1	Scope 2	Scope 1	Scope 2
Direct operations ¹	2	38	3	35
Controlled investments ²	8,373	18,595	3,732	6,565
Total	8,375	18,633	3,735	6,600

Sources: Greenbase (Environmental accountants), company data, company estimates

1. Direct operations includes:

- emissions from purchased electricity for our leased office at 151 Clarence Street and petrol used in a company-owned vehicle.

2. Controlled investments includes:

- emissions for businesses where we have operational control under the *National Greenhouse and Energy Reporting Act 2007* including 100% of the Scope 1 and 2 emissions for the Agriculture portfolio, and emissions in international operations for Ampcontrol
- FY24: Ampcontrol, Aquatic Achievers Group (including 12 months of Carlile Swimming and 12 months of Kirby Swim), the Agriculture portfolio, and Property Trusts
- FY23: Ampcontrol, Aquatic Achievers Group (including 1 month of Carlile Swimming and 4 months of Kirby Swim), the Agriculture portfolio, and Property Trusts.

In FY24 we enhanced our carbon accounting process, which included implementing a third-party technology solution from Greenbase to gather primary source data and calculate emissions estimates for our direct operations and our controlled investments. Emissions estimates for FY23 and FY24 were prepared by Greenbase, based on data reported by Soul Patts and its subsidiaries. Primary sources of company operational data were available for over 95% of emissions calculations, and where primary sources were not available estimates were made based on invoice financial amounts and prior period usage. All data has been calculated using the National Greenhouse and Energy Reporting (NGER) methodologies using a location-based calculation approach, unless otherwise indicated.

In FY24 our estimated Scope 1 and Scope 2 greenhouse gas (GHG) emissions for our direct operations in our head office were 40 tonnes CO₂e, a slight increase from FY23 due to increased electricity use resulting from an increase in employees. We have sourced 100% GreenPower for our head office electricity use since August 2022, which reduces our direct operations' Scope 2 emissions to zero using a market-based approach.

Every year our investment portfolio changes and our emissions profile alongside it. In FY24 Soul Patts' emissions profile changed for its controlled investments due to the following changes in those investments:

- Agriculture portfolio** made acquisitions in Redland Apples and Redland Premium Fruit on 26 September 2023, which accounts for around 59% of the increase in total Scope 1 emissions and around 69% of the increase in Scope 2 emissions, as these acquisitions include an automated processing facility with increased electricity usage, and a fruit trucking business, with increased diesel usage.
- Aquatic Achievers Group** increased Scope 1 and Scope 2 emissions by approximately 150%. This aligns with a similar increase in revenue for the Group. Both increases were driven by the inclusion of 12 months of operations for Carlile and Kirby in FY24 (compared to just 1 month for Carlile and 4 months for Kirby in FY23), as well as the opening of 3 new pools in FY24.
- Ampcontrol** grew its business revenue by 43% with only minor increases in its Scope 1 and Scope 2 emissions under the location-based methodology. However, during FY24 Ampcontrol entered into a power purchase agreement (PPA) for 11 of its NSW sites, which included the surrender of large-scale generation certificates. This reduced Ampcontrol's Scope 2 emissions by about 900 tonnes CO₂e, based on the market-based calculation methodology.

EY conducted a pre-assurance review of our 1H FY24 Scope 1 and Scope 2 emissions reporting and provided positive observations around data quality, reporting process, basis of preparation and our understanding of the upcoming ASRS requirements. Soul Patts is on track to meet the ASRS reporting obligations and the mandatory climate-related financial disclosures with limited assurance in FY26. In FY25 we will continue to refine our emissions reporting process, and continue to evolve our analysis of Scope 3 emissions, climate scenario analysis and transition planning.

Workforce diversity

On 31 July 2024, 48% of our employees were female, and 43% of employees in senior management roles and above were female. The table below sets out our gender representation as at 31 July 2024 based on categories defined by the Workplace Gender Equality Agency (WGEA).

Job category	Male	Female	Total
KMP	2	0	2
General Manager	3	1	4
Senior Manager	3	5	8
Other Manager	10	4	14
Non-manager	11	17	28
Total headcount¹	29	27	56

¹ Includes full-time, part-time and casual employees.

On 31 July 2024, the Board had four male and three female Directors (57.1% : 42.9%).

ASRS reference table

The *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* requires companies to provide sustainability reports in accordance with the proposed Australian Sustainability Reporting Standards (ASRS). We have commenced a gap analysis with the ASRS standards. This table highlights areas where Soul Patts' 2024 Sustainability Report considers ASRS requirements, demonstrating our proactive approach to the proposed standards. Soul Patts has been preparing for the proposed standards by ensuring readiness across the four key ASRS elements: governance, strategy, risk management, and metrics and targets, thereby strengthening our commitment to transparency and sustainable investment management.

Key elements of ASRS	Description of proposed ASRS key elements	Relevant disclosures in this report
Governance	The governance processes, controls and procedures used to monitor climate-related risks and opportunities.	How we think about governance and risk management in our business is detailed on pages 22 to 23. For more information on governance and risk, refer to our 2024 Annual Report and 2024 Corporate Governance Statement which can be viewed on our website.
Strategy	How an entity's strategy addresses significant climate-related risks and opportunities.	Our approach to sustainability in our direct operations and controlled entities (our strategy) is summarised in: the letter from our Managing Director & CEO on pages 2 to 3; How we create long-term value on pages 4 to 5; Our direct operations on page 6; and Our sustainable investment approach on page 7.
Risk management	How climate-related risks are identified, assessed, managed and mitigated.	How we manage sustainability risks and opportunities is detailed on pages 22 to 23. Our preparation for mandatory climate-related financial reporting is further discussed on page 23.
Metrics and targets	Information used to manage and monitor the entity's performance in relation to climate-related risks and opportunities over time.	Scope 1 and Scope 2 GHG emissions related to direct operations and controlled investments are disclosed on page 24.

Modern slavery reporting

Our 2023 Modern Slavery Statement outlines our efforts to uphold and protect human rights in our operations, investments and supply chains. This can be viewed on our website. The 2024 Modern Slavery Statement will be published on our website by February 2025.

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