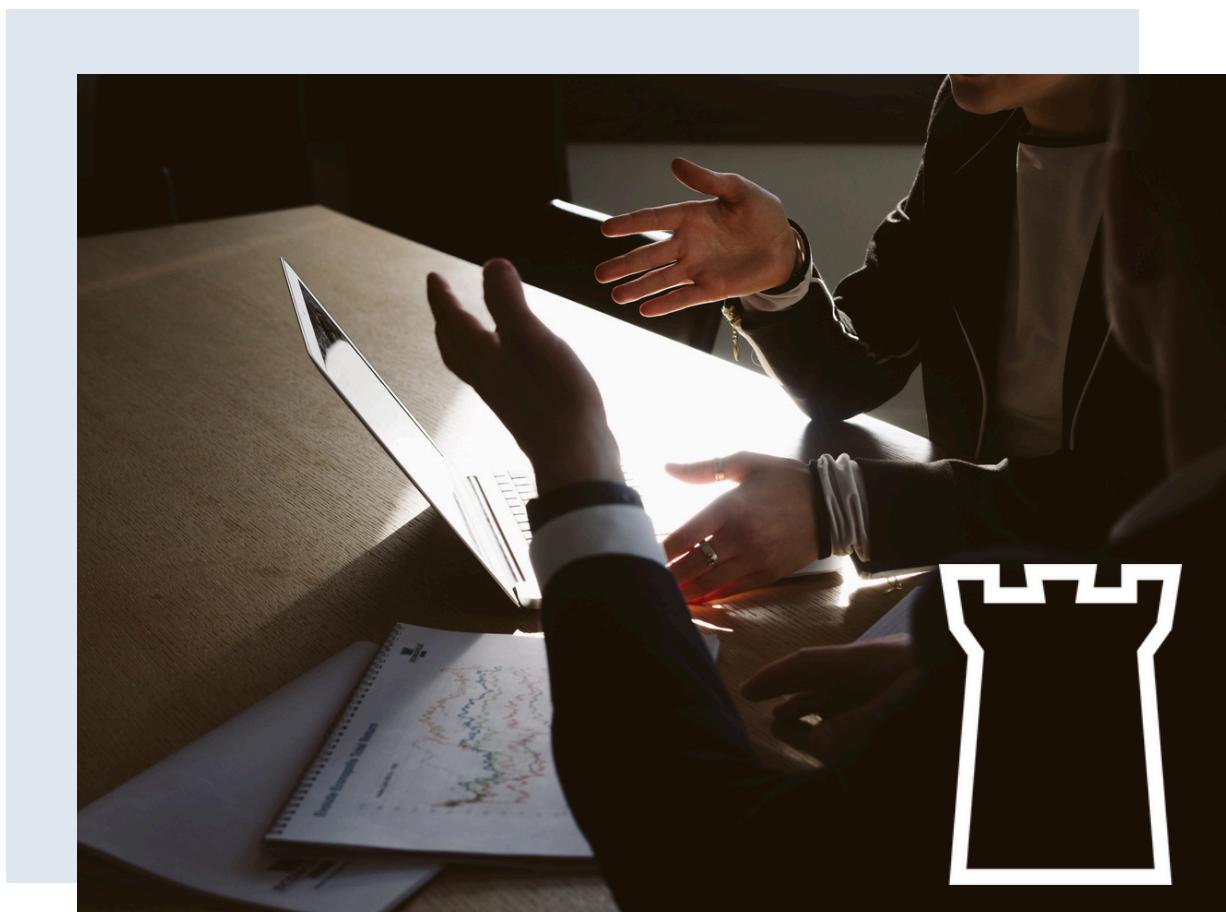


# Econopolis Engagement & Proxy Voting Report

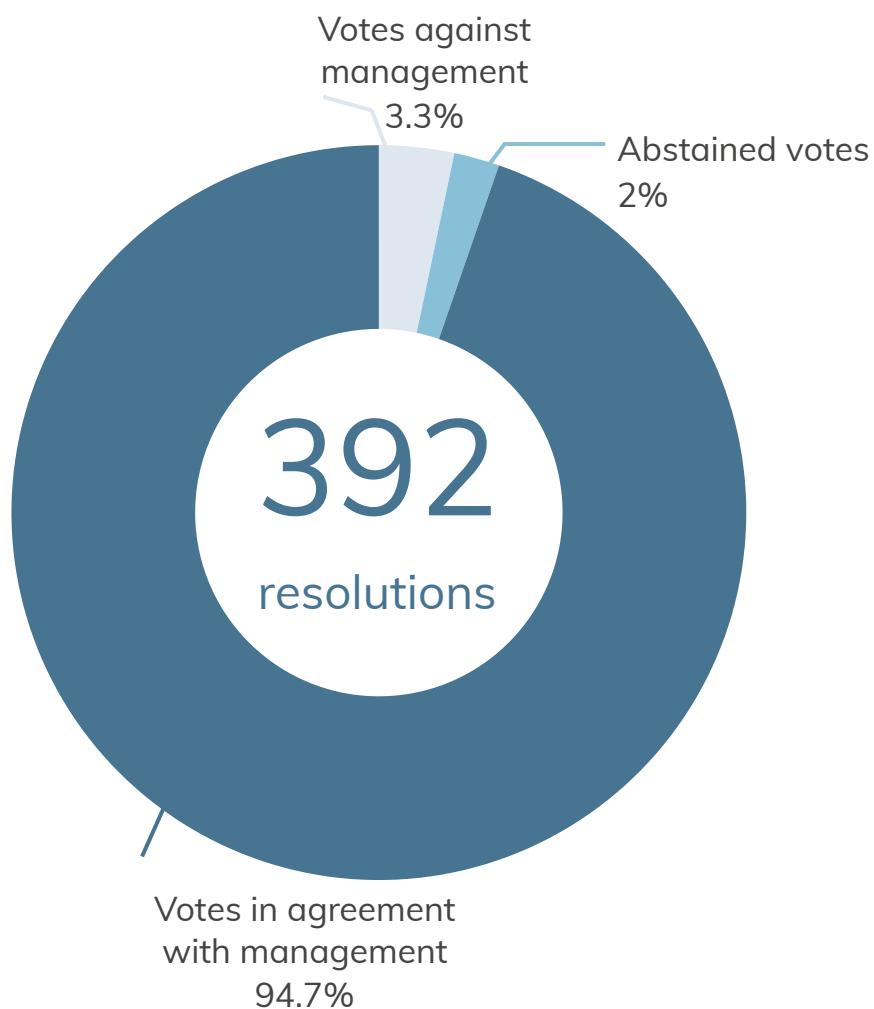
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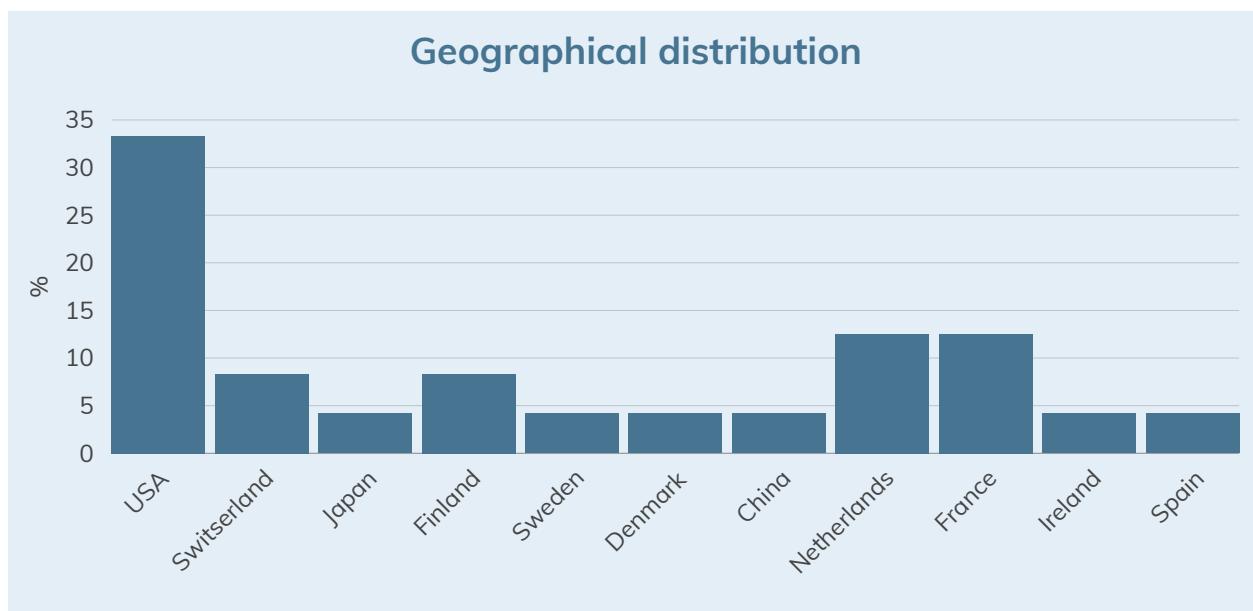
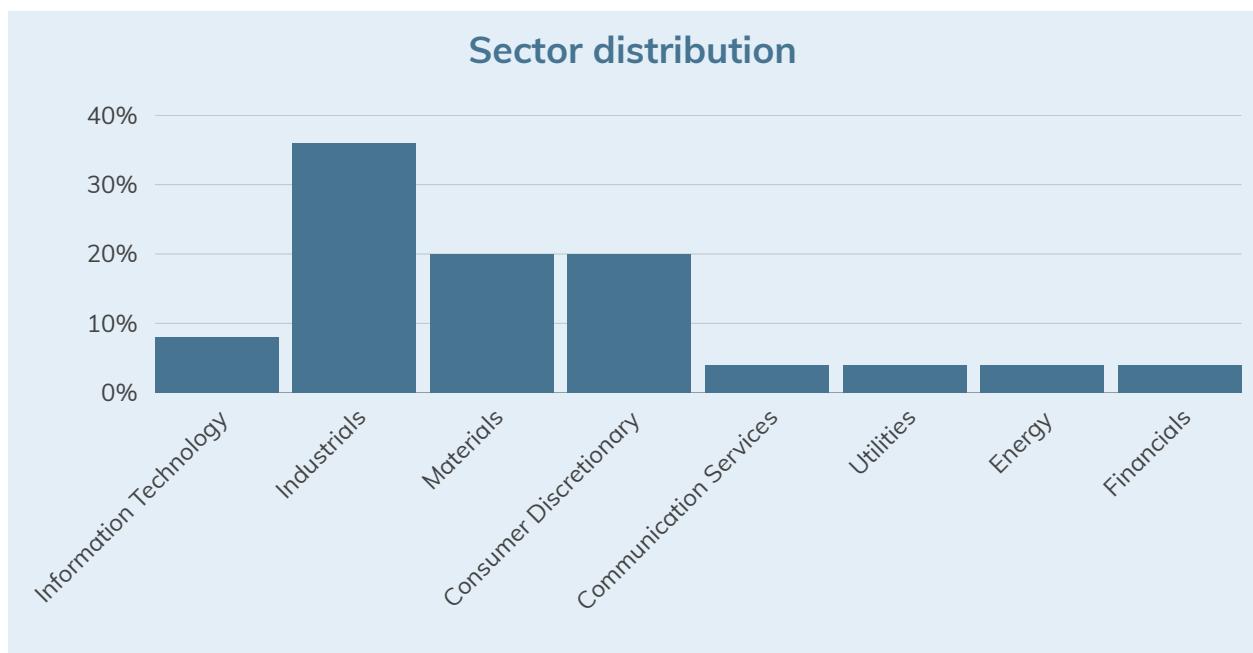
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# Proxy voting

In 2025, we voted at 26 Annual General Meetings, good for 382 resolutions. Econopolis exercised the voting rights attached to the shares held in seven institutional portfolio's. In 2% of the time, we voted against management. As stated in our engagement policy, **we vote against management whenever company's decisions or governance practices conflict with our sustainable investment philosophy and ESG principles**. This includes cases where companies fail to provide adequate disclosure, engage in transactions with conflicts of interest, have records of minority shareholder abuses, or exhibit governance weaknesses such as a lack of board diversity or climate accountability. Econopolis also votes against executive nominees when they fail to meet attendance requirements or if their remuneration policies are misaligned with shareholder interests. Additionally, for companies that are significant greenhouse gas emitters, Econopolis votes against responsible directors if the company does not take sufficient steps to assess, disclose, and mitigate climate risks.



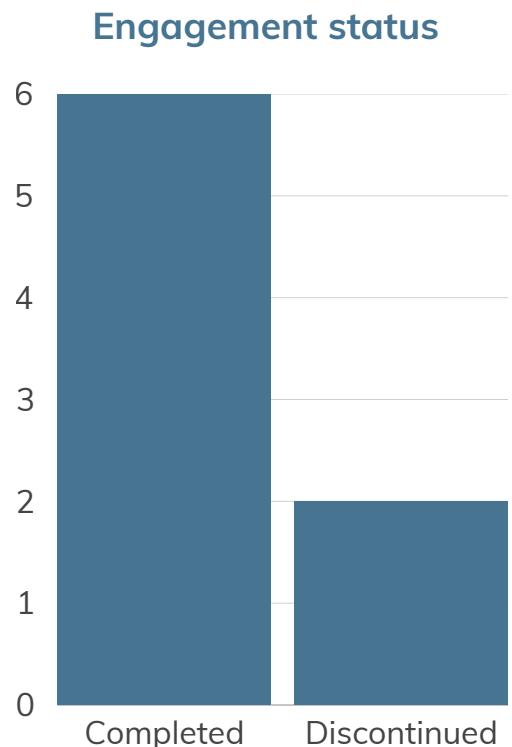
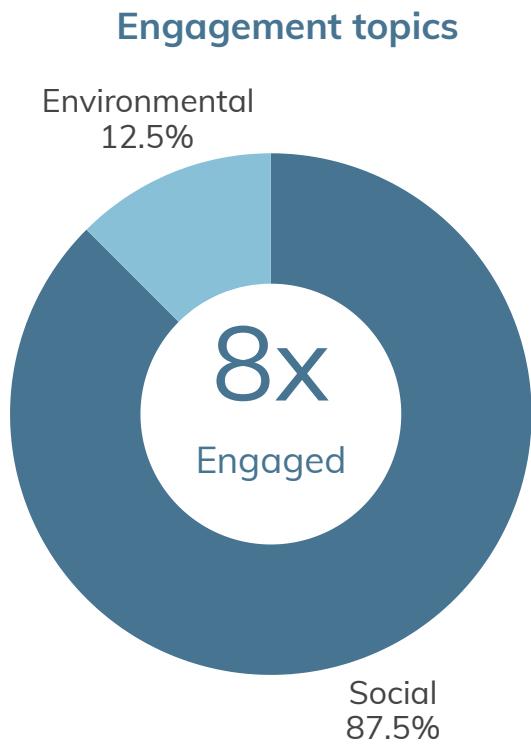
**The companies we voted for in 2025 were distributed across various sectors and regions.** We vote for companies in high-impact sectors, defined as industries with significant environmental, social, and governance risks. These sectors are carefully monitored due to their potential impact on climate change, human rights, and sustainability. While many high-impact sectors, such as weapons, tobacco, and coal mining, are excluded from Econopolis' investment universe, the firm still actively engages with companies in carbon-intensive industries where it holds investments. **These sectors include textiles manufacturing, agriculture and fishery, mineral resources extraction, and other high-emission industries.** In total, Econopolis instructed 2.744.722,00 shares for voting across the various companies we are invested in.



# Engagement

Econopolis applies strict investment exclusions, avoiding sectors such as weapons, tobacco, and fossil fuel-intensive industries, while leveraging ESG data providers to monitor corporate behavior. **Our engagement efforts prioritize companies with high ESG controversy scores, where direct discussions are initiated to encourage improved practices.** If issues persist, we follows an escalation process that may include formal meetings, public statements, or reconsidering our investment position.

The data below shows that **a total of eight engagements were undertaken** during 2025. Engagement activity was concentrated in one primary category (social), which accounted for the majority of engagements, while the remaining category represented a much smaller share. In terms of progress, most engagements were completed, with six reaching completion and two being discontinued. These engagement efforts were discontinued after multiple reminders, without any response. In the following pages, these engagements are discussed in greater detail, providing an overview of their progression, outcomes, and key observations arising from the engagement process.



# 1. Completed engagement efforts

## Booking.com

### Issue

We engaged with Booking.com regarding its activities in Israeli settlements in the occupied Palestinian territories, following concerns related to human rights and potential involvement in illegal settlements, as outlined in an investigative report by The Guardian. The engagement focused on how the company manages listings in conflict zones and how its policies align with the UN Guiding Principles on Business and Human Rights.

### Date of engagement

The initial outreach took place on 6 May 2025 via email. We requested a written response to our questions on human rights due diligence, risk assessment, and stakeholder engagement in the occupied territories.

### Outcome

Booking.com responded with a detailed explanation of its policies. The company acknowledges the heightened human rights risks in conflict areas and applies a policy whereby listings in occupied or disputed territories are only removed if legally required. With regard to Israeli settlements, Booking explicitly labels them as “Palestinian Territory, Israeli Settlement” and provides users with a map for geographical context. The company further stated that less than 0.1% of its total listings are located in these areas. Booking.com emphasised that it conducts enhanced due diligence for such listings, monitoring potential negative human rights impacts and taking action where necessary to mitigate or remediate them. While no fundamental policy changes were announced, the company demonstrated awareness of the sensitivity of the issue and outlined steps aimed at strengthening transparency and risk management.



## Issue

We engaged with Mowi following an incident at its Loch Harport salmon farm in Scotland, where animal mistreatment was shown in undercover footage released by animal rights activists. This resulted in the temporary suspension of the RSPCA Assured certification for this specific farm. We sought clarification on the follow-up to this incident and on broader assurances regarding animal welfare across Mowi's operations.

## Date of engagement

Initial contact took place on 23 May 2025, followed by a reminder on 2 June 2025. A written response from Mowi was received on the same day.

## Outcome

Mowi confirmed that only the Loch Harport site was suspended from the RSPCA Assured programme and that supply to Sainsbury's – contrary to some media reports – continues uninterrupted via other certified farms. According to Mowi, the incident involved the killing of a small number of weakened fish (12 out of more than 40,000) using a percussive method they consider humane. While acknowledging that the footage may appear shocking, the company pointed to challenging working conditions at sea as a contextual factor. Immediate measures included discussions with the staff involved and the announcement of additional training to strengthen the application of animal welfare standards across the company. We appreciate Mowi's openness in addressing the issue and recognising the concerns, while noting that this topic will remain under review given its importance for consumer trust and ethical business conduct.



## Issue

We engaged with L'Oréal on two key themes: product safety and human rights. On the one hand, we discussed the recent recall of La Roche-Posay products in the United States, where benzene was detected as a result of a chemical reaction involving benzoyl peroxide. On the other hand, we addressed a 2024 report on child labour at jasmine plantations in India, in which L'Oréal was indirectly involved through its suppliers.

## Date of engagement

The discussion took place during Kepler's ESG conference on 27 May 2025, in a joint dialogue session with other investors.

## Outcome

Regarding product safety, L'Oréal emphasised that the benzene contamination was not due to intentional addition, but resulted from a chemical reaction. The recall was conducted in consultation with the US FDA, indicating that the company responded promptly in line with regulatory requirements. From an investor perspective, it is positive that L'Oréal took responsibility and maintained an open dialogue with regulators.

Concerning the child labour issue at jasmine plantations, L'Oréal explained that it became aware of the situation in 2023 and has since been working towards a structural solution in collaboration with other companies and NGOs. The company explicitly rejected a “cut-and-run” approach and committed to achieving long-term change through its Human Rights policy. In the short term, access to healthcare has already been provided to the affected field workers. This combination of immediate action and long-term commitment is encouraging and demonstrates L'Oréal's sense of responsibility within complex supply chains.

# Unilever

## Issue

Econopolis engaged with Unilever following legal and public tensions between Unilever and the independent board of Ben & Jerry's. The core of the conflict relates to Ben & Jerry's social mission and its political positions regarding the situation in Gaza. The brand's independent board has sued Unilever for allegedly preventing public statements calling for a ceasefire and expressing support for Palestinian refugees. It was also reported that Unilever threatened legal action against board members and replaced Ben & Jerry's CEO.

## Date of engagement

2 June 2025

## Outcome

Unilever confirmed that since the acquisition of Ben & Jerry's in 2000, it has retained financial and operational control, while the independent board remains responsible for the brand's social mission. There is currently an ongoing legal dispute between the independent board and Unilever concerning the interpretation of the acquisition agreement. Unilever stated that it remains committed to good governance and to protecting the interests of all stakeholders, but could not provide further comment due to the ongoing litigation.



## Issue

On 6 August 2025, The Guardian published allegations that a unit of the Israeli military (IDF) uses Microsoft Azure cloud services in ways that could contribute to human rights violations. Investor concerns focused on the potential misuse of Microsoft software and infrastructure for military applications that may conflict with international human rights standards. Our engagement questions addressed:

- the scope, independence, and timeline of the announced investigation;
- the envisaged remedial measures and safeguards (such as contractual restrictions, technical safeguards, and transparency regarding high-risk government clients) to prevent recurrence.

## Date of engagement

19 August 2025

## Outcome

Microsoft confirmed that it launched an independent investigation on 15 August 2025, conducted by Covington & Burling LLP and supported by an external technical consultant. The company committed to making the factual findings public once the investigation is completed. At this stage, Microsoft indicated that it cannot share additional information. Our questions were forwarded to the Human Rights team, which is gathering input from investors and human rights organisations to inform future decisions and reporting.



## Issue

In August 2025, a class-action lawsuit was filed against Salesforce following a May incident in which data from more than 1.1 million Farmers Group customers was compromised. Media coverage described the event as a "hub-and-spoke" incident, raising concerns that other Salesforce customers could also be at risk. Investor concerns centred on potential platform vulnerabilities, the impact on other clients, and the security measures taken.

## Date of engagement

29 August – 8 September 2025

## Outcome

Salesforce emphasised that its platform itself was not compromised and that there was no technical vulnerability. Independent analysis by Mandiant (Google Cloud) concluded that the incident involved targeted social engineering attacks aimed at deceiving end users. Salesforce is actively supporting affected customers and refers to its official Security Advisory, which recommends best practices such as multi-factor authentication (MFA), the principle of least privilege, and careful management of connected applications to mitigate risks.

## 2. Discontinued engagement efforts



We engaged with BYD following serious controversies related to labour practices, initiating contact and issuing three subsequent reminders. Despite these repeated efforts, the company failed to provide any response or enter into dialogue. This lack of engagement occurred against the backdrop of significant allegations: in May 2025, BYD was sued by Brazilian labour auditors over human trafficking and “slavery-like” working conditions at the construction of a factory in Bahia. The case involved more than 220 Chinese workers who were reportedly housed in overcrowded accommodation, had their passports withheld, and did not receive their wages, leading to legal action and a compensation claim equivalent to USD 45 million. Given both the gravity of these allegations and the absence of any meaningful response from the company, we concluded that constructive engagement was not possible and therefore decided to divest from BYD in our Emerging Markets Equity fund.



We engaged with Johnson Controls regarding concerns related to PFAS contamination, reaching out on multiple occasions and issuing several reminders. Despite these efforts, the company did not provide a response or engage in dialogue. This lack of engagement followed a significant development in April 2024, when Tyco Fire Products, a subsidiary of Johnson Controls, agreed to a USD 750 million settlement to resolve claims related to PFAS water contamination caused by the use of its firefighting foam. More than one hundred public water systems in the United States had filed lawsuits over the presence of these so-called “forever chemicals,” which are associated with serious health and environmental risks. In light of the severity of the issue and the company’s continued lack of responsiveness, we voted against management at the most recent AGM.



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