

# ESG and Sustainability Quarterly Report September 2024

For Adviser use only

## Antares September 2024 Quarter ESG & Sustainability Activity

### 32 ESG specific research initiatives

carried out by the team across numerous topics through engaging with companies and domain experts

### 17

#### Environmental

- Renewable energy transition
- Energy infrastructure
- Explosives markets
- Carbon fuels
- Environmental regulation
- Seed technologies
- Lithium waste management
- Energy from waste
- Sustainable packaging
- Weakening ESG targets
- Consumer energy transition
- Sustainability capex
- Electric Vehicle charging infrastructure
- Energy transition
- Nuclear isotope supply chain

### 5

#### Social

- Energy transition
- Safety
- Stakeholder engagement
- Retirement home issues
- Energy transition

### 10

#### Governance

- Remuneration
- Stakeholder management
- Executive transitions and succession planning
- Rising environmental standards and regulation
- Safety
- Organisational purpose and values

## 2 key strategic engagements

1. Ensuring that the company management are aligned with shareholders when using company assets.
2. Keeping company management focussed on achieving value adding strategies.

### 2 portfolio decision across the funds influenced by ESG insights

- Added to the Firefly Metals position as we have more confidence in the mine proposal and lower Hydro energy is a positive.
- Removed Steadfast based on Governance concerns and potential risk after the ABC revelations.

### 239 resolutions at 36 meetings



228 were voted "for"  
11 were voted "against", 0 "abstained".

# ESG and Sustainability Quarterly Report

## September 2024

For Adviser use only

### Antares key ESG & Sustainability – key examples during the quarter

Issue	Context	Research & Findings	Actions, Outcomes & Implications
<p><b>Fossil fuels (Environmental)</b></p>	<p>Energy providers are endeavouring to transition to greener energy.</p> <p>But there are concerns that there will not be sufficient power should the move to renewables proceed rapidly.</p>	<p>We met with AGL after their FY24 results and discussed the slower than planned transition to greener energy.</p> <p>AGL noted the closure dates of some of its thermal generators may need to be adjusted (eg Torrens Island B gas-fired generator).</p> <p>The looming shortage of firming capacity in the electricity market is also raising the possibility of AGL adding a new gas peaker in each state it operates in.</p> <p>On household electrification, AGL has recently rolled out its Electrify Now programme on a national basis to target households that wish to switch from gas. While it is seeing a lot of interest, many households are not willing to invest in new appliances for the energy conversion due to cost of living pressures.</p>	<p>As an energy supplier, AGL is endeavouring to transition to greener energy while being mindful that it may need to slow this down to ensure energy demand is met.</p> <p>And despite well intentioned consumers wanting to move away from gas to electricity, the current cost of living crisis is acting as a deterrent.</p>
<p><b>Safety (Social)</b></p>	<p>Safety is often the first metric reported by companies, especially those in resources and manufacturing.</p> <p>We expect more widespread reporting of workplace safety.</p>	<p>We engaged with Qantas on its reporting of staffing issues, especially around safety and reporting.</p> <p>We highlighted that safety metrics were not readily provided to the investment community and this should be addressed.</p> <p>We pointed out that not only was this a critical issue in staff welfare but was also indicative of process suitability and efficacy.</p> <p>Qantas is a capital intensive company with heavy machinery - asset utilisation is a driver of returns, and safety metrics can also provide insights into their use.</p>	<p>By bringing this up in our discussions with management we are hopeful that the company will consider extending its safety reporting to the investment community.</p>

***Important information***  
***NOT INTENDED FOR OR TO BE DISTRIBUTED TO RETAIL INVESTORS***

This Document is provided by Antares Capital Partners Ltd ABN 85 066 081 114, AFSL 234483 ("ACP") and its investment management division trading under the name of "Antares Equities".

This document has been prepared for licensed financial advisers only. This document must not be distributed in any way to "retail clients" (as defined in the Corporations Act 2001 (Cth)) or any other persons.

This information may constitute general advice. It has been prepared without taking account of individual objectives, financial situation or needs and because of that you should, before acting on the information contained in this document, consider the appropriateness of the advice having regard to your personal objectives, financial situation and needs. Antares recommends that you obtain professional advice and read any relevant available information pertaining to the information contained in this document and obtain professional independent financial advice to determine whether the information contained in this document is suitable for you and your investment needs.

ACP is part of the Insignia Financial group of companies (comprising Insignia Financial Holdings Ltd ABN 49 100 103 722 and its related bodies corporate) ('Insignia Group'). The capital value, payment of income and performance of any financial product offered by any member of the Insignia Group including but not limited to Antares, are not guaranteed. An investment in any product offered by any member of the Insignia Group including but not limited to Antares, is subject to investment risk, including possible delays in repayment of capital and loss of income and principal invested.

This document has been prepared in good faith, where applicable, using information from sources believed to be reliable and accurate as at the time of preparation, no representation or warranty (express or implied) is given as to its accuracy, reliability or completeness (which may change without notice). Any opinions expressed in this document constitutes ACP's judgement at the time of issue and is subject to change. ACP believe that the information contained in this document is correct and that any estimates, opinions, conclusions or recommendations are reasonably held or made as at the time of compilation. However, no warranty is made as to their accuracy or reliability (which may change without notice) or other information contained in this communication.

Past performance is not a reliable indicator of future performance. Returns are not guaranteed and actual returns may vary from any target returns described in this document. Any projection or other forward looking statement ('Projection') in this document is provided for information purposes only. No representation is made as to the accuracy or reasonableness of any such Projection or that it will be met. Actual events may vary materially. Any opinions expressed by ACP constitute ACP's judgement at the time of writing and may change without notice.

In some cases the information is provided to us by third parties, while it is believed that the information is accurate and reliable, the accuracy of that information is not guaranteed in any way. None of ACP, any other member or the Insignia Group, or the employees or directors of the Insignia Group are liable for any loss arising from any person relying on information provided by third parties. This information is directed to and prepared for Australian residents only. ACP disclaims all responsibility and liability for any loss, claim or damage which any person may have and/or suffer as a result of any persons reliance on any information, predictions, performance data and the like contained within this document, whether the loss or damage is caused by, or as a result of any fault or negligence of ACP, it's officers, employees, agents and/or its related bodies corporate.