

UN Global Compact

Affinity Private Wealth: Communication on Progress, April 2020



This is Affinity Private Wealth's second *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.

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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 2020

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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 signatory 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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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 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 and our local community.

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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

- > As employers, we strive to build a diverse, inclusive and equitable workplace, where our people can grow. We provided training on diversity and inclusion led by **The Diversity Network Jersey**, including presentations attended by all employees raising awareness around unconscious biases.
- > Affinity has been awarded Charter status by the **Jersey Good Business Council**, an initiative that highlights, celebrates and encourages the contribution of businesses on the island to building a better community and a better world. This attainment recognises our contribution and responsibility to the “Five Areas of Good Business” assessed by the Council, focusing on: clients, people, environment, the local community & society and supply chain. We were only the 5th company in Jersey to receive Charter status and one of our directors has subsequently joined the JGB Council.
- > We have reviewed our staff handbook and amended policies, introducing an extended period of paid leave in the circumstances of the death of a child and breastfeeding breaks for new parents.
- > Affinity has been accredited with meeting the requirements of **The Living Wage Foundation**.



Measurement of outcomes

- > Our female/male employee ratio has risen from 0.4:1 in 2018 to 1:1 in 2019.

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Labour standards

- ▶ We operate a health & well-being programme for staff, partnering with local practitioners (yoga instructors, nutritionists, MIND Jersey, physiotherapists etc.) to promote sustainable working practices and engender a culture of good physical and mental health.
- ▶ All employees at Affinity have completed a half-day mental health awareness training course and we now have two certified Mental Health First Aiders.
- ▶ We value and listen to our staff, undertaking an annual Employee Opinion Survey (EOS) and engaging in focus groups to discuss the outcomes and implement change.
- ▶ A new initiative was introduced this year: the Snooze Card. Any member of the team considered to have gone 'above and beyond' in their role can be nominated by their peers. Awarded quarterly, the winners receive a morning off work.



- ▶ Affinity offers paid internships, which provide a structured period of work experience.
- ▶ We support the Jersey Finance "Life in Finance" initiative.

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

Measurement of outcomes

In the annual EOS, 78% responded that the company fosters a spirit of continuous development and 85% stated that they make good use of their skills and abilities at Affinity

In 2019, we invested an average of £1,468 per employee for training and wellbeing.

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Environment

Principle

7

Businesses should support a precautionary approach to environmental challenges

- › In the summer of 2019, we sponsored *Go Wild Gorillas* – a campaign based in Jersey, organised by **Durrell Wildlife Conservation Trust (DWCT)**, to fund a new gorilla enclosure at Jersey Zoo. The campaign comprised of an art trail of 40 uniquely designed, large fiberglass gorillas placed across Jersey's streets, parks and open spaces. Affinity donated £5,000 to sponsor the gorilla *Día de la Extinción*, which sold for £14,000 at auction. A further £600 was raised by Affinity staff through various fundraising activities.
- › Through 2019, Affinity has sought to raise awareness of environmental issues and delivered presentations to the Government of Jersey, the Parish of St Helier, local schools and a tertiary education provider, BPP. The presentations covered the UN Sustainable Development Goals and how Affinity has developed a discretionary managed Sustainable Strategy – using this to mobilise investor capital towards listed entities whose products and/or services are helping to contribute towards the attainment of the goals.

Principle

8

Undertake initiatives to promote greater environmental responsibility

Principle

9

Encourage the development and diffusion of environmentally friendly technologies

- › Affinity donates a portion of the fees collected through managing the Sustainable Strategy to the **DWCT**. Donations to date are in excess of £6,000.

Measurement of outcomes

The assets in the **Sustainable Strategy** have increased from c.US\$6.5m in January 2019 to c.US\$15.7m in December 2019.

In 2019, we released our inaugural Impact Report. This provides our investors with an insight to the positive contributions their capital has made towards the UN's Sustainable Development Goals.

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Environment - continued

Principle

7

Businesses should support a precautionary approach to environmental challenges

- › As a founding sponsor of the Jersey Evening Post's **ecoJersey** initiative, staff, friends and family have volunteered in countryside and coastal clean-ups across the island.
- › Our janitorial products are now eco-friendly and bleach free, whilst still ensuring health and safety guidelines are met.
- › Affinity's office is powered by Jersey Electricity. 94% of the electricity is imported from guaranteed low carbon sources. Of this, 38% is from hydro and 62% is from nuclear sources.
- › The Affinity Charity Committee was established in 2019. Two charities, nominated and selected on a yearly basis, will receive a donation funded by the firm. Furthermore, a discretionary budget is set aside to sponsor Affinity staff in their charitable endeavours.
- › All employees are entitled to volunteer up to 8 paid hours per year, to help local charities.

Principle

8

Undertake initiatives to promote greater environmental responsibility

Principle

9

Encourage the development and diffusion of environmentally friendly technologies

Measurement of outcomes

As members of **EcoActive**, we continue to increase our recycling routines. Alongside recycling plastic bottles, paper, cardboard, glass, metals and batteries, in 2019, we started segregating compostable materials.

We now recycle Nespresso coffee capsules, saving approximately 3,600 from landfill each year.



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Anti-corruption

Principle

10

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

Affinity is regulated and supervised by the Jersey Financial Services Commission (“JFSC”), which includes the prevention and detection of money laundering and terrorist financing. The JFSC undertook an onsite examination in August 2019 in relation to the role of the Money Laundering Reporting Officer and there were no findings identified.



Measurement of outcomes

We actively engaged with our Regulator and for the 8th consecutive year received a clean audit from our auditors, BDO.

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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Case study; Jersey Good Business Charter

The **Jersey Good Business Charter** (JGBC) is a new initiative that highlights, celebrates and encourages the contribution of Businesses in Jersey to building a better community and a better world.

The Charter Mark is awarded by the JGB Board to businesses that meet a series of standards, demonstrating they are serious about their approach to business ethics and corporate social responsibility. Specifically, measuring the impact of the business on its people, supply chain, community, future generations and the planet.

Affinity submitted its application for Charter status 16 May 2019. This was assessed by and then presented to the JGB Board and Council. We achieved Charter status 24 July 2019, receiving the following citations:

"The Good Business Council were full of admiration for Affinity's pioneering efforts at contributing to the local community. But they felt very strongly that the most crucial and distinctive aspect of what Affinity is doing is the kind of culture that they are striving to create - both internally, but also the cultural influence that they are beginning to have on the wider sector." – JGB Council

"I know that the Jersey Good Business Council have been examining applications with great seriousness and rigour, looking for strong evidence of credible commitment to the principles of good business in each of the five areas of the Charter. For Affinity to come out on the other side as a Charter Awardee is a significant achievement of which your whole business should be proud." – JGB Board Chairman, Brendan McMahon



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Making a impact



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Contact us

Thank you for taking the time to read this communication
We welcome and encourage questions and feedback

Russell Waite and Julia Warrander

Russell Waite

E: russell@affinitypw.com

T: +44 1534 828482

Julia Warrander

E: julia@affinitypw.com

T: +44 1534 828481



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