

ESG and Sustainability Quarterly Report

September 2024

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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 targets
- 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".

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Antares key ESG & Sustainability – key examples during the quarter

Issue	Context	Research & Findings	Actions, Outcomes & Implications
Fossil fuels (Environmental)	<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>
Safety (Social)	<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>

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