

## Engagement Report 2019

*Since its beginnings, TOBAM has decided that sustainable development would be explicitly core to its values. Its clients have a long-term approach to investing and its sustainable way addresses these concerns.*

*Upholding Environmental, Social and Governance principles (ESG) is not only part of our investment process; but also, an integral part of our day to day business. TOBAM aims to act in a socially responsible manner via its business, its social relations and its long term vision of sustainable growth. By upholding these principles everyday we make sure that TOBAM does not veer from its “sustainable” journey.*

*We consider engagement towards third parties, the industry and the investee companies as another crucial step towards the promotion and development of responsible investment.*

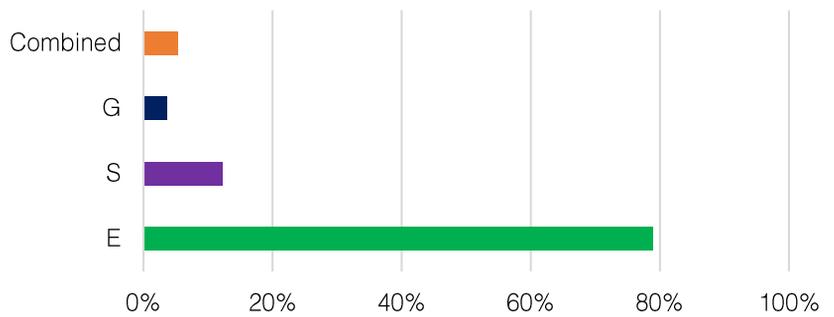
*“ We believe that our engagement approach will contribute to **further developing best practices and encouraging the adoption of sound ESG policies** by a wider range of companies worldwide. ”*

# How do we engage?

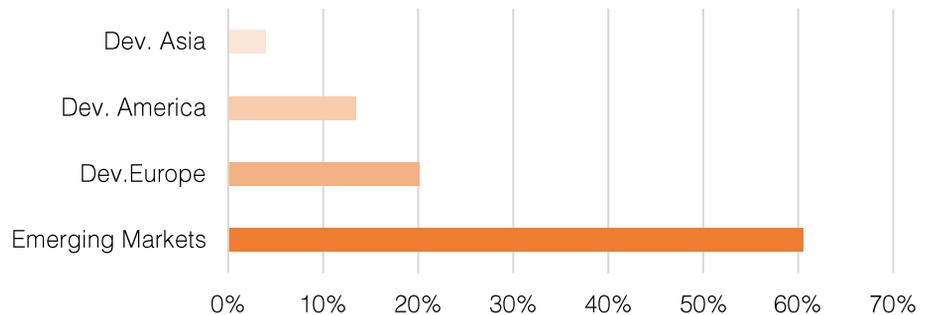
Recognizing the value of different forms of engagement, TOBAM carries out direct engagement as well as collaborative engagements with other partners or investors. TOBAM acts individually or collectively based on information gathered by its partner ISS, or issued by other stakeholders such as investors or human rights NGO's.

All engagement initiatives are discussed and decided during the Sustainability Committee.

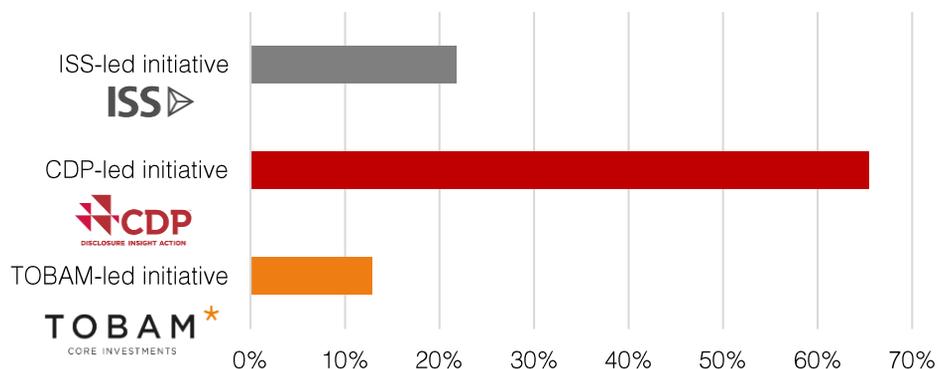
## By type of focus



## By type of region



## By lead of engagement



# Examples of Recent Engagement



## US Mining Company TOBAM-led Engagement



TOBAM has established a partnership with NGO's dedicated to Human Rights for over 8 years now, and one of these NGO highlighted to us that one of our holding, a US mining company was under some severe controversies. Although none of this was highlighted by our external controversies provider we decided to investigate further with the US company. We addressed the mining company a list of questions regarding the current situation and if they agreed with the facts.

They sent us back a list of comments that were for some contradictory with the questions raised by our partner NGO, so we decided to set up a call with the management of the company.

The angle taken was not to investigate in details the origins of the controversies or the moral legitimacy of the legal issues, but rather trying to identify how such a large listed company ended being in the front line and how such a case was so badly handled and if any procedure, change in management and local rules had been put in place following the controversy.

The discussion was very in-depth, addressing all topics in details with a strong dedication of the company's management to provide the maximum transparency on what happened, what went wrong, what lessons could be taken from the situation. They later shared with us following our call, the procedure put in place after the controversy happened.

TOBAM's focus in this dialogue was to ensure that the lack of humanity shown in the initial step of the controversy and the way the situation went rogue and wasn't kept under control, would not happen again or at least that there was processes to ensure to minimize the risks of such negative spill-over.

## Chinese IT Company TOBAM-led Engagement



TOBAM, in partnership and supported by some large institutional clients, led an engagement action with a Chinese IT company, engaged in some severe human rights breaches.

We addressed a letter to the Head of Investor Relation, asking some precise questions following numerous reports from the press, from Human Rights Watch, from ISS, regarding severe controversies linked to human rights and privacy laws.

The letter remains unanswered as we write this report.

The next step, as per our escalation process recommends to address directly to the CEO of the company.



## For more information

TOBAM is an asset management company offering innovative investment capabilities whose aim is to maximize diversification. TOBAM's Maximum Diversification® approach, supported by original, patented research and a mathematical definition of diversification, provides clients with diversified core exposure, in both the equity and fixed income markets. The company manages \$8.5 billion in Equities and Fixed Income. Its team includes 51 investment professionals. Figures as of December 2019.

## Contacts

### Paris

49-53, Avenue des Champs-Élysées  
75008 Paris  
France

### New York

### Dublin

### Hong Kong

### Client Service

[clientservice@tobam.fr](mailto:clientservice@tobam.fr)

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