



2023

ESG Report



CEO Message



We Are Pleased To Present Our 2023 ESG Report

Our commitment to ESG remains a core focus at Salthill Capital ("Salthill"). Throughout the last 12 months, we have continued to drive our strategy forward with incremental ESG initiatives. This collective team effort has enabled Salthill to achieve ESG goals for all Stakeholders.

Salthill takes pride in aligning its ESG strategy and goals with the United Nations Sustainable Development Goals ("UNSDGs"). We have made a commitment to 10 UNSDGs where we believe we can make an impact.

Throughout 2023, our teams have worked to enhance energy efficiency of our properties, and to engage and support our People, Tenants and Communities. For example, our property teams leveraged the Province of Ontario's LED Rebate program. They have also completed submissions to BOMA BEST for certification at select properties, where we have achieved BOMA BEST Silver at properties including Temple Crossing in Calgary, Alberta.

Fund 5 participated in its second GRESB Real Estate Assessment survey, an investor-driven, global ESG benchmark and reporting framework for listed property companies, private property funds, developers, and investors. Fund 5 received a 2-star rating which was negatively impacted by the short investment period. However, we are implementing initiatives aimed at enhancing our rating.

We have launched an EV charging station pilot across a subset of our properties, with the goal of implementing this program across our portfolio over time.

In 2023, Salthill began assessing the input of the Task Force on Climate-related Financial Disclosure ("TCFD") to position the company as leaders in sustainable and responsible business practices. Salthill has taken the necessary first steps to pave the way for a sustainable financial landscape that is transparent. This recognizes the increasing acknowledgment of climate-related disclosures.

To support our teams, we introduced a variety of training initiatives including national comprehensive ESG training. We worked hard to gain annual feedback from our team members including an ESG-focused survey which helped our Employee Engagement Action plan in 2023.

Salthill is committed to strengthening the relationships with our Tenants and Communities. In 2023, we continued with our Tenant and Community Engagement Programs where we collect, understand, and measure the needs of these invaluable Stakeholders. We work with them to improve their experiences with our organization. We also conducted our annual Tenant survey, and hosted Tenant engagement events throughout our portfolio.

We continued to support our Communities in many ways in 2023. Not only did we welcome upwards of 250 different Community organizations at our properties, but we also expanded our Community Hub program with a total of seven Community rooms ("The Spot") across the portfolio.

Corporately we supported many charitable organizations including the Black Opportunity Fund, Hold 'Em for Life Tournament for cancer research, the International Council of Shopping Centres ("ICSC") Foundation, Movember, and the Heart & Stroke Foundation to name a few. Team members at various levels of our organization generously volunteered their time at fundraising events, participated in mentorship programs, and sat on various boards of industry organizations. Salthill provides and will continue to offer an allowance for personal days to support these commitments.

We look forward to continue executing on our ESG commitment and strategy and are well positioned to address the targets and goals we have set for ourselves in 2024.

Understanding and measuring our impact on climate and the planet is of utmost importance, and taking meaningful action to mitigate and reverse these impacts is crucial.

Cathal O'Connor

Principal, Chief Executive Officer

Our ESG Focus

About Salthill

Salthill is a leading real estate Investment Manager focused on delivering superior risk-adjusted returns to its Partners.

Salthill is led by a team of executives with a proven track record and extensive experience across various asset classes including, retail, office, industrial and mixed-used residential communities.

Salthill is a fully integrated firm providing Asset Management, Property Management including Leasing and Master Planning, along with strategic advisory services that allow us to continually create value for our Clients.

Salthill is an employee-owned private company.



Vision

We strive to be among Environmental, Social and Governance (“ESG”) leaders, with sustainable business strategies adding meaningful value to all Stakeholders, and empowering team members to act as positive agents for change within their respective Communities.

Mission

Our ESG mission aligns with our corporate mission and enhances our commitment to our Investors and all Stakeholders. We are committed to creating and adopting innovative ideas and business practices to improve our Communities, the Natural Environment, and operational efficiencies, while enhancing Stakeholder experiences.

Focus

At Salthill, we are committed to operating and growing our business sustainability and are conscious of the impact we have on our Stakeholders. We work hard to reduce the environmental impact of our operations while simultaneously dedicating ourselves to our Stakeholders: Our Investors, Our People, Our Tenants and Community, and the Natural Environment.

Our ESG Commitment

Salthill is committed to continue building our ESG framework and program, embedding sustainability into our business strategy and daily decision-making.

We commit to the following:

Governance

Responsible governance. As an owner, operator, and developer of real estate, we are acutely aware of the impact our buildings and Tenant operations have on the Environment, and the role they play in climate change. In partnership with our Tenants, we have an opportunity and responsibility to understand our collective environmental impact and to minimize this footprint.

Social

Endeavour to become an employer of choice. We are committed to creating an environment where our team members will grow both professionally and personally. We strive to understand what our team members need to achieve excellence through development of Employee Achievement Programs, through coaching and mentoring, and through matters identified by our Diversity, Equity, & Inclusion Committee. We want to enhance our work environment and ensure our team members feel welcomed, respected, heard, and rewarded.

Striving to be a trusted partner and advocate for our Communities, we enable each team member to achieve their unique goals. We aim to accomplish this by encouraging and empowering our Team to connect and understand what their Communities need and create strategies facilitating the desired goals and outcomes.

Environmental

Reduce our environmental footprint. We commit to understanding and implementing strategies that reduce our impact on the Environment by developing metrics for our usage of water, waste and energy, and by implementing value enhancing green initiatives at our properties.



Governance

Leadership

Salthill's Senior Leadership team sets the company's overall ESG program objectives and oversees risk management, including climate-related risks and opportunities. The development and implementation of ESG policies and related programs is overseen by our ESG Committee, chaired by our Director, Internal Audit. The Committee is responsible for defining and leading ESG strategy, in partnership with Senior Leadership. The Chief Operation Officer ("COO") reports to the Chief Executive Officer ("CEO") and the full Senior Leadership Team related to ESG topics, ensuring consistent visibility of ESG and climate-related matters at the executive level. Our CEO approves the annual ESG Report before it is published.

Salthill's ESG Committee is a diverse group of passionate ESG leaders representing various departments and groups within the organization. The Committee's mandate is to oversee the company's ESG program, and play a crucial role in its implementation. Below are items that fall within the Committee's responsibility, with updates and recommendations:

- Developing and executing strategies that address climate-related risks and opportunities, considering both short-term and long-term implications.
- Collaborating with relevant departments to collect and analyze data related to climate impacts, risks, and opportunities, ensuring accuracy and transparency.
- Reviewing and updating the company's climate-related goals, targets, and initiatives.
- Reporting to our Investors and Stakeholders annually.

Commitments

Sustainable Accounting Standards Board ("SASB")

Salthill is proud to have continued aligning our disclosure of financially material sustainability information to the Sustainable Accounting Standards Board in 2023.

United Nations Sustainable Development Goals ("UNSDGs")

Salthill is proud to align its ESG strategy and goals to the United Nations Sustainable Development Goals. Our commitment in 2023 aligned to 10 UNSDGs, where we believe we can make a significant impact. More information on the UNSDGs can be found [HERE](#).

Taskforce on Climate-related Financial Disclosures ("TCFD")

Salthill is in the process of assessing the impact of The Task Force on Climate-related Financial Disclosures. The TCFD outlines the strategic approach and responsibilities of key Stakeholders in managing climate-related risks and opportunities. The framework is designed to enhance transparency, promote accountability, and aligns with the company's ESG commitments and corporate strategy. Salthill is committed to adopting disclosures required in the TCFD.

Governance

Risk Management

A fundamental part of risk management is not only understanding the risks a company faces and what steps management is taking to control those risks, but also understanding what level of risk is appropriate for the company. The responsibility of Senior Leadership lies in establishing our business strategy, identifying and assessing related risks, and establishing appropriate risk management practices. At both the corporate and individual property levels, climate risks and opportunities are assessed. Salthill's ISO 14001-aligned Environmental Management System ("EMS") organizes and creates processes that enable Salthill to identify and mitigate its environmental impacts.

Salthill's Whistleblower Policy is a defined process to communicate any ESG-related misconduct. We did not receive any report about ESG misconduct in 2023. Salthill's Responsible Investment Policy requires us to consider climate-related factors in all aspects of property ownership. In 2023, we assessed physical and environmental risk for each of our acquisitions.

We annually administer Health & Safety Awareness training to all team members, to educate on the importance of health and safety in the workplace as outlined by the Occupational Health & Safety Act, to understand our responsibilities, and review common workplace hazards. Our National Health and Safety Committee ensures that Salthill adheres to all applicable workplace health and safety legislation. In 2023, we also supported First Aid Training for team members.

2023 Policies Introduced

- Greenhouse Gas Emissions Management
- Indoor Environmental Quality
- Material Sourcing
- Pollution Prevention
- Renewable Energy

2024 Targets

- Increase utility data coverage through Tenant engagement
- Increase focus and action on climate change
- Integrate specific ESG strategies into personnel goal setting
- Evaluate building certifications
- Increase energy and water risk assessments as well as efficiency measures
- Continue to track Governance bodies tenure, gender, age-group distribution, and gender pay gap
- Track Governance bodies training related to ESG
- Develop internal processes and controls to ensure verification and assurance of ESG-related information
- Evaluate Supply Chain Engagement Program and monitoring processes
- Monitor other direct external suppliers' and/or service providers' compliance with the ESG-specific requirement
- Encourage use of electric-powered cars when traveling on business

Social

Our People

We are committed to creating an environment where each member of our Team will grow both professionally and personally.

In 2023, we carried out an ESG-focused internal survey to gauge employee satisfaction among all Salthill team members. We carefully considered their feedback and have implemented various initiatives to enhance team member contentment. Our priority is to create an inclusive and respectful environment where team members feel valued, heard, and rewarded. We have continued our hybrid and flexible work options at our head office to promote a healthier work-life balance, as well as organized more lunchtime events in collaboration with external partners. We have increased our team engagement functions and continued to support the frequency of communications to highlight initiatives by our various internal committees.

Salthill continued to incorporate environmental sustainability factors into the annual performance goals of select personnel in 2023. Our belief is that this enhanced Salthill's top-down approach to sustainability, encouraging team member across sectors to collaborate on advancing successful initiatives that progress our targets. We look forward to annual ESG training for all team members to update them on Salthill's initiatives within the ESG sector.

In addition, Salthill's Diversity, Equity, & Inclusion Committee is responsible for executing initiatives that continuously acknowledge, act-on, and celebrate diversity within our organization. Our Connection Committee is responsible for company-wide events and initiatives aimed at building a deeper connection amongst our team members.

2023 Achievements

- ESG training delivered to 100% of our organization
- Employee Satisfaction Survey completed
- Achievement of a more balanced workforce (gender diversity of 47% women and 52% men)
- Wellness Benefit for each team member annually

2024 Targets

- Administer our tri-annual diversity survey to team members
- Increase response rate of employee satisfaction survey
- Enhance recognition and reward strategy for team members
- Complete annual ESG training for team members
- Corporate membership to Headspace for all team members



Social

Our Tenants and Communities

Tenants

Our goal is for our Tenants and Customers to feel welcomed and secure while operating their businesses and frequenting our properties. To advance this mission, we continue to involve our Tenants in 'Turbo Talks'. Turbo Talks is a program designed to encourage and support frequent one-on-one personalized, direct communication with a Tenant and the applicable Property Manager to discuss how their business is performing, to gain their insight on service improvement opportunities and any other suggestions they may have.

Salthill persists in advocating for green lease clauses and has included ESG-specific requirements in lease contracts in 2023. Salthill's adoption of green lease clauses enables collaboration with Tenants on operating efficiencies and sharing of information for management of energy, water and waste, while improving indoor environmental quality.

Community

Promoting growth and connections between Tenants and Communities, as well as facilitating positive change, is both our responsibility and capability. Salthill embraces an open-door policy with the Communities it serves and actively supports charitable organizations and Community groups throughout Canada through partnership.

We consolidated all information pertaining to Salthill's influence on Communities in 2023. Salthill uses metrics like walkability score and safe walking routes, to better understand our properties, and to uncover areas that could benefit from additional resources and support.

2023 Initiatives

- Black Opportunity Fund Corporate Donation
- Hold 'Em for Life Charity Tournament Corporate Donation
- ICSC Foundation Corporate Donation
- Movember Fundraiser and Corporate Donation
- Heart & Stroke Foundation Fundraiser and Corporate Donation
- Growth of The Community Hub, our community-focused program within our portfolio
- Partnership with 250+ community groups across our portfolio for engagement at our properties

2024 Targets

- Administer a Tenant satisfaction survey to gain insight, with a focus on ESG
- Monitor impact on Community and identify areas of additional support

Environment

The Natural Environment

We have a responsibility to work together with our Tenants to reduce our environmental footprint by being aware of our combined influence on the Environment. Our Environmental Policy for 2023 addressed several environmental challenges, including greenhouse gas emissions, indoor environmental quality, material sourcing, and renewable energy.

Annually, our goal is to expand data coverage of waste diversion, water, and energy at our properties. At many of Salthill's properties, utilities are paid directly by Tenants. Our goal is to improve data coverage and accuracy of utility bills by engaging directly with our Tenants and reporting on whole-building data through the integration of green leases.

2024 Targets

- Address biodiversity and habitat in our Environmental Policy. Review our policy [HERE](#).
- Establish a plan and budget for waste reduction across our portfolio
- Increase data coverage across properties
- Develop climate strategy aligned to TCFD
- Develop an operational plan and budget for reducing climate exposure (GHG emissions, physical risk, etc.)



Our Experience Is Your Advantage

As we look to the future, Salthill will deliver on our ESG commitment to all our Stakeholders. We are excited to continue driving progress locally, regionally, and nationally, supporting our Communities and developing assets in innovative and sustainable ways.

At Salthill, we continue to seek a deeper understanding of our impact as key members of our Communities. We continue to invest, listen, and learn with a commitment to creating better and stronger neighbourhoods and relationships.





For More Information

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