



**SANDBAR**  
ASSET MANAGEMENT

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## **Environmental, Social and Governance Principles for Sandbar Asset Management Business Operations**

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**January 2021**

“Central to our culture is being industry leading in everything we do. That includes the environmental and social impact of our business operations. Through our daily behaviour, we strive to have more than just a neutral impact on our planet and its people”

**Michael Cowley,**  
Founder & CIO, Sandbar Asset-Management

# Table of Contents

<u>OUR BUSINESS OPERATIONS AND THE ENVIRONMENT</u> .....	3
<u>SANDBAR’S ROLE IN A BETTER SOCIETY</u> .....	4
<u>SOCIAL MOBILITY</u> .....	4
<u>OVERLAPPING ES&amp;G THROUGH CHARITABLE PARTNERSHIP</u> .....	5
<u>A SANDBAR CULTURE FOR EVERYONE</u> .....	5
<u>A DIVERSE TEAM FOR A GLOBAL PERSPECTIVE</u> .....	5-6
<u>INCLUSION</u> .....	6
<u>PROFESSIONAL EDUCATION</u> .....	7
<u>PHYSICAL AND MENTAL HEALTH</u> .....	7
<u>BENEFITS</u> .....	7
<u>FAMILY FRIENDLY POLICIES</u> .....	7
<u>DISABILITY</u> .....	8
<u>DISCRIMINATION</u> .....	8
<u>GRIEVANCE</u> .....	8
<u>BULLYING, HARASSMENT AND SEXUAL HARASSMENT</u> .....	8
<u>PUBLIC DISCLOSURE (WHISTLEBLOWING)</u> .....	8
<u>ANTI-BRIBERY AND CORRUPTION</u> .....	8

# OUR BUSINESS OPERATIONS AND THE ENVIRONMENT

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Current UN climate change estimates are for a 3.2C temperature rise by 2100. Climate Central, an NGO collaboration of climate science experts, predict that at 3C the eventual sea-level rise will displace 275m people. Under this scenario for example, Osaka, with a GDP equivalent to the Netherlands, would become submerged.

The Paris Agreement of 2015 was signed by 198 countries to limit temperature rise to 2C. In doing so, this target is recognised to substantially reduce the risks and impacts of climate change.

**Sandbar Asset Management is excited to commit to being fully net carbon zero in its business operations by the end of 2021 and beyond.**

We are applying the **BSI PAS 2060** carbon neutral standard. Once we have both calculated and acted to reduce our scope 1, 2 and 3 GHG emissions we will select a socially beneficial project to remove our excess carbon from the atmosphere. We will also report our impact on the planet to the **Carbon Disclosure Project (CDP)**. Transparency and accountability are vital in tracking progress towards a sustainable future: the **CDP** provides the most comprehensive dataset in driving that change.

Scope 3 business travel accounts for Sandbar's largest source of GHG emissions. 2020 has shown us the possibilities and advantages of remote working and virtual conferencing. Recent times have already demonstrated that through remote working we have been able to reduce our Scope 1, 2 and 3 emissions through no commuting, business travel or office energy consumption. When we return to our office, we expect to continue to work on average two days per week from home. Getting to know and being available in person to our clients and providers will always be essential, however virtual meetings and conferences will now be a permanent feature of our business operations.

In early 2021 we will join the City of London's **Clean City Award Scheme (CCAS)** Their environmental meetings and workshops will help us develop waste and recycling best practices. Moving towards the circular economy means we will ensure that we source our equipment from recycled materials, use them for as long as possible and recycle them at the end of their life.

Within this commitment for example we will sign up to their plastic free city pledge by becoming an office free of single use plastics in 2021.

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# SANDBAR'S ROLE IN A BETTER SOCIETY

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## SOCIAL MOBILITY

Providing a pathway into finance for talented individuals from disadvantaged backgrounds can only improve ourselves, our sector and society. Being diverse gives a performance edge through different perspectives and experiences contributing to our actions. As outlined later we are proud of our diverse mix of employees and we continue to address identified diversity gaps through our recruitment process.

We are soon to be members of the **Social Mobility Foundation** and part of their **One+** scheme. For each work experience placement that goes to a person within our existing network, we match that with a place for a high achiever from a school in a socially disadvantaged area. Often this young person will be the first in their family to attend University and therefore may not be able to access this network on their own.

From the beginning of 2021 we will also encourage our Sandbar people to take part in the Social Mobility Foundation's (SMF) Mentorship programme. As **SMF Mentors** we will help on a one-to-one basis, a young person on the **Aspiring Professionals Programme (APP)**. Becoming an SMF mentor is a great way to see someone develop and help them to reach their potential. Over nine months, each mentor supports a young person by increasing their understanding of their desired career and professional life. One also helps them explore their professional interests further, support them in their university application, general skills development, as well as supporting them with other new experiences they are facing, such as their first internship or first job.

Since 2017, Sandbar has partnered with **The London Business School** in sponsoring recurring seats for **paid long term internships**. We have had on average three interns working with us from their MBA/Masters in Finance cohort. Selection is based on an anonymised two-step online application test and assessment. From day one they are given comprehensive training and set rigorously demanding projects directly linked to the work we do.

It is a truly international initiative: to date the interns have been from Asian, African and mainland European nationalities. We are very proud that this initiative has led to a third of our full-time analyst positions being held by interns that we converted to permanent hires.

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## OVERLAPPING ES&G THROUGH CHARITABLE PARTNERSHIPS

Our Environmental, Social and Governance Principles are structured around enterprises that deliver overlapping benefits to society, nature and our Sandbar people. An example of this is one of our partner charities - **The Greenlight Trust (GLT)** in Suffolk, England. Using traditional coppicing techniques, each day GLT lead work-teams in restoring ancient woodland at their Headquarters Sight of Specific Scientific Interest (SSSI). These daily teams are young adults with special educational needs and disabilities, children excluded from school, recovering mental health in-patients and the unemployed. For many this provides a pathway to a full life in society, often working in the environmental sector. Coppicing ancient woodland creates regrowth that removes carbon from the atmosphere, as well as the rejuvenation of protected woodland flowers, insects and increased birdlife. Every Sandbar person is given the opportunity to spend a volunteer day working with a GLT team.

Through matched funding, it is a priority for Sandbar to support our people in their own charitable efforts. For example, in 2020 our CEO took part in an event called **Everest in The Alps**. Over four days of ski touring, competing teams ascended 8,848m - the equivalent height of Everest. His team raised £96,000 for **The Brain Tumour Charity**, which funds research and provides support for young people diagnosed with incurable brain tumours.

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## A SANDBAR CULTURE FOR EVERYONE

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Our work is demanding. Our time is rarely ours to control as we respond to the vagaries of global socio-economic events. So, we need relevant policies and training to ensure we all remain healthy and happy while we perform at optimum levels. Focusing on physical and mental health, an inclusive culture, and further professional qualifications ensures we are a great place to work while delivering for our investors.

### A DIVERSE TEAM FOR A GLOBAL PERSPECTIVE

We all enjoy working in Sandbar's cultural blend, and in truth we have organically grown into a diverse organisation through our recruitment philosophy: to hire the very best in their respective fields. Like an elite sports team competing on the highest stage, recruitment is only about signing rare exceptional talent. And, as a global fund, we need global perspectives. We can only achieve this by having a roster of players from all continents, cultures and groups. Diversity isn't a policy to us, it's simply who we are.

One in four of our team are from ethnic minorities, 6% are disabled, 12% military veterans and we are 94% state school educated. Our non-minority white people are a mix from Continental Europe and the Americas. We are only 30% white British and that's predominantly the support team; within the investment team it's 10%. These are well above UK averages, both demographically and especially in our industry, but we don't intend to stop there. Our 2021 priority is to broaden our gender mix and we have identified specific hires in our recruitment plan to fulfil this.

We are also proud that a third of our investment analyst hires have come through our intern sponsorship with The London Business School. Those hires are from Sri Lanka, Spain and South Africa. Other interns have come from China, Zimbabwe, India, Pakistan, Dubai, Switzerland and Portugal. Selection to the summer intern programme is based on anonymous online tests, as this helps eliminate unconscious bias and ensures the most deserving candidates are selected for interview.

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## INCLUSION

Having the best individuals from multi-cultural backgrounds is the starting point. To be much more than the sum of our parts, a harmonious team only happens when everyone feels included for being who they are. Being able to openly express yourself regardless of age, gender, sexuality, religion, race, disability or any differences creates a happy and thriving workplace. Our average age is 35, with the oldest being person being 49. As such our people have a modern, cosmopolitan outlook. Regardless, we can all improve our understanding of the world and the people in it. The training outlined below is embraced by our people and their continual desire for self-improvement.

Words matter, especially as people may choose to keep their differences private. Through **diversity training** we stay at the forefront of advances in society's understanding of gender, sexuality, disability, race and religion. This forms part of new employee **induction training** as well as a firmwide annual refresher. And the uncomfortable truth is that we all have unconscious biases; either as a result of exposure to the popular culture of our time, or the beliefs of those around us as we grew up. As hard as we work on being consciously non-discriminatory, it is only through **unconscious bias training** that we can understand how our inbuilt bias predetermines our interactions with others. It's an exciting area, and all our people find it extremely illuminating, usually surprising and sometimes uncomfortable. The need to eliminate unconscious bias in our investment process is something we work hard on, and this training and approach is additive to this.

## PROFESSIONAL EDUCATION

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We help promote our ongoing success by providing our people with the resources to improve. Therefore, we offer professional training courses every year to our employees to encourage them to develop their abilities and careers.

## PHYSICAL AND MENTAL HEALTH

It is in everyone's interest to understand how to remain healthy and reduce the chance of future illnesses. We believe this training is about more than avoidance, but also about how to perform with better energy, refreshing sleep and a sharper mind.

For example, our annual education includes a visiting **nutrition consultant**. This year's subject will be about foods that promote brain performance through a diverse gut microbiome (for example 95% of serotonin is produced by gut bacteria). We are also undergoing a training session during Q1 on methods to deal to maintain good mental health.

Looking after our brains extends to mental health and **annual resilience training**. Furthermore, all employees have access to **free, independent and confidential support**. We recently signed the **Mental Health at Work Commitment**, which provides a framework of standards to create a working environment for employees to thrive.

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## BENEFITS

We offer employees a comprehensive range of benefits, including Health Insurance, Permanent Health Insurance (PHI), Death in Service Benefits, Gym Membership, and a Pension Scheme.

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## FAMILY FRIENDLY POLICIES

- Our maternity, paternity and shared parental leave policy outlines our people's entitlements; from attending anti-natal appointments with a partner, through to sharing the care of a child in the first year of birth.
- Flexible working arrangements can be formally applied for via our employee handbook guidelines. Also, as previously mentioned, our people will continue to work two days a week from home when we return to office life.

## **DISABILITY**

- Ensuring equal opportunities for disabled people may involve adjustments being made to the working environment or other employment arrangements.

## **DISCRIMINATION**

- Employees at all levels are responsible for understanding within the framework of the law that our workplaces are free from unlawful or unfair discrimination.
- It is every employee's duty to inform a manager about discriminating conduct. Not adhering to the Equal Opportunities and Dignity at Work Policy will lead to disciplinary action up to and including dismissal.

## **GRIEVANCE**

- The firm's grievance procedure is clearly laid out and all complaints, grievances or concerns will be taken seriously, dealt with tactfully and with discretion.
- The firm's policy is to encourage free communication between employees and their managers to ensure things are settled fully, promptly, and fairly.
- If it is not settled informally or if the grievance is of a different nature a written procedure is explained in the handbook.

## **BULLYING, HARASSMENT AND SEXUAL HARASSMENT**

- These are very clearly defined in our employee handbook. An employee that considers themselves to be subject to these acts can bring a complaint through the firm's grievance procedure.
- They are considered examples of gross misconduct for which an employee may be summarily dismissed.

## **PUBLIC DISCLOSURE (WHISTLEBLOWING)**

- Every Sandbar person is required to read the complete whistleblowing policy in the firm's Compliance Manual. This is to ensure the Employment Rights Act 1996 as amended by the Interest Disclosure Act 1998

## **ANTI-BRIBERY AND CORRUPTION**

- The firm takes a zero-tolerance approach to bribery and corruption and strictly prohibits any form of unethical inducement or payment. The full Anti-Bribery and Corruption Policy is outlined in our Compliance Manual.