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World Climate Conference COP26: Leverage needed for investments in climate protection

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On the occasion of the climate conference in Glasgow, Erste Asset Management and the environmental protection organization WWF Austria draw attention to the urgency of quick decisions and huge climate protection investments.

Experts stress that the UN climate conference is the "last and best chance" to present a concrete plan to limit global warming to 1.5 degrees Celsius and to make the transition to net zero emissions by 2050 at the latest. After all, greening the transformation of the economy and averting the worst effects of the climate crisis requires not only a better policy framework, but also the necessary funding.

15 years of cooperation: added value for nature and climate protection

Together with WWF Austria, Erste Asset Management plays a pioneering role: The first environmental equity fund was launched as early as 2001. "Sustainability is not just a buzzword in our eyes, but corresponds to our conviction that ecological and social factors can bring better risk-adjusted performance for our clients in the long term," emphasizes Heinz Bednar, Managing Director of Erste AM.

"Leaders must treat the climate crisis for what it is: a global emergency. For this, all parties involved must move from talk to action – both politics and business are massively challenged," says Andrea Johanides, Managing Director of WWF Austria. Because in addition to political resolutions and public funds, private investments in the amount of 1000 billion are also needed worldwide. "Climate and environmental protection must reach the core business everywhere – binding, concrete and transparent," says Andrea Johanides, referring to a market survey commissioned by WWF.

According to the survey, almost 60 percent of the domestic population demand that financial institutions conduct their business in a climate- and nature-friendly manner. The respondents named transparent labeling as the most important decision criterion for "green" financial products.

Environmental equity fund ERSTE WWF STOCK ENVIRONMENT

Since October 2006, the management of the environmental equity fund ERSTE WWF STOCK ENVIRONMENT has been in close cooperation with WWF Austria. The core element is the Environmental Advisory Board initiated by WWF Austria, which supports the fund management in investment decisions. At the same time, Erste AM donates part of its management fee of the fund. These funds have since been used to support WWF's water, climate and nature conservation programs.

A measurable positive effect (impact) on the environment or society is at the forefront of the investment decision. Since the start of the cooperation 15 years ago, more than 3.6 million euros have flowed into WWF Austria's nature conservation projects.

Use of voting rights for transformation

Erste Asset Management uses its voting rights in companies in a targeted manner to encourage them to be more sustainable. In doing so, it adheres to a sustainable voting policy at AGMs that is publicly available and applies to all of its mutual funds. Last year, more than 3 billion euros was voted for at 363 AGMs under these conditions.

"Sustainable investments are the greatest lever for creating the transformation of the economy that is so necessary," says Heinz Bednar, managing director of Erste Asset Management. With a sustainably invested volume of EUR 14.2 billion to date in a total of over 50 sustainable mutual funds and several special funds, Erste Asset Management is a pioneer and market leader in Austria in the sustainability sector.

About us:

Erste Asset Management (Erste AM) coordinates and is responsible for all asset management activities within Erste Group. At our locations in Austria, as well as Germany, Croatia, Romania, Slovakia, the Czech Republic and Hungary, we manage assets of around 74 billion euros (30.09.2021).

As early as 2001, Erste AM launched the first environmental equity fund, which has been managed in cooperation with WWF Austria since 2006. In 2009, Erste AM was the first fund company in Austria to sign the United Nations Principles for Responsible Investment (UN PRI). Since 2012, the fund company has refrained from investing in outlawed weapons, excluded food speculation in all mutual funds in 2013 and has excluded investments in coal mining since 2016. In addition, the fund company decided back in 2015 to sign the Montréal Carbon Pledge agreement. Erste AM thus undertakes to measure and publish the carbon footprint of its portfolios on an annual basis.

With a sustainably invested volume of EUR 14.2 billion (as of 31 October 2021), in a total of over 50 sustainable mutual funds and several special funds, Erste AM is the market leader in the sustainability sector in Austria.

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Prognoses are no reliable indicator for future performance.

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