



# UN Global Compact

Affinity Private Wealth: Communication on Progress, April 2021



This is Affinity Private Wealth's third *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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# UN Global Compact

## 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 2021



# UN Global Compact

## 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 has 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.

### Assets under management

We have a global client base, working for over 350 clients/families across 30 countries, and are responsible for client assets of c.£3 billion.



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## Affinity Mission Statement

As **custodians** of our clients' wealth we work hard to earn their trust, keep our promises and deliver on commitments.

As a **business**, we recognise our responsibility to the environment and the communities in which we operate.

As **employers**, we strive to build a diverse, inclusive and equitable workplace, where our people can grow.



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## Affinity through the pandemic



The outbreak of coronavirus (Covid) was first and foremost a healthcare challenge affecting millions of people across the world. It had a significant impact on the global economy making it an imperative for all businesses to consider their stakeholders; in particular their clients, employees and the communities in which they operate.



As a regulated business, Affinity Private Wealth are required to have adequate business resumption, disaster recovery and other contingency arrangements which are tested at appropriate intervals. Our IT infrastructure is designed to afford us maximum flexibility in managing our operations, including the ability to work from home, while still maintaining the highest levels of security. This meant, in the event of heightened restrictions, linked to controlling the spread of Covid, we provided our staff seamless access to systems enabling them to work safely at home.



Notwithstanding the challenges presented by Covid, a key event in our year was the acquisition of Pinnacle Trustees Limited, a leading independent provider of fiduciary and trust services. The rationale for this acquisition was to increase market share, diversify our geographical reach, build capabilities and enhance efficiency. Founded in 1992, Pinnacle shared our values and had a strong culture of governance and compliance.



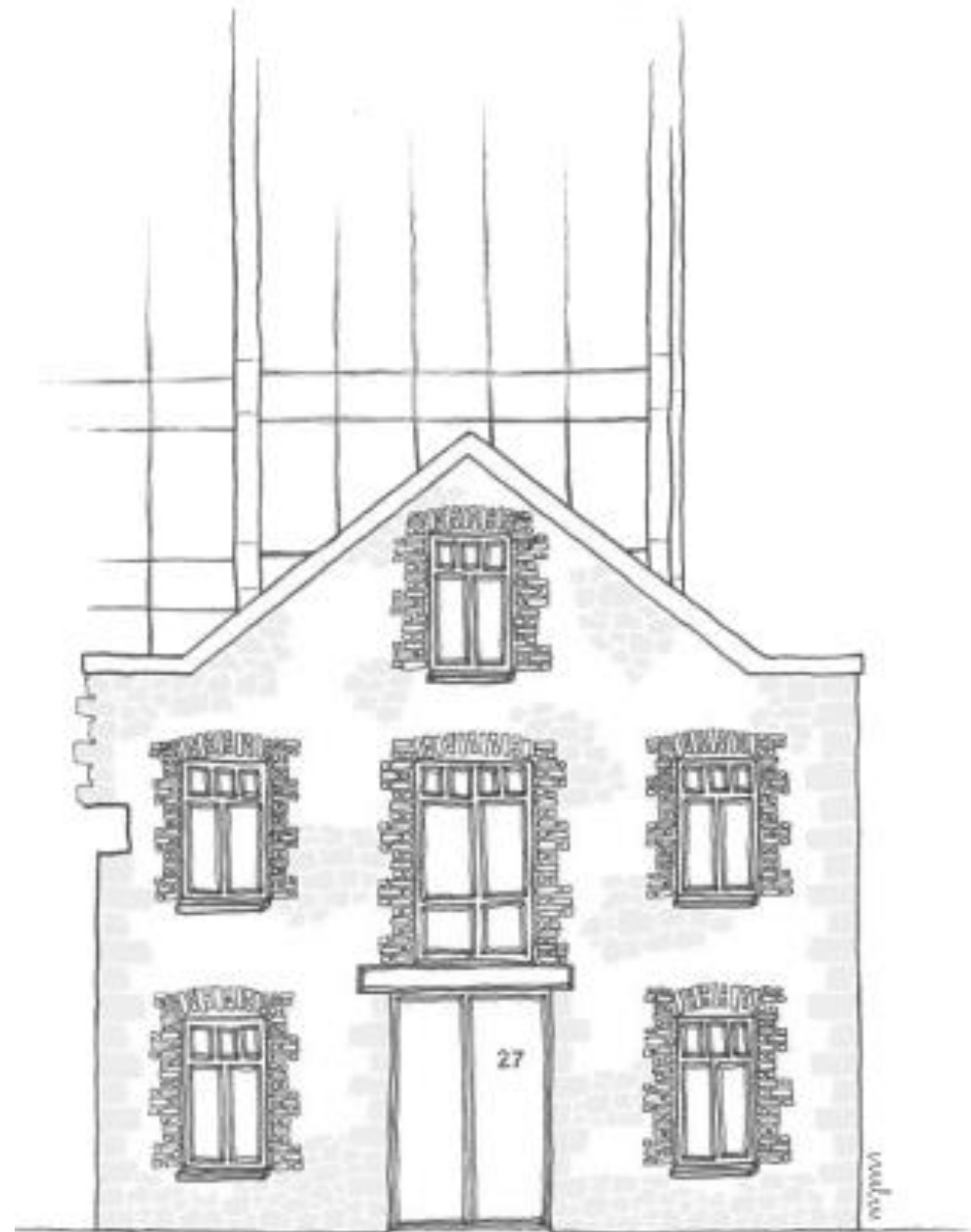


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## Affinity through the pandemic

Our growing numbers necessitated **an office move**, at a time when many were questioning the future and function of such space. Whilst we are supportive of working from home, we also strongly believe in the need for in-person, team interactions and collaborations. Our hybrid solution ensures we provide a modern working environment and create a positive space to encourage productivity, oversight and developmental support.

Our new office means we are all on one floor, enhancing communication and ensuring we maintain our values and culture as a growing business. We have purposely created positive breakout spaces, in the form of huddle pods and standing meeting tables.



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## Our year in numbers

**23.5**

The number tonnes purchased to offset our CO2e emissions



**5**

Areas of Good Business that we have committed to making a contribution towards

**£14,650**

Since the last CoP we have donated this money to Durrell Wildlife Conservation Trust from our Sustainable Strategy management fees



**8**

The number of working hours an Affinity employee may use each year for voluntary work



**58**

The number of staff at Affinity



**3**

The number of years we've been signatories to the UN Global Compact

**1** New commitment to

**PRI** Principles for Responsible Investment



**350**

Number of clients we serve, spread across 30 countries around the world

**£10.55**

Is Jersey's Living Wage, the minimum wage that covers basic living costs and that we are committed to paying



# UN Global Compact

## 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

- ④ We are drafting a formal Gender Diversity and Inclusion framework to be ratified at Board.
- ④ The Jersey government are proposing to make gender pay gap reporting mandatory. We have already conducted a gender pay gap analysis and have committed to monitoring this on an annual basis.
- ④ We refreshed our staff handbook and amended policies to ensure they remain progressive.
- ④ Affinity challenged all our primary suppliers to confirm they paid the Jersey Living Wage, as a minimum, to all their employees.



### Measurement of outcomes

The number of female directors has risen from 1 to 3, including our Finance Director. The ratio has improved from 1:7 to 3:10.



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## Labour Standards

- ⑆ We have upgraded our flexible working practices, providing employees the option to work from home on a permanent basis up to two days a week.
- ⑆ Affinity operate a health & well-being programme for staff, partnering with local practitioners (Pilates instructors, desk yoga, EFT (tapping), MIND Jersey, Jersey Recovery College, nutrition etc.) to promote sustainable working practices and engender a culture of good physical and mental health. During the pandemic, we adapted this programme to support employees' physical and mental health wellbeing; offering online Pilates classes, mindfulness and, to maintain team connectivity and relationships, continued our Friday afternoon drinks via Zoom.
- ⑆ The disruption faced over the past year has necessitated a sharp focus on work life balance. In conjunction with this, we participated in the 2021 Channel Islands Wellbeing Report. This survey will enable us to better support our employees.
- ⑆ All staff attended a half day mental health awareness course and 2 additional employees are now certified as Mental Health First Aiders, taking the total number across the business to 5.

### 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 2020, we were shortlisted in 4 of the 12 categories in the Leaders in Channel Islands Wellbeing Awards winning the 'Giving Back Good Business' accolade.



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## Labour Standards

- ⑆ 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. This year we appointed a third party facilitator to eliminate potential bias, increase employee participation and encourage open conversation.
- ⑆ We have invited all employees to participate in an anonymous Diversity and Inclusion (D&I) survey. The output of this will shape our D&I framework. This will include qualitative and quantitative reporting to the Board, assisting with policy development and initiatives.
- ⑆ Affinity provides University students with paid placements, offering a structured period of work experience.
- ⑆ We were the first Jersey Company to become supporters of the IoD's Social Mobility Foundation.

### Measurement of outcomes

In the annual EOS, 80% stated that they enjoy working at Affinity and 83% are motivated to see the company succeed.

#### 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



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## Environment

### Principle

# 7

Businesses should support a precautionary approach to environmental challenges

- ⑩ During this reporting period Affinity moved to new offices built to the latest environmental standards.
- ⑩ We purchased a commercial 'bean-to-cup' coffee machine which uses ground coffee instead of capsules, cutting waste.
- ⑩ To reduce packaging, including plastic bottles, we have installed filtered-water machines.
- ⑩ There are fitted bike racks and shower facilities to support staff who like to walk, run or cycle to work.
- ⑩ To demonstrate our commitment to responsible investment we became signatories of the United Nations Principle of Responsible Investment (UN PRI).
- ⑩ As a business, we continue to build our association with Durrell Wildlife Conservation Trust (DWCT). Affinity donates a portion of the fees collected through managing the Sustainable strategy to DWCT. Donations since the last COP were in excess of £14,650.
- ⑩ Affinity are committed to supporting Jersey's net zero ambitions and offset our 2019/20 carbon emissions through DWCT's Rewild Carbon Initiative (see case study).

### Principle

# 8

Undertake initiatives to promote greater environmental responsibility

### Principle

# 9

Encourage the development and diffusion of environmentally friendly technologies

- ⑩ Our staff selected the JSPCA Animal Shelter and Jersey Women's Refuge as the 2020 charities to receive a donation funded by the company, as well as practical support by staff.

### Measurement of outcomes

Reduced coffee capsule consumption by 6,000 pods a year.



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## Environment

### Principle

# 7

Businesses should support a precautionary approach to environmental challenges

- ⑩ We have renewed our commitment to ecoJersey for the third year. The mission of this partnership is to embrace, inform and encourage the Jersey community to engage in environmental issues.
- ⑩ Affinity is helping to shape Jersey's climate conversation through its contribution to the Government-led Citizens' Assembly.
- ⑩ As a Jersey Good Business Charter holder we are helping to fund and contribute to a thought leadership report into the changing culture and priorities of the local business community.
- ⑩ We renewed our membership of Philanthropy Impact, a leading centre of excellence and knowledge hub, whose mission is to improve and increase philanthropy and social investment, and to encourage impact investing.
- ⑩ Docusign - a green, easy-to-use electronic signing service, was introduced to lessen the need to print, scan, mail and store documents.

### Principle

# 8

Undertake initiatives to promote greater environmental responsibility

### Principle

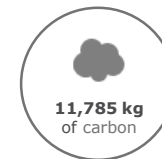
# 9

Encourage the development and diffusion of environmentally friendly technologies

### Measurement of outcomes

The assets in the Sustainable Strategy have increased from c.US\$20m in April 2020 to c.US\$54m in April 2021.

Affinity's' environmental savings since introduction of Docusign over the past 12 months.



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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.

### Measurement of outcomes

There were no corruption findings identified by the BDO Audit for the 9<sup>th</sup> consecutive year.



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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## Anti-corruption

- ④ In Q4 2020, we introduced the GBG identity management, location intelligence and fraud prevention system. We utilise three core modules: IDScan, ID3global and On-going Monitor. This enhances our risk management routines, particularly in terms of taking on new clients.
- ④ Affinity has sought to raise awareness of the rise in illegal environmental activities and the impact this has on natural resources, through our News and Views communications on the website.
- ④ We have been asked to participate in the Investment Business section of the National Risk Assessment (NRA). The NRA is an island wide project that assesses the vulnerability of Jersey to money laundering. The NRA involves the States of Jersey government, the Jersey JFCU (Joint Financial Crimes Unit), the JFSC, Law Officers Department and industry representatives.

### Principle

# 10

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

### Measurement of outcomes

Since introduction in September 2020, we have used GBG in excess of 500 times, enhancing our risk management processes.



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## Case study: Durrell Rewild Carbon



### Measurement of outcomes

Affinity was the first Jersey financial services company to offset carbon emissions through DWCT's Rewild carbon initiative.

For many, these last twelve months have presented an opportunity to rethink and *reset*; at Affinity, we have used the time to *offset*. Following an independent, professional assessment of our carbon footprint – we have offset our 2020 CO<sub>2</sub>e emissions by participating in DWCT's, Rewild Carbon Initiative.

This required us to quantify our current carbon footprint by calculating our Scope 1 & 2 emissions, and also Scope 3 metrics in the context of business travel.

Affinity purchased credits to offset 23.5 tonnes of CO<sub>2</sub>e, being the emissions for our financial year end 30 September 2020. Each Rewild Carbon credit is based on a science-driven transparent process, with particular attention to minimising administration costs; maintaining an in-house registry to ensure carbon is not sold twice; and a commitment to monitoring and regular reporting.

More importantly, the Durrell scheme does not simply focus on carbon – each credit also contributes to reviving ecosystems, recovering species and rebuilding livelihoods. In other words, making carbon offsetting wilder, healthier and more colourful.

<https://www.durrell.org/wildlife/rewildcarbon/>



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## Making an impact



**affinity**  
PRIVATE WEALTH

From Challenge comes change, so we, Affinity **choose to challenge**

International Women's Day  
#IWD2021 #ChooseToChallenge

#AffinityChooseToChallenge



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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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