

THE SUSTAINABLE WAY

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

Year 2021



tobam
unbiased.

June 2022

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THINKING OUT OF THE BOX

TOBAM fosters a spirit of innovation that is found across all levels of the organization. Looking beyond the obvious, questioning norms, anticipating future changes all 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 therefore impact our portfolios' characteristics.

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

We consider that commonly named "extra-financial" factors are on the contrary, very much financial as they may have significant consequences on an asset's valuation and therefore on returns and/or risks. They are integral in the rules structuring our investment activities, considering their financial materiality over the long run.

TOBAM's onboarding of sustainability took place very early on in the development of TOBAM and continues to be expanded over the years through the contribution of employees, clients, shareholders and partners.

By acting in the best interests of our clients and shareholders, we implicitly become long-term investors ourselves.

Sustainable investing is not meant to highlight a moral or ethical point of view, it is not meant to determine what is good or what is bad. We believe that integrating ESG criteria is instrumental in managing risks and makes sense in the context of long-term investments.

TOBAM has always been aware of its role in the economy and as such has proactively decided to make Sustainability a core value both at the investment and at the corporate level.

TOBAM is a proud supporter of the PRI, the TCFD and the UN Global Compact and its 10 principles.

This year has seen some significant enhancements to our range of products and ESG integration initiatives.

I would like to highlight three key achievements for 2021:

1. The development of our proprietary ESG footprint methodology: using raw, original data provided by companies, we have developed a unique methodology to compute an ESG footprint for each individual holding in our portfolios.
2. The total carbon offsetting of our TOBAM Bitcoin Fund, now called TOBAM Bitcoin CO2 offset fund.
3. The continued strong dedication to support human rights and the special campaign we conducted in the beginning of 2022 to support human rights in Ukraine via the sponsoring of Human Rights Watch.

2022 has also already reached some significant milestones, with over 44% of our assets under management being now aligned with the Paris Agreement.

I am happy to share TOBAM's progress and commitments to ESG in our investment processes but also in the way we conduct business, work together and with third parties.

I am very proud with TOBAM's research and portfolio management teams that have dedicated so much work and talent to continue our efforts towards more sustainable investment solutions.

We are proud to disclose this new edition of our Sustainability report.



Yves Chouiefaty
Chairman & Founder, TOBAM
June 2022

ABOUT TOBAM 02.

TOBAM was created in 2005 by Yves Choueifaty. Independent and employee-owned.

Pioneer in the smart beta movement, TOBAM offers innovative investment capabilities aiming to maximize diversification.

TOBAM's flagship Anti-Benchmark® strategies and Maximum Diversification® indices, supported by original research and a mathematical definition of diversification, provide clients with diversified core equity exposure.

TOBAM continues also to grow its product range, currently offering global investment grade and high yield strategies as well as a multi asset strategy.

The Company manages over US\$10 billion via its Anti-Benchmark® strategies and Maximum Diversification® indices.

In line with its mission statement and commitment to diversification, TOBAM also launched a separate activity on cryptocurrencies and decentralized finance in 2017.

TOBAM is comprised of 51 financial professionals based in 6 different offices.

KEY FIGURES



- Paris
- Dublin
- New York
- Hong Kong
- Frankfurt
- Luxembourg



Data as of December 2021

UNBIASED

unbiased (un·bi·ased). adjective. showing no prejudice for or against something; impartial. similar : non-partisan, objective, outside

We trace this principle back to the fundamentals of Harry Markowitz's Nobel prize winning portfolio theory and to the portfolio that we believe comes closest to what is described in Professor Markowitz' work as the market portfolio.

He used to say "Diversification is the only free lunch", and in the early 2000's TOBAM was amongst the first investors to develop smart beta strategies, exploiting the full breadth of independent risk drivers available in any given investment universe, even before the expression was discovered and subsequently somewhat abused by the industry.

Smart beta at its origins goes back to the idea of delivering a better or smarter market premium, since market cap-weighted indices are arguably very biased dynamic risk allocators and hence not representative of the true market diversity.

ABOUT TOBAM 03.

TOBAM INVESTMENT CAPABILITIES

TOBAM ANTI-BENCHMARK STRATEGIES

EQUITY

Anti-Benchmark Equity Strategies

ENHANCED BETA EQUITY

Anti-Benchmark Dynamic Beta Strategies

FIXED INCOME

Anti-Benchmark Fixed Income Strategies

MULTI ASSET

Anti-Benchmark Multi Asset Strategies

OVERLAY SOLUTIONS

Risk-adjusted Return Optimization

Regulatory Capital Requirement
Optimization

Capital Protection

TOBAM INDICES

EQUITY

Maximum Diversification Equity Indices

ENHANCED BETA EQUITY

Diversified Benchmark Indices

FIXED INCOME

Maximum Diversification Fixed Income Indices

CRYPTOCURRENCY EXPERTISE

Bitcoin strategies

Crypto Linked strategies

DeFi investment solutions

ABOUT TOBAM 04.

AWARDS AND RECOGNITION

AWARDS

- “Smart Beta Provider of the Year”
PIPA Awards 2021
October 2021, London
- “Multi Asset Manager of the Year”
European Pensions Awards 2021
October 2021, London
- “Multi Asset Manager of the Year”
Asset Management Awards 2021
MoneyAge, May 2021, London
- “European Asset Management Firm of the Year” (assets under €20bn)
Funds Europe Awards 2020, London
- TOBAM’s Anti-Benchmark® Multi Asset:
“Best Flexible Fund”
Grands Prix de la Gestion d’Actifs 2020, Paris
- “Emerging Equity Manager of the Year” Pension Age Awards 2020,
London
- TOBAM’s Deputy CIO elected in the Top 25 Rising Stars of Asset
Management
Financial News, September 2020



Awards and prizes as well as past performance is no indicator of future performance

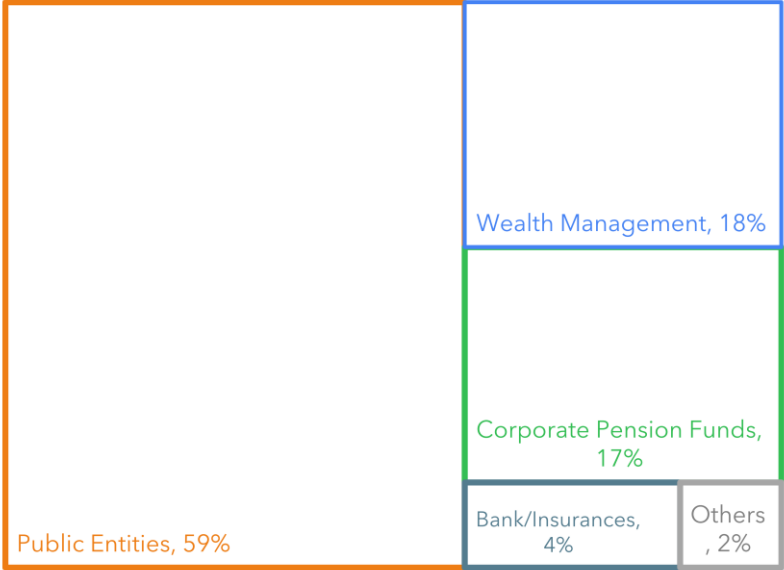
<p>Elected “Sustainability Provider of the Year”</p> <p>Money Age The Asset Management Awards 2022</p> <p>The Asset Management AWARDS 2022</p>	<p>Elected “Most Sustainable Company in the Investment Industry”</p> <p>World Finance Sustainability Awards 2019</p> <p>WORLD FINANCE SUSTAINABILITY AWARDS 2019</p>	<p>AB EM Elected “Profit for Non Profit Special Award”</p> <p>Profit for Non Profit Special Award 2014</p> <p>[PROFIT FOR NON PROFIT] AWARDS</p>
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ABOUT TOBAM 05.

ASSETS UNDER MANAGEMENT

AuM by **Clients Type**

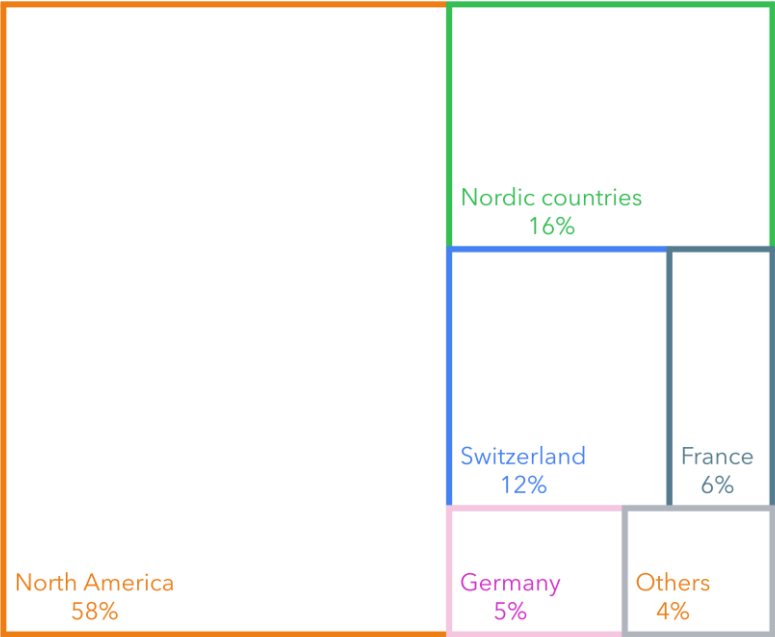


Over 80% of our clients are institutional investors, with ESG commitments and requirements.

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

Christophe Roehri, Deputy CEO

AuM By **Clients Geography**



Source: TOBAM. Figures as of December 31, 2021.

ABOUT TOBAM 06.

MISSIONS AND VALUES

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

- 01.** Rigor
- 02.** Creativity
- 03.** Out of the Box
- 04.** Sustainability
- 05.** Straight-Through-Processing
- 06.** Nimbleness
- 07.** Transparency
- 08.** 4-eyes rule
- 09.** Commitment
- 10.** One team
- 11.** Aligned Interest
- 12.** Reliable
- 13.** Bourbaki Spirit

SUSTAINABILITY CHARTER



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.

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

RESPONSIBLE INVESTMENT

01. Exclusion Policy

TOBAM's exclusion policy consists in banning all issuers considered non-compliant with sustainability requirements and therefore exposed to specific risks (future regulatory penalties, reputational damages, etc.), which could have a negative impact on the funds

02. Systematic carbon footprint reduction of at least 20% versus the reference benchmark's carbon footprint: applied across TOBAM's equity, fixed income and multi-asset portfolios and mandates.

03. Proprietary ESG footprint integration

TOBAM's Research team has built a proprietary methodology to construct the ESG footprint of each individual stock holding in the portfolios, hence the portfolios' ESG footprints. TOBAM's is has implemented a constraint at the optimization level to ensure that all equity portfolios at minimum, match the ESG footprint of their respective benchmark.

04. Responsible shareholder

- **Exercise of voting rights** covering the majority of securities held in the portfolios, as well as acting in accordance with tobam's proprietary voting principles on a number of key corporate governance items.
- **Engaging with companies:** Recognizing the value of different forms of engagement, TOBAM participates in direct engagement as well as collaborative engagements with other partners or investors.

05. Conducting various ESG research projects to better understand how to implement responsible investment approaches into its own proprietary quantitative management process.

Promoting responsible asset management practices vis-à-vis the media, our clients and peers, to help contribute to the implementation of more robust ESG-related requirements for investments; as well as to pursue the development of a more responsible financial system overall.

CORPORATE & SOCIAL RESPONSABILITY

E **Monitoring its Environmental impact** through mitigation and off-setting

S **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.

G **Promoting Social Progress** (Support Human Rights , Youth Sponsoring Initiative, HR policies, Gender Inclusion & Diversity Initiative)

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RESPONSIBLE INVESTMENT 01.

BELIEFS AND PRINCIPLES

Since its creation, 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 concerns. TOBAM has a long-standing commitment to uphold environmental, social and governance issues (ESG). 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.

TOBAM's approach is to define responsible investment principles that can be translated into concrete steps which will be implemented gradually and enhanced over time, ideally in collaboration with its partners.

Some investment beliefs related to responsible investments:

01. 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 to tobam both at the corporate and investment level. Incorporating ESG criteria 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.

02. Research-based ESG Integration enhancements:

TOBAM spends a significant amount of its time and budget researching the subject of sustainable investments and working on the development of pragmatic and science-based responsible investment integration approaches.

Our objective is to devise with rational and professional ways in which to implement further ESG integration, while not changing the nature of our Maximum Diversification® investment philosophy.

03. Partnership-driven (vs. purely internal)

TOBAM's expertise is quantitative modelling. We believe our ESG approach can benefit from external initiatives and experts, notably companies and researchers dedicated to SRI analysis. TOBAM's ESG integration approach relies on institutional investors expertise as well as ESG data providers.

04. 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.

05. 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.

RESPONSIBLE INVESTMENT 02.

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 “Sustainable Way” 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

- 1** We will incorporate ESG issues into investment analysis and decision-making processes.
- 2** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- 3** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- 4** We will promote acceptance and implementation of the Principles within the investment industry
- 5** We will work together to enhance our effectiveness in implementing the Principles.
- 6** We will each report on our activities and progress towards implementing the Principles.

This responsible investment approach relies on the main existing levers to foster a greater consideration of ESG challenges within the asset management industry:

- At the company level, this consists of including **ESG matters in its investment process**, through an **exclusion policy** broadly applied, a **systematic reduction of our portfolios relative carbon footprint** and **Proprietary ESG integration**.
- At the issuer level, it takes the form of an **active and responsible stewardship shareholding approach**, by **exercising voting rights** and **engaging** to further its commitments as a responsible investor and improve corporate governance.
- At the industry level, the main objective is to **promote responsible asset management** practices and therefore contribute to **disseminating best practices**.

TOBAM is a proud supporter of the

- TCFD initiative,
- the UN Global Compact and
- the Paris Agreement.

SUSTAINABLE AND RESPONSIBLE INVESTMENT POLICY 01.

As part of its fiduciary duty, TOBAM is committed to protecting its clients' interests by taking into account 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 ESG-related regulatory framework, multiplication of norms and standards, pressure from stakeholders, etc.). As a result, **ESG 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 ESG 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.

At TOBAM, this ESG incorporation takes three forms:

01. A STRICT EXCLUSION POLICY suited to our quantitative investment approach, which consists of **excluding companies from our investment universe, that have controversial ESG 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.

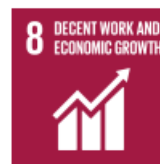
This negative screening lists companies involved in **controversial products** (*Tobacco, Coal, Weapons*) as well as **controversial behaviors** (*Human rights violations, Environment and International Laws severe damages or breaches*).

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 particular strategies depending on local specificities or requests. These are expressly validated by the sustainability committee and approved if aligned with tobam's values and visions.

Sustainable development Goals (SDGs)



EXCLUSION POLICY CRITERIA

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



▪ 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% or more of their 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 fund, to implement a new fossil free approach to two of our strategies: Anti-Benchmark Emerging Equity and Anti-Benchmark Global High Yield. The same approach has then been implemented to a third strategy.

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

SUSTAINABLE AND RESPONSIBLE INVESTMENT POLICY 02.

02. 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.

Implemented in August 2018 for Anti-Benchmark® equities strategies, and in September 2018 for the Maximum Diversification® equity indices, it was extended to the Anti-Benchmark® fixed income and multi-asset strategies in June 2019.

TOBAM's research department dedicates significant resources to analyze the ways in which ESG criteria can be integrated into the investment process without disrupting its Maximum Diversification® investment philosophy. 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 as measured by the Diversification Ratio®

The significant achievement for us is to further integrate ESG into our investment process while preserving the integrity of our approach. We believe that this capability to customize and add specific filter or constraint without impacting the nature of the investment philosophy is one of the key strengths of the Maximum Diversification® approach

David Bellaïche
COO

Average
-52%
reduction across
flagship Anti-
Benchmark
strategies*

*Weighted average carbon footprint reduction of 52% across our Anti-Benchmark® strategies versus their respective reference index. Strategies' realised reduction ranges between 24% and 72%.

Source: TOBAM, Data as of December 2021.

03. PROPRIETARY ESG FOOTPRINT INTEGRATION

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

Using officially published data from Bloomberg in order to monitor the E, S and G criteria for all listed companies of our investment universe:

- E: existence of climate change / biodiversity / energy efficiency policies ; green building, water and waste usage...
- S: Ethics/Equal opportunity/training/ consumer data protection/whistleblowing policies, CSR committee in place, supply chain management
- G : Number of board meetings per year, % independent directors, chairman tenure, % non-executive directors in board ...

TOBAM's is now integrating ESG and has implemented this hard constraint to all equity portfolio, in order to optimize portfolios so that they, at minimum, match the ESG footprint of their respective benchmark.

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

TOBAM is currently working on integrating the ESG footprint to fixed income portfolios.

SUSTAINABLE AND RESPONSIBLE INVESTMENT POLICY 03.

04. CONDUCTING ESG INTEGRATION RESEARCH PROJECTS

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 ESG integration. The Research team's efforts are primarily focused on:

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

Update June 2022

Paris Agreement Alignment

TOBAM has taken the initiative to align three sub-funds with the Paris agreement of keeping global warming below the 1.5° C commitment.

For those three sub-funds, TOBAM applies the following additional ESG 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).

Three sub-funds are concerned by the specific initiative: The Anti-Benchmark® Emerging Markets Equity, the TOBAM MaxDiv® World Equity Protected and Anti-Benchmark® Global High Yield Compartments.

Based on
collaboration
with University
of
Southampton

As of June 2022, **44%**
of **TOBAM's AuM**
are Paris Agreement
Aligned

DATA AND RESEARCH PROVIDERS

Exclusion List



**ESG Footprint
Raw data**

Bloomberg

Controversies



**Carbon
emissions**

Bloomberg



**Voting &
Engagement**



**Paris Aligned
Agreement**

Bloomberg



TOBAM Responsible Investment Policy is **applied by default to all open-ended funds and mandates invested in equity, fixed income and multi asset strategies**. Some additional exclusions might be decided for some open-ended funds, and some additional features as well.

Exclusion, ESG integration and stewardship is not applicable on strategies invested only on digital assets, these strategies have some particular ESG rules. See CrypTOBAM focus on the right side on the page.

CrypTOBAM

TOBAM has launched a dedicated investment activity on digital assets in 2016.

In an effort to remain consistent throughout its range of products and in line with our commitment to integrate ESG as far as we can in all our investment processes, TOBAM is committed to the following for its CrypTOBAM range of asset classes:

- **TOBAM Bitcoin CO2 Offset strategy**

As for any FX strategy, the capability to integrate ESG is very low (ESG footprint not relevant, exclusions not relevant..), TOBAM has hence decided to **offset 100% of the total carbon emissions of the strategy**, via reforestation & renewable energy projects (carbon credits).

- **Investment in Bitcoin-related stocks**

For strategies that invests in both TOBAM bitcoin fund as well as blockchain equity, TOBAM applies the following:

Strategies or investment buckets invested in bitcoin-related stocks, apply TOBAM's mainstream SRI Policy: Exclusion, Carbon reduction of at least -20%, ESG monitoring, Votes & Engagement.

The beginning of all things: Science & Research

Conversation with Tatjana Puhan Tobam's Head of Investment , Managing Director



What would you say makes TOBAM "Out of the Box" ?

There are many things that make TOBAM a company that really deserves its name. Most notably we apply this principle in the investment management. Whenever we face a new problem or our clients come to us with a problem we investigate, what a "standard" solution could be. However, we are never satisfied with this and subsequently start to challenge what would normally be done to find better ways "outside the box" to solve a problem. This is also very typical for our company since we have a lot of very smart people and they love being intellectually challenged and challenge themselves. Our clients appreciate our true researcher spirit and they often come to us also with problems for which there exists no "standard" and they have never been disappointed at not having received an educated answer and useful solution.

As deputy CIO, you oversee the research activities and steer all project activities, what is the role of research and science at TOBAM?

Research and scientific rigor play an extremely important role at TOBAM. I think this is a relatively unique feature of our company that we have a real commitment to research and that research does not limit itself to number crunching like it is unfortunately very often the case in the financial industry, but we always look for the theoretical and economical foundations. The importance that TOBAM assigns to research is also visible in the resources we put behind it. We have more than 40% of our employees involved in research, a large number of them dedicate their full work time to research. Moreover, we also have the luxury to be able to work on research projects that are not necessarily related to a product or a client request but that should provide answers to questions that we find relevant from an academic and investor's point of view. The outcomes of such research have already been published numerous times in academic journals with a high reputation and wide readership.

ESG integration is a priority for TOBAM, what are the key research projects you are currently working on?

We have two very important projects going on at the moment. One is dedicated to integrating the Paris agreement constraints on temperature impact of portfolio directly into our investment models. For this we spend also an important amount of time going through climate scientists' work and discussing with them our approach to translating their research into an actionable approach to reducing the climate impact of investment portfolios. Interestingly, we have noticed that thanks to the fact that our portfolios are based using correlations, this approach is very suitable for even very strict SRI policies. Such as those required by the Paris agreement. All what we need is a wide correlation spectrum of the assets. This allows us to replace one stock with another in the portfolio without that its risk-return or diversification properties would materially change. We are looking to implement these new constraints into several of our key strategies and want to contribute in this way even more to limiting climate change.

A second important research study we have worked on over the last months was the systematic integration of a Social and Governance related footprint constraint into all of our portfolios. We have developed a "3ESG footprint" using company reported raw data that allows us to determine and monitor the ESG performance of any company in our investment universe and strategies. This integration approach is now also implemented as a hard constraint in our portfolios where we seek to at least align their ESG footprint with the one of the benchmarks. Moreover, we will continue our research to investigate, how latest machine learning methodologies can help to improve this data driven measure even further.

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RESPONSIBLE SHAREHOLDER 01.

VOTING

In addition to incorporating ESG 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 portfolios¹,** fund shareholders and clients, per our fiduciary duty
- **On a wide range of stocks.** In 2021, this represented over 1200 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 in order to consistently maintain a high level of requirements
- **In a fully transparent way:** the voting policy and details on how we voted over the past year are publicly disclosed on our website².

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 own voting principles on certain key corporate governance issues.**

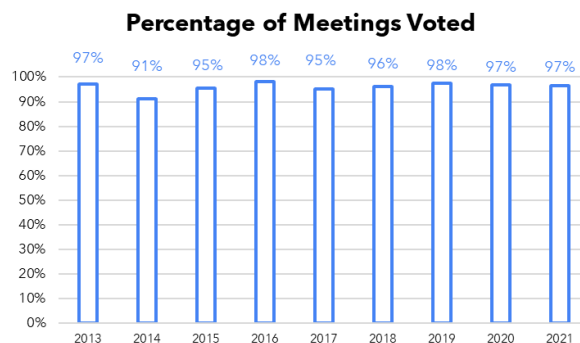
Our role as a shareholder is therefore to make sure the appropriate governance systems are in place in the companies we invest in, rather than judging management decisions per se.

Thus, we have decided to closely monitor the appointment process for Board members, and to supplement ISS voting policy with **some proprietary voting guidelines, with a particular emphasis on boards' diversity and independence.**

Additionally, as we consider sustainability as a risk management and performance factor over the long run, we believe that 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 in which we invest. **Our proprietary voting principles therefore support shareholder proposals asking for more transparency on sustainability issues** (ESG board committee, Improvement of Human Rights Standards or Policies, etc.)

2021 Voting Rights exercise

Participation rate: 97% of the annual general meetings eligible to vote



A **diverse and independent board** composition brings a range of longer-term benefits including a **real balance of power** with a firm

(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 2021 voting report](#)

RESPONSIBLE SHAREHOLDER 02.

ENGAGEMENT 01.

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

Direct Engagement

▪ Engagement with companies excluded by Norges Bank

Being excluded by Norges Bank can have significant consequences for listed companies - first on their reputation, and second, on their general ability to access financial markets.

Norway's Government Pension Fund Global is Europe's largest pension fund in terms of assets under management¹ and is also one of the largest equity holders in the world.

As a pioneer in Sustainable and Responsible Investment, their recommendations are followed by numerous asset owners and managers, hence further increasing the impact of their exclusions.

In 2017, TOBAM decided to start actively communicating with companies that have been placed on the Norges Bank's exclusion list and resultantly excluded from our investment universe.

We believe that leveraging on Norges Bank exclusions and spreading their impact will contribute to further developing best practices and encouraging the adoption of sound ESG policies by a wider range of companies worldwide.

To view Norges Bank's exclusion list please visit:

<https://www.nbim.no/en/responsibility/exclusion-of-companies>

¹: Source: IPE's Top 1000 European pension funds - September 2018 supplement.

▪ Leveraged engagement on holdings

Following on discussions and brainstorming with long-term partners/ investors, TOBAM has set up an initiative to open a dialogue with two to three companies per year based on identified allegations (issued by ISS norm-based research) of failure to prevent or address social or governance controversies in line with established standards.

These discussions will be led by TOBAM but in partnership with large institutional clients in order for TOBAM to benefit from its clients base and amplify its actions by leveraging from these large asset owners' influence.

▪ Ad-hoc engagement on holdings

TOBAM might decide to start an engagement action following any serious allegations of ESG-related shortcomings identified by investors or partners NGO's. TOBAM has been supporting human rights NGOs and these groups might identify specific issues with companies held by TOBAM.

The engagement process has a long-time horizon and if we are not satisfied with the responses and actions of certain companies, this might ultimately lead to an exclusion from our investment universe.

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

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

RESPONSIBLE SHAREHOLDER 02.

ENGAGEMENT 02.

Collaborative Engagement

- **Pooled Engagement in collaboration with ISS**

ISS ESG is an advisor to institutional investors in the area of responsible investment, expert in ESG analysis. In 2019, TOBAM joined their pooled engagement initiative to jointly engage with companies regarding their ESG risk and performance.

Approximately 100 listed companies³ are identified annually under norm-based research as failing to prevent or address social and environment controversies in line with established standards for responsible business conduct.

Through this initiative, TOBAM has the ability to 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 ESG'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.

- **Participative engagement**

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

TOBAM is a signatory to a number of collaborative initiatives and take an active role on those which are 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 Sustainable Stock Exchanges Investor Working Group
- The Global Investor Statement to Governments on Climate Change

- **Engagement on fixed income holdings**

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

In regard to 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 portfolios as well as to the 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.

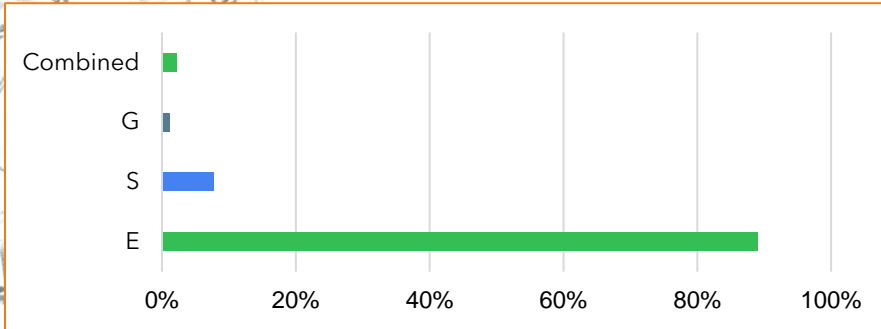
As such TOBAM's engagement policy and philosophy fits for both our investment at the equity and fixed income levels.

SUMMARY 2021

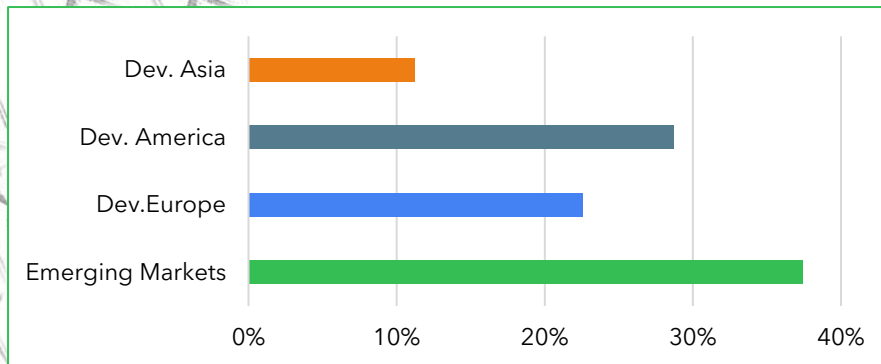
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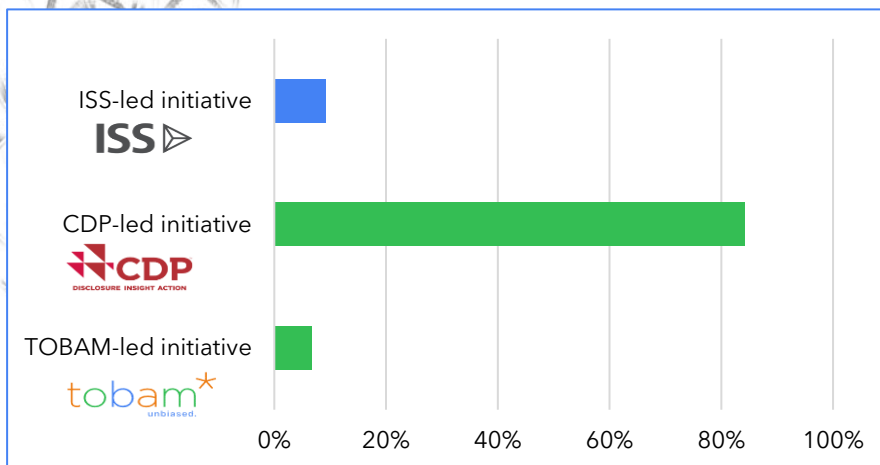
By type of focus



By type of region



By lead of engagement



CASE STUDIES OF RECENT DIALOGUES



German Cement Company TOBAM-led Engagement

COMPLETED

TOBAM has initiated a dialogue with a German cement company in 2020 following claims from French local authorities of a controversial quarry plan, that did not get approval from local authorities and agreement from local inhabitants. The documented controversy claims that inhabitants were fearing risks of ground water pollution and local authorities were claiming not having been contacted by the cement company despite an engagement from the company on their sustainability report to always contact local authorities and reach an approved solution before setting up any quarry. The controversial quarry project was finally abandoned in November 2020.

Chinese IT Company TOBAM-led Engagement



TOBAM, in partnership and supported by some large institutional clients, started an engagement action in 2019 with a Chinese IT company, allegedly involved in some severe human rights breaches. Allegations were documented by media articles, US universities, Human Rights NGOs.

We addressed letters to various levels of top management as part of TOBAM's escalation process but unfortunately none of our attempt to open a dialogue with the company were answered or addressed.

It has been decided to exclude the company from TOBAM's eligible investment universe. The lack of consideration for the shareholders and their concerns is unprecedented and demonstrates a lack of adhesion to the rules of being a publicly listed company and recurring to international shareholders capital while adhering to the international standards of best practices (norm-based & international standards, ESG considerations as well as considerations of shareholders concerns.)

US Utility Energy TOBAM-led engagement

COMPLETED

TOBAM reached out to this company first in December 2020 as part of the fixed income carbon disclosure campaign. The company did not report on the CDP and our letter as inviting them to report while explaining why it mattered to us and most investors. We had a very constructive call in January 2020 and in January 2021, we got informed that the company was now reporting on the CDP.

US Tech Company TOBAM-led engagement

ON-GOING

TOBAM reached out to this company first in September 2021, raising questions about the allegations of an Australian NGO, involving several factories in China. Claims were that these factories were using forced-labor targeting the Uyghurs population in the Xinjiang region of China. Emails and Calls with the company gave us a high levels of details on their investigations and due diligence processes to address allegations but we felt that some places were left unclear and leaving rooms for more controversies and bad publicity, so the discussion is still ongoing.

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- **Promotion of Responsible Investment Asset Management**

12.

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- Responsible & Collaborative Governance
- Monitoring of the environmental impacts
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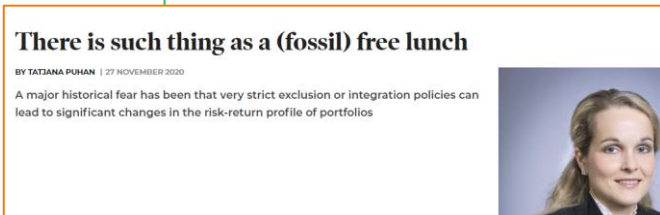
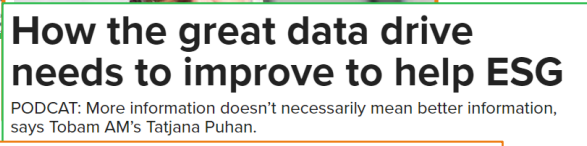
PROMOTION OF RESPONSIBLE INVESTMENT

Sustainability issues are of growing importance, but responsible investment matters are still in an experimental set-up phase. As a consequence, professional investors – among which asset managers – have a key role to play in the co-creation of common standards for responsible investing and shareholding practices. The financial community has to join efforts to address these challenges. We are committed to playing our role in this area through two main channels:

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

- By broadly sharing our vision regarding these matters through articles in the local and international press.
- 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 share holders means and which priorities will the CEO's be setting in 2018.



TOBAM is a signatory of

■ Involvement in targeted professional bodies dedicated to this field:

- Signatory of the Principles for Responsible Investment since 2010
- Signatory of the UN Global Compact since 2010
- Signatory of the Carbon Disclosure Project since 2011



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A RESPONSIBLE COMPANY 01.

The aspiration to 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 are not equal (depending on the sector), we strongly believe that any economic player must do its part 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:

- **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 so as to indirectly encourage issuers to improve their ESG practices, by showing that we apply a stringent Corporate Social Responsibility policy to our own daily operations, in line with the ESG requirements expressed towards investee companies in our Responsible Investment approach.
- **Efficiency:** we consider that CSR is a factor that contributes to companies' performances over the long run.

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 ESG 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.:



Developing a responsible and Collaborative Governance



Monitoring our direct Environmental impact, through mitigation and offsetting



Promotion of Social progress, both internally for our employees and externally by contributing to NGOs' efforts for the benefit of human rights

GOVERNANCE.

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.

- **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 with them during a monthly informational meeting. Each employee is invited to take part in our efforts towards sustainability by suggesting new areas for improvement to senior management. Ideas are shared with the CEO on a monthly basis by TOBAM employees' representatives. Of note also, an internal award rewards the best idea (see employee sustainability initiative p.34).

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

- **Structured oversight: Sustainability Committee & SRI Task Force**

We decided in 2016 to set up a Steering Committee dedicated to sustainability topics to challenge and monitor our approach and maintain a high level of commitment over time (see focus below).

The committee is in charge of piloting all CSR and SRI related topics, ensuring that these considerations and projects remain on top on TOBAM's agenda. The committee is in charge of coordination with the various different teams any new projects or ideas.

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

We consider transparency as a key 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

- PRI & Global Compact and CDP Adhesions & reporting processes
- SRI
 - Research projects
 - Further ESG integration initiatives
 - Exclusion list Monitoring
 - Engagement & Collaborative actions
- CSR
 - Sustainability Employee Initiative
 - Coordination with Human Rights NGOs - Donations
 - Youth Sponsoring Initiative
 - KPI monitoring
 - Carbon Footprint Measure & Offsetting programs

IMPLEMENTATION OF THE ESG TASK FORCE

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





This working group is in charge of brainstorming, coordinating, investigating and monitoring ESG integration within TOBAM's investment process via research projects or implementation initiatives.

Organization described below:


ESG TASK FORCE

Created in 2016, in charge of piloting all CSR and RI related topics, ensuring that these considerations and projects remain on top on TOBAM's agenda as well as coordinating with various teams any new projects or ideas.

SUSTAINABLE COMMITTEE

-  DEPUTY CEO
ExCom - Global Oversight
-  HEAD OF SUSTAINABILITY
Portfolio Manager
-  HEAD OF COMPLIANCE
Regulation
-  SRI EXPERT
External Advisor

INVESTMENT TEAM ESG REFERENTS

-  HEAD OF INVESTMENTS
ExCom - PM & Research
-  EQUITY TEAM
ESG Integration
-  FIXED INCOME & MULTI ASSET TEAMS
ESG Integration
-  RESEARCH
Projects & Monitoring

15 members from the investment team are involved in ESG research, integration, implementation and monitoring. Each team has an ESG leader and on average, app. 25% of TOBAM's team is dedicated to ESG (app. 5 FTE)

Executive Committee
Supervision of TOBAM's
ESG 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 25 years of experience in asset management and instrumental contribution to TOBAM's ESG evolution over the years

TOBAM's Head of Investments, Tatjana Puhan, has over 15 years of experience in ESG integration strategies and oversees the investments team in the ESG task force.

GOVERNANCE.

Ayaaz Allymunn

Head of Sustainability & Senior Equity Portfolio Manager

The role of the Sustainability Committee is to **challenge and monitor TOBAM's sustainable way and maintain a high level of commitment over time to SRI and CSR challenges.**

The Committee is also in charge of overseeing and monitoring market and normative evolutions in the field of corporate and social responsibility and responsible investment. The Committee meets every quarter.

As a portfolio manager, I oversee all SRI topics and research projects. Christophe Roehri, TOBAM's Deputy CEO, represents TOBAM's employees and shareholders interests.

We identify areas for improvement and discuss new opportunities and projects depending on their relevance and feasibility.

The Committee is in charge of coordinating the projects and their application while ensuring a strong daily commitment to ESG integration into our investment process but also at the corporate level.

What is different about TOBAM's approach to sustainability and responsibility?

TOBAM's onboarding of sustainability took place very early on in the development of TOBAM and has been expanded over the years by the continuous contribution 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 what matters is longevity and sustainability (in terms of resource efficiency, responsible use of resources, human and financial capital etc.).

The second belief is that **ESG implementation at TOBAM should be across the board**: meaning all our assets under management. We haven't considered offering a dedicated ESG range of products, but rather decided that all ESG implementation efforts should be applied to the full range of our strategies as well as our mandates by default.

Also at TOBAM, **ESG integration enhancements should be driven by research**. This principle goes beyond sustainability since research is the driver of all projects at TOBAM. Hence, as is the case for other investment or optimization innovations, ESG integration ideas or projects are driven by research and then, investigated and documented before being implemented.

As a quantitative manager, are there any specificities in incorporating ESG compared to fundamental managers?

I identify two main differences.

The first one is the importance of data. As a quantitative manager we are relying on data, and since our approach aims to deliver the Most Diversified Portfolio, i.e. the portfolio without bias, we need to take extra care as to the quality of the data. Very early on, we decided to use raw ESG data, instead of ESG scorings or ratings. Our research team has conducted thorough analysis on the data, scores and various ESG ratings from a number of providers and the conclusion was that given the lack of correlation between the various providers rating's, using raw and high-quality data from the company was the safest and most rational option. This is a cause we are pleading before parties involved in setting up framework such as the TCFD to make sure the ESG data are as rigorous and based on a common framework, so that the quality of ESG data is as publicly available and rigorously published as traditional financial data.

The second major difference is our capability to back test and proof-test any changes or additions to our process. Since our process is systematic, we can measure the portfolio characteristics with the constraint and without the constraint. This is a very significant competitive edge of quantitative managers compared to traditional managers.

THE EMPLOYEE SUSTAINABILITY INITIATIVE

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

In order to raise employee's awareness with regards to environmental (E), social (S) and governance (G) 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 ESG related issues & challenges.

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

2016



Environmental & Social Impact
Hire a **recycling service** 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

Social & Environmental Impact
Donations drive in 3 offices

2019

Social Impact
Blood Donations program



2020

Social & Governance Impact
Making TOBAM a happier place - Newcomers // Daily life @ TOBAM

2021

Social Impact
Charity Run



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- Promotion of social progress

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ENVIRONMENTAL IMPACT 01.

MONITORING AND OFFSETTING

Asset managers' direct environmental impact is fairly 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 both mitigation and offsetting.

Since 2011, tobam assesses annually its carbon footprint

TOBAM over the years made considerable efforts to continuously extend the scope of the inventory. Calculations cover scopes 1, 2 and 3. Tobam also considers employee's personal emissions to the total of emissions offset each year.

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, in order 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

In order to facilitate eco-friendly commuting for employees, all offices (Paris/New York/Dublin/Hong Kong) 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:

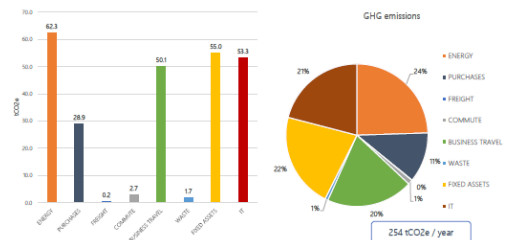
- Reducing energy consumption (*general switch; presence sensor; internal Policy to limit exchange of large attachments to email*)
- Responsible use of paper (*recycled paper, systematic configuring of printers to double-sided, green-friendly certified external printers*)
- Reducing waste and recycling
 - 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 aluminum 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)

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

Extract from 2021 Carbon Footprint Report

Emissions (tCO₂e) by emission source 2021



The following breakdown allows us to identify the items that emit the most GHGs. This means that for an equivalent effort, it is likely that actions to reduce GHG emissions will have a greater impact if they concern the following items: energy, goods used, business travel and digital.

ENVIRONMENTAL IMPACT 02.

MONITORING AND OFFSETTING



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

Offsetting 390% of TOBAM's emissions (scope 1/2/3)



wenow

NET POSITIVE CARBON IMPACT CERTIFICATE

YEAR 2021

Certificate n° 0020FR.01.2022



WeNow hereby certificate compensating:

989 tons CO₂e

to offset 100% of

TOBAM's

carbon footprint (the calculation was based on scopes 1,2 and 3 and an employees' personal carbon footprint).

With the project:

CERTIFIED UN PROJECT: WIND POWER PLANT (SANTA VICTORIA CHUI)

This project aims to install a 16-turbine power plant in Brazil, where most of the electricity is currently produced by oil-fired power plants. Wind power has two advantages: it opens up regions that are not easily accessible; and it replaces hydroelectric power stations during periods of drought. The project is expected to produce on average of 1,563,393 MWh/year of renewable electricity and create new jobs.

While we strive to make mitigation efforts wherever possible, some of the 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 not feasible in a realistic way without impacting operational effectiveness.

We therefore decided to initiate a carbon offsetting programme in 2011, consisting of offsetting 110% of our CO₂ emissions (Scope 1,2 & 3 + employees' personal emissions) by subsidizing green, renewable energy or reforestation projects.

For example, offsetting our operations in 2020 enabled the funding of wind power project in Brazil.

CERTIFIED UN PROJECT: WIND POWER PLANT (SANTA VICTORIA CHUI)

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CARBON-NEUTRAL DRIVING



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

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)

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PROMOTION OF SOCIAL PROGRESS 01.

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 not only depends on remuneration, but also on a fulfilling and motivating working environment. We aim at gathering 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

- **Employee shareholding program:** 90% of TOBAM's equity is owned by its employees. All staff with a tenure of at least six months have the opportunity to become shareholders of TOBAM.

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 level of proximity to and commitment from management facilitates enhanced engagement with employees. Town Halls meetings with all employees are held every month and most of the strategic and key information are shared during these meetings.

Our role during our employee representatives committee with Human Resources and the management is to brainstorm on all social and cultural activities within TOBAM, act as problem solvers when needed and challenge management on current status quo.

Professional Support to teams

- **Annual Appraisals and Professional Development Annual Interviews:** All employees since the creation of TOBAM have an annual appraisal interview from their direct report at the end of the year. In 2017, HR put in place professional development interviews to further appreciate employees' (all employees with at least 6-months tenure) training and development needs as well as assess the global social climate, evolution expectations or any issue that could be raised by employees.
- **Structured Training Program:** 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*" "*Quest for equity risk premium*", "*The World of Sustainability*"...). TOBAM also supports employees' external trainings needs such as management coaching, IT software, CFA sponsorships.... SEE FOCUS NEXT PAGE
- **Mentoring Program:** TOBAM has set up a mentoring program in 2017 to develop employees' skills, share expertise and ensure a career development aligned with employees' and TOBAM's best interests.



Nadine Zrek
Spokesperson for TOBAM's employees

Diversity and Equal Opportunities

- We consider diversity as an additional source of wealth for the company, whether it be diversity in terms of professional profiles (academic backgrounds, previous jobs, etc.) or personal features (gender, nationality, etc.).
- We are therefore committed to promote pluralism and diversity in academic background and professional profile through recruitment and career development.
- We have developed a human resources management that fosters staff diversity and avoids any kind of discrimination (ethnic, social, gender discrimination), in line with French regulations. TOBAM is proud to have employees from 17 different nationalities.

The team is encouraged to think out of the box in its approach to 'conventional wisdom' to the greatest extent possible. As such, the team's diversity is a critical part of how well it functions. We have a large range of expertise, from mathematicians to engineers, economists and traders, all of which feeds in to the team's ability to look at problems or assumptions from a very broad spectrum of viewpoints.

Tristan Froidure, Head of Research



"Towards Maximum Diversity"

TOBAM's Towards Maximum Diversity, started with the Employee Sustainability Initiative, when two employees applied to the yearly contest, to suggest a working group within TOBAM aimed at promoting Diversity and Inclusion.

Convinced by the benefits at the company level of more inclusion and diversity, as well of TOBAM's role as thought leader in the industry to tackle the question of diversity in the finance industry "Towards Maximum Diversity" was born.

Among the topics tackled by the group this year was the question of diversity representation. TOBAM has for example to set the examples, by pleading to conference organisers to make sure panels including TOBAM would be representative of the diversity of our industry.

The name of the working group is a play on TOBAM's founding research paper. We felt that the word "diversity" was in line with TOBAM's culture and represents the group's core objectives.

Alyssa Chen, Associate

The goal of "Towards Maximum Diversity" is echoing TOBAM's Maximum Diversification approach, by bringing Diversity at all levels of the company, as well as promoting diversity in our industry.

Shameer Karim, Vice President



Summer 2021 Special Internships Program

This article has been written by Clément Griseri , Intern for 6 months in the ESG team

Since it was particularly difficult for students to find an internship during the COVID crises, TOBAM decided to lead an intern program which consist into raise the intern quota and give them trainings. Interns are affected to several services in the company such as Research, Portfolio Management, Business Development, Legal Department...

The interns are from very diverse academic backgrounds (Finance Master, Engineering, Business Schools (EM Lyon, LSE, McGill..), Polytechnique and they have the opportunity to work on cross-functional projects together in order to share their experiences and skills.



As a reminder, the goal of tobam's internal training initiative is to share company-related information and knowledge for your own personal and professional development. It can also be a good opportunity for you to understand the day-to-day jobs of some of your colleagues better and their role within the company.

Interns are involved in innovative subjects such as DeFi or crypto-asset universe, their youth is a real plus to understand such a fast-moving universe. This underline the fact that tobam wants to innovate or at least be well informed about this growing market.

It gives the intern the opportunity to discover the asset management industry from a different angle.

Diversity of subjects covered by the Class 2021 of Interns

- Bonds Universe screening: Fixed Income Department (Eloi)
- Implementing Portfolio Management Strategies / Implementing the min-max drawdown strategy of Chassang (Rani)
- Fund tokenization (Luc)
- Passive income strategies with DeFi (Maxime)
- Analysis of the institutional crypto funds competitors and cryptobusiness development strategy (Jules)
- ESG: The engagement process at TOBAM (Clément)
- DeFi and Crypto Universe Creation with Classical and Alternative Data (Farid)

Summer 2021 Special Internships Program

How does it feel like to be an intern at TOBAM?

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
- Indices
- Research Team
- The Equity Risk Premium
- The World of Sustainability

Beginning a career at tobam for an intern is an incredible luck. Being in touch with worldwide skilled employees is something that is unique. The training program put in place has been so teach full to discover the different jobs and skills needed in the asset management industry.

Jules

As an intern, we have access to the training program which is a real plus in my opinion because thanks to these training sessions I discovered the company as a whole and not only the department I am working in: its purpose, its operating system, its values.

Clément

Tobam is really the place to be as a quant-oriented person. The work I am doing and the people I am interacting with truly exceed my expectations. I am constantly introduced to new ideas which I am encouraged to explore on my own as well as with the rest of the team.

Farid

I feel working at tobam is the opportunity to work in an international and friendly atmosphere, where passionate people continuously innovate and research in order to find the best solutions for clients. People here are truly passionate and willing to share their ideas, which stimulates my intellectual curiosity.

Matthieu

PROMOTION OF SOCIAL PROGRESS 03.

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 for the benefit of 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 & 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...).



PROMOTION OF SOCIAL PROGRESS 04.

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 10 years, TOBAM donated over €2 million to Non-Governmental Organizations. We will continue doing so: in our mind, it is more than aligned with the long term financial and economic interest of our clients.

TOBAM notably sponsors "Human Rights Watch" since 2015 and is one of the largest corporate donor 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, 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 through which it will implement a strategic litigation strategy. TOBAM takes pride in kickstarting the project in 2020 with initial funding round.



TOBAM's commitment and partnership mean a great deal to our organization, especially in these challenging times. I am deeply grateful for TOBAM's tremendous support for our work in Ukraine and our colleagues in Lebanon. It is just the latest indication of your extraordinary dedication to our cause. Thank you for standing with us.

Kenneth Roth, Executive Director, HRW



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 such as that of Daphne Caruana Galizia, a Maltese journalist murdered in 2017, Jamal Khashoggi, a Saudi journalist murdered in Turkey, and Amadou Vamoullé, a Cameroonian journalist arbitrarily detained for more than 5 years!

Antoine Bernard, RSF Director, Advocacy and Strategic Litigation

This solidarity-based mechanism - that directly connects investment and philanthropy - was rewarded in 2014 by Axylia, which awarded the "Profit for Non Profit Special Award" to TOBAM's Anti-Benchmark Emerging Markets Equity Fund.



For more information, please read interviews pages 51-60

PROMOTION OF SOCIAL PROGRESS 05.

The Youth Sponsoring Project

"La valeur n'attend point le nombre des années", wrote Pierre Corneille in *Le Cid**, and this mirrors TOBAM's early years and its set of mind since its beginnings: Think out of the Box.

*: Act II , Scene II (the Count, Don Rodrigue): "Valour's no need of years, a thing apart"

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

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

Justin Bécrot, one of the most promising young surfers in the world.



TOBAM started to sponsor Justin, back in 2017 when he was only 16.

Born in Bayonne (South West of France) in 2001, Justin grew up with his feet in the sand, between lake, forest and ocean.

25 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..) is the key to his success.

In 2022, Justin has been selected to join the highly prestigious and is looking to participate to the Olympic games in Paris in 2024.

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



Aurélia Boulanger, Engineer & Athlete

We are really proud to introduce a new beneficiary of the Initiative, Aurélia Boulanger, a very talented young triathlete.

Aurelia just graduated as an engineer, specialized in urban planning and sustainable buildings.

She started her triathlete career in 2018, and became the winner of the 2019 French long distance triathlon.

TOBAM is proud to support a female athlete, in a sport that is less prone to media attention but requires an absolute dedication and commitment to trainings and competition.

Her objective this year is to qualify for the Triathlon 70.3 World Championship, due to be held on December 2022 in New Zealand. This "half-Ironman" is a long-distance triathlon race consisting of 1.9km swim (1.2 mile), 90km bike (56 miles), and 21.1km run (13.1 miles) !

Aurelia's dedication to her sport, trainings and objectives sets a high example for all of us. We are happy to support Aurélia for her future endeavours!



PROMOTION OF SOCIAL PROGRESS 06.

Contemporary Art Collection

TOBAM initiated its contemporary art collection in 2010, a few years after its creation. "Uberall" by Dutch artist, Bart Domburg was bought in 2010, at a Christies' auction of Lehman Brothers Artwork and was the first piece to enter TOBAM's collection. TOBAM now owns several contemporary art masterpieces in its Paris office from various international artists, emerging as well as more recognized ones. Faithful to its name, TOBAM supports artists that have a creative thinking, a divergent production process, artists that Think Out of the Box. But most importantly, each masterpiece selected resonates with TOBAM's investment philosophy, or with our research-driven corporate culture.

Uberall,

by Bart Domburg, acquired in 2010.

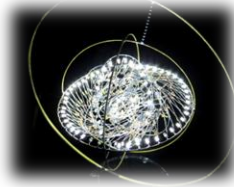


Fat Lady,

by Zhang Hongbo, acquired in 2011.

A birth of a star,

by Alain Le Boucher, acquired in 2015.



The Windows of la Défense,

by Anne McAulay, acquired in 2011.



Image incurable n° 1

by Jacques Monory, acquired in 2016.



Untitled,

By Stevens Dossou Yovo, bought in 2014.

Sans Titre

By Joël Andrianomearisoa
Acquired in 2018.



Mixed Media on Paper,

By Mohamed Lekleti, bought in 2019.



Clockwork Cloud,

by Alain Le Boucher, acquired in 2017.



Martin Luther King & Rosa Parks,

By Roméo Mivekannin, bought in 2021.

Out of the Box,

by Anne McAulay, acquired in 2018.



APPENDIX.

ESG Key Performance Indicators

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APPENDIX 01.

ESG 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, in accordance with GRI G4 standards.

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, labor rights, the environment and the fight against corruption.

Criteria	Indicator name	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	Description of the indicator
Organisation	Number of employees	52	48	51	54	49	48	40	30	17	16	15	Number of employees
	Location of TOBAM's headquarter	PARIS (FRANCE)											
Investments & Product overview portfolio	Numbers of countries in which TOBAM operates	6	6	4	4	4	7	5	2	2	1	1	Assets under management
	AUM (Million USD)	9.46	10,161	8,491	9,773	9,519	7,969	7,994	7,709	5,568	2,790	1,933	
	Listed equity investments	93%	>95%	>95%	>95%	>95%	>95%	>95%	>95%	>95%	>95%	>95%	Percentage of AUM invested in listed equity
	Commodity investments	0%	0%	0%	0%	0%	0%	0%	0%	<-5%	<-5%	<-5%	Percentage of AUM invested in commodities (futures)
	Bonds & Multi Asset investments	7%	<-5%	<-5%	<-5%	<-5%	<-5%	<-5%	<-5%	<-5%	<-5%	<-5%	Percentage of AUM invested in bonds
Emerging markets investment area	30%	33%	35%	28%	32%	25%	26%	23%	19%	14%	15%	Percentage of AUM invested in emerging markets	
RI IMPLEMENTATION													
Responsible Investment Implementation	Negative Screening	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 ¹	100%	100%	100%	100%								As a % of Anti-Benchmark® Strategies & MaxDiv® based strategies subject to carbon footprint reduction
	ESG Footprint Monitoring	100%											As a % of Anti-Benchmark® Strategies & MaxDiv® based strategies subject to ESG Monitoring
	Fossil Fuel Free Strategies & Paris Aligned	44%											As a % of Anti-Benchmark® Strategies & MaxDiv® based strategies Fossil Fuel Free
ACTIVE OWNERSHIP													
Voting Rights in General meetings	Engagement interactions with companies	199	319	401	82	168							Number of interactions with companies ²
	General meetings voted	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%	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	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

¹: the implementation of the carbon footprint reduction to the fixed income and multi asset strategies happened only in June 2019 and is, as such, not accounted for in the table as of end of december 2018.

²: Engagement interactions include letters sent to firms non disclosing to CDP, to firms blacklisted, to specific engagement actions taken solely by TOBAM or in collaboration with ISS. Collaborative engagement accounting for app 900 engagement per year is not disclosed in this figure.

Criteria	Indicator name	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)	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	25%	27%	24%	24%	22%	25%	27%	29%	17%	17%	19%	As percentage of permanent staff (end of year)
	Number of different nationalities	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	Total number of discrimination incidents
Labour / Talent retention and career management	Employee turnover	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%	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%	100%	81%	100%	100%	100%	67%	33%	50%	22%	9%	% of women/men who have received at least one training in the year
	% of men trained	100%	100%	96%	90%	95%	71%	38%	21%	16%	18%	13%	
	Hours of training per employee	11.0	13.0	9.2	9.6	4.2	7.5	2.7	3.5	1.8	2.9	1.6	Average hours of training per year per employee
Labour / Worklife balance and quality	Paternity Leave		100%	100%	100%	100%	83%						% of men entitled to a paternity leave ² in the year that actually took it
	Absenteeism ³	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)
	Birth Rate	0%	10%	12%	3.7%	10%	15%	10%	6%	10%	12%	25%	Number of children employees have had during the period per employee
Health & Safety	Red Cross / Fire Evacuation	13%	29%	71%	66%	48%	46%	69%	77%	61%			% of staff trained at least in the past three years
	Posturing/Ergonomics Training ⁴	27%	44%	0%	50%	59%	69%						% of staff trained at least in the past three years
Labour / Attractiveness and Recruitment	Percentage of employee shareholders	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%	90%	78%	73%	73%	73%	80%	71%	71%	70%	83%	% of TOBAM's shares held by employees
Labour / Social Dialogue	President & Employees Representatives Meetings	3	11	11	10	12	9	4	7	10	8	2	All employees information meetings (held before 2014 but no record kept)
	Town Halls Meetings	10	8	6	8	9	9	6	4				
	Collective bargaining agreements	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	€ 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

¹: Are included in the trainings, only sessions likely to support employees careers and expertise. Are hence excluded: Redcross trainings & money/laundrying 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-absentism. Total work days include paid holidays

⁴: Posturing training to 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

Criteria	Indicator name	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	Description of the indicator
ENVIRONMENTAL PILLAR													
Materials and Waste	Paper used (metric Tons)	0.41	0.05	0.63	1.1	2.4	1.2	1.2	1.6	2.0	2.0	2.2	Materials used by weight or volume
CO2 Emissions	Total Carbon Emissions per employee	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	254	253	418	479	444	154	158	102	40.0	40.0	45.0	Consumptions in equivalent metric tons of CO2
	- Business Trips ¹	5	6	21	21	17	16	17	10.0	20.3	21.5	13.1	Ratio of carbon emissions in metric tons of CO2 on AuM bn (Flights, Rail, Taxis, Accommodations)
	- Employees commutation	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	62.3	70	177	178	168	10.5	13	15.7	10.0	10.0	10.1	
	- Other	139	120	63	84	109	9	9	5	5	5	6	
CO2 Emissions offset	Carbon emissions Offset by TOBAM	990.0	989.0	1388.0	1514.0	500.0	231.0	119.0	150.0	60.0	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	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	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%	Percentage of TOBAM's employees trained on Anti-Money Laundering policies and procedures in the last two years of presence.
	Training hours / employee / year	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

APPENDIX.

ESG Key Performance Indicators

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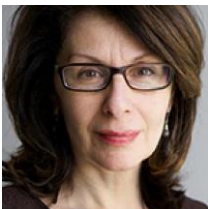
HRW CONFERENCE AT TOBAM IN FEBRUARY 2022 01. (transcript)

The work of Human Rights Watch is non-profit and non-governmental. Their organization is made up of 580 staff members worldwide across 70-plus nationalities consisting of country experts, lawyers, journalists and academics - all of diverse backgrounds and nationalities. With over 100 reports and briefings produced each year (all of which can be found on their website - www.hrw.org), their invaluable work is unrivalled.

The beginning of the year 2022 was the occasion for Human Rights Watch to hold a conference addressing TOBAM employees. This conference was organized before Russia attacked Ukraine and the war started. The conference was an update to TOBAM on the recent progress and achievements of the HRW group, as well as to familiarize TOBAM's staff with the initiative set up by TOBAM and Human Rights Watch.

TOBAM staff received an update on the continuing mission in Ukraine that the firm has supported since the beginning of this partnership. All TOBAM attendees were encouraged to participate in the discussion and to voice any opinion or idea they may have had.

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, disappearances in Crimea.



Rachel Denber
*Deputy Director
Europe and Central Asia Division*



Hugh Williamson
*Deputy Director,
Europe and Central Asia Division*

HRW CONFERENCE AT TOBAM IN FEBRUARY 2022 (transcript) 02.

HRW's Ukraine office opened in 2015 and has been very busy since then. What is the latest news in Ukraine regarding human rights?

The first thing to say is thanks so much for your very generous support for our work.

Thanks to TOBAM's generous support, we have been able to open an office in Kyiv in January 2015, composed of two staff members. This office has proved to be instrumental for our monitoring of the Ukrainian conflict - as we used to monitor the conflict from Moscow - and has offered us new opportunities for research and advocacy with officials and local activists.

As you probably know, there is a major crisis currently developing in Ukraine. It's a crisis of coercive diplomacy, with Russia trying to push the United States to make certain commitments to limit the North Atlantic Treaty Organization (NATO) expansion in Europe.

Russia is trying to get the world back to a situation similar to the Cold War. However, it is very hard to say what they really expect out of this crisis. On the one hand, military experts seem to think that there is an onward move towards military action, while Russia based political experts aren't so sure. Is Russia going to invade Ukraine? Is there going to be more military action? There has been Russian military interference in Ukraine for the past eight years. So far Russia has been supporting the annexation of Crimea, which is part of Ukraine, and has supported a separatist movement.

What Human Rights Watch has been focusing on is the humanitarian outcome of the situation.

One of the worst violations that Russia has been perpetrating is the detention and torture of Ukrainian civilians because they're seen as pro Ukrainian, or because they travel too much to the government-controlled side of Ukraine.

Russian authorities have also conscripted males in occupied Crimea to serve in Russia's armed forces, in violation of international humanitarian law. The authorities imposed criminal penalties against those who refused to comply with the draft.

At this point, the persecution in Crimea against people who criticize the occupation is pretty much limited to a local ethnic group, Crimean Tatars. Crimean Tatars are a Muslim ethnic minority indigenous to the Crimean Peninsula. Many openly oppose Russia's occupation, which began in 2014.

So documenting these abuses and acts of torture, documenting the holding of civilians has been a big priority for us. A lot of our work consists in documenting and letting the world know about these issues.

HRW CONFERENCE AT TOBAM IN FEBRUARY 2022 (transcript)

02.

For nearly a decade, Russian authorities have used their power to increasingly restrict space for civic activity and penalize group leaders. Could you please tell us more?

Since 2012, there has been, in Russia, a very concerted effort to intimidate civil society, to intimidate critics and journalists. But in recent years, the government has increased its influence on the media, on journalists, the political opposition, even on comedians or any other people with a nonconformist public standing.

The Russian government carried out a couple of laws, like the Foreign Agents Law, to restrict the Freedom of Speech. This so-called "Foreign Agents" Law, passed in 2012 and repeatedly expanded, allows the Justice Ministry to label groups or individuals "foreign agents," exposing them to fines and harassment that stymie their work.

A bill introduced in Russia's parliament in 2020 further restricts the ability to function of independent groups that are already suffocating under the restrictive "foreign agents" law. For instance, the bill imposes an obligation on domestic nongovernmental groups designated "foreign agents" and foreign groups represented in Russia to submit documentation in advance to the authorities for any project they are planning and then report on its implementation or provide an explanation if it fell through.

Another case in point of Russian authorities' intimidation strategy is opponent Alexei Navalny's persecution. Over the years, the Kremlin has built a simulated democracy with a series of ersatz-opposition parties while barring Navalny's party and impeding others. The FSB (Russian secret service) apparently attempted to kill Navalny with a Novichok nerve agent, and then arrested Navalny after he returned to Moscow for violating his parole agreement while getting medical treatment in Germany.

The situation of human rights in Russia's neighbor Belarus is also worrying.

In 2020 Alexandre Lukashenko's election was followed by massive outpouring of protests, hundreds of thousands of people. Belarusian authorities unleashed an unprecedented crackdown against civil society: they escalated smear campaigns and prosecutions against political and civic activists, independent journalists and human rights defenders on trumped up, politically motivated charges. Lukashenko announced a "purge" of civil society, and the authorities went on a rampage shutting down dozens of independent mass media outlets and human rights groups, including the most prominent ones in the country.

HRW CONFERENCE AT TOBAM IN FEBRUARY 2022 (transcript)

02.

The Human Rights situation in Western Europe

On the western front, what are the main topics and causes for concern, as France is taking over the presidency of the European Union?



Philippe Dam,
*Advocacy Director
Europe and Central
Asia Division*

Human Rights Watch have recently addressed - on a number of issues - European Union institutions and particularly the French government, given its role as rotating President of the European Council. Particularly, we've seen both in Hungary and Poland an overall attack on EU democratic values, with courts being undermined and media being restricted.

In both countries, we've seen that governments have increased pressure via legislation, policies and hostile rhetoric towards women's and LGBT's rights. France can make a difference by using its presidency to strengthen the scrutiny on both countries. France could also leverage the power of European institutions, to condition access to certain EU funding to the respect for human rights and democratic values.

Another area where a lot is at stake is migration policy. We documented a number of migrant pushbacks, in particular in Greece and Croatia, which are illegal in nature because they prevent people from applying for asylum in the EU. What we want to do is to ensure that migration policies are taken as a human rights concern and not just as a migration policy, which can seem abstract for EU policymakers, but also for the broader public opinion.

The European Commission has already put several proposals on the table, including one mechanism to independently monitor situations at borders: ensure illegal activities at the border are stopped as well as unjustified brutality against people who are already extremely vulnerable. We have also exposed concerns around the EU border guard agency called Frontex. Our concerns come from the fact that this agency failed to safeguard people against serious human rights violations at the EU's external borders. In Greece, evidence has come to light since October 2020 that Frontex played an active role in concealing and supporting pushbacks of migrants at the land and maritime borders with Turkey.

We have engaged with the European Commission to make sure that reforms are implemented to protect people from unjustified abuses. We really believe that the French government can help by putting fundamental rights at the top of EU's Agenda.

HRW CONFERENCE AT TOBAM IN FEBRUARY 2022 02. (transcript)

Presidential elections are coming up in France in a few weeks. In general, how do you make sure your voice is heard in presidential elections?

It is a topic that we've discussed a lot recently at HRW.

For the previous French presidential elections in 2017, we sent a questionnaire to all the candidates in the first round seeking responses to a range of human rights issues. We then compared their positions and statements on rights and also compared with our own recommendations at HRW.

For the coming elections, we are working hand in hand with other NGOs like Amnesty International to have a consulted approach and create a series of questions that voters could ask themselves before casting their ballot. We are also putting together a series of recommendations to the candidates.

More generally, in every election across the world, human rights should be a key topic to debate. From local schoolboard elections to presidential ones, voters have the chance to choose candidates who will fight for all people's human rights. Our aim is to help voters screen the different political programs with a human rights angle and use our voice to raise awareness of human rights issues that seem critical to us.

APPENDIX.

ESG Key Performance Indicators

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Human Rights Watch
Update Ukraine February 2022

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Youth Sponsoring Initiative
Engineer and Triathlete

58.

APPENDIX 03.

ENGINEER AND ATHLETE: MEET AURELIA BOULANGER

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

Meet Aurélie Boulanger

CAN YOU TELL US A BIT MORE ABOUT YOURSELF AND HOW DID YOU GET INTO THE WORLD OF ATHLETICS?

I am an engineer in the urbanism and sustainable building sector.

I arrived here by chance. In fact, I was not particularly athletic, and I challenged myself to run a half-marathon in less than 1 hour 45 minutes. I didn't succeed but and so wanted to improve my performance. A friend told me about a triathlon, and I participated in the triathlon at Troyes, France where I was studying and in doing so, I discovered myself a passion for this sport.

I did pretty well in my first race which encouraged me to join a club.

I quickly progressed and started to win many races.

HOW DOES IT FEEL TO BE A WOMAN IN A MAN'S WORLD?

It is not exactly a man's world. In my club for example, there are 30% women, which is not bad. However, we meet less of them during the competitions. Many of them practice only for leisure and don't feel the need to compete. I think that women don't have the same ego as men and don't need to compete in order to grow in a sport. For me, competition has allowed me to grow and being a woman has not penalized me.

HOW DOES IT FEEL TO BE A TOP ATHLETE?

Attaining good results encouraged me to continue competing: the second triathlon I did I finished first female and then I kept on going on the podium. After that I was caught up in it: you always want to do better. It is still the case now; I try to go higher and higher. Nowadays, I really have a professional approach, I pay more attention to my nutrition, I am coached... My objective this year is to qualify to participate in the Triathlon 70.3 World Championship (1.9km swim, 90km bike, 21.1km run).

IS THERE ANY MESSAGE YOU WISH TO CONVEY IN YOUR PRACTICE OF SPORT?

If you are looking for a challenge to go beyond your limits et live an adventure, triathlon is for you. The challenges that you set for yourself will only make you stronger, more relaxed, and less stressed. For me, triathlon is my daily source of motivation.

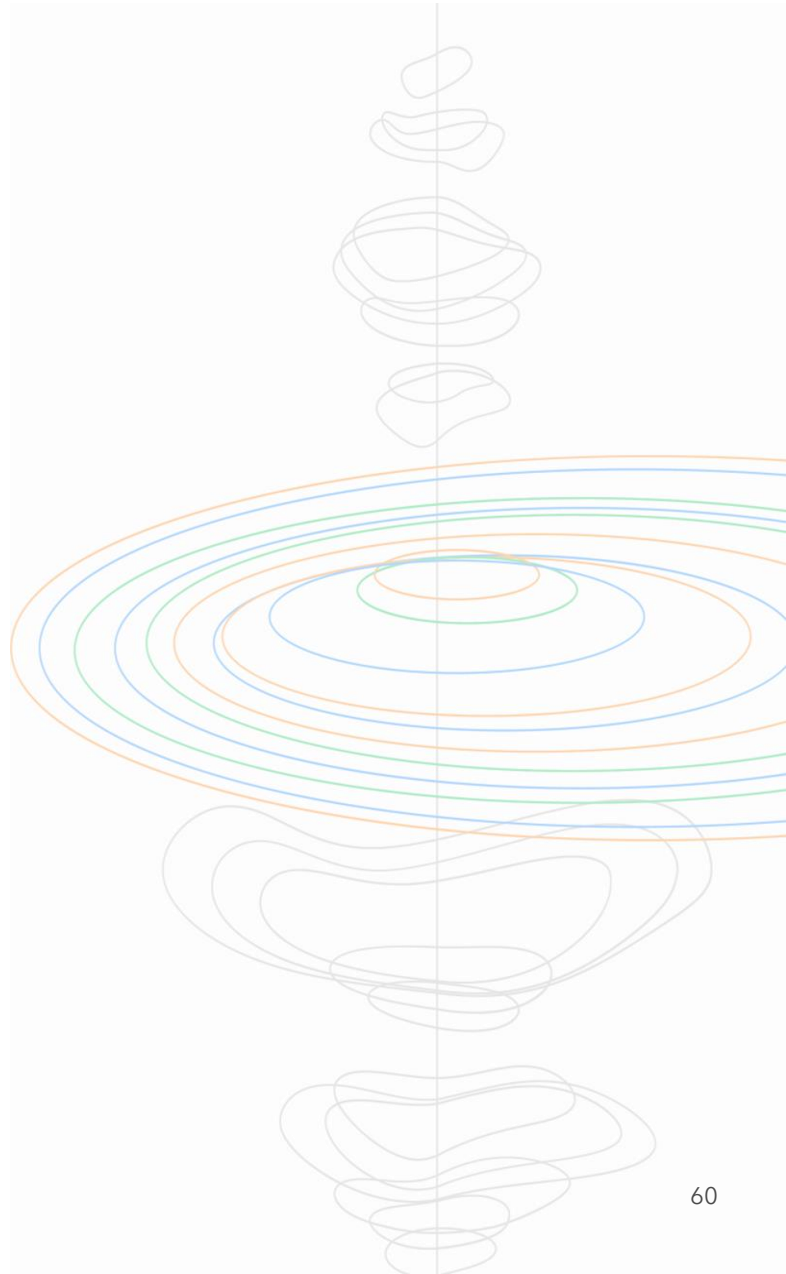


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TOBAM is an asset management company offering innovative investment capabilities designed to increase diversification. Its mission is to provide rational and professional solutions to long term investors in the context of efficient markets.

The Maximum Diversification® approach, TOBAM's flagship investment process founded in 2006, is supported by original, patented research and a mathematical definition of diversification and provides clients with diversified core exposure, in both the equity and fixed income markets.

In line with its mission statement and commitment to diversification, TOBAM built a separate research and portfolio management activity on digital assets and DeFi in 2016.

TOBAM manages close to USD \$10 billion (at December 31, 2021). TOBAM's team is composed of 51 professionals.

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