



Proxy Voting Policy

Econopolis Wealth Management NV

Introduction

Sustainability is a core theme from the book Econoshock by the founder, Geert Noels. Econopolis Wealth Management NV (hereafter: Econopolis) has therefore been strongly committed to sustainability since its establishment, more specifically by managing its portfolios in an ESG (Environmental, Social & Governance) responsible manner and by focusing on themes that contribute to climate solutions. The ESG policy (see www.econopolis.be) states: "For Econopolis, sustainability means taking responsibility for the impact we have on our environment".

In that regard, we believe that actively participating in the general meetings of the companies Econopolis invests in is a crucial part of taking the beforementioned responsibility. In this manner, Econopolis actively engages with companies to ensure that our ESG policy, is adhered to by the companies we invest in.

Econopolis acts as investment manager for certain sub-funds. This policy is applicable to all sub-funds with the Febelfin Quality standard label from:

- Econopolis Funds
- Crelan Fund

Moreover, Econopolis will cast votes for the EcoVi equities fund which is a compartment of Econopolis Invest.

Voting Process

Econopolis aims to make impact through voting in general meetings. As Econopolis invests in many different sectors, Econopolis aims to vote where most impact is to be expected. For that reason, Econopolis will commit to vote at least in 50% of the board meetings in high impact sectors. As Econopolis will not be shareholder in most high impact sectors as those are excluded from its investable universe, the relevant sectors for Econopolis are:

- Textiles manufacture and wholesale
- Agriculture/fishery and wholesale
- Mineral resources extraction, basic products manufacture and wholesale
- Other carbon-intensive & high-emitting sectors

Moreover, Econopolis aims to vote in cases where a proposal in the general meeting of a company in one of its sub-fund's portfolios is against our Key Voting Principles and will vote for proposals that cover the topics regarding environmental and social issues as mentioned in this voting policy. These principles were set up based on a collaboration with ISS proxy exchange, who will exercise all voting rights of Econopolis Invest and Crelan Fund. Broadridge will execute voting rights for Econopolis Funds. All votes will be cast as instructed by Econopolis.

The official voting process has been set up in such a way to ensure the votes cast by Econopolis are open to discussion and are in line with its philosophy. In the case that a general meeting will be held by an investee company in a high impact sector or another investee company that covers a subject mentioned in this voting policy, the topic together with the advice in line with Econopolis' voting policy will be presented to the investment committee. The latter consists of the CEO, two senior fund managers and the compliance officer. If no negative advice is given, the vote in question will be passed through to ISS or Broadridge, who will exercise Econopolis' voting rights.

Our Key Voting Principles

Econopolis believes that the governance of companies, such as employee relations, management structures and executive remuneration plays a fundamental role in ensuring the inclusion of social and environmental considerations in the decision-making process. To ensure good governance is practiced in companies where Econopolis is a shareholder, we vote actively on proposals in shareholder meetings that cover good corporate governance. More specifically, to stress the importance of the changing environment and social issues, Econopolis places specific focus on the following subjects in general meetings;

- Social – Human rights and labour rights
- Governance – Gender diversity
- Environment – Decarbonisation and 1.5°C alignment
- Environment – Natural resource use/impact
- Environment – Pollution/waste

Typically, those topics will presented as follows:

- Board of directors
 - Gender diversity
 - Climate accountability
- Environmental and Social Issues
 - Voting on Social and Environmental Proposals
 - Say on Climate Management Proposals
 - Say on Climate Shareholder Proposals

Board of directors

To ensure good governance, **we vote against** a management nominee in the election of the board in the case that;

General

- Adequate disclosure has not been provided in a timely manner;
- There are clear concerns over questionable finances or restatements;
- There have been questionable transactions with conflict of interests;
- There are any records of abuses against minority shareholder interests;
- There are specific concerns about the individual, such as criminal wrongdoing or breach of fiduciary responsibilities; and
- Repeated absences at board and key committee meetings have not been explained (in countries where this information is disclosed)

Board Gender Diversity

Econopolis considers diversity within a company to be of great importance, as we believe that diversity is necessary for the good governance and sustainability of a company. Therefore, Econopolis will generally vote against the chair of the nomination committee (or other directors) if the board lacks at least one director of an underrepresented gender identity¹. Additionally, due to the differences in the domestic market best practices in terms of gender diversity on the work floor, Econopolis follows ISS's recommendations regarding the nomination of directors depending on best market practices. ISS's policy regarding gender diversity can be found on <https://www.issgovernance.com/policy-gateway/voting-policies/>.

¹ Underrepresented gender identities include directors who identify as women or non-binary

Climate Accountability

For companies that are significant greenhouse gas (GHG) emitters, through their operations or value chain, Econopolis will generally **vote against** the responsible incumbent director(s), or any other appropriate item(s) in cases where ISS determines that the company is not taking the minimum steps needed to understand, assess, and mitigate risks related to climate change to the company and the larger economy.

For 2022, minimum steps to understand and mitigate those risks are the following. Both minimum criteria will be required to comply:

- Detailed disclosure of climate-related risks, such as according to the framework established by the Task Force on Climate-related Financial Disclosures (TCFD), including:
 - Board governance measures;
 - Corporate strategy;
 - Risk management analyses; and
 - Metrics and targets.
- Appropriate GHG emissions reduction targets.

For 2022, “appropriate GHG emissions reductions targets” will be any well-defined GHG reduction targets. Targets for Scope 3 emissions will not be required for 2022 but the targets should cover at least a significant portion of the company’s direct emissions. Expectations about what constitutes “minimum steps to mitigate risks related to climate change” will increase over time.

Environmental and Social Issues

At Econopolis, we believe a company’s responsibility to its shareholders is not only to ensure sufficient financial returns, but to ensure it in a way that embeds Environmental and Social issues into its decision-making process. Therefore, we actively vote on meetings that cover social and environmental proposals.

Voting on Social and Environmental Proposals

In general, Econopolis supports proposals covering social and environmental related subjects. These include a wide range of topics, including **consumer and product safety, environment and energy, labour standards and human rights, workplace and board diversity, and corporate political issues**. In general, **we vote for** resolutions seeking greater transparency and/or adhere to internationally recognised standards and principles. Econopolis will generally follow ISS’ recommendations based on their case-by-case analysis of the proposal, unless decided otherwise during one of the Equity Meetings. ISS’s policy regarding social and environmental issues can be found on <https://www.issgovernance.com/policy-gateway/voting-policies/>.

Say on Climate Management Proposals Econopolis will **vote for management proposals that request shareholders to approve the company’s climate transition action plan**, considering the completeness and rigor of the plan. Information that will be considered where available includes the following:

- The extent to which the company’s climate related disclosures are in line with TCFD recommendations and meet other market standards;
- Disclosure of its operational and supply chain GHG emissions (Scopes 1, 2, and 3);
- The completeness and rigor of company’s short-, medium-, and long-term targets for reducing operational and supply chain GHG emissions (Scopes 1, 2, and 3 if relevant);
- Whether the company has sought and approved third-party approval that its targets are science-based;
- Whether the company has made a commitment to be “net zero” for operational and supply chain emissions (Scopes 1, 2, and 3) by 2050;

- Whether the company discloses a commitment to report on the implementation of its plan in subsequent years;
- Whether the company's climate data has received third-party assurance;
- Disclosure of how the company's lobbying activities and its capital expenditures align with company strategy;
- Whether there are specific industry decarbonization challenges; and
- The company's related commitment, disclosure, and performance compared to its industry peers.

Say on Climate Shareholder Proposals

Econopolis will **vote for shareholder proposals that request the company to disclose a report providing its GHG emissions levels and reduction targets** and/or its upcoming/approved climate transition action plan and provide shareholders the opportunity to express approval or disapproval of its GHG emissions reduction plan, considering information such as the following:

- The completeness and rigor of the company's climate-related disclosure;
- The company's actual GHG emissions performance;
- Whether the company has been the subject of recent, significant violations, fines, litigation, or controversy related to its GHG emissions; and
- Whether the proposal's request is unduly burdensome (scope or timeframe) or overly prescriptive.
- Eigen opgelegde standaarden zoals uiteengezet in de ESG-polities

Escalation procedure

While Econopolis has goals with regards to the percentage of votes cast as mentioned above, due to its size, it will not set strict goals with regards to the outcome of cast votes.

Escalation steps may include:

1. AGM questions and/or voting against management at AGMs
2. Letters to, and meetings with, boards of directors
3. Public statements including pre-declaring voting intentions, filing shareholder resolutions, and open letters
4. Changing capital allocation, divestment or refusal to purchase new debt

Escalation measures will be taken at the discretion of the fund manager as they are best positioned to determine which action is most likely to reap results.

Follow-up and review

As Econopolis highly values transparency, Econopolis undertakes to publish a voting report on a yearly base on its website www.econopolis.be. The report will include an overview of the casted votes and overview of those meetings covering a topic that is mentioned in this voting.

The abovementioned voting principles are up for a yearly review and Econopolis monitors engagement efforts on a yearly basis. In case deficiencies are spotted or new developments require amendments to the this policy, changes may be made or the policy may be extended.

