

OBAM N.V. Sustainability Report 2022 Q4



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Key Performance Indicators (KPIs)

OBAM N.V. qualifies as “article 8 SFDR Fund”, meaning OBAM promotes environmental and social characteristics (provided that the portfolio companies follow good governance practices) but has no sustainable investment objective. The table below describes how OBAM N.V. promotes environmental and social characteristics and how this translates to KPIs. The actual figures are updated per ultimo 4Q22.

#	Promoted E/S characteristics	Metric (sustainability indicator)	KPI		Actual Figure (per ult. 4Q22)
1	Limiting investments in companies involved in business activities that are incompatible with our sustainable investment strategy	The number of portfolio companies on our exclusion list	No portfolio companies which are on our exclusion list		There are zero portfolio companies which are on our exclusion list
2	Promoting adherence to and conducting business activities in accordance with the UN Global Compact Principles	The number of portfolio companies (at risk of) violating the UN Global Compact Principles	100% of the portfolio companies should comply with the UN Global Compact Principles		100% of the portfolio companies comply with the UN Global Compact Principles, including 2 watchlist companies
3	Limiting investments in companies with an elevated sustainability risk based on ESG-risk scores	The number of portfolio companies with a high risk or severe ESG-risk score	Maximum exposure of 15% to investments with a high or severe ESG risk score based on the market weight in the portfolio		3.6% exposure to investments with a high ESG risk score based on the market weight in the portfolio. There are no severe ESG risk names in portfolio.
4	Promoting having a weighted average ESG risk-rating that is better than that of the benchmark	OBAM's weighted average ESG-risk rating compared to the benchmark	Better than the benchmark weighted average ESG risk-rating		The weighted average ESG risk-rating score of the portfolio is 18.3 vs benchmark 21.9
5	Promoting having a substantially lower CO2 footprint than the benchmark	OBAM's CO2 footprint (ton Co2eq per million invested) compared to the benchmark	The OBAM CO2 footprint is at least 40% lower than the benchmark		The OBAM CO2 footprint is 83% lower than the benchmark



Engagement Activities

Engagement activities

Engagement can be performed in various ways, such as: entering into dialogue discussions or initiating or supporting joint engagement initiatives. OBAM is convinced that a collective of investors with the same vision can make a greater impact. At the end of December 2022, there are no companies in the portfolio of OBAM that violate one or more sustainability principles i.e. all our portfolio holdings are compliant. Out of 51 positions, at the end of December 2022, in the OBAM portfolio, there are 2 positions (Amazon and Activision Blizzard) that we keep a close eye on (“watch list”). Therefore our (collective) engagement activities are focused on these particular companies. In case Amazon and Activision Blizzard are not able and/or willing to change their behaviour with regards to our sustainability principles, the company may be excluded from our investment universe.

Engagement with Amazon

Amazon has also faced allegations of poor and stressful working conditions that have negatively affected the mental health of many of its warehouse workers. Over the past several years, Amazon has been implicated in an exceptionally high number of serious workplace injuries and fatalities, particularly in its warehouse operations in the US, and it has been linked to fatal accidents caused by its contractors’ delivery drivers. Amazon does report on some of its safety improvement initiatives and training programmes; however, the effectiveness of these measures remains to be seen. Hence, we keep Amazon on our “watchlist”. During 4Q22, no specific engagement activities with Amazon took place, as the company seems resistant to holding follow-up engagement calls. The company has requested the questions proposed for the next engagement call so it can decide whether to agree to a conference call. These questions have been sent and, if the company is not agreeable, further steps will be considered to bring the company into conversation on the substantive issues of the case. In previous quarters Amazon has been contacted several times to discuss occupational health and safety issues, as well as freedom of association at its facilities, however, currently the results of this engagement are very marginal. Nevertheless, we persist and will continue the dialogue with the company.

Engagement activities

Engagement with Activision Blizzard

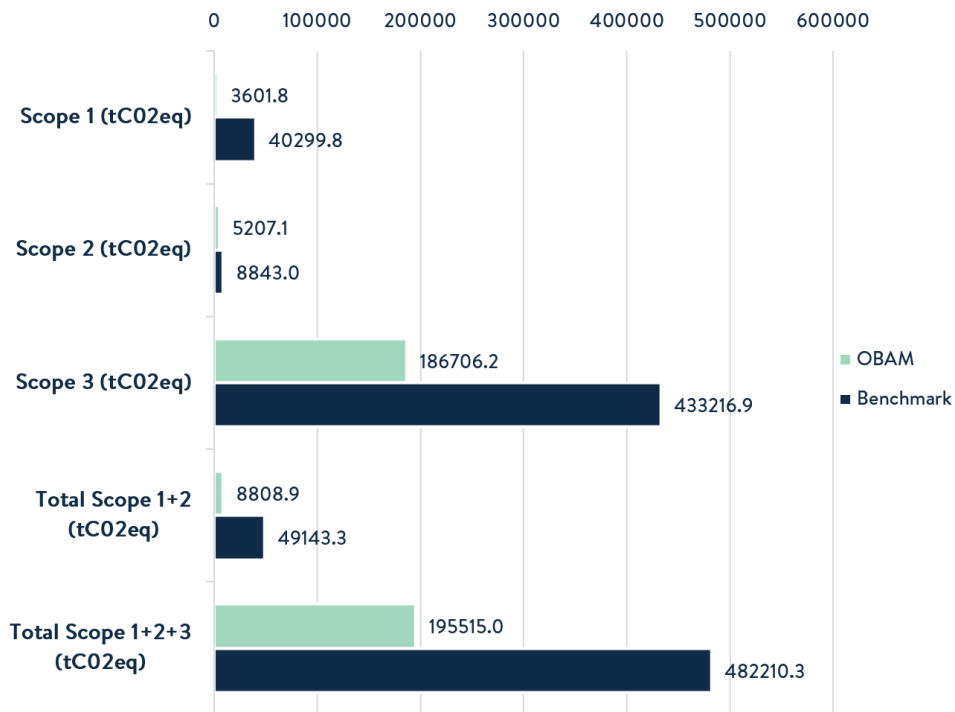
Activision Blizzard is dealing with allegations of sexual harassment and discrimination against female employees at the company. The CEO acknowledged the issue and stated that action would be taken to address it. However, progress on collective engagements are currently paused due to the company being in the process of being acquired by Microsoft. Nevertheless, we proactively contacted the company and concluded the allegations were badly handled at first, resulting in an unrest at its employee basis. The company seems to have improved its processes and putting in place new targets. One government institute seems happy with the measures taken and settled with a fine. The other did not, but it is unclear why, as they have still not filed anything. We will continue to monitor the developments.



SFDR Principal Adverse Impact Indicators

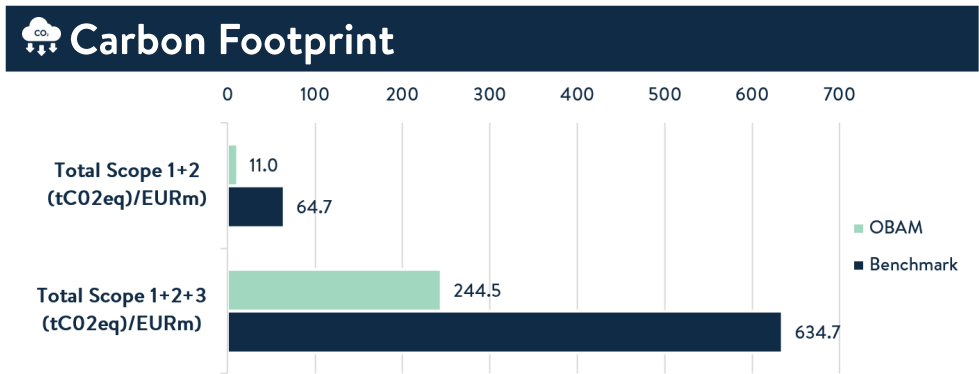
Greenhouse Gas Emissions (1/5)

GHG Emissions

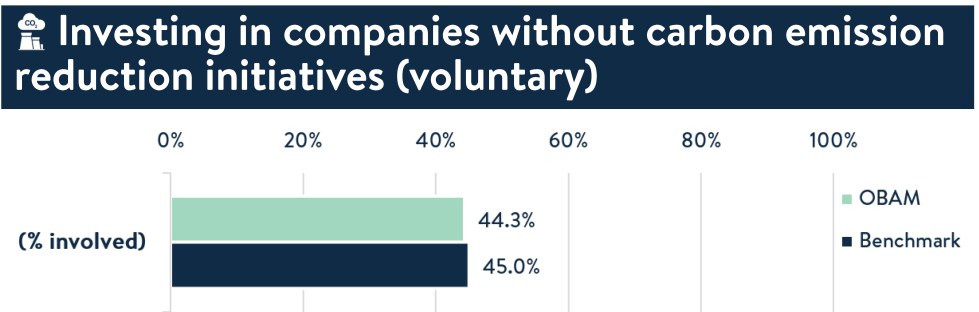


The GHG Emissions of the OBAM Portfolio (OBAM N.V.), based on Scope 1+2 and Scope 1+2+3, are both significantly lower than its Benchmark (MSCI AC World).

Greenhouse Gas Emissions (2/5)



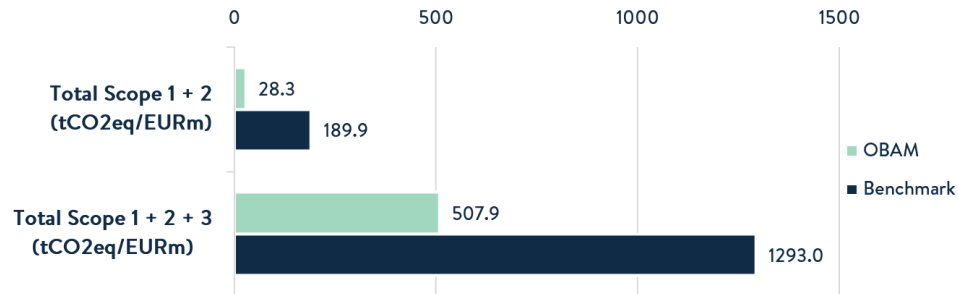
The Carbon Footprints of the OBAM Portfolio based on Scope 1+2 or Scope 1+2+3 are both significantly lower than its Benchmark.



Furthermore, the percentage of Companies “without Carbon Emission Reduction Initiatives” is slightly lower for the OBAM Portfolio than its Benchmark. Many portfolio companies lack carbon emission reduction initiatives, as their often already low carbon footprint reduces the need of carbon emission reduction initiatives.

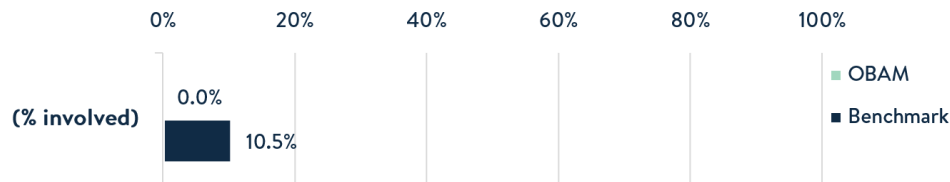
Greenhouse Gas Emissions (3/5)

GHG Intensity of Investee Companies



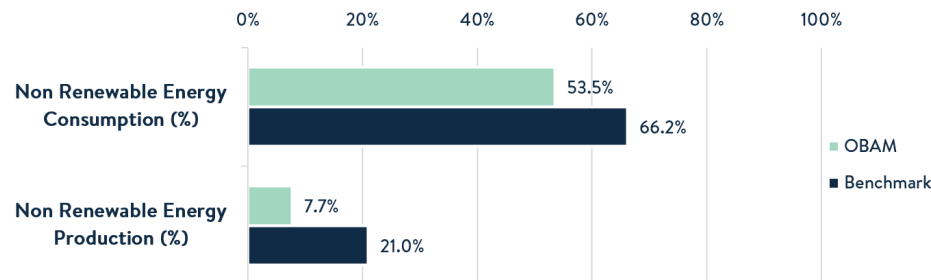
The GHG Intensity of the OBAM Portfolio, per one million Euros invested, based on Scope 1+2 and Scope 1+2+3, are both significantly lower than its Benchmark.

Fossil Fuel



The OBAM Portfolio is not involved in Fossil Fuels.

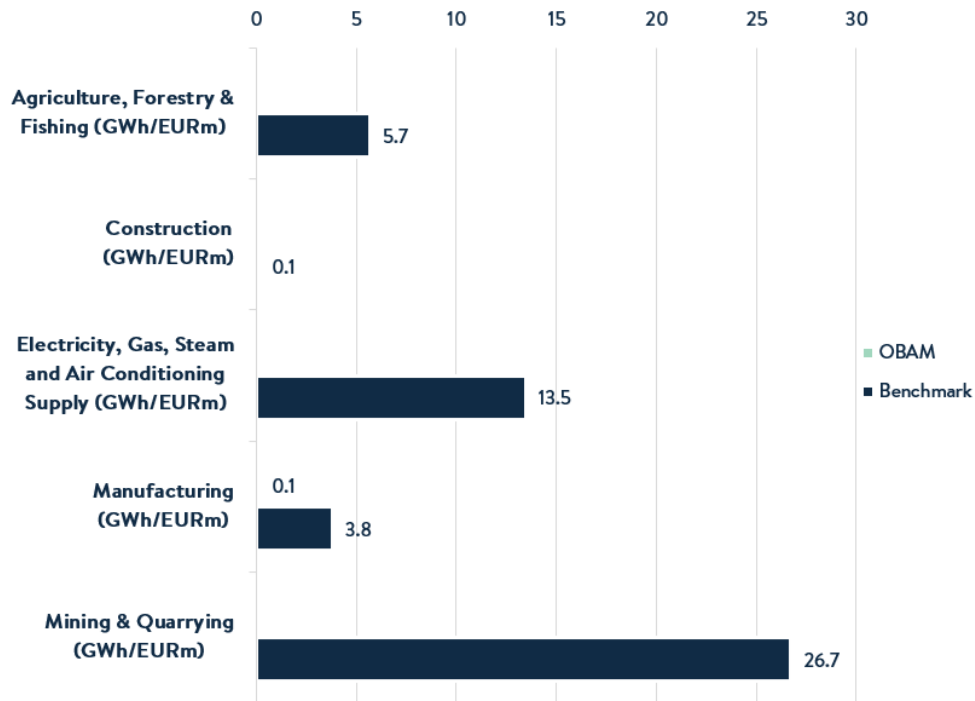
Non-renewable Energy



OBAM's shares in both the consumption and production of non-renewable energy are both lower than its Benchmark.

Greenhouse Gas Emissions (4/5)

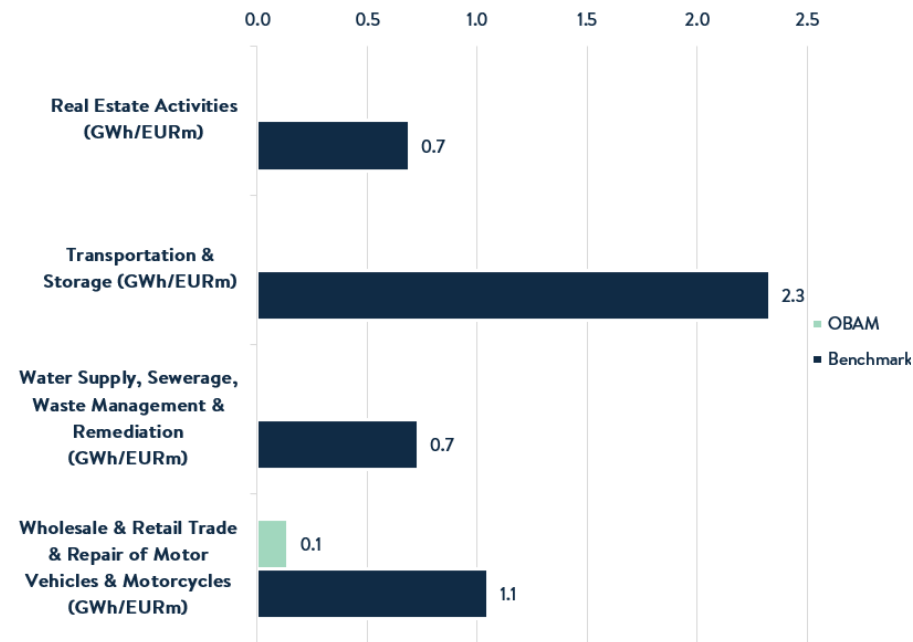
Energy Consumption Intensity (1/2)



The OBAM Portfolio has a very limited exposure towards Manufacturing activities and a lower Energy Consumption Intensity.

Greenhouse Gas Emissions (5/5)

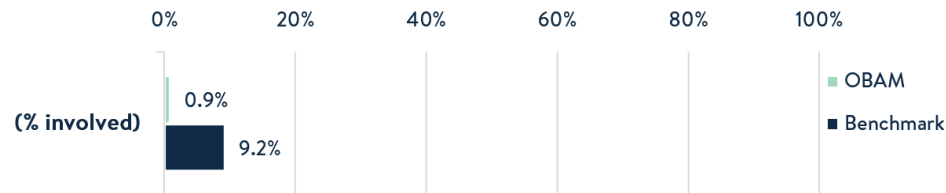
Energy Consumption Intensity (2/2)



The OBAM Portfolio has a very limited exposure towards Wholesale & Retail Trade & Repair of Motor Vehicles & Motorcycles activities and lower Energy Consumption Intensity. The OBAM Portfolio has no exposure to the other high impact climate sectors mentioned in the graph.

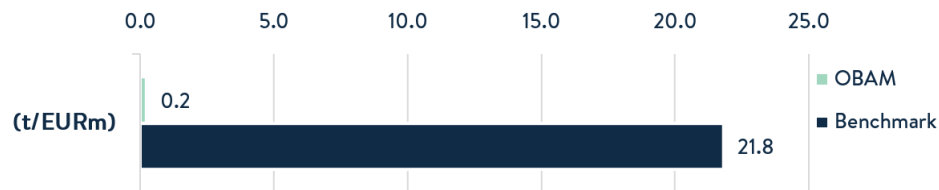
Biodiversity, Waste & Water

Negative affect on biodiversity



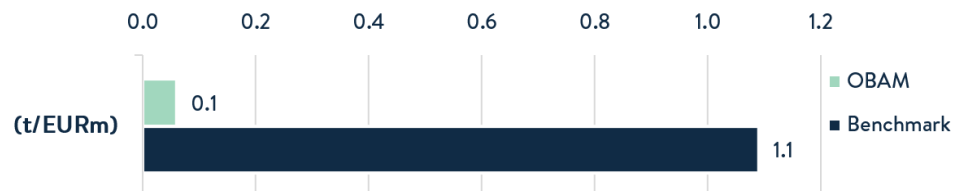
The negative affect of the OBAM Portfolio on Biodiversity is significantly lower than its Benchmark.

Hazardous Waste Ratio



The OBAM Portfolio generates significantly less Hazardous Waste than its Benchmark.

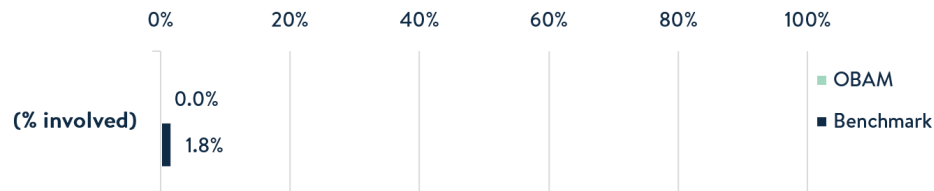
Emissions to Water



The OBAM Portfolio generates significantly less Emissions to Water than its Benchmark.

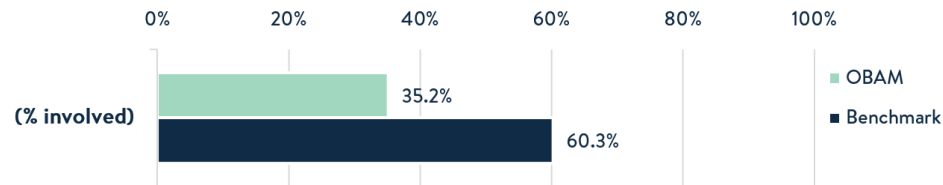
Social and employee matters (1/2)

🌐 UNGC Principles/OECD Guidelines Violations



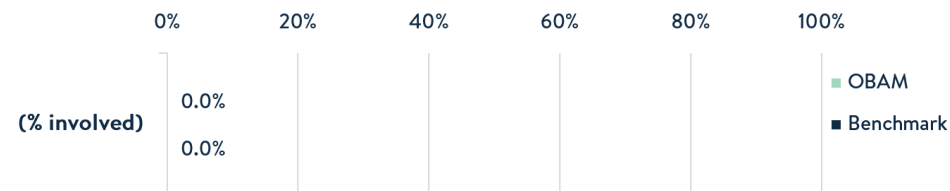
The OBAM Portfolio has no exposure to companies that violates the UNGC Principles and OECD Guidelines. The UN Global Compact is a global sustainability initiative that calls on companies to adhere to 10 principles in the areas of human rights, labour, environment and anti-corruption. We will not invest in companies that violates one or more of these UNGC Principles.

⚙️ UNGC Lack of Compliance Mechanism



In general, companies often fall short on sound mechanisms that checks and monitors UNGC Compliance, however the OBAM Portfolio is significantly less involved in companies that lack UNGC Compliance Mechanisms than its Benchmark.

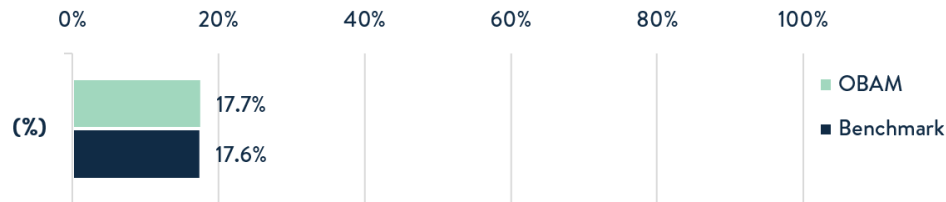
☢️ Controversial Weapons



A strict exclusion policy is applied on the basis of which (potential) portfolio companies can be excluded from the investment universe. In this context, the OBAM portfolio should have zero exposure to the controversial weapons industry at all times.

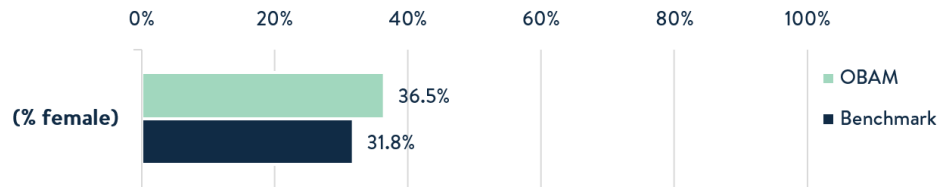
Social and employee matters (2/2)

Unadjusted Gender Pay Gap



The Unadjusted Gender Pay Gap of companies in the OBAM Portfolio is reasonably in line with the Benchmark.

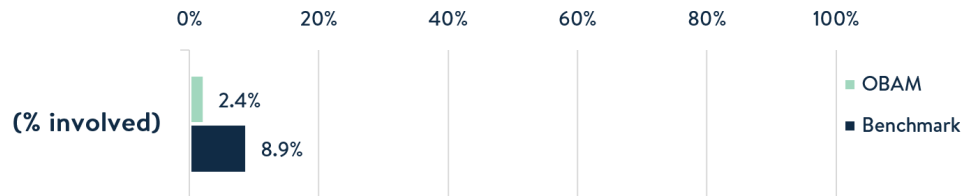
Board Gender Diversity



On average, the Company Boards of the companies in the OBAM Portfolio are more Gender diverse than the ones in the Benchmark.

Human rights

Lack of a human rights policy (voluntary)



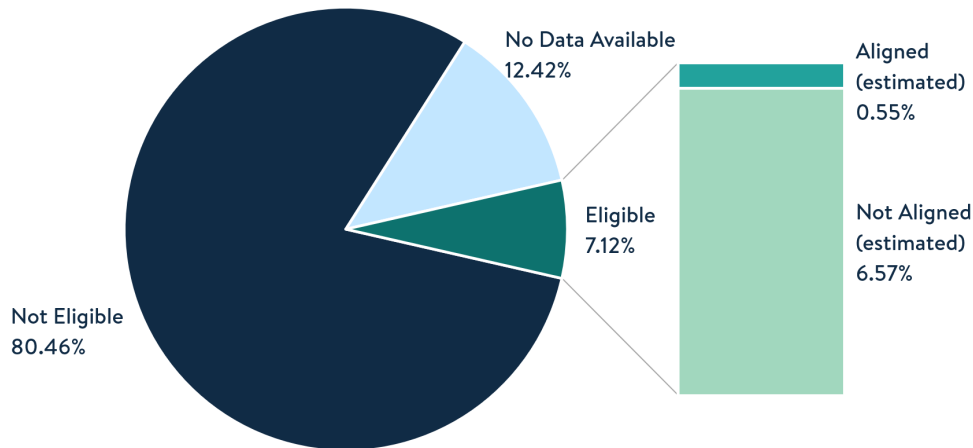
The OBAM Portfolio has a lower exposure towards companies with a lack of Human Rights Policy than its Benchmark.



EU Taxonomy

Climate Change Mitigation

Revenue



Climate change mitigation is the first environmental objective of the EU Taxonomy. It is assessed at Revenue, CapEx and OpEx level.

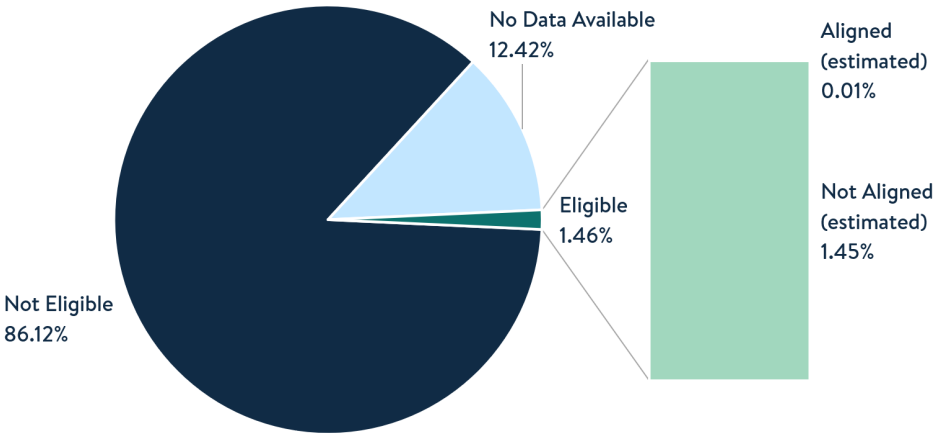
“Eligible” stands for the percentage of activities that could contribute to climate change mitigation. Eligible activities are “aligned” (and thus qualify as environmentally sustainable) if they meet four conditions, among which: “Making a substantial contribution to at least one of the six environmental objectives”.

Currently, only two out of six environmental objectives of the Taxonomy has a finalized list of eligible economic activities, among which one (Climate Change Mitigation) is finalized at our data provider (Sustainalytics). Later this year, we plan to report on the second environmental objective “Climate Change Adaptation”.

As seen in the graph, at revenue level, the majority of our portfolio's activities are not eligible for climate change mitigation. Furthermore, the majority of our eligible activities are not aligned with the Taxonomy. However, we expect more Taxonomy-aligned activities once the remaining environmental objectives are published.

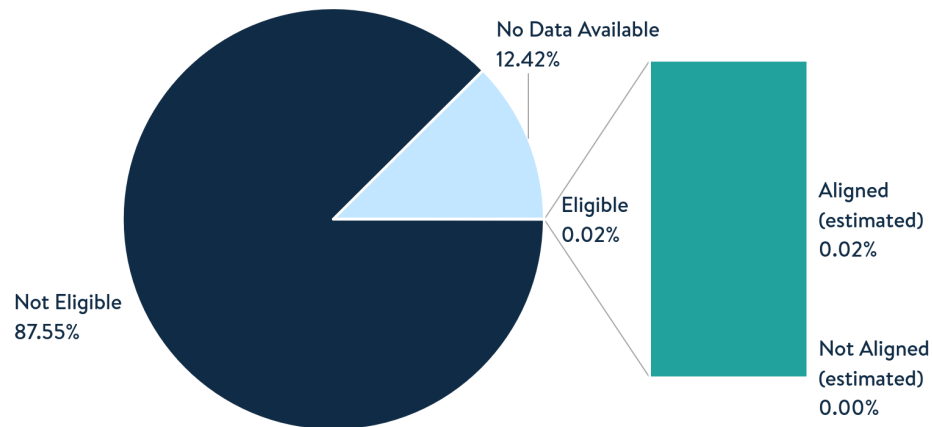
Climate Change Mitigation

 **CapEx**



At CapEx level, the majority of our portfolio's activities are not eligible for climate change mitigation. Furthermore, the majority of our eligible activities are not aligned with the Taxonomy. However, we expect more Taxonomy-aligned activities once the remaining environmental objectives are published.

Climate Change Mitigation



At OpEx level, the majority of our portfolio's activities are not eligible for climate change mitigation. Furthermore, the majority of our eligible activities are not aligned with the Taxonomy. However, we expect more Taxonomy-aligned activities once the remaining environmental objectives are published.



Proxy Voting

Summary of Proxy Voting

	Q1	Q2	Q3	Q4	Annual
Total Meetings Voted	11	31	2	1	45
Voted For Management	3	16	0	0	19
Voted Against Management (1)	8	15	2	1	26
Type of Resolution	155	405	19	20	599
Management Resolution	146	391	18	14	569
Shareholder Resolution	9	14	1	6	30
Total Management Resolutions	146	391	18	14	569
Votes For	136	372	16	13	537
Votes Against	10	19	2	1	32
Votes Abstain	0	0	0	0	0
Total Shareholder Resolutions	9	14	1	6	30
Votes For	6	8	1	3	18
Votes Against	3	6	0	3	12
Votes Abstain	0	0	0	0	0
Total votes in line with Voting & Engagement Policy (%)	100%	100%	100%	100%	100%

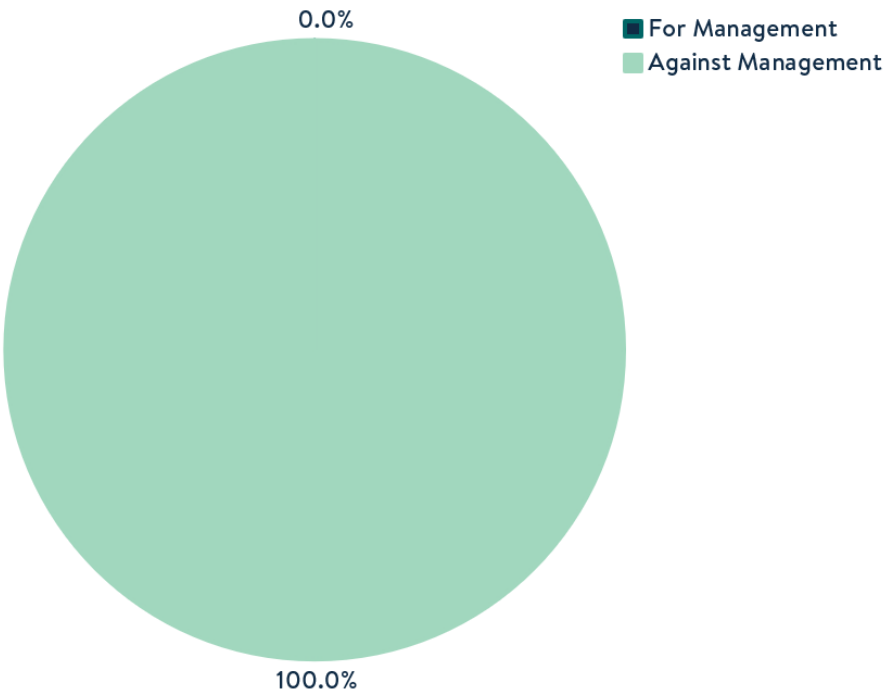
(1) opposing management on at least one resolution

Meeting voted in Q4

Meeting voted

For Management	0.0%
Against Management	100.0%

Total Meeting Voted For/Against Management

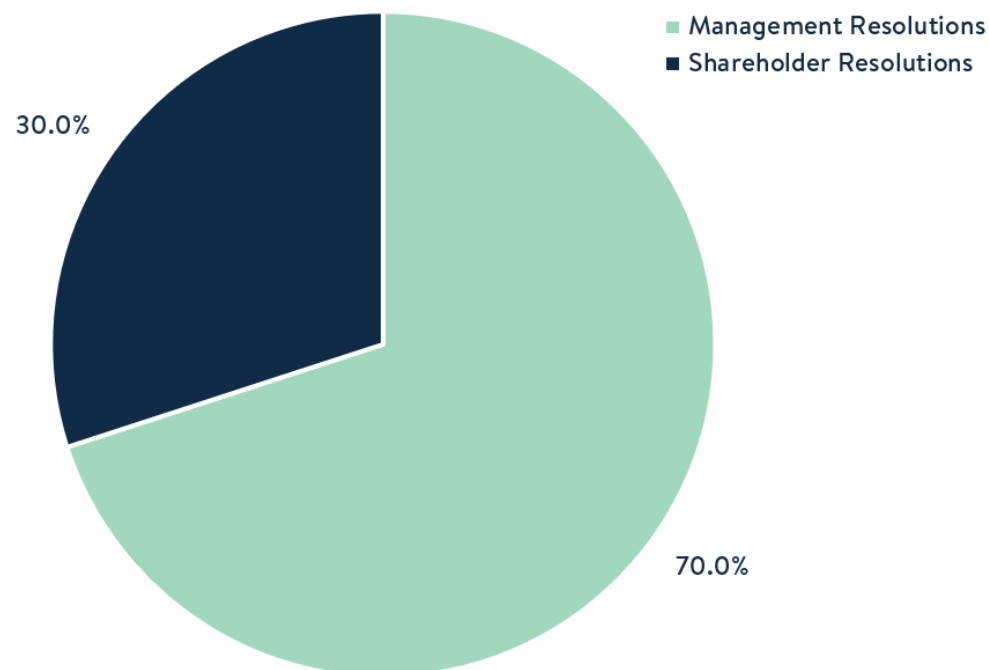


Type of Resolution in Q4

Type of resolution

Management Resolutions	70.0%
Shareholder Resolutions	30.0%

Type of Resolution Management/Shareholder

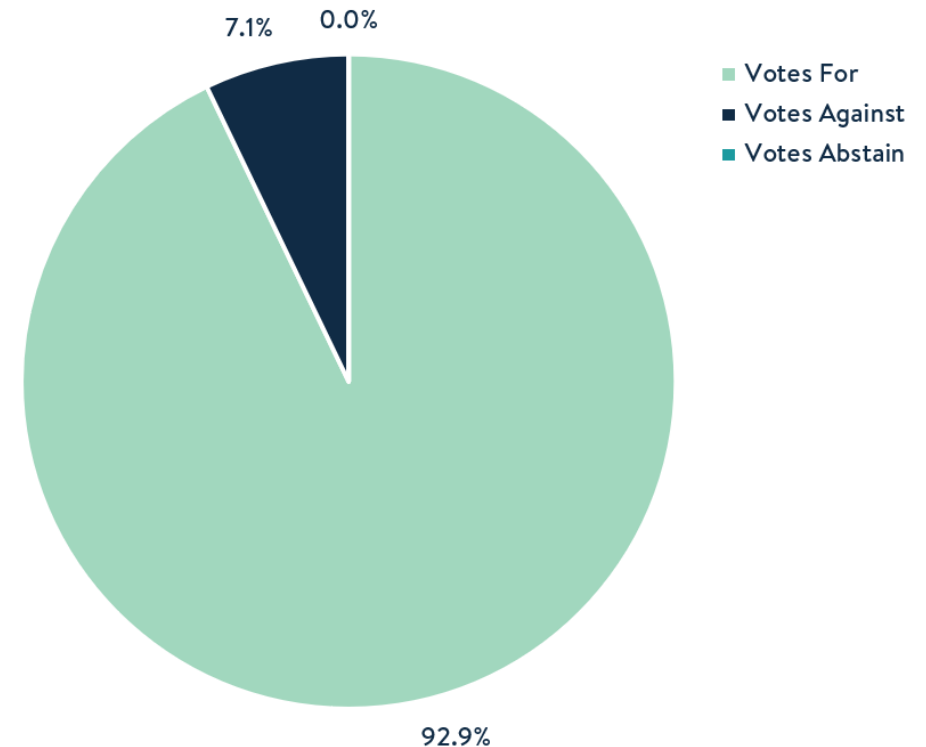


Resolutions for/against Management in Q4

Resolutions for/against management

Votes For	92.9%
Votes Against	7.1%
Votes Abstain	0.0%

Resolutions for/against management

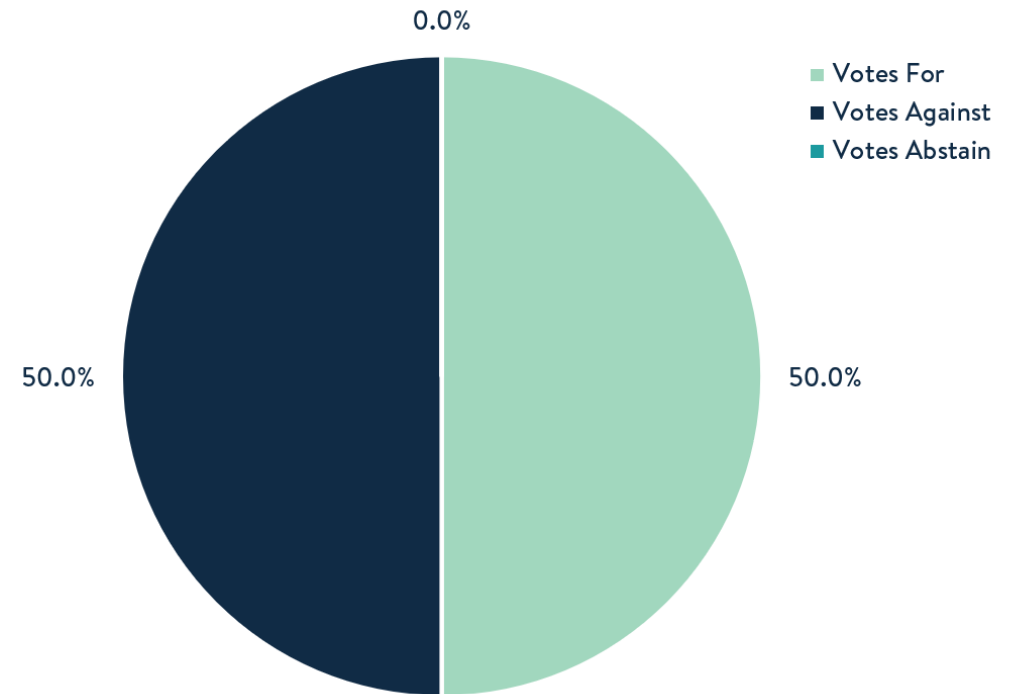


Resolutions for/against Shareholder in Q4

Resolutions for/against shareholder proposals

Votes For	50.0%
Votes Against	50.0%
Votes Abstain	0.0%

Type of Resolution Management/Shareholder Proposals

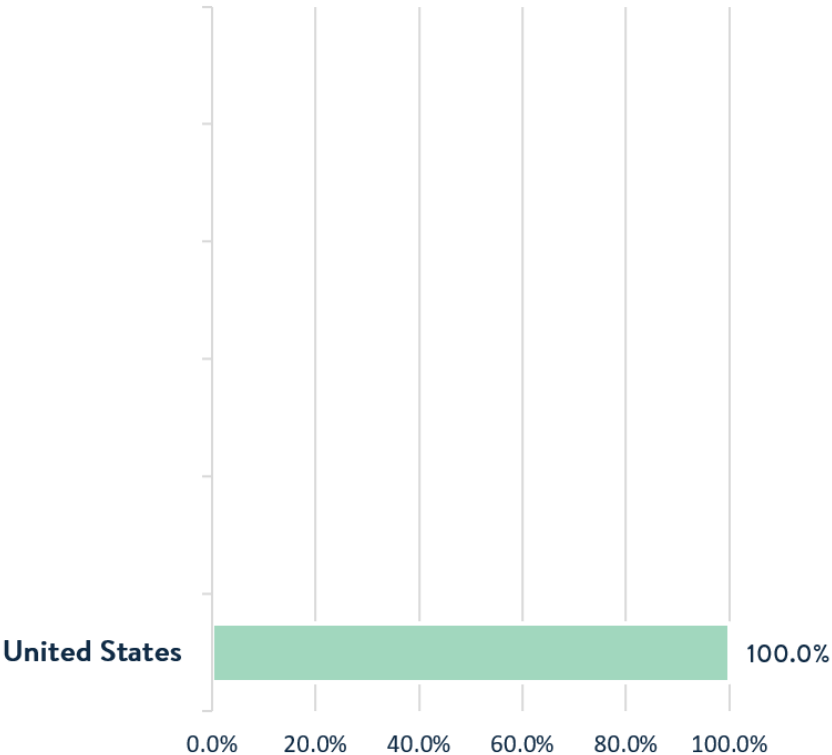


Meeting Distribution by Country in Q4

Meeting distribution by country

United States 100.0%

Meeting distribution by country





Votings

Company Name	ISIN	Country	Meeting Type	Meeting Date	Item	Proposal	Proposed by	Vote	For/Against Management	Category of Resolution
MICROSOFT CORPORATION	US5949181045	United States	Annual	13-Dec-2022	1g.	Election of Director: Carlos A. Rodriguez	Management	For	For	Board
MICROSOFT CORPORATION	US5949181045	United States	Annual	13-Dec-2022	1h.	Election of Director: Charles W. Scharf	Management	For	For	Board
MICROSOFT CORPORATION	US5949181045	United States	Annual	13-Dec-2022	1i.	Election of Director: John W. Stanton	Management	For	For	Board
MICROSOFT CORPORATION	US5949181045	United States	Annual	13-Dec-2022	1j.	Election of Director: John W. Thompson	Management	For	For	Board
MICROSOFT CORPORATION	US5949181045	United States	Annual	13-Dec-2022	1k.	Election of Director: Emma N. Walmsley	Management	For	For	Board
MICROSOFT CORPORATION	US5949181045	United States	Annual	13-Dec-2022	1l.	Election of Director: Padmasree Warrior	Management	For	For	Board
MICROSOFT CORPORATION	US5949181045	United States	Annual	13-Dec-2022	2.	Advisory vote to approve named executive officer compensation	Management	For	For	Remuneration
MICROSOFT CORPORATION	US5949181045	United States	Annual	13-Dec-2022	3.	Ratification of the Selection of Deloitte & Touche LLP as our Independent Auditor for Fiscal Year 2023	Management	Against	Against	Audit
MICROSOFT CORPORATION	US5949181045	United States	Annual	13-Dec-2022	4.	Shareholder Proposal - Cost/Benefit Analysis of Diversity and Inclusion	Shareholder	Against	For	Sustainability
MICROSOFT CORPORATION	US5949181045	United States	Annual	13-Dec-2022	5.	Shareholder Proposal - Report on Hiring of Persons with Arrest or Incarceration Records	Shareholder	Against	For	Sustainability
MICROSOFT CORPORATION	US5949181045	United States	Annual	13-Dec-2022	6.	Shareholder Proposal - Report on Investment of Retirement Funds in Companies Contributing to Climate Change	Shareholder	Against	For	Sustainability
MICROSOFT CORPORATION	US5949181045	United States	Annual	13-Dec-2022	7.	Shareholder Proposal - Report on Government Use of Microsoft Technology	Shareholder	For	Against	Sustainability
MICROSOFT CORPORATION	US5949181045	United States	Annual	13-Dec-2022	8.	Shareholder Proposal - Report on Development of Products for Military	Shareholder	For	Against	Sustainability
MICROSOFT CORPORATION	US5949181045	United States	Annual	13-Dec-2022	9.	Shareholder Proposal - Report on Tax Transparency	Shareholder	For	Against	Financials

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The value of your investments may fluctuate. Past performance is no guarantee for future returns.

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