



SUSTAINABILITY REPORT

NOVEMBER 2024

Reporting period 1 October 2023 to 30 September 2024

In the spirit of reconciliation Adamantem acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Foreword

We are pleased to share our 2024 Sustainability Report highlighting our progress over the past year.

This report reflects the ongoing evolution of our approach. This year we've prepared this as a single report, detailing how we integrate sustainability throughout the investment lifecycle and our operations, as well as our full climate and nature reporting. We've adopted the term "sustainability" to highlight our focus on broader, long-term issues that are influencing consumer behaviour, workforce trends and regulation—impacting both financial returns and environmental and social outcomes. We believe sustainability goes beyond compliance – it is a strategic tool for investors and businesses to create value and manage risks more effectively.

The sustainability landscape is evolving quickly, both globally and locally,

driven by more regulatory pressure for transparency, a growing focus on nature and biodiversity, the urgent need for energy transition, and increased investor demand for measurable results. This report explains how we are responding to these changes. We are focused on gathering useful environmental and social data across our portfolio, using it to drive sustainability improvements aligned with each company's transformation plans and to enhance exit options. We remain committed to strengthening sustainability risk management within portfolio companies, helping them adapt to regulatory changes. Additionally, this report shares the results of a new 2024 project aimed at better understanding climate and nature risks across our portfolio.

Against this backdrop of change, we remain committed to why we integrate sustainability into our investment processes: because we believe it helps us make better investment decisions and deliver better outcomes for our investors, through a differentiated approach to value creation and risk management. While our approach and our tools have evolved over time, this rationale has remained constant since Adamantem's inception.

As we move forward this commitment remains core to our strategy. We are proud of the progress we have made, and we look forward to continuing to drive positive financial, environmental and social outcomes across our portfolio in the years to come.

Thank you for your continued support on our sustainability journey.



ROB KOCZKAR
Managing Director



ANTHONY KERWICK
Managing Director



NATASHA MORRIS
Managing Director

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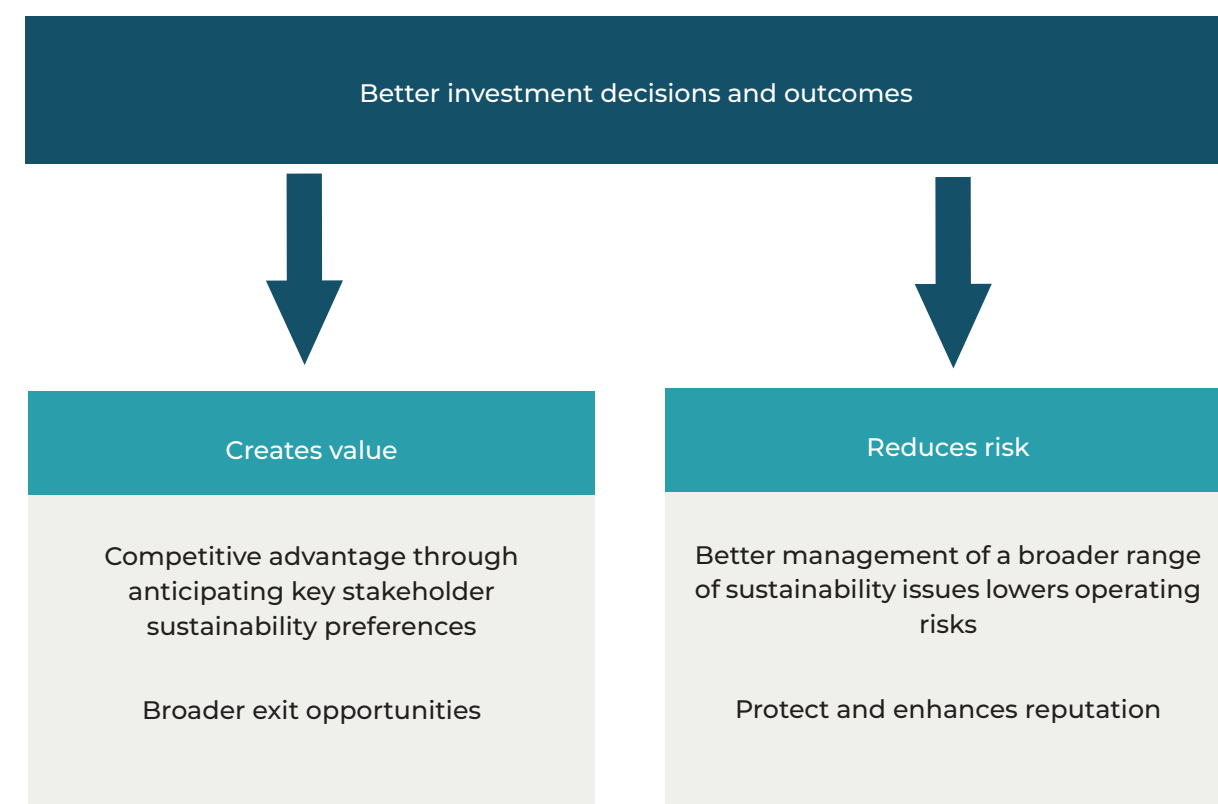
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Sustainable Investment and Stewardship

WHY WE INTEGRATE SUSTAINABILITY ACROSS THE INVESTMENT LIFECYCLE

During the Reporting Period, we have maintained our commitment to integrating sustainability considerations throughout the entire investment lifecycle.

We believe including sustainability in our investment decision-making and stewardship processes helps us make better investment decisions and deliver better investment outcomes for our investors.



It is important that sustainability knowledge exists within the Investment Team, and we are focused on continually upskilling across the firm. The Responsibility and Impact Team regularly hold training sessions for the broader Investment Team. Most recently, we developed an in-house four-part deep dive program focused on evaluating sustainability during the due diligence and onboarding phases.

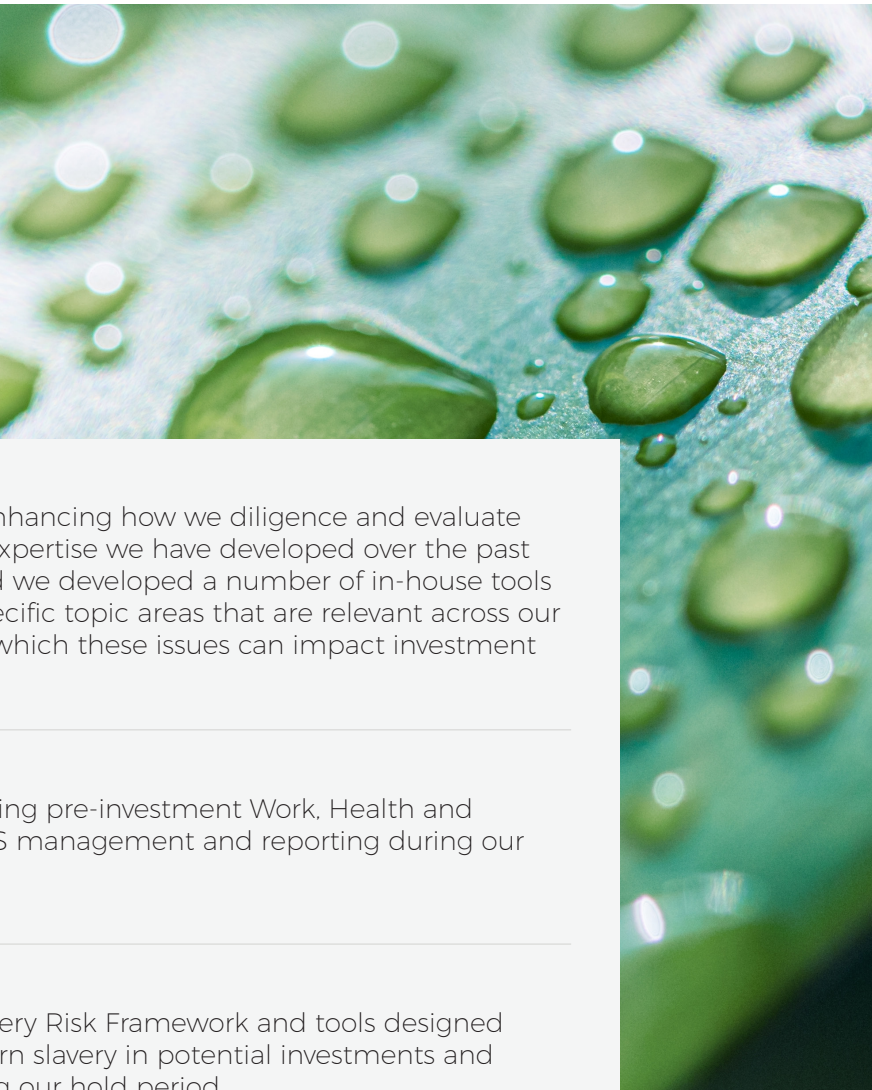
INVESTMENT DECISION-MAKING PROCESS

Our approach to integrating sustainability in the investment decision-making process has not changed during the Reporting Period – we continue to consider material sustainability risks and opportunities at each of the four stages of our Investment Committee process. This approach considers both systemic sustainability challenges and evolving trends and preferences that could affect the investment both during our ownership and at exit.

What has become increasingly apparent, however, is how our approach to sustainability integration has enhanced our investment decision-making processes more broadly. By evaluating sustainability risks and opportunities before acquisition, we continue to believe we make more informed investment choices, better assess risks and identify potential value creation opportunities.

Examples of this include:

SUSTAINABILITY INTEGRATION		HOW HAS THIS INFLUENCED OUR BROADER INVESTMENT DECISION MAKING?
Scoping material sustainability issues in a prospective deal	➤	A key step in identifying material sustainability issues is considering the perspectives of all stakeholders in a business. This assists us to consider, from the outset of an investment, a broader set of stakeholders – employees, customers, suppliers, local communities, regulators, financiers – and enhances our ability to think about their importance to the overall investment thesis beyond sustainability issues.
Focusing on diversity, equity and inclusion (DEI) as key sustainability considerations	➤	Assessing DEI issues assists us to focus more explicitly on all human capital aspects of an investment, including attraction, engagement, training and retention. Skilled, engaged and motivated employees drive the performance, innovation and long-term success of a company.
Focusing on climate, nature and modern slavery risks	➤	Given the nature of our investments, these risks often tend to be higher within the supply chains of potential investee businesses. As a result, diligencing these issues assists us to develop a deeper insight into the broader supply chain dynamics of an investment, which increasingly impact a company's operational efficiency, competitive advantage and profitability.



We remain focused on continually enhancing how we diligence and evaluate sustainability issues. Leveraging the expertise we have developed over the past 5+ years, during the Reporting Period we developed a number of in-house tools to further refine our approach on specific topic areas that are relevant across our portfolio, with a focus on the way in which these issues can impact investment performance:

Developed a detailed playbook covering pre-investment Work, Health and Safety (WHS) analysis through to WHS management and reporting during our hold period.

Developed a proprietary Modern Slavery Risk Framework and tools designed to evaluate the inherent risk of modern slavery in potential investments and appropriately manage that risk during our hold period.

Continued to uplift our nature risk assessments which are performed on all assets that reach the final stages of Investment Committee, including leveraging new tools, platforms, and data sources.

STEWARDSHIP ACTIVITIES

WHAT WE DO

We fully integrate sustainability considerations into our onboarding and portfolio company management processes, driven by any findings from the sustainability due diligence process as well as Adamantem’s Baseline ESG Expectations.

We have established the following key levers to ensure high quality stewardship:

Baseline ESG Expectations

We have developed a set of Baseline ESG Expectations we expect all portfolio companies to address over the course of our hold period, designed to reduce the operating risk within each portfolio company.

As at the date of this report, this includes up to 38 deliverables across a range of E, S and G topic areas.

Development of centre of excellence materials

We create resources to help our portfolio companies meet our Baseline ESG Expectations and increasing regulatory demands in sustainability.

Management through portfolio company boards

Representation on portfolio company boards allows Adamantem to actively manage and influence sustainability initiatives during our hold period.

We incorporate sustainability deliverables into portfolio company board calendars and include sustainability targets in the portfolio company management teams’ short-term incentive structures where appropriate.

Reporting and monitoring

We require portfolio companies to report annually through our ESG Metrics Tool, which contains 190+ data points across a range of E, S and G topic areas. This data is analysed by our Investment Committee and used to set sustainability goals across the portfolio.

We believe a hands-on approach to stewardship, working closely with our portfolio companies on portfolio-wide and company-specific sustainability initiatives, allows us to reduce operating risk and enhance value creation.



HOW OUR STEWARDSHIP APPROACH HAS INFLUENCED PORTFOLIO COMPANY DECISION-MAKING

IDENTIFICATION OF COMPANY SPECIFIC INITIATIVES DESIGNED TO BE DELIVERED AS PART OF THE COMPANY’S VALUE FOCUSED SUSTAINABILITY STRATEGY



Heritage implemented a stakeholder-focused sustainability engagement strategy designed to engage key stakeholders on their ethical and sustainable practices. This initiative aims to enhance brand reputation, boost customer and employee engagement, and support Heritage’s long-term success. Their comprehensive engagement strategy highlights the integral role of sustainability as a strategic lever

for the business. Success of the strategy is reflected in improved resident satisfaction survey results across all themes since 2023, including achieving a score of above 3.9/5 with respect to “meeting cultural needs” across all care home and village businesses. Employee engagement has also increased with a 17.8% increase in staff engagement survey participation and an increase in eNPS scores. In response to an identified decrease in Maori and Pasifika employees, Heritage has undertaken specific analysis (including combined ethnicity gender pay gap analysis) to understand drivers, and adopted initiatives in line with its strategy, to increase recruitment, learning opportunities and career progression.



Retail Zoo has developed an ESG FY25 Strategy, dedicated to integrating sustainability into its corporate culture, aligned with the

company’s long-term business goals. The strategy is driven by measures of success for stakeholders including shareholders, customers, franchisees, suppliers and employees and is focused on sustainability actions across Environmental, Social and Governance topics. Specific initiatives include: addition of climate considerations as part of site assessments to better understand and mitigate the potential impacts of climate change, packaging waste reduction initiatives, including replacement of carry trays at Betty’s which is estimated to remove 120 tonne of packaging and save \$500,000 annually, and key supplier engagement through use of the SEDEX platform to enable transparency and sustainable sourcing practices. We look forward to reporting on the progress aligned with this strategy in the next Reporting Period.

REDUCTION OF OPERATING RISKS THROUGH ENHANCED INTEGRATION OF SUSTAINABILITY CONSIDERATIONS IN KEY BUSINESS PROCESSES



Advara HeartCare was the first portfolio company during the year to leverage Adamantem’s proprietary Modern Slavery Toolkit, developed in early 2024. Using the Risk Identification Tool, Advara assessed the inherent modern slavery risk exposure across its operational sites and 48 key suppliers, identified based on spend and risk factors. The findings from this assessment enabled Advara to implement operational changes, including enhancements to their supplier questionnaire to gather more data points, as well as a register for mapping and managing identified risks within the supply chain.



The comprehensive cyber security program undertaken by **Legend** this year included an external cyber risk assessment, personal data audit, and review and update of its Privacy Policy and Cyber Incident Response Plan (**CIRP**), which were tested through a security incident response drill. Areas for uplift identified by external review and response drill were incorporated into Legend’s cyber program of work. Legend’s proactive and pre-emptive approach in the current cyber environment resulted in a cyber security ranking for Legend significantly ahead of similar sized organisations.¹



Pac Trading undertook a supply chain audit, reviewing material Tier 1 suppliers’ environmental certifications with respect to Forest Council Stewardship and compostability. The process confirmed that necessary certifications were in place for the products provided by each key supplier and a supplier register has been developed to document source documentation, to provide clearer visibility of certifications and manage the environmental sustainability of its supply chain on an ongoing basis, which is important to its customers and brand.



Following the introduction of new Positive Duty Obligations with respect to sexual harassment and discrimination in December 2023, **NAK Hair** developed a ‘Prevention and Response Plan’ and commenced monthly board reporting on compliance with the Positive Duty. The NAK Risk Register was also updated to include specific risk indicators for psychosocial and sexual harassment risks, to ensure ongoing visibility and management of this issue and to ensure the safety and respect of all staff.

¹ As assessed by Microsoft 365 in May 2024.

REDUCTION IN OPERATING COSTS THROUGH ENHANCED INTEGRATION OF SUSTAINABILITY CONSIDERATIONS IN KEY BUSINESS DECISIONS



Linen Services Australia (LSA) conducted a review of its new Truganina site after its first full year of operation, following the transition of operations from Northcote between April and June 2023. LSA quantified the efficiency improvements of the Truganina site compared to the Northcote site, resulting in the following reductions: **59% reduction in water usage, 24% reduction in electricity usage, and 65% reduction in gas usage.**



LEGEND
THE POWER TO TRANSFORM

A review of Legend's decarbonisation initiatives identified both emissions reductions and significant cost savings achieved, with the installation of solar panels at its Seven Hills site resulting in a **61% reduction in energy charges**. Annual energy charges have reduced by 6.8% at its Hendon site following completion of an LED lighting upgrade project in FY22. From continued execution of decarbonisation projects Legend's absolute Scope 1 and 2 emissions have reduced by 40% from FY22 to FY24.



REDUCTION IN COSTS THROUGH STRONGER HUMAN CAPITAL AND WHS MANAGEMENT

Focus on enhanced WHS management and safety reporting, as well as the integration of safety KPIs into senior management STIs resulted in a significant improvement in **Hellers' safety performance as LTIFR decreased by 31% and TRIFR decreased by 52.5% in the past year.**



LEGEND
THE POWER TO TRANSFORM

At Legend, trending improvements across all key themes in the annual Employee Opinion Survey and progress towards its Gender Diversity Target of 40:40:20 by 2029 - this has resulted in an **increase in female representation across each of the following levels - all staff, ELT, senior leaders and people managers - by ~10% since 2022**. A correlated outcome has been a reduction in total turnover rate by **12.8% in the past year.**



HOW WE MEASURE PROGRESS

Measuring portfolio companies' sustainability progress during our hold period drives improved sustainability and financial outcomes through data-informed decision-making.

During the Reporting Period, we continued to measure the performance of our portfolio companies through two tools developed in 2023.

ESG MATURITY FRAMEWORK

This tool measures each portfolio company's progress in integrating Adamantem's Baseline ESG Expectations into its governance processes including through the adoption and annual review of policies and processes, regular board deep dives and risk assessments, and audits and analysis across a range of ESG topics including, Diversity and Inclusion, Employee Engagement, WHS, Modern Slavery and Cyber, as well as annual emissions reporting.

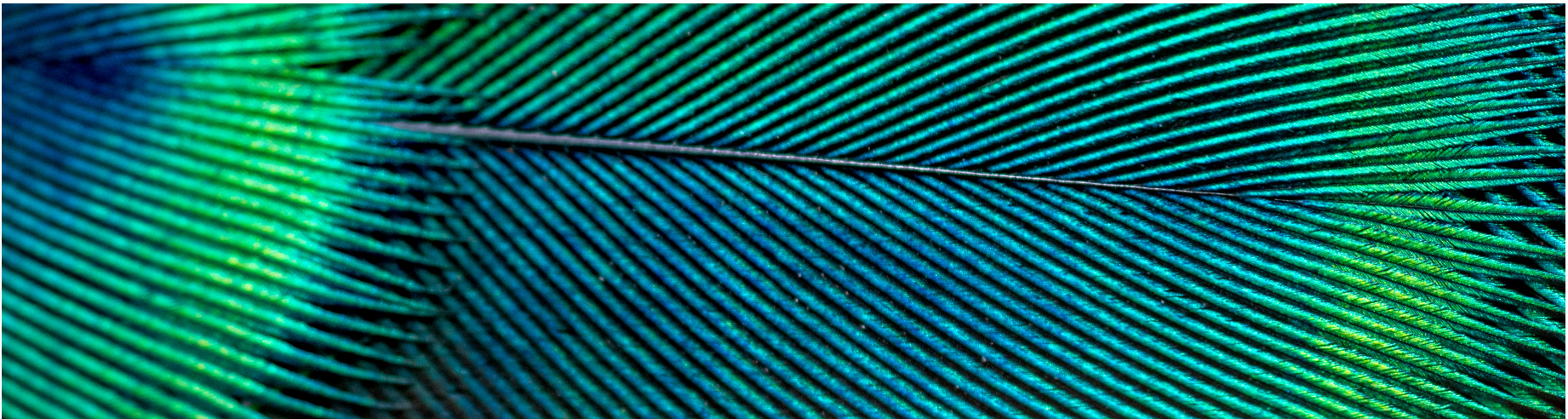
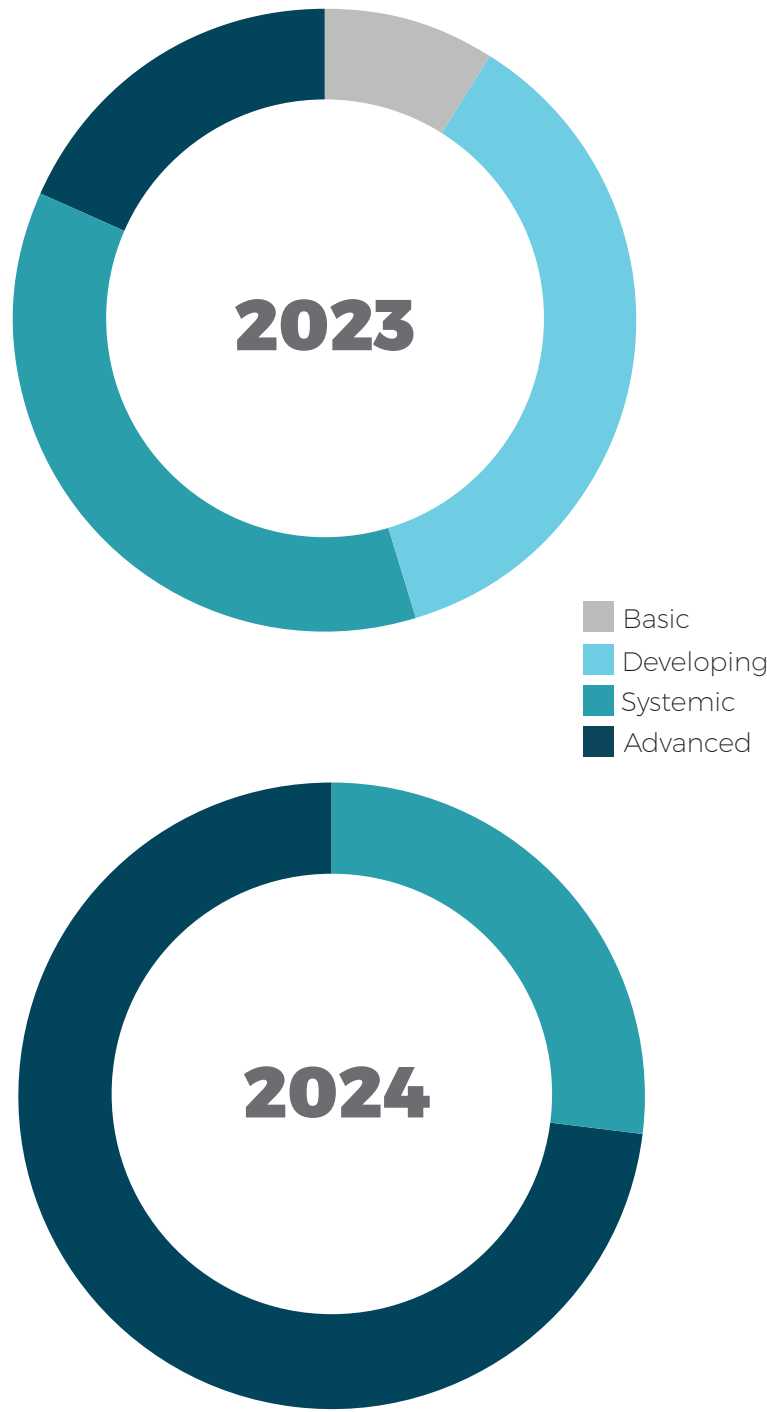
Diagram 1 sets out the progress of our portfolio along the four stage increasing maturity scale from FY23 to FY24. We are pleased to see the significant uplift as a result of our close engagement this year – 100% of portfolio companies improved on FY23 scores, with 73% of companies moving up 1 or 2 maturity bands. All Fund I portfolio companies now sit in the highest maturity band, aligning with our belief that active stewardship throughout our hold period enhances ESG risk management under our ownership and in preparation for exit.

ESG METRICS REPORTING TOOL

The Adamantem ESG Metrics Reporting Tool (Metrics Tool) is used to annually collect data on over 190 metrics across a range of E, S and G topics which provide a view of each portfolio company's year-on-year performance and allows us to identify areas for further development and support across the portfolio, as well as targeted portfolio company uplift initiatives and goals for the coming year. The Metrics Tool was further enhanced during the Reporting Period to address developments in sustainability reporting both in Australia and Internationally, including EDCI, SFDR, WGEA and Positive Duty Obligations.

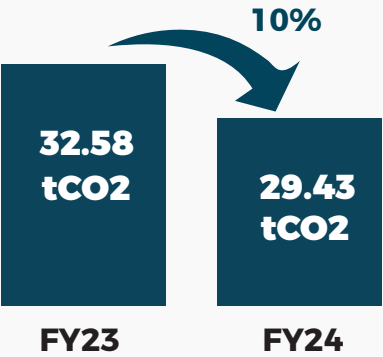
The following pages illustrate sustainability improvements across the portfolio from FY23 to FY24 and notable achievements.

Diagram 1: Sustainability maturation of portfolio companies from FY23 to FY24



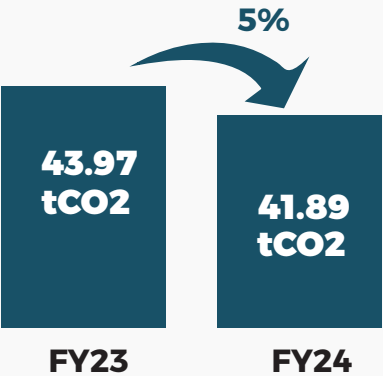
SUSTAINABILITY HIGHLIGHTS ACROSS THE PORTFOLIO

10% REDUCTION IN FUND I
WEIGHTED CARBON AVERAGE
INTENSITY



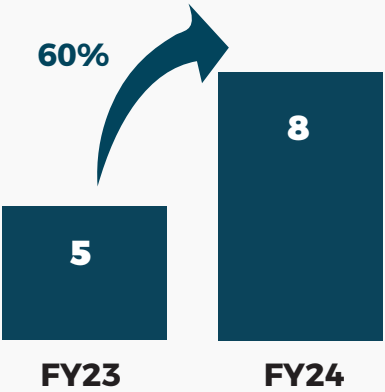
See page 18

5% REDUCTION IN FUND II
WEIGHTED AVERAGE CARBON
INTENSITY



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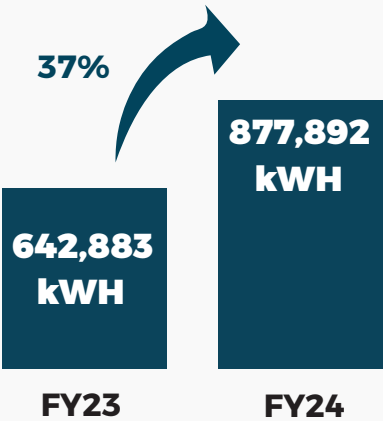
60% INCREASE IN # OF
PORTFOLIO COMPANIES USING A
CARBON ACCOUNTING PLATFORM



60% INCREASE IN THE #
PORTFOLIO COMPANIES
COLLECTING WASTE DATA



37% INCREASE IN RENEWABLE
ENERGY GENERATED BY
PORTFOLIO COMPANIES



KEY ACHIEVEMENTS FROM 2024

82% of portfolio companies held a **CLIMATE RISK DEEP DIVE DISCUSSION AT THE BOARD**

ALL 7 portfolio companies required to prepare WGEA reporting reviewed and uplifted policies to **ALIGN WITH 6 WGEA GENDER EQUALITY INDICATORS**

2 portfolio companies utilised Adamantem’s **PROPRIETARY MODERN SLAVERY TOOLKIT** to conduct a risk assessment of their operations and supply chain

10 companies have identified and measured **MATERIAL SCOPE 3 EMISSIONS SOURCES²**

82% of portfolio companies **OFFER PAID PARENTAL LEAVE** on top of government entitlements

82% of portfolio companies have a **CIRP IN PLACE**, 89% of whom have conducted **SIMULATION TESTING IN THE PAST 12 MONTHS**

² Refer to Section 2 for further detail.

GOVERNANCE & RISK MANAGEMENT

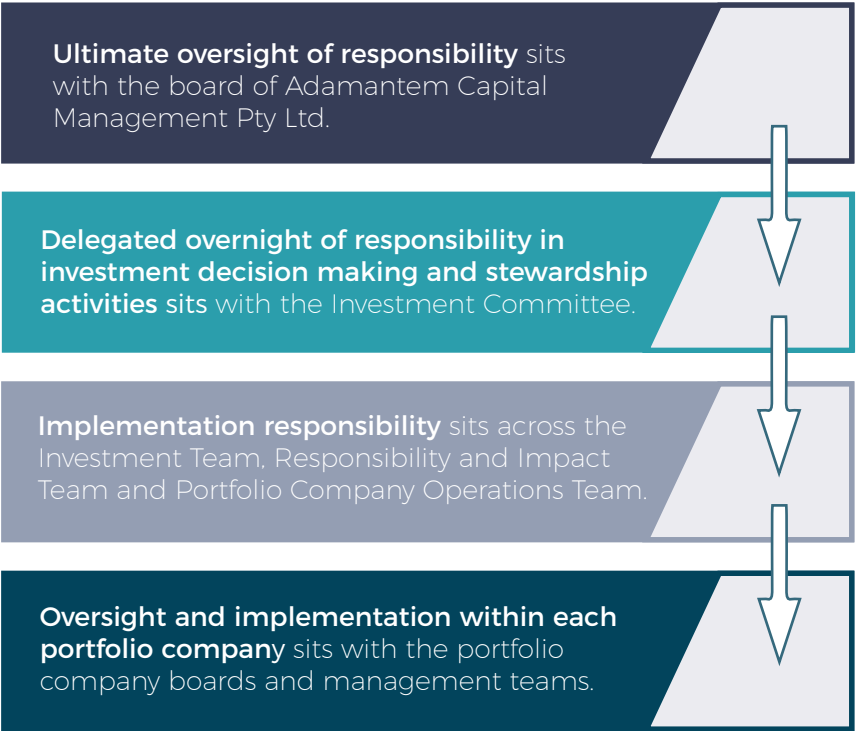
CLIMATE AND NATURE GOVERNANCE

Our climate and nature risk governance structure allocates oversight and implementation responsibility for managing climate change and nature risks and opportunities across our business activities.

SYMBOLS IN THIS SECTION

 Information about climate

 Information on nature



The Managing Director, Responsibility and Impact is responsible for developing the climate and nature strategy and the implementation of the Climate and Nature Policy across investing and portfolio company management activities and Adamantem’s own operations.

During the Reporting Period we updated our Climate Policy to a Climate *and Nature* Policy to reflect the growing importance of nature considerations in our investment decision making and stewardship activities. Refer to our [Policy](#) for further details.



For our more recent funds, we have established a GHG Emissions-focused sub-committee of the Limited Partner Advisory Board to oversee the development of portfolio company GHG Emissions reporting and decarbonisation planning.

CLIMATE AND NATURE RISK MANAGEMENT

INTEGRATION OF CLIMATE AND NATURE RISKS IN OUR FIRM'S RISK MANAGEMENT



We manage climate-related and nature-related risks in the Adamantem business according to our risk management framework aligned with the Australian Standard ISO 31000:2018. This includes the specific inclusion of climate risks and nature risks in our risk register. We manage these risks through control measures that are assessed and reviewed at least annually, with ongoing monitoring and reporting obligations in place.

The Responsibility and Impact team work closely with Legal and Compliance teams to ensure identification of relevant emerging regulatory requirements and the Group's compliance with climate-related regulation of relevance to its operations. This will extend to other sustainability regulation as it continues to develop.

IDENTIFICATION AND ASSESSMENT OF RISKS AND OPPORTUNITIES IN INVESTMENT DECISION-MAKING³

We believe that integrating climate and nature assessments into investment decision-making and stewardship deepens our understanding of investment risks within our hold period and at exit, resulting in a better ability to price risk and deliver enhanced financial outcomes. A climate and nature assessment is undertaken on all assets that reach the final stages of Adamantem's Investment Committee process.



Since mid-2020, Adamantem has integrated physical and transition climate risk assessments, using scenario analysis, into our standard due diligence on each potential investment in the later stages of our Investment Committee process. Since mid-2020, 17 of these climate risk assessments have been completed. These may be conducted internally or by a third party.



Since early 2023, Adamantem has integrated nature risk assessments into our standard due diligence on each potential investment in the later stages of our Investment Committee process. The nature assessments consider both nature impacts and dependencies, utilising publicly available tools to carry out a sector-based analysis of potential nature risks. The assessment produces a qualitative overview of the nature-related impact risk and dependency risk. Since early 2023, five of these nature risk assessments have been completed.

We recognise the important connection between human rights, Indigenous peoples and local communities with climate change and nature preservation and restoration. Refer to Section 3 for further details on our approach to human rights.

In 2024 we engaged a third party to undertake a fund level climate scenario analysis and nature risk assessment. This has provided additional insights into regional and sectoral climate and nature risks and opportunities for each portfolio company, the results of which will be used to inform ongoing climate and nature risk management. Refer to the Strategy section for more detail.

³ Refers to our investment portfolio, not our own activities.

MANAGEMENT OF CLIMATE AND NATURE RISKS IN PORTFOLIO COMPANIES⁴

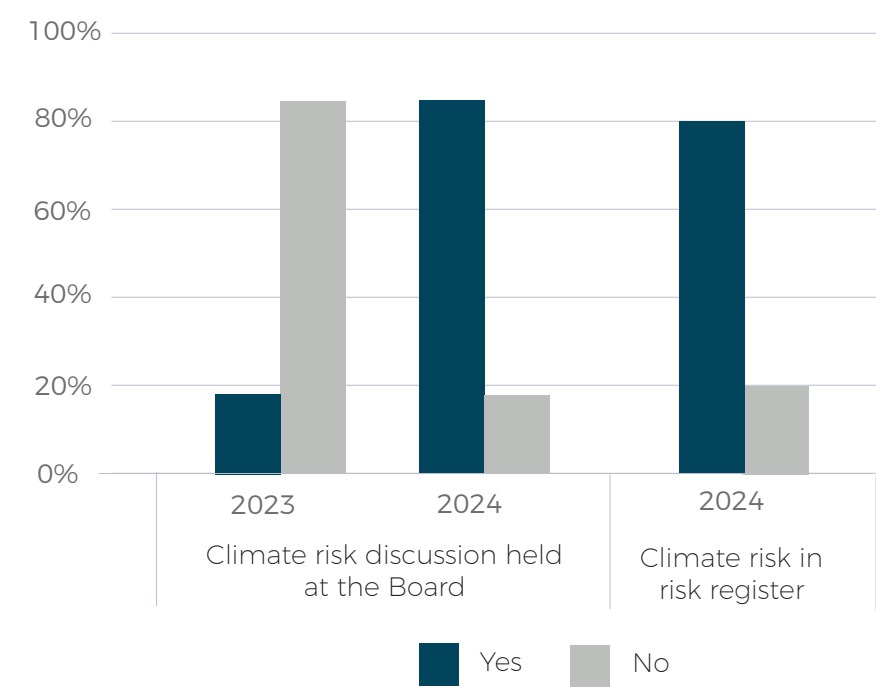


We currently embed climate risk management within our portfolio companies through our Baseline ESG Expectations (see page 8 for more detail) and portfolio company board calendars.

Current climate-related Baseline ESG Expectations include annual Scope 1 and Scope 2 Emissions reporting, the identification of emissions reduction opportunities and annual board deep dives on climate risks. The annual board deep dive discussions may be based on the climate risk and opportunities assessments undertaken in due diligence. The deep dive discussion may also include a review of the transition and physical risks included in the portfolio company's risk register.

Delivery of these is managed through each portfolio company's board calendar and our internal quarterly portfolio company review process. Diagram 2 shows the progress across the portfolio in relation to a set of specific climate risk management deliverables from 2023 to 2024⁵.

Diagram 2: Climate risk management outcomes in portfolio companies⁶



Specific examples of climate risk integration in portfolio companies include:



Retail Zoo incorporates physical climate risk factors into their site location decisions, as well as electrification options into new store proposals. In addition, they monitor the physical climate risks of important fruit inputs, ensuring alternative supply options are available in the event of a physical risk event, e.g. cyclone.



NAK Hair recently undertook a sustainability review of its supply chain, including a review of suppliers' emissions reporting and decarbonisation plans.



Advara consider geographical diversification in the selection of future sites as part of their climate risk management.



Heritage have incorporated the climate risk assessment into their broader stakeholder-focussed sustainability strategy.



Our approach to nature risk management within portfolio companies is more nascent than our approach to climate risk management. A key focus over the coming 12 months is building on a recently completed portfolio-wide nature risk assessment to identify and prioritise nature-related portfolio company stewardship activities in companies operating within higher nature risk sectors.

⁴ Refers to our investment portfolio, not our own activities.
⁵ Note not all of these deliverables are ESG Baseline Expectations. Climate risk in the risk register was not measured in 2023.
⁶ Does not include recently acquired companies Evnex, Edge Zero and QIP.

STRATEGY



CLIMATE SCENARIO ANALYSIS

Recognising the need for continued evolution in our approach to scenario analysis, this year we engaged a third party to conduct portfolio-wide analysis of physical and transition climate risks at a regional and sectoral level under three scenarios⁷.

Table 1: Scenarios used in climate assessment

BASELINE (4°C SCENARIO)	2°C ORDERLY SCENARIO	2°C DISORDERLY SCENARIO
A temperature rise of 4°C by 2100 due to limited government intervention on climate change that does not exceed current levels.	A temperature rise of <2°C by 2100 as climate policies are introduced early and become gradually more stringent.	A temperature rise of <2°C by 2100, assuming that this is achieved through a period of inaction followed by more significant decarbonisation policies implemented from 2030 onwards.

This project included two different types of analysis:

- (i)

Climate Value at Risk (CVaR): a quantification of the “climate value at risk” for each individual portfolio company, a forward-looking metric that models a portfolio company’s EBITDA under the 4°C hot house scenario and compares it to the portfolio company’s modelled EBITDA under a 2°C orderly and a 2°C disorderly scenario. This analysis was informed by high level financial and emissions information from each portfolio company.

As this methodology is in the early phase of development and heavily dependent on a range of underlying assumptions, at this stage we intend to use the outcomes of this analysis to guide our internal management of climate risk in investment decision-making and stewardship. As this develops, we intend to integrate these types of quantitative metrics into our climate disclosures and reporting.

The section below sets out some high-level portfolio-wide findings from this analysis.
- (ii)

Climate Heatmapping: an assessment of the relative differences in the modelled performance and physical risk exposure of the sectors and locations in which our portfolio companies operate, under the 2°C orderly, 2°C disorderly and 4°C hot house scenarios. This analysis was sector and region focused, and did not take into account financial or emissions information from portfolio companies.

DISTRIBUTION OF “CLIMATE VALUE AT RISK” EXPOSURE IN 2030 AND 2050

Under the “climate value at risk” analysis described in (i) above, each portfolio company receives a “climate value at risk” percentage under each of the 2°C orderly and 2°C disorderly scenarios⁸. These percentages are then grouped into four classifications⁹, reflecting the degree to which a portfolio company’s earnings may be impacted by the relevant transition pathway under each scenario.

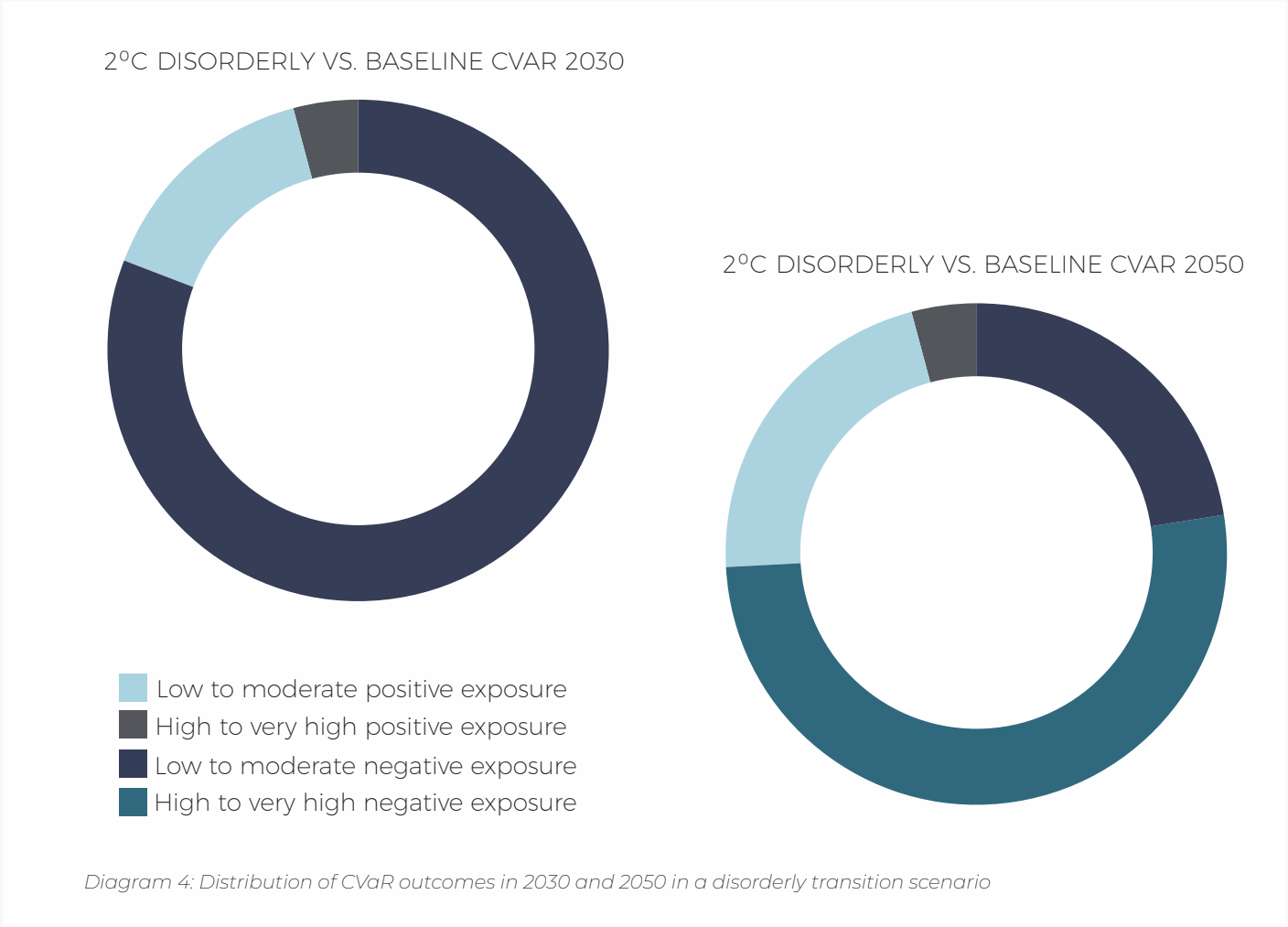
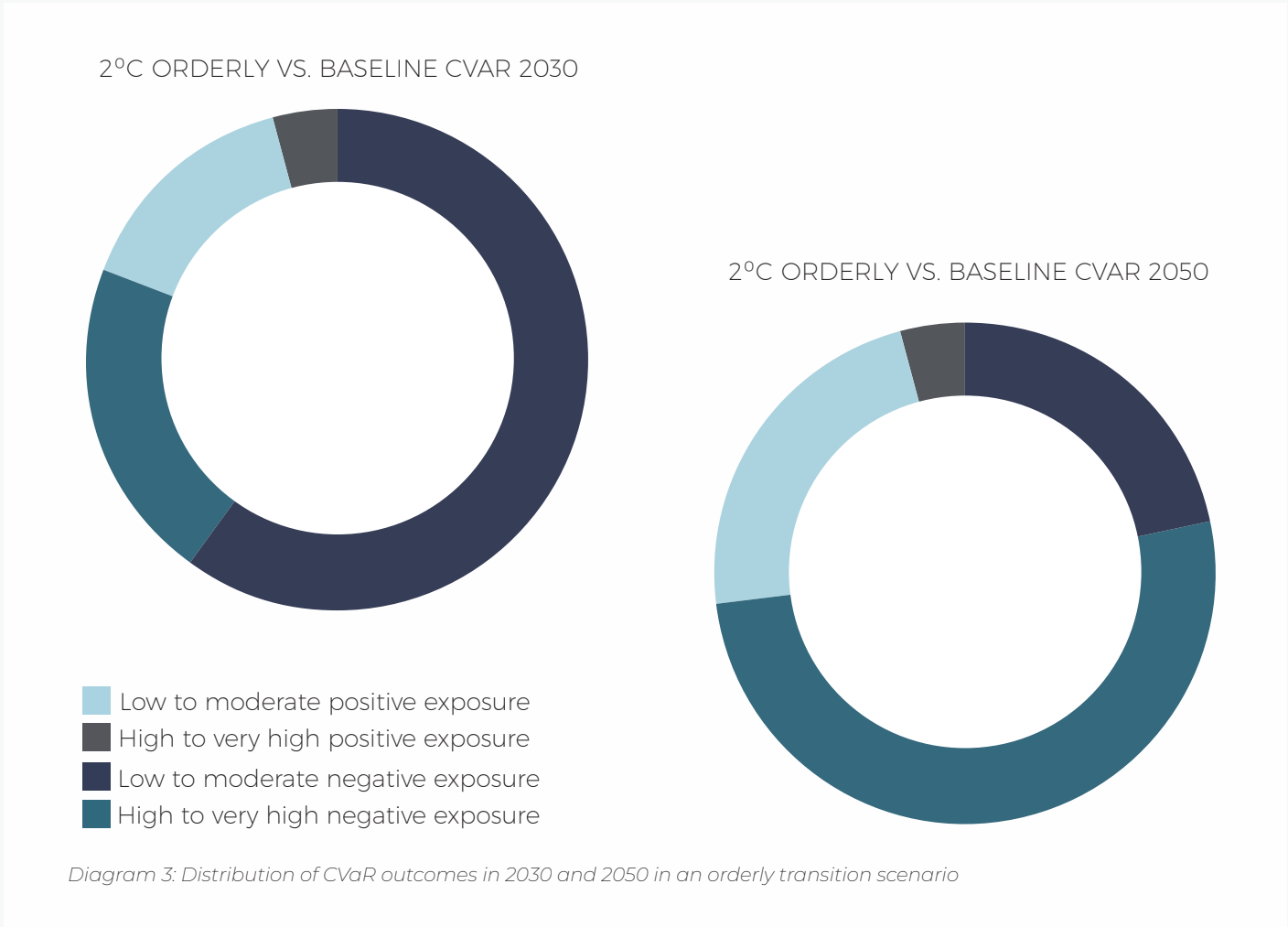
As general comment, the Adamantem portfolio is modelled to have a low to moderate negative climate value at risk in the short term (compared with global markets), becoming progressively more pronounced in the medium term. The diagrams below set out the distribution of the entire Adamantem portfolio (on an aggregated basis) across each of these classifications in 2030 and 2050 under a 2°C orderly and a 2°C disorderly scenario, weighted by the current value of investment as at 30 June 2024¹⁰.

⁷ The analysis incorporated metrics from three transition scenarios provided by the Network for Greening the Financial System (NGFS), and was conducted using an integrated assessment model and leveraging climate modelling data from recognised physical risk data providers. Physical risk analysis was not conducted using site specific information. The outcomes of this modelling are dependent on the underlying assumptions about future scenario pathways within the modelling.

⁸ This percentage is calculated as the difference (on a net present value basis) of the portfolio company’s projected EBITDA over the relevant time period (2030, 2040, 2050) under the 2°C orderly or 2°C disorderly scenario (as applicable) and the 4°C hot house scenario.

⁹ Calculation of CVaR bands developed to enable comparison between the scores. Very high / high positive and negative represents > +/-2% and moderate / low positive and negative represents < +/- 2%.

¹⁰ Based on 30 June 2024 internal valuations.



The distribution of these outcomes is largely determined by transition risk factors during this period, and can be typically explained through three key drivers:

Geography: the performance of the country the portfolio company is located in. Adamantem's portfolio is based in Australia and New Zealand. While the Australian economy is projected to grow in all three scenarios on an absolute basis, the modelled pace of growth is slower in transition scenarios based on current commitments and existing energy markets and infrastructure, and the associated impact of regional carbon taxes. The impact of the transition on New Zealand is more limited, particularly in the shorter term, as it is one of the more transitioned nations globally with relatively ambitious commitments to decarbonise already in place. The impacts in 2030 under the disorderly scenario are less severe as the Australian economy is not subject to a carbon tax until later in the period under this scenario.

Sector: the performance of the sector the portfolio company operates in. Adamantem's portfolio has a high exposure to the Services and Health/Social Care sectors, which are modelled to be less carbon intensive than other global sectors and therefore typically less exposed to the direct impacts of carbon taxes. They are also modelled to be more agile when substituting their operations to a lower carbon environment, driving further resilience to the impact of the transition. Adamantem's portfolio is also exposed to the Manufacturing sector, which is typically modelled to be more energy and resource-intensive, making those companies more vulnerable to direct impacts of carbon pricing and supply chain cost increases, although positively exposed to potential longer term shifts to onshoring of manufacturing as a result of increased transportation costs under transition scenarios.

Business fundamentals: the specific earnings profile of the portfolio company. This includes factors such as revenue, COGS, margins, labour costs and emissions profiles.

We will use these results to inform our future capital allocation decisions, and will continue to monitor the climate risk within our portfolio on an annual basis. We intend to use the more granular portfolio company-level findings from this project to integrate within individual portfolio company climate risk management programs to ensure the identified risks are also appropriately managed at the portfolio company level.



NATURE RISK ASSESSMENT

As part of the same third party project described above, a sector-based nature risk heatmapping of all portfolio companies was undertaken to help evaluate portfolio companies’ nature-related impacts and dependencies taking into account the potential likelihood and magnitude of associated risks.

The TNFD-aligned heatmapping methodology relied on¹¹:

- ENCORE¹² to assess the materiality of potential nature-related impacts and dependencies based on sector of operations.
- The Biodiversity Intactness Index (BII)¹³ and GTAP¹⁴ to proxy the likelihood of nature-related risks within countries overlapping with the value chains of the portfolio company’s sectors.

This analysis was supplemented through analysis of biodiversity metrics at key operational sites for each portfolio company.

Through the analysis, each portfolio company receives an impact risk score, a dependency risk score and an “overall sector risk level” score. This overall sector risk level score can be “low”, “medium”, “high” or “very high”. Diagram 5 below sets out the distribution of the aggregated Adamantem portfolio across these overall sector risk level scores, weighted by the current value of investment as at 30 June 2024¹⁵.

PORTFOLIO-WIDE NATURE RISK SCORE BY SECTOR EXPOSURE

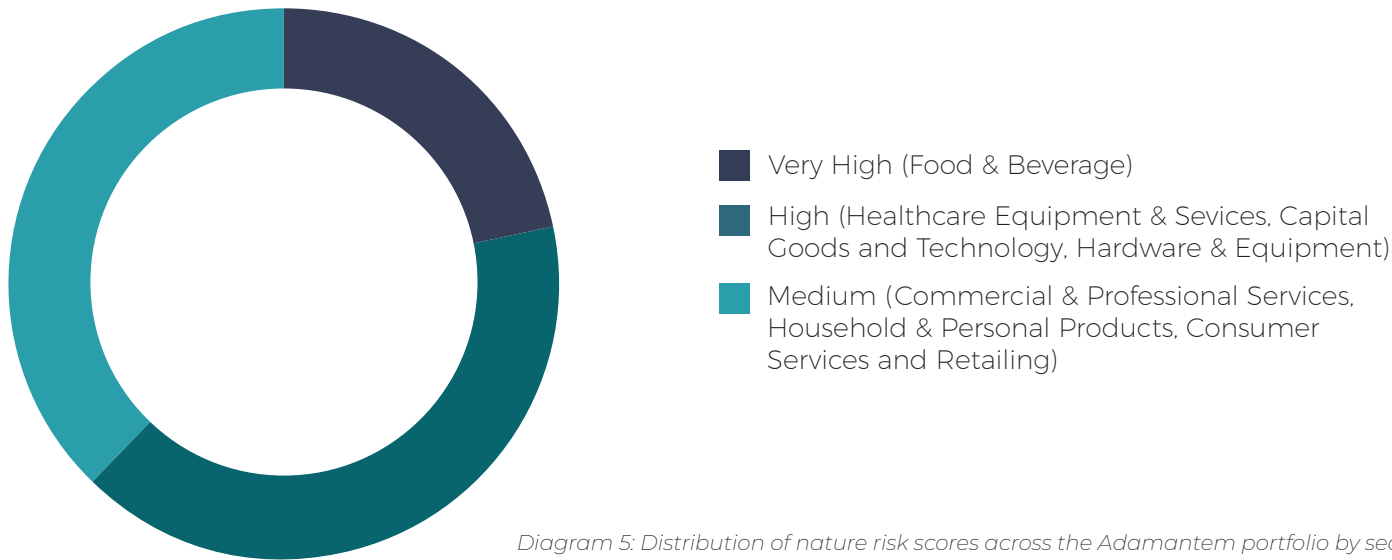
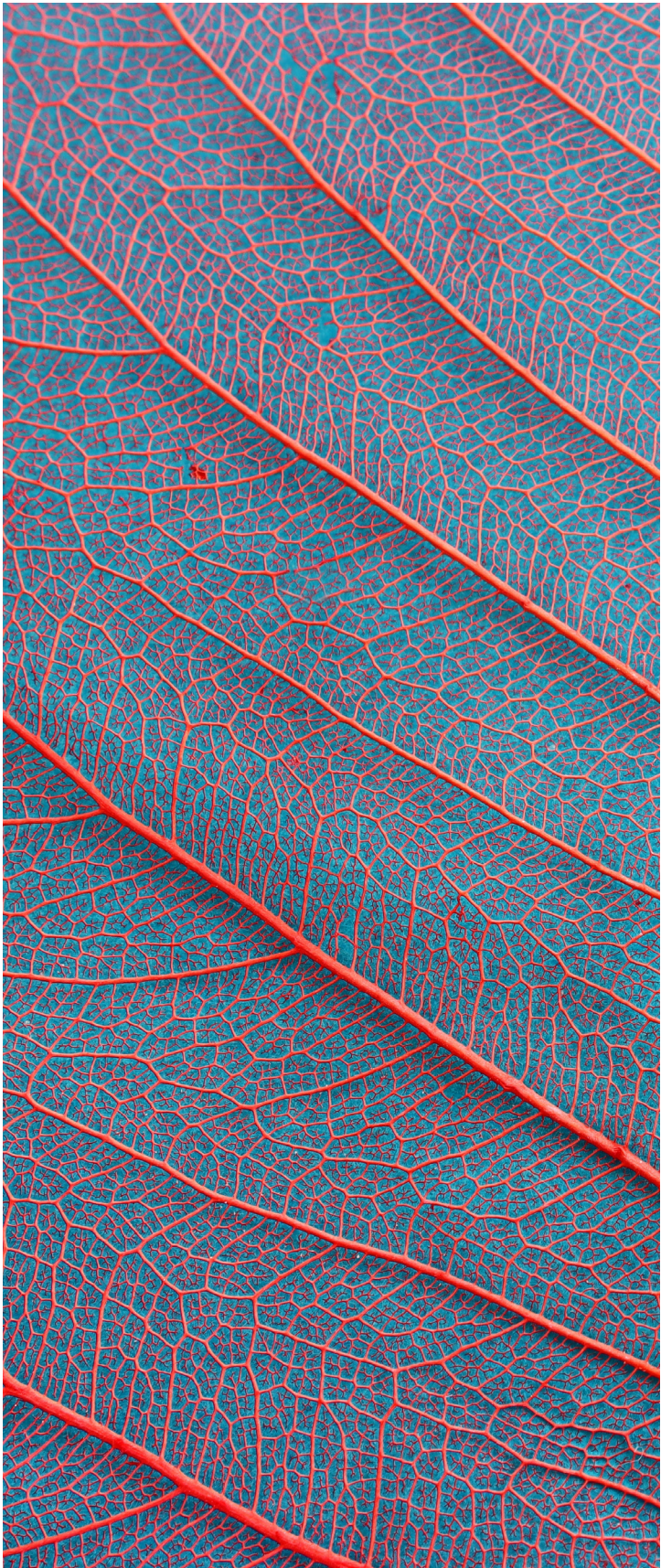


Diagram 5: Distribution of nature risk scores across the Adamantem portfolio by sector

In interpreting these results, it must be taken into consideration that they are based on sectoral exposure, and do not take into account the specific exposure of individual portfolio companies or any mitigation measures in place to reduce or manage the exposure to nature risk. Adamantem’s portfolio-level risk presents at the higher end due to the Fund investments in the food and beverage, healthcare equipment and services and capital goods sectors, each of which receive high to very high impact and dependency risk ratings in the ENCORE system. (Examples of sectors with a low exposure to nature risk in the ENCORE system include software and services, insurance and diversified financials).

These results will be used to prioritise the development of a staged and materiality-based approach to nature risk management across our portfolio over the medium term.

¹¹ This assessment does not include scenario analysis. We will continue to monitor the progress of nature scenario analysis and will incorporate at an appropriate time.
¹² Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE). <https://www.encorenature.org/en>
¹³ Biodiversity Intactness Index (BII) developed by an external consultant calculating the rate of change of biodiversity between 1970 – 2010 to provide an understanding of the state of nature change within each country to indicate the likelihood of risks materializing.
¹⁴ Global Trade Analysis Project (GTAP) provides a representation of the world economy and its input-output flows for 65 commodities across 141 countries.
¹⁵ Based on 30 June 2024 internal valuations.



METRICS AND TARGETS

TARGETS – PORTFOLIO COMPANIES

During the Reporting Report we maintained the following emissions related targets for all investments from 2020 onwards:

Table 2: Emissions targets for portfolio companies acquired since 2020

STAGE	ACTION	TARGET
During our investment process	Completion of climate risk and opportunity due diligence	100% of all potential investments that reach the final stages of our Investment Committee Process
	Within six months of acquisition complete a GHG Emissions base-line assessment for Scope 1 and Scope 2 Emissions	100% of portfolio companies acquired since 2020
During our hold period	Within 12 months of acquisition develop an emissions reduction strategy in relation to Scope 1 and 2 Emissions within 10 years of investment	
	Identify likely material sources of Scope 3 Emissions	
	Seek to estimate those material Scope 3 Emissions	
	Develop a strategy to engage with relevant stakeholders in relation to those material Scope 3 Emissions	100% of portfolio companies. This should be completed within 18 months of acquisition for new portfolio companies
As at the end of the Reporting Period, each of the targets in Table 2 has been met, or is on track to be met, for 100% of portfolio companies acquired since 2020.		

During the Reporting Period, we undertook the following actions in addition to the targets in Table 2. These actions further expand climate risk management in our portfolio companies and nature risk assessment during due diligence.

Table 3: Additional actions for portfolio companies acquired since 2020

STAGE	ACTION	COMPLETION RATE
During our hold period	Inclusion of climate risk considerations in portfolio company risk registers	100% of all portfolio companies acquired since 2020.
	Annual Climate Risk Deep Dive discussion held at the portfolio company board	

Table 4: Additional actions for portfolio companies acquired since 2023

STAGE	ACTION	COMPLETION RATE
During our investment process	Completion of nature risk and opportunity due diligence	100% of all potential investments that reach the final stages of our Investment Process

METRICS – PORTFOLIO COMPANIES



This year we have reported a range of GHG Emissions metrics related to our investments. We continue to track the evolution of market expectations and regulatory standards for GHG Emissions reporting and are committed to evolving our approach as required.

The methodology used to calculate the Financed Emissions and Data Quality Score in Table 5 has undergone third-party review. Additionally, the calculation methodology for the WACI in Table 5 has also been reviewed by a third party for consistency against Adamantem’s internal protocol.

We acknowledge the challenges that exist in reporting investment-related GHG Emissions, in particular in relation to the availability and timeliness of primary data. In an effort to ensure the high quality of our emissions measurement we encourage our portfolio companies to utilise a carbon accounting platform. During the Reporting Period, there has been a 60% increase in the number of portfolio companies using a carbon accounting platform for their annual emissions measurement. We feel these platforms are appropriate for mid-market businesses and help to increase the quality and year on year comparability of emissions reporting. More detail on the data sources used to calculate the metrics in Table 5 is set in out in Disclosure Sources.

The following three metrics reported encompass Fund I, Fund II and the EOF AUM¹⁶ as at 30 June 2024, and each metric is calculated using only Scope 1 and Scope 2 Emissions of each portfolio company¹⁷. Appendix One sets out individual portfolio company emissions reporting.

Table 5: GHG Emissions metrics reporting¹⁸

		FUND I		FUND II		EOF ¹⁹
		FY23	FY24	FY23	FY24	FY24
Financed Emissions (tCO2) ²⁰	The GHG Emissions attributed to a fund's investments ²¹ . It includes the Scope 1 and 2 Emissions of each portfolio company, attributed based on the proportion of that company's total equity and debt provided by the fund ²² .	6,212	8,380	17,369	14,307	37
Weighted Average Carbon Intensity (tCO2e/\$m)	The carbon intensity of a fund based on the Scope 1 and Scope 2 Emissions intensity of the underlying investments, expressed as tCO2e/\$m portfolio company revenue ²³ . Its calculation includes a weighting for the current value ²⁴ of a fund's investment in each portfolio company as a proportion of the current value of all the relevant fund's investments.	32.58	29.43	43.97	41.89	4.47
Data Quality Score ²⁵ for Financed Emissions	The PCAF Standard uses a data quality score to indicate the accuracy of the Financed Emissions calculation based on the data used – for example, whether it is based on sector estimates or reported data. This five-step data quality scale ranges from 1 to 5, where a score of 1 reflects the best quality data. The data quality score in the table below has been calculated using PathZero Navigator.	2	2	2	2	2

16 All metrics exclude co-investment.

17 Scope 3 portfolio company emissions not included based on the phased-in approach in the PCAF standard (as confirmed by our advisor) and unavailability of high-quality Scope 3 emissions data.

18 Taking into account guidance in the PCAF Standard.

19 Excludes investments in Evnex and Edge Zero due to time of initial investment, May 2024 and June 2024 respectively. The Scope 1 and 2 emissions measurement for both investments is currently in progress.

20 This metric is influenced by Adamantem’s debt and equity ownership, therefore they can vary annually based on shifts in capital structures rather than changes in emissions profiles.

21 The PCAF Standard sets out the data and equations to be used in calculating financed emissions across different asset types. Calculation for equity investments in unlisted equity and business loans has been utilised for this analysis.

22 Total equity and total debt on the portfolio company's balance sheet as per the PCAF Standard. A fund’s share of the total equity on a portfolio company’s balance sheet has been calculated as the percentage of total shares held. We acknowledge that there are limitations in this approach where, for legal or accounting reasons, balance sheet equity may not be the most accurate reflection of equity exposure.

23 Annual revenue of each portfolio company based on its income statement (LTM 30 June 2024). See Appendix One for the reporting periods for each company's Scope 1 and 2 Emissions, which in some cases does not align with 30 June financial reporting.

24 Based on 30 June 2024 internal valuations. See above re Scope 1 and 2 Emissions reporting periods.

25 Under the PCAF Standard, a Data Quality Score of 2 is allocated if Scope 1 and 2 Emissions are reported by the portfolio company and not third party verified. We note that some portfolio companies’ reported emissions include some estimates (using physical activity data and emissions factors) to address data gaps. This does not impact the Data Quality Score.



During the Reporting Period, we broadened our internal identification of exposure to sensitive locations in relation to portfolio company operating sites. The analysis now includes IUCN Management Categories and World Heritage Sites, as well as the previously included criteria of Key Biodiversity Areas (KBA) and Water Stress. We are yet to address all ecosystem priority criteria outlined in the TNFD guidance²⁶ however through continuing to uplift our approach we are developing a more robust view on this nature metric.²⁷

Table 6: Number of portfolio company operations sites²⁸ located in the following priority location criteria as at the end of the Reporting Period

	% operational sites in KBAs ²⁹	% operational sites in IUCN Management Categories ³⁰	% operational sites in World Heritage Sites ³¹	% operational sites in Areas of High-Water Stress ³²
Fund I	0-14%	0%	0%	0-71%
Fund II ³³	0-15%	0%	0%	56-100%
EOF ³⁴	0%	0%	0%	60%

The % operational sites in Areas of High-Water Stress is higher than other metrics due to a number of portfolio companies having operations solely located in capital cities such as Sydney and Brisbane. Capital cities tend to be exposed to higher water stress per the WRI Aqueduct Tool. By pinpointing priority locations across operational sites, we can help our portfolio companies focus on where material nature risks may be most significant or urgent.

We will continue to track the development of nature metrics and intend to report in more detail on relevant metrics at an appropriate time in the future.

26 Additional Draft Guidance on the 'Locate' phase of the TNFD LEAP Approach – Priority Location Identification (L3); June 2022.
27 As outlined in the TNFD paper 'Sector Guidance: Additional guidance for financial institutions'; June 2024.
28 Currently this analysis only examines operational sites within the control of portfolio companies. In particular this excludes Climate Friendly's project sites and Retail Zoo's franchised stores.
29 Portfolio companies entered their operational site location data into the ESG Metrics Reporting Tool, and we overlaid the Integrated Biodiversity Assessment Tool (IBAT) for this analysis.
30 See footnote 29.
31 See footnote 29.
32 Portfolio companies entered their operational sit location data into the ESG Metrics Reporting Tool, and we overlaid the World Resource Institute (WRI) Aqueduct tool for this analysis.
33 Excludes QIP due to recency of investment.
34 Excludes Evnex and Edge Zero due to recency of investment.



TARGETS - ADAMANTEM’S OPERATIONS

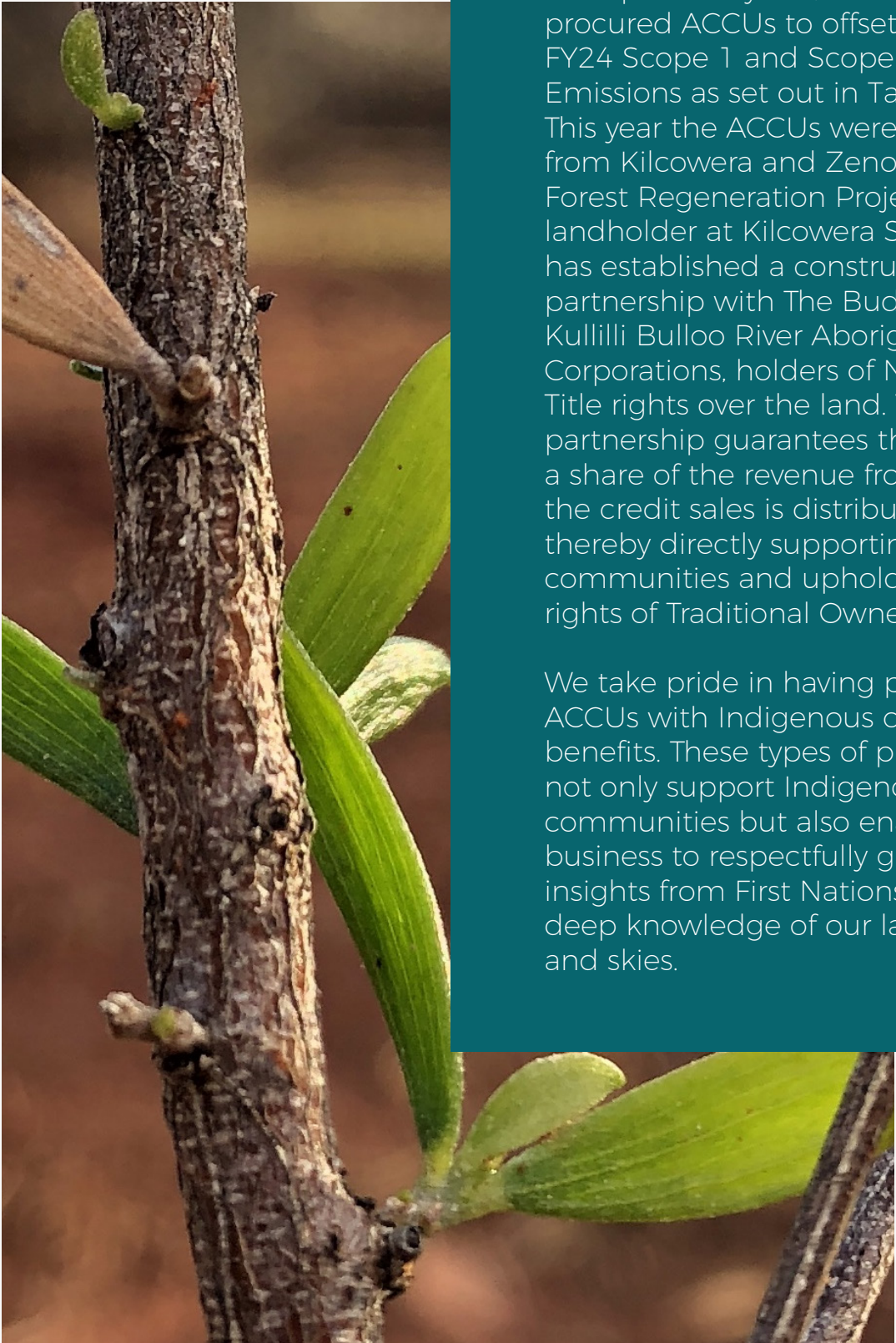


We once again measured our corporate emissions in FY24, calculated at 695tCO2.³⁵ The main sources of these emissions for FY24 were business flights, 49%, and professional services, 30%. We have the following GHG Emissions target with respect to our own operations: **maintain carbon neutral Scope 1 and 2 Emissions.**

Adamantem’s Emissions Reduction Plan has been reviewed with an elevated focus on our largest source of emissions, financed emissions. We are committed to reducing our other Scope 3 emissions and will consider re-setting reduction targets for them as pathways toward Net Zero are identified, particularly in the aviation sector.

Table 7: Operational GHG Emissions metrics reporting

	FY24
Greenhouse Gas Emissions (tCO2e)	
Scope 1	0
Scope 2	0
Scope 3 ³⁶	695
Total gross emissions	695
Purchased ACCUs	695
Total net emissions	0
Energy (kWh)	
Total energy consumption	30,543
Total electricity consumption	30,543
Percentage of total electricity from renewable energy sources	100%



As in previous years, we have procured ACCUs to offset our FY24 Scope 1 and Scope 2 Emissions as set out in Table 7. This year the ACCUs were retired from Kilcowera and Zenonie Forest Regeneration Project. The landholder at Kilcowera Station has established a constructive partnership with The Budjiti and Kullilli Bulloo River Aboriginal Corporations, holders of Native Title rights over the land. This partnership guarantees that a share of the revenue from the credit sales is distributed, thereby directly supporting local communities and upholding the rights of Traditional Owners.

We take pride in having procured ACCUs with Indigenous co-benefits. These types of products not only support Indigenous communities but also enables business to respectfully gain insights from First Nations Peoples’ deep knowledge of our land, seas and skies.

³⁵ Does not include financed emissions. Refer to prior section for financed emission calculations.
³⁶ Does not include financed emissions. Refer to prior section for financed emission calculations.

We strive to continuously improve our approach to integrating sustainability within our operations, creating strong foundations for value within our own business and leading by example with our approach to sustainable investment, stewardship and influence.

GOVERNANCE

GOVERNANCE OVERVIEW

Our Belief: We believe that strong governance practices protect our business against operational and financial impacts and enhance our relationships with key stakeholders.

Our Practice: Sustainability is integrated throughout Adamantem’s governance and operations structure with clear allocations of responsibility across the business.

Diagram 6: Adamantem’s Sustainability Governance Structure



COMMITMENT TO OUR PEOPLE

Our Belief: Our people are our most valuable asset, and we strive to create a diverse workforce and inclusive culture where people feel they have a voice and are respected so that they can thrive at work.

Our Practice: Adamantem’s Diversity, Inclusion and EEO Policy, and Diversity and Inclusion Framework set our objectives and initiatives for achieving workplace diversity and inclusion, including 40:40:20 targets across all levels of the organisation. These objectives are further supported by the work and initiatives of our internal “Culture Club” committee.

A key achievement during the Reporting Period was that, in addition to our annual staff engagement survey, we carried out our first staff survey measuring dimensions of diversity beyond gender. The results were discussed at a firm-level and integrated by senior leadership into Adamantem’s diversity strategy and initiatives.

We have tracked gender diversity across Adamantem for a number of years and strive to continually ensure a gender balanced approach across the firm and within our Investment Team:

Table 8: Gender diversity at the firm-level

	% women in Firm	% women in Investment Team	% women in Managing Director Group
June 2022	67%	45%	17%
June 2023	68%	45%	30%
June 2024	64%	42%	30%

We are firmly committed to aligning our operations and stewardship activities with the 10 Principles of the UN Global Compact across the themes of Human Rights, Labour, Environment and Anti-Corruption.

COMMITMENT TO HUMAN RIGHTS AND LABOUR

Our Belief: Adamantem’s strong commitment to upholding human and labour rights is reflected in our management of modern slavery risks that not only mitigates risk to people but also allows us to build a stronger, more resilient supply chains.

Our Practice: Our Human Rights Statement sets out our commitment to upholding the human rights of all stakeholders in our operations, supply chains and investments, and its implementation is supported by our Responsible Procurement Policy, Supplier Checklist and Supplier Code of Conduct. During the Reporting Period, 15 of our material suppliers completed our Supplier Checklist which includes questions regarding modern slavery reporting, risk exposure and policies relating to modern slavery or ethical practices.

A key achievement during the Reporting Period was the development of our proprietary Modern Slavery Framework, designed to enhance our approach to modern slavery risk assessment and risk management in our operations, supply chain and investments.

Adamantem also proudly submitted its fourth voluntary Modern Slavery Statement, reflecting our ongoing dedication to identifying and managing the risk of modern slavery in our investment decisions, operations and supply chains, and stewardship activities.

COMMITMENT TO RISK MANAGEMENT AND ANTI-CORRUPTION

Our Belief: Aligned with our belief that integrating sustainability reduces operational risk and our commitment to the principles of the UNGC, Adamantem actively implements risk management and anti-corruption practices.

Our Practice: Material ESG risks are monitored and managed through our Risk Management Framework and reported on bi-annually to the Adamantem Risk and Compliance Committee. We maintain strong governance and ethical business practices through our comprehensive policy suite, including our Anti-Corruption and Bribery and Whistleblower policies, staff training and the appointment of an external whistleblowing services provider.

During the Reporting Period, we reviewed and enhanced our sustainability policies, including the Responsible Procurement Policy, Human Rights Statement, key employee policies, and our Climate and Nature Policy. In response to the volatile global cyber environment, during the Reporting Period we prioritised cybersecurity and resilience to ensure business stability and data security. We updated our Cyber Incident Response Plan and integrated it into our Business Continuity Plan. During quarterly reviews, we identified opportunities for improvement in online training, phishing testing, and more frequent penetration testing, all of which have been implemented.

RECONCILIATION

We are proud to have completed our first Innovate Reconciliation Action Plan (RAP) in July 2024, working to fulfill our vision for reconciliation:

An Australia with strong bonds of trust, respect and understanding between Aboriginal and Torres Strait Islander peoples and the wider Australian community, laying the foundations for a proud and shared national identity that drives sustained equality and opportunity for all Australians.

Key achievements through our first Innovate RAP journey include:

- Development of our [Guiding Principles of Engagement](#) and First Nations Engagement Plan to support deeper and more direct engagement with First Nations Peoples, as well as embed First Nations Perspectives more thoughtfully in our work.
- Compilation of our recommended Aboriginal and Torres Strait Islander Organisations supplier list, which is available to our portfolio companies to assist them with supplier engagement.
- Expansion of our internal policies and procedures to be more inclusive for staff who identify as First Nations People or any culturally diverse background and to remove barriers to workplace participation.
- Development of our cultural learning strategy and expansion of staff onboarding to assist in building staff awareness and a culture of inclusion and diversity.

Our RAP Working Group³⁷ is supported by our RAP Champion Rob Koczkar and is made up of 20 employees from all areas of our business, with the ongoing support of Ash Walker, a Dharawal/Dhurga man belonging to the La Perouse Aboriginal Community in Coastal Sydney.

We have chosen to build on the solid foundations previously laid and renew our Innovate RAP, which has been endorsed by Reconciliation Australia for the period September 2024 to September 2026. In this iteration, we are focusing on five key objectives to deepen our commitment to positively impacting First Nations communities: Cultural Enrichment, Economic Opportunities, Community Engagement, Strategic Partnerships and Cultural Enablement.

THE RIVER OF UNITY

We are delighted to continue our longstanding relationship with Amy Allerton, a contemporary Aboriginal artist of the Gamilaroi, Gumbaynggirr and Bundjalung Nations, to tell the story of our RAP journey through her artwork.

Further building on the ‘Seeds of Change’ and ‘Journey of Growth’ artworks created for our previous RAPs, ‘The River of Unity’ tells the story of the enduring flow of life that connects all things, renews our spirits and unites our stories. The river guides us on a journey towards deeper understanding, respect and meaningful connection.



“The River of Unity” RAP Artwork Amy Allerton, Contemporary Aboriginal Artist of the Gamilaroi, Gumbaynggirr and Bundjalung Nations

³⁷ Currently the RAP Working Group sits at the Adamantem Group-level and contains employees from Adamantem Capital Management and Melior Investment Management.

COLLABORATION AND PARTNERSHIPS

We recognise that external collaboration is essential for advancing sustainability both in our business and the markets in which we operate. We actively contribute to industry bodies, working groups, and public consultations to ensure private capital perspectives are included for consideration. We remain committed to tackling shared challenges and learning from industry experts to refine our approach to sustainability.

HIGHLIGHTS FROM THE REPORTING PERIOD INCLUDE



Responding to the Australian Treasury's consultation on Australia's Sustainable Finance Strategy



Responding to the Australian Treasury's consultation on the incoming mandatory climate disclosure legislation in Australia



Responding to the Australian Accounting Standards Board's consultation on the Australian Sustainability Reporting Exposure Draft

Adamantem's Managing Director, Responsibility and Impact was appointed to the Australian Sustainable Finance Institute (ASFI) Leadership Working Group

WE CONTINUE TO ENGAGE WITH A NUMBER OF AUSTRALIAN AND INTERNATIONAL INDUSTRY INITIATIVES



Responsible Investment Association Australasia



Signatory of:



Principles for Responsible Investment





Private equity action on climate change

WE SUPPORT



Glossary

ACCUs	Australian Carbon Credit Unit
Adamantem, Adamantem Capital, or Firm	Adamantem Capital Management Pty Limited and its affiliates
Baseline ESG Expectations	The set of baseline ESG expectations across a range of Environmental, Social and Governance topic areas which Adamantem expects all portfolio companies to address over the course of our hold period.
Buyout Funds	Fund I and Fund II
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIRP	Cyber Incident Response Plan
Climate and Nature Policy	Adamantem’s Climate and Nature Policy, which outlines Adamantem’s approach to climate change and nature risk and opportunities.
EDCI	ESG Data Convergence Initiative
ELT	Executive Leadership Team
ENCORE	Exploring Natural Capital Opportunities, Risks and Exposures, found at www.encorenature.org .
EOF or Environmental Opportunities Fund	The vehicles comprising the Adamantem Capital Environmental Opportunities Fund, being the Adamantem Capital Environmental Opportunities Fund, L.P. (Partnership) , one or more unit trusts through which eligible or non-eligible venture capital investments ³⁹ may be made and any other vehicles established pursuant to the partnership deed for the Partnership.
ESG	Environmental, Social and Governance
ESG Maturity Framework	Adamantem’s framework for assessing how well a company has integrated the Baseline ESG Expectations as described on page 8.
Fund I	The vehicles comprising Adamantem Capital Fund I, being the Adamantem Capital Fund I, L.P. (Fund I Partnership) , one or more unit trusts through which eligible or non-eligible venture capital investments may be made and any other vehicles established pursuant to the partnership deed for the Fund I Partnership.
Fund II	The vehicles comprising Adamantem Capital Fund II, being the Adamantem Capital Fund II, L.P. (Fund II Partnership) , one or more unit trusts through which eligible or non-eligible venture capital investments may be made and any other vehicles established pursuant to the partnership deed for the Fund II Partnership.
Fund II Emissions Reduction Committee	A sub-committee of the Adamantem Capital Fund II Limited Partners Advisory Board which oversees the development of emissions reduction strategies and monitors the performance of portfolio companies against them.
GHG Emissions	Greenhouse gas emissions

39 See s 118-427 of the Income Tax Assessment Act 1997 (Cth) as to what qualifies as an “eligible venture capital investment”.

Human Rights Statement	Adamantem’s Human Rights Statement which sets out our commitments to human rights.
IC or Investment Committee	Adamantem’s Investment Committee.
Investment Team	The team comprising Adamantem’s investment, responsibility and impact and portfolio operations professionals.
IUCN Management Category	International Union for Conservation of Nature (IUCN) management categories are categories used to classify protected areas. The enlisting of such areas is part of a strategy being used toward the conservation of the world's natural environment and biodiversity.
Key Biodiversity Areas	Locations that play a substantial role in preserving biodiversity across terrestrial, freshwater, and marine ecosystems on a global scale, as determined through the Integrated Biodiversity Assessment Tool found at www.ibat-alliance.org .
KPIs	Key Performance Indicators
LTIFR	Lost Time Injury Frequency Rate. Calculated as (Number of lost time injuries x 1,000,000) / Employee total hours worked.
Metrics Tool or ESG Metrics Tool	Adamantem’s proprietary ESG Metrics Reporting Tool, collating data on E, S and G metrics for portfolio companies as described on page 8.
Modern Slavery Framework	Adamantem’s proprietary Modern Slavery Framework, including a Modern Slavery Risk Appetite Statement, Risk Identification Tool and Risk Management Tool.
Modern Slavery Statement	A statement lodged by a company addressing the mandatory criteria outlined in the Modern Slavery Act 2018 (Cth).
Modern Slavery Toolkit	Adamantem’s proprietary Risk Identification and Risk Management Tool provided to portfolio companies.
Net Zero	Cutting carbon emissions to a small amount of residual emissions that can be absorbed and durably stored by nature and other carbon dioxide removal measures, leaving zero in the atmosphere.
NGFS	Network for Greening the Financial System
NPS	Net Promoter Score
Positive Duty Obligations	Positive duty for organisations and businesses to eliminate, as far as possible, the following ‘relevant unlawful conduct’ as defined in the Sex Discrimination Act 1984 (Cth).
RAP	Reconciliation Action Plan
Reporting Period	1 October 2023 to 30 September 2024
Responsible Investing and Impact Investing Policy	Adamantem Responsible Investing and Impact Investing Policy, which outlines Adamantem’s approach to responsible investing and impact investing.
Responsible Procurement Policy	Adamantem Responsible Procurement Policy, which provides the framework for initial assessment of the ESG credentials of certain new suppliers (based on monetary thresholds).

Scope 1 Emissions	Scope 1 greenhouse gas emissions are direct greenhouse gas emissions that occur from sources owned or controlled by the reporting company.
Scope 2 Emissions	Scope 2 greenhouse gas emissions are indirect greenhouse gas emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company.
Scope 3 Emissions	Scope 3 greenhouse gas emissions are all other indirect greenhouse gas emission (not included in Scope 2) that occur in the value chain of the reporting company. Scope 3 can be broken down into upstream emissions and downstream emissions.
SFDR	Sustainable Finance Disclosure Regulations
STI	Short-term Incentives
Sustainable Development Goals	See here THE 17 GOALS Sustainable Development (un.org)
Sustainable Finance Taxonomy	The taxonomy is a technical tool. It will provide common definitions for sustainable economic activities in Australia and help direct private investment to activities that will support Australia's transition to Net Zero emissions.
tCO2e	Tonnes (t) of carbon dioxide (CO2) equivalent (e)
TNFD	Task Force on Nature-Related Financial Disclosures, a framework that organisations can use to publicly disclose the nature-related risks and opportunities of their business.
TRIFR	Total Recordable Injury Frequency Rate. Calculated as (All recorded injuries (including fatalities) x 1,000,000)/ Employee total hours worked.
UNGC or UN Global Compact	United Nations Global Compact
UNPRI	United Nations Principles for Responsible Investment
Weighted Average Carbon Intensity (WACI)	The carbon intensity of a fund based on the Scope 1 and Scope 2 Emissions intensity of the underlying investments, expressed as tCO2e/\$m portfolio company revenue. Its calculation includes a weighting for the current value of a fund’s investment in each portfolio company as a proportion of the current value of all the relevant fund’s investments.
WGEA	Workplace Gender Equality Agency
WHS	Work Health and Safety
World Heritage Sties	Landmarks and areas with legal protection by an international convention administered by UNESCO for having cultural, historical, or scientific significance.
40:40:20	40% male, 40% female, 20% either gender
\$	Australian Dollar

Page	Report reference	Data source	Date of data
6	Reduction in operating risks through enhanced integration of sustainability considerations in key business processes	Advara Heartcare, Legend, Pac Trading and NAK Hair company data	Various
6	Identification of company specific initiatives designed to be delivered as part of the company's value focussed sustainability strategy	Heritage and Retail Zoo company data	Various
7	Reduction in operating costs through enhanced integration of sustainability considerations in key business decisions	Linen Services Australia, Legend and Hellers company data	Various
8	Diagram 1: Sustainability maturation of portfolio companies from FY23 to FY24	Adamantem's internal assessment of information provided by portfolio companies against Baseline ESG Expectations . ESG Baseline Expectations were updated in FY24 to include additional metrics. Maturity scoring this year was calculated using FY24 responses as against the FY23 ESG Baseline Expectations to allow for direct year-on-year comparison.	As at 30 September 2024
9-10	FY23 & FY24 sustainability highlights across the portfolio	2023 and 2024 ESG Metrics Reporting Tool by portfolio companies (self-reported), aggregated by Adamantem. Excludes Evnex, Edge Zero and QIP.	As at date of completion of each ESG Metrics Tool ⁴⁰
13	Diagram 2: Climate risk management outcomes in portfolio companies	2023 and 2024 ESG Metrics Reporting Tool by portfolio companies (self-reported), aggregated by Adamantem	As at date of completion of each ESG Metrics Tool ⁴¹
13	Climate integration in portfolio companies	Retail Zoo, Advara HeartCare, NAK Hair and Heritage company data	Various

40 Each portfolio company completed the ESG Metrics Reporting Tool in respect of 30 June 2024, apart from Heritage (which has a March 31 year-end) and Climate Friendly (which has a 31 December year-end).

41 Refer to footnote 40.

Page	Report reference	Data source	Date of data
15	Diagram 3: Distribution of CVaR outcomes in 2030 and 2050 in an orderly transition scenario	Adamantem analysis – based on external consultant report	As at 30 June 2024
15	Diagram 4: Distribution of CVaR outcomes in 2030 and 2050 in an disorderly transition scenario	Adamantem analysis – based on external consultant report	As at 30 June 2024
16	Diagram 5: Distribution of nature risk scores across the Adamantem portfolio by sector	Adamantem analysis – based on external consultant report	As at 30 June 2024
17	Table 2: Emissions targets for portfolio companies acquired since 2020	Target achievement assessed by Adamantem based on company data	As at 30 September 2024
18	Table 5 metrics: portfolio company Scope 1 and Scope 2 Emissions inputs required to calculate each metric	2024 ESG Metrics Tool completed by portfolio companies (self-reported)	As at the date of completion of each ESG Metrics Tool
18	Table 5 metrics: portfolio company revenue, balance sheet equity and balance sheet debt required to calculate WACI and Financed Emissions	Portfolio company financial statements	As at 30 June 2024 ⁴²
18	Table 5 metrics: Adamantem % ownership and current investment values required to calculate WACI	Adamantem	As at 30 June 2024
18	Table 5 metrics: Data Quality Score	PathZero Navigator	As at 30 September 2024
19	Table 6: % operational sites in KBAs	Operational site locations from portfolio companies Adamantem analysis through IBAT	For each portfolio company, sites as at date of completion for each ESG Metrics Tool ⁴³

42 Refer to footnote 40
43 Refer to footnote 40
44 Refer to footnote 40
45 Refer to footnote 40

Page	Report reference	Data source	Date of data
19	Table 6: % operational sites in IUCN Management Categories	Operational site locations from portfolio companies Adamantem analysis through IBAT	For each portfolio company, sites as at date of completion for each ESG Metrics Tool ⁴⁴
19	Table 6: % operational sites in World Heritage Sites	Operational site locations from portfolio companies Adamantem analysis through IBAT	For each portfolio company, sites as at date of completion for each ESG Metrics Tool ⁴⁵
19	Table 6: % operational sites in Areas of High-Water Stress	Operational site locations from portfolio companies Adamantem analysis through IBAT	For each portfolio company, sites as at date of completion for each ESG Metrics Tool ⁴⁶
20	Table 7: Operational GHG Emissions metrics reporting	Adamantem, calculated through PathZero Clarity	As at 30 June 2024
22	Table 8: Gender diversity at the firm-level	Adamantem	As at 30 June 2024
22	Material suppliers completing Supplier Checklist and contracts including Modern Slavery clauses	Adamantem	As at 30 June 2024

46 Refer to footnote 40.

Disclaimer

IMPORTANT NOTICE AND DISCLAIMER

This report is issued by Adamantem Capital Management Pty Ltd (ACN 616 283 124) (authorised representative number 1250911) (Adamantem), as the authorised representative of Adamantem Capital Pty Ltd (ACN 614 857 037) (AFSL No. 492717), and as the investment manager of Adamantem Capital Fund I (Fund I) and Adamantem Capital Fund II (Fund II) and Adamantem Capital Environmental Opportunities Fund (EOF). Adamantem only provides financial services to wholesale clients, as defined in section 761G of the Corporations Act 2001 (Cth). By reading this report you represent and warrant to Adamantem that you are a wholesale client.

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