

# Оповестявания, свързани с устойчивостта KBC Eco Fund Water Responsible Investing

## Обобщение

Подфондът допринася за решаването на конкретно предизвикателство в областта на устойчивото развитие, а именно осигуряването на достъп до и подобряването на ефективността на съоръженията за чиста вода. За тази цел подфондът инвестира в компании, чиито продукти и/или услуги предлагат решение на това специфично предизвикателство. Само компании, които, измерени чрез техния оборот, съсредоточават поне 10% от дейността си върху тази цел, могат да бъдат включени. Освен това подфондът самоопределя инвестиционните си цели на ниво портфейл: въз основа на индивидуалните данни за продажбите се изчислява среднопретеглена стойност на портфейла по отношение на значимостта на съответната тема. Тази стойност никога не може да бъде по-ниска от 50%.

Подфондът преследва отговорни инвестиционни цели въз основа на дуалистичен подход: методология за негативен скрининг и позитивна селекция. Чрез негативния скрининг подфондът предварително изключва от кръга на отговорното инвестиране компании, които не отговарят на политиката за изключване. От подфонда се изключват компании, които сериозно нарушават основните добри практики по отношение на екологичните, социалните и управленските въпроси, както е оценено от принципите на Глобалния договор на ООН. Подфондът също така се ангажира да спазва буквата и духа на Всеобщата декларация за правата на човека на ООН. Също така спазването на изискванията за допускане се гарантира по всяко време чрез използването на правила за съответствие, прилагани от фронт-офис системата.

Следните показатели за неблагоприятно въздействие върху факторите за устойчивост се вземат предвид за всички инвестиции на този подфонд в съответствие с приложение I към Делегиран регламент (ЕС) 2022/1288:

- **Показател 4:** Експозицията към компании, активни в сектора на изкопаемите горива, се взема предвид, тъй като подфондът не инвестира в компании, които са активни в сектора на изкопаемите горива.
- **Показател 10:** Нарушения на принципите на Глобалния договор на ООН (UNGC) и на Насоките на Организацията за икономическо сътрудничество и развитие (ОИСР) за многонационалните предприятия се взема предвид, тъй като подфондът не инвестира в компании, които сериозно нарушават принципите на UNGC или насоките на ОИСР.
- **Показател 14:** Експозиция към противоречиви оръжия (противопехотни мини, касетъчни боеприпаси, химически и биологични оръжия) се взема предвид, тъй като подфондът не инвестира в компании, които са активни в областта на противоречивите оръжия.

Подфондът може да инвестира в ценни книжа, инструменти на паричния пазар, дялове в предприятия за колективно инвестиране, депозити, финансови деривати, ликвидни активи и всички други инструменти, доколкото това е позволено от приложимите закони и разпоредби и съответства на предмета и целевото разпределение, описани в проспекта под заглавие "Информация относно подфонда Water Responsible Investing". В рамките на тези категории допустими активи подфондът се задължава да инвестира 100% от активите в "устойчиви инвестиции", съгласно определението в чл. 2, т. 17) от Регламент (ЕС) 2019/2088. Това включва само инвестиции в инструменти, които допринасят за постигането на екологична цел, които не са съобразени с Таксономията на ЕС. Така минималният дял на устойчивите инвестиции с екологична цел, които не са приведени в съответствие с Таксономията на ЕС, е 100%. Изключение се прави за други финансови инструменти, като парични средства и деривати, и активи, в които подфондът инвестира временно след планирана актуализация на допустимата група активи, за които няма екологични или социални гаранции.

Не е определен референтен бенчмарк за нуждите на постигане на устойчивата инвестиционна цел от този подфонд.

При отрицателния скрининг са използвани следните източници на данни:

- Оценките на рисковете за устойчивост на компаниите се основават на данни от доставчика на данни Morningstar Sustainalytics;
- Моделът за идентифициране на компании, които са силно несъответстващи на една от първите 15 цели за устойчиво развитие на ООН, е вътрешен. Той използва данни от MSCI и Консултативния съвет за отговорно инвестиране.

За да се получат характеристиките за устойчивост на подфонда, се използват вътрешни модели, чрез които изследователският екип на КЕЙ БИ СИ Асет Мениджмънт НВ извършва задълбочен анализ, за да определи дали дадено дружество отговаря на предвидените характеристики за устойчивост на този подфонд.

За всеки източник могат да се извършат няколко контроли, за да се гарантира качеството на данните. Тези контроли могат да включват, но не се ограничават до проверки на случайна извадка от набора от данни и на отклоненията на набора от данни. Извършват се ръчни проверки на набора от данни и се правят сравнения с други доставчици на данни. За да обработва данните, КЕЙ БИ СИ Асет Мениджмънт НВ е разработила вътрешни инструменти и модели за обобщаване на данните и определяне на отговорните емитенти. Резултатите от тези модели се предоставят на Консултативния съвет за отговорно инвестиране и се представят на Комитета за финансов риск на КЕЙ БИ СИ Асет Мениджмънт. Въпреки че КЕЙ БИ СИ Асет Мениджмънт НВ не използва прогнози при обработката на данните, възможно е някои от доставчиците на данни да използват такива.

Като част от своя ангажимент за отговорно инвестиране КЕЙ БИ СИ Асет Мениджмънт НВ упражнява правата на глас на акциите, които управлява, в съответствие с Политиката за гласуване чрез пълномощник и ангажираност на акционерите. Когато е уместно, КЕЙ БИ СИ Асет Мениджмънт НВ ще влезе в диалог с ръководството на съответните дружества, ако е необходимо, преди да гласува, тъй като КЕЙ БИ СИ Асет Мениджмънт НВ е убедена, че активността на акционерите в средносрочен и дългосрочен план може да има

положително въздействие върху дружествата, в които КЕЙ БИ СИ Асет Мениджмънт НВ инвестира. Повече информация можете да намерите на [UBB Asset Management \(ubbam.bg\)](http://ubbam.bg) в секцията Основни документи/ Политика за ангажираност на KBC AM NV.

Потенциалните ограничения на Методологията за отговорно инвестиране включват зависимостта от външни доставчици на данни, оценката на рисковете за устойчивост на компаниите и съответствието с Целите за устойчиво развитие на ООН по време на негативния скрининг. Тя включва също така забавяне при отразяването на нови данни, тъй като оценките отразяват минали събития. Това се счита за присъщо ограничение, тъй като не съществува универсално определение за риск за устойчивостта и е необходима преценка при тълкуването на тежестта на противоречията, свързани с устойчивостта, и интегрирането на бъдещите планове на емитентите ще доведе до грешка при прогнозирането. КЕЙ БИ СИ Асет Мениджмънт НВ ежегодно преразглежда методологиите си и доставчиците на данни, за да следи промените и да бъде в тясно съответствие с методологията за положителен подбор, която е прозрачно оповестена на клиентите.

### **No significant harm to the sustainable investment objective**

In order to be labelled as a sustainable investment, these companies must pass the negative screening and not score significantly negative on the positive screening criteria.

#### **Negative screening**

Through the negative screening the excludes compaignies in advance from the Responsible Investment universe which fall foul of the exclusion policies available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for responsible investment funds.

The application of these policies means that compaignies involved in such activities like the tobacco industry, weapons, gambling and adult entertainment are excluded from the 's investment universe. This screening also ensures that compaignies who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded from the 's investment universe.

These negative screening principles are not exhaustive and may be adapted under the supervision of the Responsible Investing Advisory Board.

#### **Positive selection methodology**

The sub-fund contributes to a specific sustainability challenge, namely providing access to and improving the efficiency of clean water facilities.

To this end, the sub-fund invests in companies whose products and/or services offer a solution to that specific challenge. Only companies that, measured by their turnover, focus at least 10% of their activities on this objective may be taken into consideration for the universe. In addition, the sub-fund sets an objective at portfolio level: based on the individual sales figures, the weighted average of the portfolio is calculated in terms of theme relevance. This figure may never be less than 50%.

Following indicators of adverse impacts on sustainability factors are taken into account for all investments of this within the meaning of Annex I of the Delegated Act (EU) 2022/1288:

- **Indicator 4:** exposure to companies active in the fossil fuel sector is taken into account as the sub-fund does not invest in companies that are active in the fossil fuel sector.
- **Indicator 10:** Violations of the United Nations Global Compact (UNGC) Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises is taken into account as the sub-fund does not invest in companies that seriously violate UNGC principles and OECD guidelines.
- **Indicator 14:** exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is taken into account as the sub-fund does not invest in companies that are active in controversial weapons.

Companies seriously violating the basic good practices in terms of environmental, social and governance issues, as assessed by the UN Global Compact Principles, are excluded from the . The United Nations Global Compact has formulated ten guiding sustainability principles regarding human rights, labour, environment and anti-corruption which are part of the internal screening. In addition, KBC Asset Management NV assesses the companies' involvement in violations of the International Labour Organization's (ILO) Conventions, the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

The commits to respect the letter and the spirit of the United Nations Universal Declaration of Human Rights; the principles concerning fundamental rights in the eight International Labour Organisation core conventions as set out in the Declaration on Fundamental Principles and Rights at Work; the UN Declaration on the Rights of Indigenous Peoples; the UK Modern Slavery Act and other international and regional human rights treaties containing internationally recognised standards by which the business sector must abide. All companies on KBC Group's 'Human Rights List' are excluded. More information can be found at

[www.kbc.com/content/dam/kbccom/doc/sustainability-responsibility/FrameworkPolicies/CSD\\_KBCGroupPolicyonHumanRights.pdf](http://www.kbc.com/content/dam/kbccom/doc/sustainability-responsibility/FrameworkPolicies/CSD_KBCGroupPolicyonHumanRights.pdf).

This 'Human Rights List' expands and excludes all companies with:

- a high or severe controversy score related to Human Rights, for subindustries for which Human Rights are considered a high or severe risk. ;
- a severe controversy score related to Human Rights, for all other subindustries.

More information regarding the exclusion policies applying to the sub-fund can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for responsible investment funds.

### **Sustainable investment objective of the financial product**

The sub-fund contributes to a specific sustainability challenge, namely providing access to and improving the efficiency of clean water facilities. To this end, the sub-fund invests in companies whose products and/or services offer a solution to that specific challenge. This includes the following business activities: companies operating in the field of water and wastewater facilities, water treatment technology, and environmental management consulting firms.

### **Investment strategy**

The general investment strategy of the is described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund Water Responsible Investing".

The pursues responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

The sub-fund has a sustainable investment objective: providing access to and improving the efficiency of clean water facilities. The total assets of the sub-fund are invested, to the maximum extent possible, in shares of companies operating in the water sector in a responsible way.

The companies in which it invests must follow good governance practices.

### **The negative screening**

As indicated above, the result of the negative screening means that the excludes in advance companies from the universe of responsible investments that are in breach of the exclusion policy which can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for responsible investment funds.

### **The positive selection methodology**

This sub-fund contributes to a specific sustainability challenge, namely providing access to and improving the efficiency of clean water facilities. To this end, the sub-fund invests in companies whose products and/or services offer a solution to that specific challenge.

Only companies that, measured by their turnover, focus at least 10% of their activities on this objective may be taken into consideration for the universe. In addition, the sub-fund sets an objective at portfolio level: based on the individual sales figures, the weighted average of the portfolio is calculated in terms of theme relevance. This figure may never be less than 50%.

The 's target is available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds > Overview table.

In addition, compliance of the eligible responsible universes is ensured at all times through the use of compliance rules enforced in the front office system.

Good governance practices will be assessed through the negative screening where the excludes companies that are in breach of the exclusion policy which can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for responsible investment funds. Next to the exclusion of companies that are involved in certain activities, this screening also ensures that companies who seriously violate basic environmental, social or governance principles are excluded, through the assessment of controversies. An ESG Risk Rating is assigned to corporate issuers. The indicators used in this assessment vary depending on the subsector of the corporate but governance is always taken into account. Companies with a severe ESG Risk Score are excluded as well as companies that are strongly misaligned with one of the first 15 UN Sustainable Development Goals. On the advice of the Responsible Investing Advisory Board, there can be ad-hoc exclusions or deliberations for companies.

### **Proportion of investments**

The may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described in the prospectus under the section '2 Investment information' of title "Information concerning the Water Responsible Investing".

Within these categories of eligible assets, the commits to invest 100% of the assets in "sustainable investments" as defined by art. 2.17 SFDR. This includes only investments in instruments with an environmental objective that are not aligned with the EU Taxonomy. The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is thus 100%.

An exception is made for technical items, such as cash and derivatives, and assets in which the invests temporarily following a planned update of the eligible universe, for which there are no environmental or social guarantees.

### **Monitoring of sustainable investment objective**

The sustainable investment objective of the is monitored by pre trade and post trade compliance rules in the internal processes of KBC Asset Management NV.

The relevance of a company for the chosen theme is measured regularly. If it is considered that the company is no longer relevant to the theme, this company will be removed from the permitted universe, and consequently from the portfolio of the sub-fund.

### **Methodologies**

This sub-fund contributes to a specific sustainability challenge, namely providing access to and improving the efficiency of clean water facilities. To this end, the sub-fund invests in companies whose products and/or services offer a solution to that specific challenge. This includes the following business activities: companies operating in the field of water and wastewater facilities, water treatment technology, and environmental management consulting firms. Only companies that, measured by their turnover, focus at least 10% of their activities on this objective may be taken into consideration for the universe.

In addition, the sub-fund sets an objective at portfolio level: based on the individual sales figures, the weighted average of the portfolio that contributes to the above mentioned sustainable investment objective is calculated. This figure may never be less than 50%.

### **Data sources and processing**

The following data sources are used during the negative screening:

The ESG Risk Scores for companies are based on data from data provider Morningstar Sustainalytics.

The model to identify companies that are strongly misaligned with one of the first 15 UN Sustainable Development Goals is internal. It uses input from MSCI and the Responsible Investing Advisory Board.

In order to obtain the sustainability characteristics of the sub-fund, internal models are used, whereby the research team of KBC Asset Management NV carries out an in-depth analysis to determine whether a company meets the intended sustainability characteristics of this sub-fund.

For each source, several controls can be performed to ensure the data quality. These controls may include, and are not limited to, checks on a random sample of the dataset and on the outliers of the dataset. KBC Asset Management NV also runs some manual checks on the data set and makes comparisons to other data providers. To process the data, KBC Asset Management NV has developed internal tools and models to aggregate the data and determine the responsible issuers. The output of these models is submitted to the Responsible Investing Advisory Board, and presented to the Financial Risk Committee of KBC Asset Management NV.

KBC Asset Management NV itself does not use estimates when processing the data. It is however possible that some of the data providers, that are listed above, may use estimates to compile the underlying data sets used by KBC Asset Management NV or that an estimate based on company disclosures or other data providers is used to adapt a doubtful outlier score.

### **Limitations to methodologies and data**

Potential limitations to the Responsible Investing methodology include the dependence on external data providers and their assessment of ESG characteristics and alignment with the UN Sustainable Development Goals, and the delay in reflecting new data points as assessments reflect past events. This is considered an inherent limitation, as there is no universal definition of ESG characteristics, and judgement is required to interpret the severity of ESG controversies for example, and integrating future plans of issuers will lead to the introduction of a prediction error.

KBC Asset Management NV annually reviews its methodologies and data providers to monitor the evolutions, and to be closely aligned with the chosen Responsible Investing principles transparently communicated to its clients.

### **Due diligence**

The sub-fund invests in admitted companies, i.e. companies that have passed the negative screening based on the exclusion policy. More information regarding the exclusion policy applicable to the sub-fund can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for responsible investment funds.

The assessment of the companies depends on a combination of data from the selected data providers. This admitted status is updated regularly. Changes are subject to quality controls and presented to the Financial Risk Committee of KBC Asset Management NV.

As described above, various controls may be performed to ensure the data quality linked to companies. As such within the model of KBC Asset Management NV several mathematical checks are performed in regard to outliers, large variations from one period to another, missing data points etc. Manual checks are also ran on the data set and comparisons to other data providers are made.

### **Engagement policies**

As part of its commitment to responsible investment, KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting as KBC Asset Management NV is convinced that shareholder activism, in the medium and long term, may have a positive impact on the companies KBC Asset Management NV invests in. More information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy.

### **Attainment of the sustainable investment objective**

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective by this .

### **Disclaimers**

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