



# UN Global Compact

Affinity Private Wealth: Communication on Progress, April 2019



This is Affinity Private Wealth's first *Communication on Progress* and outlines how the business is aligned with the ten principles and the ways we intend to develop our activities, in support of the framework provided by the UN Global Compact.

# UN Global Compact

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## Statement of our continued support and commitment to the UN Global Compact and its Ten Principles

*To all our stakeholders,*

*I am pleased to reconfirm Affinity Private Wealth's support of the Ten Principles of the United Nations Global Compact, in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information using our primary channels of communication.*

*Yours faithfully,*



David Stearn, Chief Executive Officer

April 2019

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## What is the UN Global Compact?

The United Nations Global Compact (UNGC) was launched in 2000, to harness the power of collective action in the promotion of responsible corporate citizenship. The Compact is a framework for businesses that are committed to aligning their operations and strategies with the ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption.

As the world's largest global corporate citizenship initiative, the Global Compact is concerned with demonstrating and building the social legitimacy of business and markets. Affinity Private Wealth became a participant of the UNGC in April 2018.

The Global Compact is a purely voluntary initiative with two objectives:

1. To mainstream the ten principles in business activities around the world;
2. To catalyse action in support of broader UN objectives, such as the Sustainable Development Goals.

The UNGC is not a regulatory instrument, but rather a voluntary initiative that relies on public accountability, transparency and disclosure to complement regulation and provide a space for innovation and collective action.

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## The 10 Principles

### Human Rights

- Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2 - Make sure that they are not complicit in human rights abuses

### Labour

- Principle 3 - Businesses should uphold freedom of association & effective recognition of the right to collective bargaining
- Principle 4 - The elimination of all forms of forced and compulsory labour
- Principle 5 - The effective abolition of child labour
- Principle 6 - Eliminate discrimination in respect of employment and occupation

### Environment

- Principle 7 - Businesses should support a precautionary approach to environmental challenges
- Principle 8 - Undertake initiatives to promote greater environmental responsibility
- Principle 9 - Encourage the development and diffusion of environmentally friendly technologies

### Anti-Corruption

- Principle 10 - Businesses should work against all forms of corruption, including extortion and bribery

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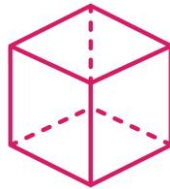
## Affinity at a glance

We are an independent wealth management company, enabling clients to align values with their wealth. We provide advice, structuring and investment solutions; including guidance on charitable giving and investing sustainably. Our ethics and values – the intangibles that count – are at the core of everything we do. We were the first Jersey firm to become a UN Global Compact participant, consistent with our commitment to sustainability. To us, this means making economic prosperity long lasting, more socially inclusive and less dependent on the exploitation of finite resources and the natural environment.

The UN Global Compact Ten Principles form the foundation for a set of corporate ethical commitments which we define in our [Ethical Charter](#). This provides an overarching framework for guiding discretionary decision making and establishes a set of behaviours, guided by core values.



Act in our clients'  
best interests at  
all times



Be transparent,  
caring and  
responsive



Think creatively  
and be solution  
orientated



Partner with  
clients to make  
their lives simpler

### Who are our stakeholders?

All our employees, clients, shareholders, regulators, auditors, partners, suppliers & our local community.

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## Human rights policies, processes and operations (Principles 1 and 2)

- Affinity ensures responsibilities for safety and health are properly assigned, accepted and fulfilled at all levels of the business. All practical steps are taken to look after the welfare of our employees and others who may be affected by operations under Affinity's control.
- As employers, we operate a policy of equal opportunities, non-discrimination and non-harassment towards all our staff and applicants for employment. Dealings with existing staff and new applicants are undertaken on the basis of merit, competence and suitability. No decision is taken on the basis of gender, marital status, religion, disability, sex, sexual orientation, racial origin or age.
- Discrimination or harassment, of whatever nature, is regarded by Affinity as anti-social and unacceptable and if detected in any form will be dealt with as we see fit. This may include disciplinary action and/or summary dismissal.
- "Harassment" is unwanted conduct which is, in the reasonable perception of the recipient, offensive to or which affects the dignity of the recipient. Harassment includes any conduct creating an intimidating, hostile or humiliating work environment for the recipient. For example, the use of offensive language, bullying, victimisation, unwanted sexual advances, physical or verbal intimidation and other forms of unjust treatment.



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## Labour standards policies, processes and operations (Principles 3, 4, 5 and 6)

- › As a responsible employer, we ensure Affinity does not participate in any form of forced or bonded labour.
- › Affinity operates a business-wide performance appraisal process to ensure employment-related decisions – including compensation – are based on relevant and objective criteria, allowing appropriate channels of communication and consultation.
- › We value our Employer Brand and listen to our staff, undertaking an annual survey and focus groups.
- › The business is committed to employing high quality staff, to service the needs of our clients on an ongoing basis. All staff work in an environment where personal and professional development is encouraged and support takes the form of in-house and external training, as well as financial assistance to complete examinations.
- › Affinity offers paid internships, which provide a structured period of work experience.
- › We operate a health & well-being programme for staff and partner with local practitioners (Pilates and yoga instructors, nutritionists, EFT Tapping specialists, MIND Jersey etc.) to promote sustainable working practices and engender a culture of good physical and mental health.
- › Schools and education – Affinity supports the Jersey Finance “Life in Finance” initiative.

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## Environmental policies, processes and operations (Principles 7, 8 and 9)

- › **Commitment to digital** - since inception of the business, the Affinity founders have focused on providing an exceptional client experience by creating a digitally-enabled, relationship-driven operating model. As a relatively new enterprise, with limited financial resources, this has been a challenge, but the Board has committed a disproportionately higher spend to fulfilling this objective, compared to other costs. As a result, all clients can access details about their assets with Affinity via a portal and an app has also been developed and launched to facilitate the same digital access to information. Email, CRM and DMS (document management system) are used to reduce the need for paper in all forms of communication.
- › **Durrell Wildlife Conservation Trust** – we are a sponsor of their Go Wild Gorilla's Jersey 2019 Campaign. This 11 week event is being organised by Durrell Wildlife Conservation Trust and is an integral part of their Re-Wild our World project, which includes an aim to reconnect people with the natural world they share. The art trail will comprise of 40 individually designed large fiberglass gorillas, to be placed across Jersey's streets, parks and open spaces.
- › Our participation is part of a broader relationship with Durrell, which includes donating a percentage of our management fees received from mandates in our **Sustainable Strategy**. This discretionary offering aims to deliver growth with impact and help clients align their values with their wealth. It is also consistent with our ethics and values.

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## Anti-corruption policies, processes and operations (Principle 10)

Affinity is regulated by The Jersey Financial Services Commission.

We operate within a financial crime framework which identifies, mitigates and manages the risks we face whereby our products and services might be involved in, or used to facilitate, financial crime.

The framework and associated policies and procedures cover a wide range of duties, including;

- › Money laundering, fraud and terrorist financing
- › Policy/regulatory environment
- › Verifying the identity of clients and appropriate record keeping of related documents
- › Managing higher risk client relationships
- › Reporting of suspicious activities

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## Measurement of outcomes

- › From launching our **Sustainable Strategy** in January 2018 we now manage c.US\$9m.
- › We are a member of **Eco Active** and **recycle** plastic, paper, cardboard and glass – using a charity – Les Amis – to undertake the work for us.
- › Affinity is in the process of applying for charter status with the **Jersey Good Business Council** a new initiative that highlights, celebrates and encourages the contribution of businesses in Jersey to building a better community and a better world.
- › A founding sponsor of **ecoJersey** – an initiative to protect and improve our local environment.
- › We are active members of the **Diversity Network** Jersey and **females make up 40% of our staff**, in an industry which is traditionally male dominated from an employee perspective.
- › In 2018 we invested an average of **£1,685 per employee** for **training** and c.**£200 for wellbeing**
- › In our annual Employee Survey **85% of staff** stated they **enjoyed working at Affinity** and 95% responded that the company fosters a spirit of continuous development
- › We actively **engage** with our **regulator** and for the 7<sup>th</sup> consecutive year received a **clean audit** from our auditors, BDO

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## Case study; our Sustainable Strategy

In January 2018, Affinity launched a discretionary investment solution, namely our Sustainable Strategy.

To us, sustainability means making economic prosperity long lasting, more socially inclusive and less dependent on exploitation of finite resources and the natural environment. Over the past decades, this theme has also permeated financial markets. The rationale for sustainable investing has gained support and legitimacy. This imperative of sustainable finance is nothing new; what is new is the momentum behind its implementation.

Today, companies that provide solutions to the challenges faced are well placed to grow strongly. We believe, by investing in these firms, our clients can make a positive contribution towards a more sustainable world, align wealth with their values and generate attractive capital gains.

The investment process is inspired by the 17 UN Sustainable Development Goals, distilled into 8 investible themes, which we believe present the most attractive and accessible investment opportunities and reflect the core ethics and values of Affinity.



clean energy



education



future mobility



health and wellbeing



reduced inequality



resource efficiency



sustainable cities



water

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## Contact us

Thank you for taking the time to read this communication

We welcome and encourage questions and feedback

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Affinity Private Wealth is a trading name for APW Investors Limited and Affinity Trust Limited, which are both regulated by the Jersey Financial Services Commission. Registered office 24 Seale Street, St Helier, Jersey JE2 3QG.

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### **Risk Warnings**

Affinity Private Wealth does not guarantee the performance of any investments. The price of investments may go up or down and the investor may not get back the amount invested. Your income is not fixed and may fluctuate. Past performance is not a reliable indicator of future results. The value of the investment involving exposure to foreign currencies can be affected by exchange rate movements. We remind you that the levels and bases of, and reliefs from, taxation can change.