

# Measuring our impact

## Sustainability report 2021



## Sustainability policy

The Covid pandemic continued to frustrate the global economy in 2021. However, businesses and governments learned to adapt and the early months of 2022 saw a number of countries, in which Carne operates, starting to get back to a more normal footing. In what has been called "the new normal" many employers have moved to a hybrid working model where the majority of employees work from the office Tuesday to Thursday.

Carne has continued its commitment to developing the Group's ESG policies and procedures and is currently finalising a revised medium term ESG strategy.

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## Carne's commitment to UNPRI

Signatory of:



In May 2021 Carne produced its first mandatory annual reporting to the UNPRI which will shortly be available publicly through its website. The most recent yearly reporting cycle due to be completed with the UNPRI by 31 March 2022 has been delayed by UNPRI until early 2023 to help them further redefine their reporting process.

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## General sustainability



Carne continued using the pandemic to further re-engineer how we interact, manage and support our workforce in a more sustainable way. We have added extensive training programmes in a number of areas including Diversity and Inclusion and ESG. During the year we launched our new corporate brand which has sustainability and simplicity at its core.

## New brand – “Unity through simplicity”

The roll out of our new brand included the introduction of electronic business cards for all employees except where for cultural business reasons physical business cards are still needed. Employee rebrand packs were researched for 100% sustainable products.



€100m  
investment

### Force for good

One of the key motivations and missions of Carne in developing our business is to be a force for good and to try to change the world for the better. The combination of two of our principal values, Thoughtfulness and Togetherness, have the power to change things. Finding ways to make change simple to achieve for everything from social inclusion to climate change and acting together to achieve it.

As an example we have made the following declaration of intent:

In December 2020 we agreed a €100 million investment from Vitruvian Partners for an equity share in the business. During negotiations we requested a specific inclusion in the share arrangement: a facility linked to the ultimate exit valuation of the Vitruvian investment. This facility would trigger the release of share capital into a charitable fund.

Potentially, it's worth millions of euros for good causes.

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## Environmental

Carbon  
footprint



46.7%

As we did last year, Carne had its emissions assessed by an independent consultant, Carbon Footprint. The amount of emissions calculated for year ended 31/3/21 was 226.93 tonnes of carbon equivalent. The most significant emission source was home-workers accounting for 66.5% The total footprint has declined by 46.7% from the baseline year (year ended 31/3/20).

Note: Emissions for home working was based on a UK average proxy.

We have been certified Carbon Neutral through using offsetting through two programmes – a tree planting programme in the UK (reducing deforestation), a Verified Common Standard certified carbon credit and a project for Biomass Conservation in providing efficient stoves in Malawi, a Gold Standard certified carbon credit. Both programmes meet the Quality Assurance Standards (QAS) for Carbon Offsetting. Carne's annual carbon footprint per person was independently assessed as 0.65 tonnes of CO<sub>2</sub>E (1.87 in previous year).

Clearly the occurrence of the pandemic was the biggest driver of this substantial decrease. Carne is currently working on the project plan to set science-based climate emissions reduction targets and would hope to have these targets set and independently verified by end of 2022. Carne's strategy is to become carbon zero by 2030.

### What's the big ESG idea?

Carne is currently running an internal competition to promote and identify entrepreneurial spirit, transformative thinking, and innovative ideas with ESG being the theme. The competition will be run like Dragon's Den and each individual or team will receive mentoring during the process by experienced Carne mentors. The winner will receive €10,000 of which €5,000 will go to a charity of their choice.

### Curator

Carne's previous CORR digital technology has been rebranded as Curator. During the year this system has been further developed ensuring the elimination of more manual and paper generating processes. We have also integrated ESG assessments as a part of our Curator due diligence solution.





**€400k  
raised**

## Social

### Charity and philanthropy

In 2021 Carne raised €400,000 for charities. This has been disbursed to our three flagship charities; Chernobyl Children's International, Indreni and Special Olympics; to local charities in all the jurisdictions in which we operate as nominated by local employees in those jurisdictions; projects selected by the Charity Committee; and to a matching pot (where Carne will match up to €500 for employee donations for charity events).

In addition to the charitable donations, Carne will continue to provide pro-bono work to support other community charities and initiatives including participation in Junior Achiever by our employees and participation on the committees and boards of various industry charities including basis point in Ireland and HFC (Hedge Fund Cares) in Cayman.

Also, Carne employees (assisted by the company) have participated in numerous volunteering opportunities during the year including: Darkness into Light Walk (for suicide), Focus Ireland sleep out (supporting homelessness) and the Jack and Jill Foundation Family Fun Day.

### Employee wellbeing and support

In 2021 Carne continued with HR and employee initiatives in order to improve employee wellbeing, decrease our natural emissions and create more awareness and understanding internally of ESG aspects. These included:

- automation of all HR processes on a new Sage people portal
- Finish Early Fridays during the summer
- fitness challenges: Step Challenge and Duathlon
- social events including: Virtual Race Night and quiz nights
- charity speaker series
- creation of mentorship programme
- roll out of quarterly ESG newsletter.

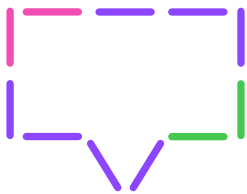
### Equality, diversity and inclusion

Following an external review by INvolve of diversity and inclusion within Carne, a RADAR assessment action plan is being implemented. The assessment action plan and other initiatives include:

- a diversity and inclusion training strategy
- adapting content for neurodiversity
- Carne being a member of The Diversity Project
- access to the workplace programme - giving employment opportunities to those from socio-economically disadvantaged backgrounds, those with disabilities, or those that are neurodiverse
- Ukrainian employment support.

Also to note in the latest round of job promotions:

- **55%** of promotions were women
- **53%** of director promotions were women





## Governance, product initiatives and industry engagement

Carne's ESG solutions group is working on finalising solutions for our clients in the following areas:

- ESG regulatory reporting
- data capture and analytics
- stewardship and engagement.

Carne is the largest third-party AIFM of Article 8 and Article 9 funds in Luxembourg (source: PWC Management Company Barometer 2021).

Carne is a member of the ESG & Stewardship Steering Committee at EFAMA (European Fund and Asset Management Association) and its sustainability working group, as well as ESG workstreams at ALFI (Association of the Luxembourg Fund Industry) and LPEA (Luxembourg Private Equity and Venture Capital Association).

### **SFDR (Sustainable Financial Disclosures Regulation)**

During the last year Carne has spent considerable time in supporting and helping all our clients with the latest phases of the EU SFDR legislation following the publication of the regulated technical standards. We assist our clients in ESG classification by performing appropriate due diligence and try to ensure they are in line with all the relevant SFDR requirements. We can also produce the European ESG Template (EET) for our client's distributors.

### **Thought leadership**

Carne is continually engaging with our clients, many of whom are leaders in ESG in the asset management industry. We have started running a series of ESG themed webinars which include many leading ESG experts in our industry.

### **IT and data security**

Carne has done significant work in improving our IT and Data infrastructure during the period including the appointment of a fulltime experienced Data Protection Officer and the start of the implementation of ITIL control framework and ISO 27001 certification both due for completion by the end of 2022.

### **Carne Group board**

During the year Carne started a multi-year project to put in place an appropriate corporate governance framework for our business to ensure, inter alia, that we have an appropriate board composition and to ensure we have an appropriate sub-committee structure and a properly aligned Remuneration Policy which takes into account delivery of ESG objectives.



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## Sustainability objectives (our progress)

### 1. Being carbon neutral

- Develop inventory and action plan by the end of 2020
- Be Carbon Neutral by the end of 2025

**Progress:** We have achieved this and were certified as Carbon Neutral for the years ended 31 March 2020 and 31 March 2021. We are currently going through the review exercise for certification for 2022.

### 2. Give back to communities by volunteering and donating resources

- Value of pro-bono work: €50,000 per annum by 2021

**Progress:** We have achieved this target by volunteering our employees' time and experience on boards, committees and community projects.

### 3. Donate to strategic charitable causes

- Value of charitable donations: €100,000 per annum by 2020

**Progress:** We have greatly surpassed this with donations totalling €276,000 for 2020 and €400,000 for 2021.

### 4. Ensure our supply chain has responsible social and environmental practices

- Percentage of vendors used who meet company minimum sustainability guidelines: 75% of vendors compliant by 2022

**Progress:** We are on target to meet this.

### 5. Create innovative approaches to minimise negative environmental impacts, improve economic bottom lines and integrate the social elements in our employee and business practices

- Number of sustainability innovation projects introduced for employee and client engagement: 3 minimum by 2021

**Progress:** As discussed earlier in the report we have greatly surpassed this with many projects that have been successfully implemented.

### 6. Be active members of relevant ESG/sustainability organisations

**Progress:** We are constantly increasing our involvement with relevant organisations.

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**John Skelly**

Head of sustainability committee

June 2022

Signatory of:



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! if absolutely necessary. !