



ALGEBRIS CARBON OFFSETTING PROJECT



Our View

How we address climate change will define our generation. The lives of hundreds of millions will be affected in the near future. It's up to each of us individually and more so as businesses to have a clear action plan and to help our future.

Firstly, Algebris will aim to achieve carbon neutrality by planting 25 thousand trees and committing to 20 trees per employee per year. Secondly, we are incorporating a clear exclusionary strategy across our investments that will capture CO2 emissions and related businesses, including their financing.

Green washing may soon resemble the scandal of AAA ratings for subprime mortgages. At Algebris we believe in doing the right thing and are fundamentally against insincere gestures that overshadow climate change.

Our actions and decisions will be clear, transparent and bold. Climate change is like our conscience. Almost everything we do on this planet has an impact on climate change. That's why at Algebris when we wake up each morning we aspire to be better people, to run a better sustainable business. Investing is our mission and ESG is our soul.

Davide Serra



Methodology

The **Algebris Carbon Footprint** calculation aims at obtaining a reliable estimate of the company's annual carbon dioxide (CO₂) emissions.

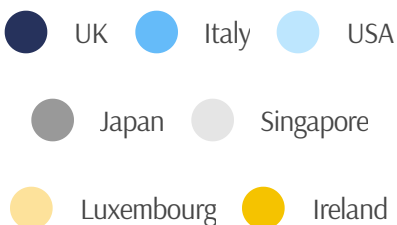
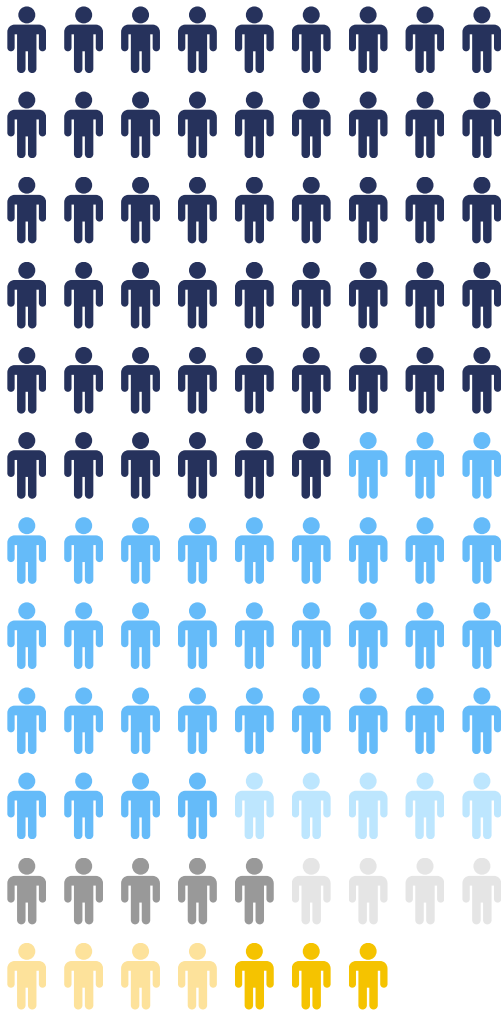
We start by considering four sources of emission:

- **Building emissions** of all our offices globally
- **Number of flights:** we calculate the emissions per passenger per flight - computing a weighted average value between two different methodologies and fool-proofing our result using GHG conversion factors¹
- **Waste:** we estimate an amount in kg of waste, and then convert it using the GHG conversion factor
- **Paper** usage per employee (estimated)

Our estimate is based on 2018 data, but we maintain a **conservative approach** considering the significant increase in staff that occurred in 2019. All the estimates reported in the next section are upper bounds of the estimation range.

¹ GHG: GreenHouse Gases.
References: see [here](#) and [here](#)

Algebris Employees 2019



2018 EMISSIONS (T/CO2e)



170

BUILDING, of which:



44.6

Electricity



71.4

Cooling



54.1

Heating



393

FLIGHTS



0.3

PAPER



2.2

WASTE

2018 Total :

566

(T/CO2e)



Our Offsetting Project

We keep it real: we plant trees

1 tree = 0.05 T/CO₂e offset per year

566 / 0.05 = 11,320 trees

to offset our 2018 emissions in 1 year time

1 tree = ~ 20 years life cycle

If our emissions stayed constant at 566 T/CO₂e per year, planting 11,320 trees would be enough to offset our footprint for 2018, the 12 preceding years (when we were smaller), and 7 more years.

We will review and update estimates yearly.



We start with

25,000 trees

offset

Tanzania

creating social value

Hakuna Matata



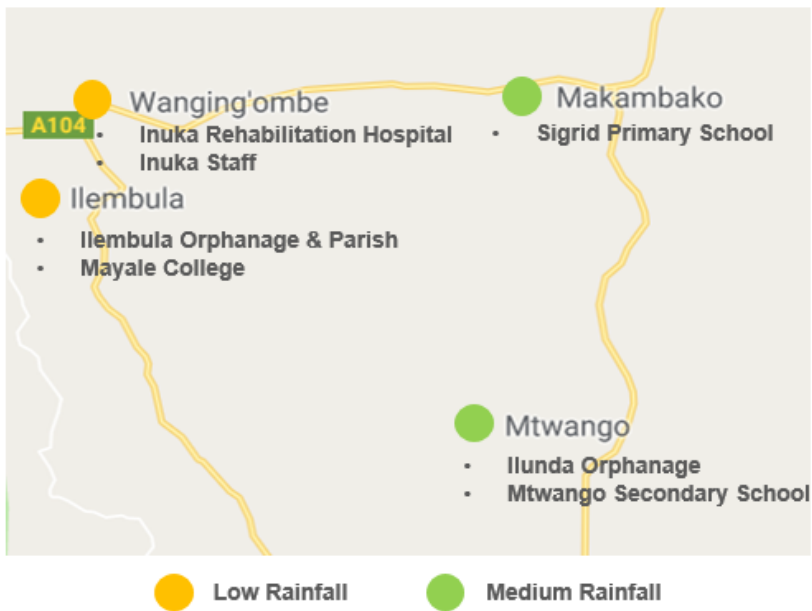
In 2010, Davide Serra and his wife founded **Hakuna Matata**, a registered UK charity for which Davide acts as Chairman and Trustee. Hakuna is primarily focused on helping orphaned children in **Tanzania**, through education and healthcare programmes.

Since 2010, Hakuna has pledged over 2 mln USD to the "Help the Village" project. It supports Inuka Rehabilitation Centre, and through the Pamoja project it helps 129 farmers with contract farming and dedicated training to sustainable sunflower crop production. Hakuna also supports the Mamre Agriculture and Livestock College - one of the only dedicated agricultural colleges in the area.

Algebris Investments matches every donation made to Hakuna. Our offsetting project will be carried out in cooperation with Hakuna Matata, so that it will also contribute to creating local economic and social value in Tanzania.



Offsetting Project



In order to offset Algebris' footprint, the goal is to plant 25,000 trees across the villages Hakuna Matata helps in Tanzania. We will be planting the trees over the next 3 years. As of **December 2019**, we have bought **17,820 seedlings**.

Of these, **14,150** are **eucalyptus trees** that will be planted in the area surrounding the Ilunda Orphanage. The rest is fruit trees: **1,820 mango and orange**, **1,350 avocado**, and **500 papaya trees** will be planted across the areas where Hakuna Matata operates.

The expected returns are usually a sufficient incentive for plantation maintenance, but we will need to develop strategies to make sure the trees are preserved as long as possible. We factor in an expected survival rate of 70% (depending on the rainy season).

Two field officers will be contracted to supervise the entire process. The project will involve 5 organizations (Ilunda Orphanage, Mtwango Secondary School, Inuka Rehabilitation Centre, Sigrid Primary School, and Ilembula Orphanage).



71%

Trees bought as of December 2019

