

view point, what we think, what we do



view point: **TOBAM's commitment to Human Rights**

what we think

The disaster in Ukraine. How did we get there?

William of Ockham, is the inventor of Ockham's razor; the principle of parsimony. Often, the principle's description is simplified to the statement that between two solutions, we should always favor the simplest: if the problem you have to solve is to sit down, the best solution is a chair, not a Mercedes-Benz, even if you can sit in a Mercedes Benz...

I believe this description of the principle of parsimony to be inaccurate. My interpretation of Ockham's principle is that, in order to find the right solution, you need to simplify ... the problem!

Use Ockham's razor repeatedly, tirelessly, until you reach the essence of the problem. And then, solving it becomes much easier.

I wonder whether the essence and the origins of so many of humanity's preeminent issues largely resides in two fundamental problems:

1. The disrespect of human rights, (subject of this **view point**)
2. The deceptive and unsustainable comfort procured by permanent and excessive money issuance (not our subject today)

In the case of Ukraine, it is clear to any good faith analysis, that the problem does not lie with Ukraine, rather with the Russian government, more precisely in the Kremlin.

It is clear that the sanctions the international community is imposing in 2022 are going to be much much more costly than if they had been implemented, after the assassination of any of Anna Politkovskaya, Galina Starovoitova, Yuri Schekochikhin, Sergei Yushenkov, Alexander Litvinenko, Stanislav Markelov, Anastasia Baburova, Nikolay Andrushchenko, Markelov Baburova, Nikolai Girenko... and so many others. They are much much more costly than if they had been implemented as a retaliation for all the previous dramatic breaches to basic human rights: political or religious persecutions, manipulation of the Russian judiciary system by political authorities, acts of torture conducted by the Russian police, the Federal Security Service or prison guards.

Current sanctions are going to be much much more costly than if they were implemented against Russia after the creation of the Wagner group, after so many mass crimes and atrocities in Syria, Chechnya, Dagestan, Georgia, Crimea, Lougansk, Luhansk, Tajikistan and elsewhere, violations of political freedoms and election misbehavior, persecution of scientists, business-related human rights abuses, mismanagement of governmental and non-governmental organizations, violation of freedoms of religion, movement, media and assembly, the discrimination of ethnic minorities, foreigners and migrants, of sexual orientation and gender identity, racism and xenophobia, criminal and/or political use of psychiatric institutions, violation of disabled and children's rights, and so many acts of human trafficking.

Instead of letting autocratic regimes get away with serious violations of human rights, even on a very local dimension, early coordinated sanctions and accountability are not costly, they are in fact much cheaper than later ones to avoid escalation as we see it now in Ukraine.

While sustainable development is becoming mainstream, not taking into consideration the human rights record of our commercial and trading counterparts, is always the costliest of all bad behaviors.

It is the systematic consideration of longer-term economic development criteria that should lead us to consistently sanction opponents of human rights. The cost of dealing with Hitler, with Stalin and his successors, dealing with the Assad family, tolerating the Kim family, collaborating with Mao and his totalitarian successors, dealing with dictators, torturers, totalitarian regimes is and/or will systematically be an inverted J-

curve: some hypothetical benefits in the short-term, huge losses at arrival. Losses for investors ... but also and mostly for the local populations... and their neighbors.

what we do

let me tell you the story of TOBAM's commitment to Human Rights...

Philanthropy

It started in 2009, I gathered the team (we were eight people back then) and gave them two weeks to prepare a case in support of a philanthropic cause for us to focus our efforts on at TOBAM.

15 days later, we met and the team came up with two main suggestions: human rights or education.

Two key criteria pleaded the cause of human rights:

1. Human rights are an orphan cause. When compared to most other philanthropic causes, the funding of human rights NGOs is simply tiny.
2. Of course education is instrumental to development, but it's important to remember it's not enough: Back in the 1930s, the most educated country in Europe and maybe the world was Germany and that education was not everything: the Germany of 1930 resulted in the most abominable regime of history.

I strongly believe the only way for sustainable development and for sustainable growth is through the respect and sponsorship of human rights. The cost of human rights negligence is, in my mind, one of the most expensive costs, humanity has paid across history.

Sustainable investing

Since its beginnings, TOBAM has ensured that sustainable development is explicitly core to its values. Our clients have a long-term approach to investing and our sustainable way addresses the need of investors for their investment to be handled with the same long-term view.

The launch of the Anti-Benchmark Emerging Markets Equity strategy in 2011 was the result of two achievements: TOBAM research being able to organize the portability of our research to EM and TOBAM's ability to resolve the following dilemma:

When you invest in emerging markets you help the people in emerging markets but you also provide their governments with indirect support, and those governments are not all sponsors of human rights. This was not aligned with the long term interests of our clients. So, should we invest in EM or not?

The same way that CO2 emissions can be offset by, for instance, reforestation, we decided to somehow "offset" this indirect support to those governments and hence decided in 2011 to donate 7.5% of the fees from our EM fund to human rights NGOs.

We conducted RFPs with various NGOs and asked them to present us with a project which was dear to them and that they would launch if we were to fund it.

The first project we funded was with Amnesty International.

In 2014 we chose a project with Human Rights Watch: funding their office in Ukraine, and with TOBAM's support, Human Rights Watch opened its office in Kiev. This office has proven instrumental for the monitoring of the Ukrainian conflicts and has offered new opportunities for research and advocacy with officials and local activists. The HRW mission in Ukraine covers a wide range of issues: use of explosive weapons, landmines, monitoring of the humanitarian situation, illegal detentions and torture, freedom of speech, disappearances in Crimea.

Since starting this initiative over 10 years ago, TOBAM has donated over 2 million EUR to Non-Governmental Organizations and about 3.5 million EUR to sustainability and non profits' expenses. In 2020, a year which was particularly dramatic across the globe with regards to human rights, TOBAM allocated as much as 9.68% of its earnings.

This solidarity-based mechanism that directly connects investment and philanthropy was recognized in 2014 by Sustainable Finance consultant Axylia, which awarded TOBAM the "Profit for Non Profit Special Award" of most philanthropic company in France.

Supporting these important causes is something we want to continue in the future as the goals of these organizations are clearly long term and are, in our mind, fully aligned with the long term financial and economic interest of our clients.

The current development in Ukraine illustrates once again the massive cost of low vigilance in the defense of human rights.

In the short-term, analyzing, informing and protecting civilians in war time is more necessary than ever. Documenting severe breaches to international laws, use of forbidden weapons of mass destructions and reporting of severe abuse is a key element to ensuring human rights become a priority.

The situation is urgent and severe.

Human Rights Watch needs you:

US <https://donate.hrw.org/page/65440/donate/1?ea.tracking.id=EP2022EVpgdonate>
France <https://donate.hrw.org/page/29430/donate/1?locale=fr-FR>
UK <https://donate.hrw.org/page/9864/donate/1?ea.tracking.id=rsb>
Switzerland <https://donate.hrw.org/page/64301/donate/1?locale=fr-CH>

Over time, TOBAM will endeavour to convince other asset managers, clients and colleagues to contribute to funding human rights NGOs and taking into account human rights criteria before and while investing.

Paris, March 18th 2022

Yes Chouifaty



2022 Borodyanka 20 km of Kiev, Ukraine



2017 Homs, Syria



1999 Grozny, Chechnya