

Corporate Social Responsibility (CSR) Policy

*“We cannot solve our problems with the same thinking we used when we created them.”
– Albert Einstein*

There has been a steady evolution of sustainability, resilience, and socially responsible actions and needs in recent years. This can be seen across consumers, businesses, regulators, and policymakers worldwide. The roadmap for sustainable opportunities and equitable economic growth requires innovative investment solutions mobilizing hybrid or blended sources of capital across sectors. Now more than ever, our society needs to collectively invest in entrepreneurs, businesses, and technologies that address the sustainability, equity, and resilience challenges we face today. Addressing these challenges today present new opportunities for the future.

As a global asset manager with sustainability at its core, V-Square Quantitative Management’s (V-Square) mission is *to be a new vector of change in the way investment returns are generated for investors in alternative asset classes, core equity, and fixed income by creating better value for longer*. Corporate social responsibility is at the heart of our PHD core values (passion, humility, and dedication) and the services we provide. Our approach to innovation combines embedded investment research with a human-centered design framework, placing investor desired risk-adjusted and sustainability outcomes as priority.

Through our leadership and experience in the asset management industry, we have identified the following corporate social responsibilities we believe are of material value to our clients, partners, employees, and the communities we serve:

- **Diversity, Equity, and Inclusion:** We are committed to be a diverse, equitable, and inclusive asset manager across all facets of our operations, client services, and external partnerships
- **Social Justice and Health Equity:** We are committed to civic leadership that addresses the greater good, serving others and supporting our local communities and addressing the determinants of health
- **Climate Change:** We are committed to prioritizing a sustainable, low-carbon economic transition that also enhances the resilience of the communities where we live, work, and invest.

“My interest in social responsibility can be traced back to my childhood devotion to ecology. I would go with my father, a Doctor ès Science specialized in genome and plant evolution, to the French National Centre for Scientific Research to learn about the importance of biodiversity. Nature conservation was therefore part of my life growing up.”

*– Mamadou-Abou Sarr, Founder,
President & Chief Executive Officer of
V-Square*

Diversity, Equity, and Inclusion

We are a global team of seasoned investment professionals, financial engineers, data scientists, statisticians, actuaries, economists, and scholars with a shared passion for sustainability and innovation. Our intellectual curiosity is the cornerstone of our approach to financial markets.

V-Square is an equal opportunity employer committed to be a diverse, equitable, and inclusive asset manager across all facets of our operations, client services, and external partnerships. We believe that differences in our approaches, perspectives, and solutions are what makes us stronger and generates value for our clients. We embrace diversity, equity, and inclusion (DEI) and are intentional in attracting talent across a multi-dimensional spectrum as the seed to ensure that our perspectives and solutions are as diverse, equitable, and inclusive as possible.

We will advocate, sponsor, and support the DEI agenda with our business and academic partners. We will regularly communicate and publish the benefits of DEI with quantified results.

Social Justice and Health Equity

Social justice is an imperative as we lean in to create fairness in wealth, opportunities, and basic needs. V-Square takes a holistic approach to social justice through our civic leadership that addresses the greater good, serving others, and supporting local communities. We define civic leadership as the ability for any individuals to transcend themselves and demonstrate altruism in a leadership capacity. In the civil society, the leadership acumen of an individual starts with key attributes such as empathy, virtue, a sense of higher purpose, and the ability to promote social change for the benefit of a group or a community. Given the informal position of authority in civic engagement, individuals emerging as leaders demonstrate their ability to mobilize a followership whilst serving others above and beyond expectations.

We are committed to empowering and supporting organizations and engaging in partnerships that achieve social justice. We dedicate our time, effort, and resources to improve the conditions within our community, truly understanding the statement by Nelson Mandela that *“there can be no greater gift than that of giving one’s time and energy to help others without expecting anything in return.”* Civic leaders exhibit such behavior as they engage with communities around the world. V-Square’s Volunteering Program encourages employees to participate in local causes or volunteer their time in community events to be of service. We will organize two corporate volunteering days per year to provide employees with dedicated time to get involved in their community.

We strongly believe that the corpus of what sociologists refer as the habitus must be challenged to address health disparities. The determinants of health outcomes are multifaceted, they include factors such as the physical location and the community context of our neighborhoods, the quality of education, access to healthcare and economic opportunities amongst others. At V-Square, we are committed to support organizations addressing health equity and economic wellness particularly in the west and south side of Chicago, as well the inner cities of Paris.

With our love of the arts, culture, and sports, we also pursue partnerships, actions, and volunteer opportunities to address social injustice through these avenues and empower local artists, sports teams, and cultural aspects of the communities where we live, work, and invest.

Climate Change

The rapidly changing climate is creating both risks and opportunities for investors. A science-based approach to addressing climate change calls investors to act by transitioning to a sustainable, low-carbon economy and enhancing the resilience of their investments, assets, and communities. At the social level, climate change will have a disproportionate negative impact on disenfranchised communities: for instance, they neither have the means to conveniently relocate before or after a natural disaster, nor to weather the economic consequences of such events. Combatting climate change is a long-term endeavor involving all stakeholders, including communities, businesses, governments, regulators, and financial markets to work toward a goal of transitioning to lower-carbon economy. This will create investment opportunities. At the portfolio level, climate risk will have a disproportionate impact across asset classes at various scales.

V-Square believes that the underlying risks and opportunities are not fully 'priced in' into valuations, and a significant opportunity exists to leverage these inefficiencies. V-Square aims to understand and quantify these trends, reducing risks and maximizing returns. We will also engage with companies we invest in to help them quantify, disclose, and mitigate these risks.

As a member of The Institutional Investors Group on Climate Change (IIGCC) and active supporter of the Task Force on Climate-related Financial Disclosures (TCFD), V-Square is aligned with the IIGCC's mission and the TCFD Recommendations to mobilize capital for a low-carbon transition and to enhance resilience to the impacts of a changing climate by collaborating with businesses, peers, academia, policy makers, and fellow investors. We are a member of the US Sustainable Investment Forum (SIF) and Sustainable Accounting Standard Board (SASB) Alliance. We are an active contributor to the broader achievement of the UN Sustainable Development Goals (SDGs). Our portfolio will be aligned with the SDGs that are deemed material to our mission and investment style.

V-Square is currently taking the following actions and will continue to act on climate as a small business:

- Enrolling in a travel carbon offset program
- Only occupy LEED certified spaces
- Implementing recycling and water saving programs at V-Square offices
- Going paperless and leveraging electronic technology for all V-Square meetings.

We want to awaken further awareness of the social and climate issues as a necessary first step; we cannot affect changes alone. We are accountable to our clients, our employees, our business partners, and to the communities where we operate. As a business, we will operate in ways that are in line with the principles cited above, striving to positively impact society and environment. Our products and business solutions will all be a vector of change in that direction.

CSR Advocacy

Advocacy means playing an active role to advance standards and policies, learn from our peers, and drive change in the asset management industry. V-Square is a member and supporter of the following organizations serving in various leadership roles to advance progress across DEI, social justice, and climate change:

- V-Square is a signatory of the UN-supported Principles for Responsible Investment (PRI) since August 2020
- The Forum for Sustainable and Responsible Investment (US SIF)

- International Corporate Governance Network (ICGN)
- Institutional Investors Group on Climate Change (IIGCC)
- The Dutch Association of Investors for Sustainable Development (VBDO)
- Sustainable Accounting Standards Board (SASB)
- French Forum pour l'Investissement Responsable
- Task Force on Climate-related Financial Disclosures (TCFD supporter)
- The Farm Animal Investment Risk & Return (FAIRR) Initiative
- Principles for Responsible Investment (PRI): Member of Listed Equity Advisory Committee, Passive Equity Working Group, Listed Equity Integration Sub-Committee.

Responsibly Investing in Our Future

The global roadmap for socially responsible, equitable, and sustainable economic growth is evolving each day. However, through our unwavering commitment to social responsibility, the services we provide our clients and partners, and the contributions we are collectively making within our communities, we are laying the groundwork to serve society now and into the future.