

**Prohlášení o hlavních nepříznivých dopadech investičních rozhodnutí na faktory udržitelnosti****Účastník finančního trhu** Raiffeisen Kapitalanlage-Gesellschaft m.b.H., 54930002MVAMFR6BH208**Shrnutí**

Raiffeisen Kapitalanlage-Gesellschaft m.b.H., 54930002MVAMFR6BH208, zohledňuje hlavní nepříznivé dopady svých investičních rozhodnutí na faktory udržitelnosti. Toto prohlášení je konsolidovaným prohlášením o hlavních nepříznivých dopadech Raiffeisen Kapitalanlage-Gesellschaft m.b.H. (dále jen „Raiffeisen KAG“) na faktory udržitelnosti.

Toto prohlášení o hlavních nepříznivých dopadech na faktory udržitelnosti se týká referenčního období od 1. ledna do 31. prosince 2022.

Zohlednění ukazatelů udržitelnosti bylo u jednotlivých investičních produktů Raiffeisen Kapitalanlagegesellschaft m.b.H. definováno z pohledu zvolené investiční strategie. Produktové informace o tom, zda – a pokud ano, tak jak – jsou jednotlivě zohledňovány hlavní nepříznivé dopady na ukazatele udržitelnosti, naleznete v oddílu II bod 13.1 prospektu / v bodu 12.1 informací pro investory podle § 21 rakouského zákona o správcích alternativních fondů (AIFMG), resp. příp. v příloze „Environmentální a/nebo sociální vlastnosti“ nebo „Cíl udržitelných investic“ prospektu, resp. v informacích pro investory podle § 21 zákona o správcích alternativních fondů (AIFMG). Uvedené dokumenty jsou k dispozici na stránkách [www.rcm.at](http://www.rcm.at) v sekci „Kurse und Dokumente“ nebo v případě zahraniční registrace v odpovídající sekci na stránkách [www.rcm-international.com](http://www.rcm-international.com). Informace pro investory podle § 21 rakouského zákona o správcích alternativních fondů (AIFMG) ohledně zvláštních fondů jsou poskytovány v podobě sjednané s investorem.

Podrobnosti níže uvedených ukazatelů a měření vychází z údajů investičních fondů spravovaných společnostmi Raiffeisen Kapitalanlagegesellschaft m.b.H. bez ohledu na zvolenou investiční strategii.

Standardní přístup („zelená cesta“) u fondů spravovaných společnostmi Raiffeisen Kapitalanlagegesellschaft m.b.H., které jsou součástí portfolia udržitelných produktů, předpokládá zohlednění hlavních nepříznivých dopadů investičních rozhodnutí fondu. Zohlednění hlavních nepříznivých dopadů vychází mimo jiné z cílů udržitelného rozvoje OSN<sup>1</sup>, iniciativy OSN Global Compact, směrnic OECD pro oblast správy a řízení a pro nadnárodní podniky, Všeobecné deklarace lidských práv a z dalších mezinárodních úmluv a norem. Kromě toho se do zohledňování hlavních nepříznivých dopadů promítají požadavky, které se týkají většiny klimaticky kritických sektorů a které se orientují na cíle Pařížské dohody o ochraně klimatu.

V jednotlivých případech – pokud s tím daná investiční strategie počítá – jsou zohledňovány ukazatele z následujících oblastí:

**Společnosti**

Environmentální faktory: Emise skleníkových plynů, biologická rozmanitost, voda, odpad

<sup>1</sup> Cíle udržitelného rozvoje OSN (Sustainable Development Goals, SDG) byly přijaty jednomyslně 193 státy OSN a implementovány rakouskou spolkovou vládou.

Sociální faktory: Sociální a zaměstnanecké otázky, dodržování lidských práv a boj proti korupci a úplatkářství  
Jako dodatečné ukazatele byly v oblasti environmentálních faktorů zvoleny spotřeba vody a recyklace a v oblasti sociálních faktorů míra úrazů ve společnostech, do kterých je investováno.

Státy a nadnárodní podniky

Environmentální faktory: Intenzita skleníkových plynů

Sociální faktory: Porušování sociální práva jako ukazatel udržitelnosti

Podrobnosti o našem přístupu ke zohledňování hlavních nepříznivých vlivů na ukazatele udržitelnosti na úrovni produktu naleznete na stránkách [www.rcm.at](http://www.rcm.at) nebo [rcm-international.com](http://rcm-international.com) v části „Our Topics/Sustainability“ (Naše témata / Udržitelnost).

Na produkty, jejichž investiční strategie nezahrnuje zohledňování hlavních nepříznivých dopadů, se vztahují omezení v oblasti uhlí (s investory zvláštních fondů lze sjednat odlišné podmínky). Investice do kontroverzních zbraní a spekulací s potravinami jsou vyloučeny. Toto opatření rovněž přispívá ke snížení nepříznivých dopadů.

Další informace o udržitelném investičním procesu Raiffeisen KAG naleznete v naší politice udržitelnosti, která je zveřejněná na stránce [www.rcm.at](http://www.rcm.at) nebo na stránce [rcm-international.com](http://rcm-international.com) v části „Our Topics/Sustainability“ (Naše témata / Udržitelnost).

**Description of the principal adverse impacts on sustainability factors**

The sustainability indicators to be considered for the individual investment products of Raiffeisen Kapitalanlagegesellschaft m.b.H. have been determined in relation to the investment strategy selected. Product-specific information on whether and – if yes – how principal adverse impacts on sustainability factors are taken into consideration can be found in Part II item 13.1. of the prospectus / item 12.1 of the information for investors pursuant to § 21 AIFMG or, where applicable, in the Annex “Environmental and/or social characteristics” or “Sustainable investment objective” to the prospectus or information for investors pursuant to § 21 AIFMG. The above-mentioned documents can be found at [www.rcm.at](http://www.rcm.at) under “Prices and documents” and, for funds registered outside Austria, at [www.rcm-international.com](http://www.rcm-international.com) on the website of the corresponding country under “Prices and documents”. Information for investors pursuant to § 21 AIFMG for special funds will be provided as agreed with the investor.

The following description refers to the management by Raiffeisen KAG. Should the management be delegated, the product-specific information on the investment approach can be found in the respective prospectus or in the information for investors pursuant to § 21 AIFMG (see above).

The negative criteria implemented throughout the company address the following topics: coal, controversial weapons, food speculation and reputational damage. Furthermore, for investment funds with environmental and social characteristics or investment funds with a sustainable objective, further negative criteria will be observed; these can be found in the Annex “Environmental and/or social characteristics” or “Sustainable investment objective” to each prospectus or in the information for investors pursuant to § 21 AIFMG (see above).

The sustainable product range is based on the so-called “green path” approach, or the sustainable investment process of Raiffeisen KAG, which is based on the continuous integration of environmental, social and governance (ESG) aspects. ESG<sup>2</sup> objectives are achieved by linking traditional financial analysis with ESG analysis at several levels of the investment process.

#### Companies

Raiffeisen KAG has identified material topics at the investment level which internal research on the subject of “Zukunftsthemen” has deemed to be important and which have found their way into the Raiffeisen KAG investment process. The topics covered currently include, in particular, the sectors of energy, infrastructure, commodities, technology, healthcare/ nutrition/ well-being, circular economy and mobility.

The integration of ESG aspects (environmental, social, governance) into Raiffeisen KAG’s fund management as part of its “green path” approach aims to increasingly consider the social responsibility of the investment in addition to risk/return objectives. Sustainability therefore means active management.

The integrated approach pursued by Raiffeisen KAG starts with an analysis focusing on internal and external data and information. Internal know-how is gathered on the basis of proprietary research results of “Zukunftsthemen”; the process of analysis also begins with Raiffeisen KAG’s sector-related investment assessments. Positive and negative criteria are also taken into consideration. The data provided by two sustainability research agencies forms a significant component of the external research applied. The self-developed Raiffeisen ESG Corporate Indicator for companies is calculated on the basis of internal and external ESG data, and plays a central role in the decision-making process for the investment in sustainable funds. The company-based ESG indicator is based on three pillars: sector evaluation, company evaluation, and engagement.

The first pillar of the Raiffeisen ESG Corporate Indicator is based on the internal assessment of the “Zukunftsthemen” team. The team compiles scores for sectors and subsectors which reflect their sustainability potential, therefore establishing the assessment of a certain sector or topic. The assessment scale used contains five digits.

Calculating the ESG corporate rating is the second pillar of the investment process. This includes various assessments from external partners, comprising a stakeholder assessment, an assessment of ESG risks, a corporate governance assessment, an assessment of controversies and an SDG<sup>3</sup> assessment, as well as an evaluation on the basis of the negative criteria defined by Raiffeisen KAG. On this analysis level, preselection is made of the overall investment universe. In terms of sustainability, no company or issuer in this universe may violate the negative criteria established by Raiffeisen KAG. The negative criteria are subject to constant monitoring and may be extended or adjusted to incorporate new information and developments on the market. It is the aim of this strict criteriology to avoid controversial sectors and criminal acts that may result in severe damage to the environment or society or to the companies themselves. Negative criteria may be motivated by the environmental side (such as the production of oil and gas, coal production or coal-fired power generation), may

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<sup>2</sup> ESG: environmental, social and governance

<sup>3</sup> Sustainable development goals (SDG); these goals for sustainable development were established by the United Nations and unanimously adopted by 193 nations, and are implemented by the Austrian Federal Government.

have social relevance (such as violations of labor or human rights) or may relate to governance (such as corruption or balance sheet manipulation). On top of this, the ethical level also forms the basis for a number of criteria, for instance gambling or pornography.

On the financial side, no investments are made in companies or issuers with insufficient financial viability.

The third pillar is the engagement rating, which involves a combination of three dimensions:

1. the intensity and form of a company's engagement

2. its communication

This assesses the company's willingness to respond to questions raised by Raiffeisen KAG, the frequency of communication and the swift and timely response to these questions.

3. the impacts of the company's engagement

This is an assessment of the company's implementation of its engagement objectives.

Where reputational risks are identified in the context of the engagement process, the company will be excluded from any investment. If a company has not yet shown any engagement, it is rated neutral.

Good corporate governance, especially in solid management structures, employee relations and compensation, is a prerequisite for a company to be selected. In the three pillars described above, good corporate governance in the investment process is assessed through the application of negative criteria, the integration of ESG research into the investment process for the assessment of companies and for stock picking, and the constant evaluation of the fund's governance-related score within the internal limit system. Governance-related topics are especially relevant to the process for reputationally challenged securities.

Consideration of the negative sustainability impacts is embedded into the "green path". This occurs at three levels: exclusions/negative criteria, positive criteria and engagement. Negative criteria address controversial sectors and practices, thus forming the basis for an ethical positioning. They also contribute to the prevention of reputational risks. The use of positive criteria involves an absolute and relative assessment of companies in regard to stakeholder-related data, such as in the areas of employees, society, suppliers, business ethics and the environment. Additionally, companies are encouraged to reduce the adverse sustainability impacts through corporate dialogue and, in particular, through the exercise of voting rights – a process known as "engagement". More information on the consideration of negative sustainability impacts in the engagement policy can be found below under the heading "*Engagement policy*".

#### Sovereign bonds

For the purpose of assessing countries, Raiffeisen has developed the Raiffeisen ESG Sovereign Indicator. Various topics have been identified for the calculation that describe the level of sustainability of the sovereigns, both in their legislation and in their conduct towards the environment and the citizens. In the calculation model, these topics are represented by so-called factors, with each factor assigned to either the environment, social or governance category, or to one of the subcategories biodiversity, climate change mitigation, resources, environmental protection, basic needs, justice, human capital, satisfaction, institutions, politics, finance and transparency. Data from external research providers is also incorporated into the calculation.

The selection process for sovereign bonds includes the consideration of the principal adverse impacts on sustainability. This occurs through the application of negative criteria, the integration of ESG research in the investment process and through selection (positive criteria). The use of positive criteria includes the absolute and relative assessment of sovereigns in relation to sustainable development, represented by factors such as the political system, human rights, social structures, environmental resources and climate change policy.

The table below can provide an overview of which step in the process includes which factors. Future deviation from the planned measures is possible at any time.

For more information on Raiffeisen KAG's sustainable investment process, please see the sustainability policy published on the website at [www.rcm.at](http://www.rcm.at) or [rcm-international.com](http://rcm-international.com) under Our topics/Sustainability.

The following information on the impacts applies to all of the assets managed by Raiffeisen KAG (including investment funds whose management has been delegated to other companies).

<b>Indicators applicable to investments in investee companies</b>				
<b>Adverse sustainability indicator</b>	<b>Metric</b>	<b>Impact 2022</b>	<b>Explanation</b>	<b>Actions taken, and actions planned and targets set for the next reference period</b>
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>				
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	54,788.97 tCO <sub>2</sub>	Consideration on the level of positive criteria
		Scope 2 GHG emissions	4,445.12 tCO <sub>2</sub>	Consideration on the level of positive criteria
		Scope 3 GHG emissions	237,365.42 tCO <sub>2</sub>	Consideration on the level of positive criteria
		Total GHG emissions	Scope 1, 2 and 3: 296,599.5 tCO <sub>2</sub>	Consideration on the level of positive criteria
	2. Carbon footprint	Carbon footprint	Scope 1, 2 and 3: 5,745.29 tCO <sub>2</sub> /mil. EUR	Consideration on the level of negative criteria
	3. GHG intensity of investee companies	GHG intensity of investee companies	Scope 1, 2 and 3: 736,65 tCO <sub>2</sub> /mil. EUR	Consideration on the level of positive criteria and engagement

4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	3.61%		Consideration on the level of negative criteria
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	<p>Energy consumption of coal/nuclear/unknown energy sources: 56.22%</p> <p>Consumption of non-renewable energy: 47.85%</p> <p>Production of non-renewable energy: 0.02%</p>	Approximate value for "Energy consumption of coal/nuclear/unknown energy sources" and "Consumption of non-renewable energy"	Consideration on the level of positive criteria
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	<p>Agriculture, forestry, fishing industry: 0.00092 GWh/mil. EUR</p> <p>Mining and production of raw materials: 0.02517 GWh/mil. EUR</p> <p>Manufacturing industry: 0.09808 GWh/mil. EUR</p> <p>Supply of electricity, gas, steam and air conditioning systems: 0.09085 GWh/mil. EUR</p> <p>Water supply, waste water and garbage disposal, and</p>		Consideration on the level of positive criteria

			<p>environmental remediation: 0.03871 GWh/ mil. EUR</p> <p>Construction: 0.00186 GWh/mil. EUR</p> <p>Commerce; maintenance and repair of motor vehicles and motorcycles: 0.00241 GWh/Mio. EUR</p> <p>Transportation and storage: 0.01283 GWh/mil. EUR</p> <p>Real estate activities: 0.00489 GWh/mil. EUR</p> <p>Activities of extraterritorial organizations and corporations: 0.05635 GWh/mil. EUR</p>		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.04%	Approximate value	Consideration on the level of negative and positive criteria

Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	309.17 t/mil. EUR	<p>The indicator refers to various types of emissions to water.</p> <p>ISS ESG collects the chemical oxygen demand (COD), a commonly used indicator for measuring emissions to water, which can serve as an approximate value for the requirements of the indicator "Emissions to water".</p>	Consideration on the level of positive criteria and engagement
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	71,748.84 t/mil. EUR	Approximate value	Consideration on the level of positive criteria and engagement
<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>					
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.41%		Consideration on the level of negative and positive criteria

	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	5.28%		Consideration on the level of positive criteria and engagement
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	0.07%		Consideration on the level of positive criteria and engagement
	13. Board gender diversity	Average ratio of female to male board members in the investee companies, expressed as a percentage of all board members	0.42%		Consideration on the level of positive criteria
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00%	Small amounts are possible due to the various definitions of controversial weapons (dual use <sup>4</sup> ) and in relation to portfolios not managed by Raiffeisen KAG.	Consideration on the level of negative and positive criteria

<sup>4</sup> Dual use: principal usability of technology or goods for civilian and military purposes

Indicators applicable to investments in sovereigns and supranationals					
Adverse sustainability indicator		Metric	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	119.6 t/mil. EUR GDP		Consideration on the level of negative and positive criteria
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	Relative: 3.55%  Absolute: 4.79%		Consideration on the level of negative and positive criteria
The indicators for investments in real estate do not apply since direct investments in real estate are not permissible.					

Other indicators for principal adverse impacts on sustainability factors					
Adverse sustainability indicator		Metric	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Water, waste and material emissions	Water usage and recycling	Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies	38,549.08 m <sup>3</sup> /mil. EUR	Approximate value	Consideration on the level of positive criteria
Social and employee matters	Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	1.67 incidents/20,000 hours		Consideration on the level of negative and positive criteria
<p><b>Description of policies to identify and prioritise principal adverse impacts on sustainability factors</b></p> <p>The strategy to determine and assess the principal adverse impacts on sustainability factors was approved on 20 September 2022 by the management of Raiffeisen Kapitalanlage G.m.b.H. in the form of a policy, which has been published on our website at <a href="http://www.rcm.at">www.rcm.at</a> or <a href="http://rcm-international.com">rcm-international.com</a> under Our topics/Sustainability.</p> <p>The Raiffeisen KAG organization reflects the focus on sustainability. The Sustainability Office and the fund management are located at the management level, under the Corporate Sustainability Investment Officer (CSIO). The Sustainability Office defines the philosophy of sustainability, determines the policies and "Zukunfts-Themen", as well as the engagement process. It is also responsible for ensuring that the strategies and methods are implemented in the investment process for sustainable product positioning.</p> <p>The sustainability strategy and criteriology adopted by Raiffeisen KAG is supported by an advisory board for sustainable investment which acts in an advisory capacity. The advisory board comprises a number of external experts who introduce the perspectives of various stakeholder groups to the discussion.</p> <p>The following statements refer to the management by Raiffeisen KAG.</p> <p>Raiffeisen KAG's ESG investment process addresses negative sustainability impacts mainly through negative criteria, positive criteria (best-in-class) and engagement. Furthermore, the company has developed its own ESG indicator.</p> <p>The negative criteria are defined by the Sustainability Office and applied to the entire investment universe and all of the funds, and are continually monitored within the internal limit system. Positive criteria (best-in-class) are implemented by the fund management within the sustainable investment process. Sustainability risks are also depicted in risk management</p>					

processes. Raiffeisen KAG's risk management identifies, evaluates and monitors sustainability risks, while the continual monitoring is supported by an internal limit system. Engagement activities are anchored in both the Sustainability Office (investment universe) and the fund management (funds).

Furthermore, the indicators for negative impacts on sustainability factors are calculated on a monthly basis and analyzed quarterly, with the required data being provided by Institutional Shareholder Services. If defined thresholds are exceeded or not reached at all, the affected companies or issuers will be subjected to another internal analysis to be conducted by the Sustainability Office in cooperation with the fund management. Relevant cases will be presented to the sustainability committee, consisting of representatives from management, fund management and the Corporate Responsibility department, who will make the final decision.

Determination, assessment and control of the principal adverse impacts on sustainability factors

Sustainability factors include environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. Adverse impacts on sustainability factors describe the effect the investment has on the outside world, while sustainability risks from the outside may have a (potentially) negative effect on the investment. Sustainability risks are understood as events or conditions that are related to environmental, social or corporate governance matters, that could cause an actual or potential material negative impact on the value of the investment should they occur. A significant aspect of sustainability risks includes the related environmental and reputational risks (e.g., through calls to boycott products that violate labor laws) that relate to companies and issuers. The difference between negative impacts on sustainability factors and sustainability risks is not distinct, so that measures to limit the sustainability risk often also reduce the negative impacts on sustainability factors and vice versa.

The methods for selecting the indicators for negative impacts on sustainability factors and for determining and assessing the principal adverse impacts on sustainability factors are embedded in Raiffeisen Kapitalanlage G.m.b.H.'s wholistic sustainable investment process. Due to this wholistic approach, the investment process considers all of the indicators for negative impacts on sustainability factors listed in the section above. Avoidance of controversial sectors and practices is based on an ethically argued approach towards avoiding involvement in ethically dubious activities and represents the first step in any sustainable investment, not least in terms of the chronological development. The following company-wide negative criteria were considered during the period covered by the periodic report: coal (in several steps, investments in companies and sovereigns that are active in the coal sector are excluded), controversial weapons (investments in companies that are active in the field of controversial weapons are excluded) and food speculation (investments that may enable or support food speculation are excluded). In the sustainable investment process, corporate issuers are excluded from funds of the sustainable investment range if they exhibit severe controversies regarding the violation of human rights, violation of labor rights, use of child labor, corruption & balance sheet manipulation, and violations of the UN Global Compact, or if they are involved in the production of tobacco end products. Additional negative criteria which apply to funds with a higher sustainability standard are determined on the basis of the respective product profile (see Annex "Environmental and/or social characteristics" or "Sustainable investment objective" to each prospectus or in the information for investors pursuant to § 21 AIFMG; these documents can be found at [www.rcm.at](http://www.rcm.at) under "Prices and documents" and, for funds registered outside Austria, at [www.rcm-international.com](http://www.rcm-international.com) on the website of the corresponding country under "Prices and documents". Information for investors pursuant to § 21 AIFMG for special funds will be provided as agreed with the investor.). For all funds with a sustainability focus that are actively managed by Raiffeisen KAG, a firm commitment is pursued to withdraw from financing the nuclear industry by 2030, which includes all investable companies that are active in the areas of nuclear energy, uranium mining, uranium processing, or which relate to their transport and other infrastructure. The application of negative criteria is an important step in reducing the probability of their occurrence and the severity of principal negative impacts on sustainability factors, including their potentially irreversible nature.

Positive criteria form another central focus of the methods used for the determination, assessment and control of the negative impacts on sustainability factors. These are implemented through a best-in-class approach. In doing so, this ensures that the ESG research is integrated into the assessment of companies and ultimately into the stock-picking process; this also applies analogously to countries (sovereigns) as issuers of debt securities. The consistent integration of ESG research into the investment process (ESG indicators) results in higher ESG quality levels and enhances the portfolio's risk profile. A further key aspect in the evaluation of sustainability impacts is the assessment of the contribution that securities make to the SDGs; in the process, securities are analyzed according to their SDG-related impact both before and during an investment. Through implementation of the positive criteria, the focus is put on the issuers who show above-average results within their relevant comparison group during the sustainability evaluation. This reduces the likelihood of negative impacts on sustainability risks and factors (where unavoidable) from occurring and as well as their severity.

The third step in the wholistic sustainability concept is engagement as an integral component of a responsible and sustainable investment policy. The above elements of the first two steps are joined by the facilitation of change in the sense of a socio-economic impact: influencing the conduct of companies, organizations and consumers. The focus is on corporate dialogue and, in particular, the exercise of voting rights. In this process, consideration is given to the principal negative impacts on sustainability factors. Please refer to the "Engagement policy" section for details.

The weighting of the individual indicators for negative impacts on sustainability factors is derived from the sustainable investment process: Ten of the mandatory PAIs (PAI 3, 7, 8, 9, 10, 11, 12, 14, 15, 16) are depicted in two of the three steps in total of the sustainability concept, while the remaining six indicators for negative impacts on sustainability factors (1, 2, 4, 5, 6, 13) are each considered at one level of the investment process.

As previously mentioned, with the wholistic sustainability approach, there is no systematic limitation to individual indicators for negative impacts on sustainability factors. Instead, all indicators are considered in the investment process as a rule. During the reporting period, a qualitative approach was selected for negative impacts on sustainability factors as opposed to a quantitative limitation of individual indicators, as mentioned above. Therefore no margins of error have been provided for.

The data in the tables in the previous section include direct portfolios of the financial product's individual securities as well as the direct portfolios of the investment fund's individual securities in which the financial product invests (excluding the "Further indicators for the principal adverse impacts on sustainability factors"). Indirect investments through derivative instruments are insignificant and not taken into consideration.

#### Data sources

The ESG assessment within Raiffeisen KAG's sustainability process is based on internal and external research sources. In addition to internal research, a combination of two external data providers is applied. A potential added-value of the companies for environmental and social criteria is analyzed and the subject is brought up with them in the course of corporate dialogue (engagement). Both external data providers contribute differing ESG research approaches and their own input variables to the analysis, which complement one another.

The first approach – applied by the research provider Institutional Shareholder Services – is based on a comprehensive stakeholder and sustainability analysis of the respective company by using a method that is based on the Frankfurt-Hohenheim Guidelines. The data points reported here on the negative impacts on sustainability factors are obtained on a monthly basis from Institutional Shareholder Services using the data interface.

The second approach – used by the research provider MSCI ESG Research Inc. – analyzes in particular the aspects of the ESG risk and the related risk management of the respective company on the basis of sustainability indicators/key performance indicators (KPIs). The assessment is adjusted to each sector so that the companies are comparable with one another, and it includes items that are relevant to each company.

For the examination of negative criteria and the principal adverse impacts on sustainability factors, as well as the assessment of controversies, Raiffeisen KAG uses the data from the research provider Institutional Shareholder Services. For the internal limit system and the assessment of the exposure to controversial sectors, the data from the research provider MSCI ESG Research Inc. is used. The data obtained from the research partners is added to the Raiffeisen KAG systems on a monthly basis subject to prior quality assurance. Especially for research processes, some data is also obtained directly from a web-based solution provided by Institutional Shareholder Services. Quality assurance of the data occurs through regular monitoring of the added data and through plausibility checks. For the selection of data providers, the focus is on the degree of coverage (in relation to the investment universe and the available data points), the methodology and the usability.

The disclosure of some data may be restricted by certain companies, which can result in the need to estimate data. Data providers therefore regularly estimate data points while continually improving the degree of coverage and the methodology. For details on data estimates and the use of approximate values, please refer to the explanations in the table in the previous section. Raiffeisen KAG does not estimate sustainability indicators themselves. The need for estimates will continually decrease, for example through the expansion of sustainability-related reporting obligations for companies.

The methods applied and data sources used are restricted by the limited availability of relevant data. In order to lessen these restrictions, the research providers employed used a variety of alternative data, including media sources, recognized international or local NGOs, government agencies and intergovernmental organizations. A further restriction of data occurs in the delay between the time the data is obtained and the time the results are assessed. As a rule, the companies concerned report annually on the previous financial year, meaning that the information provided is considerably outdated. An additional delay occurs between the time the information on the company concerned is published and the time when this data is collected and processed by the data provider. Furthermore, data providers also rely on alternative data, such as media reports, which are generally more up-to-date and can be integrated on an ad-hoc basis. Future-oriented assessments are naturally subject to a certain degree of uncertainty, for example when declared commitments or strategies are not (or cannot be) implemented as expected. The data providers employed use robust methods to assess the plausibility of commitments in relation to the future performance of the companies concerned.

### **Engagement policy**

As one of the leading sustainable asset managers in Austria, Raiffeisen KAG is well aware of its fiduciary duties towards its clients, on the one hand, and the possible influences on the investee companies, on the other hand. Engagement is part of these duties and rights, including the long-term dialogue with companies, as an expression and implementation of Raiffeisen KAG's sustainable philosophy. Generally, this engagement may serve various purposes. Apart from the financial situation and development of companies, sustainability topics are the main focus. From the point of view of sustainability, engagement also involves efforts at persuasion in order to promote improved corporate social responsibility or improved sustainability within each company concerned. In the best case scenario, this stringent engagement process may also provide the initiative for these companies to implement changes in relevant ESG areas, which in turn can lead to improvements in the operating results for investors and stakeholders. In the area of corporate dialogue, Raiffeisen KAG distinguishes between proactive and reactive engagement. A proactive, constructive dialog with companies serves to identify potential financial or non-financial risks and opportunities, whereas responding to current events in a targeted manner by way of a reactive dialogue enables the clearest possible assessment of a company, including its environment and potential risks. Voting rights are exercised either directly or indirectly via proxies. In-house principles are pursued here which are based upon a transparent and sustainable corporate governance policy and which cover significant issues that are regularly discussed at shareholders' meetings. Direct engagement with companies occurs in personal one-on-one meetings or in group meetings, or as a joint engagement via platforms such as PRI or ISS-ESG.

Within the context of the engagement policy, the relevant companies are selected in connection with the respective indicator for negative impacts on sustainability factors via an absolute, relative or binary assessment of the indicators and a resulting classification within the sustainable investment universe or respective sector. The engagement process is implemented in several steps for companies with portfolios where negative sustainability impacts have been identified. Active participation in the shareholders' meeting is encouraged, with the respective negative impacts on sustainability factors specifically being addressed. Through collaborative engagement via platforms or direct contact with the respective companies, the negative impacts on sustainability factors can be focused on specifically. Identification of the target company for engagement is based on the data provided by research agencies whom Raiffeisen KAG has partnered with for many years. This is followed by a definition of quantitative and qualitative objectives that can be used to depict the engagement progress. In some cases, these may reflect the efforts to reduce negative impacts on sustainability factors over multiple reporting periods. The company is then contacted individually or together with other investors through collaborative engagement. If the company that is addressed does not respond, a reminder is sent, generally to a higher authority than was previously contacted. In all forms of engagement, targets or intermediate targets are formulated, and their progress or achievement is monitored and documented. If these targets are not met, the final step of escalation may be initiated, namely divestment. If no reduction of the principal adverse impacts on sustainability factors is observed over several reporting periods, this does not necessarily trigger a change in the engagement policy.

Due to the wholistic nature of the sustainable investment process, the engagement policy does not create any systematic limitation to individual indicators for negative impacts on sustainability factors. Rather, all indicators named in the section "*Description of the principal adverse impacts of investment decisions on sustainability factors*" are taken into consideration. Engagement activities were conducted in the following areas in particular during this statement's reference period:

- PAI 3: GHG intensity of investee companies
- PAI 8: Emissions to water
- PAI 9: Hazardous waste and radioactive waste ratio
- PAI 11: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- PAI 12: Unadjusted gender pay gap

The underlying procedure corresponded to the method described in this section.

### **References to international standards**

Code of Conduct adopted by Raiffeisen Bank International AG (RBI)

Raiffeisen KAG is committed to the fundamental values of the RBI Group as set out in the RBI Code of Conduct, which it applies analogously to its own activities.

The Code of Conduct adopted by the RBI Group defines its fundamental values and forms the basis of its legally compliant and ethically guided corporate culture. The Code is binding for all employees of the RBI Group and ensures that the business and ethical conduct complies with the highest standards based on the following values:

- Client focus
- Professionalism
- Quality
- Mutual respect
- Initiative
- Teamwork
- Integrity

This includes good corporate governance.

#### Voluntary commitments

The UN SDGs, the UN Global Compact principles, the OECD Guidelines for Corporate Governance and Multinational Enterprises, the Universal Declaration of Human Rights, and other international conventions and standards all form the basis for the application of the adverse impacts on sustainability.

Furthermore, the application of the negative impacts on sustainability factors will reflect the requirements that concern most of the environmentally critical sectors and that are aligned with the objectives of the Paris Climate Accords. Raiffeisen KAG is a member and partner of the following initiatives, which support and further develop the implementation of sustainable investment solutions:

- UN Principles for Responsible Investments
- Raiffeisen Sustainability Initiative (Raiffeisen-Nachhaltigkeits-Initiative)
- Montréal Carbon Pledge
- Forum Nachhaltige Geldanlagen (FNG)
- Carbon Disclosure Project
- Net Zero Asset Manager Initiative
- Forum per la Finanza Sostenibile

Furthermore, some sustainable funds fulfill the selection criteria of the Austrian Ecolabel, meaning they have achieved the FNG seal of certification for sustainability. The FNG seal comprises reporting on funds within the framework of the Eurosif European Transparency Code (partnership of European national forums for sustainable investments).

The Raiffeisen Kapitalanlage-Gesellschaft m.b.H. climate strategy, passed in December 2022, which comprises all equities and corporate bonds of self-managed, publicly offered funds, aims to reduce the emission intensity by at least 25% by 2025 and by at least 50% by 2030 (respective baseline emissions year 2019), and to convert the investment portfolio to net zero emissions by 2050, which corresponds to a maximum global temperature increase of 1.5°C by 2050. The measurement is conducted with the help of the relative carbon footprint (tCO<sub>2</sub>/invested mil. EUR). The climate strategy is based on the 1.5°C migration pathway of the IPCC (Intergovernmental Panel on Climate Change). The necessary data are obtained from the external data provider Institutional Shareholder Services.

Due to the wholistic nature of the sustainable investment process, the process of referencing the above-mentioned internationally recognized standards does not create any systematic limitation to individual indicators for negative impacts on sustainability factors. Rather, all relevant indicators named in the section *"Description of the principal adverse impacts of investment decisions on sustainability factors"* are taken into consideration.

Regarding data sources, please see above under *"Description of policies to identify and prioritise principal adverse impacts of investment decisions on sustainability factors"*.

#### **Historical comparison**

A historical comparison is not possible within the framework of this statement since the principal adverse impacts of investment decisions on sustainability factors were not disclosed in earlier reference periods (the relevant provisions first became applicable in the 2022 reference period).

Raiffeisen Capital Management stands for Raiffeisen Kapitalanlage GmbH.

**Raiffeisen Capital Management**  
**is the umbrella brand name for the following companies:**

Raiffeisen Kapitalanlage GmbH  
Raiffeisen Immobilien Kapitalanlage GmbH  
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