SUSTAINABILITY REPORT 2024

SALT
Funds Management

Contents

Letter from the Managing Directors

We are pleased to release our 2024 Sustainability Report.

Climate Statements for the inaugural reporting period in New Zealand were released in 2024. As expected, several of the Climate Statements highlight the limitations of reporting emissions due to the varying quality and availability of the data sources. We expect this quality to improve over time as more and more entities disclose their emissions data.

Further, the External Reporting Board (XRB) has proposed amendments to its climate and assurance standards to ease reporting for entities. The key proposals include:

1. **Scope 3 extensions:** Extending the adoption provisions for disclosing and assuring Scope 3 GHG emissions by an additional two reporting periods. This acknowledges the difficulty of gathering the necessary data.
2. **Financial impacts extension:** Deferring the requirement for disclosing anticipated financial impacts (AFIs) by two additional reporting periods.
3. **Threshold changes:** The Ministry of Business, Innovation and Employment (MBIE) has proposed options for significantly increasing the reporting thresholds for listed companies and investment schemes, which would reduce the number of entities required to report

For the 2024 United Nations-sponsored Principles of Responsible Investment (PRI) survey, Salt has retained the highest possible award of five stars in each module, including for Policy Governance and Strategy, and 100% for the new module, Confidence Building Measures. More detail on the PRI and Salt's performance is contained in the report.

For the fourth year in a row, Salt has been recognised by the Responsible Investment Association Australasia (RIAA) as a Leader in the Responsible Investment field in 2024. RIAA acknowledged this group of Investment Managers for demonstrating leading practices in their commitment to Responsible Investment, including making their ESG investment policies available and sufficiently details, integrating ESG factors in valuation and asset allocation, clearly defining approaches to stewardship and demonstrating active ownership (including corporate engagement and shareholder action).

Salt is a founding member of the Stewardship Code Aotearoa New Zealand, who, in June 2025, released their 2025 annual Stewardship Review, titled 'A Leap in Transparency'. This Review summarises the various investor stewardship activities happening in New Zealand. You can find the Review on this link. Principle three of the Code encourages signatories to incorporate material ESG matters into their decisions and practices. As such, we have included more detail in this report on ESG integration at Salt.

Salt's two external managers, Morgan Stanley Investment Management and Cohen & Steers, manage our global investments. We have included engagement and voting statistics, and some engagement examples from both of these managers. You can find more details on what our underlying investment managers have been doing, including some detailed examples of company engagements on our website.

We hope you enjoy reading the report.

Yours sincerely

Yours sincerely

Paul Harrison, Managing Director and **Matthew Goodson**, Managing Director

The Team at Salt

Paul Harrison
Managing Director and Portfolio Manager

Matt Goodson
Managing Director and Portfolio Manager

Kate Armstrong
Independent Director & Compliance Committee Chairperson

Roger Clayton
Chief Operating Officer

Paul Turnbull
Chief Investment Officer

Greg Fleming
Managing Director and Portfolio Manager

Bevan Graham
Economist

Randall Clement
Investment Analyst

Greg McMaster
Head of Client Partnerships

Claire MacRae
Senior Investment Operations Analyst

Neal Burghardt
Senior Analyst

Kelley Videbeck
Accounts Administrator and Compliance Officer

Isaac Harrison
Investment Operations Analyst

2024 Sustainable Highlights

PRI

100% for confidence-building measures

LEADER

RIAA Responsible Investment Leader 2024

FOUNDER

Founding signatory of the Aotearoa New Zealand Stewardship Code

UN PRI

What are the six Principles for Responsible Investment?

The six Principles for Responsible Investment offer a menu of possible actions for incorporating ESG issues into investment practice.

The Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system. They have attracted a global signatory base representing a majority of the world's professionally managed investments.

We also recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

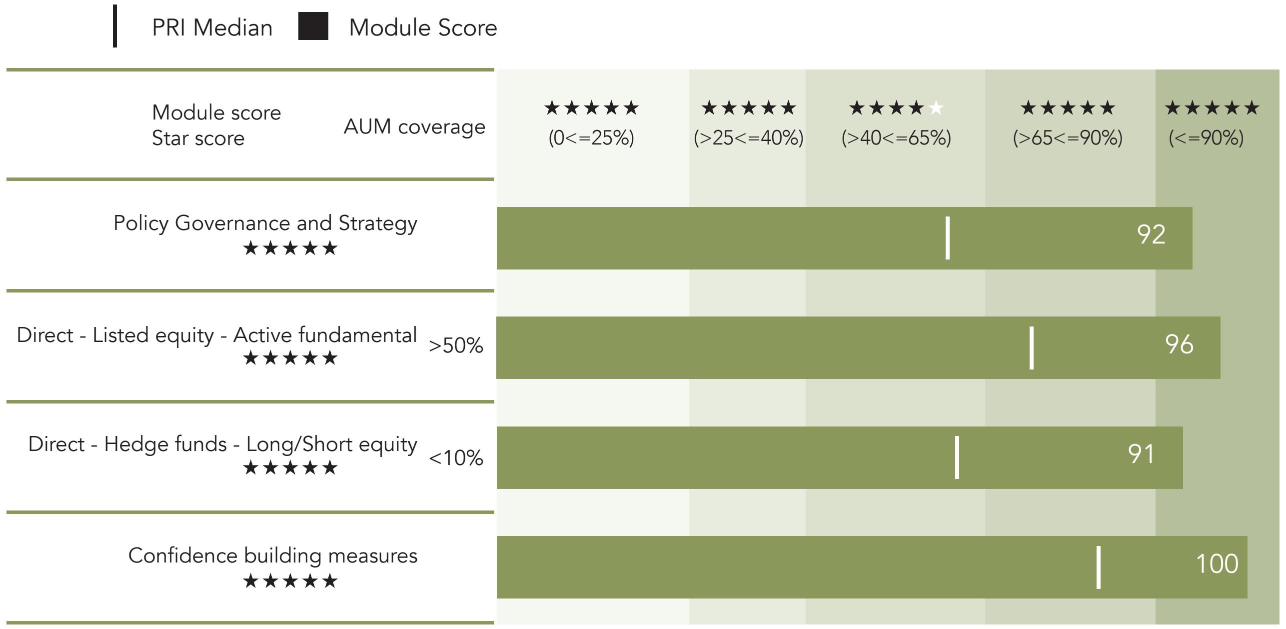
- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

Read more about the Principles and what they are implemented here:

The six Principles for Responsible Investment

Salt's results for 2024

SUMMARY SCORECARD



Salt's full results can be found here: link to our Public Transparency Report.

Responsible Investment at Salt

Salt Funds Management is a leader in ESG-focused equity management, aligning investments with client values. Our key goals include handling funds responsibly, using our shareholder influence to improve company practices, and striving for positive impact while ensuring strong returns. By prioritising active management, stewardship, and sustainable practices, we aim to achieve long-term sustainable returns and expedite the transition to a sustainable economy for future generations.

Salt supports the United Nations Sustainable Development Goals (SDGs) and aims to contribute through its operations and investments. The SDGs address key global sustainability issues, providing a framework that includes 17 goals like clean energy, health, and eradicating poverty and hunger. Although we support all SDGs, we focus on areas where our business can make the most significant impact:

Salt believes the failure to achieve SDGs will impact all countries and sectors to some degree and create macro-financial risks. On the contrary, achieving the SDGs will be a driver of global economic growth, which we acknowledge as a structural source of financial return.

Climate Action

Climate Action (SDG #13) is the most significant threat to planet earth and our investment universe. Salt prioritises climate change mitigation and adaptation, both operationally and in its investment process.

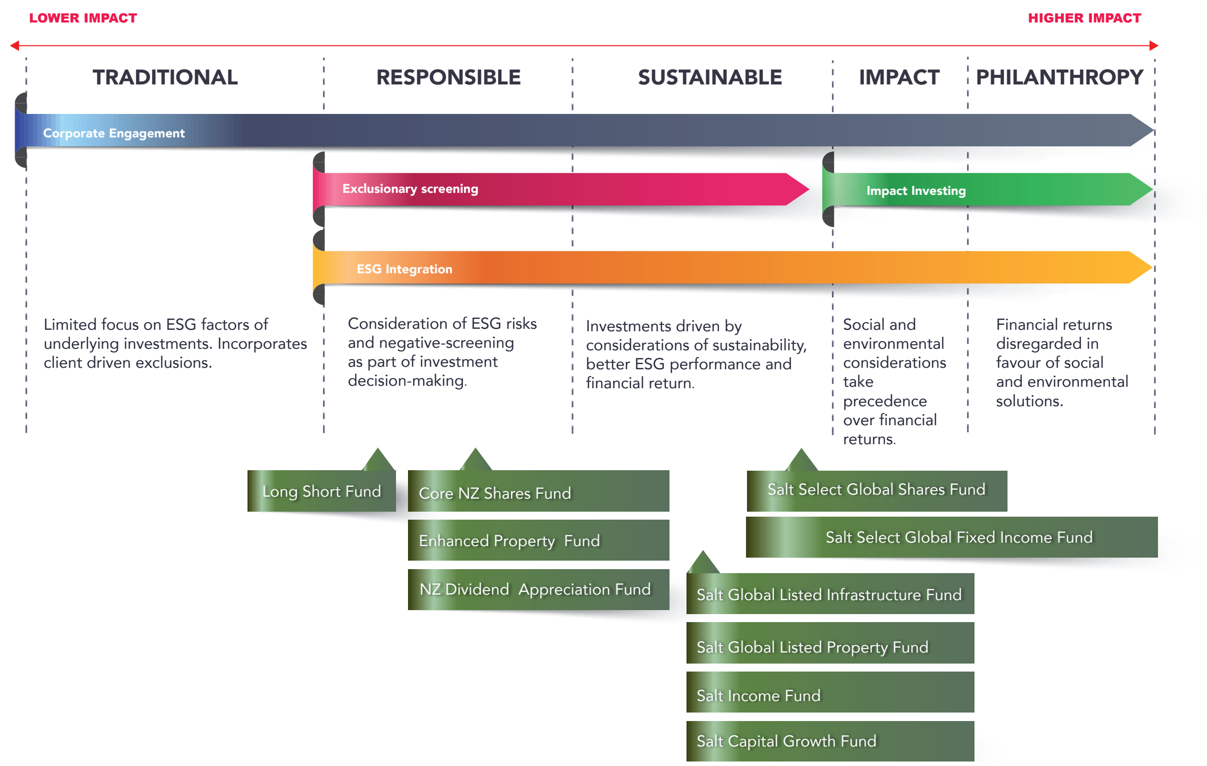
The Paris Agreement is the global agreement on climate change to keep the global average temperature well below 2°C above pre-industrial levels, while pursuing efforts to limit the temperature increase to 1.5°C. Salt supports New Zealand's alignment with the Paris Agreement and the introduction of the Climate Change Response (Zero carbon) Amendment Act to set New Zealand's national targets into law and as such, will see the carbon intensity of Salt's portfolio decrease over time.

In alignment with the Paris Agreement, we are an official supporter of the Taskforce of Climate-related Disclosures and the mandatory implementation in New Zealand, encouraging New Zealand companies to identify and disclose risks associated with possible transition scenarios. We acknowledge each scenario has physical and transitional risks. However, an orderly transition will have the greatest long-term outcome and best position us to meet the net-zero 2050 target and the fast-approaching 2030 milestones.

The Taskforce for Climate-related Disclosures (TCFD) plays a vital role in identifying and communicating the physical and transitional risks within each business and how sustainable each company's strategy is in different transition scenarios.

Salt's Sustainable Investment Spectrum

Responsible investment, including ESG integration, is what we consider the foundation of our responsible investment commitment across all Salt's investment options. We offer a range of funds along the spectrum that give our clients the option of aligning their internal values and requirements with their investments. In addition, Salt is also the manager of the NZX-listed Carbon Fund (CO2.NZ) that actively invests in greenhouse gas emission units generated in New Zealand and Australia.



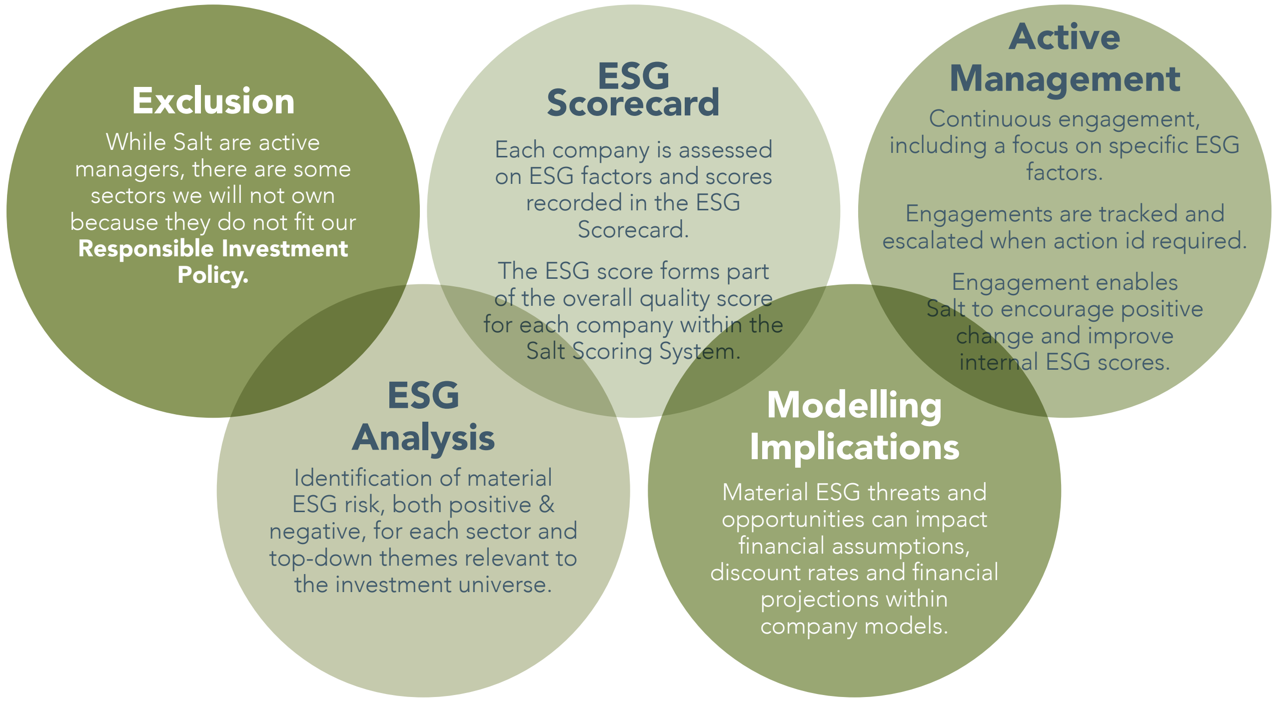
Salt's Responsible Investment Commitments

- We will seek to understand the responsible investment needs of our clients.
- We will reflect public awareness of responsible investment considerations and create responsible investment options by developing and delivering innovative products and services.
- Where consistent with our fiduciary responsibilities and in alignment with the Principles for Responsible Investment (PRI):
-
  a. We will incorporate ESG considerations into our investment analysis and decision-making processes.
  b. We will be active owners and incorporate ESG considerations into our ownership policies and practices.
  c. We will build the Salt team's capacity to understand and assess ESG risks and opportunities and collaborate to enhance our effectiveness in implementing our commitments.
  d. We will report on our activities and progress towards managing ESG considerations and implementing the Principles for Responsible Investment.
  e. We will seek disclosure on ESG considerations by the entities in which we invest.
  f. We will promote acceptance and implementation of the Principles for Responsible Investment within the investment industry.

The full Responsible Investment Policy can be found on the Salt website.

ESG Integration

We believe that superior investment outcomes are achieved when Environmental, Social and Governance (ESG) considerations are integrated into bottom-up research and included in the investment process. ESG is fully integrated into Salt's quantitative and qualitative research using traditional tools like SWOT analysis and, more specifically, assessing the most material risks and opportunities for each industry and, therefore, each company. Information gained through this process impacts our assumptions for specific line items in the company model. In addition, for internally managed funds, Salt analysts determine ESG scores for each company, which is incorporated into the factor score and stock ranking. Salt elects to do this internally to avoid potential inconsistencies from external data.



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As active managers, we look at our entire mandated investment universe to identify attractive investment opportunities to generate sustainable, long-term returns. However, we believe there are some industries that we cannot include in our potential investment universe. As a base level across all of Salt's investment options, we do not hold the securities of companies whose core business activities[1] :

- the manufacture of cluster munitions
- the manufacture or testing of nuclear explosive devices (NEDs)
- the manufacture of anti-personnel mines
- the manufacture of tobacco
- the processing of whale meat
- recreational cannabis
- gambling, and
- the manufacture of civilian automatic and semi-automatic firearms, magazines or parts.

Each client is different and individual clients often determine additional exclusions, which we implement across Salt's investment options. The Sustainable Global Shares Fund reflects changing investor preferences and has additional exclusions including fossil fuels, bulk commodities, gambling, and alcohol, for the full list, visit the Salt Sustainable Global Shares Fund page.

[1] A core business activity is one that accounts for more than 10% of the company's revenue.

ESG scorecard – the good & the bad

Structural & transitory risk evident in ESG scores

- Companies are ranked from 1-5 across 15 categories of ESG. The overall ESG score is weighted towards Environmental & Social given risks in these categories are typically more structural than Governance risks.
- Renewable energy exposures feature strongly on our Environmental scorecard, while demographic trends are supportive for the Healthcare sector's ranking on Social issues.
- Most companies with negative Environmental & Social risks have comprehensive offset initiatives in place. However these are generally very costly, take considerable time to execute & lower the total addressable markets that companies generate revenue from.

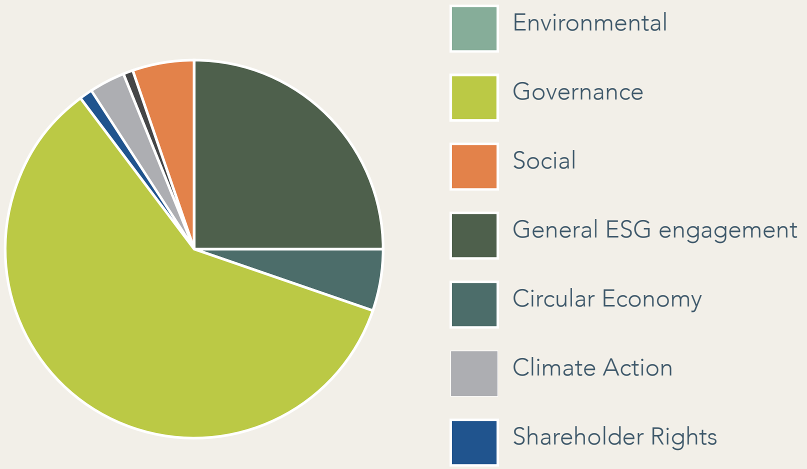
	Environmental	Social	Governance	ESG Score		Environmental	Social	Governance	ESG Score
Meridian	4.0	4.0	4.1	**4.0**	Ryman	2.7	3.5	2.1	**2.8**
Mercury	4.0	4.0	3.9	**4.0**	Orica	2.7	2.5	3.4	**2.8**
F&P Healthcare	3.3	4.3	4.1	**3.9**	Newmont	2.6	2.8	3.1	**2.8**
Contact	3.3	4.0	4.3	**3.8**	Rio Tinto	2.8	2.0	3.6	**2.7**
Brambles	4.3	3.3	3.5	**3.7**	Serko	2.0	3.3	3.0	**2.7**
Resmed	3.2	4.5	3.0	**3.6**	Heartland	2.7	2.5	2.9	**2.7**
CSL	3.0	4.5	3.3	**3.6**	Woolworths	3.0	1.8	3.3	**2.6**
Macquarie	3.7	2.8	4.0	**3.4**	Orora	2.7	2.8	2.4	**2.6**
Next DC	3.6	3.3	3.3	**3.4**	Coles	3.0	2.0	2.9	**2.6**
Seek	3.6	3.3	3.3	**3.4**	James Hardy	3.2	2.3	2.1	**2.6**
Infratil	3.7	3.3	3.0	**3.4**	BHP	2.4	1.8	3.6	**2.5**
Ebos	3.7	3.0	3.3	**3.3**	Treasury Wine	2.7	2.0	2.8	**2.5**
Xero	3.0	3.8	3.3	**3.3**	Air New Zealand	1.7	2.5	2.8	**2.2**
JB Hi Fi	3.2	3.3	3.6	**3.3**	Fletcher Building	2.7	1.5	2.4	**2.2**
Wesfarmers	3.0	3.3	3.8	**3.3**	Sky City	3.0	1.3	2.0	**2.1**

Engagement

Engagement is crucial for Salt as it addresses both ESG and non-ESG aspects, aligning with Salt's Responsible Investment Policy. This engagement addresses risks and opportunities affecting a company's sustainability and shareholder value. Insights from these activities influence investment decisions by adjusting company model assumptions and updating ESG scores, which then impact factor scores, stock rankings, and guide future engagements.

In 2024 Salt undertook 75 engagements on ESG matters including specific environmental, social and governance aspects and general ESG discussions.

ESG Engagement Topics 2024



Escalation

Salt considers that constructive and private dialogue with companies is typically the best approach to positively impact corporate behaviour, ensuring mutual goals of long-term value are met. However, if these engagement efforts don't succeed, Salt might need to pursue further actions based on the engagement's aim. A natural escalation includes additional meetings with management, followed by discussions with the Chair or other board members.

The full escalation strategy can be found in Salt's Engagement Policy.

One tool we have found valuable is communicating to the company Salt's intention to vote against (for) a resolution supported (opposed) by the Board of Directors and our rationale ahead of the board meeting.

In 2024, we did this 10 times – the table below outlines these votes.

Company	Meeting date	Meeting type	Country	Proposal	Voting theme	Management recommendation	Vote cast
Millennium & Copthorne Hotels Ltd	28/05/2024	AGM	New Zealand	To re-elect Kevin HANGCHI as a director	Remuneration and Board Tenure	For	Against
Millennium & Copthorne Hotels Ltd	28/05/2024	AGM	New Zealand	To re-elect Colin SIM as a director	Remuneration and Board Tenure	For	Against
Millennium & Copthorne Hotels Ltd	28/05/2024	AGM	New Zealand	To re-elect Leslie PRESTON as a director	Remuneration and Board Tenure	For	Against
Millennium & Copthorne Hotels Ltd	28/05/2024	AGM	New Zealand	Remuneration for directors be increased	Remuneration and Board Tenure	Abstained	Against
Summerset Group Holdings LTD	24/04/2024	AGM	New Zealand	Fee pool amount payable to Directors be increased	Remuneration and Board Tenure	Abstained	Against
Genesis Energy Ltd	15/10/2024	AGM	New Zealand	That Barbara Chapman Be Re-Elected As A Director Of The Company	Remuneration and Board Tenure	For	Against
Fletcher Building Ltd	23/10/2024	AGM	New Zealand	That Cathy Quinn Be Re-Elected As A Director	Remuneration and Board Tenure	For	Against
NZX	18-Apr-2024	AGM	Virtual	That Lindsay Wright, Be Re-Elected As A Director	Remuneration and Board Tenure	For	Against
NZX	18-Apr-2024	AGM	Virtual	Annual Remuneration Payable To Each Director.	Remuneration and Board Tenure	For	Against
Woodside Energy Group Ltd	24-Apr-2024	AGM	Perth	Climate Transition Action Plan And 2023 Progress Report	Positive outcomes - climate action (mitigation and adaption) and disclosure	For	Against

Engagement activities by our underlying Investment Managers

Morgan Stanley Investment Management ('MSIM') is appointed as the investment manager for the following funds:

- SALT SELECT GLOBAL SHARES FUND
- SALT SELECT GLOBAL FIXED INCOME FUND

MSIM Engagement

MSIM believes ESG-related engagement, when effective, is mutually beneficial as it enables companies/issuers to explain how their approach to sustainability relates to their broader business strategy and allows investors to work closely with companies/issuers on specific ESG issues that they believe pose a downside risk and/or opportunity to the business.

Over the 12 months to 31 December 2024, the MSIM investment teams conducted over 254 engagement meetings on ESG issues.

Number of engagements by the International Equity team on ESG-related topics, in the last 12 months

140 Times MSIM voted against management

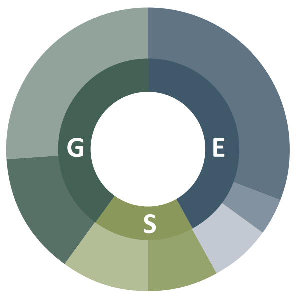
341 Total company meetings

1708 Proposals voted[3]

94 Times MSIM disagreed with ISS recommendations

104 Engagements on ESG issues[2]

Thematic engagements by the Fixed Income team over the 12-month period to 30 June 2024



Decarbonisation & Climate Risk	31%
Circular Economy & Waste Reduction	4%
Natural Capital & Biodiversity	7%
Diverse & Inclusive Business	8%
Decent Work & Resilient Jobs	10%
Corporate Governance	14%
Reporting	26%

Engagement topics addressed by the International Equity team in 2024

MSIM International Equity team engagement examples

Global Quality Select Representative Account

accenture

Executive pay
- Our fundamental issue with Accenture's pay plan is the non disclosure of targets relating to annual bonuses and the operating income portion of its LTIP.
- We asked that the company disclose its targets, even ex post, and flagged our concerns around vesting.
- They noted our concerns an offered a follow up meeting with the chair of the compensation committee.

Content moderation:
- A follow up to a previous engagement on the subject, we learned how the company takes steps to support its employees. The company assured us that the content moderation was a small component of the Communications, Media, and Technology segment.

Responsible use of AI
- Accenture is investing $3 billion in its data and AI practice over the next three years.
- We learned more about the company's strategy around the responsible use of AI, including the appointment of a Chief Responsible AI Officer and is re its research on the topic.
- Accenture estimates that only two to 3% of organisations have well established responsible AI full stop

reckitt

Biodiversity:
Regulation and strategy
- We engaged with the company to discuss its evolving response to EUDR and CSDDD and it's broader biodiversity strategy. We asked them to continue to review their approach to incentivising smallholder farms and abstain from deforestation activities.
- We believe Reckitt has a thoughtful approach to recognising and managing compliance risks and it is mindful of potential trade-offs as alternatives are developed to lessen the dependency on forest-risk commodities.

Plastics
- We also discussed the company's progress on its plastics target, seeking reassurance it is on track to meet its 2025 and 2030 targets. In the medium term, we believe the progress against targets remain challenged, especially if government investment in expanding recycling infrastructure does not materialise.

Abbott

Executive pay
- We voted against Abbott Laboratories pay plan at the 2024 AGM. We engaged to discuss our concerns.
- Two key issues with a plan: (1) the sizable "pay to stay" component in the LTIP, (2) the use of relative TSR as a performance metric, which we believe is sub optimal.
- We encourage the use of performance share units in place of non-performance-linked options and reducing the weight of TSR in favour of metrics linked to companies fundamentals. The company acknowledged our concerns

Engagement Impacting the Fixed Income team Investment Decisions in Action: Avoiding Deforestation and Human Rights Risk

Background

In Q2 2024, we engaged with a chocolate manufacturer as part of their pre-issuance roadshow for a conventional bond. The fundamental credit and ESG research analysts had identified some financially material ESG risks, and aimed to specifically engage on:

- The company's large upstream risk on human rights, including child labour in West Africa; and,
- Potential sourcing from a palm oil producer flagged for alleged deforestation in the Indonesian rainforest.

Issuer Response

The company responded to our questions post-meeting.

We questioned company representatives on the escalation, audit, and monitoring processes in place to tackle the high volume of reported cases of the use of child labour by cocoa suppliers. The company noted that they rely on suppliers to conduct their own human rights impact assessments and may assist them in developing human rights impact and grievance mechanisms. No proper explanations were provided on the volume of misconduct, escalation process, and remediation mechanisms available to the victims, and affected communities.

On the issue of deforestation, our team asked the company for details on their engagement with the palm oil supplier accused of deforestation. The company noted they do not source directly from this supplier and have commissioned an independent assessment of all the palm oil mills they source from globally. However, the company had not yet imposed a suspension on Tier 1 suppliers who source from the high-risk identified upstream supplier and are engaging with them currently to obtain more details of the allegations.

Our fundamental credit and ESG research analysts found that whilst the deforestation controversy appeared to be addressed to a sufficient level, the risk of child labour and human rights abuses appeared to be ongoing. The company faces significant NGO scrutiny, and our analysts noted this could present future regulatory risk due to upcoming EU requirements to identify and address adverse human rights and environmental impact within the supply chain.

Outcome

As a result, we passed on the deal, with the engagement having a negative impact on our investment view of the company. The response from the company highlighted the presence of financially material ESG risk, which our team sought to avoid. Our analysts are continuing to monitor the company and maintain open avenues for discussion. Recently, our ESG analyst attended a webinar hosted by the company on their approach to the EU Deforestation Regulation.

Cohen & Steers is appointed as the investment manager for the following funds:

- SALT GLOBAL LISTED INFRASTRUCTURE FUND
- SALT GLOBAL LISTED PROPERTY FUND

CNS Engagement

C&S typically engage with portfolio companies, regulators, public policymakers, underwriters and industry organisations to address issues such as:

- Environmental and social practices that could result in reputational and financial risk or enhance business operations. These commonly include topical issues such as climate change risk, human capital management, diversity and inclusion and community impact.
- Governance issues, which include corporate governance structure, board composition and director independence, as well as:
  - Capital structure and allocation decisions
  - Compensation practices
  - Protection of shareholder rights
  - Improved transparency and disclosure
  - Weak or disruptive government and regulatory interventions

C&S believes ESG integration contributes to unlocking value and mitigating risk

ASSESS

- Identify and **assess key ESG factors** based on industry and company knowledge and market standards
- Analysts **determine** material ESG factors which can vary by sub-sector by reviewing MC is I and other key sources as a guide
- **Determine** each key issues contribution to the overall ESG rating

SCORE

- Determine **ESG scores** for each company in investable universe
- **Review MSCI** key issues scores
- Consistently apply **internal ESG scoring scale**
- **Enhance** through propriety ESG assessments
- Companies are analysed **relative to peers**
- Scores **assessed** on an ongoing basis
- Weights of E, S and G **can vary** by sub-sector

Key sources:

- Company filings
- MSCI, Bloomberg data
- Institutional Shareholder Services Inc (ISS)
- Engagement with management teams regulators and government representatives

INTEGRATE

Integrate **ESG scoring analysis** into company estimates and valuation

- **Reflect costs ,risk and opportunities** in financial projections, performance sensitivity analysis
- **Adjust discount rates** for particularly high risks (e.g. governance and social issues)

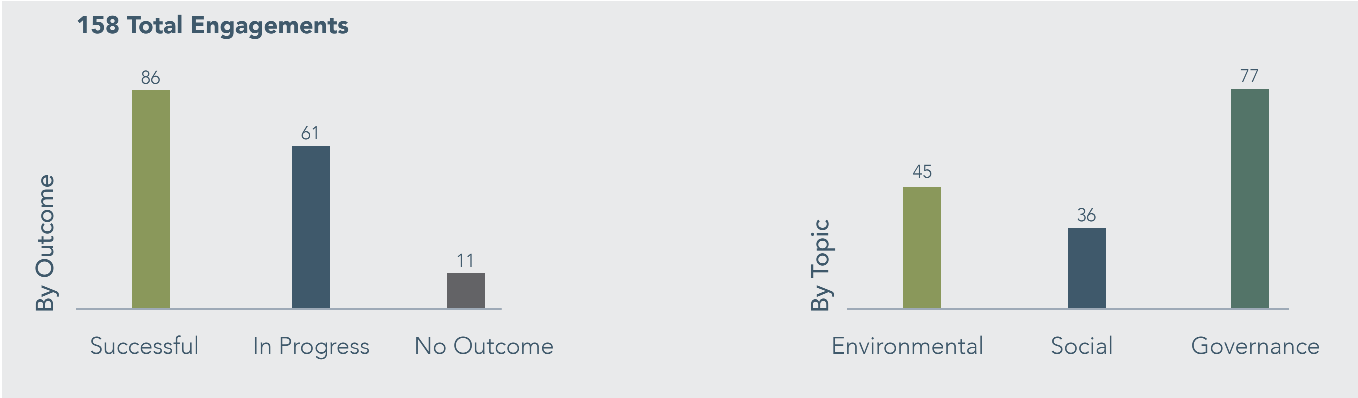
ENGAGE

- **Engage** positive change
- **Promote ESG policies** that will ultimately increase shareholder value
- **Continue, track and plan** direct engagement
- **Support** shareholder resolutions and proxy voting
- **Promote** industry best practises
  - PRI Signatory
  - UK Stewardship Code
  - Member of the Global Listed Infrastructure Organisation (GLIO)
  - Member of the Technical Group for GRESB Infrastructure
  - Member of the Energy Infrastructure Council

CNS engagement examples

Company Name	Engagement Comment	Engagement Factor	Engagement Objective	Date of Engagement
Company A	Met with executives on several occasions to discuss the de-leveraging strategy and long-term capital allocation framework, including maximising asset sale value. Due to management credibility gaps and lack of capital discipline historically, we established clear red lines with the CEO/ CFO around capital discipline.	Governance	Influence decisions that promote responsible behaviour.	Actively throughout 2023
Company B	Urged management to accelerate safety and reliability spending. This was done following discussion with the company's regulator (Chair of the state Public Service Commission), who would like to see more transmission investment. We are supportive of the regulators view and think more transmission would be constructive for both customers and shareholders. We expect the company to add transmission CapEx to their plan with fourth quarter results.	Social	Influence decisions that promote responsible behaviour.	November 2023
Company C	Engaged with the operations team to assist wildfire risk management. Only a small portion of the service area is categorised as high-risk, and a significant percentage of lines in that area are fortified with underground or steel structures. The company has also implemented a Public Safety Power Shutoff (PSPS)plan to mitigate risk. Although the company is deemed lower risk compared to peers, addressing wildfire risks remains critical for long term resilience.	Environment	Improve disclosure/ transparency.	April 2024
Company D	Met with senior leadership to discuss the companies plan to introduce hydrogen and hybrid trains into their network to reduce greenhouse gas emissions. The conversation covered the impact of evolving regulatory policies on the adoption of lower-emission technologies. Expressed support for these initiatives, highlighting the potential for improved operational efficiency by reducing fuel consumption. Additionally, these advancements are expected to attract more customers in the transportation sector increasingly prioritises reducing carbon footprints, with rail offering a lower carbon alternative to trucking.	Environment,	Improve disclosure/ transparency.	September 2024

2024 ESG engagement activity and outcome



	Environment	Social	Governance
Real Estate	15	15	33
Natural Resources	1	1	2
Global Listed Infrastructure	20	13	28
Preferred	9	7	14

Implement implementation and tracking

- The decision to engage is **driven by our investment professionals'** determination of what will maximise shareholder value over the long term.
- **Portfolio managers and research analysts** lead these engagements, using company filings, sustainability reports, and both Pty and 3rd party ESG research and models.
- **Engagements are tracked** in our in-house engagement platform enabling analysts to document the specifics of each engagement, including the **topic, objectives, outcomes, possible escalation activities, and subsequent steps.**

Proxy Voting

Voting is a valuable tool in Salt's engagement process, including the escalation strategy, as we strive to make our vote count in prompting change within a company. Our Proxy Voting Policy is designed to reasonably ensure that proxies are voted in the best interests of those clients who have authorised us to address these matters on their behalf. Salt's policy is to vote on all company resolutions as appropriate, where it has the voting authority and responsibility to do so.

Our guiding principles in performing proxy voting are to make decisions that:

- favour proposals that have the potential to maximize a company's shareholder value, and
- are not influenced by conflicts of interest, or
- in contravention of our stance on ESG factors.

Salt has a Proxy Voting Policy available on its website and supports its stewardship efforts.

We have included these on the Salt Website, along
We have included these on the Salt Website, along with detail on the resolutions voted on in 2023. We will continue to do this each year.

In the instance Salt votes against company recommendations, the rationale is communicated to the company and a key part of Salt's commitment to stewardship. Depending on the scenario, Salt can engage at different stages of the AGM:

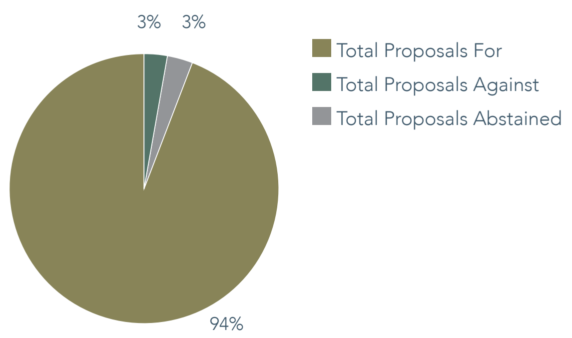
- **Pre-AGM** – we can communicate our views ahead of a vote to allow the company the opportunity to integrate concerns and adjust proposals accordingly.
- **AGM** – when we decide to abstain or vote against a vote, we can provide our rationale at the AGM, sharing our views publicly.
- **Post-AGM** - following the AGM, we can engage directly with the company's management team or its board on specific issues of concern and the rationale for voting against or abstaining.

Salt's external managers are required to vote on Salt's behalf and report voting activity periodically throughout the year.

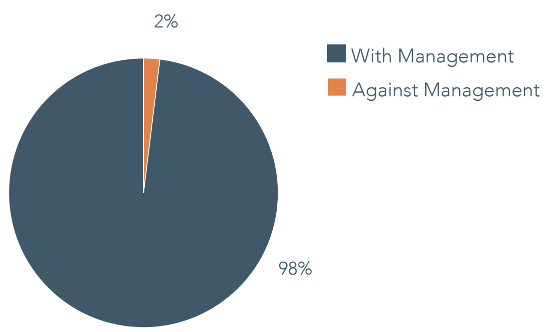
Summary of Votes 2024

Salt's Proxy Voting Policy is available on its website.

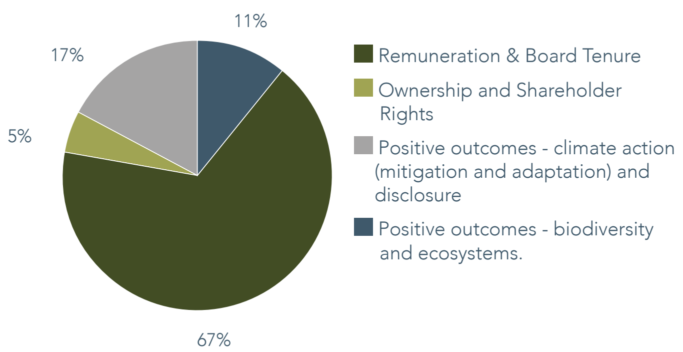
Total Proposals 2024



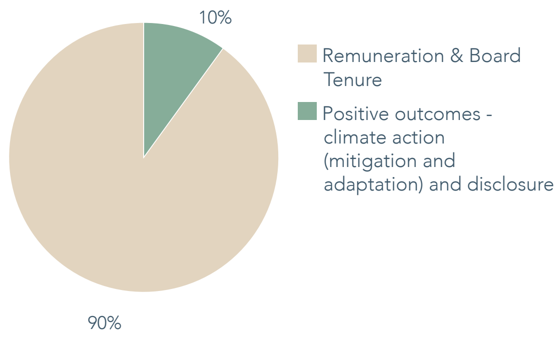
Management Recommendations 2024



Breakdown of votes against 2024



Breakdown of votes against management 2024



Morgan Stanley Investment Management's Voting

As long-term investors with an owner's mindset, MSIM value the role that proxy voting can play in enhancing long-term investment returns – and the increased attention paid to it by company boards and management. This means MSIM do not outsource proxy voting decisions and never have.

MSIM's voting seeks to be consistent with their assessment of the materiality of specific issues (ESG or other) to the sustainability of companies' returns on capital, their monitoring of company progress, and their efforts to encourage companies towards better and/or more transparent practices.

MSIM has been a signatory of the Stewardship Code since 2021 and continues to be a long-term supporter of its principles. The UK's Financial Reporting Council (FRC) defines stewardship as "the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society."

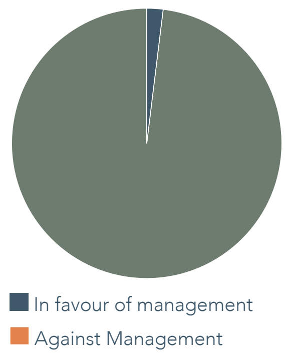
Voting in 2024

In the 12 months to 31 December 2024, the team voted at 96 meetings (100% of all meetings held by its companies) and on 1,708 proposals (100% of all votable proposals). Common reasons for voting against management were related to executive compensation, election of directors and shareholder ESG proposals.

Proxy Voting Overview

(12 months from 01/01/2024 to 31/12/2024)

% total number of meetings held:	96 (100%)
% total proposals voted:	1708 (100% of all proposals)
% votes against management as a proportion of resolutions:	8%
% meetings with at least one vote against management:	70%



Cohen and Steer's Voting

Proxy Committee

- C&S believe stewardship of their clients' capital is essential to their role as an active asset manager and fiduciary. C&S is committed to responsible investing, as part of their fiduciary obligation to help their clients achieve their long-term investment objectives. Proxy voting policies help promote shareholder interests while also taking into consideration ESG issues. C&S also take an active approach to equity ownership rights and responsibilities, following the principles of the UK Stewardship code.

Approach to voting

- C&S take a rigorous approach to their proxy voting responsibilities over client securities. Clear policies and their Proxy Committee aim to make consistent voting decisions that are in their clients' best interests while also considering complex and controversial ESG issues.

Proxy decisions

- Voting reflects effort to protect shareholders' long-term economic interests and taking ESG factors into consideration
- We engage with companies to better inform our decisions

Voting in 2024

For both Salt accounts, voting details for 2024:

- Total number of votes: **1,819**
- Votes in favour of management: **1601**
- Votes Against management: **142**
- Instructed "Do not vote" or "Abstain": **76**

Breakdown by topics:

- Environmental: 21
- Governance: 1783
- Social: 15

Commitments

RIAA - Responsible Investment Leader 2024

Salt is recognised as a Responsible Investment Leader 2024 by the Responsible Investment Association Australasia (RIAA). The 2024 benchmark report is available on this ***link***. This acknowledges our commitment to responsible investing; our explicit consideration of environmental, social and governance factors in investment decision making, our strong and collaborative stewardship; and our transparency in reporting activity, including the societal and environmental outcomes being achieved.

Disclaimer: Salt is not a member of RIAA

Aotearoa NZ Stewardship Code

The inaugural Aotearoa New Zealand Stewardship Code was introduced in 2022 as a framework consisting of nine core principles governing the incorporation of effective stewardship within the investment process. As a founding signatory, Salt is a proud supporter of the code and is committed to continuously improving our capital allocation and governance practices to contribute towards sustainable ESG outcomes.

Task Force on Climate-related Financial Disclosures (TCFD)

The TCFD introduced recommendations for climate-related financial disclosure to support informed capital allocation by improving the quality of information disclosed by companies that is essential in assessing their climate-related risks and opportunities. Salt is a signatory of these recommendations and supports the TCFD's goals of encouraging their widespread adoption and improving market transparency.

Principles for Responsible Investment (PRI)

Signatory of:

The Principles for Responsible Investment were introduced by the United Nations in 2006 as a framework for incorporating ESG considerations into investment decision-making and ownership. As a signatory of these principles, Salt is required to report on the responsible investment activities that form part of the investment process and is assessed on an annual basis. These actions demonstrate Salt's commitment to the development of an economically efficient, and more sustainable global financial system.

The following 'scorecard' presents a summary of Salt's publicly available transparency report reviewing our responsible investment practices for 2024.

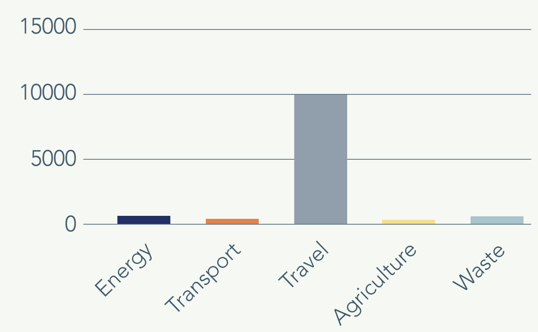
Module	Score
Policy Governance & Strategy ★★★★★	92%
Direct – Listed Equity – Active fundamental ★★★★★	96%
Direct – Hedge Funds – Long/short equity ★★★★★	91%
Confidence building measure ★★★★	100%

Salt's Carbon Footprint

In 2023, Salt's estimated carbon footprint came to 10,362kg of CO_2-equivalent (CO_2e) for the year, a net increase of 5,633kg on 2022. This increase was almost entirely attributable to an increase in air travel undertaken by members of the Salt team, which increased 5,545kg to a total of 9,125kg in 2023. This carbon footprint was generated using the tools made available by the Carbon Neutral NZ Trust. Their methodology incorporates Salt's voluntary disclosure of Scope 1 & 2 CO_2 emissions produced through different activities of the business, such as energy use, transport, travel, and waste production[2]. Any activities resulting in the sequestration of CO_2 are also considered and subtracted from the final total emissions figure for the business.

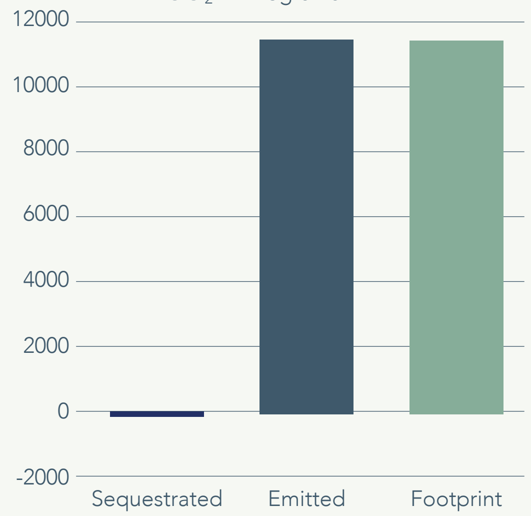
Salt Emissions - 2024

CO_2 in Kilograms



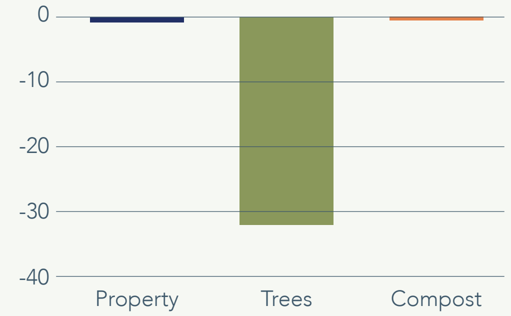
Salt Carbon Footprint - 2024

CO_2 in Kilograms



Salt Sequestrations - 2024

CO_2in Kilograms



Disclaimer: This is a net carbon footprint for Salt Funds Management at an organisational level and excludes the funds that we are the investment manager for. These results have been internally generated and have not been independently verified.

In an effort to measure and track the Scope 3 emissions produced by Salt's various investment portfolios, an internal process is currently being developed to calculate their unique carbon footprint. This process is underpinned by the effective engagement with individual listed companies that are constituents of each portfolio, as well as the utilisation of any publicly available ESG information they provide. We are also investigating the suitability and use of certain 3rd party emissions data providers as part of this process, which will significantly enhance the quality and accuracy of our carbon disclosures in the future.

2. Carbon Neutral NZ Trust

Salt Philanthropy

Through partnerships and sponsorships, Salt has been an active supporter of a number of organizations that align with specific United Nations Sustainable Development Goals.

3 GOOD HEALTH AND WELL-BEING

ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

The **Auckland Rescue Helicopter** has been saving the lives of New Zealanders for the last four decades and continues to help those requiring time-critical aeromedical care all over the country.

14 LIFE BELOW WATER

CONSERVE AND SUSTAINABLY USE THE OCEANS, SEA AND MARINE RESOURCES FOR SUSTAINABLE DEVELOPMENT

The **New Zealand Antarctic Society** aims to support the protection of the Antarctic environment and promote New Zealand's interests by creating awareness through the collaboration of those interested in the Antarctic region.

NEW ZEALAND ANTARCTIC SOCIETY

15 LIFE ON LAND

PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS

The **Great Green Wall** is an African-led initiative that aims to grow a natural flora-based belt spanning the width of the continent to aid those experiencing the direct impacts of climate change.

GREAT GREEN WALL