

Algebris (UK) Limited
Environmental, Social and Governance (ESG)
Policy

1. Introduction

This policy outlines Algebris (UK) Limited (the “Firm” and “Algebris”) commitment and approach to developing and integrating Environmental, Social and Governance (“ESG”) within the Firm’s ethos, culture and its investment risk management framework.

Algebris fully embraces the growing importance of assessing and engaging on ESG and sustainability* in its investment processes and wider activities. Algebris will, to the best of our ability, comply with the relevant regulations and appropriate best practices governing the protection of human rights, occupational and public health and safety, the environment, and the labour and business practices of the jurisdictions in which we conduct business.

** Avoidance of the depletion of natural resources in order to maintain an ecological balance for the biosphere and human civilisation to coexist.*

2. ESG Integration & Governance

Algebris became a signatory to the United Nations’ Principles for Responsible Investing (UNPRI) on 23rd July 2019. The UNPRI are steadily becoming the global standard in responsible investing it was therefore a natural framework for the Firm to adopt in order to further strengthen its on-going commitment to responsible investing and ESG matters generally.

Algebris has taken steps to integrate certain ESG factors into the research and investment decisions starting with its core financial credit strategy.

In terms of governance, the firm acknowledges that different asset classes and investment strategies require different approaches to ESG integration and has therefore formed an ESG Working Group internally which comprises of a number of staff members across the investment, risk, legal, compliance and investor relations teams and based in different regions

The Firm has also appointed an ESG director to oversee its ESG efforts.

The incorporation of ESG in the Firm’s investment process will follow an inclusive and exclusive approach. Algebris has allocated Internal resources to develop a framework of ESG research on our investible universe. To complement this fundamental in-house assessment, Algebris will seek to incorporate an ESG exclusion list that will systematically feed into the order management system to restrict investments in poorly rated ESG issuers.

The Firm will also look to empower the investment teams to utilise ESG knowledge and information and incorporate this into the investment decision-making process within in the relevant strategies.

3. ESG Related Initiatives

In addition to becoming a signatory to the UNPRI, Algebris has taken a number of steps towards engaging in ESG related initiatives across its business including the below.

Carbon Footprint Off-Setting

Algebris will aim to offset its carbon footprint since inception and in the future where needed. The ESG Working Group is currently looking into how the Firm can best off-set its carbon emissions since inception by potentially planting trees or similar appropriate vegetation based on an internal estimation of Algebris group CO2 emissions per employee.

Hakuna Matata Charity

In April 2010 Davide Serra (Chairman, Founder & CEO of Algebris) and his wife founded Hakuna Matata, a registered UK charity for which Davide acts as Chairman and Trustee. Hakuna Matata is primarily focused on helping orphaned children in Central Tanzania, through education, employment and healthcare programmes. Such programmes are fully aligned with a number of UN Sustainable Development Goals*. Projects include supporting the Inuka Rehabilitation Centre, Pamoja Project and Mamre Agricultural College.

* <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

Modern Slavery Statement

Pursuant to section 54 of the Modern Slavery Act 2015 the Firm fully supports the Modern Slavery Act, which aims to drive out all forms of modern day slavery and human trafficking from business practices. The Firm takes a zero tolerance approach towards human rights violations and is committed to having ethical and sustainable business practices and supply chains.

4. Promotion of Best Practices

Algebris believes that ESG should be applied globally and embedded within the Firm's culture in addition to being a tool that enhances the investment process alongside the financial analysis carried out by the investment teams. Algebris is committed to promoting and utilising ESG best practices where possible.

In the last few years, Algebris has placed a substantial emphasis on ESG through its advertising campaigns focusing more on a number of eco-friendly means of transport such as bike/electric car sharing schemes and trams as a mechanism for advertising.

The Firm also endeavours to collaborate as much as possible with regulatory and other bodies, peer institutions and investors on ESG best practices.

5. Transparency

Algebris intends to fulfil the reporting requirements set by the UNPRI on an annual basis. This report will be made available on the UNPRI site (www.unpri.org) as of the relevant reporting date.

6. Contact

For ESG related matters and information regarding ESG at Algebris please contact:

ESG@algebris.com