

SUSTAINABILITY REPORT 2023



SALT
Funds Management

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Letter from the Managing Directors

We are proud to release our 2023 Sustainability Report.

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, particularly as we consider global efforts to meet the Sustainable Development Goals, along with our three simple responsible investment objectives (do no significant harm, encourage and support companies to do better, and where possible, do good). As such, in August 2023, Salt added 'gaming' to the list of core business activities that Salt will not invest in. You can find our updated [Responsible Investment Policy on this link](#).

For the 2023 United Nations-sponsored Principles of Responsible Investment (PRI) survey, Salt improved its scores across all modules – receiving 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. We have included more detail on the PRI and Salt's performance later in the report.

For the third year in a row, Salt has been recognised by the Responsible Investment Association Australasia (RIAA) as a Leader in the Responsible Investment field in 2023. 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).

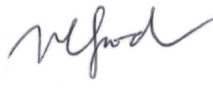
As a founding signatory of the Stewardship Code Aotearoa New Zealand, Salt is committed to the nine principles of the code, which you can [read about on this link](#). Principles four and five of the code are "be engaged" and "vote responsibly" respectively. As such we have included more details in this report on engagements and voting by us and our underlying investment managers.

Salt has appointed two external managers, Morgan Stanley Investment Management and Cohen & Steers, to manage our global investments. Alignment with Salt's values and investment beliefs was a key part of the due diligence process when selecting both MSIM and C&S. We have included some statistics and examples of engagement from 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](#).

At time of writing, the majority of entities have released their mandatory Climate Statements for the inaugural reporting period in New Zealand. The Financial Markets Authority have stated that they are taking a constructive and educative role in the early stages of implementation, then shifting to supporting the development of best practice. 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 quality to improve over time as more and more entities disclose their emissions data.

Across the Tasman in late August, Australia's Senate passed legislation marking the beginning of a new mandatory climate disclosure regime from 2025. It is expected that over 6,000 Australian entities will be required to report by 2030, and it is likely that New Zealand subsidiaries of these Australian entities will also be captured by the regime, creating a reporting obligation.

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



Kirsty Campbell
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



Nicholas Falconer
Senior Analyst



Neal Burghardt
Senior Analyst



Kelley Videbeck
Accounts Administrator
and Compliance Officer



Claire MacRae
Investment Operations
Analyst



Jasper Struwig
Investment Analyst

2023 Sustainable Highlights

LEADER



RIAA Responsible Investment
Leader 2023

FOUNDER



Founding signatory
of the Aotearoa New Zealand
Stewardship Code

Who are UN PRI?

The PRI is the world’s leading proponent of responsible investment. It works:

- to understand the investment implications of environmental, social and governance (ESG) factors;
- to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

The PRI acts in the long-term interests:

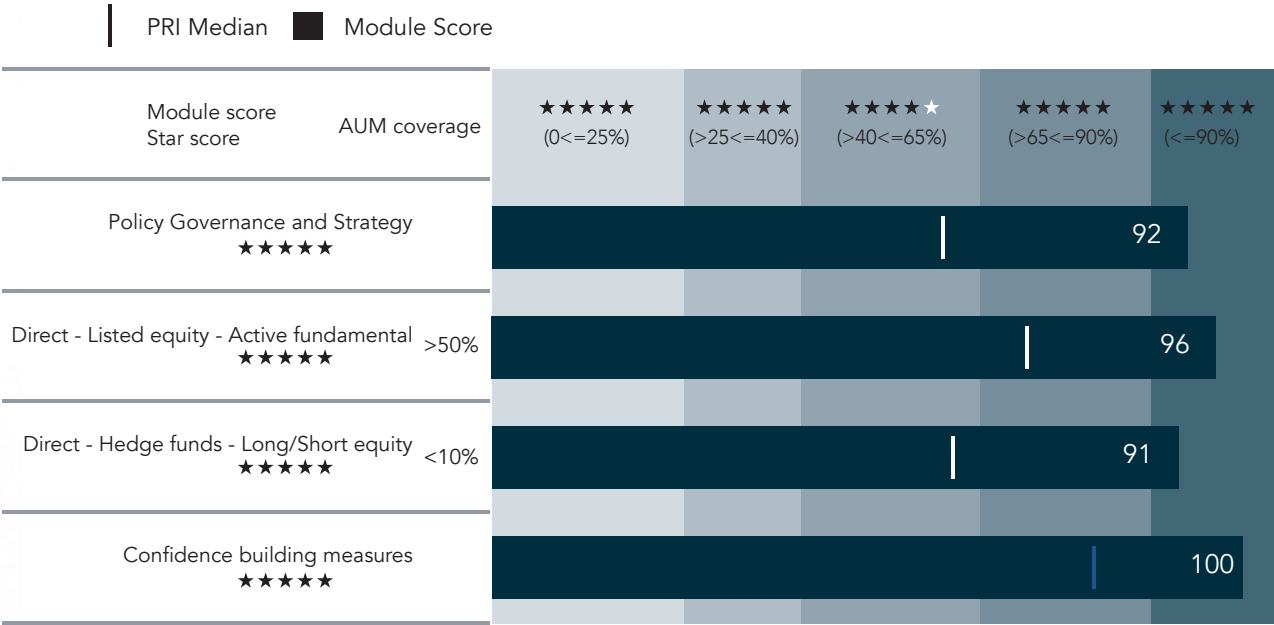
- of its signatories (Salt is a long-term signatory to the UN PRI);
- of the financial markets and economies in which they operate;
- and ultimately of the environment and society as a whole.

The PRI is truly independent. It encourages investors to use responsible investment to enhance returns and better manage risks, but does not operate for its own profit; it engages with global policymakers but is not associated with any government; it is supported by, but not part of, the United Nations.

Read more about their work: supporting responsible investors, to create sustainable markets, that contribute to a more prosperous world for all:

- [2024-27 strategy](#)
- [Annual report](#)
- [PRI brochure](#)
- [Blueprint for responsible investment](#)

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

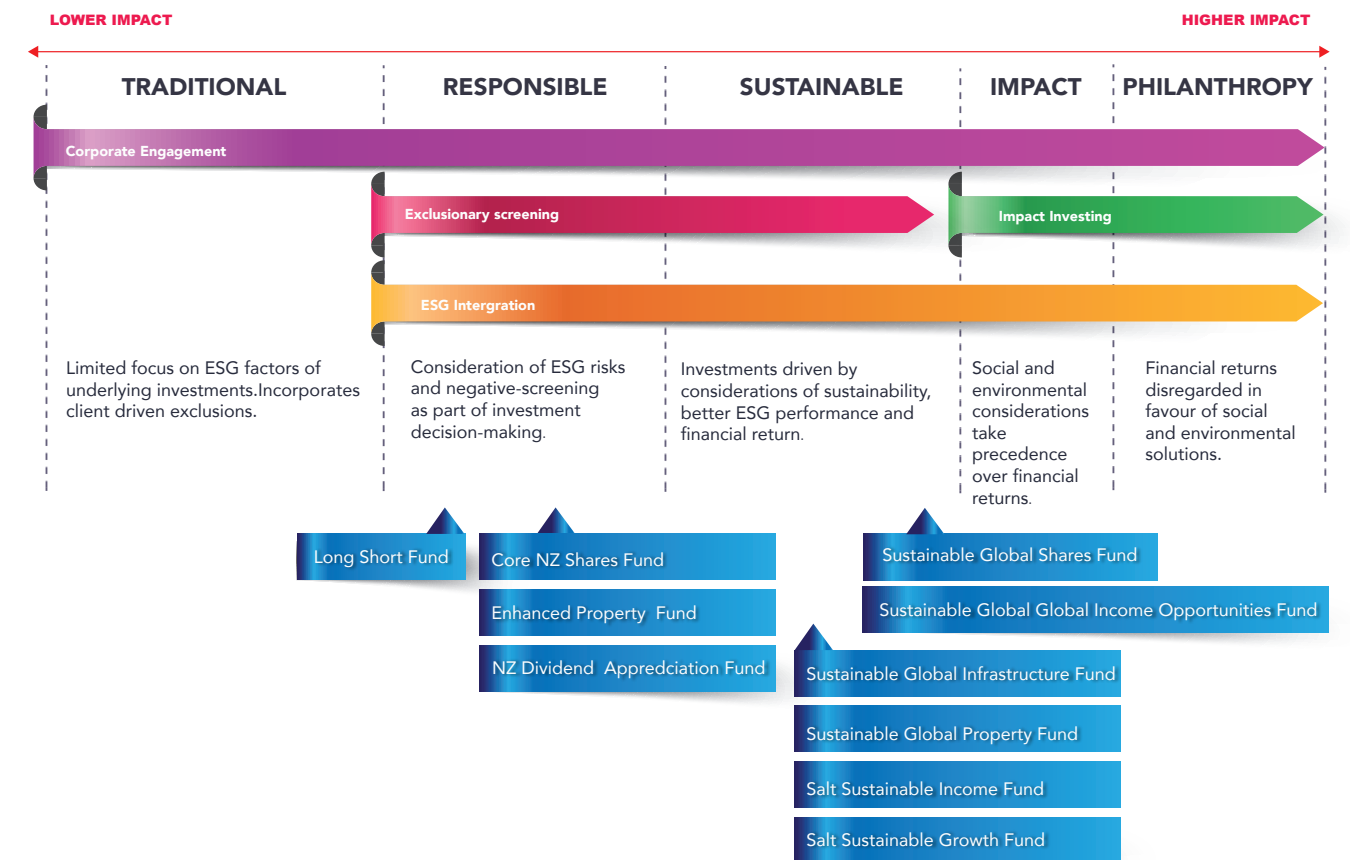
New Zealand, encouraging New Zealand companies to identify and disclose risks associated with possible transition scenarios. We acknowledge each scenario has physical and transitional risks. However, an orderly transition will have the greatest long-term outcome and best position us to meet the net-zero 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 sustainability 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):
 - We will incorporate ESG considerations into our investment analysis and decision-making processes.
 - We will be active owners and incorporate ESG considerations into our ownership policies and practices.
 - 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.

- We will report on our activities and progress towards managing ESG considerations and implementing the Principles for Responsible Investment.
- We will seek disclosure on ESG considerations by the entities in which we invest.
- 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.

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 :

- 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
- gaming, 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.

As part of Salt's ESG integration, we also engage with each client on their specific ESG requirements and develop key processes to ensure compliance is achieved.

In 2023, we were pleased to formalise a Climate and Sustainable Investment Action Plan for one of our clients. This plan carefully details our long-term GHG emission reduction and portfolio alignment targets out to 2050, including key methodologies and portfolio construction approaches to help us achieve these targets. Specifically, our approach incorporates detailed analysis of each portfolio constituent's Climate Change strategy and operational targets, largely focusing on those related to decarbonisation and the abatement of GHG emissions. Identifying company-specific targets as well as progress against key milestones through proactive or reactive engagement informs the ESG score we ascribe to each company within our coverage universe and represents an important factor in our proprietary stock-ranking methodology. Salt's portfolio managers are informed of any changes in ESG scores and following detailed discussion, may incorporate these considerations into their portfolio construction decisions that align with those targets detailed in the action plan. Ultimately, this approach will aim to achieve a linear reduction in absolute GHG emissions of a portfolio by a predetermined level relative to a 2019 baseline.

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

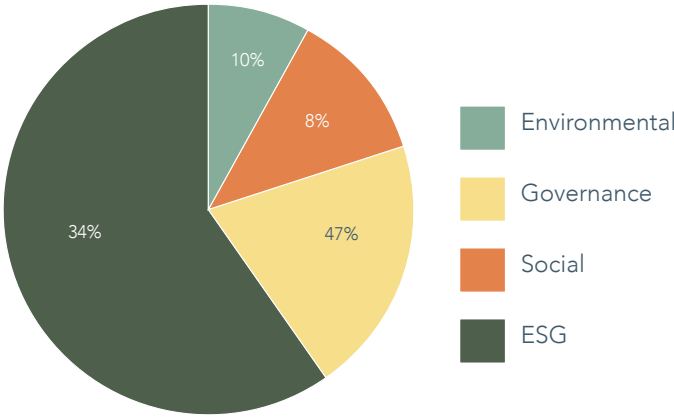
Stewardship

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 2023 Salt undertook 122 engagements on ESG matters including specific environmental, social and governance aspects and general ESG discussions.

ESG Engagement Topics 2023



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.

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 2023, we did this 6 times – the table below outlines these votes.

Example engagements of above:

The full escalation strategy can be found in [Salt's Engagement Policy](#).

Company	Meeting date	Meeting type	Country	Proposal	Voting theme	Management recommendation	Vote cast
Chorus Ltd	8/11/2023	Annual	New Zealand	To amend the constitution	Remuneration and Board Tenure	For	Against
Chorus Ltd	8/11/2023	Annual	New Zealand	Climate Risk management	Remuneration and Board Tenure	For	Against
Red 5 Limited	12/04/2023	Annual	Australia	Election of Director - Kerry Elizabeth Schott	Governance (long-term plan, ESG integration, quality disclosures, leadership)	For	Abstain
Superloop Ltd	16/10/2023	Annual	Australia	Election of Director - John Carl Pollaers	General engagement (no specific topic)	For	Against
Lotus Resources Limited	26/11/2023	Annual	Australia	Election of Director - Christine Francis Holman	Remuneration and Board Tenure	Abstained	Against

Engagement activities by our underlying Investment Managers

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

- SALT SUSTAINABLE GLOBAL SHARES FUND
- SALT SUSTAINABLE GLOBAL FIXED INCOME OPPORTUNITIES FUND

MSIM Engagement

Over the 12-month period from July 2022 to June 2023, the MSIM investment teams conducted over 160 engagement meetings with selected bond issuers, continuing to focus on the theme of decarbonisation and adoption of science-based emissions reduction targets. Nevertheless, macroeconomic issues such as the Russia-Ukraine conflict and its implications for energy security, inflationary pressures and the rising cost-of-living around the world led to a growing focus on social inclusion, labour & human rights, and good governance.

Engagements

80% of holdings engaged with across all strategies

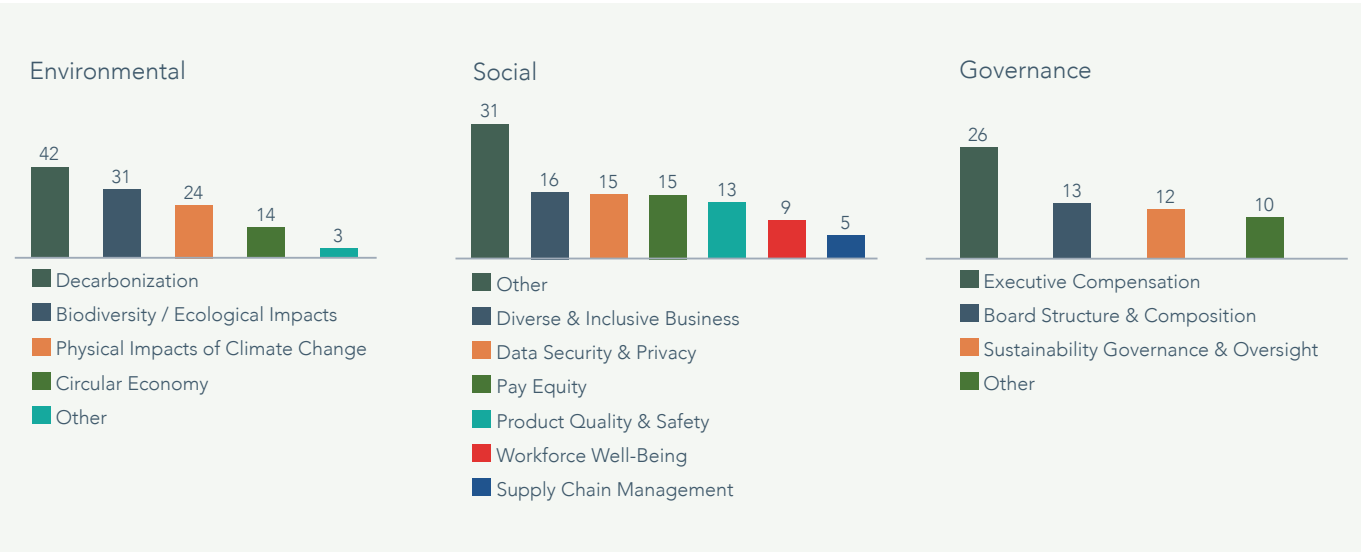
100% of engagements conducted by investment team

31% of engagements included discussions on ESG-related topics

57% of ESG engagements included discussions on social topics

13% of ESG engagements included discussions on governance topics

Topics addressed during 2023 engagements



MSIM engagement examples



Data accuracy and financial inclusion

TOPIC	Incorrect credit report data can hamper access to credit. Such errors are under increasing scrutiny from regulators and other stakeholders focused on financial inclusion.
FINANCIAL MATERIALITY	Inaccurate data presents a product risk for companies producing credit rating reports, including litigation, regulatory and reputational risk. Investor trust in the accuracy of reporting is key; disclosures can help to reassure investors that errors are being effectively managed.
IN THIS ENGAGEMENT	During the engagement in Q4 2023 they were pleased to learn that the company has started publishing data on the accuracy of its credit reports, in line with the suggestion at the engagement meeting in Q2 2023. They believe this will provide greater transparency over the litigation, regulatory and reputational risks of inaccurate data. They also asked the company to report historical data to enable investors to assess progress.



Diversity, equity and inclusion

A strong approach to DEI can help attract and retain top talent regardless of backgrounds and creates an inclusive culture.
They consider DEI to be both a potential financially material risk and opportunity, particularly for software businesses where people and culture are key to performance.
With the company having narrowly missed its target to have 30% women in management positions by the end of 2022, they met with the Chief Diversity & Inclusion Officer to better understand SAP's strategy and targets. As well as asking them to meet the 30% target by the end of 2023 and to set new but realistic DEI targets, they encouraged SAP to clearly communicate the financial benefit of DEI to investors.

Source: MSIM. Provided for information purposes only and should not be deemed as a recommendation to buy or sell securities mentioned.

An Engagement Case Study by MSIM - Spotlight: Carbon Emissions

MSIM met with a multinational major appliance and consumer electronics corporation to further investigate the company's carbon commitments. The company has identified potentially financially material climate change-related risks to its business, including increased costs due to rising carbon prices, incremental regulation, and extreme weather event mitigation efforts. Additionally, they consider efforts to reduce carbon emissions as an opportunity, with the development of energy efficient technology leading to a reduction in energy expenses. The company has committed to achieving company-wide Net Zero carbon emissions by 2050 for its Scope 1 and 2 emissions; MSIM wanted to delve deeper into how they plan to do this, particularly given the issue of high global warming potential (GWP) fluorinated compounds used in semiconductor manufacturing. MSIM also wanted to encourage setting a Scope 3 target, given the company's Scope 3 emissions are about 8x larger than its Scope 1 and 2 emissions.

In terms of carbon reduction pathways, they explained that they are focusing on expanding the installation of their new proprietary technology designed to treat process gases from semiconductors more efficiently, lessen air pollutants and reduce overall GHG emissions. Their Carbon Capture Research Institute, established in 2021, is also working on decarbonising technologies for their semiconductor manufacturing sites. Regarding setting a Scope 3 target, they are actively investigating this: in 2022, they launched a task force to "get Scope 3 right", which included improving Scope 3 calculation methods and completing a third-party audit. They are considering targets, they said, but given their very different business divisions – devices and memory– they may need to set division-specific targets, beginning with an SBTi (Science Based Targets initiative) target for their devices business before turning their attention to memory.

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

- a. SALT SUSTAINABLE GLOBAL LISTED INFRASTRUCTURE FUND
- b. SALT SUSTAINABLE GLOBAL LISTED PROPERTY FUND

CNS Engagement

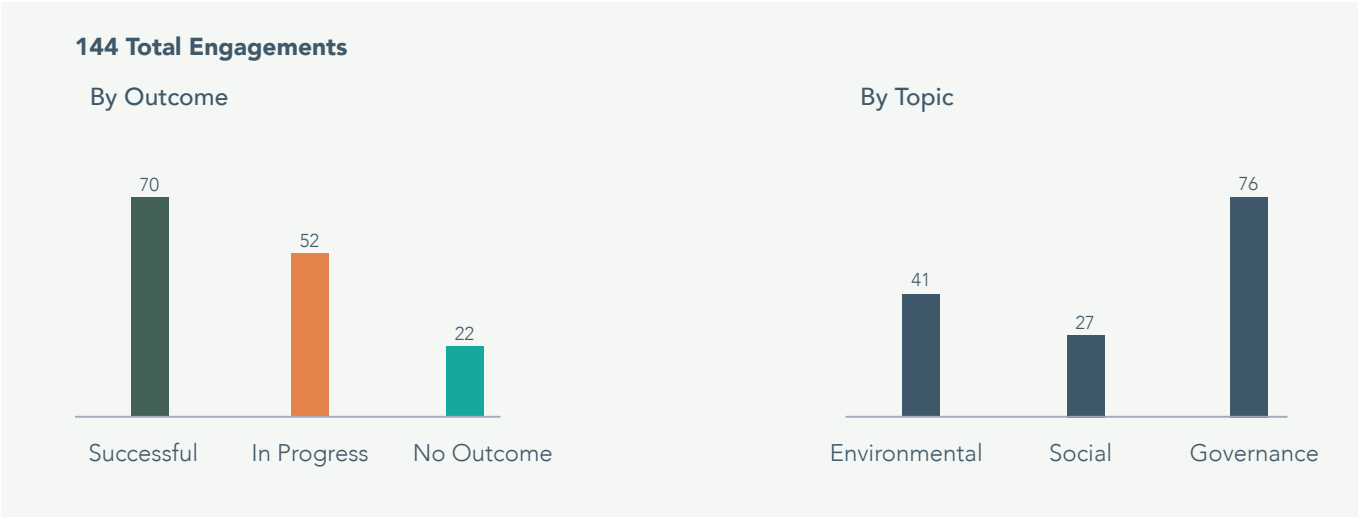
Cohen & Steers typically engage with portfolio companies, regulators, public policymakers, underwriters and industry organizations to address issues such as: environmental and social practices that could result in reputational and financial risk or enhance business operations. These commonly include 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

CNS engagement examples

Company Name	Engagement Comment	Engagement Factor	Engagement Objective	Date of Engagement
Company 1	Annual engagement opportunity with management, following the companies corporate responsibility report. We discussed the new 2030 environmental and social targets. Focal points were water reduction and climate risk.	Environment, Social, Governance	Improve Disclosure/ Transparency	22/09/2023
Company 2	Attended group meeting with Head of Environmental Sustainability and Head of Social Sustainability. Discussed embodied and operating carbon targets and progress and strategies to meet targets.	Environment, Social, Governance	Influence decisions that promote responsible behaviour	26/06/2023
Company 3	Met with company to discuss 3 specific areas where they could advance the analysis and disclosure, namely environmental efficiencies (as a sizable portion of their portfolio consists of old buildings), progress towards decarbonization and undertaking physical risk analysis.	Environment, Governance	Influence decisions that promote responsible behaviour	10/03/2023
Company 4	Meeting with independent Chairman and other independent Board members. Key discussion items were progress made on sustainability initiatives and carbon reduction goals, greater remuneration alignment for senior management and the need for board oversight of employee engagement and oversight of broader business risks.	Environment, Social, Governance	Change or implement practices in line with best ESG standards	14/12/2023

2023 ESG engagement activity and outcome



	Environment	Social	Governance
Real Estate	17	17	36
Natural Resources	1	0	2
Global Listed Infrastructure	19	8	30
Preferred	4	8	2

Definition

CNS defines engagement as interactions to influence or change a portfolio company's ESG practises that may have a material impact on the company's ability to preserve or grow its economic value.

Global Engagement Policy reflects recent enhancements on approaches including escalation.

How we engage

- Individual engagement** - direct dialogue with senior management or board members advocating for sound ESG principles that we believe help optimise investment performance.
- Collaborative engagement** - dialogue with industry groups, underwriters, regulators, public policymakers and others to promote stakeholder alignment and enhance long-term total return.
- Proxy voting** - decisions take ESG factors into consideration and seek to protect clients' long-term interests.
- Industry advocacy** - i.e. memberships with PRI, GRESB, EPRA, APEREA, NAREIT, GLIO, MLPA, etc.
- Escalation** - when desired outcomes or earlier forms of engagement are inadequate, we can escalate the matter through various means, such as but not limited to: collaborative engagement after ineffective individual engagement, public disclosure of concerns, legal action, divestment.

Why we engage

- Refine investment decisions** - to understand risks and opportunities and adjust proprietary valuations.
- Engage positive change** - to promote ESG policies that will ultimately increase shareholder value.

Tracking

- Respond to consultant/prospect/client requests** - internal tool allows us to quantify number and type of interactions, track outcomes, and give clear examples.
- Support CNS response to external assessments such as PRI** - topics such as how often we engage, on what issues, how successfully they were.
- Accountability** - to hold both ourselves and companies accountable for outcomes.

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 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:

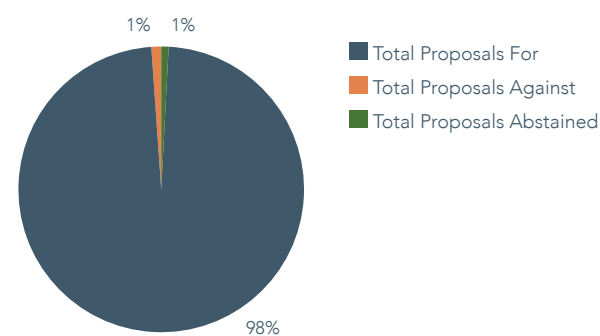
- **Pre-AGM** – we can communicate our views ahead of a vote to allow the company the opportunity to integrate concerns and adjust proposals accordingly.
- **AGM** – when we decide to abstain or vote against a vote, we can provide our rationale at the AGM, sharing our views publicly.
- **Post-AGM** - 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.

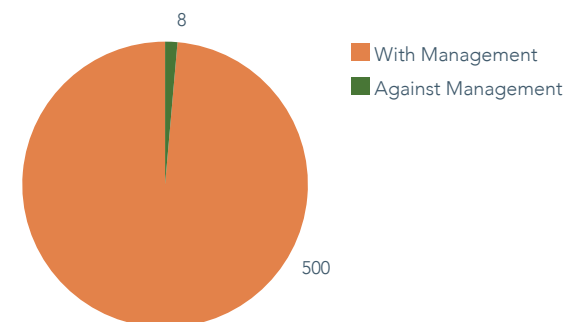
Summary of Votes 2023

Salt's [Proxy Voting Policy](#) is available on its website.

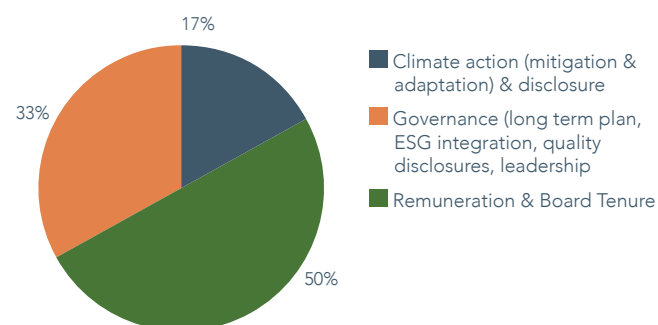
Total Proposals 2023



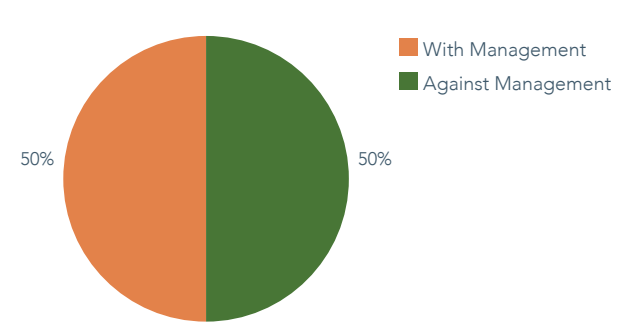
Management Recommendations 2023



Breakdown of votes against 2023



Breakdown of votes against management 2023



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.

MISIM'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.

Proxy Voting Overview

(12 months from 01/07/2022 to 30/06/2023)

% total number of meetings held:	94 (99%)
% total proposals voted:	1663 (99% of all proposals)
% votes against management as a proportion of resolutions:	9%
% meetings with at least one vote against management:	69%

Common reasons for voting against management were related to compensation, election of directors and shareholder ESG proposals.

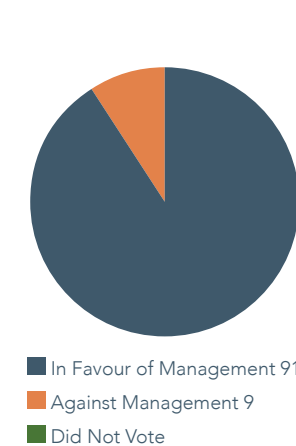
Voting in 2023

- 100% of meetings voted across all strategies.
- 9% of votes against management recommendations.
- 70% meetings with at least one vote against management.
- 21% of votes on say-on-pay proposals against management.
- 6% of votes against ISS recommendations.

Voting on 1663 Proposals

(12 months from 01/07/2022 to 30/06/2023)

% voting by instruction

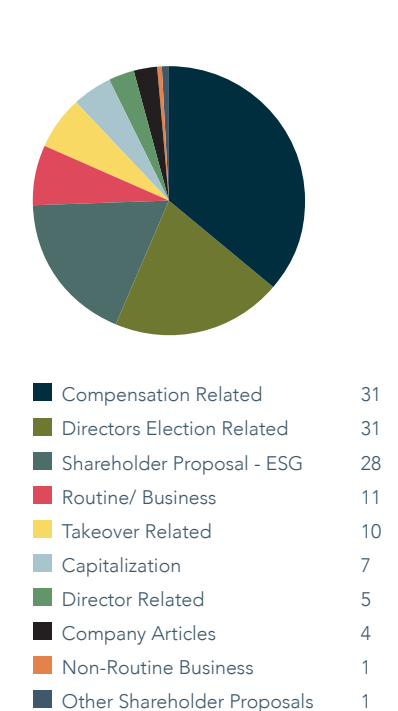


Source: ISS Proxy Exchange; MSIM

Voting against management by topic

(12 months from 01/07/2022 to 30/06/2023)

% voting by instruction



Source: ISS Proxy Exchange; MSIM

Cohen and Steer’s Voting

Proxy Committee

- Goal of proxy voting is to protect shareholders’ long-term economic interests.
- Establishes and maintains Global Proxy Voting Policy, reviewed annually for relevant ESG issues
- Oversees voting process and ensures firm meets regulatory and governance obligations
- ~12 members: from each investment team, legal and compliance, portfolio administration, ESG
- Reports to the firm’s leadership committees
- Approach to voting
- Active, integrated approach to proxy voting
- Analyst who covers the company is responsible for voting, in line with shareholder interests
- Investment team best positioned to vote proxies
- Do not outsource voting
- No firm level entity driving decisions

Proxy decisions

- Voting reflects effort to protect shareholders’ long-term economic interests and taking ESG factors into consideration
- Engage with companies to better inform decisions

2023 Highlights

- During the 2023 calendar year, CNS voted on 6,812 proposals globally.
- C&S voted 99.81% of available votes.
- In aggregate, CNS voted against management on various proposal items, including director elections, executive compensation, and environmental and social shareholder proposals, representing approximately 12% of total votes.



Awards & Commitments

RIAA - Responsible Investment Leader 2023



Salt is recognised as a Responsible Investment Leader 2023 by the Responsible Investment Association Australasia (RIAA). 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.

Aotearoa NZ Stewardship Code



STEWARDSHIP CODE
AOTEAROA NEW ZEALAND

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.

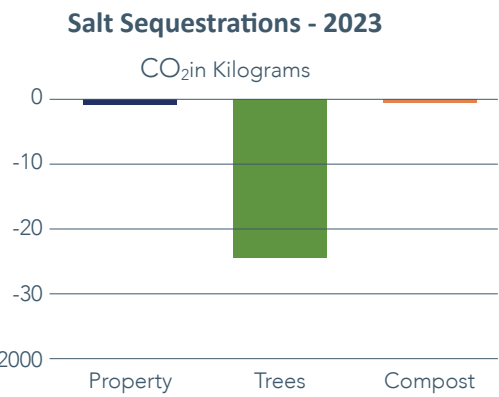
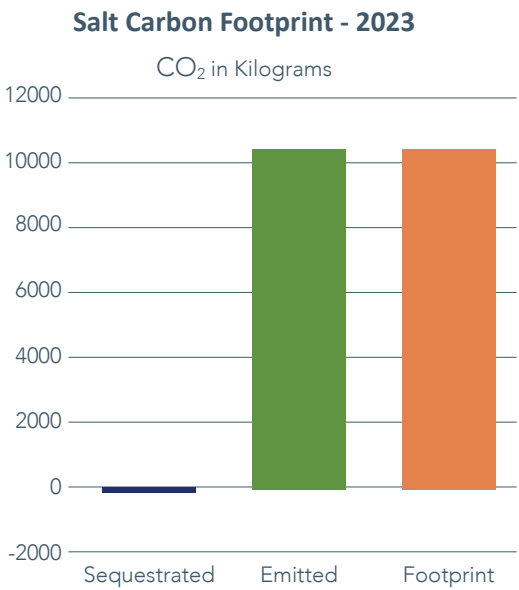
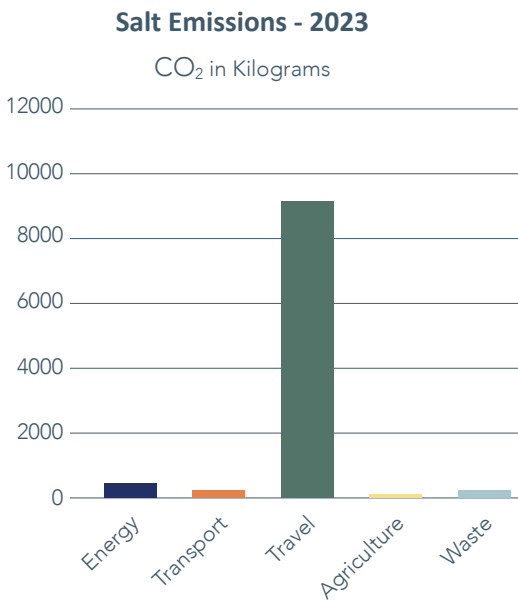
The following ‘scorecard’ presents a summary of Salt’s publicly available transparency report reviewing our responsible investment practices for 2023.

Module	Score
Investment & Stewardship Policy ★★★★★	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 CO₂-equivalent (CO₂e) 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 CO₂ emissions produced through different activities of the business, such as energy use, transport, travel, and waste production². Any activities resulting in the sequestration of CO₂ are also considered and subtracted from the final total emissions figure for the business.

The result of this analysis, summarised in the following chart, shows that travel has become the most significant business activity in our firm's carbon budget. Going forward, our firm's carbon footprint will be highly dependent on those sources of CO₂ emissions directly under our control and how we go about managing these.



[2. Carbon Neutral NZ Trust](#)

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.

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.



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

The **Auckland Rescue Helicopter Trust** 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.



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.



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.





SALT

Funds Management

IMPORTANT INFORMATION

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