



## **Responsible Investment Policy**

## Document control

### a. Version control / Revision history

This document has been through the following revisions:

Version	Date of approval	Remarks / Key changes / Reason for update
1	September 2015	Initial Version
1.1	August 2016	Review
1.2	August 2017	Review
1.3	August 2018	Annual Review
1.4	August 2019	Annual Review
1.5	February 2020	Reviewed as part of Governance Framework
1.6	June 2020	Evolution to Responsible Investment Policy
1.7	December 2021	Review
2	June 2022	Enhanced modern slavery risk assessments

### b. Authorisation

This document requires the following approvals:

Authorisation	Name
Initial version	Board
Revisions	Managing Director

### Note:

This Responsible Investment Policy ("Policy") should be read together with the Engagement Policy and Proxy Voting Policy.

## 1. Introduction

Antipodes understands that a company's response to Environment, Social and Governance (ESG) factors will impact that company's financial performance and longer-term outcomes as well as the wider community and environment. Our responsible investing principles are incorporated into every investment strategy managed by our firm.

This Policy applies to employees of Antipodes involved in investment research and implementation. A copy of this Policy will be provided to clients upon request and is available via the Antipodes website.

## 2. Purpose and objectives

The purpose of the Responsible Investment Policy is to ensure that Antipodes, in our role as an investment manager of shareholdings in investee companies, acts in the best interests of clients, while also contributing more broadly to efforts to build a more stable, sustainable and inclusive global economy.

In each candidate investment we look for acceptable standards of corporate behaviour and disclosure, as well as a pathway to continual, sustainable improvement.

We believe the market's underappreciation and/or overextrapolation of ESG factors can result in both downside risks and upside opportunities. As an active manager we seek to add value in both scenarios. ESG issues are considered within the same framework that is used to assess all investment risks and opportunities (operational, financial and valuation).

In assessing an individual company's ESG performance, Antipodes combines quantitative ESG benchmarking with a pragmatic, case by case qualitative approach. In a quantitative sense, we integrate ESG ranks sourced both internally and externally (Sustainalytics, Bloomberg, the CDP, Transition Pathways Initiative, brokers, NGOs and corporates) into our investment process (screens, industry analysis, investment cases and portfolio scores). This includes company-level measurements of greenhouse gas (GHG) emissions to understand and benchmark the carbon intensity of our portfolios.

Asset owners and their investment managers are uniquely able to influence change in listed companies via their shareholdings. We constructively engage with candidate and investee companies where relevant, both directly and through the active voting of proxies. Where a company's current performance does not reflect its long-term potential or its strategy does not encompass appropriate risk management, we will actively engage with the company with the aim of effecting positive change. If our engagement proves futile, we may look to avoid or divest.

Companies whose primary business comprises the manufacture, production or distribution of goods and services that are considered harmful to human health and wellbeing are excluded from portfolios, e.g. tobacco. Defence contractors are assessed according to their involvement in controversial weapons<sup>1</sup>, specifically the manufacture of the armaments themselves rather than any associated delivery systems. Companies involved in manufacturing such weapons will be excluded from portfolios except where divestment of these activities is either announced or likely within a reasonable timeframe. For power generation companies, we would typically expect less than 35% of

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<sup>1</sup> Using the Sustainalytics definition of controversial weapons, which includes anti-personnel mines, biological and chemical weapons, cluster weapons, nuclear weapons, depleted uranium and white phosphorus.

revenue exposure to power derived from coal and a rising exposure to renewable generation sources as a prerequisite for inclusion.

Each quarter Antipodes publishes an ESG and Engagement Report which includes examples of ESG developments within our portfolio or in stocks under consideration.

### **3. Implementation**

We believe the integration of ESG principles within the investment process is best achieved through the careful consideration of ESG issues by the Investment Team as part of each individual investment case. Recognising the importance of ESG, we include this as a component of variable compensation for Investment Team members. The responsibility of incorporating ESG into the investment process ultimately rests with the CIO.

We use both quantitative and qualitative analysis to holistically assess a company's ESG risks and opportunities. Our investment process highlights company and sector-relevant ESG factors and considers the potential impact of these on any investment. Given the substantial differences between sectors, we are wary of overly simplistic summary rankings and will further investigate interesting targets or outliers where change may be afoot.

As a firm we are signatories to and support various collaborative initiatives including the United Nations-supported Principles for Responsible Investment ("UN PRI"), the CDP (formerly the Carbon Disclosure Project), the Transition Pathways Initiative ("TPI") and the Task Force on Climate-Related Financial Disclosures ("TCFD").

We also strive to be a responsible corporate citizen and implement best practices. Included as an addendum to this Policy is a summary of our "Corporate Social Responsibility and Internal Best Practices".

The following sections highlight some of the ESG factors we consider in our investment process.

#### Environmental

- Approach to matters of environmental concern with respect to their product design, business practices, distribution and supply-chain
- Degree of environmental awareness in long-term business planning, including reference to standardised climate models and ability to transition to a lower carbon economy
- Use of benchmarks to ensure environmental practices are aligned with minimum industry standards, e.g. CO2 emissions, use of renewable energy sources, implementation of ISO 14001, etc.

#### Social

- Approach to workplace relations, employee diversity, health and welfare of employees of the company and its supply chains (with consideration of human rights and modern slavery risks), and respect for the company as a customer and supplier
- Engagement in charitable and/or other community welfare activities and cultural sensitivity across all regions of operation
- Degree to which company products or services are harmful to human health and wellbeing

## Governance

- Degree to which management incentives, including stock-based compensation, and compensation practices/KPIs are transparent and aligned with long-term shareholder value creation
- Board of Directors' diversity, independence and accountability and track record of representing the interests of minority shareholders
- Open disclosure and transparency in business practices and financial reporting

## **4. Modern slavery**

### What is modern slavery?

"Modern slavery" is an umbrella term that describes practices that exploit or deprive individuals of their liberty and freedoms through coercion, threats or deception. These practices may include:

- Human trafficking
- Slavery
- Servitude
- Forced labour
- Debt bondage
- Deceptive recruitment for labour or services
- Forced marriage
- Worst forms of child labour

### Responsibility for addressing modern slavery risks

Addressing modern slavery risks is the shared responsibility of all who are bound to comply with this Policy.

### **Areas where modern slavery risks may arise within Antipodes' structure**

Modern slavery risks may arise:

- Within Antipodes' products and services, primarily the investment portfolios;
- Within Antipodes' corporate operations;
- Within Antipodes' corporate supply chain.

This Responsible Investment Policy aims to address the modern slavery risks within Antipodes' investment portfolios and corporate operations.

Antipodes' Outsourcing Policy aims to address the modern slavery risks within Antipodes' corporate supply chains.

### Addressing modern slavery risks within our investment portfolios

Antipodes recognises that a company's management of ESG risks and opportunities can impact that company's operating and financial performance as well as the wider community and environment.

Antipodes' investment process undertakes an assessment of the ESG risks faced by companies under our coverage, as well as the actions the company is taking to manage them. This process includes an assessment of the likelihood of modern slavery or modern slavery risks within the investee company's

operations and supply chains. We may engage directly with the company where we assess that modern slavery risks may be high or inadequately managed or where we are seeking greater disclosure around the actions the company is taking to address those risks.

#### Addressing modern slavery risks within our own operations

Antipodes' operations are primarily focussed on investment research, with a small non-investment team dedicated to client relationship management, operations and performance analysis.

The remaining non-investment function is outsourced to minority partner, Pinnacle Investment Management.

Antipodes are committed to ensuring the health, safety and wellbeing of our workforce and we maintain policies to protect our employees, and mitigate the risk of modern slavery in our business. These include:

- Human Resources Manual,
- Code of Ethics and Conduct
- Work Safe Manual, and
- Whistleblower Policy.

These policies and procedures detail the processes and communication pathways for employees to disclose misconduct and modern slavery risks in our business and supply chains.

#### Assessing the effectiveness of our modern slavery risk management actions

We are committed to applying a continuous improvement approach to how we reduce the risk of modern slavery practices within our investments, supply chains and operations.

We will seek feedback from Antipodes' team, suppliers, the Pinnacle and Affiliates ESG Working Group and other parties regarding the success or otherwise of the actions we have taken to reduce the risk of modern slavery.

## **5. Memberships**

Antipodes is a signatory to the UN-supported Principles for Responsible Investment ("PRI") and the CDP (formerly the Carbon Disclosure Project). We also support the Transition Pathways Initiative ("TPI") and the Task Force on Climate-Related Financial Disclosures (TCFD).

Antipodes is also a member of the Pinnacle and Affiliate ESG Working Group. This is a cross affiliate group comprising Pinnacle and affiliate ESG and sustainability specialists and team leaders. The group collaborates on ESG themes and harnesses the collective knowledge of the group.

Our participation with these organisations indicates our commitment to continued progress in environment, social and governance risk mitigation, assessments, and actions.

## **Addendum**

### **Corporate social responsibility and internal best practices**

As well as holding companies to account with respect to sound ESG practices, we seek to conduct our own business operations with the utmost respect for the environment, to be socially minded and adhere to a robust and transparent governance framework. We believe we can deliver excellence for our stakeholders while being an organisation that demonstrates the highest standards of corporate citizenship. To this end, we seek to undertake the following actions:

#### Environmental

- Pay carbon credit for all business travel flights
- Support all possible recycling initiatives, including office stationery, printer cartridges, waste products, etc.
- Minimise non-essential energy consumption particularly in out-of-hours work
- Purchase “green” office stationery products, where possible

#### Social

- Be respectful of culture, race and religion amongst our staff, clients and suppliers
- Support the ongoing training and education of employees
- Provide a safe work environment and encourage wellness and physical activity among employees
- Encourage employee participation in our Corporate Giving Program, as well as participation in community and/or charitable activities

#### Governance

- Provide timely and transparent reporting of our business dealings and client outcomes
- Adhere to a strict policy of putting client interests ahead of our own
- Implement a remuneration policy which rewards outstanding achievement and is tied to client outcomes and business development goals

### **Active social engagement**

Antipodes’ major charity partner is ReachOut Australia. ReachOut is Australia’s leading provider of online mental health support to young people and their parents. The organisation helps more than 1.6 million young people each year to take charge of their mental health and wellbeing through digital self-help tools, tips and referrals which are relevant and trusted.