

<https://blog.en.erste-am.com/the-carbon-footprint-and-how-we-measure-it/>

The carbon footprint and how we measure it

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In 2015 Erste Asset Management was the first company in Austria to sign the Montreal Carbon Pledge. This agreement, created with the goal of reducing greenhouse emissions, is a commitment by investors to measure and publicly disclose the carbon footprint of their investment portfolios on an annual basis. The Pledge initially concerned only equity funds, but by the end of 2018 Erste Asset Management had expanded the calculation of the carbon footprint across its entire range of mutual funds.

Our ESGenius App helps us to better integrate ESG information across the company. Since 2021 the App contains a tab that discloses information about the water and carbon footprint. A portfolio's footprint is defined as the sum of each portfolio company's emissions proportional to the share of stock held in the company.

How is the carbon footprint measured?

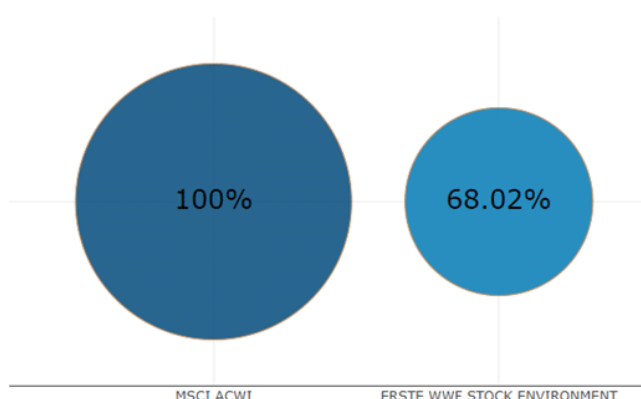
There are many ways to compute the CO₂ footprint. Erste AM calculates it on the basis of the weighted carbon intensity of the companies held in the fund. This variable provided by the data provider MSCI considers the emissions that have been caused directly by the companies (scope 1 emissions) or indirectly through the use of energy, heating or similar (scope 2 emissions). The CO₂ intensity indicates how many tons of CO₂ were emitted per million of currency units of sales.

Carbon data in the ESGenius App

The results of the model are shown in the footprint section of the ESGenius App. In the tab the users can select the fund of interest or upload a file with the portfolio holdings of their choice. The funds are grouped by country and department. Once the fund has been selected, the App shows the results in comparison to a benchmark that can be chosen among MSCI, SRI, or other indices.

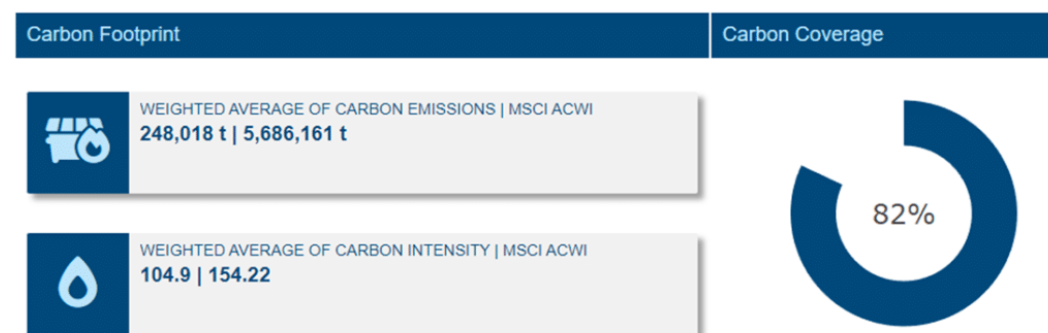
The following image illustrates the results for the ERSTE WWF STOCK ENVIRONMENT fund in comparison to the MSCI All Country World index. As shown, the carbon emission intensity of the fund corresponds to 68.02% of those of the index. The carbon emission figures for this fund are on average higher than those obtained for other funds. This result is due to the fact that this fund invests only in manufacturing companies, which present higher CO₂ intensity compared to other types of activities.

ERSTE WWF STOCK ENVIRONMENT - Carbon Intensity



Carbon footprint and coverage of the funds

The App then reports the carbon footprint figures for the fund and the coverage. In the following figure the panel on the left-hand side shows the weighted average of carbon emissions (in tons) and the weighted average of carbon intensity compared to those of the benchmark. The weighted averages are computed by taking into account the individual weight of the company in the fund. The carbon coverage represents the percentage of the portfolio's holdings for which carbon emissions data are available.



Source: Erste Asset Management; Data as of 30.03.2023

Last but not least, it is possible to see the individual impact of the holdings in the final footprint. This is done by computing the footprint of each position of the portfolio. For those portfolios that invest in other funds, we compute the footprint of the funds in this second layer and then map it to the fund of interest always by normalising the weight of the shares.

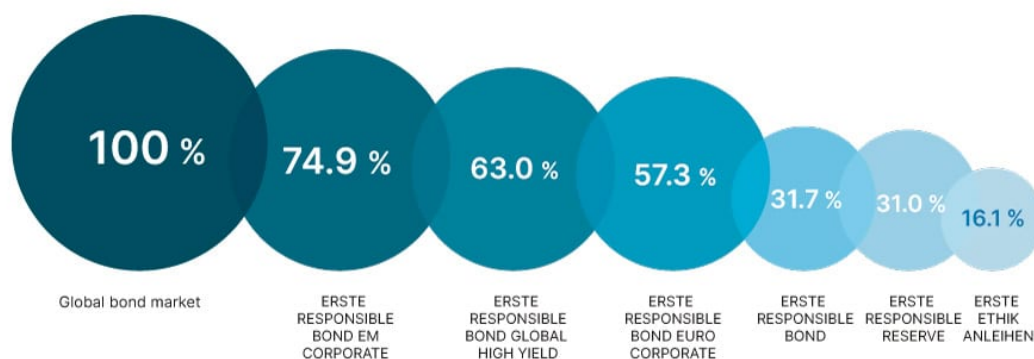
The holdings tab shows the ISIN of the currency, the company name, the relative weight in the portfolio, the asset class, the industry of reference, the country, the carbon emissions and the carbon intensity. It is possible to download the holdings of the fund in different formats or to look for a specific company among the holdings.

Carbon data 2022

The summary results for 2022 for the sustainable funds are also reported on the Erste AM website. In the carbon footprint section the user can see the numbers for the mutual fixed income and equity funds.

The following diagram shows the CO₂ intensity of the individual fixed income funds compared to the benchmark for the global bond market. In line with 2021 results, ERSTE ETHIK ANLEIHEN (16.07%), ERSTE RESPONSIBLE RESERVE (31.03%) and ERSTE RESPONSIBLE BOND (31.66%) are the funds with the lowest emissions.

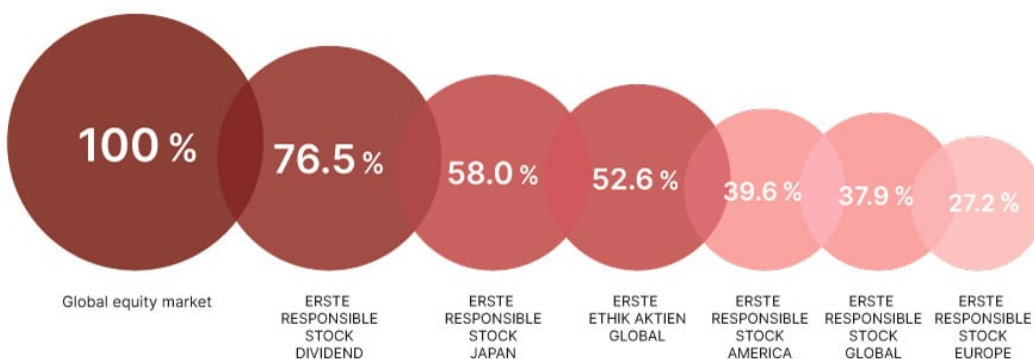
CO₂-intensity of sustainable EAM bond funds by comparison



Sources: MSCI-ESG, Erste Asset Management, CO₂ and sales data as of the end of the year 2022

As far as the sustainable Erste AM equity funds are concerned, their results are reported in the following diagram. The analysis shows very good results for ERSTE RESPONSIBLE STOCK EUROPE (27.73%), ERSTE RESPONSIBLE STOCK GLOBAL (37.92%) and ERSTE FAIR INVEST(39.0%).

CO₂-intensity of sustainable EAM equity funds by comparison



Sources: MSCI-ESG, Erste Asset Management, CO₂ and sales data as of the end of the year 2022

Finally, we also report the aggregated results for the sustainable fixed income and equity funds in comparison with all the mutual funds of EAM and the relative index on the website. For the fixed income funds, we observed better results for both the sustainable and all the Erste AM mutual funds, which are 40% and 36% below the index value, respectively. Very good results are obtained also for equity funds, where the sustainable funds and Erste AM equity funds are a respective 55% and 44% below the benchmark.

Risk notes

ERSTE RESPONSIBLE STOCK EUROPE

For further information on the sustainable focus of ERSTE RESPONSIBLE STOCK EUROPE as well as on the disclosures in accordance with the Disclosure Regulation (Regulation (EU) 2019/2088) and the Taxonomy Regulation (Regulation (EU) 2020/852), please refer to the current [Prospectus](#), section 12 and the Annex "Sustainability Principles". In deciding to invest in ERSTE RESPONSIBLE STOCK EUROPE, consideration should be given to any characteristics or objectives of the ERSTE RESPONSIBLE STOCK EUROPE as described in the Fund Documents.

Advantages for the investor

- Broadly diversified investment in European stocks.
- Participation in ecologically, morally and socially operating companies.
- Active stock selection based on fundamental criteria.
- Opportunities for an attractive increase in value.

Risks to be considered

- The price of the funds can fluctuate considerably (high volatility).
- Due to the investment in foreign currencies, the fund value can fluctuate due to changes in the exchange rate.
- Capital loss is possible.
- Risks that may be significant for the fund are in particular: credit and counterparty risk, liquidity risk, custody risk, derivative risk and operational risk. Comprehensive information on the risks of the fund can be found in the prospectus or the information for investors pursuant to § 21 AIFMG, section II, "Risk information".

ERSTE RESPONSIBLE STOCK GLOBAL

For further information on the sustainable focus of ERSTE RESPONSIBLE STOCK GLOBAL as well as on the disclosures in accordance with the Disclosure Regulation (Regulation (EU) 2019/2088) and the Taxonomy Regulation (Regulation (EU) 2020/852), please refer to the current [Prospectus](#), section 12 and the Annex "Sustainability Principles". In deciding to invest in ERSTE RESPONSIBLE STOCK GLOBAL, consideration should be given to any characteristics or objectives of the ERSTE RESPONSIBLE STOCK GLOBAL as described in the Fund Documents.

Advantages for the investor

- Broadly diversified investment in equities in developed markets.
- Participation in ecologically, morally and socially operating companies.
- Active stock selection based on fundamental criteria.
- Opportunities for attractive capital appreciation.

Risks to be considered

- The price of the funds can fluctuate considerably (high volatility).
- Due to the investment in foreign currencies, the fund value can fluctuate due to changes in the exchange rate.
- Capital loss is possible.
- Risks that may be significant for the fund are in particular: credit and counterparty risk, liquidity risk, custody risk, derivative risk and operational risk. Comprehensive information on the risks of the fund can be found in the prospectus or the information for investors pursuant to § 21 AIFMG, section II, "Risk information".

ERSTE ETHIK AKTIEN GLOBAL

For further information on the sustainable focus of ERSTE ETHIK AKTIEN GLOBAL as well as on the disclosures in accordance with the Disclosure Regulation (Regulation (EU) 2019/2088) and the Taxonomy Regulation (Regulation (EU) 2020/852), please refer to the current [Prospectus](#), section 12 and the Annex "Sustainability Principles". In deciding to invest in ERSTE ETHIK AKTIEN GLOBAL, consideration should be given to any characteristics or objectives of the ERSTE ETHIK AKTIEN GLOBAL as described in the Fund Documents.

Advantages for the investor

- Broadly diversified investment in global companies that emphasise sustainability and ethical business practices.
- Opportunity to achieve substantial capital appreciation.

Risks to be considered

- The net asset value of the fund can fluctuate considerably (high volatility).
- Due to investments denominated in foreign currencies, the net asset value of the fund in euros can be negatively impacted by currency fluctuations.
- Capital loss is possible.
- Risks that may be significant for the fund are in particular: credit and counterparty risk, liquidity risk, custody risk, derivative risk and operational risk. Comprehensive information on the risks of the fund can be found in the prospectus or the information for investors pursuant to § 21 AIFMG, section II, "Risk information".

ERSTE RESPONSIBLE STOCK DIVIDEND

For further information on the sustainable focus of ERSTE RESPONSIBLE STOCK DIVIDEND as well as on the disclosures in accordance with the Disclosure Regulation (Regulation (EU) 2019/2088) and the Taxonomy Regulation (Regulation (EU) 2020/852), please refer to the current [Prospectus](#), section 12 and the Annex "Sustainability Principles". In deciding to invest in ERSTE RESPONSIBLE STOCK DIVIDEND, consideration should be given to any characteristics or objectives of the ERSTE RESPONSIBLE STOCK DIVIDEND as described in the Fund Documents.

Advantages for the investor

- Broadly diversified investment in equities in developed markets.
- Participation in ecologically, morally and socially operating companies.
- Active stock selection based on fundamental criteria.
- Opportunities for attractive current income or capital appreciation.

Risks to be considered

- The price of the funds can fluctuate considerably (high volatility).
- Due to the investment in foreign currencies, the fund value can fluctuate due to changes in the exchange rate.

- Capital loss is possible.
- Risks that may be significant for the fund are in particular: credit and counterparty risk, liquidity risk, custody risk, derivative risk and operational risk. Comprehensive information on the risks of the fund can be found in the prospectus or the information for investors pursuant to § 21 AIFMG, section II, “Risk information”.

ERSTE RESPONSIBLE STOCK AMERICA

For further information on the sustainable focus of ERSTE RESPONSIBLE STOCK AMERICA as well as on the disclosures in accordance with the Disclosure Regulation (Regulation (EU) 2019/2088) and the Taxonomy Regulation (Regulation (EU) 2020/852), please refer to the current [Prospectus](#), section 12 and the Annex “Sustainability Principles”. In deciding to invest in ERSTE RESPONSIBLE STOCK AMERICA, consideration should be given to any characteristics or objectives of the ERSTE RESPONSIBLE STOCK AMERICA as described in the Fund Documents.

Advantages for the investor

- Broadly diversified investment in North American stocks (US and Canada).
- Participation in ecologically, morally and socially operating companies.
- Active stock selection based on fundamental criteria.
- Opportunities for attractive capital appreciation.

Risks to be considered

- The price of the funds can fluctuate considerably (high volatility).
- Due to the investment in foreign currencies, the fund value can fluctuate due to changes in the exchange rate.
- Capital loss is possible.
- Risks that may be significant for the fund are in particular: credit and counterparty risk, liquidity risk, custody risk, derivative risk and operational risk. Comprehensive information on the risks of the fund can be found in the prospectus or the information for investors pursuant to § 21 AIFMG, section II, “Risk information”.

ERSTE BOND EM CORPORATE

For further information on the sustainable focus of ERSTE RESPONSIBLE BOND EM CORPORATE as well as on the disclosures in accordance with the Disclosure Regulation (Regulation (EU) 2019/2088) and the Taxonomy Regulation (Regulation (EU) 2020/852), please refer to the current [Prospectus](#), section 12 and the Annex “Sustainability Principles”. In deciding to invest in ERSTE RESPONSIBLE BOND EM CORPORATE, consideration should be given to any characteristics or objectives of the ERSTE RESPONSIBLE BOND EM CORPORATE as described in the Fund Documents.

Advantages for the investor

- Opportunities for additional earnings through interesting corporate bonds from emerging markets.
- Investments are made in companies that meet sustainability criteria.
- Foreign currencies are mostly hedged against the euro.
- Risk diversification through broad diversification in bonds from various issuers.

Risks to be considered

- Rising interest rates can lead to price losses.
- Deterioration in credit ratings can lead to price declines.
- Increased risk due to medium to low debtor credit rating of the participating companies.
- Foreign currency fluctuations can affect the fund price development.
- Capital loss is possible.
- Risks that may be significant for the fund are in particular: credit and counterparty risk, liquidity risk, custody risk, derivative risk and operational risk. Comprehensive information on the risks of the fund can be found in the prospectus or the information for investors pursuant to § 21 AIFMG, section II, “Risk information”.

ERSTE RESPONSIBLE BOND EURO CORPORATE

For further information on the sustainable focus of ERSTE RESPONSIBLE BOND EURO CORPORATE as well as on the disclosures in accordance with the Disclosure Regulation (Regulation (EU) 2019/2088) and the Taxonomy Regulation (Regulation (EU) 2020/852), please refer to the current [Prospectus](#), section 12 and the Annex “Sustainability Principles”. In deciding to invest in ERSTE RESPONSIBLE BOND EURO CORPORATE, consideration should be given to any characteristics or objectives of the ERSTE RESPONSIBLE BOND EURO CORPORATE as described in the Fund Documents.

Advantages for the investor

- Risk diversification through broad diversification in bonds from various issuers.
- Investments are made in bonds of ecologically, morally and socially operating companies.
- Price gains are possible when interest rates fall.

Risks to be considered

- Rising interest rates can lead to price declines.
- Deterioration in credit ratings can lead to price declines.
- Capital loss is possible.
- Risks that may be significant for the fund are in particular: credit and counterparty risk, liquidity risk, custody risk, derivative risk and operational risk. Comprehensive information on the risks of the fund can be found in the prospectus or the information for investors pursuant to § 21 AIFMG, section II, “Risk information”.

ERSTE RESPONSIBLE BOND

For further information on the sustainable focus of ERSTE RESPONSIBLE BOND as well as on the disclosures in accordance with the Disclosure Regulation (Regulation (EU) 2019/2088) and the Taxonomy Regulation (Regulation (EU) 2020/852), please refer to the current [Prospectus](#), section 12 and the Annex “Sustainability Principles”. In deciding to invest in ERSTE RESPONSIBLE BOND, consideration should be given to any characteristics or objectives of the ERSTE RESPONSIBLE BOND as described in the Fund Documents.

Advantages for the investor

- Investment in selected bonds of sustainable (ethical) issuers.
- An ethics advisory board regularly reviews sustainability.
- Gains are possible when interest rates fall.

Risks to be considered

- Rising interest rates can lead to price declines.
- Deterioration in credit ratings can lead to price declines.
- Capital loss is possible.
- Risks that may be significant for the fund are in particular: credit and counterparty risk, liquidity risk, custody risk, derivative risk and operational risk. Comprehensive information on the risks of the fund can be found in the prospectus or the information for investors pursuant to § 21 AIFMG, section II, "Risk information".

ERSTE RESPONSIBLE BOND GLOBAL HIGH YIELD

For further information on the sustainable focus of ERSTE RESPONSIBLE BOND GLOBAL HIGH YIELD as well as on the disclosures in accordance with the Disclosure Regulation (Regulation (EU) 2019/2088) and the Taxonomy Regulation (Regulation (EU) 2020/852), please refer to the current [Prospectus](#), section 12 and the Annex "Sustainability Principles". In deciding to invest in ERSTE RESPONSIBLE BOND GLOBAL HIGH YIELD, consideration should be given to any characteristics or objectives of the ERSTE RESPONSIBLE BOND GLOBAL HIGH YIELD as described in the Fund Documents.

Advantages for the investor

- Investments in selected bonds of sustainable (ethical) issuers.
- An ethics advisory board regularly reviews sustainability.
- Foreign currency risks are mostly hedged against the euro.
- Broad diversification in the area of global high-yield bonds.

Risks to be considered

- Deteriorations in credit ratings can lead to price declines.
- Increased risk due to average and below average credit rating of participating companies.
- The net asset value of the fund can be subject to considerable volatility.
- Fluctuations in foreign currencies may affect the net asset value.
- Capital loss is possible.
- Risks that may be significant for the fund are in particular: credit and counterparty risk, liquidity risk, custody risk, derivative risk and operational risk. Comprehensive information on the risks of the fund can be found in the prospectus or the information for investors pursuant to § 21 AIFMG, section II, "Risk information".

ERSTE ETHIK ANLEIHEN

For further information on the sustainable focus of ERSTE ETHIK ANLEIHEN as well as on the disclosures in accordance with the Disclosure Regulation (Regulation (EU) 2019/2088) and the Taxonomy Regulation (Regulation (EU) 2020/852), please refer to the current [Prospectus](#), section 12 and the Annex "Sustainability Principles". In deciding to invest in ERSTE ETHIK ANLEIHEN, consideration should be given to any characteristics or objectives of the ERSTE ETHIK ANLEIHEN as described in the Fund Documents.

Advantages for the investor

- Broadly diversified investment in global issuers that emphasise sustainability and ethical business practices.
- The fund invests mainly in government bonds, corporate bonds are added to the portfolio.
- Security due to issuers with higher credit ratings.
- Price gains on falling interest rates.

Risks to be considered

- Rising interest rates can lead to price declines.
- Deterioration in credit ratings can lead to price declines.
- Due to the investment in foreign currencies, the net asset value of the fund can be negatively impacted by currency fluctuations.
- Capital loss is possible.
- Risks that may be significant for the fund are in particular: credit and counterparty risk, liquidity risk, custody risk, derivative risk and operational risk. Comprehensive information on the risks of the fund can be found in the prospectus or the information for investors pursuant to § 21 AIFMG, section II, "Risk information".

ERSTE RESPONSIBLE RESERVE

For further information on the sustainable focus of ERSTE RESPONSIBLE RESERVE as well as on the disclosures in accordance with the Disclosure Regulation (Regulation (EU) 2019/2088) and the Taxonomy Regulation (Regulation (EU) 2020/852), please refer to the current [Prospectus](#), section 12 and the Annex "Sustainability Principles". In deciding to invest in ERSTE RESPONSIBLE RESERVE, consideration should be given to any characteristics or objectives of the ERSTE RESPONSIBLE RESERVE as described in the Fund Documents.

Advantages for the investor

- Investment in selected bonds from sustainable (ethical) issuers.
- Good security through issuers with very good to medium credit ratings.
- Small price fluctuations due to investments in bonds with variable interest rates or short remaining terms.

Risks to be considered

- Rising interest rates can lead to price declines.
- Deterioration in credit ratings can lead to price declines.
- Capital loss is possible.
- Risks that may be significant for the fund are in particular: credit and counterparty risk, liquidity risk, custody risk, derivative risk and operational risk. Comprehensive information on the risks of the fund can be found in the prospectus or the information for investors pursuant to § 21 AIFMG, section II, "Risk information".

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The currently valid versions of the prospectus, the Information for Investors pursuant to § 21 AIFMG, and the key information document can be found on the website www.erste-am.com under "Mandatory publications" and can be obtained free of charge by interested investors at the offices of the Management Company and at the offices of the depositary bank. The exact date of the most recent publication of the prospectus, the languages in which the key information document is available, and any other locations where the documents can be obtained are indicated on the website www.erste-am.com. A summary of the

investor rights is available in German and English on the website www.erste-am.com/investor-rights and can also be obtained from the Management Company.

The Management Company can decide to suspend the provisions it has taken for the sale of unit certificates in other countries in accordance with the regulatory requirements.

Note: You are about to purchase a product that may be difficult to understand. We recommend that you read the indicated fund documents before making an investment decision. In addition to the locations listed above, you can obtain these documents free of charge at the offices of the referring Sparkassen bank and the offices of Erste Bank der oesterreichischen Sparkassen AG. You can also access these documents electronically at www.erste-am.com.

N.B.: The performance scenarios listed in the key information document are based on a calculation method that is specified in an EU regulation. The future market development cannot be accurately predicted. The depicted performance scenarios merely present potential earnings, but are based on the earnings in the recent past. The actual earnings may be lower than indicated. Our analyses and conclusions are general in nature and do not take into account the individual characteristics of our investors in terms of earnings, taxation, experience and knowledge, investment objective, financial position, capacity for loss, and risk tolerance.

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