PICTET ASSET MANAGEMENT

Pictet - Water

Websted med bæredygtighedsoplysninger (SFDR)

15/07/2026

LEGAL ENTITY IDENTIFIER: 54930075OVPZP6MC4674

Nærværende dokument indeholder oplysninger om krav i henhold til artikel 10 i Europa-Parlamentets og Rådets Forordning (EU) 2019/2088 af 27. november 2019 om bæredygtighedsrelaterede oplysninger i sektoren for finansielle tjenesteydelser (SFDR), vedrørende finansielle produkter omhandlet i artikel 9 i forordningen.

SAMMENFATNING

Denne fond:

Opfylder artikel 9 i SFDR.

Tager hensyn til bæredygtighedsrisici. (1)

Bidrager til et miljømæssigt eller socialt mål, søger at imødegå "de vigtigste negative indvirkninger" og anvender "princippet om ikke at" gøre væsentlig skade.

Anvender udelukkelseskriterier vedrørende våben, fossile brændstoffer, vanedannede produkter, intensivt landbrug og virksomheder, som ikke overholder internationale normer. (2)

Sikrer god praksis for selskabsledelse.

Udnytter aktivt ejerskab og i relevant omfang sin stemmeret.

Bemærkninger:
(1) Bæredygtighedsrisici inkluderer klimaomstilling, fysiske og øvrige miljømæssige risici, sociale risici og ledelsesrisici.
(2) Pictet Asset Management beslutter egenhændigt, om udelukkelseskriterierne skal anvendes og forbeholder sig ret til ud fra en konkret vurdering at afvige fra eksterne oplysninger Hvad angår passive strategier implementeres udelukkelser på det bedst mulige grundlag og for udelukkelser, som følger et ESG-indeks, defineres de af indeksudbyderen.
Beslutningen om at investere i fonden, som fremmes, skal tage hensyn til alle karakteristika eller mål for fonden, som fremmes, som beskrevet i prospektet.
For yderligere information om ESG-klassificering, bæredygtighedsrisici og udelukkelser henvises til Pictet Asset Managements politik for ansvarlig investering.

1. Ingen væsentlig skade for det bæredygtige investeringsmål

Fonden anser en investering for at være bæredygtig, hvis den ikke indebærer væsentlig negativ skade på et E/S-mål, som investeringsteamet fastlægger ved brug af udelukkelser. Fonden udelukker udstedere for hvilke, der konstateres større eller alvorlige kontroverser på områder såsom menneskerettigheder, arbejdsforhold, miljøbeskyttelse og bekæmpelse af korruption eller som er i strid med FN's Global Compact-principper eller OECD's retningslinjer for multinationale virksomheder.

2. Det finansielle produkts bæredygtige investeringsmål

Fonden søger at skabe positive miljømæssige og sociale indvirkninger ved at investere mindst totredjedele af sine aktiver i selskaber i vandsektoren. Disse selskaber er involverede i forbedret vandkvalitet, bedre vandeffektivitet og udvidet adgang til vandforsyning. Fondens fokus er på investeringer i vandproduktion og -behandling, afsaltning, forsyning, behandling af affaldsvand og tilhørende konsulent- og teknisk bistand.

3. Investeringsstrategi

Investeringsforvalteren udvælger værdipapirer ifølge markeds- og fundamentalanalyse med fokus på positive vækstudsigter. Fondens forpligtelse er, at mindst 80 % af investeringerne foretages i vandsektoren samt aktiviteter såsom vandadministration, behandling og tekniske serviceydelser. Fonden udelukker selskaber med involvering i skadelige aktiviteter eller som er i strid med internationale normer, med henblik på en forbedret ESG-profil i forhold til referenceindekset.

4. Andel af investeringerne

Fonden allokerer mindst 80 % af aktiverne i bæredygtige investeringer, med mindst 10 % allokeret til miljømæssige formål og mindst 20 % til sociale formål.

5. Overvågning af det bæredygtige investeringsmål

Vores compliance-afdeling overvåger løbende de bindende elementer for fonden med henblik på at sikre, at de opfyldes i hele fondens livscyklus.

6. Metoder

Fonden anvender indikatorer til at vurdere opfyldelsen af bæredygtige investeringer, samlet ESG-profil og indikatorer for de vigtigste negative indvirkninger (PAI). Den følger desuden op på det aktive ejerskab med selskaber gennem stemmeafgivning på selskabsmøder.

7. Datakilder og databehandling

Pictet Asset Management anvender data fra specialiserede ESG-udbydere, suppleret med intern analyse. Datakvaliteten sikres ved hjælp af automatiserede statusmeddelelser og manuel gennemgang samt daglige opdateringer i de interne systemer.

8. Begrænsninger mht. metoder og data

Selvom dækningen af ESG-data øges, er der begrænsninger i form af ufuldstændige data fra udstederne. Vi håndterer denne form for begrænsninger ved løbende at overvåge potentielle nye datasæt fra udbyderne.

9. Due diligence

Udbydere af tjenesteydelser er underlagt omfattende due diligence med tilsyn fra Pictet Groups ESG-datakomite, og omfatter emner såsom gennemgang af vedkommendes forretningsmodel, analyseproces, teknisk ekspertise, datadækning, kvalitetssikringsmekanismer og imødegåelse af interessekonflikter.

10. Politikker for aktivt ejerskab

Vi involverer os kun i forhold til vores langsigtede, aktivt forvaltede beholdninger af aktier og obligationer. Vores aktive ejerskab omfatter en kombination af målrettet intern dialog, fælles initiativer med institutionelle investorer og eksternt engagement.

11. Opnåelse af det bæredygtige investeringsmål

Der er ikke udpeget noget specifikt ESG-indeks.

NO SIGNIFICANT HARM TO THE SUSTAINABLE INVESTMENT OBJECTIVE

The fund considers principal adverse impacts (PAIs) on sustainability factors through the exclusion of issuers associated with controversial conduct or activities. Exclusions allow the fund to remove economic activities and behaviours towards international norms that have high adverse impacts on society or the environment. How exclusions map to PAIs and their related indicators is set out in Pictet Asset Management's Responsible Investment policy.

The fund excludes issuers that are subject to high or severe controversies in areas such as human rights, labour standards, environmental protection and anti-corruption, or in breach of UN Global Compact Principles or OECD Guidelines for Multinational Enterprises.

The fund considers an investment sustainable if it does no significant harm to any E/S objective, which the investment team determines by applying exclusions. Exclusions allow the fund to remove economic activities and behaviours towards international norms that have high adverse impacts on society or the environment. Please refer to Pictet Asset Management's Responsible Investment policy for further details on excluded sectors and behaviours and exclusion thresholds.

SUSTAINABLE INVESTMENT OBJECTIVE OF THE FINANCIAL PRODUCT

- **Positive impact:**

The fund seeks to achieve a positive environmental and/or social impact by investing at least two-thirds of its total assets/total wealth in companies operating in the water sector and providing solutions to global water challenges. The fund is targeting companies that are providing technologies to improve water quality, maximize water efficiency or increase the number of households connected to water services.

No reference index has been designated for the purpose of attaining the sustainable investment objective.

The fund invests mainly in companies whose significant proportion of their activities are related to, but not limited to, water production water conditioning and desalination, water suppliers, transport and dispatching, collection and treatment of waste water, sewage and solid, liquid and chemical waste, sewage treatment plants and providing water equipment, consulting and engineering services and other relevant economic activities.

The companies targeted in the air sector include those responsible for inspecting air quality, suppliers of air-filtration equipment and manufacturers of catalytic converters for vehicles.

- **Objectives of the sustainable investments that the fund mainly intends to make**

This is achieved by investing in securities financing economic activities that substantially contribute to environmental or social objectives such as:

- Environmental
    - De-carbonisation
    - Efficiency & Circularity
    - Natural Capital Management
- Social
    - Healthy Life
    - Water, Sanitation & Housing

  - Education & Economic Empowerment
  - Security & Connectivity

- **Norms- and values-based exclusions:**

The fund excludes issuers that are in severe breach of international norms or have significant activities with adverse impacts on society or the environment.

- **Active ownership:**

The fund methodically exercises its voting rights. The fund may also engage with the management of companies on material ESG issues and may discontinue investment if progress proves unsatisfactory.

INVESTMENT STRATEGY

In actively managing the fund, the investment manager uses a combination of market and fundamental company analysis to select securities that it believes offer favourable growth prospects at a reasonable price. The investment manager considers ESG factors a core element of its strategy by seeking to invest mainly in economic activities that contribute to an environmental and social objective whilst avoiding activities that adversely affect society or the environment. Voting rights are methodically exercised and there may be engagement with companies to positively influence ESG practices. For further information, please refer to our exclusion framework in the Responsible Investment policy, SFDR product category Article 9. The portfolio composition is not constrained relative to the benchmark, so the similarity of the fund's performance to that of the benchmark may vary.

The fund's binding elements include:

- at least 80% of sustainable investments, i.e. investments in companies that have a significant exposure to activities such as water production water conditioning and desalination, water suppliers, transport and dispatching, treatment of waste water, sewage and solid, liquid and chemical waste, sewage treatment plants and providing water equipment, consulting and engineering services and other relevant economic activities (as measured by revenue, enterprise value, earnings before interest and tax, or similar)
- exclusion of issuers that:
  - are involved in the production of controversial weapons including anti-personnel mines, cluster munitions, biological and chemical weapons, nuclear weapons and depleted uranium
  - derive a significant portion of their revenue from activities detrimental to society or the environment such as thermal coal extraction. Please refer to Pictet Asset Management's Responsible Investment policy for further details on excluded activities and revenue thresholds.
  - severely violate the UN Global Compact principles on human rights, labour standards, environmental protection and anti-corruption
- the exclusions for EU Paris-aligned Benchmarks
- a better ESG profile than the reference index after removing the bottom 20% of issuers with the weakest ESG characteristics
- ESG criteria analysis of eligible securities that covers at least 90% of net assets or the number of issuers in the portfolio

The good governance practices criteria apply to issuers of all corporate investments of the fund. To determine whether a company meets minimum requirements for good governance practices under SFDR, Pictet Asset Management ensures that companies it invests in do not have severe controversies or UN Global Compact breaches that are linked to various topics including sound management, employee relations, remuneration of staff and tax compliance. How breaches to UNGC principles and severe controversies map to good governance practices is set out in Pictet Asset Management's Responsible Investment policy.

PROPORTION OF INVESTMENTS

The fund allocates at least 80% of its assets to Sustainable investments (#1 Sustainable) and up to 20% to Not sustainable investments (#2 Not sustainable). At least 10% of its assets is allocated to environmental objectives and at least 20% to social objectives.

#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

• Pictet Asset Management uses a proprietary framework to define sustainable investments. Sustainable investments are calculated on a pass/fail basis including labelled bonds, general bonds from countries that reduce CO_2 emissions or implement policies that may lead to meaningful improvement in reducing CO_2 emissions, and securities from issuers with at least 20% combined exposure (as measured by revenue, EBIT, enterprise value or similar metrics) to economic activities that contribute to environmental or social objectives.

Please refer to Pictet Asset Management's Responsible Investment policy for further details on our Sustainable Investment Framework.

• Whilst the fund includes achieving a positive environmental or social objective, its investment policy does not target specifically EU Taxonomy aligned investments as defined by the technical screening criteria of the Taxonomy Regulation.

MONITORING OF SUSTAINABLE INVESTMENT OBJECTIVE

Our Compliance department monitors on an ongoing basis the binding elements (referred to in the Investment strategy section) of the fund to ensure that these are met throughout the lifecycle of the fund.

METHODOLOGIES

Indicators the fund uses include:

- The percentage of the financial product's exposure to "sustainable investments" as defined in Article 2 (17) of SFDR
- Overall ESG profile
- Principal Adverse Impact (PAI) indicators such as exposure to issuers that are in severe breach of international norms or have significant activities with adverse E/S impacts on society or the environment
- The percentage of eligible company meetings where voting rights were exercised
- Engagement with companies

DATA SOURCES AND PROCESSING

Pictet Asset Management has selected a range of specialist providers for ESG data to support our firm-wide ESG integration and active ownership activities. Data received from external providers may be complemented by internal research and analysis provided by our Investment teams and ESG specialists.

Pictet Asset Management's main ESG data providers can be found in our Website by following this link.

What are the measures taken to ensure data quality?

Quality issues trigger automated alerts, which are followed by manual reviews from our data and ESG analysts/specialists, and where necessary, by engagements with third-party ESG data providers. Additionally, we perform momentum analysis on different ESG data to better identify risks and opportunities.

How is data processed?

ESG data are updated daily in our internal data warehouse and are made available to our investments teams through various systems, such as our internal ESG Scorecard, Portfolio Management System, and Tableau dashboards.

What proportion of data is estimated?

Although we prioritise reported data over estimated data, we do rely on estimations to some extent, where reported data are not available. Data reported by companies and regulatory authorities are prioritised over estimated data from external providers and ranked higher in terms of reliability for investment and active ownership activities.

The proportion of estimated data varies depending on the ESG indicator. For example, for GHG emissions scope 1 and 2, around 80% of the data is reported, while the majority of scope 3 emissions are estimated.

LIMITATIONS TO METHODOLOGIES AND DATA

Any limitations to the methodologies

Key limitations to our methodologies may include a lack of data coverage. Our methodologies are informed by reliable sources gathered from diverse reputable third-party research providers that are experts in their areas.

In cases where the information from third-party providers is deemed incorrect or incomplete, we retain the right to engage with them or to deviate, on a case-by-case basis.

How such limitations do not affect the objective of the fund

ESG data availability is continually improving, and we are leveraging more and more on our data using information from different providers. However, certain data may not be available for all issuers in the fund or benchmark, which means that ESG indicators provided at the portfolio level may not be fully representative. Therefore, it is important to consider coverage ratios when interpreting the levels of ESG indicators. At the portfolio and index level, an ESG indicator is considered significant if we have coverage on more than 50% of eligible assets (in-scope instruments).

Actions taken to address such limitations

We address such limitations on constantly monitoring potential new relevant data set from providers.

DUE DILIGENCE

Service providers are subject to rigorous due diligence supervised by the Pictet Group ESG Data Committee and covering topics such as review of their business model, research process, technical expertise, data coverage, quality assurance mechanisms, and prevention of conflicts of interests. In addition to external ESG data, the Committee approves and oversees the development of in-house ESG data infrastructure and the annual ESG data budget.

The existing list of ESG Data providers is subject on an ongoing revision for data quality, coverage and other attributes. As a consequence, if the outcomes of the due diligence are not satisfactory and we face repetitive data quality issues we can close the contract we have in place with them.

More information about the external data sources used is available upon request.

Our due diligence process of issuers covers the following points:

- The clarity and robustness of the issuer's long-term strategy.
- The functioning and caliber of governance structures and effective leadership.
- The financial strength and performance of issuers and the fair valuation of underlying securities.
- Sustainability risks & opportunities and adverse impacts of potential investments on society and/or the environment.

ENGAGEMENT POLICIES

We consider it our fiduciary duty to engage selected corporate issuers in order to positively influence a company's ESG performance and to protect or enhance the value of our clients' investments. We press management to adopt appropriate policies, practices and disclosure in line with established best practice but focus on those that lag behind or where accidents or events bring to light structural weaknesses in their governance and/or management of environmental and social issues. Interaction with issuers take the form of one-to-one discussions, shareholder/bondholder meetings, investor roadshows and/or conference calls. The objectives of these interactions are to assess an organization, monitor that their strategy is being implemented in line with our expectations and ensure that issuers are on track to meet their goals and objectives.

We engage on behalf of our long only, managed equity and debt holdings. Our engagement activities include a combination of targeted in-house-led discussions, collaborative institutional investor initiatives, and third-party engagement services.

Collaborative initiatives we participate in include Ceres Valuing Water Finance, Nature Action 100 and FAIRR.

Engagement targets may be identified independently by investment teams, or as part of our Group Engagement Focus program, a group-level engagement initiative that focuses on issues such as climate change, nature, long-termism and breaches of global norms.

Our Pictet Climate Action Plan, which includes our commitment to net zero by 2050 as well as interim science-based targets, also drives some of our engagement activity as we use active ownership to make progress against our climate targets. More detailed information on engagement and proxy-voting policies activities can be found in Pictet Asset Management's Responsible Investment Report and Responsible Investment Policy.

ATTAINMENT OF THE SUSTAINABLE INVESTMENT OBJECTIVE

No specific ESG index has been designated.