

1. Introduction

- (a) Salter Brothers is Australian owned and globally focused. We have a deep understanding of what it means to deliver value in relation to the investment and cultural drivers of our clients.
- (b) We recognise Environmental, Social, Governance (**ESG**) matters are increasingly becoming an important factor for investors, our employees and other stakeholders.

2. Purpose

- (a) The purpose of this policy document (**Policy**) is to set out the guiding principles for Salter Brothers as we integrate ESG risk (and opportunity) management into our business.
- (b) This Policy is approved by the Board and delivered through the ESG Committee (described below in Section 5).

3. Scope and application

This Policy applies to all subsidiaries within the Salter Brothers group.

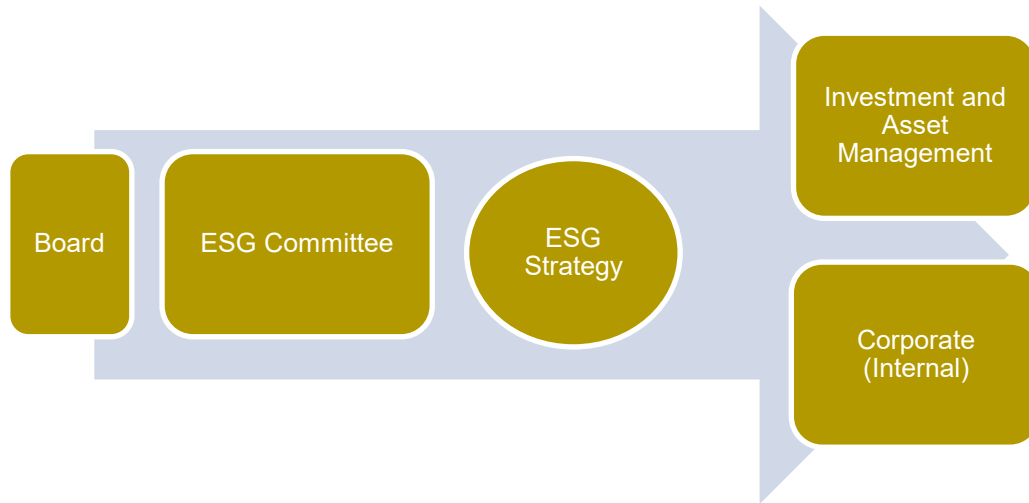
This Policy is supported by, and should be read in conjunction with the following Salter Brothers policies:

- Anti-bribery, Fraud and Corruption
- Anti-Money Laundering and Counter-Terrorism Financing
- Code of Conduct
- Conflict of Interest & Self Dealing
- Diversity and Inclusion
- Equal Employment Opportunity
- Gifts, Benefits and Entertainment
- Market Disclosure Policy
- Shareholder Communications Policy
- Whistleblower Policy
- Workplace Health, Safety and Wellbeing

4. Responsibility

- (a) The Board is ultimately responsible for oversight of strategic ESG matters for our business.
- (b) The following parties have responsibilities in relation to this policy:

Role	Description
Board	<ul style="list-style-type: none"> • Oversight of development of ESG strategy across all business units. • Review and sign-off of this Policy annually.
Executive management	<ul style="list-style-type: none"> • Maintain operational responsibility for implementation of this Policy. • Report to the Board on compliance with this Policy.
ESG Committee	<ul style="list-style-type: none"> • Management is responsible for the implementation of this Policy within respective work streams and lines of business. • Prepare the ESG KPIs for Board review.



5. ESG Committee

Leaders within the organisation form part of the ESG Committee and have responsibility to consider ESG factors as part of Salter Brother's strategic planning processes and to prioritise relevant practices and initiatives. The ESG Committee is responsible for developing and implementing ESG practices and initiatives, monitoring their effectiveness, and reporting on their progress, to the Board.

The ESG Committee has delegated authority from the Board to:

- Provide, with Board approval as necessary, guidance to Business Unit Leaders and their teams in relation to ESG matters, strategic actions, initiatives and measures;
- Request and obtain information (and the analysis of that information, including any necessary research) from Business Units on ESG matters; and
- Ensure that Funds and Asset Managers understand and comply with the organisation's ESG policies and reporting requirements.

6. Our ESG Policy Commitments

We are committed to improving our approach to ESG risk (and opportunity) management in our business. We understand the strategic imperative to address ESG risks, and the opportunity for growth and value capture if we do it well.

Given the dynamic and evolving nature of ESG-related policy shifts and expectations, we are committed to providing ongoing capacity building sessions for our Board and employees on a periodic basis. We are continuing to engage ESG experts and advisers to undertake ESG risk capacity building for the Board, executive team and employees.

7. Our People

- (a) Attracting, engaging and retaining talented people is crucial to the success of our business. We strive to provide a safe work environment to support a diverse team. We understand that diversity enables our organisation to bring different experiences and perspectives to achieve greater innovation, creativity and problem solving.
- (b) The following initiatives are designed to support our people deliver their best efforts and be part of an inclusive working environment.

Item	Description
Health and well being	<ul style="list-style-type: none"> Confidential, wellbeing consultation for individuals to support health and wellbeing goals. Group fitness training sessions delivered on a weekly basis. Fresh fruit and healthy snacks are provided. Access to central gyms and end-of trip facilities are made available.
Community Engagement	<ul style="list-style-type: none"> Support to engage in community volunteering activities with up to one day's paid leave provided.
Safety Culture	<ul style="list-style-type: none"> Commitment to provide a safe work environment is underpinned by our policies including Workplace Health Safety and Wellbeing, Equal Employment Opportunity, and Code of Conduct. Induction sessions are provided to new people on commencement and compliance training is provided throughout the year to all our people.
Diversity and Inclusion	<ul style="list-style-type: none"> Diversity profile mapping is undertaken to understand our workforce and identify opportunities for improvement.
Employee Experience	<ul style="list-style-type: none"> Provide a platform for feedback from our people to inform initiatives to enhance and evolve the experience.
Learning and Development	<ul style="list-style-type: none"> Commitment to professional development through paid memberships relevant to individual professions. Support for learning and development with two (2) paid study leave per subject and up to 4 in total per year provided.

8. Environment

- (a) We understand that our business impacts on the environment, and must be resilient to environmental risks, including climate change. We are committed to ensuring that the management of environmental risks (and opportunities) are embedded into our investment activities and asset operations.
- (b) We aim to improve over the following areas:
- (i) Transparency: Record and monitor our environmental performance with appropriate metrics.
 - (ii) Integration: Set environmental targets and create processes to action them.
 - (iii) Innovate and accelerate: Invest in technology to accelerate the setting and achievement of our environmental targets.
- (c) The following initiatives are designed to support our management of environmental risks (and opportunities):

Item	Description
Circularity	<ul style="list-style-type: none"> Working with industry partners to provide take back, or recycling of their furniture and fixtures; or charity organisations whom accept pre-loved goods. Creating a Salter Brothers Waste Stream and Recycling Opportunity Matrix to account for all our waste streams.
Reduction on single use plastics	<ul style="list-style-type: none"> All our hotels are committed to reduction on single use plastics and are eliminating single use toiletry bottles and seeking alternative for other guest products. All our hotels are committed to implementing 'no plastic water bottles' and seeking alternatives.
Emissions reduction	<ul style="list-style-type: none"> Operational Efficiency: All our assets are actively monitored for water, gas and electricity consumption. All our buildings are audited and provided with engineering assessments for energy efficiency (electricity and gas), and improvements are adopted, if proven to be beneficial. To further our emissions (greenhouse gas) reduction ambitions, we will be investigating renewable energy procurement through PPAs and carbon offsetting opportunities.
Waste Management	<ul style="list-style-type: none"> Provide governance on food wastage and promote best practice for food wastage in hotels. Monitoring of hotel waste and recycling with waste contractor(s) to improve diversion to landfill.
Sustainable Sourcing	<ul style="list-style-type: none"> For new fitout or replacement of existing product, we will endeavour to purchase items from suppliers with; <ul style="list-style-type: none"> environmental credential such as ISO14001 accreditation or have EMS. product with environmentally certified such as GECA products with sustainable materials: timber must be FSC sourced
Development	<ul style="list-style-type: none"> New Developments must achieve an environmental accreditation. For example, Green Star, Earthcheck, NABERS. We work with experts to reduce embodied carbon in our developments.

9. Industry Engagement

- (a) We work with local and international organisations to drive best practices within our industry. To engage with our community, we work closely with the following organisations, where we provide leadership and guidance, and form part of industry working groups:
- (i) Property Council of Australia (PCA)
 - (ii) Sustainability Destination Partnership (SDP)
- (b) We recognise the importance of benchmarking and rating systems, and our assets are evaluated using one of the following platforms:
- (i) GRESB <https://www.gresb.com/>
 - (ii) NABERS hotel <https://www.nabers.gov.au/>
 - (iii) Green Star <https://new.gbca.org.au/>
 - (iv) Earthcheck <https://earthcheck.org/>
- (c) Professional memberships are key in staying relevant with market practices and we have membership with the following organisations:
- (i) Australian Investment Council (AIC)
 - (ii) Property Council of Australia (PCA)

Schedule 1- Approval and amendments log

Date	Created by	Approved by
14.03.2023	ESG Committee	Compliance and risk committee & SBAM board

Date	Version	Authorised by	Amendment
20.06.23	1	ESG Committee	Policy circulated.