

# Paradice Annual Stewardship Summary

Calendar Year 2024

This report summarises the ESG-related engagement, voting and advocacy undertaken by Paradise's Australian equities strategies during 2024.



# Introduction

Paradice is pleased to share our annual report summarising the stewardship-related activities undertaken by our Australian equities investment teams in 2024.<sup>1</sup>

Stewardship encompasses activities like corporate engagement, proxy voting, and advocacy. We believe these actions are fundamental to being a responsible, long-term, and active owner of the companies in which we invest on behalf of our clients.

Since its inception, Paradice's investment teams have pursued regular meetings with company management and boards. These interactions enable us to gain deeper insights into the businesses we invest in, leading to more informed investment decisions while advocating for shareholders' long-term interests. Over time, as environmental and social issues have grown increasingly significant for companies, we have broadened our engagement focus to include these areas alongside governance and business strategy.

In 2024 we continued our engagement on a range of ESG topics with companies relevant to our Australian equities investment strategies. This involved interactions aimed at gaining a deeper understanding of companies' ESG risks and opportunities, as well as engagements designed to drive change. We also participated in several site tours where we saw first hand how these companies manage ESG risks or pursue opportunities. One tour saw us meet Traditional Owners in the Pilbara to hear their perspective on how companies were managing cultural heritage. This summary report presents key statistics and includes case studies showcasing these efforts.

We have also consistently exercised our voting rights with care, considering each vote on its merits. After an uptick in resolutions on environmental or social matters in recent years, 2024 saw a decline in such voting matters. There were a smaller number of shareholder-requisitioned resolutions and only two ASX listed companies held an advisory vote on climate change. There were, however, a number of contentious governance-related votes in the year. We summarise our voting activity in this report.

We conclude our report with some highlights of our participation in collaborative investor initiatives and broader advocacy efforts undertaken during 2024.

<sup>1</sup> Statistics do not include activity relating to non-Australian equities, such as the Paradice Global Small Cap strategy. See Disclaimer for further information.

# Engagement Statistics



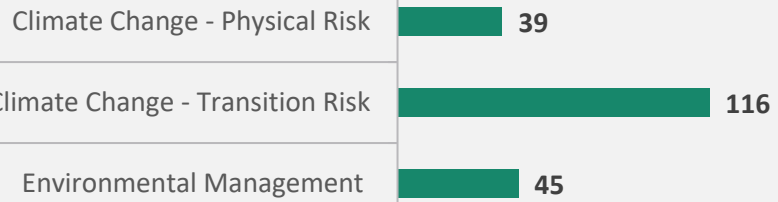
**230**  
engagements held



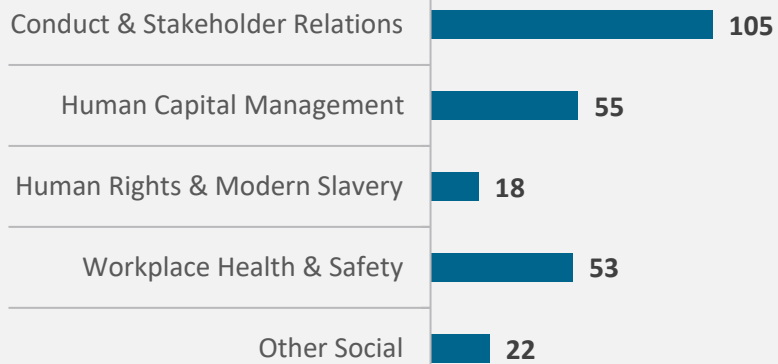
**102**  
companies engaged

## Engagement by topic

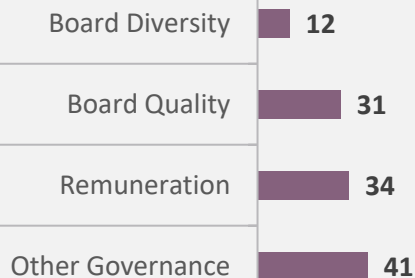
### Environmental



### Social



### Governance



Note: Most individual engagements cover more than one ESG topic. Topics have been assigned based on classification by Paradice's ESG team.



**78%**  
of engagements  
held at board or  
executive level



**29**  
engagements  
related to proxy  
voting



**59**  
engagements  
related to  
disclosure  
improvements





# Engagement Snapshots

## ANZ Banking Group

Several concerning developments occurred during the year at ANZ, primarily relating to its conduct and risk culture. We engaged the bank throughout the year at both board and executive level, and sought appropriate accountability for confirmed shortcomings and a cautious approach to executive remuneration as other allegations remained under investigation. By the end of the year, the bank announced the CEO succession. We will continue our engagement as the bank looks to move past a large strike against its recent AGM and rebuild the reputation of its markets business.

## Beach Energy

We have engaged Beach Energy on climate change for an extended period and were pleased to see the company publish its first Climate Action Plan this year. Its joint venture carbon capture and storage (CCS) project at Moomba successfully injected its first carbon in Q4. However, we will continue to look for appropriate ambition in its climate response and robust risk management given the company operates in the oil and gas sector.

## Aristocrat Leisure

Responsible gaming was the focus of our ESG engagement with Aristocrat during the year. We sought to encourage ongoing uplift in its approach to harm minimisation and player awareness. Positively, in September the company established a standalone responsible gaming strategy which included targets and timelines for the roll out of key actions. While a welcome development, we intend to maintain our dialogue on this topic especially given the evolving regulatory environment for gambling and the need to maintain social licence.

## Newmont Corporation

After many years fatality-free, sadly gold miner Newmont had several fatal incidents which raised serious concerns, especially as these came at a time where the company was integrating assets acquired from Newcrest. We held 4 meetings in the year, including with the CEO and safety team, and participated in two site visits (NSW and NT) to support our understanding of safety practices and improvement efforts.

# Engagement Program Highlight

## CULTURAL HERITAGE MANAGEMENT

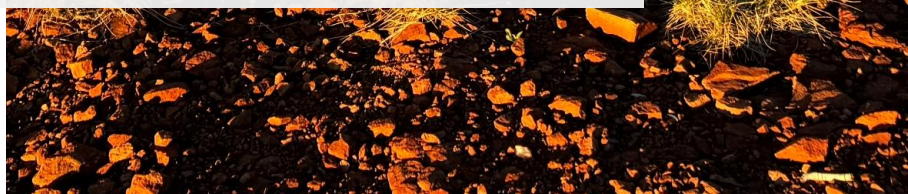
Our engagement efforts are often tailored to specific companies, whether we are seeking insights to inform investment decisions or seeking particular changes. However, some ESG-related issues share commonalities in how they affect companies and the responses we expect to mitigate risks. In such instances, we establish engagement programs to better identify companies at risk and promote our desired business practices in a manner that is more efficient.

With some time having passed since the events at Juukan Gorge thrust cultural heritage and Traditional Owner relations matters into the spotlight in corporate Australia, this year we were concerned that some companies were becoming complacent in their management of the associated risks. As such, we revisited this theme with 9 mining and energy companies in 14 engagements.

We believe that companies should have in place robust cultural heritage management practices and seek to foster good relations with local Traditional Owner groups. Not only is this integral to maintaining social licence, but it is important for securing regulatory approvals and avoiding operational disruptions.

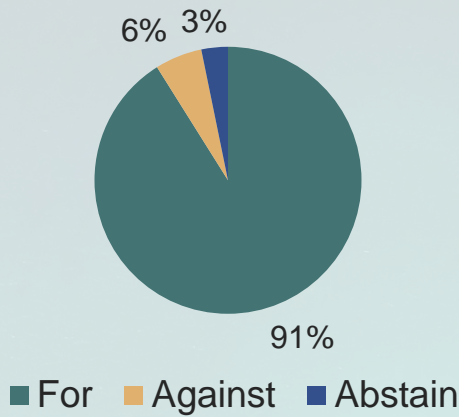
Also shaping our engagement program was a tour undertaken in the year to the Pilbara region of Western Australia. During the visit, we went on country with a Traditional Owner group to learn more about the day-to-day impacts of mining on their cultural heritage. We also held meetings with several prescribed body corporate groups who shared their experiences of dealing with listed companies. Through this tour we also enhanced our understanding of what best practice consultation looks like and learned more about the practical challenges for establishing mutually beneficial supply agreements between companies and Traditional Owner-led businesses.

Another issue that came up during our tour in the Pilbara was water. While Traditional Owner groups acknowledged that waterways have been adversely impacted by climate change, industrial water use in the region was exacerbating water scarcity concerns. With many cultural traditions and knowledge sharing tied to waterways, Traditional Owners fear that culture may be lost if riverbeds and catchments run dry. We anticipate that water will increasingly become intertwined in companies' consultations on cultural heritage protection with their respective Traditional Owner groups.

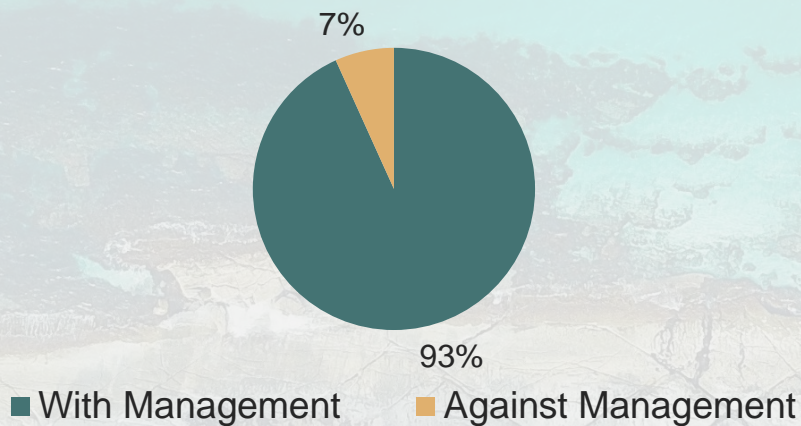


# Proxy Voting Overview

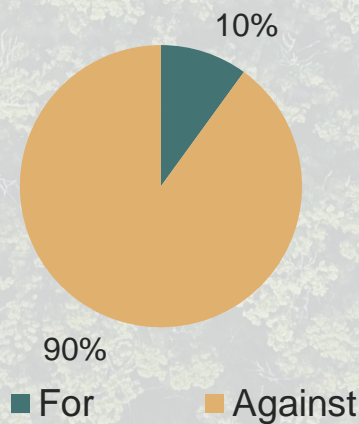
## Votes Cast\*



## Votes With or Against Management\*



## Votes on Shareholder Proposals



\*Excludes 'Other' actions, which includes 'Withhold' voting instructions. On rare occasions there may be a mixed vote on the same proposal (e.g. due to restrictions applying differently across strategies). Voting Summaries for the Paradise Funds are available on the Paradise website.



# Collaboration and Advocacy

In addition to our direct company engagement, we are active in two collaborative investor initiatives which seek to address the important issues of climate change and modern slavery. Paradise is a supporting investor participant for Climate Action 100+ and the regional branch of Investors Against Slavery and Traffic (IAST). Through these initiatives, we work alongside industry peers in order to drive change at target companies.

In 2024, we supported collaborative engagements at a total of five Australian companies, although one company was delisted during the year and as such engagement will discontinue. This saw us participate in preparatory meetings with our peers to determine objectives, as well as subsequent calls and meetings with the companies themselves. Some engagements were with members of the board, though most were with executives and internal subject matter experts.

Of our 230 engagements this year, 11 were collaborative engagements as part of our involvement in Climate Action 100+ and IAST. We also participated in one company-led consultation with a small group of investors on the company's climate plan.

Paradice is also a signatory to the Principles for Responsible Investment (PRI) and a member of Responsible Investment Association Australasia (RIAA) and the FAIRR Initiative which focuses on ESG risks and opportunities in the global food sector. These organisations also participate in public policy development on behalf of their members. We also gain benefits from our membership by way of access to resources and working groups which help build our capabilities and stay up to date with current and emerging ESG issues.

## Government Submissions

Where appropriate to do so, we participate directly in government consultations on areas relevant to ESG issues for our investee companies or to the mainstreaming of responsible investment.

This year, we did not directly participate in any state or federal consultations. However, RIAA participated in several consultations on behalf of its members, including the ASIC consultation on sustainability reporting and the Federal Government consultation on the proposed Nature Positive laws.



## Paradice

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