

LONG-TERM PERSPECTIVES

Corporate & Social Responsibility (CSR)
Responsible Investment (RI)
Policy & Report
Year 2023



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THINKING OUT OF THE BOX

ABOUT VALUES, RISKS, AND INVESTMENT HORIZON

Sustainable investing is not meant to highlight a moral or ethical point of view or determine what is good or bad – ethical concerns and values matter, but they may be subjective and vary from an investor to the next. Instead, we look at sustainability through the lens of long-term performance and risk management.

Asset managers have a fiduciary duty to maximize client returns. Their primary objective is to grow and preserve the capital entrusted to them, necessitating a focus on sound investment strategies. Sustainability criteria should only come into play when they enhance the long-term performance of a portfolio. And the good news is, sustainability when properly implemented, does generate value in the long-run.

In fact, at TOBAM, we believe that investing with a long-term perspective and being sustainable is essential when entrusted with long-term investors' assets.



Yves Choueifaty
Chairman & Founder, TOBAM
Dec 2023

It is not about surfing on trends, it is not about indulging in your own political or ethical beliefs, it is and should remain about doing right by your clients, as measured in risks and opportunities that could impact the long-term financial health of their investment portfolio.

TOBAM fosters a spirit of innovation across all levels of the organization. We are looking beyond the obvious, questioning norms, and anticipating future changes whilst integrating clients' requirements. This is TOBAM's "Out of the box" culture. Our mission is to provide rational and professional solutions to long-term investors in the context of efficient markets. To achieve successful implementation, we consider it our responsibility to review all the factors that may influence wealth creation and impact our portfolios' characteristics.

2023 has been a key year in TOBAM's history:

TOBAM is now built around three key pillars of expertise, which leverage TOBAM's history, values, and ambitions.

- TOBAM's original Maximum Diversification® approach
- A research-driven solutions division, TOBAMSolutions® to create tailored investment solutions for clients
- And our latest innovation, the LBRTY® strategy range

In addition to these three pillars, TOBAM has a team dedicated to researching and managing the cryptocurrency range of strategies.

LBRTY®, TOBAM's latest innovation, is at the crossroads of all our deeply rooted convictions at TOBAM.

TOBAM's human rights considerations began very early in its development and have continued to expand over the years through the contributions of employees, clients, shareholders, and partners. We first started onboarding human rights as a philanthropic cause in 2008 by sponsoring NGOs dedicated to defending human rights and freedom of expression (Amnesty International, Human Rights Watch, Reporters without Borders).

We then developed an engagement policy with dialogues around human rights issues and opportunities as a critical engagement theme with our holdings, based on the recognition that human rights controversies could negatively impact our portfolios.

We have engaged with dozens of companies on critical breaches of liberties; we are notably having ongoing dialogues with companies allegedly involved in the forced labour camps in China.

Last year, after months of research, we launched LBRTY, which exposes autocracy as a long-term risk factor for investors and build portfolios that leverage the power of democracy.

Managing long-term assets involves research and documented academic work. It involves identifying risks, even the most hidden ones, and providing long-run returns.

We are proud to present this new edition of our Sustainability report. I am happy to share TOBAM's progress and commitments to sustainability in our investment processes and how we conduct business, work together, and interact with third parties.

I am very proud of TOBAM's research and portfolio management teams, which have dedicated much work and talent to continuing our efforts towards smarter, risk-aware, and long-term investment solutions.

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TOBAM's Long-Term Investment Approach

What is different about TOBAM's approach to long-term investment and sustainability?

Ayaaz Allymun: TOBAM's onboarding of sustainability took place very early in its development and has been expanded over the years by the continuous contributions of employees, clients, shareholders, and partners. The journey has led us to establish some investment beliefs around our vision of a responsible investment policy at TOBAM.

One of these beliefs is around the investment horizon. In alignment with the long-term views of our investors, every initiative we take at TOBAM is looked at with a long-term view. Short-term gains may seem attractive, but longevity and sustainability (in terms of resource efficiency, responsible use of resources, human and financial capital, etc.) matter.



Ayaaz Allymun
Co-Head of Long-Term Investing



Philippe Bolopion
Co-Head of Long-Term Investing

The second belief is that sustainability integration enhancements should be driven by research. This principle goes beyond sustainability since research moves all projects at TOBAM. Hence, as is the case for other investment or optimization innovations, sustainability integration ideas or projects are driven by research and investigated and documented before implementation.

What emerging trends do you see in the intersection of investing and human rights, and how might these trends shape the future of long-term, responsible investing?

Philippe Bolopion: I'm still relatively new to the field of responsible investing but I'm struck by two things. First, the lack of reliable data and common frameworks, especially when it comes to the environmental impact of companies - the same company will get wildly differing ratings depending on the provider and their approach. This opens the door to doubt, confusion and all forms of greenwashing.

Second, human rights have been grossly overlooked. Investors who care a great deal about the environment and good governance have poured money into autocratic countries, often unwittingly propping up their governments. China or Turkey are good examples.

Today, there is widespread recognition in the market that autocratic countries like China and Russia are generating geopolitical risk and are not safe in the long-term for investors.

The market is ready to accept the idea that human rights violations and the absence of democracy are bad for business. It's the perfect time to bring human rights and democracy in focus.

TOBAM recently launched a new equity strategy called LBRTY; what is it about, and why did you decide to launch a strategy addressing autocratic risk?

Philippe Bolopion: History has shown that in the long run, investors in companies that are exposed to oppressive regimes will bear an increased unrewarded risk: they will be exposed to the consequences of wars, lack of rule of law, state-induced expropriations, social unrest, waste and corruption. In the long run, they will underperform. TOBAM believes that the investment risk linked to authoritarian regimes needs to be addressed. We developed an original way to identify and manage it efficiently.

Moreover, it is worth noting that TOBAM's commitment to the LBRTY strategy does not arise from a moral posture but from a business one because supporting civil liberties and democracy works from a business perspective and is fully aligned with the client's interests. The autocratic risk factor that our research team had identified and studied for a few months before launching the strategy is a real burden and significant risk for investors.

Ayaaz Allymun: The LBRTY strategy was formally launched in September 2023 on two investment universes, Emerging Markets and ACWI, to address this autocratic risks. TOBAM's commitment to these issues started in 2009 when we decided, as a firm, to choose Human Rights as a field of philanthropy.

We have 13 different nationalities at TOBAM, and some of us are from countries or regions historically impacted by the lack of democracy or the burden of autocratic regimes. It was a common cause for some of us. Taking one step further, we considered human rights a priority for our engagement initiatives. The next step was to integrate this dimension further into our portfolio management..

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TOBAM is an asset management company offering innovative investment capabilities

Formed in 2005 by Yves Choueifaty, TOBAM is independent and employee-owned.

TOBAM is a research driven asset manager with over 40% of its team involved in portfolio management and research.

TOBAM's mission is to provide rational and professional solutions to long term investors in the context of efficient (i.e. unforecastable) markets.

TOBAM is one of the few asset managers in the world to have its investment process recognized and patented by international jurisdictions (US, Japan, Australia, and Canada).

TOBAM expanded its area of expertise to include a new strategy range called LBRTY®, which aims to strongly mitigate the exposure to countries governed by autocratic regimes in portfolios.

TOBAM has then 3 core areas of expertise:

- TOBAM's Maximum Diversification® approach
- A research driven, Solutions division (TOBAMSolutions®), to create tailored investment solutions for clients
- A LBRTY® strategy range

In line with its mission statement and commitment to diversification, TOBAM also launched a satellite activity on cryptocurrencies in 2016.

Assets Under Management

" Over 80% of our clients are institutional investors, many of which have sustainability commitments and requirements.

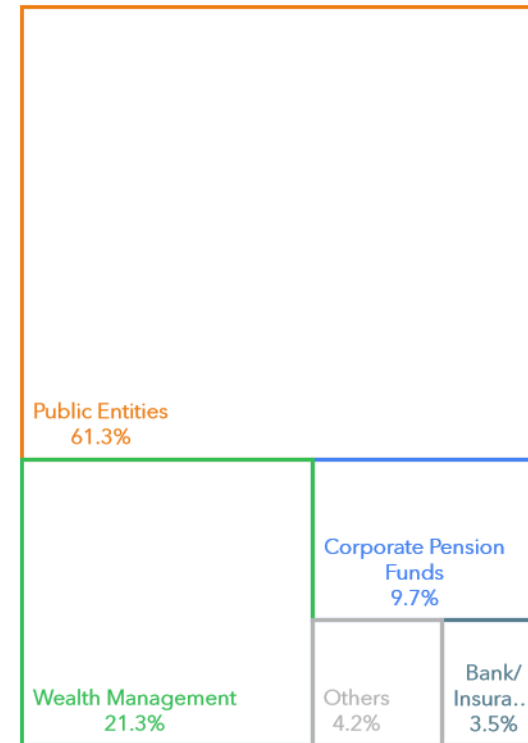
We consider ourselves privileged to work with such dedicated partners, helping us build a momentum towards more sustainability integration, engagement efforts and research initiatives."

Christophe Roehri, Deputy CEO

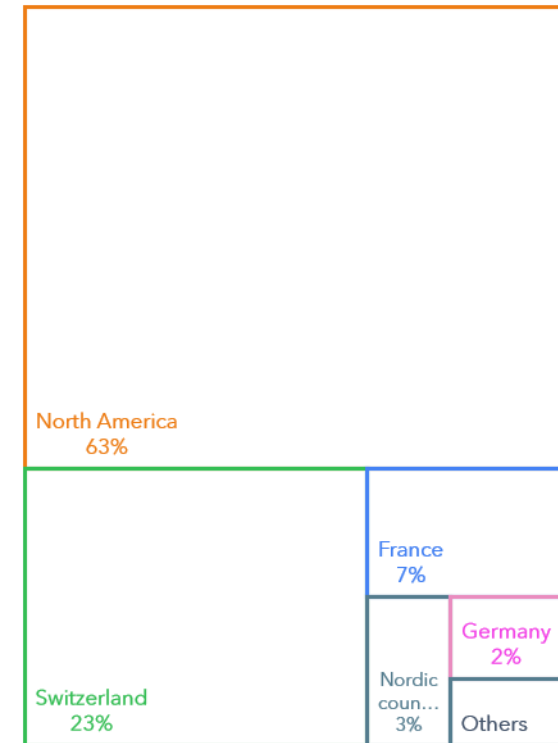
2023 Key Figures



AuM by Clients Type



AuM by Clients Geography



Awards and Recognition

TOBAM has consistently been recognized for innovation in the asset management industry and awarded multiple awards over the years.



Grand Prix de la Philanthropie 2023
Justice and Peace



CIO Industry Innovation Awards 2022
Multi Strategy Investing Awards



Grand Prix de la Finance 2022
US Equity



The Asset Management Awards 2022
Sustainability Provider of the Year



Pension and Investment Provider Awards 2021
Smart Beta Provider of the Year



Asset Management Awards MoneyAge 2021
Multi Asset Manager of the Year



European Pensions Awards 2021
Multi Asset Manager of the Year



Pension Age Awards 2020
Emerging Equity Manager of the Year



Funds Europe Awards 2020
European Asset Management Firm
(AuM < 20bn)



Grands Prix de la Gestion d'Actifs 2020
TOBAM's Anti-Benchmark® Multi Asset
Best Flexible Fund



Rising Stars of Asset Management Financial News 2020
TOBAM's Deputy CIO elected in the
Top 25



World Finance Sustainability Awards 2019
Most Sustainable Company in the
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MAXIMUM DIVERSIFICATION®

Maximizing the Diversification Ratio of the portfolio to harvest the full risk premium

Anti-Benchmark Strategies

- **Equity**
Global / Regional / Country)
- **IG and HY**
- **Multi-Asset**

Indices

- **Maximum Diversification® Equity Indices**
- **Diversified Benchmark® Equity Indices**

LBRTY®

Managing portfolio exposure to authoritarian countries

LBRTY® Strategies

- **Equity** (ACWI, ACWI ex-US and EM)
- **Indices** (LBRTY® Equity Indices ACWI and EM)

TOBAM SOLUTIONS®

Scaling operational excellence, human resources and research

Bespoke Strategies

CRYPTOBAM

TOBAM « satellite » offering

Cryptocurrency Expertise

- Bitcoin CO2 Offset Strategy
- Multi Asset including crypto
- Global Blockchain Equity

TOBAM offers an innovative quantitative investment approach that aims to maximize diversification and avoid the risk concentrations inherent in market cap-weighted indices.

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Mission & Values



Our Missions & Values...

“Provide rational and professional solutions to long term investors in the context of efficient markets”

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TOBAM is committed to incorporate sustainability issues not only into its investment process, through our Responsible Investment (RI) policy, but also in its day-to-day activity, through its Corporate Social Responsibility(CSR) approach.

RESPONSIBLE INVESTMENT

SUSTAINABILITY FEATURES APPLIED TO ALL STRATEGIES



EXCLUSION POLICY



SYSTEMATIC CARBON FOOTPRINT REDUCTION



SUSTAINABLE PERFORMANCE FOOTPRINT INTEGRATION



RESPONSIBLE OWNERSHIP: VOTING & ENGAGEMENT



PAI INDICATORS MONITORING



BIODIVERSITY RISKS IMPACT MONITORING

ADDITIONAL FEATURES APPLIED TO SOME SPECIFIC STRATEGIES



PARIS AGREEMENT ALIGNMENT



CONSIDERATIONS OF EXPOSURE TO AUTOCRATIC REGIMES

CORPORATE & SOCIAL RESPONSIBILITY

1. Managing TOBAM's environmental impact through mitigation and off-setting
2. Responsible and collaborative Governance system overseeing its CSR and RI approaches in compliance with its commitments to the UN-Global Compact and Principles for Responsible Investment
3. Promoting Human Rights/ Employee programs (Support Human Rights, Youth Sponsoring Initiative, HR Policies, Gender & Diversity Initiative)

“A targeted range of principles and commitments guides TOBAM’s activities and puts sustainability at the heart of its corporate culture.”

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Long-term Investment Policy

As part of its fiduciary duty, TOBAM is committed to protecting its clients' interests by considering all factors that could impact the financial performance and or risk profile of investee companies.

Most of our clients have a long-term investment horizon and will have to deal with major sustainability-related challenges that lead to tangible impacts on investment portfolios (stricter sustainability related regulatory framework, multiplication of norms and standards, pressure from stakeholders, etc.).

As a result, sustainability issues cannot be considered as "extra-financial" criteria, as they form an integral part of the factors to be considered, alongside traditional ones.

No lasting financial performance can be achieved without a sustainable economic and financial system. Responsible investment has become a necessity, a crucial risk management element of any investment process.

"...We believe that incorporating sustainability within our investment process is not meant to deliver a moral or ethical point of view, nor provide additional performance, but rather is instrumental in managing the risks and makes absolute sense in the context of long-term investments."

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Beliefs And Principles

Since its beginnings, TOBAM has decided that sustainable development would be explicitly core to its values.

Our clients have a long-term approach to investing and our sustainable way addresses these considerations.

TOBAM has a long-standing commitment to uphold long term considerations. These principles are integral in the rules structuring our activities.

We aim to act in a socially responsible manner via our business, our social relations and our long-term vision of sustainable growth.

Furthermore, TOBAM and its stakeholders endeavour to actively promote best standards and implementation both at the client level and the industry level.

TOBAM's investment beliefs related to responsible investments:

1. Adoption of a Long-term view (vs. Short-term view)

In alignment with the long-term views of our investors, every initiative we take at tobam is looked at with a long-term view. Short-term gains may seem attractive but what matters is longevity (in terms of resource efficiency, responsible use of resources, human and financial capital etc.).

TOBAM focuses on the long term, a notion that is at the heart of our investment philosophy and applies both on the corporate and investment level. Incorporating sustainability challenges and opportunities within our investment process is not intended to provide additional performance, but rather is instrumental in managing the risks and aligns well within the larger context of long-term investment.

2. Research-based sustainability integration enhancements:

TOBAM spends a significant amount of its time and budget researching topics around sustainable investments working on the development of pragmatic and research-based Responsible Investment integration approaches.

Our objective is to come up with rational and professional ways in which to implement further sustainability challenges and opportunities, while not changing the nature of our investment philosophy.

3. Focus on Data Quality and Relevance

At TOBAM, research and scientific rigor are the bedrock of our operations. As a quantitative manager, our reliance on data is paramount. Early in our journey, we made a pivotal decision to utilize raw sustainability data rather than relying on external providers' scores or ratings. This choice was driven by comprehensive analyses conducted by our research team, which revealed significant inconsistencies and a lack of correlation in sustainability assessments across various data providers.

Recognizing these discrepancies, we committed to using raw, publicly available, and high-quality data. We invest considerable time and resources to ensure the integrity of this data, scrutinizing elements such as carbon emissions, sustainability performance, biodiversity, autocratic risks, and any other relevant criteria.

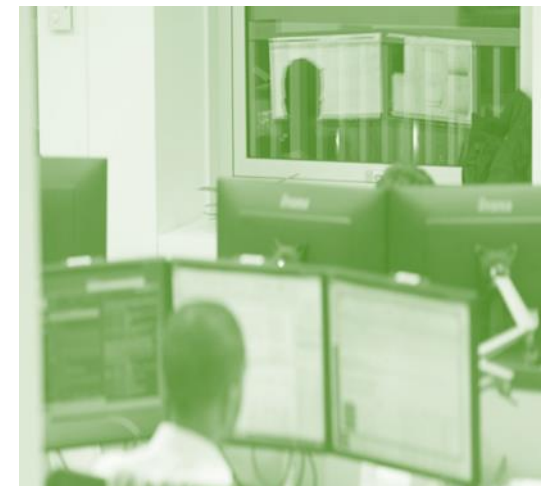
This meticulous approach empowers us to effectively integrate sustainability challenges and opportunities into our strategies, ensuring that our decisions are grounded in accurate and relevant information.

4. Transparency

Transparency is a core value of TOBAM, at the investment level (Investment process, Research, SRI policy) as well as at the corporate level in the HR management, and communication to clients, partners, shareholders and employees.

5. Responsible Use of Dialogue and Engagement

TOBAM believes in the benefits of actively trying to promote good practices. TOBAM its ownership position in companies to further its commitment to socially responsible investing on behalf of clients, and to improve corporate governance. This has translated in direct as well as collaborative engagement.



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Guidelines And Practices

TOBAM firmly believes that sustainability themes will impact the economic and financial system over the long run.

Growing social issues (demographic growth, aspirations to economic and social development, etc.) combined with environmental constraints (limited natural resources, greenhouse gas emissions, climate change, etc.) will lead to an unavoidable shift in economic models.

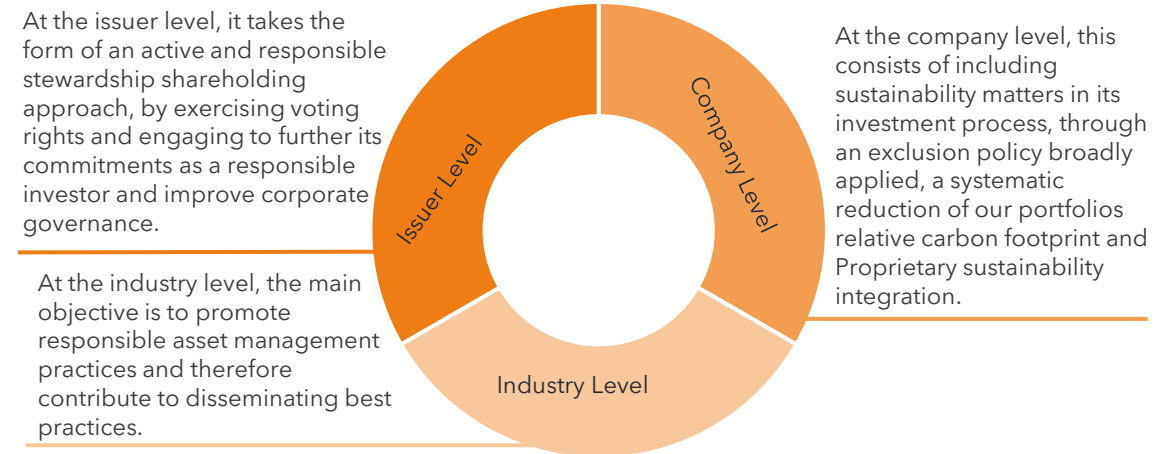
Deeply aware of these overriding issues, TOBAM made a clear decision to make sustainable development one of its core values and set up its "Long-Term Perspectives Approach" of investing responsibly, in line with its clients' best interests as long-term investors.

As a PRI signatory, TOBAM is committed to upholding its Responsible Investment objectives by applying the PRI's six underlying principles to its business and communicating its practices, progress and outcomes every year.

The Six Principles



Three Levels for taking into account long term investing challenges



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SUSTAINABILITY FEATURES APPLIED TO ALL STRATEGIES

At TOBAM, our long-term investments approach has different angles:

1. A Strict Exclusion Policy

Suited to our quantitative investment approach, which consists of excluding companies from our investment universe, that have controversial sustainability practices and are consequently exposed to material impacts arising from significant risks (reputational, legal, etc.).

Applied to equity and fixed income strategies, respectively since 2007 and February 2015, as well as to our Maximum Diversification® indices since 2011, this proprietary exclusion list is complementary and aligned with the best practice standards of Norges Bank, but also with some of the largest institutional investors in Europe.

The exclusion list is applied to all of TOBAM's investment universes: Anti-Benchmark® Equity strategies, Anti-Benchmark® Credit strategies, Anti-Benchmark® Multi-Asset strategies, and Maximum Diversification® Indices.

The negative screening is also applied by default to all our mandates and dedicated funds unless specifically requested otherwise by the client.

This negative screening lists companies involved in controversial products (Tobacco, Coal, Weapons) as well as controversial behaviours (Human rights violations, Environment and International Laws severe damages or breaches).

Sustainable Development Goals are considered in the list of exclusion criteria built in partnership with ISS, however SDGs 3, 8, 12, 13, 16 are the criteria considered as the most applicable to our exclusion policy.

The addition or removal of any issuer or any new criteria to TOBAM's exclusion policy is discussed and determined by the Sustainability Committee according to TOBAM's official procedure. The Committee meets every quarter and is notably in charge of ensuring the legitimacy and consistency of the exclusions, and their alignment with TOBAM's mission and values.

Supplementary exclusions may arise on some strategies depending on local specificities or requests. These are expressly validated by the sustainability committee and approved if aligned with T's values and visions.

We exclude companies from our investment universes that are involved in the following activities:



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Tobacco

Tobacco refers to Tobacco products such as cigarettes, cigars, snuff and pipe Tobacco. The screening has a global coverage, including companies in developed and emerging markets, and includes Tobacco production, distribution and services. Producers & Distributors are excluded when Tobacco accounts for 5% of revenues.

Coal Mining

The screening has a global coverage, including companies in developed and emerging markets. Producers & Distributors are excluded when coal or coal-based energy products account for 10% or more of their revenues.

Production of Prohibited or Controversial Weapons

Exclusion is applied to companies directly or indirectly involved in the development, production, maintenance or sale of weapons that are illegal- as their production and use is prohibited by international legal instruments, or they are deemed particularly controversial because of their indiscriminate effects and the disproportionate harm they cause. This includes notably cluster munitions, anti-personal mines, depleted uranium ammunition, weapons of mass destruction incl. nuclear weapons, biological & chemical weapons.

Breach or Violation of International Treaties, Conventions & Standards

Norm-Based Screening is a well-established analysis methodology that helps investors make decisions regarding companies' adherence to global norms on environmental protection, human rights, labour standards, and anti-corruption.

Global norms are set out in international initiatives and guidelines such as:

- OECD Guidelines for Multinational Enterprises
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- UN Global Compact
- Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework.

These guidelines provide a tool for assessing corporate conduct in relation to principles laid out in international conventions.

Companies involved in violations of international norms and standards, as well as majority owners

i.e. companies that hold 50% or more in a subsidiary company involved in such violations - are excluded from TOBAM's investment universe.

Exceptions to these exclusions might arise due to certain controversial interpretations of international norms that TOBAM do not wish to adhere to. These specific cases and potential exceptional exemptions will be discussed and decided in the quarterly Sustainable Committee.

Fossil Fuel Free Strategies

In a long tradition of partnering with our clients to gather new ideas, improve our investment process and fit as closely as possible to our clients' needs, TOBAM has partnered with one of Sweden's leading pension funds, to implement a new fossil free approach to key flagships strategies of TOBAM:

- [Anti-Benchmark® Emerging Markets Equity](#)
- [TOBAM MaxDiv® World Equity Protected](#)
- [Anti-Benchmark® Global High Yield](#)
- [TOBAM BTC-Linked & Blockchain Equity](#)
- [LBRTY® Emerging Markets Equity](#)

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2. Systematic Carbon Footprint Reduction

TOBAM implements a systematic reduction of at least 20% versus the reference benchmark's carbon footprint across TOBAM's equity and fixed income portfolios and mandates.

TOBAM's research department dedicates significant resources to analyse the ways in which sustainability criteria can be integrated into the investment process without disrupting its Maximum Diversification® or LBRTY® Strategy investment approaches, or the risk return performance of our strategies.

TOBAM's research team has demonstrated that reducing the relative carbon footprint of our portfolios versus their benchmarks by 20% does not affect the risk/return profile of our approach nor the diversification benefit characteristics.

3. Sustainable Performance Footprint Integration

TOBAM's Research team has built a proprietary methodology to construct the Sustainability Performance Footprint of each individual stock holding in our portfolios, hence the Sustainability Performance Footprint of our portfolios.

Using officially published data from Bloomberg to monitor sustainability key criteria for all listed companies of our investment universe, such as :

- Existence of climate change policy
- Biodiversity / Energy efficiency policies
- Green building, water and waste usage

- Ethics/ Equal opportunity/ Training
- Consumer data protection/ Whistleblowing policies
- CSR committee in place
- Supply chain management
- Number of board meetings per year, % independent directors, chairman tenure, % non-executive directors in board ...

Assessing the Sustainability Performance Footprint at each individual stock level, based on publicly available data, TOBAM is integrating this assessment into its portfolios by ensuring that the strategies'.

Sustainability Performance Footprints are at minima at the same level than the respective benchmark's Sustainability Performance Footprint.

As usual, TOBAM's integration efforts is built in parallel to significant research efforts to ensure that these new additions do not significantly impact the characteristics of our portfolio in terms of risk/return profile, as well as diversification structure.

4. Responsible Ownership: Voting & Engagement

TOBAM defines active ownership and corporate engagement as using its shareholder position on behalf of its client to influence company management decision making and the further integration of sustainability principles and good corporate governance in the companies in which it invests.

5. Principal Adverse Impact (PAI) Indicators Monitoring

As part of our commitment to report on Principal Adverse Impacts (PAI) Indicators for each investee company in our portfolio, as well as monitor those risks, the favourite course of action is to engage all companies held by TOBAM that might pose a potential risk in terms of negative impacts.

In addition to the mandatory list of PAI, TOBAM has selected two additional PAI that are closely monitored.

See below the full list of PAI monitored.

ENVIRONMENTAL PAI

Greenhouse gas emissions

1. GHG emissions
 - ✓ Scope 1
 - ✓ Scope 2
 - ✓ From 1/1/2023, Scope 3
 - ✓ Total GHG emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector (Share of investments in companies active in the fossil)
5. Share of nonrenewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity
8. Emissions to water
9. Hazardous waste ratio

SOCIAL PAI

10. Violations of UN GC principles and (OECD) Guidelines
11. Lack of processes and compliance mechanisms to monitor compliance with UN GC and OECD principles
12. Gender Pay Gap
13. Board Gender Diversity
14. Exposure to controversial weapons

Additional PAI selected by TOBAM

PAI Environmental

#4. Investing in companies without carbon emission reduction Initiatives

PAI Social

#9. Lack of a human rights Policy

6. Biodiversity Risks Impact Monitoring

TOBAM's assessment of the impact of our strategies on biodiversity is organized as follows:

TOBAM's proprietary Sustainability Performance Footprint methodology considers variables that influence biodiversity, such as:

- Existence of a climate change policy at the firm level,
- Existence of a biodiversity policy,
- Existence of a water usage policy

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Monitoring Principal Adverse Impacts (PAI):

As part of monitoring the Principal Adverse Impacts indicators in its strategies, TOBAM tracks PAI #7: Activities negatively affecting biodiversity.

Companies with a significant negative impact on biodiversity will be addressed through dialogue with the company.

Proprietary methodology to assess the impact of invested companies on biodiversity:

In 2023, after several years of research, particularly in sourcing reliable and qualitative data to assess biodiversity impacts, TOBAM began using publicly available data from the CDP Green Finance Accelerator platform

While the coverage for our investment universes is satisfactory, it is expected to improve as mandatory biodiversity disclosure requirements are implemented over the next few years.

TOBAM has developed a proprietary methodology to assess the impact of invested companies on biodiversity. TOBAM examines two indicators available on the platform : "Water Impact Level" and "Forest Impact Level", ranking the investee company's biodiversity impact, from "None" to "Critical". This allows TOBAM to establish a Biodiversity Impact Level indicator both at the company level and for each managed portfolio.

ADDITIONAL FEATURES APPLIED TO SOME SPECIFIC STRATEGIES

1. Alignment to Paris Agreement

TOBAM has taken the initiative to align some key strategies with the Paris agreement of keeping global warming below the 1.5° C commitment.

For those strategies, TOBAM applies the following additional features:

- Carbon Footprint Reduction of 50% vs. Benchmark (versus 20% for the other sub-funds) considering Scope 1, 2 and 3 (when possible)
- Additional and more restrictive exclusions on Fossil Fuel related industries (Coal; Threshold at 1% of revenues, Oil: threshold 10% of revenues, Natural Gas: threshold 50% of revenues; High GHG emissions electricity producers: threshold >100gCO2/kwh (50% of revenues)
- Optimization constraint of temperature contribution of each holding to reach a 1.5° C portfolio in line with the latest IPCC climate scenarios.
- Best effort additional feature, to incorporate companies' commitment to the Science Based Targets initiative (monitored on a yearly basis).

The following strategies are concerned by the specific initiative:

- Anti-Benchmark Emerging markets equity strategy
- TOBAM MaxDiv® World Equity Protected
- Anti-Benchmark Global High Yield strategy

2. Considerations of Exposure to Autocratic Regimes

At TOBAM, we are convinced that it is time to address the investment risk linked to authoritarian regimes by helping investors form an educated opinion about it and find ways to tackle it in their portfolios.

By harnessing the quantitatively driven research power of TOBAM, we can show that the risk associated with authoritarian regimes goes beyond direct investments in these countries and can be significant for companies based in non-authoritarian countries but significantly exposed to autocratic regimes .

The data that TOBAM uses contains information on different facets of Civil Liberty, Inclusiveness, Rule of Law, Corruption, and political system in general.

Data sources are as independent and objective as possible.

- We analyse the risk profile of companies with high authoritarian exposures: they tend to be more volatile and move in line with firms of lower quality. As such, including them in a portfolio may materially reduce investors' long-term return to risk ratio.

As of March 2024,

44%

of TOBAM's AUM are Paris Agreement Aligned

- Investors can explicitly address both direct and indirect authoritarian risk in the context of portfolio construction and asset allocation without giving up on any risk premium driver.

TOBAM launched 2023 a range of strategies called LBRTY that aim to address the risks of exposure to autocracies. These strategies have a dedicated process to answer these specific risks and opportunities.

However, authoritarian exposure is assessed for all portfolios (LBRTY and other ranges of strategies).

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Conducting research projects on integrating long term investing considerations

To better understand how to implement responsible investment approaches into TOBAM's proprietary quantitative management process.

TOBAM spends a significant amount of time and budget researching sustainable investments topics. Our research team dedicates over 25% of its time to these topics, working on the development of pragmatic and science-based responsible investment integration approaches.

By harnessing the quantitatively driven research power of TOBAM we are able to continuously assess better and more efficient methods of sustainability integration. The Research team's efforts are primarily focused on:

- I. Better understanding the sustainability related raw data.
- II. Assessing the impact of any addition to our SRI policy (additional exclusion criteria, sustainability integration, Carbon reduction impact).
- III. Researching new projects and identifying efficient and reliable processes to further integrate sustainability considerations, climate risks and address risks and opportunities related to sustainability.

Current Research Projects

TOBAM invests a significant amount of time and resources in researching sustainable investment topics.

Our research team dedicates over 25% of its time to these areas, focusing on developing practical and scientifically grounded approaches to integrating responsible investment practices.

We strongly believe in utilizing high-quality, transparent, and unbiased raw data.

A substantial portion of our research program is dedicated to sourcing data and analyzing its relevance, consistency, and availability.

Through leveraging TOBAM's quantitatively driven research capabilities, we continually strive to assess and improve methods of sustainability challenges and opportunities integration. The primary focus of the Research team's efforts includes:

- **Sourcing and comprehending biodiversity data** to evaluate how to incorporate these challenges and opportunities into our strategies.
- **Exploring the extension of our authoritarian exposure methodology to other asset classes**, such as fixed income.
- Investigating the process and data required to **develop positive contribution assessments to Global Compact SDGs, particularly SDG 16** (Peace, Justice, and Strong Institutions).

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The beginning of all things: Science & Research

"TOBAM's Unconventional Approach: Thinking out of the Box in Investment Management"

TOBAM's distinctiveness lies in its commitment to unconventional problem-solving methodologies, particularly evident in its approach to investment management. Rather than settling for conventional solutions, we adopt an "outside the box" principle when confronted with new challenges or client issues. Our proactive stance involves questioning standard approaches and seeking innovative solutions.

This ethos is ingrained in our organizational culture, driven by a team of knowledgeable individuals who thrive on intellectual challenges. The company's unique value proposition is reflected in our ability to push beyond the norm, consistently exploring unconventional avenues for problem resolution.

Clients appreciate this research-centric spirit, often turning to TOBAM for issues that need more standard solutions. Our capacity to provide insightful answers and practical solutions to unprecedented problems further reinforces our reputation as a company that transcends traditional boundaries in delivering value to our clients.

TOBAM's Commitment to Cutting-Edge Research Redefines Financial Industry Norms

At TOBAM, research and scientific rigour are pivotal, distinguishing the company with a unique commitment that extends beyond conventional number crunching in the financial industry.

Unlike many in the field, our approach goes beyond mere quantitative analysis, delving into our work's theoretical and economic foundations.

This dedication to research is not just a principle but is tangibly reflected in the substantial resources allocated to it. Remarkably, over 40% of our workforce is engaged in research, with many dedicating their entire work time to this pursuit. What sets TOBAM apart is the luxury of undertaking research projects not solely tied to specific products or client requests. Instead, our research aims to address relevant questions from both an academic and an investor's perspective.

The outcomes of such research efforts have achieved recognition, being published in reputable academic journals with a broad readership, further underscoring TOBAM's commitment to advancing the theoretical foundations of investment practices.

TOBAM Advances Sustainability Investing Through Cutting-Edge Research Initiatives

Sustainability integration is a top priority for TOBAM, with two pivotal research projects underway.

Firstly, there is a dedicated effort to incorporate the constraints of the Paris Agreement on the temperature impact of portfolios directly into our investment models.

This involves thoroughly examining climate scientists' work and engaging in discussions to translate their research into actionable approaches for reducing the climate impact of investment portfolios.

Notably, our correlation-based portfolio construction proves well-suited for stringent Socially Responsible Investment (SRI) policies, such as those mandated by the Paris Agreement. By maintaining a broad correlation spectrum of assets, we can seamlessly replace stocks in the portfolio without significantly altering risk-return or diversification properties. This innovative approach will be implemented across key strategies, reinforcing our commitment to combat climate change.

Secondly, a significant research study systematically integrates a Social and Governance-related footprint constraint into all TOBAM portfolios. Utilizing a "Three Sustainability footprint" developed from company-reported raw data, we can assess and monitor the sustainability performance of any company within our investment universe and strategies.

This integration approach is now a fundamental constraint in our portfolios, aligning their sustainability footprint with benchmarks. Additionally, ongoing research explores the application of machine learning methodologies to enhance this data-driven measure further.

TOBAM aims to advance sustainability principles and contribute to responsible investing practices through these initiatives.

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Sustainability Implementation

Sustainability issues are growing, but responsible investment matters are still in an experimental set-up phase.

Consequently, professional investors – among which asset managers – have a pivotal role in co-creating common standards for responsible investing and shareholding practices.

The financial community has to join efforts to address these challenges.

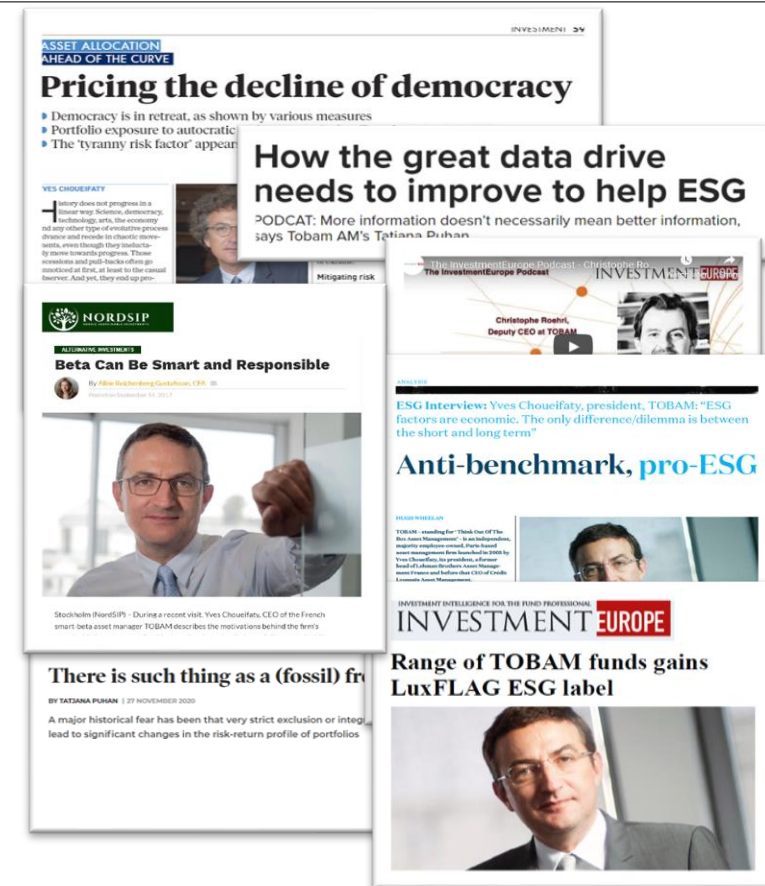
Active promotion of responsible investment practices vis-à-vis the media, clients and peers.

- I. By broadly sharing our vision regarding these matters through articles in the local and international press.
- II. By publishing studies on the state of our SRI-themed research efforts and by communicating on a regular basis performance/risk analysis to our clients to illustrate the impact of our SRI approach.

Involvement in targeted professional bodies dedicated to this field:

- The United Nations Principles for Responsible Investment (PRI) since 2010
- The United Nations Global Compact (since 2010)
- The Carbon Disclosure Project
- Investor Statement : Support of robust EU forced Labor regulations (Investor Alliance for Human Rights)
- CDP Science-Based Targets Campaign
- Advance : PRI Led stewardship initiative on human and social rights

- III. By addressing these themes when speaking at events and conferences.
 - For example, TOBAM is a frequent speaker at CFA conferences around the world and systematically develops its vision of the role of core asset managers in terms of sustainability. Our responsible investment approach is invariably mentioned.
 - Another recent example is the March 2018 Rights and Responsibilities of Institutional Investors Conference in Amsterdam attended by an audience of public pension funds and trustees, at which TOBAM debated in the Global CIO/CEO panel to address the relevant issues, including what being an active shareholders means, and which priorities will the CEOs be setting in 2018.



TOBAM is a signatory / supporter of



United Nations
Global Compact



NEW

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TOBAM LBRTY® Strategy

History has shown that in the long-run, investors in companies that are exposed to oppressive regimes will bear an increased unrewarded risk: they will be exposed to the consequences of wars, lack of rules of law, state induced expropriations, social unrest, waste and corruption. In the long run, they will underperform.

TOBAM believes that the investment risk linked to authoritarian regimes needs to be addressed. That's why we developed an original way to efficiently identify and manage it.



Launched in July 2023



World/ World ex-US/ EM



SFDR Article 9



100% Equity



Emphasize on Human Rights

TOBAM LBRTY® Strategy is unique because it acts on two levels:



Country: excluding countries lacking basic civil liberties and democratic rights.



Stock: withing eligible countries, favouring stocks lowly exposed to authoritarian countries

How to build a portfolio based on civil and democratic rights?

TOBAM's portfolio aims to invest in democratic countries and penalizes companies with close financial ties to countries classified as non-democratic, while controlling the Tracking Error.

- Use metrics based on civil liberty / inclusiveness / rule of law and fight against corruption to exclude countries lacking basic civil liberties and democratic rights.
- Penalize stocks with significant economic ties to non-eligible countries, while rewarding stocks with low exposure to authoritarian regimes.
- Find the portfolio minimising global authoritarian exposure under Tracking Error constraint, while applying also all other TOBAM Sustainability policies (exclusion lists, CO2 footprint reduction, Sustainability footprint alignment).

Why choose TOBAM civil liberty and democratic rights strategy?



Low exposure to authoritarian regimes.



Enhanced risk-adjusted performance vs market cap-weighted benchmarks over a market cycle.



Available for **World, World ex-US** and **Emerging Markets** universe.



Benefits from TOBAM's combined expertise in systematic equity and long **experience in Human Rights.**



Supported by **academic research.**

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Voting

In addition to incorporating sustainability criteria into TOBAM’s investment process, another way of acting responsibly as an asset manager is to wisely use the power of influence arising from our equity ownership in companies.

We believe that over the long run, good corporate governance should lead to both better corporate performance and improved shareholder value. Therefore, on behalf of clients, we use our ownership position in companies to further our commitment to socially responsible investing and to improve corporate governance by exercising proxy voting rights:

- In the sole interest of our client portfolios, fund shareholders and clients, per our fiduciary duty
- On a wide range of stocks. In 2023 for example, this represented over 1600 annual general meetings across Europe, North America, Asia-Pacific and Emerging Markets.
- Through a proxy voting delegation to ISS (Institutional Shareholder Services Inc.), a leading provider of corporate governance solutions, under the supervision of our Risk Management team. ISS continuously monitors international and local standards to maintain a high level of requirements consistently.
- In a fully transparent way: the voting policy and details on how we voted over the past year are publicly disclosed on our website.

While the overall exercise of voting rights is based on ISS’s “SRI International Proxy Voting guidelines”, we have gone one step further by defining our voting principles on specific critical corporate governance issues.

Therefore, our role as a shareholder is to ensure the appropriate governance systems are in place in the companies, we invest in rather than judging management decisions per se.

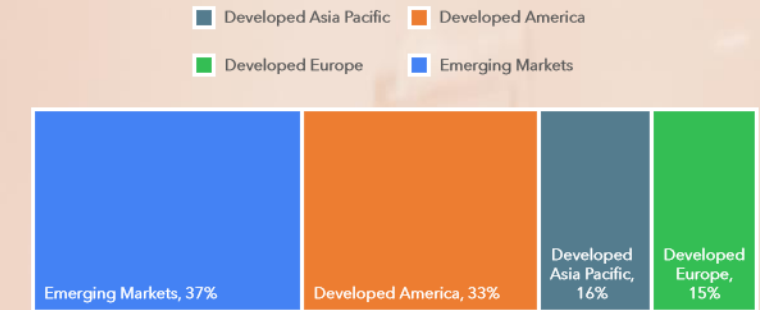
Thus, we have decided to closely monitor the appointment process for board members and supplement ISS voting policy with some proprietary voting guidelines, emphasising boards’ diversity and independence.

Additionally, as we consider sustainability a risk management and performance factor over the long run, it is our role as a shareholder to exercise our voting rights on behalf of our clients to improve the sustainable development of the firm we invest in. Our proprietary voting principles, therefore, support shareholder proposals asking for more transparency on sustainability issues (sustainability board committee, Improvement of Human Rights Standards or Policies, etc.)

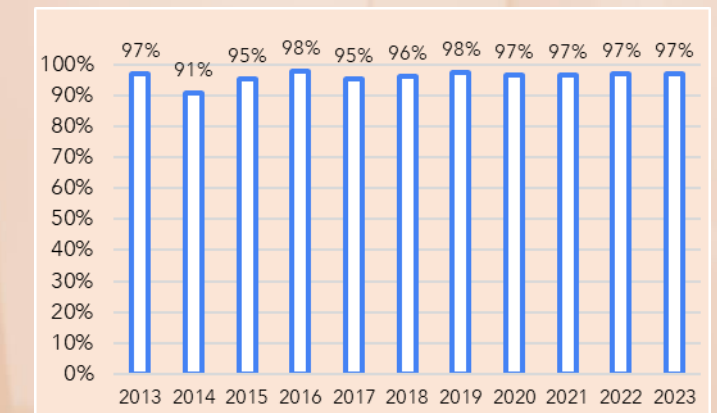
- (1) For dedicated and independent client mandates, TOBAM offers clients to engage in the voting themselves or to outsource proxy voting to ISS following their SRI International Proxy Voting policy.
- (2) Please consult TOBAM 2023 voting report

**In 2023, we voted in around 1693 General Meetings
Participation Rate 2023 is 97.52%**

Breakdown of Voting by Region



Percentage of Meeting Voted



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Engagement

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.

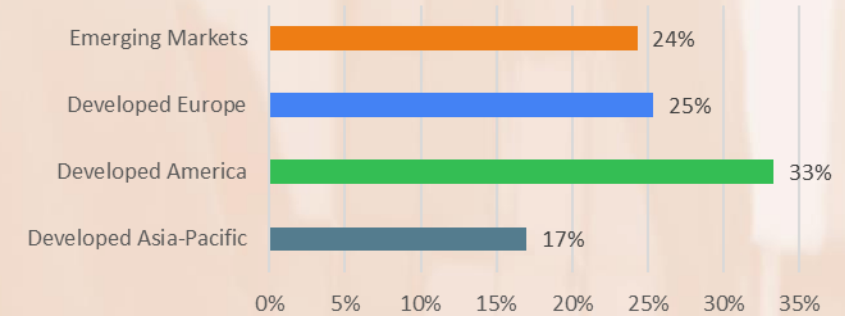
All engagement initiatives are discussed and decided by the Sustainability Committee.

Since 2019 we have been focusing our engagement efforts on two priorities respect for human rights and climate disclosures. Priorities are selected based on an assessment of the materiality of the issues addressed and the ability of TOBAM to reach out and exercise influence.

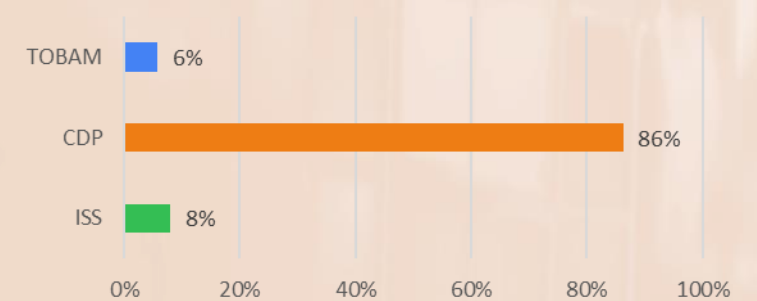
We prioritize engagement with companies we are invested in (in equity or fixed income) and on topics that we feel are material in terms of risks.

Total Engagements

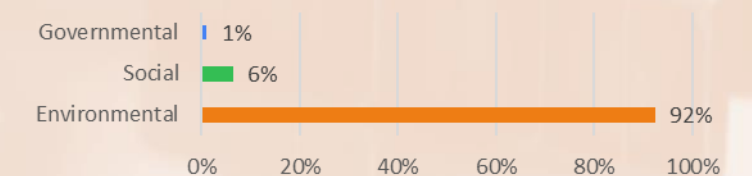
Region of Engagement



Lead on Engagement



Focus on Engagement



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Direct Engagement

Leveraged engagement on holdings

Following discussions and brainstorming with long-term partners and investors, TOBAM engages in dialogues with two to three companies a year based on allegations documented by ISS or the failure of these companies to address social or governance controversies in line with established standards.

These discussions tend to be led by TOBAM in partnership with large institutional clients in order to leverage their influence.

Ad-hoc engagement on holdings

TOBAM may decide to start engaging with a company following any serious allegations of sustainability-related shortcomings identified by investors or partner NGOs. TOBAM has been supporting human rights NGOs and has leveraged these relationships to address key concerns.

The engagement process has a long-time horizon. When TOBAM is not satisfied with the responses and actions of certain companies, it reserves the right to exclude them from its investment universe.

Proactive engagement on holdings (PAI-Principal Adverse Impacts related engagement)

As part of our commitment to report on Principal Adverse Impacts (PAI) Indicators for each investee company in our portfolio, as well as monitor those risks, the favourite course of action is to engage all companies held by TOBAM that might pose a potential risk in terms of negative impacts.

In addition to the proactive actions taken by TOBAM to monitor and engage the investee companies in our portfolio in relation to their PAI, starting 2024, we have decided to focus particularly on a few sets of additional PAI, notably the following.

Additional Social PAI #9: Lack of Human Rights Policy

Additional Social PAI #10: Lack of Human Rights Due Diligence Processes

As part of our dialogue and engagement with any investee company we are currently engaged with on a direct, TOBAM-led engagement, we are aiming to influence and emphasize companies' need to develop human rights policy as well as proper thorough due diligence processes.

Engagement on fixed income holdings

TOBAM's SRI policy applies to equity, fixed income and assets strategies without differentiation.

Regarding engagement, since TOBAM's credit strategies apply the Maximum Diversification® approach to a universe of listed issuers only, the engagement policy as defined above applies to the fixed-income and equity portfolios. As described above, TOBAM conducts engagement initiatives of different forms, Direct and Collaborative, with risk management as the main driver of the engagement actions.

TOBAM's engagement policy and philosophy fit our equity and fixed-income investment.



Collaborative Engagement

Pooled Engagement in collaboration with ISS

ISS sustainability is an advisor to institutional investors and a responsible investment expert in sustainability analysis. In 2019, TOBAM joined their pooled engagement initiative to engage with companies regarding their sustainability risk and performance jointly. Approximately 100 listed companies are identified annually under norm-based research as failing to prevent or address social and environmental controversies in line with established standards for responsible business conduct.

Through this initiative, TOBAM can voice its concerns with companies that fail to respect established norms (Red flagged companies - already on TOBAM's exclusion list) and companies that face credible allegations (Amber flagged) as identified by ISS sustainability's team of analysts.



We believe that by joining a collective engagement alongside some of the largest and most renowned asset owners and managers, we amplify a global movement and increase our impact.

³ please note that among the companies identified by ISS, TOBAM might or might not be engaging as shareholder of these companies.

All initiatives and decisions are discussed and debated during the Sustainability Committee.

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Collaborative Engagement with Carbon Disclosure Project (CDP)

TOBAM is a Member of the CDP and active participant in their collaborative engagement campaign asking companies to disclose their carbon emissions.

These campaigns are tracked and renewed each year BY CDP. TOBAM is usually lead in the engagement in app. 4/5 companies out of the app.400 companies engaged by CDP (TOBAM being signatory only for these).

Collaborative and Participative engagement & investor statement

In our efforts to promote best practices and to be a participative player and promoter of sustainability integration and disclosures, we participate in collective engagement when appropriate.

TOBAM is a signatory to some collaborative initiatives and take an active role on those most relevant to us:

- The United Nations Principles for Responsible Investment (PRI) since 2011
- The United Nations Global Compact (since 2011)
- The Carbon Disclosure Project
- The Global Statement on investor obligations
- The Global Investor Statement to Governments on Climate Change

TOBAM has joined two initiatives in 2023 that are significantly committed in moving the human rights integration agenda into the financial industry:

- **Advance** is a PRI-led stewardship initiative where institutional investors work together to act on human rights and social issues. Investors use their collective influence with companies and other decision makers to drive positive outcomes for workers, communities and society. <https://www.unpri.org/investmenttools/stewardship/advance>
- **Investor Alliance for Human Rights** is a collective action platform for responsible investment that is grounded in respect for people's fundamental rights. TOBAM is notably involved in the initiative targeting the Uyghurs forced-labour camps in China and companies allegedly involved in these controversies. <https://investorsforhumanrights.org/>



2023 ENGAGEMENT CAMPAIGNS

- **HUMAN RIGHTS CAMPAIGN**
- **COLLABORATIVE ENGAGEMENT CAMPAIGN WITH NEW COAL PROJECT DEVELOPERS**
- **PRINCIPAL ADVERSE IMPACTS (PAI) ENGAGEMENT CAMPAIGN**
- **COLLABORATIVE CARBON DISCLOSURE PROJECT**
- **POOLED ENGAGEMENT IN COLLABORATION WITH ISS**
- **ADVANCE PRI DRIVEN ENGAGEMENT**

All details on our engagement actions and results are available on our website:

<https://www.tobam.fr/engagement-report/>

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Case Study

Controversy Around Uyghur Forced Labor

In a resolute stand for human rights, TOBAM has embarked on a compelling campaign spurred by the Australian Strategic Policy Institute's (ASPI) 'Uyghurs for Sale' report. This initiative targets companies implicated in the mass transfer of Uyghurs, which strongly implies forced labour. The core objective is to unravel the measures implemented by these companies to eradicate any association with forced labour practices.

TOBAM's recent endeavours include engaging in ongoing dialogues with prominent entities such as world-famous technology companies, vehicle manufacturers, apparel and garment corporations, etc.

TOBAM raises questions regarding human rights concerns within their supply chains through calls, emails, and meetings. The focus is on unravelling the due diligence processes in place, aiming to assess the company's ability to manage operational, legal, and reputational risks effectively.

TOBAM reached out to 43 companies, focusing specifically on the issue of Uyghur forced labour. Since the third quarter of 2021, 173 emails have been dispatched as part of a two-and-a-half-year effort. Remarkably, nearly 80% of these engagements have resulted in the closure of cases, with companies providing valuable feedback on their human rights policies, comprehensive supply chain due diligence programs, and adherence to international norms prohibiting forced labour.

TOBAM remains actively involved in pursuing companies that have yet to respond, employing strategic approaches, including arranging meetings when necessary. Through this ongoing engagement, TOBAM seeks to hold companies accountable and inspire a culture of transparency in the labour and human rights sectors.

UPDATE 2023

- ✓ # of companies engaged: **43**
- ✓ Successfully Closed : **23**
- ✓ Closed b/c no longer holdings: **15**
- ✓ # of meetings : **8**
- ✓ Escalation to board or CEO: **5**

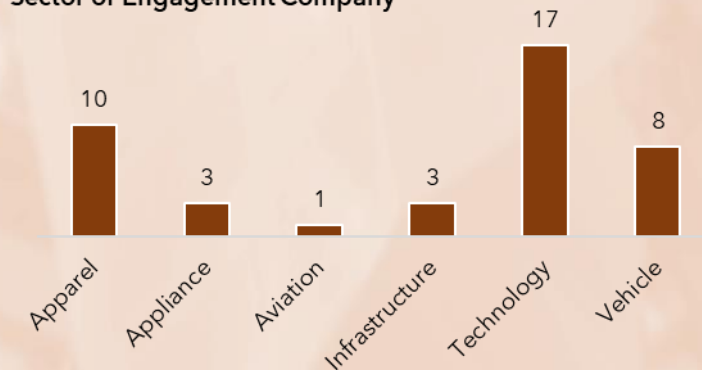
Figures since we started the campaign in 2021.

*No longer TOBAM's holdings.

Region on Uyghur's Engagement



Sector of Engagement Company



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A Responsible Company

The aspiration for economic and social development of this growing population, all the more legitimate for emerging and developing countries, is becoming an overriding issue, particularly considering the limited environmental capital.

Furthermore, corporate modus operandi and business models have shifted from a shareholder-oriented to a stakeholder-oriented model. Expectations have changed: clients no longer require just good products but also have an eye on ethics; the level of remuneration is no longer the only factor to retain employees, who are increasingly sensitive to their well-being at work; civil society is starting to keep a watchful eye on companies' environmental and social impacts, etc.

While companies' exposure to these issues is not equal (depending on the sector), we firmly believe that any economic player must participate in the collective sustainable development challenge.

TOBAM has built and developed its "Sustainable Way" of working towards greater Corporate & Social Responsibility for two main reasons:

- **Efficiency:** We consider CSR to be a factor that contributes to companies' performances over the long run.

- **Responsibility and Consistency:** Like any rational economic agent, we take into consideration sustainability issues in our daily operations and, as an investor, we have an additional duty to be exemplary to indirectly encourage issuers to improve their sustainability practices, by showing that we apply a stringent Corporate Social Responsibility policy to our daily operations, in line with the sustainability requirements expressed towards investee companies in our Responsible Investment approach.

In line with the 10 Principles of the UN-Global Compact, that we signed up to in 2010, our policy covers the entire scope of sustainability issues and most of the Sustainable Development Goals (SDGs) but focuses mainly on key areas where impacts and levers for improvement are significant, i.e.:

1. Managing TOBAM's environmental impact through mitigation and off-setting
2. Responsible and collaborative Governance system overseeing its CSR and RI approaches in compliance with its commitments to the UN-Global Compact and Principles for Responsible Investment
3. Promoting Human Rights/ Employee programs (Support Human Rights, Youth Sponsoring Initiative, HR Policies, Gender & Diversity Initiative)



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Governance

Alignment of interests

TOBAM's largest client is a shareholder, as is one of our major distribution partner as well as TOBAM's employees. This strong alignment of interests creates mutual benefits for all parties involved.

Employee contribution & Transparency

Employees, as shareholders, are regularly informed of the company's strategy, which is shared during a monthly informational meeting. Each employee is invited to participate in our sustainability efforts by suggesting new areas for improvement to senior management. Ideas are shared with the CEO every month by TOBAM employees' representatives. It is also worth noting that an internal award rewards the best idea (see Employee Sustainability Initiative).

Employees are also consulted about specific matters. This helps employees consider TOBAM's Corporate and Social Responsibility approach as their own.

Sustainability is deeply anchored in TOBAM's core values and in its daily operations and processes. This full implementation is the result of a responsible and collaborative governance approach to sustainability initiatives, relying on aligned interests, employee contribution and structured oversight.

Structured oversight: Sustainability Committee & SRI Task Force

In 2016, we decided to set up a steering committee dedicated to sustainability topics to challenge and monitor our approach and maintain high commitment over time (see focus below). The committee is responsible for piloting all CSR and SRI-related topics,

ensuring these considerations and projects remain on TOBAM's agenda. The committee oversees coordinating with the various teams for any new projects or ideas.

As a UN Global Compact and PRI signatory, we are committed to complying with these internationally renowned Responsible Investment-sustainability reporting standards.

We consider transparency as a critical component of our responsible governance of Corporate Social Responsibility and Responsible Investment matters and, as such, demonstrate our dedication to transparency by posting on our website in public access all information related to our SRI policies, engagement and voting decisions, as well as all CSR initiatives.



Topics covered by the Committee

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Sustainability Task Force Implementation

Echoing its team-based approach to investment management, the Sustainability Committee includes membership drawn from Portfolio Management, Compliance, and the Executive Committee, as well as an external consultant dedicated to SRI and CSR policies and implementations.

TOBAM's Sustainability Committee was created in 2016 and oversees piloting all CSR and RI-related topics, ensuring that these considerations and projects remain on top of TOBAM's agenda, and coordinating with various teams any new projects or ideas.

There are 14 members of the investment team involved in Sustainability research, integration, implementation and monitoring. Each unit has a Sustainability leader and, on average app. 25% of TOBAM's team is dedicated to sustainability (app. 6 FTE).

TOBAM's Sustainability Committee also relies on TOBAM's investment teams with sustainability referents; together, they are TOBAM's sustainability Task Force.

This working group is responsible for brainstorming, coordinating, investigating and monitoring sustainability integration within TOBAM's investment process via research projects or implementation initiatives.

Executive Committee Supervision of TOBAM's sustainability policies.

Two executive committee members are key participants to ESG research and implementation initiatives

TOBAM's Deputy CEO, Christophe Roehri, is a member of the Sustainability Committee, with over 25 years of experience in asset management and instrumental contribution to TOBAM's evolution over the years in sustainability integration.

TOBAM's Chief Operating Officer with over 25 years of experience in asset management and sustainability integration, oversees implementation and compliance of TOBAM sustainability policies.

Excom members report to the entire executive committee on all activities related to Sustainability.



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The Employee Sustainability Initiative

Involving teams and raising their awareness of sustainability issues is a tangible and lasting way to foster good governance and eco-friendly behaviour.

To raise employee's awareness about sustainable issues, as well as to benefit from employees' ideas and experience, each year,

TOBAM invites employees to submit a proposal which will enhance the contribution of the firm to such sustainability related issues & challenges.

The employee who proposes the best idea for a sustainability-related initiative wins the award and a prize:



2016 Environmental & Social Impact

Hire a Recycling services that employs disabled employees

2017 Environmental Impact

Installed bees' hives on the Paris Office Terrace which produce TOBAM's own Honey

2018 Environmental Impact

Plastic Bottle-Free Office & Compost

Social Environmental Impact

Gender Inclusion Working Group

Environmental & Social Impact

Donations drive in 3 offices

2019 Social Impact

Blood Donations program

2020 Social & Governance Impact

Make TOBAM a happier place-Newcomers// Daily life @ TOBAM

2021 Social Impact

Charity Run

2022 Social & Governance Impact

Starting the KYIV School internship program

2023 Social & Governance Impact

Celebration of Major Cultural Festival



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Environmental Impact

Monitoring and Offsetting

Asset managers' direct environmental impact is relatively limited compared with the pollution generated by industrial activities. We remain committed at TOBAM to play our role in the global sustainability challenge by controlling our impact through a proportionate two-tier approach, relying on mitigation and offsetting.

Since 2011, TOBAM has annually assessed its carbon footprint. Over the years, TOBAM made considerable efforts to extend the scope of the inventory continuously. Calculations cover scopes 1, 2 and 3. TOBAM also considers employees' emissions to the total of emissions offset each year.



Carbon offsetting as a tangible way of directly acting for the environment

While we strive to make mitigation efforts wherever possible, some impacts cannot be significantly reduced. Air travel, for instance, is unavoidable for TOBAM, considering its international scope of clients. In these cases, carbon offsetting is a suitable method of making a concrete contribution to deal with environmental issues when emission mitigation is only feasible realistically without impacting operational effectiveness. Therefore, we decided to initiate a carbon offsetting programme in 2011, offsetting 110% of our CO2 emissions (Scope 1, 2 & 3 + employees' emissions) by subsidizing green, renewable energy or reforestation projects.

For example, offsetting our operations in 2022 enabled the funding of hydro power projects in India.

Small-scale Hydro Project- Rakchad Small Hydro Electric Project

The project produces renewable energy by utilizing hydro resources and converts the potential energy available in the water flow into mechanical energy using hydro turbines and then to electrical energy using alternators. The project is a run-of-river development utilizing the water of Salarig Khad, a tributary of Satluj River, by harnessing a maximum gross head of 271 meters available in the lower reach of Khad to generate 5MW of power.

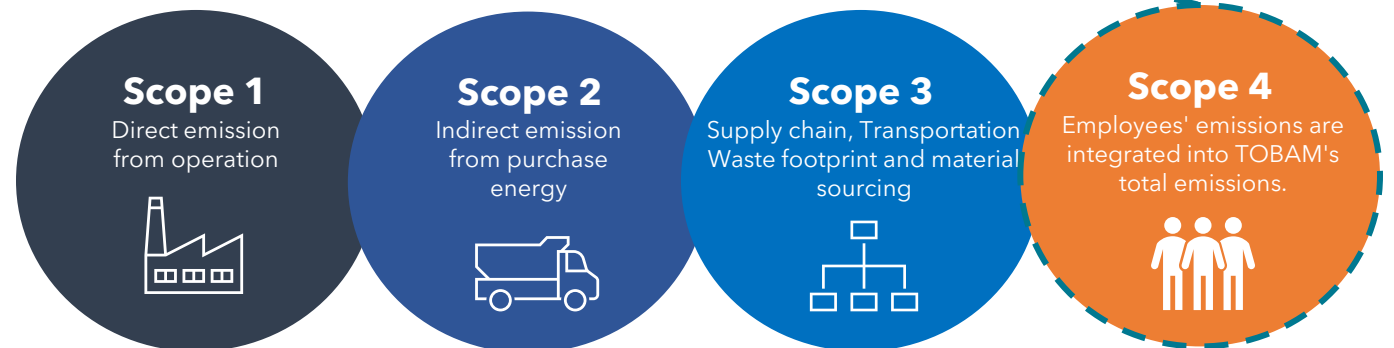
Furthermore, all company cars in Paris and Dublin have a carbon-neutral driving tool, allowing for both an eco-driving education and an offsetting mechanism that compensates the vehicles' carbon emissions in real-time.

About our offsetting partner: WeNow is the First French company recommended by the UNFCCC and a multi-labelled company (Bcorp, Climate Neutral Now, Solar Impulse)



Employees' personal emissions are in practice a large indirect part of TOBAM's total emissions, and I believe it is our responsibility to take this into account, a new vision of carbon emissions needs to emerge, and I believe this "scope 4" should be integrated in companies' calculations

Yves Choueifaty, TOBAM's CEO



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Collective Efforts, Education and Policies to reduce our environmental impact**Business Travels**

The main contributor to TOBAM's carbon footprint is by far business travels. TOBAM has set up a travel policy for business trips, to focus travels for client's meetings and mandatory internal meetings.

All employees at TOBAM have secured cloud-based video conferencing services and headphones and most internal meetings are set up via video conference.

Of note the pandemic situation over the past two years has drastically reduced travels and business trips.

Commuting

To facilitate eco-friendly commuting for employees, all offices (Paris/New York/Dublin) are easily accessible by public transportation. Furthermore, Paris and Dublin have shower facilities to allow healthy commuting practices.

The Dublin office has set up a bike-to-work scheme to encourage the purchase of bikes to commute to the office.

General Energy Consumption

TOBAM's teams work together to continuously identify new eco-friendly practices. Thanks to this collaborative approach, every single idea is considered by the top management and many concrete initiatives have been launched in several areas:

- Reducing energy consumption (general switch; presence sensor; internal Policy to limit exchange of large attachments to email)
- Responsible use of paper (recycled paper, systematic configuring of printers to double-sided, green-friendly certified external printers)
- Reducing waste and recycling
- ✓ All offices have recycling system in place. In Paris in particular, a sophisticated recycling system in partnership with a company employing disabled workers
- ✓ Ink cartridge recycling
- ✓ Plastic-Free Offices with aluminium water bottles provided to employees & Water Fountain - Ban on all plastic bottles
- ✓ Compost in place in Paris on the Terrace
- ✓ Recycling/Upcycling partnership for all IT devices (Smartphones, Screens, Servers)



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Employee's Well-being at work

An HR management system that combines social dialogue, employee ownership and professional support to teams.

Asset managers' activities rely strongly on the talent and motivation of their staff, particularly when the business model is focused on complex and innovative quantitative investment processes such as TOBAM's.

Talent retention depends not only on remuneration but also on a fulfilling and motivating working environment. We aim to gather the best practices in every region.

We are therefore committed to providing our employees with a balanced system, targeting both stimulating working conditions and fair human resources practices.

Employee Shareholding Program

TOBAM's employees own 90% of TOBAM's equity. All staff with a tenure of at least six months can become TOBAM's shareholders.

The role of employee representatives is to act as a link between the employees and the management. They represent and negotiate on behalf of the people in the workplace.

At TOBAM, the proximity to and commitment from management facilitates enhanced employee engagement. Town Hall meetings with all employees are held monthly, and most of the strategic and critical information is shared during these meetings.

During our employee representatives committee with Human Resources and the management, we brainstormed all social and cultural activities within TOBAM, acted as problem solvers when needed, and challenged the administration on the current status quo.

Professional Support to teams

- **Annual Appraisals and Professional Development Annual Interviews**

Since the creation of TOBAM, all employees have an annual appraisal interview from their direct report at the end of the year.

HR put in place professional development interviews to further appreciate employees' (all employees with at least 6-months tenure) training and development needs and assess the global social climate, evolution expectations or any issues employees could raise.

- **Internal Training Initiative**

All employees at TOBAM benefit from a structured training program, allowing them to gain a good grasp of our core expertise ("TOBAM's Values", Maximum Diversification® for beginners", "Research Team", "Sustainability and Long-Term Investing"...).

TOBAM also supports employees' external training needs, such as management coaching, IT software, and CFA sponsorships

Structured Training Program

All employees including interns at TOBAM benefit from a structured training program, allowing them to gain a good grasp of our core expertise.

These one-hour training sessions held at lunch time several times per week cover a wide range of topics and are the opportunity for interns and new joiners to quickly understand TOBAM's core research topics, innovations and approach.

These sessions are also meant to broadcast TOBAM's expertise to the whole team and give the opportunity to team members to describe their activities and focus of their department.

Trainings cover a wide range of topics:

- TOBAM's Mission, Values and Principles,
- Maximum Diversification® for beginners
- Credit Markets
- Cybersecurity
- Research Team
- Cryptocurrencies
- The World of Sustainability
- Civil & Democratic Rights and Related Strategies



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TOBAM's Voices - 2023 Trainee Program

In its commitment to fostering talent and nurturing diversity, TOBAM spearheads an internship program to empower students from diverse backgrounds. Interns engage in cross-functional projects, emphasising collaboration and leveraging their unique experiences and skills.

Central to TOBAM's ethos is its internal training initiative, aimed at equipping trainees with company-specific knowledge for their personal and professional growth. Through its involvement in subjects such as LBRTY or the Maximum Diversity universe, TOBAM underscores its commitment to innovation and staying abreast of market trends. The training program serves as a gateway for interns to explore the multifaceted asset management industry, providing a holistic understanding of its intricacies and nuances.



As an intern at TOBAM, we have the chance and the opportunity to enrich ourselves both personally and professionally through all the constructive exchanges with the highly qualified employees of each team. Learning in an environment with an international dimension is very enriching, it allows us to strengthen our skills but also to evolve very quickly thanks to the help of everyone.

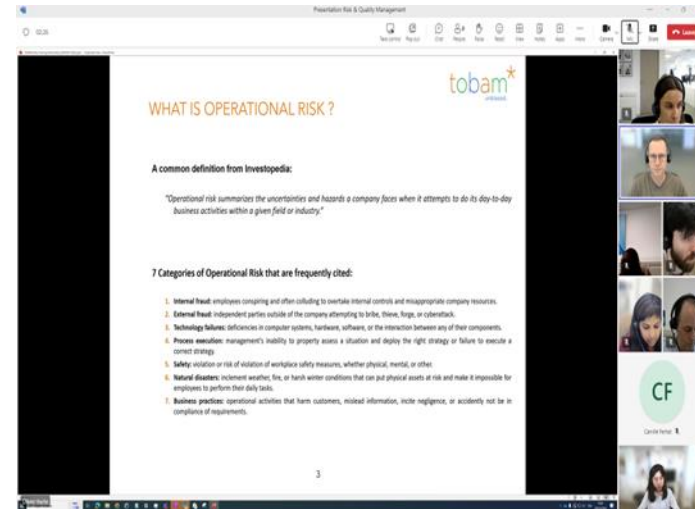
Lisa Trainee of Compliance

I feel lucky to do my one-year legal internship at TOBAM for many reasons. First of all, TOBAM's multicultural and open-minded environment is more fulfilling every day, and it's also helping me a lot to improve my English skills. Also, it's not so common to work in an asset management company without any previous experience in the field: they really have faith in our potential, and I feel valued. Then, thanks to the various training courses organized, we can get an insight into the day-to-day work in the different departments, as well as explanations from one of their members.

Yolène Trainee of Legal



TOBAM's Voices - 2023 Trainee Program



As an apprentice, having the opportunity to learn within a company like TOBAM is a true honour. We all collaborate in a warm atmosphere with a strong commitment. This encourages and inspires me to work even harder. TOBAM offers a plurality of expertise among its employees that is unmatched, prompting each of us to research and innovate in our respective fields. Although my academic background is not directly related to TOBAM's expertise, the training programs in place enable me to correctly assimilate the company's challenges and use the information appropriately in my daily work.

André Apprentice Graphic Designer

I'm grateful to be an intern at TOBAM, benefiting from its collaborative culture and mentorship from seasoned international professionals. The exclusive training sessions offered by TOBAM have played a crucial role in empowering me to actively contribute and learn from experienced professionals. Given my background as a Master in AI & Marketing, TOBAM has provided me with opportunities to collaborate with diverse teams, expanding my knowledge further. Throughout this experience, I've not only felt valued but also included in initiatives contributing to TOBAM's innovative mission.

Julie-Jynette Trainee of Client Service & BD

Working in an international asset management company is a great opportunity for me. The diversity of backgrounds is a real asset at TOBAM. TOBAM is very supportive, with colleagues always willing to help when needed. In conclusion, TOBAM organizes monthly training sessions that allow me, as an apprentice, to advance and enhance my skills.

Mathilde Trainee M/O & Risk Officer

As an intern at TOBAM, I am immensely grateful for the collaborative and delightful atmosphere permeating every aspect of the company. It has been an absolute pleasure to learn and grow within such a supportive environment, where every day brings new personal and professional development opportunities. With an energy management background, TOBAM allowed me to apply the knowledge I've learned in an ESG project. I also benefit from TOBAM's internal training program, which provides me with different information and new ideas and encourages me to explore more about the finance world.

En-Chi Trainee of ESG

After three years of experience in a permanent position, I decided to do a specialized master degree through a work-study program, and TOBAM provided me with the opportunity to not only continue my studies but also thrive in the field of asset management. The friendly and passionate atmosphere maintained by colleagues is a real advantage. Every day, I learn new knowledge that I am confident will be essential to my future career.

Camille Trainee of Marketing

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Social Dialogue/ Working Environment/ Work Life Balance

A company on a human scale that fosters a "one-team spirit"

We preserve a flat hierarchy and close, unconstrained communication to benefit employees' empowerment, flexibility and well-being at work (regular information meetings, open desks and tools allowing instant face-to-face interaction between teams and offices, informal discussions encouraged, employee consultations on specific themes, etc.).

Work-Life Balance and Benefits:

TOBAM has set up a social environment that goes beyond regulatory obligations related to benefits, health and safety:

- Healthcare insurance and top-up health coverage
- Pension and Life policies
- Holidays above the minimum requirements
- Significant contributions to child-care expenses
- First Aid trainings with Red Cross provided to employees and their partners

Continuous improvement of the premises to offer employees a pleasant and safe working environment:

- Large, open and bright offices; fitted kitchen, shower
- Ergonomics trainings

Reasonable working hours & generous levels of paid annual leave :

We expect the highest standards from our teams but keep a watchful eye to prevent risks of overworking and therefore limit stress and avoid burn-outs.

Initiatives to encourage congeniality and social cohesion:

Drinks to celebrate important personal events (weddings, births), gifts to employees for these occasions; regular team-building events (annual offsite seminars, Christmas parties, World Cup gatherings, Bastille Day fireworks...).



Xmas Parties with families



Galette des Rois
Paris Office

Global Offsite Paris
June 2023

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Donation mechanism to support to Human Rights

We consider that fundamental human rights are an absolute prerequisite to creativity, innovation and, ultimately, to long-term economic growth. Based on this acknowledgement, we decided to build up a donation program focusing on this theme when we launched our Anti-Benchmark Emerging Markets strategy in 2011, which led us to consider the human rights track record of certain governments in emerging countries.

- While investing in Emerging Markets and supporting the local economies and communities within these countries, we do not support the practices of any governments that breach international standards related to human rights.
- As an investor, direct lobbying initiatives aimed at governments would not be appropriate or fruitful. We therefore decided that our contribution should involve funding targeted NGOs, whose core mission is to defend human rights worldwide, and serve as leading partners in this global movement rather than trying to duplicate their actions.

Concretely, this contribution takes the form of significant annual financial sponsorship of NGOs to promote human rights. Every year since 2011, we have dedicated a share of TOBAM's Anti-Benchmark Emerging Markets Equity Fund's revenues to such donations.

Over the last ten years, TOBAM has donated over €2 million to non-governmental organizations. We will continue doing so: in our mind, it is more than aligned with our client's long-term financial and economic interests.

TOBAM has notably sponsored "Human Rights Watch" since 2015 and is one of the largest corporate donors in France. TOBAM's initiative with Human Rights Watch helps finance a mission in Ukraine, covering a wide range of issues: use of explosive weapons, landmines, monitoring of the humanitarian situation, illegal detentions and torture, freedom of speech, and disappearances in Crimea.

Also, TOBAM believes in the freedom of expression & information as a fundamental right and takes pride in associating itself with Reporters without Borders (RSF).

Based in Paris, Reporters Without Borders (RSF) is a leading international non-profit and non-governmental organization that safeguards the right to freedom of information.

To fight the issues of impunity related to press reporters, RSF intends to set up a Justice for Journalists Task Force to implement a strategic litigation strategy. TOBAM takes pride in kickstarting the project in 2020 with an initial funding round.

HUMAN
RIGHTS
WATCH

**Rachel Denber, Deputy
Director of the Europe and
Central Asia Division, HRW**

TOBAM's longstanding commitment to justice, evident even before the Ukraine conflict, is invaluable to our organization, particularly as Ukraine still fights for its very survival. The coming year will most likely be one of continued armed conflict and reconstruction, and we will have to continue to lay the groundwork for justice for the abuses committed against civilians. Your contribution remains critical in preventing impunity and promoting accountability. Thank you for TOBAM's dedication and we are truly grateful for the loyal support

**REPORTERS
WITHOUT BORDERS**
FOR PRESS FREEDOM

**Antoine Bernard, RSF
Director, Advocacy and
Assistance**

TOBAM's support to RSF's Justice for Journalists Task Force has enabled the launch and development of this innovative project.

Thanks to TOBAM's support, the J4JTF has been able to initiate unprecedented judicial moves in highly emblematic cases to defend and obtain justice for journalists whose rights have been violated and for journalists who have been murdered in connection with their work, such as journalists murdered by Kremlin's forces in Ukraine with the opening of ten preliminary investigations by the Prosecutor General of Ukraine following complaints by RSF ; Deyda Heidara, RSF correspondent in Gambia murdered in 2004 whose co-murderer was found in Germany and convicted to life imprisonment by a German court based on its universal jurisdiction ; journalists murdered in action in Gaza that were included in the International Criminal Prosecutor investigation on the situation following formal complaints by RSF to the ICC ; and Stanis Bujakera Tshiamala in DRC who risked 20 years imprisonment on trumped charges and was released after 6 months following namely RSF formal complaints with the UN Working Group on Arbitrary Detention and with the Media Freedom Coalition new complaint mechanism.

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The Youth Sponsoring Project

Surf Rising Star - Justin Bécrot

“La valeur n’attend point le nombre des années”

- Pierre Corneille in Le Cid*

These words mirror TOBAM's early years and set of mind since its beginnings: Think out of the Box.

TOBAM initiated the Youth Sponsoring Project in 2014 as a sponsorship effort to support initiatives by young individuals to excel, challenge their limits and develop skills unusual for athletes or students their age.

The project started in 2014 with the sponsorship of Adjmal Allymun, a young pilot.

TOBAM started sponsoring Justin in 2017 when he was only 16.

Born in Bayonne (southwest of France) in 2001, Justin grew up with his feet in the sand, between lakes, forests, and the ocean.



Twenty-five years ago, his parents founded the Natural Surf Lodge, a living and eco-responsible environment, providing Justin with the perfect structure for his training. Justin's wanderlust and love of surfing in different locations (Australia, Tahiti, Hawaii, Denmark, etc.) are the keys to his success.

Justin's surfing journey of Justin is across four continents. In 2023, Justin finished 25th globally in the WSL Challenger Series, securing 5th place in Portugal and reaching the Round of 16 in Australia.

On the European front, Justin finished 5th in the rankings with a quarterfinal in Morocco and a 3rd place in Portugal. The challenge lies in adapting to judging criteria that vary from one championship to another.

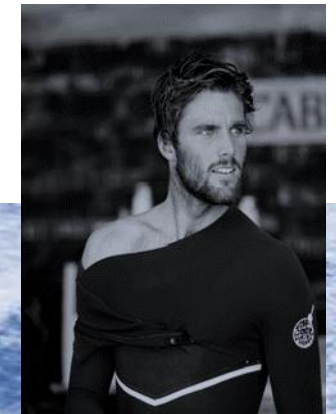
In 2024, he will start the tour in Australia with a high-intensity training camp before heading to Morocco and then Portugal.

TOBAM is proud to support this young athlete who remains humble and accessible. Go for it, Justin!



2017

2024



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Contemporary Art Collection

TOBAM initiated its contemporary [art collection](#) in 2010.

TOBAM now owns several modern art masterpieces in its Paris office from various international artists, emerging and more recognized ones.

Faithful to its name, TOBAM supports artists with creative thinking, a divergent production process, and artists who think outside the box.

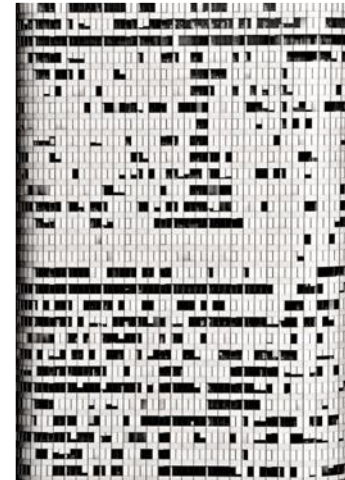
Most importantly, each masterpiece selected resonates with TOBAM's investment philosophy or our research-driven corporate culture.



Uberall, Bart Domburg,
Acquired in 2010.



Margins of Excess, Max Pinckers.
Acquired in 2023.



The Windows of la Défense, Anne McAulay
Acquired in 2011.

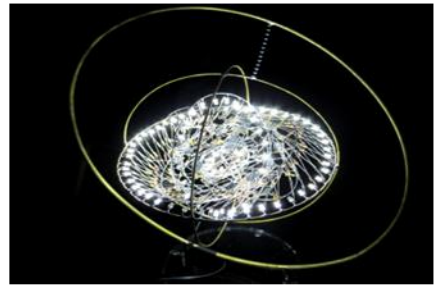


Image incurable n° 1, Jacques Monory.
Acquired in 2016.



Mixed Media on Paper, Mohamed Lekleti.
Acquired in 2019.

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A birth of a star
Alain Le Boucher.
Acquired in 2015.



Clockwork Cloud
Alain Le Boucher
Acquired in 2017.



Sans Titre
by Joël
Andrianomearisoa.
Acquired in 2018.



Untitled
by Stevens Dossou Yovo.
Acquired in 2014.



La porte de la vie et de la mort
by Nicolas Henry.
Acquired in 2023.



Fat Lady, Zhang Hongbo.
Acquired in 2011.



Out of the Box
Anne McAulay.
Acquired in 2018.



Martin Luther King & Rosa Parks, Roméo Mivekannin.
Acquired in 2021.

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George Wolinski & Cabu, the magazine Charlie Hebdo.
Acquired in 2019.



Brazil Poster, Terry Gilliam.
Acquired in 2020.



Banksy lithography,
Banksy.
Acquired in 2020.



APOCALYPSE NOW
La Défense, Paris, France / 2013 digital

Apocalypse Now,
Jean-Erick Pasquier.
Acquired in 2019.



Banksy lithography,
Banksy.
Acquired in 2020.



Polaroid Sea, Serge Najjar,
Acquired in 2021.

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Sustainability Key Performance Indicators

Sustainability Key Performance Indicators

TOBAM fulfills its commitments to the UN Global Compact:

- By implementing, in a scalable manner, both the Principles for Responsible Investment (PRI) and the 10 Principles in its operations and strategy.
- By reporting transparently and progressively

The present CSR and RI policy and report serves as our Communication on Progress (COP) to the Global Compact.

To achieve Active Level Status, we have made our best efforts for our report to meet minimum requirements, including a CEO statement of support, a description of actions in the four areas of concern according to their relevance and correspondence with the nature of our business activity and size, and a measurement of outcomes.

Below is a summary of these criteria and relevant GRI G4 indicators that we have selected, as well as a correspondence table to provide the reader with a global overview of the information disclosed within the report.

TOBAM has participated in the UN-Global Compact since 2010 and is continuously working to implement and promote the 10 Principles as well as the SDGs in support of human rights, labour rights, the environment and the fight against corruption.

TOBAM'S CSR-RI INDICATORS

Criteria	Indicator name	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	Description of the indicator
ECONOMY PILLAR AND TOBAM'S PROFILE															
Organisation	Number of employees	46	49	52	48	51	54	49	48	40	30	17	16	15	Number of employees
	Location of TOBAM's headquarter	PARIS (FRANCE)													
	Numbers of countries in which TOBAM operates	3	4	6	6	4	4	4	7	5	2	2	1	1	
Investments & Product overview portfolio	AUM (Million USD)	4.9	6.16	9.46	10 161	8 491	9 773	9 519	7 969	7 994	7 709	5 568	2 790	1 933	Assets under management
	Listed equity investments	91%	91%	93%	>95%	>95%	>95%	>95%	>95%	>95%	>95%	>95%	>95%	>95%	Percentage of AUM invested in listed equity
	Bonds & Multi Asset investments	7%	9%	7%	<5%	<5%	<5%	<5%	<5%	<5%	<5%				Percentage of AUM invested in bonds
	Emerging markets investment area	15%	20%	30%	33%	35%	28%	32%	25%	26%	23%	19%	14%	15%	Percentage of AUM invested in emerging markets
	Digital assets	<1%	<1%	<1%	<1%	<1%	<1%								Percentage of AUM invested in digital assets
RI IMPLEMENTATION															
Responsible Investment Implementation	Negative Screening	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	97%	91%	85%	As a % of Anti-Benchmark® Strategies & MaxDiv® based strategies subject to negative environmental and social screening
	Systematic Carbon Reduction Footprint	100%	100%	100%	100%	100%	100%								As a % of Anti-Benchmark® Strategies & MaxDiv® based strategies subject to carbon footprint reduction
	Sustainability Performance Footprint Integration	100%	100%	100%											As a % of Anti-Benchmark® Strategies & MaxDiv® based strategies subject to ESG Monitoring
	Fossil Fuel Free Strategies & Paris Aligned	44%	44%	44%											As a % of Anti-Benchmark® Strategies & MaxDiv® based strategies Fossil Fuel Free
ACTIVE OWNERSHIP															
Voting Rights in General meetings	Engagement interactions with companies	132	199	199	319	401	82	168							Number of interactions with companies ²
	General meetings voted	1651	1750	1196	1244	1036	924	797	711	751	645	615	104	27	Number of general meetings voted during the year
	Percentage of general meetings voted	97%	97%	97%	97%	98%	96%	95%	98%	95%	91%	97%	93%	9%	% of meetings voted out of the number of votable meetings (the total value of our listed equity investments)
	Percentage of votes against management	19%	18%	20%	18%	20%	20%	22%	20%	14%	16%	14%	11%	8%	As a percentage of the total number of ballot items we issued instructions on

2: Engagement interactions include letters sent directly by TOBAM to firms non disclosing to CDP, to firms identified in breach of PAI indicators, to specific engagement actions taken solely by TOBAM (human rights campaign or coal development projects) or in collaboration with ISS. Collaborative engagement with CDP accounting for app 1500 engagement per year is not disclosed in this figure.

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Sustainability Key Performance Indicators

TOBAM's CSR-RI INDICATORS

Criteria	Indicator name	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	Description of the indicator
SOCIAL PILLAR															
Labour / Employment	Number of employees (end of year)	46	49	52	48	51	54	49	48	41	31	23	17	16	Total number of full time employees (end of year)
Labour / Diversity and equal opportunities	Percentage of women	33%	20%	25%	27%	24%	24%	22%	25%	27%	29%	17%	17%	19%	As percentage of permanent staff (end of year)
	Number of different nationalities	12	14	14	17	16	18	17	17	13	11	7	5	4	Number of different nationalities
	Incidents of discrimination	0	0	0	0	0	0	0	0	0	0	0	0	0	Total number of discrimination incidents
Labour / Talent retention and career management	Employee turnover	33%	22%	12%	21%	10%	2%	12%	8%	0%	0%	4%	6%	0%	Number of employees with at least 2-year seniority who left the company / total number of employees
	% of trained employees	100%	96%	100%	100%	93%	98%	92%	79%	44%	24%	13%	19%	12%	Number of employees who have received at least one training session in the year ¹
	% of women trained	100%	94%	100%	100%	81%	100%	100%	100%	67%	33%	50%	22%	9%	% of womens/mens who have received at least one training in the year
	% of men trained	100%	98%	100%	100%	96%	90%	95%	71%	38%	21%	16%	18%	13%	
Labour / Worklife balance and quality	Hours of training per employee	9.8	6.0	11.0	13.0	9.2	9.6	4.2	7.5	2.7	3.5	1.8	2.9	16	Average hours of training per year per employee
	Paternity Leave	-	60%	100%	100%	100%	100%	100%	83%						% of men entitled to a paternity leave ² in the year that actually took it
	Absenteeism ³	1.60%	1.30%	0.69%	0.55%	1.00%	0.70%	1.40%	0.60%						Absenteeism (as a % of firm's total sick days on firm's total work days)
Health & Safety	Birth Rate	0%	10%	0%	10%	12%	3.7%	10%	15%	10%	6%	10%	12%	25%	Number of children employees have had during the period per employee
	Red Cross / Fire Evacuation	0%	0%	13%	29%	71%	66%	48%	46%	69%	77%	61%			% of staff trained at least in the past three years
Labour / Attractiveness and Recruitment	Percentage of employee shareholders	63%	82%	100%	100%	61%	67%	80%	100%	100%	100%	100%	100%	100%	Number of employees with 1 year seniority holding shares of the company ⁵
	Employees's ownership	92%	92%	92%	90%	78%	73%	73%	73%	80%	71%	71%	70%	83%	% of TOBAM's shares held by employees

1. Are included in the trainings, only sessions likely to support employees' careers and expertise. Are hence excluded: Red Cross trainings & money laundering mandatory trainings. Interns benefits from trainings (CFA sponsorships or internal trainings and are as such included in the statistics).

2. Paternity leave is defined as the 11-day paid leave set up in the French social security system. Note that 100% of the relevant employees benefited from a 3-day fully paid leave.

3. Absenteeism does not include paternity leave & maternity leave, only sickness related-absenteeism. Total workdays include paid holidays

4. Posturing training for employees was organised in May 2020, this is not accounted for, for the year 2019.

5. This does not include free shares attributed to employees with a vesting period. As of December 2018, including free shares, the % is 88%.

Source: TOBAM. When data are not available in previous years, it means that the mechanism wasn't yet in place, or that the statistic was not yet computed by TOBAM

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Sustainability Key Performance Indicators

TOBAM's CSR-RI INDICATORS

Criteria	Indicator name	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	Description of the indicator
SOCIAL PILLAR															
Labour / Social Dialogue	President & Employees Representatives Meetings	3	9	3	11	11	10	12	9	4	7	10	8	2	
	Town Halls Meetings	5	6	10	8	6	8	9	9	6	4				All employees information meetings (held before 2014 but no record kept)
	Collective bargaining agreements	87%	82%	69%	75%	78%	76%	80%	85%	86%	89%	86%	90%	88%	% of total employees covered by collective bargaining agreements
SOCIETAL PILLAR															
Charity & Human rights	Human Rights donations	50 000 €	89 000 €	69 000 €	362 000 €	107 000 €	130 000 €	111 500 €	205 000 €	215 000 €	110 000 €	66 500 €	20 000 €	5 000 €	total donations in euros per year
ENVIRONMENTAL PILLAR															
CO2 Emissions	Total Carbon Emissions per employee	-	9.5	4.9	5.3	8.2	9.0	9.1	3.2	4.0	3.4	2.4	2.5	3.0	Metric tons of CO2 related to work per employee
	Total Carbon Emissions	-	466	254	253	418	479	444	154	158	102	40.0	40.0	45.0	Consumptions in equivalent metric tons of CO2
	- Business Trips ¹	-	7.5	5	6	21	21	17	16	17	10.0	20.3	21.5	13.1	Ratio of carbon emissions in metric tones of CO2 on AuM bn (Flights, Rail, Taxis, Accomodations ¹)
	- Employees commutation	-	7	2.7	2.7	3.21	7.57	7.93	5.3	4.0	4.1	4.3	3.6	3.7	
	- Heating / Air Conditioning / Electricity	-	70	62.3	70	177	178	168	10.5	13	15.7	10.0	10.0	10.1	
	- Other	-	381.5	139	120	63	84	109	9	9	5	5	5	6	
CO2 Emissions offset	Carbon emissions Offset by TOBAM	-	1067.0	990.0	989.0	1388.0	1514.0	500.0	231.0	119.0	150.0	60.0	60.0		Metric tons of CO2 offset each year (TOBAM's corporate emissions + BTC Fund Carbon emissions)
CORPORATE GOVERNANCE PILLAR															
Management of the legal & regulatory environment	Fines and settlements associated with financial fraud	0	0	0	0	0	0	0	0	0	0	0	0	0	Amount in \$ and % of the legal and regulatory fines & settlements associated with financial fraud
Transparent information and fair advice to customers	Providing adequate, clear and transparent information	0	0	0	0	0	0	0	0	0	0	0	0	0	Amount in \$ of fines and settlements associated with failure to provide adequate, clear and transparent information about products and services
Anti-Money Laundering / Anti-Corruption	Proportion of employees trained	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	Percentage of TOBAM's employees trained on Anti-Money Laundering policies and procedures in the last two years of
	Training hours / employee / year	1	1	1	1	1	1	1	1	1	1	1	1	1	Number of hours trained per year and per employee related to anti-money laundering

2023 carbon emissions figures for TOBAM not available at the date of the sustainability report publication.

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TOBAM is an asset management company offering innovative capabilities designed to maximize the benefits of scientific research to build efficient investment exposures. TOBAM's expertise relies on 3 core pillars:

- TOBAM's Maximum Diversification® approach, supported by original, patented research and a mathematical definition of diversification, provides clients with diversified core exposure, in equity and fixed income markets.
- A research-driven, Solutions division (TOBAMSolutions®), dedicated to build customized solutions and services to sophisticated institutional investors,
- A LBRTY® strategy range, which aims to help investors substantially mitigate their exposure to autocratic regimes in their portfolio.

In line with its mission statement and commitment to diversification, TOBAM also set up a satellite activity (CRYPTOBAM®) focused on cryptocurrencies. A pioneer in Bitcoin investing, TOBAM has been conducting research on Bitcoin since 2016 and launched the first open ended fund on Bitcoin in 2017.

TOBAM Maximum Diversification®, TOBAMSolutions®, TOBAM LBRTY® and CRYPTOBAM® illustrate TOBAM's systematic "out of the box" dedication to demanding investors.

TOBAM manages north of USD 5 billion (as of 30 December 2023). Its team includes 41 finance professionals based in Paris, New York and Dublin.

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