



## **Antipodes Partners – Environmental, Social & Governance (ESG) Policy**

**June 2017**

### **Background**

The governance of a company has long been established as a major factor impacting company operating and financial performance. It is also well accepted that environmental and social issues faced by a company may also impact longer term outcomes. Antipodes Partners Limited (“Antipodes Partners”) recognises its responsibilities to its clients, shareholders and employees as well as to the community and the environment.

### **ESG Approach**

Antipodes Partners’ investment process includes the consideration of ESG principles to the benefit of our investors. This also contributes more broadly to efforts to build a more stable, sustainable and inclusive global economy.

Antipodes Partners combines quantitative ESG benchmarking with a common sense, case by case qualitative approach to assessing individual corporate ESG performance. In a quantitative sense, we integrate ESG ranks into the investment process (screens, stock/industry research notes and portfolio scores). This includes company-level measurements of greenhouse gas (GHG) emissions to understand and benchmark our portfolio’s carbon intensity.

In our candidate investments, we generally look for minimum acceptable standards, peer group leadership and a high level of disclosure or, in areas of weakness, evidence of improvement. In instances where our investment process identifies that a company is not meeting minimum acceptable standards, we may look to engage with the company and influence its thinking with respect to these matters. In instances where we believe a company demonstrates wilful disregard for ESG principles, we may choose to avoid or divest.

In this sense, companies responsible for the manufacture, production or distribution of goods and services harmful to human health and wellbeing are excluded from the portfolio, e.g. Tobacco.

Our ESG data is sourced from a variety of providers including Sustainalytics, Institutional Shareholder Services (ISS) and Bloomberg.

Each year Antipodes Partners publishes an ESG review of issues that have emerged throughout the prior year detailing examples of both positive and negative ESG activities within our portfolio or stocks under consideration.

As a general framework, we evaluate individual companies on the following measures:

Environmental:

- Approach to matters of environmental concern with respect to their product design, business practices, distribution and procurement
- Degree of environmental awareness in long-term business planning
- 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:

- Level of respect for the company as an employer, customer and supplier
- Pro-active approach to workplace relations, employee diversity, health and welfare of employees
- Degree to which company products or services are harmful to human health and wellbeing
- Engagement in charitable and/or other community welfare activities
- Cultural sensitivity across all regions of operation

Governance:

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

**Operational Responsibilities**

As well as holding companies to account with respect to sound ESG practices, Antipodes Partners seeks to conduct its 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 pursue the dual mandate of delivering excellence for our stakeholders and as well as existing as an organisation that demonstrates the highest standard 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:

- As a business, commit to one week per year (approximately 50 hours) of community and/or charitable causes
- Be respectful of culture, race and religion amongst our employees, clients and suppliers
- Support the ongoing training and education of employees

- Encourage wellness and physical activity among employees

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