

ARVESTAR

ENGAGEMENT POLICY

INTRODUCTION

Arvestar Asset management (“Arvestar”) is a joint venture between Argenta Asset Management SA (“AAM”, a subsidiary of Argenta Spaarbank SA) and Degroof Petercam Asset Management (“DPAM”).

Arvestar is part of the Argenta Group and has been appointed as the management company of the Argenta pension saving funds and of Argenta DP (the “Funds”).

Degroof Petercam Asset Management has been appointed as Investment manager of the funds and implements the Investment policy (including ESG strategy) of the Funds.

In line with Directive (EU) 2017/828 of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement in particular, this document provides a statement on how shareholder engagement has been integrated in the investment strategy of the Funds.

Investments by the investment funds (whose Arvestar is the management company and whose DPAM is the Investment manager) in shares traded on a regulated market established or operating in a Member State of the European Union will be made in accordance with the corporate engagement policy described hereafter.

CORPORATE ENGAGEMENT AND SHAREHOLDER ACTION

Corporate engagement

Engagement is an important tool to drive impact. Intervention by investors can contribute to broader societal goals, such as those set out in the Paris climate agreement or in the United Nations’ Sustainable Development Goals.

Engagement initiatives helps to make better informed investment decisions, based on better understanding the sustainable corporate behavior of the issuer. Active dialogue with the issuers and other stakeholders improves the quality of fundamental research. Those that can deal with the sustainability challenges will be able to thrive financially and create sustainable added value in the long term.

Arvestar also believes that close collaboration with issuers encourages them to report on their efforts to incorporate ESG challenges and adopt best practices in the industry.

Taking into account the impact of investments to the society as a whole is paramount in building a portfolio which integrates ESG characteristics. This is based, in particular, on the identification of investments that may be detrimental to the society. Exclusion filters, and in particular the review of controversial activities, play an important role in ensuring that portfolios of the Funds are not exposed to activities deemed unethical and/or irresponsible and/or unsustainable with reputational risks and material consequences resulting therefrom.

The integration of ESG issues into the investment process is more effective if it is based on an engaged dialogue with the relevant issuers. Active and sustained dialogue with the relevant issuers is a way to refine investment decisions based on fundamental research and to share best practices and innovative solutions to ESG challenges.

The engagement policy is a management tool used to better assess overall risks, support certain values and practices, evaluate opportunities and, in so doing, encourage the relevant issuers to become more sustainable.

Arvestar's policy on this topic relies on DPAM's engagement policy. This policy is available on DPAM's website (<https://funds.degroofpetercam.com/responsible-investment.html>).

The Funds are in scope of DPAM's engagement policy which is consistently applied to all investment funds managed by DPAM.

This policy makes a distinction between :

- entering a dialogue to improve the quality of the fundamental research for better-informed investment decisions and sustainable long-term performances and
- engaging formally with the issuers to contribute to a better society. This can be achieved by either:
 - reducing the negative impact of its investments, or
 - by defending values and convictions which are essential for the company and society.

This policy also details expectations towards investee companies, the means of engagement, the associated timeframes for engagements and the escalation processes.

Shareholder action

Next to direct dialogues with investee companies, engagement is an important pillar for the Funds' shareholder responsibility. It can also be used to support voting decisions made at shareholders' meetings of investee companies, in accordance with a voting policy that actively supports best corporate governance practices.

Adopting a voting policy and participating in general and extraordinary shareholders' meetings are therefore an integral part of the Arvestar's responsibilities. The voting policy describes the values and principles of good governance supported by Arvestar for the Funds as investors, including the issue of environmental protection, social issues and governance in a global sense.

Arvestar's voting policy incorporates DPAM's voting policy. Arvestar has delegated to DPAM the exercise of the voting rights attached to shares of issuers (within the scope of DPAM's voting policy) held by the Funds. DPAM's voting policy describes the scope and the manner in which DPAM exercises the voting rights attached to the shares of issuers held by the Funds. Arvestar refers to DPAM's voting policy, which is available on DPAM's website (<https://funds.degroofpetercam.com/responsible-investment.html>), for more information on this subject.

This policy describes the implementation of its voting activities in line with its expectations on corporate governance, which consists of :

- the protection of shareholders with the aim of creating long-term value and the equal treatment of shareholders on the basis of the principle "one share, one vote, one dividend" and the protection of minority shareholders,
- a sound corporate governance, which is related to efficient and independent management and monitoring systems,
- transparency & integrity of information, which should be reliable, clear, comprehensive and communicated in a timely manner, and finally
- social, environmental & good governance responsibility of a sustainable company, ensuring that its human capital is put at the core of its interests and that the global environment in which it operates is respected.

Each year, Arvestar will report information on how its engagement policy has been implemented on its website, including a general description of DPAM's voting behavior as Investment manager of the Funds and an explanation of the most important votes in order to assess the progress made and the objectives to be pursued. Arvestar will refer in particular to the voting and engagement activity reports published annually by DPAM on its website (<https://funds.degroofpetercam.com/responsible-investment.html>).