



**PUBLIC TRANSPARENCY REPORT**

**2023**

**Slater Investments Limited**

Generated 15-12-2023

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Slater Investments engages in responsible investment as we recognise the importance of integrating environmental, social, and governance (ESG) factors into our investment decision-making process. Stewardship and Governance have always been at the core of our values, and we continue to maintain the highest standards in fulfilling our obligations as stewards of our clients' assets.

We define responsible investment as the integration of ESG factors into our investment processes and management practices. We engage in responsible investing to reduce risk and to achieve strong financial returns over the long term. Embedding responsible investing principles into our investment process leads to better informed investment decisions.

As a responsible investor and company, Slater Investments has made consistent progress in enhancing our ESG processes and controls and our engagement and voting practices that reflect our core stewardship and governance principles. We have always valued stewardship and governance as the foundation of our work, and we uphold the highest standards in fulfilling our duties as custodians of our clients' assets. Our corporate strategy involves acting responsibly, not only in how we invest but also in how we run our business in general, for example, our own environmental performance and our approach to our employees.

Our investment process is founded on investing in well-managed companies with sound corporate governance and solid management teams. Governance is the bedrock ESG pillar which underpins a company's culture. Strong governance practices not only align shareholder and management interests, but better positions companies to address environmental and social issues. Companies that uphold principles of transparency and integrity will be demonstrably better equipped to serve their stakeholders, which better protects investors' interests and maintains investor confidence.

Implementing responsible investment initiatives requires resources and expertise.

The Slater Investments team has been strategically built over many years to implement the Company's philosophy and deeply embed this philosophy into our culture. We develop engagement strategies specific to each investee company based on its individual circumstances. Our understanding is informed by a range of research. We are committed to providing material long-term value which enriches our clients, society and the environment over the long term.

Through 2022, we have been able to leverage our learnings and experience to be more strategic and astute in enhancing our approach to stewardship.

Despite the constraints of operating as a firm of our size, we have worked diligently to enhance our stewardship, engagement and reporting where improvement was identified.

We are proud of the progress we have made in 2022 and remain committed to continuing our efforts to drive positive change in line with our approach to stewardship. As Slater Investments continues to pursue long-term sustainable value creation, we will remain dedicated to staying at the forefront of best practices and delivering the best possible products and services to our clients.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

We continue to evolve our stewardship and governance as a Company and key areas of significance during 2022 were:

- The continued integration and evolution of ESG into our investment process. We continued to develop our own in-house tools to enhance our ESG monitoring and research capabilities. Our ESG team undertakes thematic and targeted company reviews and continues to work alongside the investment team to ensure stewardship and ESG remains fully integrated into our wider investment process.
- We were pleased to announce during the course of 2022, all of the Slater Investments UCITs Funds became classified as Article 8 products under the Sustainable Finance Disclosure Regulation ("SFDR"). We began reporting in accordance with the requirements of SFDR during 2023, ensuring greater transparency for our current and future clients.
- Slater Investments is a strong supporter of the objectives and goals of the Paris Agreement in limiting global warming to well below 2 degrees Celsius. As responsible stewards of our clients' assets, we expect investee companies' business plans to reflect the long-term climate-related risks and opportunities they face. We now run climate scenario analysis which includes a range of 'Paris aligned' scenarios to assess the financial impact of Paris-aligned pathways on our products.
- Increased training of our staff in sustainability and governance.
- The company has begun assessing and reporting in line with the Task Force on Climate-Related Financial Disclosure. This builds on work done for the move to SFDR article 8 and European ESG Template ("EET") and Carbon Emissions Template ("CET") reporting.
- During 2022 we developed a Sustainability Roadmap with, amongst other key action points, the objective of initially lowering our emissions as much as possible without using carbon offsets. To that end, we engaged with Heart of the City, a City of London-based organisation designed to help small to medium-sized businesses precisely formulate a plan to impact the planet positively. We are also ongoing members of the Investment Association's ("IA") Net-Zero Forum, which enables peer-to-peer knowledge sharing and provides a platform for all IA members to raise questions and find solutions in their journey to net-zero.

Our strong corporate governance practices and management of environmental and social risks are important drivers to the creation of long-term shareholder value.

We aim to promote and exercise effective stewardship among the companies we own and to engage with them on the actual or potential adverse impacts of their business activities relating to ESG matters. Voting and engagement enables us to embed our purpose and values in the way we drive change within our investee companies. Our engagement falls into one of two categories; that conducted with individual companies on specific issues, and thematic engagement on a broader scale with a group of companies. A case study of one of the most important issues we addressed during the year is below:

We lead engagement with other shareholders to prevent a recommended cash acquisition of R&Q Insurance Holdings Ltd (“RQIH”), which Slater Investments was ultimately successful in doing.

Financing for the acquisition was uncertain and shareholders were not protected by The Takeover Code. The Board should never have agreed to a situation where shareholders and the business were exposed to such risk. We were surprised how few shareholders understood this risk. Subsequently, in June 2022, Slater Investments participated in RQIH’s ensuing equity fundraise (the “Fundraise”). The net proceeds of the Fundraise were to be used by the company to strengthen its balance sheet, fund collateral requirements and pay down debt. Slater Investments further publicly supported the company following the requisition of a special general meeting in August 2022 by a fellow shareholder to remove the Chairman as a director of the company and to appoint a successor.

Slater Investments was pleased with the company’s appointment of a new Senior Independent Director to the board and its intention to appoint a new Non-Executive Chairman, which Slater Investments believed was the best way to address the governance of the company. Slater Investments therefore voted against the tabled resolutions, which ultimately did not pass.

### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

In the next two years, Slater Investments will further advance our commitment to responsible investment. These steps include:

- **Strengthening ESG integration:** We will continue to refine and enhance our ESG analysis and incorporation processes. This involves deepening our understanding of industry-specific ESG risks and opportunities, expanding our data sources, and integrating ESG factors into our investment models and decision-making frameworks. We will also focus on developing more robust impact measurement and reporting methodologies to track and communicate the ESG outcomes of our investments.
- **Expanding stewardship activities:** We will increase our engagement efforts with investee companies on ESG issues. This includes regular dialogue with company management and board members, as well as active participation in shareholder meetings. Our goal is to foster greater transparency, accountability, and sustainable performance within the companies we invest in.
- **Collaborative engagements:** We will collaborate with other institutional investors on responsible investment initiatives where the opportunity arises. By joining forces with like-minded investors, we can leverage collective influence to drive positive change and promote sustainable practices across a broader range of companies. We will actively participate in industry forums and collaborative engagements that align with our responsible investment objective.
- **Continuous improvement:** We will regularly review and assess our responsible investment practices to ensure they remain aligned with evolving best practices and industry standards. This includes staying abreast of emerging ESG issues, incorporating feedback from clients and stakeholders, and conducting periodic reviews of our responsible investment policies and procedures. We will also seek external certifications and awards that validate our responsible investment commitments and provide assurance to our clients.
- **Commitment to carbon neutrality by 2025:** During 2022, we reduced Slater Investments’s Scope 2 emissions and have committed to be carbon neutral by 2025. As a company, we are conscious of the potential impact on the environment, but given the nature of our business, our impact is limited. Nevertheless, as a firm, we are cognizant of our environmental impact and are committed to playing our part in protecting the planet for future generations.

### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Ralph Baber

Position

Director

Organisation's Name

Slater Investments Limited

A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

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## ORGANISATIONAL OVERVIEW (OO)

### ORGANISATIONAL INFORMATION

#### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2022



## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

## ASSETS UNDER MANAGEMENT

### ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 2,056,660,000.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00



## ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	>75%	0%
(B) Fixed income	0%	0%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	0%

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity 0%

(B) Active – quantitative 0%

(C) Active – fundamental >75%

(D) Other strategies 0%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

### AUM in Emerging Markets and Developing Economies

(A) Listed equity (1) 0%

## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

#### (1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>

### STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

(1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active (12) 100%

## ESG INCORPORATION

### INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?

(1) Yes, we incorporate ESG factors into our investment decisions

(2) No, we do not incorporate ESG factors into our investment decisions

(C) Listed equity - active - fundamental



## ESG STRATEGIES

### LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity

(A) Screening alone 0%

(B) Thematic alone 0%

(C) Integration alone 0%

(D) Screening and integration 0%

(E) Thematic and integration 0%

(F) Screening and thematic 0%

(G) All three approaches combined >75%

(H) None 0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?

Percentage coverage out of your total listed equity assets where a screening approach is applied

(A) Positive/best-in-class screening only	>75%
(B) Negative screening only	0%
(C) A combination of screening approaches	0%

## ESG/SUSTAINABILITY FUNDS AND PRODUCTS

### LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>75%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

**Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?**

(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications

Provide the percentage of AUM that your labelled and/or certified products and/or funds represent:

>75%

(B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.2	CORE	OO 18.1	N/A	PUBLIC	Labelling and marketing	1

**Which ESG/RI certifications or labels do you hold?**

- (A) Commodity type label (e.g. BCI)
- (B) GRESB
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM
- (F) CBI Climate Bonds Standard
- (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- (I) EU Ecolabel
- (J) EU Green Bond Standard
- (K) Febelfin label (Belgium)
- (L) Finansol
- (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (N) Greenfin label (France)
- (O) Grüner Pfandbrief
- (P) ICMA Green Bond Principles
- (Q) ICMA Social Bonds Principles
- (R) ICMA Sustainability Bonds Principles
- (S) ICMA Sustainability-linked Bonds Principles
- (T) Kein Verstoß gegen Atomwaffensperrvertrag
- (U) Le label ISR (French government SRI label)
- (V) Luxflag Climate Finance
- (W) Luxflag Environment
- (X) Luxflag ESG
- (Y) Luxflag Green Bond
- (Z) Luxflag Microfinance
- (AA) Luxflag Sustainable Insurance Products
- (AB) National stewardship code
- (AC) Nordic Swan Ecolabel
- (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)



- (AE) People's Bank of China green bond guidelines
  - (AF) RIAA (Australia)
  - (AG) Towards Sustainability label (Belgium)
  - (AH) Other
- Specify:

Slater Investments UCITs Funds ("Funds") are classified as Article 8 products under the Sustainable Finance Disclosure Regulation ("SFDR")

## SUMMARY OF REPORTING REQUIREMENTS

### SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

## POLICY, GOVERNANCE AND STRATEGY (PGS)

### POLICY

#### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

**Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?**

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues
- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

**Which elements of your formal responsible investment policy(ies) are publicly available?**

- (A) Overall approach to responsible investment**  
Add link:  
<https://slaterinvestments.com/wp-content/uploads/2023/04/Slater-Investments-2023-ESG-Policy.pdf>
- (B) Guidelines on environmental factors**  
Add link:  
<https://slaterinvestments.com/wp-content/uploads/2023/04/Slater-Investments-2023-ESG-Policy.pdf>
- (C) Guidelines on social factors**  
Add link:  
<https://slaterinvestments.com/wp-content/uploads/2023/04/Slater-Investments-2023-ESG-Policy.pdf>
- (D) Guidelines on governance factors**  
Add link:  
<https://slaterinvestments.com/wp-content/uploads/2023/04/Slater-Investments-2023-ESG-Policy.pdf>
- (I) Guidelines tailored to the specific asset class(es) we hold**  
Add link:  
<https://slaterinvestments.com/wp-content/uploads/2023/04/Slater-Investments-2023-ESG-Policy.pdf>
- (L) Stewardship: Guidelines on engagement with investees**  
Add link:  
<https://slaterinvestments.com/wp-content/uploads/2023/04/Slater-Investments-Engagement-Policy-March-2023.pdf>
- (N) Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

<https://slaterinvestments.com/wp-content/uploads/2023/04/Slater-Investments-Engagement-Policy-March-2023.pdf>

**(O) Stewardship: Guidelines on (proxy) voting**

Add link:

<https://slaterinvestments.com/wp-content/uploads/2023/04/Slater-Investments-Voting-Policy-2023.pdf>

- o (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

**(A) Yes**

Elaborate:

Our investment process specifies that we invest in companies which are well managed with high standards of corporate governance and a sound management team, as we believe that strong governance aligns shareholder and management interests. Responsible investing practices are intrinsically linked in our investment activities. This underscores our commitment to always act in the best interest of our clients and we expect the same from the management of the portfolio companies in which we invest.

The ESG Committee at Slater Investments works closely with the Investment Committee to ensure ESG-based investment analysis, alongside active and engaged stewardship, is fully embedded in the investment process and subsequent ongoing monitoring. We have worked to provide the investment team with the information and support it needs to integrate ESG into the investment process, ensuring that the investment process is enhanced and complemented by this work.

Companies that emerge from our fundamental screens as potential investments are screened for ESG factors. Where a new company is proposed, an ESG research report accompanies the Investment Committee's own work. A member from the ESG Committee will also participate in the initial meeting of prospective investments. In this instance, Slater Investments defines initial as:

- a: if Slater Investments have never met the company's management previously;
- b: if there has been a material change in either the management personnel or the company's long-term strategy; and
- c: if more than 5 years have passed since the last meeting between Slater Investments and the company's management.

We do not use a one size fits all process, instead our focus changes from company to company as we look at what we deem to be material to each company based on a combination of existing ESG standards (e.g.

Sustainability

Accounting Standards Board) and our own in-house standards. With the rising uptake in ESG related reporting, there is increasing overlap with the areas identified by the companies themselves, which makes monitoring easier.

The focus of the integration on ESG into the investment process is broken down into two categories:

- 1: Maintaining value - The primary focus is to pre-emptively monitor for ESG risks that may emerge which might threaten the price earnings ratio or earnings growth prospects of Slater Investments investee companies.
- 2: Adding value - The ESG Committee work with management teams of Slater Investments investee companies, offering advice as to how they can use ESG to assist in growing the business through either identifying ESG related market opportunities or improving their internal ESG practices.

- o (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Which elements are covered in your organisation’s policy(ies) or guidelines on stewardship?**

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- o (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?**

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- o (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme
- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment	
(B) Guidelines on environmental factors	(7) 100%
(C) Guidelines on social factors	
(D) Guidelines on governance factors	

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

(A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%



# GOVERNANCE

## ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

**Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?**

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent
- (C) Investment committee, or equivalent
- (D) Head of department, or equivalent
- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

**Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?**

**(1) Board members, trustees, or equivalent**

- |   |                                     |
|---|-------------------------------------|
| (A) Overall approach to responsible investment                    | <input checked="" type="checkbox"/> |
| (B) Guidelines on environmental, social and/or governance factors | <input checked="" type="checkbox"/> |
| (G) Guidelines tailored to the specific asset class(es) we hold   | <input checked="" type="checkbox"/> |
| (J) Stewardship: Guidelines on engagement with investees          | <input checked="" type="checkbox"/> |

(L) Stewardship: Guidelines on engagement with other key stakeholders

(M) Stewardship: Guidelines on (proxy) voting

(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

- (A) Yes
- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

- (A) Internal role(s)**  
Specify:

The ESG Committee has been strategically built to implement the Company’s philosophy and embed this philosophy into our culture. All roles responsible for implementing our responsible investment approach are internal. We develop engagement strategies specific to each investee company based on its circumstances. Our understanding is informed by a range of research. We are committed to providing material long-term value which enriches our clients, society and the environment over the long term.

- (B) External investment managers, service providers, or other external partners or suppliers
- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent
- (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent**

Explain why: (Voluntary)

As a smaller asset manager we benefit from shorter lines of communication and clearer vision on decision making and accountability. We feel it is more beneficial for us to leverage this structure in a way that allows us to evaluate this type of performance in a less rigid way, monitoring members on an ongoing basis. We feel this gives us a more holistic, clearer vision of performance. As we grow and change we have, and continue to, consider implementing KPI's to assess performance.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?**

**(1) Board members, trustees or equivalent**

(A) Specific competence in climate change mitigation and adaptation	<input type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input type="checkbox"/>

(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies



## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
  - (B) Yes, including all strategy-related recommended disclosures
  - (C) Yes, including all risk management-related recommended disclosures
  - (D) Yes, including all applicable metrics and targets-related recommended disclosures
  - (E) None of the above
- Add link(s):



During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://slaterinvestments.com/wp-content/uploads/2023/05/Slater-Investments-Limited-2022-Stewardship-Report.pdf>

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

## STRATEGY

### CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- (B) We incorporate climate change-related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human rights-related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

### (1) Listed equity

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?



We endeavour to respond to as many issues as we can; but on occasion must prioritise either by the size of holding or the severity of our concerns. In general, we focus on those companies where we have a significant shareholding as we believe it is here that we can add most value.

Our process for prioritising our engagement schedule is invariably based on materiality of identified risks and may evolve from Slater Investments's routine monitoring where an issue is highlighted, consultation instigated by an investee company or due to activity of an investee company.

No two engagements are the same nor the decision as to whether to engage or not. Engagement activities combine the perspectives of the Investment Committee and the ESG Committee from which engagement objectives are determined.

Instances where it may be necessary for us to engage with investee companies include where we have concerns about the company's strategy, performance, governance, remuneration or approach to risk. We will engage with any investee company when we feel there is a need to do so, regardless of our holding. However, we have a greater impact where we have a material holding, defined for us as ownership greater than 3% of the company.

We do not use a one size fits all process, instead our focus changes from company to company as we look at what we deem to be material to each company based on a combination of existing ESG standards (e.g. Sustainability Accounting Standards Board) and our own in-house standards.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.**

Slater Investments is willing to act collectively with other UK and overseas investors where it is in the interests of our clients to do so. We endeavour to maintain good relationships with other institutional investors and support collaborative engagements organised by representative bodies (Slater Investments is a member of the Investment Association) and others. A range of factors are considered in deciding whether to collectively act with other shareholders including, but are not limited to:

- Whether we can be more effective in our engagement unilaterally or collectively
- The extent to which the objectives of other investors are aligned with our own, and
- The potential sensitivity of the issue and the extent to which conversations with the company are confidential.

If we do partake in collaborative engagement, we will always ensure that we speak for ourselves and do not rely on others to take responsibility for articulating our views.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Rank the channels that are most important for your organisation in achieving its stewardship objectives.**

**(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff**

Select from the list:

- 1
- 2
- 5

(B) External investment managers, third-party operators and/or external property managers, if applicable

(C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers

**(D) Informal or unstructured collaborations with investors or other entities**

Select from the list:

- 2
- 3
- 5

**(E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar**

Select from the list:

- 2
- 4
- 5

(F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

### How are your organisation's stewardship activities linked to your investment decision making, and vice versa?

ESG is integrated into Slater Investments's investment process at a firm level. The ESG Committee works closely with the Investment Committee to ensure ESG based investment analysis, alongside active and engaged stewardship, is embedded in Slater Investments's investment process and subsequent ongoing monitoring. Slater Investments's firm level investment process does not exclude any sectors.

The first step in Slater Investments's investment process is a quantitative screen.

The initial work in identifying companies from this narrowed down investible universe is conducted by the Investment Committee. Once an investment opportunity emerges, the ESG Committee is involved in every step of the potential investment journey thereafter. Where a new company is proposed, an ESG research report accompanies the Investment Committee's own work. At least one representative from the ESG Committee will also participate in the initial meeting of prospective investments. In this instance, Slater Investments defines initial as: if Slater Investments have never met the company's management previously; if there has been a material change in either the management personnel or the company's long-term strategy; and if more than 5 years have passed since the last meeting between Slater Investments and the company's management.

The ESG Committee's ongoing monitoring of portfolio companies is conducted throughout the year and is linked to their Annual Report release cycle and other company statements. For evaluating all potential and existing investments, the ESG Committee uses Slater Investments's internal ESG investment standards which uses a combination of the International Sustainability Standards Board's sustainability-related disclosure standards, the Sustainability Accounting Standards Board's materiality framework and the Task Force on Climate-Related Financial Disclosures' recommendations on climate-related risks and opportunities as a starting point to understand the potential risks a company may face and to determine materiality.

The environmental and social impact of a company's activities are considered using PAIs at an individual company level. Slater Investments also assesses the impact of relevant ESG regulation, both existing and potential, on a company. The focus of this process is broken down into two categories:

#### 1) Maintaining value

The primary focus is to pre-emptively monitor for ESG risks that may emerge which might threaten the price earnings ratio or earnings growth prospects of Slater Investments investee companies.

#### 2) Adding value

The ESG Committee work with management teams of Slater Investments's investee companies, offering advice as to how they can use ESG to assist in growing the business through either identifying ESG related market opportunities or improving their internal ESG practices.

Any ESG risks, and their PAIs, identified by the ESG Committee are weighed against all other inputs when considering an investment decision. In line with Slater Investments's existing risk management processes, where Slater Investments are not comfortable with any level of risk posed by an investment, steps will be taken to mitigate and manage that risk, which may include divestment. The Chair of the Compliance and Risk Committee attends both Investment Committee and ESG Committee meetings and retains the power to veto any action deemed not to be in the best interest of its clients.

All companies are ultimately scored using a RAG rating:

Red: the Investment Committee will immediately be notified of companies identified as PAI laggards. Identified companies will be further analysed by the ESG Committee. This may result in divestment depending on the risk and severity of the identified negative impacts and the total cumulative negative impacts identified across all PAI indicators. Immediate engagement will be conducted with company management to address the identified risks.

Amber: investments which are identified as PAI intermediate performers will also be further analysed with the aim to mitigate and/or eliminate adverse impacts through prioritised engagement.

Green: Slater Investments continues to engage with investee companies identified as PAI leaders to assist in identifying how value can be added, and any risks be further mitigated against.

Where it is necessary to seek additional information or clarification, the ESG Committee will engage with the company directly. In the instances where the ESG Committee's concerns are not entirely alleviated, this information will be relayed to the Investment Committee. The ESG Committee also seeks to monitor press coverage of portfolio companies and any new concerns, or ideas, are communicated to the Investment Committee.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**If relevant, provide any further details on your organisation's overall stewardship strategy.**

Slater Investments remains dedicated to its commitment to be a responsible investor and company, making consistent strides over the year in improving our environmental, social and governance (“ESG”) processes and controls and engagement and voting practices that underpin our core stewardship and governance principles. Stewardship and Governance have always been at the core of our values, and we continue to maintain the highest standards in fulfilling our obligations as stewards of our clients' assets.

Our investment process is founded on investing in well-managed companies with sound corporate governance and solid management teams.

Governance is the bedrock ESG pillar which underpins a company’s culture. Strong governance practices not only align shareholder and management interests, but better positions companies to address environmental and social issues. Companies that uphold principles of transparency and integrity will be demonstrably better equipped to serve their stakeholders, which better protects investors’ interests and maintains investor confidence.

We are proud to continue to be a company of action and have a firm-wide commitment to be responsible investors and to work with and for our clients to do what is right for them, society and the environment.

Responsibility is embedded across all levels of the firm, in our purpose, people and processes and we recognise the importance of evaluating and enhancing our operations. Understanding ESG factors, both the risks and the opportunities, helps us to be better investors, delivering the investment outcomes our clients expect and making informed decisions on society and the environment over the long term.

We were delighted to have been in the first cohort of successful signatories to the Financial Reporting Council's 2020 UK Stewardship Code (“the Code”) in September 2021. The Code sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them.

We take pride in the progress we have made in 2022 and remain steadfast in our commitment to driving positive change in alignment with our approach to stewardship as we strive to stay at the forefront of best practices.

We continue to evolve our stewardship and governance as a Company and key areas of significance during 2022 were:

- The continued integration and evolution of ESG into our investment process. This necessitates the continual review of the developing regulation and the available data from our investee companies.
- We were pleased to announce during the course of 2022, all of the Slater Investments UCITs Funds (“Funds”) became classified as Article 8 products under the Sustainable Finance Disclosure Regulation (“SFDR”). We will begin reporting in accordance with the requirements of SFDR during 2023, ensuring greater transparency for our current and future clients.
- Slater Investments is a strong supporter of the objectives and goals of the Paris Agreement in limiting global warming to well below 2 degrees Celsius. As responsible stewards of our clients’ assets, we expect investee companies’ business plans to reflect the long-term climate-related risks and opportunities they face. We now run climate scenario analysis which includes a range of ‘Paris aligned’ scenarios to assess the financial impact of Paris-aligned pathways on our products.
- During 2022, we have reduced Slater Investments’s Scope 2 emissions and have committed to be carbon neutral by 2025.
- The company has begun assessing and reporting in line with the Task Force on Climate-Related Financial Disclosure. This builds on work done for the move to SFDR article 8 and European ESG Template (“EET”) and Carbon Emissions Template (“CET”) reporting.
- Increased, granular testing and reviews as part of the annual Value Assessment Report 2022 thereby improving our quality assurance to our clients.

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

### When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?

- (A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes
- (B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear
- (C) We ensure consistency with our voting policy by reviewing external service providers' voting recommendations only after voting has been executed
- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How is voting addressed in your securities lending programme?**

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?**

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?**

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

(A) Yes, for all (proxy) votes

Add link(s):

<https://slaterinvestments.com/voting/>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

**(1) In cases where we abstained or voted against management recommendations**

**(2) In cases where we voted against an ESG-related shareholder resolution**

(A) Yes, we publicly disclosed the rationale	(1) for all votes	(1) for all votes
(B) Yes, we privately communicated the rationale to the company	(3) for a minority of votes	
(C) We did not publicly or privately communicate the rationale, or we did not track this information	<input type="radio"/>	<input type="radio"/>
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	<input type="radio"/>	<input type="radio"/>

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

<https://slaterinvestments.com/wp-content/uploads/2023/05/Slater-Investments-Limited-2022-Stewardship-Report.pdf>  
<https://slaterinvestments.com/voting/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?**



We use proxy voting service providers. All investee company holdings are recorded with Broadridge Financial Solutions (“Broadridge”) and Institutional Shareholder Services (“ISS”) from information provided by the Funds and segregated mandate custodians.

Broadridge and ISS provide portals on their respective platforms, through which our investee companies’ upcoming meetings are identified, alongside any voting resolutions, and the ability to cast our votes. A clear and organised end-to-end voting system enhances our ability to identify, communicate, and engage on issues as they arise. For example, identifying voting resolutions we wish to engage on in a timely and efficient way allows us time to discuss internally and engage with the company where required prior to the voting deadline. We feel utilising these service providers streamlines the voting process, achieving efficient identification and voting processes.

Our proxy voting service provider has functionality to send vote confirmations to email addresses - once votes have been cast we ensure the vote confirmation is sent to the team member who cast the votes, and one other member of the team. Once submitted and confirmation is received, votes are then recorded on internal systems by the person who cast the votes, and this record is checked by a second member of the team on a weekly basis. Votes are also an agenda item on ESG Committee minutes which means the votes which are yet to be cast are noted and discussed with the full ESG team. Four members of the ESG team also receive alerts from the proxy voting service providers which alerts them to new votes which require attention, as well as alerting us when votes are due in 7 days, 5 days, and 2 days.

We had one incident of concern relating to Broadridge through 2022.

We identified that one account of another investment manager was added to our portal. This meant a number of companies with upcoming meetings were showing on our portal even though we did not hold that company across any of our portfolios. We immediately raised this with Broadridge who confirmed that this account had been set up as per the other investment managers instruction. We expressed that this was clearly an error and on further investigation this was recognised by Broadridge and the other party. The account was then removed from our account and the issue was resolved.

This was a complex issue due to the nature of the error and the size of the other investment manager but we were disappointed with the time it took for it to be resolved, with the time from identifying the issue to the issue being fully resolved being 41 days. Whilst this was not a breach on our side, we took very seriously this issue, ensuring the information available to us from this error was not used or shared in any way.

We monitored the situation as the issue was identified, investigated, and resolved. The main challenge to us was that because the account which had been linked to ours in error was so large, it flooded our portal with votes not relevant to us.

During this period it required an additional stage of cross checking the list provided by Broadridge against our holdings. This did not cause any errors to our voting. The portals are checked daily and monitored for any errors such as this, and these errors are considered when making judgements on the overall value of these portals. Through 2022 we continue to believe that these portals enhance our voting and engagement capabilities in a time and resource efficient way.

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

### (1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one



(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal



(C) Publicly engaging the entity, e.g. signing an open letter



(D) Voting against the re-election of one or more board directors



(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director



(F) Divesting



(G) Litigation



(H) Other



(l) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

o

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
  - (B) We responded to policy consultations
  - (C) We provided technical input via government- or regulator-backed working groups
- Describe:

- The IA's Task Force on Climate-related Financial Disclosures ("TCFD") Implementation Forum focussed on navigating the incoming policy which aims to make firms' climate-related disclosures more consistent and therefore more comparable. This was also attended by other fund managers, as well as members from other industry-led initiatives such as Partnership for Carbon Accounting Financials ("PCAF") which works to enable financial institutions to measure and disclose greenhouse gas ("GHG") emissions of loans and investments.
- The IA's Sustainable Finance Disclosure Regulation ("SFDR") implementation forum which covers the disclosure of ESG information by financial market participants in the European Union ("EU").
- The IA's Requisitioned Resolutions working group, for which the purpose was to inform and direct the IA's work in preparing guidance for investors to overcome the barriers to the successful requisitioning of resolutions in line with the general recommendations of the Asset Management Task Force's Report: 'Investing with Purpose: placing stewardship at the heart of sustainable growth'.
- A working group collaboration between the IA, the Association of British Insurers, and the Pensions and Lifetime Savings Association to create a standardised data set to help firms' pension scheme clients meet their Task Force on Climate-Related Financial Disclosures reporting obligations. The Carbon Emissions Template, the product of this working group, was endorsed and launched in February 2022.
- The IA's Financial Crime Forum focussed on the evolving challenges of financial crime and fraud while discussing ideas on managing risks related to financial crime.
- Ongoing membership of the IA's Net-Zero Forum, which enables peer-to-peer knowledge sharing and provides a platform for all IA members to raise questions and find solutions in their journey to net-zero.

- (D) We engaged policy makers on our own initiative
- (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?**

- (A) We publicly disclosed all our policy positions**

Add link(s):

<https://slaterinvestments.com/wp-content/uploads/2023/04/Slater-Investments-Engagement-Policy-March-2023.pdf>

- (B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

<https://slaterinvestments.com/wp-content/uploads/2023/05/Slater-Investments-Limited-2022-Stewardship-Report.pdf>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

Acquisition and relevant funding.

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

R&Q Insurance Holdings Ltd

Sector: Insurance

Asset Class: Equity

Issue: Acquisition and relevant funding.

Objective: Understand better, and inform stakeholders on, our concerns regarding this acquisition.

Action: Lead engage with shareholders to express our concerns around the acquisition and specially the financing of the acquisition.

Outcome: The acquisition was unsuccessful, and funding was later secured through a fundraise which ourselves and other shareholders supported.

One of Slater Investments's main engagements during the year was to lead engagement with other shareholders to prevent a recommended cash acquisition of RQIH, which Slater Investments was ultimately successful in doing. Financing for the acquisition was uncertain and shareholders were not protected by the Takeover Code.

The Board should never have agreed to a situation where shareholders and the business were exposed to such risk. We were surprised how few shareholders understood this risk. Subsequently, in June 2022, Slater Investments participated in RQIH's ensuing equity fundraise (the "Fundraise"). The net proceeds of the Fundraise were to be used by the company to strengthen its balance sheet, fund collateral requirements and pay down debt. The Fundraise has resulted in Slater Investments now having an 11.73% holding in the company. Slater Investments further publicly supported the company following the requisition of a special general meeting in August 2022 by a fellow shareholder to remove the Chairman as a director of the company and to appoint a successor. Slater Investments was pleased with the company's appointment of a new Senior Independent Director to the board and its intention to appoint a new Non-Executive Chairman, which Slater Investments believed was the best way to address the governance of the company. Slater Investments therefore voted against the tabled resolutions, which ultimately did not pass. Slater Investments believes the company has now emerged from a difficult period and is in a stronger position to move forward.

(B) Example 2:

Title of stewardship activity:

On 8 December 2021 the Boards of Clinigen, one of Slater Investments investee companies, and Triley Bidco Ltd ("Triley Bidco") announced they had agreed terms for a recommended all-cash offer to acquire Clinigen at 883p per share.

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Clinigen Group plc (“Clinigen”),  
Sector: Pharmaceuticals  
Asset Class: Equity

Issue: On 8 December 2021 the Boards of Clinigen, one of Slater Investments investee companies, and Triley Bidco Ltd (“Triley Bidco”) announced they had agreed terms for a recommended all-cash offer to acquire Clinigen at 883p per share.

Objective: To express our view that the offer price was not adequate.

At the time of the announcement, Slater Investments did not agree that the offer price represented a true reflection of value for shareholders.

Action: Slater Investments signalled an intention to vote against the recommended offer and engaged with other shareholders to discuss our concerns.

Outcome: In January 2022 the Boards of Clinigen and Triley Bidco announced an increased and final recommended all-cash offer for Clinigen to 925p per share, which represents an increase of 42p and 5% per share. Slater Investments believed the final offer price represented a truer reflection of shareholder value and voted in favour of the offer. The General Meeting was also delayed until February 2022, where the bid was duly approved.

(C) Example 3:

Title of stewardship activity:

Board composition and strategy

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Palace Capital PLC

Sector: Real Estate

Asset Class: Equity

Issue: Board composition and strategy

Objective: To bring the issue of succession planning to the attention of the board and assist where necessary in ensuring the company has developed a competent succession plan, to discuss the strategic steps necessary to narrow the company's discount to NAV. Furthermore, to understand how the company was considering the strategic implications of the consolidation of the sector for companies below a £100 million market capitalisation.

Action: Following Palace Capital PLC's appointment of a new Chairman in December of 2021 we worked closely with the executive team of the company on their new strategy for the business.

Through 2022 we worked with both the Board and other shareholders to assist in unlocking the value within the company and we were pleased with the progress made. In August of 2022, Slater Investments met with the newly appointed Executive Chairman ("Chairman") and Senior Independent Director ("SID") to continue discussions regarding the company's new strategy and how it plans to eventually return funds to investors.

Outcome: The current Board now consists of three members, with no plan to add to this number. This is a welcome stance as it represents a much more prudent cost management structure and will look to create additional value for shareholders.

Slater Investments was pleased that the Chairman was very much focused on the costs of the business which in the past had been too high. Slater Investments continues to monitor this situation closely.

(D) Example 4:

Title of stewardship activity:

In our April 2021 review of Elixirr, in which we are the second largest shareholder, we noted that we did not believe the current Non-Executive Directors ("NEDs") on the Board were of the standard we would expect of a listed company as we did not believe them to be suitably independent. All three NEDs had at some point been consultants to the company.

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.



Elixirr International PLC (“Elixirr”)

Sector: Insurance

Asset Class: Equity

Issue: In our April 2021 review of Elixirr, in which we are the second largest shareholder, we noted that we did not believe the current Non-Executive Directors (“NEDs”) on the Board were of the standard we would expect of a listed company as we did not believe them to be suitably independent. All three NEDs had at some point been consultants to the company.

Objective: To press the company to improve its board structure and governance.

Action: Since then, we have engaged with the company’s leadership to help move the company forward in strengthening its governance, particularly involving Elixirr’s succession planning.

Outcome: The board composition has not changed though we continue to engage with the company on improving governance.

(E) Example 5:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

**Has your organisation identified climate-related risks and opportunities affecting your investments?**

**(A) Yes, within our standard planning horizon**

Specify the risks and opportunities identified and your relevant standard planning horizon:

This is performed on a company by company basis with a review performed when the annual report is released, or this is performed when a new company is being considered, or as ad hoc issues arise which we feel require review. Though this is company dependant, in the vast majority of cases, this review will consider the TCFD reporting done by the company where these specific risks are outlined, and we will raise any additional considerations if we feel they have not been reported on by the company.

An excerpt from an example of this part of the ESG review below:

TCFD Reporting:

- Workspace recognises climate change as a material risk and issue.

Since 2019, it has followed TCFD recommendations, disclosing climate-related risks and opportunities to stakeholders. This year, Workspace has deepened its understanding of climate risks and opportunities, updated risk management, and committed to net-zero carbon emissions by 2030. The TCFD disclosures provided focus on Workspace's portfolio, with the McKay portfolio to be included in next year's report.

- Strategy:

o Workspace considers climate-related risks and opportunities across its portfolio and activities.

They actively manage identified physical and transition risks associated with climate change. Collaborating with Willis Tower Watson, they conducted scenario analysis based on 4°C and 1.5°C global temperature rise scenarios. The assessment covers physical impacts (e.g., property damage, supply chain disruption) and risks/opportunities related to the low-carbon transition (e.g., policy/legal, technology, market, reputation). Potential climate risks include flooding, windstorm, drought, and heat stress. Chronic risks emerge in the long term, while some acute risks are present now.

Transition risks arise from policy requirements and raw material price increases. A summary of the risks and opportunities across the various time horizons and considering the two warming scenarios:

□ 1.5 °C Scenario

• Short term (To 2025)

o Moderate transition risks include meeting MEES requirements for energy efficiency upgrades and adapting older buildings to meet sustainability standards driven by changing customer demands.

Transition opportunities arise from operational cost savings, enhanced customer attractiveness, and access to green finance.

Current physical risks remain unchanged, including moderate exposure to windstorm, flood risk at two buildings, and localised flash flooding at a handful of buildings.

• Medium term (2025-2030)

o There is a slight increase in transition risk due to ongoing MEES requirements, higher planning requirements, increased costs of raw materials, and offsetting scope 3 emissions. However, transition opportunities persist, driven by operational cost savings, meeting customer expectations, and access to green finance.

There are no significant changes to current physical risks, except for the existing moderate exposure to windstorm, flood risk at two buildings, and localised flash flooding at a few buildings.

• Long term (To 2050+)

o There is limited transition risk in the long term if the UK economy has already transitioned to a low carbon world. Similarly, there are limited transition opportunities in this scenario. The physical risks would undergo smaller manageable changes, including slightly warmer winters and drier summers. The existing moderate exposure to windstorm, flood risk at two buildings, and localised flash flooding across a few buildings remain unchanged.

□ 4°C Scenario

• Short term (To 2025)

o Transition risk non-existent in this scenario, in the short term.

No significant changes to current physical risks.

- Medium term (2025-2030)
- o Transition risk non-existent in this scenario, in the medium term. No significant changes to current physical risks.
- Long term (To 2050+)
- o Failure to transition to a low carbon world would lead to an increase in physical risks, including continued moderate exposure to windstorm, flood risk at two buildings, and localised flash flooding.

There would also be increased drought risk across all buildings and heightened heat stress, resulting in higher electricity consumption for cooling. However, there is a potential decrease in heating demand by 15-25% on average.

- To address embodied carbon emissions, the company conducted an assessment of recent development projects and aims to carry out embodied carbon assessments for future projects. It has also implemented on-site solar PV installations and plans to expand their use.
- Overall, the company's Net Zero Carbon Pathway demonstrates its commitment to reducing emissions and aligning with climate science to contribute to global efforts in mitigating climate change.

This above presents a small part of the specific climate risks assessment performed through the ESG review.

- (B) Yes, beyond our standard planning horizon
- o (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

**● (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities**

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

The Company is a long-term investor, and ESG-related risks and opportunities are considered over the short, medium, and long-term periods across our portfolios. We have assessed the resilience of our strategy under a range of scenarios. The principal risks and opportunities for our business are related to the investment strategy we employ on behalf of our clients' portfolios. We can mitigate these risks and capture opportunities most effectively through stock selection and portfolio construction and by active engagement with the companies in which we invest. The incorporation of ESG analysis into our investment process is not indicative of a change in our process, nor of style shift.

For current holdings, and prospective investments we assess TCFD reporting as part of ad-hoc and ongoing company reviews.

ESG and climate risk is an emerging risk that Slater Investments faces. This risk includes the risk that the Slater Investments does not meet its ESG obligations, Slater Investments may be impacted directly or through the investments in companies our clients hold. The impacts may come from physical risks or from exposure to transition risks which arise from the response to climate change.

These can change business cost, alter the viability of product or services or alter asset value. The ESG Committee monitors and reports on both portfolio ESG and climate risk that may exist in our portfolio.

Slater Investments is a supporter of the UK Stewardship Code (Code") and aspires to the standards of best practices set by the Code. The Code sets high stewardship standards for those investing money on behalf a UK savers and pensioners and those that support them. We are pleased to remain a signatory of the Code in 2022.

Slater investments is also a signatory to the UN-supported Principles for Responsible Investment, a commitment to responsible investment that places the Company at the hear of a global community seeking to build a more sustainable financial system. At the end of 2022, the Slater Growth Fund, Slater Recovery Fund and Slater Income Fund have been categorized as Article 8 compliant under the Sustainable Finance Disclosure Regulation (\*SFDR\*), which means each is a "Fund which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made folio good governance practices."

As a company, we are conscious of the potential impact on the environment, but given the nature of our business, our impact is limited.

Nevertheless, as a firm, we are cognizant of our environmental impact and are committed to playing our part in protecting the planet. We endeavour to embed sustainable practices throughout every aspect of our business. Over the past year, we have focused our efforts on deepening our understanding of our environmental impact and that of the suppliers we use. In 2022 we developed a Sustainability Roadmap with, amongst other key action points, the objective of lowering our emissions as much as possible without using carbon offsets. To that end, we engaged with Heart of the City, a City of London-based organization designed to help small to medium-sized businesses precisely formulate a plan to impact the planet positively.

We are also ongoing members of the Investment Associations (IA") Net-Zero Forum. which enables peer-to-peer knowledge sharing and provides a platform for all IA members to raise questions and find solutions in their journey lo net-zero. We do not believe in setting premature and unachievable targets for the Company to become an entirely organically carbon-neutral company. Our Sustainability Roadmap focuses on reducing our scope 1 and 2 emissions as much as possible without affecting the viability of the business. The Company has begun assessing and reporting in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

Below, we will report how climate change is embedded across the four TCFD pillars of governance, strategy, risk management, and metrics and targets.

The business has one office employing 21 people and our operational impact is- not considered material. The Company has set initiatives and targets to reduce our emissions. The Company is a long-term investor, and climate-related risks and opportunities are considered over the short, medium, and long-term periods across our portfolios. We have assessed the resilience of our strategy under a range of scenarios.

The principal risks and opportunities for our business are related to the investment strategy we employ on behalf of our portfolios.

We can mitigate these risks and capture opportunities most effectively through stock selection and portfolio construction and by active engagement with the companies in which we invest.

- o (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

#### Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

- (A) Coal
- (B) Gas
- (C) Oil
- (D) Utilities
- (E) Cement
- (F) Steel
- (G) Aviation
- (H) Heavy duty road
- (I) Light duty road
- (J) Shipping
- (K) Aluminium
- (L) Agriculture, forestry, fishery
- (M) Chemicals

- (N) Construction and buildings
- (O) Textile and leather
- (P) Water
- (Q) Other
- (R) We do not have a strategy addressing high-emitting sectors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario

(D) Yes, using other scenarios

Specify:

The Paris Agreement Capital Transition Assessment (PACTA) is a free, open-source methodology and tool, which measures financial portfolios' alignment with various climate scenarios consistent with the Paris Agreement.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

(A) Yes, we have a process to identify and assess climate-related risks

(1) Describe your process

Identification and Assessment:

Slater Investments recognises climate-related risks as material factors that can significantly impact the financial performance and long-term value of investments. The organisation's process for identifying, assessing, and managing climate-related risks is well-defined and embedded within its investment practices. The ESG department perform company reviews of holdings at least annually following the company's annual report, or on an ad-hoc basis as ongoing ESG review or analysts identify issues, or where we do not hold the company but are considering initiating a position.

In this report, though it varies from company to company depending on the nature of the company or any identified focus<sup>1</sup>, the broad structure can be described as encompassing; an assessment of ESG material in the Annual Report, a review of any Net Zero Policy documentation including targets and progress towards those through the year, incorporation of third party ESG data, remuneration assessment (pay-ratio, pension, NED pay, share options), TFCO Reporting review and assessment, EPC ratings and targets, analysis of the Board, Assessment of Principal Risks, review of major shareholders, key Board activity, SASB materiality analysis, key developments. Though not exhaustive this is illustrative of the level of detail with which we consider climate and the other ESG pillars when reviewing these companies. Should issues be identified then we consider appropriate actions and may engage with the company after internal discussion.

The Chair of the Compliance and Risk Committee attends both Investment Committee and ESG Committee meetings and retains the power to veto any action deemed not to be in the best interest of its clients. All companies are ultimately scored using a RAG rating:

**Red:** the Investment Committee will immediately be notified of companies identified as PAI laggards. Identified companies will be further analysed by the ESG Committee. This may result in divestment depending on the risk and severity of the identified negative impacts and the total cumulative negative impacts identified across all PAI indicators.

Immediate engagement will be conducted with company management to address the identified risks.

**Amber:** investments which are identified as PAI intermediate performers will also be further analysed with the aim to mitigate and/or eliminate adverse impacts through prioritised engagement.

**Green:** Slater Investments continues to engage with investee companies identified as PAI leaders to assist in identifying how value can be added, and any risks be further mitigated against.

#### Integration of ESG and Climate Risks:

Slater Investments acknowledges climate change as a critical financial risk and incorporates it into its investment analysis framework.

Environmental, social, and governance (ESG) factors, including climate risks, are considered as integral components of investment decision-making.

#### Data Utilisation:

The organisation relies on external ESG data and ratings to identify climate-related risks associated with portfolio holdings. These data sources provide a comprehensive overview of a company's exposure to various climate hazards, regulatory risks, and opportunities linked to transition to a low-carbon economy.

#### Engagement in Working Groups:

Slater Investments actively participates in government- and regulator-backed working groups, including Sustainable Finance Disclosure Regulation (SFDR) working group, and Sustainability Disclosure Requirements (SDR) discussions. This engagement allows Slater Investments to contribute to industry-wide discussions on climate risk assessment methodologies, regulatory developments, and disclosure standards.

#### Risk Metrics and Qualitative Assessment:

The organisation employs a combination of quantitative risk metrics and qualitative assessments to evaluate the potential impact of climate-related risks on investment holdings. These assessments encompass physical risks, transition risks, regulatory risks, and reputational risks associated with inadequate response to climate challenges.

(2) Describe how this process is integrated into your overall risk management

Integration into Risk Management:

Potential material climate risks in portfolio companies are identified by both the Investment Committee and the ESG Committee. This is done through internal research and our third-party ESG data provider. Every quarter, the ESG Committee performs a climate scenario analysis program on our funds. When testing at the portfolio level, we look to answer the following questions:

- What proportion of the portfolio is invested in the nine vital climate-relevant sectors (power, oil & gas, coal mining, automotive, shipping, aviation, cement, steel, and heavy-duty vehicles)?
- Do the companies' production plans in the portfolio tally with climate scenarios that comply with the Paris Agreement?
- Which companies in the portfolio significantly influence the results?
- How does the portfolio perform compared to market benchmarks?
- To what level of risk is the portfolio's asset value exposed in various transition scenarios?

Scenario analysis is used to highlight possible exposure to climate risks.

It provides a systematic framework for analysing the uncertainty around the impact of climate risk factors, including timing and variability across geographies and sectors. This exercise enables the identification and potential escalation of investment-related climate risks or opportunities which may be deemed to impact the resilience of our overall strategy.

We will continue to develop the integration of climate within our risk management processes in 2023.

Slater Investments' process for managing climate-related risks is closely intertwined with its broader risk management framework, ensuring that these risks are effectively addressed and mitigated. The ESG company review is a fundamental element of both initial, and ongoing company assessment. As an integrated part of the investment process this offers broad and detailed assessment and ongoing review. Any issues are flagged and discussed and as stated previously the Chair of the Compliance and Risk Committee attends both Investment Committee and ESG Committee meetings and retains the power to veto any action deemed not to be in the best interest of its clients.

Holistic Risk Management:

Climate-related risks are not treated in isolation; rather, they are integrated into the organisation's overall risk management approach.

This integration ensures that climate risks are considered alongside other financial and non-financial risks.

Engagement:

The organisation actively engages with portfolio companies. This is an avenue whereby we can raise broader ESG issues encompassing climate related risks.

Escalation and collaboration:

We also have the means and ability to escalate issues as and when we deem it appropriate.

- (B) Yes, we have a process to manage climate-related risks
- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?**

- (A) Exposure to physical risk
- (B) Exposure to transition risk
- (C) Internal carbon price
- (D) Total carbon emissions**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed**
    - (3) Metric or variable used and disclosed, including methodology
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
    - <https://slaterinvestments.com/wp-content/uploads/2018/12/Slater-Recovery-Fund-Interim-Report-2023.pdf>
- (E) Weighted average carbon intensity**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed**
    - (3) Metric or variable used and disclosed, including methodology
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
    - <https://slaterinvestments.com/wp-content/uploads/2018/12/Slater-Recovery-Fund-Interim-Report-2023.pdf>
- (F) Avoided emissions
- (G) Implied Temperature Rise (ITR)
- (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed**
    - (3) Metric or variable used and disclosed, including methodology
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
    - <https://slaterinvestments.com/wp-content/uploads/2018/12/Slater-Recovery-Fund-Interim-Report-2023.pdf>
- (I) Proportion of assets or other business activities aligned with climate-related opportunities**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed**
    - (3) Metric or variable used and disclosed, including methodology
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
    - <https://slaterinvestments.com/wp-content/uploads/2018/12/Slater-Recovery-Fund-Interim-Report-2023.pdf>
- (J) Other metrics or variables
  - (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year







(D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)
- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)
- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irreparable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method

Specify:

The Company is a long-term investor, and ESG-related risks and opportunities are considered over the short, medium, and longterm periods across our portfolios. We have assessed the resilience of our strategy under a range of scenarios. The principal risks and opportunities for our business are related to the investment strategy we employ on behalf of our clients' portfolios.

ESG integration is approached from a practical perspective, considering these issues against the backdrop of Slater Investments's investment time horizon and goals of its Funds and segregated accounts.

Our investment process is not driven by ESG, however, the search for investable companies inevitably leads to companies with above average levels of corporate governance. Similarly, our growth process has been biased towards "capital light" businesses which typically present relatively few material environmental concerns.

We feel this is achieved most effectively when performed on a company by company basis. With full and detailed review on initiation and ongoing review we are able to define the most important sustainability concerns relating to each of our investments. This allows more focussed attention to issues in a way where there is clearer line of sight for engagement activities to address any concerns.

- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

**Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?**

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

**During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?**

- (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes
- (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts
- (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities
- (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?**

**(A) Corporate disclosures**

Provide further detail on how your organisation used these information sources:

We formally review prospective holdings and current holdings company disclosures to form a view on the potential or actual negative impacts on people. This is performed on a company specific basis but can include any of the following: Annual Report, Net Zero Policy, Business Update documentation, any documentation relating to Investment in Fossil Fuels, TCFD Reporting, SASB Materiality Matrix reporting, Climate Report documentation, Social Impact Report

**(B) Media reports**

Provide further detail on how your organisation used these information sources:

We have daily RNS alerts for companies we hold, this keeps us informed on these companies as soon as they publish information. We also scour media reports when performing company reviews to identify any potential controversies or relevant events which the company have not reported themselves.

(C) Reports and other information from NGOs and human rights institutions

(D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank

**(E) Data provider scores or benchmarks**

Provide further detail on how your organisation used these information sources:

This provides us with ESG Score, ESG Controversies Score, Environmental Pillar Score, Social Pillar Score, Governance Pillar Score, ESG Combined Score. We also take Shareholder data, recent trade data, Board remuneration data. This is additive to our review but forms a small part of a broader, more detailed overall assessment.

- (F) Human rights violation alerts
- (G) Sell-side research
- (H) Investor networks or other investors
- (I) Information provided directly by affected stakeholders or their representatives
- (J) Social media analysis
- (K) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?**

- (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities
- (B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities
- (C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

Explain why:

We have not identified any cases where people's human rights were being negatively affected by our prospective or actual holdings.

## LISTED EQUITY (LE)

### OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?**

### (3) Active - fundamental

(A) Yes, our investment process incorporates material governance factors (1) for all of our AUM

(B) Yes, our investment process incorporates material environmental and social factors (1) for all of our AUM

(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period (1) for all of our AUM

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion ○

(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors ○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?**

### (3) Active - fundamental

(A) Yes, we have a formal process that includes scenario analyses

(1) for all of our AUM

(B) Yes, we have a formal process, but it does not include scenario analyses

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

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(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

o

#### (A) Yes, we have a formal process that includes scenario analysis - Specify: (Voluntary)

The Company is a long-term investor, and climate-related risks and opportunities are considered over the short, medium, and long-term periods across our portfolios. We have assessed the resilience of our strategy under a range of scenarios. The principal risks and opportunities for our business are related to the investment strategy we employ on behalf of our portfolios. We can mitigate these risks and capture opportunities most effectively through stock selection and portfolio construction and by active engagement with the companies in which we invest.

Potential material climate risks in portfolio companies are identified by both the Investment Committee and the ESG Committee. This is done through internal research and our third-party ESG data provider. Every quarter, the ESG Committee performs a climate scenario analysis program on our funds. When testing at the portfolio level, we look to answer the following questions:

- What proportion of the portfolio is invested in the nine vital climate-relevant sectors (power, oil & gas, coal mining, automotive, shipping, aviation, cement, steel, and heavy-duty vehicles)?
- Do the companies' production plans in the portfolio tally with climate scenarios that comply with the Paris Agreement?
- Which companies in the portfolio significantly influence the results?
- How does the portfolio perform compared to market benchmarks?
- To what level of risk is the portfolio's asset value exposed in various transition scenarios?

Scenario analysis is used to highlight possible exposure to climate risks.

It provides a systematic framework for analysing the uncertainty around the impact of climate risk factors, including timing and variability across geographies and sectors. This exercise enables the identification and potential escalation of investment-related climate risks or opportunities which may be deemed to impact the resilience of our overall strategy.



## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?**

#### (2) Active - fundamental

(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process

(1) in all cases

(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

**(3) Active - fundamental**

(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors

(1) in all cases

(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors

(1) in all cases

(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability

(1) in all cases

(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

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## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.**

ESG is integrated into Slater Investments's investment process at a firm level. The ESG Committee works closely with the Investment Committee to ensure ESG based investment analysis, alongside active and engaged stewardship, is embedded in Slater Investments's investment process and subsequent ongoing monitoring. Slater Investments's firm level investment process does not exclude any sectors.

The first step in Slater Investments's investment process is a quantitative screen. The initial work in identifying companies from this narrowed down investible universe is conducted by the Investment Committee. Once an investment opportunity emerges, the ESG Committee is involved in every step of the potential investment journey thereafter. Where a new company is proposed, an ESG research report accompanies the Investment Committee's own work. At least one representative from the ESG Committee will also participate in the initial meeting of prospective investments. In this instance, Slater Investments defines initial as: if Slater Investments have never met the company's management previously; if there has been a material change in either the management personnel or the company's long-term strategy; and if more than 5 years have passed since the last meeting between Slater Investments and the company's management.

The ESG Committee's ongoing monitoring of portfolio companies is conducted throughout the year and is linked to their Annual Report release cycle and other company statements. For evaluating all potential and existing investments, the ESG Committee uses Slater Investments's internal ESG investment standards which uses a combination of the International Sustainability Standards Board's sustainability-related disclosure standards, the Sustainability Accounting Standards Board's materiality framework and the Task Force on Climate-Related Financial Disclosures' recommendations on climate-related risks and opportunities as a starting point to understand the potential risks a company may face and to determine materiality.

The environmental and social impact of a company's activities are considered using PAIs at an individual company level. Slater Investments also assesses the impact of relevant ESG regulation, both existing and potential, on a company. The focus of this process is broken down into two categories:

1) Maintaining value

The primary focus is to pre-emptively monitor for ESG risks that may emerge which might threaten the price earnings ratio or earnings growth prospects of Slater Investments investee companies.

2) Adding value

The ESG Committee work with management teams of Slater Investments's investee companies, offering advice as to how they can use ESG to assist in growing the business through either identifying ESG related market opportunities or improving their internal ESG practices.

Any ESG risks, and their PAIs, identified by the ESG Committee are weighed against all other inputs when considering an investment decision. In line with Slater Investments's existing risk management processes, where Slater Investments are not comfortable with any level of risk posed by an investment, steps will be taken to mitigate and manage that risk, which may include divestment. The Chair of the Compliance and Risk Committee attends both Investment Committee and ESG Committee meetings and retains the power to veto any action deemed not to be in the best interest of its clients.

All companies are ultimately scored using a RAG rating:

Red: the Investment Committee will immediately be notified of companies identified as PAI laggards. Identified companies will be further analysed by the ESG Committee. This may result in divestment depending on the risk and severity of the identified negative impacts and the total cumulative negative impacts identified across all PAI indicators. Immediate engagement will be conducted with company management to address the identified risks.

Amber: investments which are identified as PAI intermediate performers will also be further analysed with the aim to mitigate and/or eliminate adverse impacts through prioritised engagement.

Green: Slater Investments continues to engage with investee companies identified as PAI leaders to assist in identifying how value can be added, and any risks be further mitigated against.

Where it is necessary to seek additional information or clarification, the ESG Committee will engage with the company directly. In the instances where the ESG Committee's concerns are not entirely alleviated, this information will be relayed to the Investment Committee. The ESG Committee also seeks to monitor press coverage of portfolio companies and any new concerns, or ideas, are communicated to the Investment Committee.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**

### (3) Active - fundamental

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(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

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(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

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(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

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(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

**(2) Active - fundamental**

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings



(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents



(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities



(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents



(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion

○

(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

○

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

# SUSTAINABILITY OUTCOMES (SO)

## SETTING TARGETS AND TRACKING PROGRESS

### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

**(A) Sustainability outcome #1**

- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- (1) The UN Sustainable Development Goals (SDGs) and targets**
  - (2) The UNFCCC Paris Agreement
  - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
  - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
  - (5) The EU Taxonomy
  - (6) Other relevant taxonomies
  - (7) The International Bill of Human Rights
  - (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
  - (9) The Convention on Biological Diversity
  - (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- (1) Environmental**
  - (2) Social**
  - (3) Governance-related**
  - (4) Other
- (3) Sustainability outcome name

The United Nation's 2030 Agenda for Sustainable Development

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets**

**(B) Sustainability outcome #2**

- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- (1) The UN Sustainable Development Goals (SDGs) and targets
  - (2) The UNFCCC Paris Agreement
  - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
  - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors**
  - (5) The EU Taxonomy
  - (6) Other relevant taxonomies
  - (7) The International Bill of Human Rights



- (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (9) The Convention on Biological Diversity
- (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- (1) **Environmental**
- (2) **Social**
- (3) **Governance-related**
- (4) Other

(3) Sustainability outcome name

OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) **Two or more targets**

(C) **Sustainability outcome #3**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- (1) The UN Sustainable Development Goals (SDGs) and targets
- (2) **The UNFCCC Paris Agreement**
- (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (5) The EU Taxonomy
- (6) Other relevant taxonomies
- (7) The International Bill of Human Rights
- (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (9) The Convention on Biological Diversity
- (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- (1) **Environmental**
- (2) Social
- (3) Governance-related
- (4) Other

(3) Sustainability outcome name

The UNFCCC Paris Agreement

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) **Two or more targets**

- (D) Sustainability outcome #4
- (E) Sustainability outcome #5
- (F) Sustainability outcome #6
- (G) Sustainability outcome #7
- (H) Sustainability outcome #8
- (I) Sustainability outcome #9
- (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1: The United Nation’s 2030 Agenda for Sustainable Development

(1) Target name

(2) Baseline year

(3) Target to be met by

(4) Methodology

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

### (A2) Sustainability Outcome #1: Target details

(A2) Sustainability Outcome #1: The United Nation's 2030 Agenda for Sustainable Development

(1) Target name

(2) Baseline year

(3) Target to be met by

(4) Methodology

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

### (B1) Sustainability Outcome #2: Target details

(B1) Sustainability Outcome #2: OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(1) Target name

(2) Baseline year

(3) Target to be met by

(4) Methodology

(5) Metric used (if relevant)

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(6) Absolute or intensity-based (if relevant)

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(7) Baseline level or amount (if relevant):

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(8) Target level or amount (if relevant)

---

(9) Percentage of total AUM covered in your baseline year for target setting

---

(10) Do you also have a longer-term target for this?

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**(B2) Sustainability Outcome #2: Target details**

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(B2) Sustainability Outcome #2: OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

---

(1) Target name

---

(2) Baseline year

---

(3) Target to be met by

---

(4) Methodology

---

(5) Metric used (if relevant)

---

(6) Absolute or intensity-based (if relevant)

---

(7) Baseline level or amount (if relevant):

---

(8) Target level or amount (if relevant)

---

(9) Percentage of total AUM covered in your baseline year for target setting

---

(10) Do you also have a longer-term target for this?

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**(C1) Sustainability Outcome #3: Target details**

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(C1) Sustainability Outcome #3: The UNFCCC Paris Agreement

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(1) Target name

---

(2) Baseline year

---

(3) Target to be met by

---

(4) Methodology

---

(5) Metric used (if relevant)

---

(6) Absolute or intensity-based (if relevant)

---

(7) Baseline level or amount (if relevant):

---

(8) Target level or amount (if relevant)

---

(9) Percentage of total AUM covered in your baseline year for target setting

---

(10) Do you also have a longer-term target for this?

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**(C2) Sustainability Outcome #3: Target details**

---

(C2) Sustainability Outcome #3: The UNFCCC Paris Agreement

---

(1) Target name

---

(2) Baseline year

(3) Target to be met by

(4) Methodology

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

## FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

**If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.**

- (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
- (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

# CONFIDENCE-BUILDING MEASURES (CBM)

## CONFIDENCE-BUILDING MEASURES

### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

#### How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report**
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (H) We did not verify the information submitted in our PRI report this reporting year