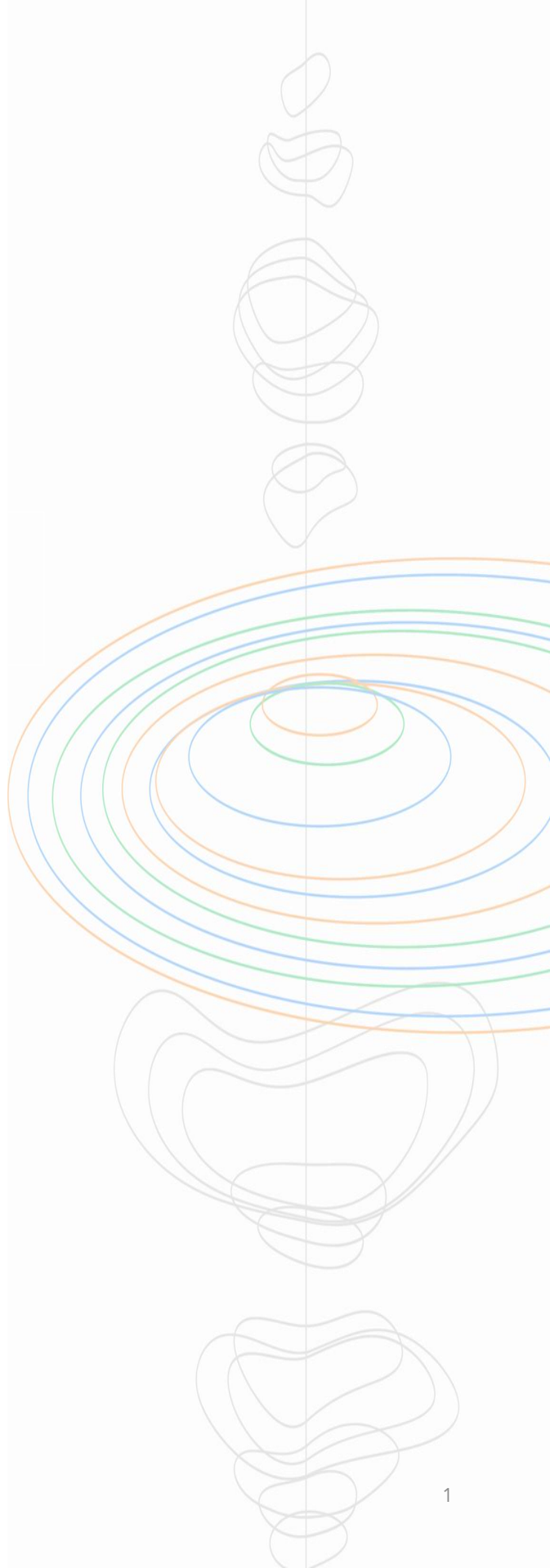


# Engagement Policy

April 2026



## Introduction

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

Its clients have a long-term approach to investing, and its sustainable way addresses these concerns.

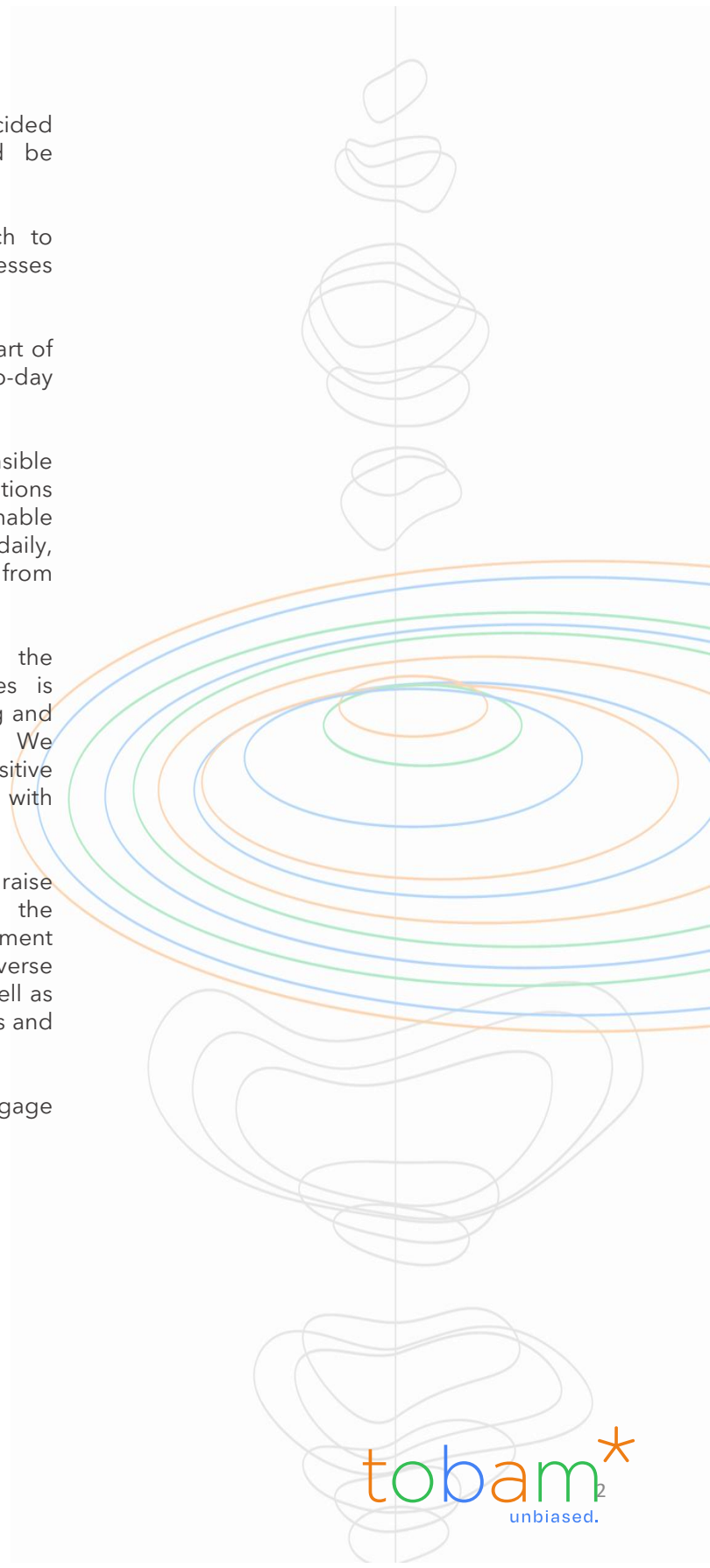
Upholding sustainability principles is part of our investment process and our day-to-day business.

TOBAM aims to act in a socially responsible manner via its business, its social relations and its long-term vision of sustainable growth. By upholding these principles daily, we ensure that TOBAM does not veer from its “sustainable” journey.

Engagement towards third parties, the industry and the investee companies is another crucial step towards promoting and developing responsible investment. We strongly believe in the role and positive influence engagement and dialogues with companies can bring.

We approach engagement as a way to raise awareness of listed companies to the requirements facing the asset management industry (reporting needs, principal adverse impacts indicators considerations) as well as a way to explain our requests, questions and conditions for more information.

This is the opportunity to engage constructively with listed companies.



# General Engagement Policy

## Priorities & Materiality

Since 2019, we have been focusing our engagement efforts on respect for human rights. 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. We always try to gather as much information as possible, notably through our connections with human rights organizations.

### Priorities

Priorities are assessed annually by TOBAM's sustainability committee. They are set based on notable developments in sustainability issues and challenges that are most relevant to our investments. Since we started engaging with companies and outlining an engagement policy, we have chosen human rights as key priority for our engagement with companies.

### Human Rights

Respect for human rights is a fundamental aspect of responsible investing, reflecting the values and principles that promote sustainable and inclusive societies. By prioritizing human rights in their engagement efforts, asset managers can drive positive change and mitigate reputational risks, while enhancing long-term investment performance. Engaging with investee companies on human rights encourages them to adopt fair labor practices, uphold diversity and inclusion, address supply chain risks, and promote the well-being of their employees, stakeholders, and the communities in which they operate.

Human rights are core to freedom, creation, innovation and economic development. Disregard for human rights poses great risks to an economic ecosystem.

### Materiality

Assessing the materiality of controversies is an important step toward effectively managing sustainability risks and priorities. There are several steps in his process.

Identifying the controversies: TOBAM relies on accurate data and as many sources of information as possible.

We consider materiality also in the context of the engagement theme (severity, scale, how it directly impacts the business activity of the company and how relevant it is for the company).

## General Engagement Policy (1/2)

Recognizing the value of different forms of engagement, TOBAM carries out direct engagement as well as collaborative engagements with other partners or investors. [All engagement initiatives are discussed and decided by the Sustainability Committee.](#)

### 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.

### 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 applies to the fixed-income and equity portfolios.

### Proactive engagement on holdings (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, 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.

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

## General Engagement Policy (2/2)

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

- **Advance** is a PRI-led stewardship initiative where institutional investors work together to take action 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/>

### **Collaborative, 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 The United Nations Principles for Responsible Investment (PRI) since 2011



# Governance & Reporting

## General Engagement Policy

### Sustainability Committee

The role of the Sustainability Committee is to challenge and elevate TOBAM's commitment to sustainability, SRI and CSR challenges.

The Committee is also assessing and monitoring market and normative evolutions in the field of corporate and social responsibility and responsible investment.

The Committee meets every quarter. Members of the Committee are :

- CEO
- CIO
- Head of Long-Term Investing

It identifies areas for improvement and discusses new opportunities and projects depending on their relevance, potential impact and feasibility.

The committee can propose, discuss and decide new engagement initiatives as well as manage current projects.

### Reporting

We publish a summary of our engagement activities in the annual engagement report published on our website:

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

Most of our initiatives are publicly disclosed in the report. However, we may engage privately at times, when publicizing the engagement might be detrimental to having impact.

Please contact the sustainable committee if you have any questions:

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

### Escalation Policy

TOBAM established an escalation policy for each engagement initiative following the below principles:

**Dialogue** is initiated with a letter to the Investor Relationship Team or equivalent

- If the team is unresponsive, TOBAM escalates the questions to the CEO of the company
- If the CEO is unresponsive, the next step is the Board if relevant.

If replies and explanations to the questions are unclear or vague, TOBAM sets up a meeting with the relevant team in the company.

If responses are still unsatisfactory, or if the company remains unresponsive, it triggers a discussion at the Sustainability Committee about potential further escalation or exclusion from TOBAM's investment universe.

### High Controversy Alert

The purpose of the High Controversy Alert is to identify and escalate potential reputational risks associated with investee companies that demonstrate poor responsiveness or are involved in multiple controversies.

- Trigger Conditions
  - ✓ Very poor responsiveness or worrying answers to addressed issues.
  - ✓ Multiple controversies reported in the media or industry publications.
- Decision to flag company as "High Controversy" will be taken in Sustainability Committee.
- Additionally, since escalation measures are taken as part of portfolio management and performance monitoring processes, TOBAM's CIO will validate any decision to flag a company as "high controversy".
- Decision will also be recorded in TOBAM's PM systems (Pilot).
- Follow up: further discussions to be conducted by engagement team, report into system and discussion in Sustainability Committee.

### Exclusion

The exclusion decision will be used as a last resort, and in exceptional circumstances.

# LBRTY STRATEGIES ENGAGEMENT FOCUS

## Awareness to human rights

### 1. Campaign for Human Rights Policy and Due Diligence Procedure

#### Principal Adverse Impacts - Additional Social Indicators #9 and #10

As part of our commitment to report on Principal Adverse Impacts indicators for each investee companies in our LBRTY portfolios, we have decided to focus notably our engagement efforts on the following indicators :

- 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 general broad engagement actions with our investee companies, we usually take the opportunity when discussing with companies, to highlight the need to develop or maintain a robust human rights policy as well as proper due diligence processes.

We have decided for the purpose of our LBRTY portfolios, to raise awareness on the need to build thorough human rights policies and due diligence processes with all investee companies held in our LBRTY portfolios.

### 2. Companies with high Autocratic Exposure

Based on TOBAM's proprietary assessment of a company' **Authoritarian Exposure** (a measurement of their reliance on autocratic countries),

LBRTY strategies exclude from their portfolios companies that are most exposed to autocratic regimes deemed unsuitable for investments under the LBRTY approach.

Based on these assessments, we will build an engagement campaign with three to four companies per year, selected based on their high authoritarian exposure and also our power of influence (assets under management).

The objective of this dialogue is to :

- Inform these companies of our investment process and our measure of their exposure to authoritarian regimes
- Discuss individually with each company how their Authoritarian Exposure is explained and explore ways to mitigate it, in order to maintain them in the LBRTY strategies' investment universe
- Raise awareness on the need to construct human rights policies and due diligence processes that could benefit their activities

# ABOUT TOBAM

TOBAM TOBAM's mission is to provide exposures that established market players do not yet offer. It is anchored in three flagship strategies:

- Maximum Diversification®, based on original, patented research and a mathematical definition of diversification, defined what would become Smart Beta.
- LBRTY®, which aims to outperform benchmarks by substantially reducing direct and indirect exposure to autocratic regimes.
- ₿TOBAM®, dedicated since 2016 to Bitcoin related investments.

In addition, TOBAMSolutions®, driven by our Research team, designs bespoke solutions and services for sophisticated institutional investors.

The Maximum Diversification®, TOBAMSolutions®, ₿TOBAM® and TOBAM LBRTY® approaches illustrate TOBAM's systematic commitment to innovation in the service of demanding investors.

For more information, please visit [www.tobam.fr](http://www.tobam.fr), [www.tobamdirect.com](http://www.tobamdirect.com), or contact us at [info@tobam.f](mailto:info@tobam.f)

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