



# **Slater Investments Limited**

## **The Task Force on Climate-related Financial Disclosures Report**

### **Report for the period**

**1 January 2025 to 31 December 2025**

## **Slater Investments Limited (“Slater Investments” or the “Company”)**

### **The Task Force on Climate-related Financial Disclosures (“TCFD”) Report for the period 1 January 2025 to 31 December 2025**

#### **Background**

TCFD is intended to create voluntary, consistent climate-related financial disclosures for organisations to provide information to investors, lenders and other stakeholders. The intention being that organisations use the TCFD recommendations in their publicly available annual financial reports and that the recommendations provide a standardised approach to climate change reporting, so that risks and opportunities can be categorised consistently, and organisations across different sectors and jurisdictions can be compared.

In accordance with Chapter 2 of the Environmental, Social and Governance sourcebook of the FCA Handbook (the ‘Sourcebook’), UK firms managing funds and portfolios must produce an entity-level report consistent with the TCFD. Slater Investments does not currently fall under this reporting regime. However, the Company has decided to provide transparency into our work in this important area.

This report sets out Slater Investments’s disclosures in compliance with the Sourcebook and reviews how Slater Investments considers climate-related risks and opportunities in managing and administering investments on behalf of its clients and investors.

#### **Products and Services**

TCFD reports at the product level can be found in the most recent report for the following Slater Investments Funds:

- [Slater Growth Fund](#)
- [Slater Recovery Fund](#)
- [Slater Income Fund](#)
- Slater Artorius Fund

The Funds also provide details about voting and engagements.

#### **TCFD Disclosure Recommendations**

Slater Investments adheres to the TCFD’s recommendations on climate-related financial disclosures, on a best-efforts basis, encompassing the following four pillars:

- Governance
- Strategy
- Climate-related opportunities and risks
- Risk management

#### **Governance**

The Board of Slater Investments has ultimate responsibility for the Company’s risk strategy, determining an appropriate risk appetite and the tolerance level within which we must operate. The Chief Investment Officer (“CIO”) and Chief Operating Officer (“COO”) are responsible for managing the Company’s day-to-day business and ensuring strategy implementation including responsibility for climate change related issues. The COO sits on both Slater Investments’s Compliance and Risk Committee (“C&R”) and ESG Committee. The C&R is responsible for assessing and mitigating against all identified risks that may inflict a material impact on the business.

The ESG Committee is responsible for the setting and implementation of the sustainability strategy including climate-related strategy for Slater Investments. It is also responsible for managing the integration of ESG factors across all of the Funds, and monitors and assesses each Fund's carbon metrics at an aggregated level and reports its findings in each Fund's annual and interim reports (as referenced above).

## **Strategy**

As long-term investors, climate-related risks and opportunities are considered over the short, medium and long-term periods across our portfolios. For the purposes of this report, this means - short term: less than 3 years; medium term: 3-10 years; long term: 10+ years.

There are two main types of climate-related risks: physical and transition risk. Dealing with each risk in turn:

*Physical climate risks* are either acute or chronic. Acute risks include heatwaves, droughts, wildfires, and flooding. Chronic risks are driven by longer term shifts in climate patterns like sea level rise, and higher average temperatures. These threats come in two forms: idiosyncratic and systemic risks. Idiosyncratic risks are more specific and localised, affecting individual assets or companies. This could be a company heavily dependent on a specific geographic location. Systemic risks are risks that affect the entire financial system or a significant portion of it. Sea level rise, widespread temperature increases, or large-scale natural disasters can have systemic implications.

*Transition risks* are the potential costs to society of shifting to a low carbon economy to mitigate climate change. They arise primarily from policy change and the level of technological adoption, but also from market developments such as changes in consumer preferences.

Both the physical effects of climate change and the transition to a low-carbon economy are sources of financial risks and have the potential to affect a company's profitability if exposed to these risks.

Both types of risks are not mutually exclusive, which means a company can be exposed to and impacted by both. Identifying these risks involves a thorough analysis of various aspects of a company's operations, supply chain, and overall business strategy. This involves evaluation of regulatory and policy risks, assessing transition risk and considering reputational risk. Once climate-related risks are identified, these considerations are integrated into the investment process.

The ESG Committee undertakes engagement with the Funds' portfolio companies to encourage better disclosure and monitor and manage the risks (including climate-related risks) that the particular company is or may be facing.

All investments held by Slater Investments's Funds undergo the same process with no exceptions.

## **Climate-related opportunities and risks**

Slater Investments believes that structural changes such as climate change present both risk and opportunities for the products that it manages.

| <b>Opportunities</b> | <b>Description</b>   | <b>Impact</b>                  | <b>Timeframe</b>    |
|----------------------|--|--------------------------------|---------------------|
| Product and Service  | Increased demand for equity funds which employ sustainable investment strategies   | Increased Revenue              | Long-term           |
| Product and Service  | Changes in consumer preferences create opportunities for the Funds' portfolio companies that have lower environmental and climate impact | Increase Portfolio Value       | Long-term           |
| Product and Service  | Development of ESG-integrated investment strategies may attract additional client demand   | Increased Revenue and AUM      | Medium to Long-term |
| Markets              | Climate transition creates investment opportunities in companies benefiting from decarbonisation and climate solutions                   | Improved portfolio performance | Medium to Long-term |

| <b>Risk</b>           | <b>Description</b>   | <b>Impact</b>           | <b>Timeframe</b>     |
|-----------------------|--|-------------------------|----------------------|
| Policy and Legal Risk | As policy around climate change continues to evolve, new regulations can impact client demand for our product.   | Reduced Revenue         | Long-term            |
| Market Risk           | Climate transition and physical risks may negatively affect the valuation of portfolio companies, reducing fund performance and assets under management  | Reduced Revenue and AUM | Medium to Long-term  |
| Market Risk           | Emerging regulation could negatively impact the financial performance of carbon-intensive companies in the Funds' portfolios.  | Reduced Revenue         | Long Term            |
| Market Risk           | Clients may reallocate capital towards managers with stronger ESG credentials or climate alignment   | Reduced Revenue and AUM | Medium to Long-term  |
| Reputation Risk       | Climate change has been identified as a potential source of reputational risk tied to community perceptions of an organisation's contribution to or detraction from the transition to a lower-carbon economy | Reduced Revenue         | Long term            |
| Policy and Legal Risk | Climate and ESG Reporting requirements could expose us to regulatory penalties   | Increased Cost          | Medium-term          |
| Policy and Legal Risk | Increasing climate disclosure requirements may increase operational complexity and compliance costs  | Increased Cost          | Short to Medium-term |

The Company seeks to ensure that each Fund's investment portfolio does not have substantial holdings in companies with significant climate-related risk exposure, resulting in each Fund having a more resilient portfolio.

### **Risk Management**

Potential material climate-related risks in the portfolio companies of each Fund are identified by both the Investment Committee and the ESG Committee through internal research and data provided by the Company's third party ESG data provider. It includes assessing and monitoring, for each portfolio company, both current and emerging regulation, understanding future technology changes and potential reputational damage.

### **Metrics and Targets**

Slater Investments uses metrics to measure the collective carbon impact of each of the Fund’s portfolio companies, calculated according to TCFD standards, which in turn are based on the internationally accepted Greenhouse Gas (“GHG”) Protocol. The GHG Protocol is a set of accounting and reporting standards for greenhouse gas emissions. It is one of the most widely used frameworks globally for businesses and governments to understand, quantify, and manage their greenhouse gas emissions. The following metrics are used to measure the collective carbon impact on each Fund’s portfolio companies:

- **Scope 1 Carbon Emission:** Direct emissions from sources that are owned or controlled by the organisation. This includes emissions from combustion of fossil fuels, on-site industrial processes, and transportation owned or controlled by the organisation.
- **Scope 2 Carbon Emission:** Indirect emissions from the generation of purchased energy, such as electricity, heating, and cooling. These emissions occur outside the organisation's boundaries but result from activities that support its operations.
- **Scope 3 Carbon Emission:** the result of activities from assets not owned or controlled by the organisation, but that the organisation indirectly affects in its value chain.
- **Total Carbon Emissions:** The sum of all greenhouse gas emissions, typically measured in carbon dioxide equivalent (CO<sub>2</sub>e), produced directly or indirectly by an organisation.
- **Total Carbon Footprint:** The total amount of greenhouse gases, measured in CO<sub>2</sub>e, that are directly and indirectly associated with an organisation’s activities and products.
- **Weighted Average Carbon Intensity (WACI):** The average amount of greenhouse gas emissions per unit of output, activity, or economic value, often expressed as CO<sub>2</sub>e per unit.
- **High Impact Sub Industry:** This refers to industries or economic sectors that are particularly vulnerable to the effects of climate change or have a significant impact on climate change through their greenhouse gas emissions. Identifying high-impact sectors is crucial for assessing climate-related risks and implementing strategies to mitigate or adapt to these risks.

The results of Slater Investments’s analysis across all of the Funds are as follows:

| <b>Climate Metric</b>   | <b>Unit Of Measurement</b>              | <b>Coverage</b> | <b>2025 Amount</b> |
|-------------------------|---|-----------------|--------------------|
| Scope 1 Carbon Emission | tCO <sub>2</sub> e - shown in thousands | 74.35%          | 413.86             |
| Scope 2 Carbon Emission | tCO <sub>2</sub> e - shown in thousands | 75.95%          | 81.99              |
| Total Carbon Emissions  | tCO <sub>2</sub> e - shown in thousands | 74.35%          | 495.85             |
| Carbon Footprint        | tCO <sub>2</sub> e/£m Invested          | 77.35%          | 72.17              |
| WACI                    | tCO <sub>2</sub> e/£m Revenue           | 74.47%          | 218.40             |
| High Impact Sectors     |   | 100.00%         | 10.13%             |

High Impact Sectors include the following GICS Sub-Industries: Construction Materials, Internet Services & Infrastructure, Precious Metals & Minerals, Building Products, Electric Utilities, Diversified Metals & Mining, Integrated Oil & Gas, and Oil & Gas Equipment & Services.

Slater Investments has not set climate metric targets.

### **Compliance Statement**

The disclosures set out in this report for Slater Investments Limited, including product level disclosures cross-referenced, comply with the requirements set out in ‘ESG 2.2 TCFD entity report’ and other relevant sections of the FCA ESG Sourcebook.

### **Slater Investments Limited**

**15<sup>th</sup> April 2026**