Version:	**2020 / 1**
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Content:	**Policy on responsible behavior of PvB with regard to environmental, social and governance aspects**
Responsible:	**Board of directors**

1. Rationale, purpose and scope

This policy establishes guidelines for a responsible behavior of PvB with regard to environmental, social and governance aspects. The policy shall enable PvB to accommodate client specific requirements regarding environmental, social and governance aspects, when implementing mandates for clients. It shall ensure transparency regarding those aspect regarding the portfolio management of PvB mandates and funds as well as provide guidance for the behavior of all PvB employees and its delegation partners.

2. Responsibilities

The board of directors of PvB ("BoD") is responsible for the issuance of this policy and the executive board of PvB ("ExB") ensures its implementation. Client specific requests shall be taken into account. The executive board of PvB appoints a Responsibility Officer ("RO"), who is coordinating all activities with regard to this policy. The RO will report at least once a year to the ExB on implementation progress and make suggestions for amendments of the policy.

3. PvB Mandates and Funds

In cooperation with the respective client/sponsor, PvB establishes for each mandate / fund specific guidelines with regard to the incorporation of environmental, social and governance aspects into the investment process (the "ESG Guidelines"). In case of delegation of the portfolio management to third parties, such guidelines shall be an integral part of the respective asset management agreement in case the respective client/sponsor instructs PvB accordingly.

ESG Guidelines cover the following aspects:

a. for securities funds or mandates

- *Negative screening:* Define approach and criteria for the total or partial exclusion of certain securities and respective tolerance levels.

- *ESG integration*: Define approach and criteria for the consideration of non-financial aspects such as environmental behavior, social behavior or governance behavior in the investment process when selecting securities.
- *Impact investing*: Define approach and measures with regard to investing with an intention to have a positive impact on environmental, social or governance behavior of companies.
- *Execution of shareholder rights*: Define approach and measures with regard to the execution of shareholder rights.

b. For real estate investments

- *Energy efficiency*: Define approach and criteria for the consideration of energy efficiency aspects and renewable energies in the investment process.
- *Tennant information*: Define approach with regard to information of tenants about their energy and water consumption and waste output of the buildings. In the case of indirect real estate investments the consideration of the respective tenant information policy in the investment process shall be defined.
- *Working conditions on building sites*: Define approach with regard to the selection of companies (i.e. compliance of companies with regard to working condition regulation)

The currently valid ESG guidelines per mandate are attached to this Responsibility Policy.

4. Risk Management

Besides the dimensions market risks, counterparty risks and liquidity risks, the PvB risk management process shall also consider the category “ESG risks”. ESG scores available in Bloomberg shall be applied to create the respective risk analysis. The ExB in cooperation with the RO are responsible to draw conclusions and discuss any findings with the responsible portfolio manager(s).

5. Internal Organization

PvB is committed to implement best practices with regard to performing and promoting responsible business. PvB is therefore a signatory of the United Nations Global Compact and all PvB employees shall behave in line with the following principles:

a. Human Rights

PvB supports and respects the protection of internationally proclaimed human rights. PvB ensures this by

- providing safe and healthy working conditions,
- guaranteeing freedom of association,
- ensuring non-discrimination in personnel practices,
- ensuring that PvB is not benefiting directly or indirectly from forced labour or child labour,
- providing social security and accident coverage for all employees, and

- making reasonable accommodations for all employees' religious observance and practices

PvB makes sure not to be complicit in human rights abuses neither direct nor indirect.

b. Labour

PvB upholds the freedom of association and recognizes the right to collective bargaining. PvB ensures this by

- respecting the right of all employees to form and join a trade union of their choice without fear of intimidation or reprisal, in accordance with Swiss law;
- not discriminating employees based on their union membership or their engagement for any union;
- recognizing representatives of unions for the purpose of collective bargaining.

PvB upholds the elimination of all forms of forced or compulsory or child labour. PvB ensures this by not entering into contractual or other relationships with any party involved in forced, compulsory or child labour activities.

PvB upholds the elimination of discrimination in respect of employment and occupation. Recruitment, remuneration, working hours, maternity protection, job assignments, training opportunities, job prospects and social security benefits shall purely depend on qualifications, skills, experience and performance of a person. All type of discrimination, i.e. based on sex, race, political opinions or age, shall be reported to the RO, who reports such discrimination immediately to the ExB, which decides on measures to take.

c. Environment

PvB supports a precautionary approach to environmental challenges and supports employee initiatives to promote greater environmental responsibility. PvB also encourages the development, diffusion and usage of environmentally friendly technologies. PvB ensures this by

- considering environmental aspects when choosing the means of travel for business purposes;
- considering environmental aspects when choosing office locations (i.e. public transport connectivity), and
- considering environmental aspects in the procurement process

d. Anti-Corruption

PvB works against all forms of corruption, including extortion and bribery. PvB ensures this by not entering into any business relationship with individuals who work for an existing or a potential client or a government entity without prior BoD approval.

ESG Appendix for Luxembourg Selection Fund - Nerrick US Equities:

Type: Securities

Negative Screening Approach:

Not eligible for direct or indirect investment:

- Securities of companies involved in the production of weapons that are prohibited by international humanitarian law, including sub-munitions, landmines, chemical, nuclear and biological weapons
- Soft commodities or soft commodity linked securities
- Securities of companies that generate more than 5% of turnover in the following sectors:
    - Weapon production
    - Carbon energy production or carbon mining
    - Pornography
    - Tobacco trading or production
- Securities of companies not complying with the UN Global Compact by violating human rights, ethical rules or employment law.
- Securities of companies involved in serious corruption or environmental damage.
- Securities of any company that might cause a reputational risk to investors in the fund

ESG Integration Approach:

- ESG aspects are considered as part of the investment process
- PM decides on weighting of ESG aspects on a case by case basis

Impact Investing Approach:

- no explicit impact investing approach
- no measurement of impact of investments besides financial performance criteria

Execution of Shareholder Rights:

- Active voting for all directly hold securities where more than 2% of outstanding shares are owned in line with Ethos recommendation.