



Slater Investments Limited

ESG Policy



Environmental

Social



Governance

Introduction

Slater Investments is a recent signatory to the UN PRI Signatory.

We believe that Environmental, Social and Governance are important factors in measuring the sustainability and impact on an investment in a company and have significant financial relevance. Incorporating these factors into investment analysis and portfolio construction can help mitigate risk, leading to superior long-term performance.

Slater Investments does not outsource any of our assessment on ESG to rating agencies. We have conducted research into whether ESG ratings are helpful in achieving investment returns and concluded they are not. This may be down to the fact that ESG is still at its infant stage or it may be that bad companies can game the system.

We believe that the way forward is to change behaviour from within companies and actively engage with management to bring about change. We have a first-class record in active engagement with management of companies that we own

Slater Investment's Approach

Slater Investments offers a diverse fund line-up using an integrated sustainable investment approach, where ESG screening is incorporated into the fundamental analysis of companies across all of our funds. We consider ESG analysis to be a complementary tool to the fundamental research that is done to understand, with a high degree of conviction, a company's earnings and growth potential.

As long-term investors, we use ESG factors to help to identify companies positioned for strong long-term performance. As a business we approach ESG integration from a practical perspective, considering these issues against the backdrop of investment time horizon and goals of each fund or segregated account.

Buy Decisions

Rather than exclude entire sectors, our approach is to focus on the progress companies are making toward making responsible environmental, social and governance decisions. We engage with investee companies on relevant ESG issues where this can lead to positive outcomes over time.

Sell Decisions

We will consider divesting from companies when our efforts to change company behaviour do not make sufficient progress or the company fails to engage. Or we may work with fellow shareholders to bring about a change in management.

Selecting Engagement Priorities

We engage with companies both proactively and reactively, depending on the circumstance. 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

Environmental

- **Climate Change**
- **Emissions & Waste**
- **Resource Efficiency**
- **Usage of Renewable Energy**

We seek to invest in companies which have strong environmental policies, processes and management, recognising the finite resources available in the world and seeking to address these issues appropriately.

We look for companies to manage environmental issues where they are material to their business. For companies in sectors more exposed to such issues, an assessment of the company's readiness for these risks can play an important part in our analysis.

We expect that companies we invest in will:

- comply with environmental laws and regulations, or recognise best practice as a minimum;
- identify, manage and reduce their environmental impacts;
- understand the impact of climate change along the company value chain, develop climate policies and set targets to manage the impact where relevant;
- report on its policies, practices and actions taken to reduce carbon and other environmental risks within its operations.

Social

- **Workplace Diversity, Human Capital and Fair Labour Practices**
- **Supply Chain Management**
- **Product Integrity & Safety**
- **Community Relations**

Our social criteria focuses on a company's ability to create value through its people and business relationships. We look at businesses to see if working conditions show a high regard for employee health and safety. We also examine diversity, occupational health and safety, employee relations and human rights issues.

We recognise that the management of social responsibilities is affected by, and subject to, many influences and we consider companies in context, in relation to their peers, and with consideration for the particular circumstances, industries and locations in which they operate.

Governance

- **Board & Executive Diversity**
- **Corporate Structure, Accounting & Transparency**
- **Executive Compensation**
- **Transparency in Shareholder Communication**
- **Company Culture**

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. We are committed to act always in the best interest of our clients and we expect the same from the management of the companies we invest in.

We believe long term success of companies is supported by effective investor stewardship and high standards of corporate governance. If a company is run well it is more likely to be successful in the long-term.

We meet regularly with company directors to allow us to identify whether a company's strategy is aligned with our interests as shareholders. This active engagement helps us to understand the issues affecting them and, where appropriate, to encourage positive change.

We are committed to the Financial Reporting Council's Stewardship Code, being an early adopter, becoming a Tier 1 signatory. For further details on how we comply with the responsibilities laid out in the code, please see <http://www.slaterinvestments.com/institutional-investors/stewardship/>