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Water Use Policy

Belfius Asset Management



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1. About Belfius Asset Management

Belfius Asset Management (hereafter: Belfius AM) is a management company recognized by the FSMA for UCIs (Undertakings for Collective Investments) and mutual investment funds, including alternative funds. Belfius AM is a subsidiary of Belfius Bank, and is therefore strongly anchored in the Belgian financial sector. Our activities mainly consist of the management, administration and distribution of investment solutions through a diversified range of investment funds.

Our objective is to add value to our end investors, both from a financial and from a wider societal perspective, by managing our portfolios proactively and by working together with a number of renowned asset management partners. We strive to create long-term and sustainable value and to be meaningful and inspiring for Belgian society in a credible manner. Belfius AM has a long history in managing sustainable investment products, allowing our clients to invest in the transition to a more sustainable economy.

Belfius AM currently has four distinct models of investing:

- 1) **Belfius AM funds of funds:** These are investment funds for which our internal fund selection and portfolio management teams analyze and select underlying Exchange Traded Funds (ETFs) and Undertakings for collective investments (UCI) of third-party asset managers. These UCIs are collective investment vehicles that we select based on various aspects, such as investment strategy, financial performance, costs, and responsible investment approach and capabilities
- 2) **Delegated funds:** These are investment funds for which Belfius AM is the management company and for which we have delegated the investment management of the assets to an external manager. These external investment managers are currently Candriam & BlackRock Investment Management.
- 3) **Funds in direct lines** managed by Belfius AM's fund management teams: These are investment funds for which Belfius AM invests directly in individual securities.
- 4) **Private Portfolio Management:** This concerns discretionary portfolio management (discretionary portfolios) and investment advice (advisory portfolios) for private clients of Belfius Bank, with Belfius AM appointed as delegated investment manager by Belfius Bank. For these mandates, the private portfolio management team can invest in ETFs, funds, individual securities, alternative investments and/or derivatives.

2. About this policy – Introduction & Scope

Belfius AM recognize the critical role that water plays in shaping the future of our planet. Water scarcity, pollution, and mismanagement pose significant risks to both the environment and the global economy. As such, we have developed a policy that integrates water sustainability into our investment strategies. By actively monitoring and promoting responsible water usage, we aim to create value for our clients while safeguarding the health of our planet. This policy outlines our commitment to sustainable water practices, aligning financial returns with positive environmental impact.

This water use policy outlines the principles and practices within our investment portfolios. It emphasizes engagement with stakeholders and regular monitoring to ensure sustainable water use. The scope is all funds managed by Belfius Asset Management.

3. Our approach

Belfius recognizes the importance of considering environmental and community concerns associated with the extensive use of water when evaluating a company's sustainability. Our approach to water usage revolves around proactive engagement with investee companies, emphasizing responsible stewardship and risk management. To that end we monitor a range of indicators, including PAI indicators, that provide us an indication on the negative impact of an investee company's activities on water resources. In addition, we also encourage our external asset managers to consider the impact of their investments on water usage and to develop strategies that promote responsible and sustainable business practices.

Belfius' Engagement is strongly driven by our Responsible Investing strategy seeking to foster positive progress and when engaging on water use, we are targeting companies and/or external managers in high impact and dependency sectors. We will encourage them to recognize and address material nature-related risks associated with their businesses.

4. Governance

Procedures for the implementation of this policy are reviewed regularly for continuous improvement. In our commitment to adapting and improving, this policy will evolve over time to accommodate new commitments, alterations in our practices, and shifts in regulations.

This policy was issued as at 26/06/2024.

Please refer to Belfius AM's website (<https://www.belfiusam.be/nl/index.aspx> or <https://www.belfiusam.be/fr/index.aspx>) for more details on the company's responsible investment approach.