

**Product name:**

Raiffeisen-ESG-Euro-Corporates

(Original German name: Raiffeisen-ESG-Euro-Corporates)

**Legal entity identifier:** 529900B61QGJ7LB6J86

This product (the fund) is managed by Raiffeisen Kapitalanlage-Gesellschaft m. b. H. as the management company.

Fund manager: Raiffeisen Kapitalanlage-Gesellschaft m.b.H.

**Sustainable investment**

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Environmental and/or social characteristics**

**Did this financial product have a sustainable investment objective?**

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

- ☐ It made **sustainable investments with an environmental objective**: \_\_\_\_ %
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

- ☐ It made **sustainable investments with a social objective**: \_\_\_\_ %

- ☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 75.9% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

- ☒ with a social objective

- ☐ It promoted E/S characteristics, but **did not make any sustainable investments**.



**To what extent were the environmental and/or social characteristics promoted by this financial product met?**

As of 19. September 2022, the fund took into account environmental and social criteria for investment, in particular climate change, natural capital & biodiversity, pollution and waste, environmental improvement opportunities (such as green technologies and renewable energy), human resources, product liability & safety, stakeholder relations and social improvement opportunities (such as access to healthcare). Corporate governance as well as entrepreneurial behaviour & business ethics (overall "good governance") were in any case prerequisites for an investment.

There was no limitation to specific environmental or social characteristics.

No reference benchmark was designated for the achievement of the promoted environmental or social characteristics.

**Sustainability indicators**  
measure how the environmental or social characteristics promoted by the financial product are attained.

- **How did the sustainability indicators perform?**  
The Raiffeisen ESG indicator is used by the management company as an internal sustainability indicator. The management company continually analyses companies and sovereigns based on internal and external research sources. The results of this sustainability research are combined with a comprehensive ESG evaluation, including an ESG risk assessment, to create the so-called Raiffeisen ESG indicator. The Raiffeisen ESG indicator is measured on a scale from 0 to 100. The assessment also takes into account the relevant sector.

At the end of the accounting year the Raiffeisen ESG indicator was: 72.1

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**  
In the past accounting year, the Fund has aimed at sustainable as of 19. September 2022. The objectives of the sustainable investments covered improvements in the areas of climate change, natural capital and biodiversity, pollution and waste, environmental improvement vectors (such as green technologies and renewable energy), human resources, product liability and safety, relationships with interest groups, and social improvement vectors (such as access to health care) compared with the traditional market. Good corporate governance, including business practices and business ethics, was a prerequisite for an investment in any case.

The sustainability of an economic activity was assessed on the basis of the internal Raiffeisen ESG corporate indicator. It combined a wide range of data points relating to environmental, social, and governance (ESG) factors. In addition to sustainability opportunities and risks, the contribution that the business activity made to sustainable objectives along the entire value chain was examined and transformed into qualitative and quantitative ratings. An important part of this was the sustainable influence of the respective products and/or services (economic activity).

Climate protection bonds, also called green bonds, served to raise financing for environmental projects. These were categorised as sustainable investments if the issuer was not excluded from investment based on the investment criteria and if they complied with the Green Bond Principles of the International Capital Markets Association or the EU Green Bond Principles.

At the end of the accounting year, the level of investments in economic activities that are environmentally sustainable within the meaning of the EU Taxonomy Regulation did not exceed a de minimis level.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**  
To avoid significant adverse impacts on an environmental or social sustainable investment objective, securities that violate negative criteria as defined by the management company for this purpose and relating to environmental and social objectives (such as the extraction and use of coal, labour rights violations, human rights violations, and corruption) did not qualify as a sustainable investment.

**How were the indicators for adverse impacts on sustainability factors taken into account?**

See the information under „How did this financial product consider principal adverse impacts on sustainability factors?“.

**Principal adverse impacts**  
are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

### Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The positive and negative criteria contained in the investment strategy covered all aspects of the OECD Guidelines for Multinational Enterprises (such as avoidance of environmental destruction, corruption, and human rights violations as well as adherence to the core ILO labour standards). The fund management continuously monitored various channels of information such as the media and research agencies to determine whether investments are affected by serious controversies. In addition, the fund assets were assessed for potential violations of the OECD Guidelines for Multinational Enterprises by means of a screening tool from a recognised ESG research provider. A company that did not comply with the OECD Guidelines for Multinational Enterprises was not eligible for investment. A violation was assumed to exist if a company was involved in one or more controversial incidents in which there were credible allegations that the company or its management had caused substantial damage of a significant scope in violation of global standards.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



### How did this financial product consider principal adverse impacts on sustainability factors?

The consideration of the principal adverse impacts of investment decisions on sustainability factors occurred through negative criteria, through the integration of ESG research into the investment process (ESG scores), and in security selection (positive criteria). The use of positive criteria included the absolute and relative assessment of companies regarding stakeholder-related data, e.g. relating to employees, society, suppliers, business ethics, and the environment. In addition, the instrument of shareholder engagement was used with companies in the form of corporate dialogue and especially the exercise of voting rights so as to reduce adverse sustainability impacts. These shareholder engagement activities were conducted irrespective of any concrete investment in the respective company and are not documented at the fund level at the moment. The table shows the topics from which sustainability scores for adverse impacts were considered in particular, as well as the main methods that were applied.

Companies		Negative criteria	Positive criteria
Environment	Greenhouse gas emissions	✓	✓
	Activities with adverse impacts on areas with protected biodiversity	✓	✓
	Water (pollution, consumption)		✓
	Hazardous waste		✓

Social affairs and employment	Violations or lack of policy regarding the United Nations Global Compact (initiative for responsible corporate governance) and OECD guidelines for multinational companies; work accidents	✓	✓
	Gender justice		✓
	Controversial weapons	✓	✓



## What were the top investments of this financial product?

Largest investments		Sector	% Assets	Country
DE0001104891	BUNDESSCHATZANWEISUNGEN BKO 0.4 09/13/24	Government	1.58	Germany
DE0001102408	BUNDESREPUB. DEUTSCHLAND DBR 0 08/15/26	Government	1.26	Germany
DE0001102523	BUNDESREPUB. DEUTSCHLAND DBR 0 11/15/27	Government	0.83	Germany
XS2555198089	NESTLE FINANCE INTL LTD NESNVX 3 1/4 01/15/31	Consumer, Non-cyclical	0.82	Luxembourg
FR001400DY43	ORANGE SA ORAFP 3 5/8 11/16/31	Communication s	0.76	France
XS2554489513	VOLKSWAGEN INTL FIN NV VW 4 3/8 05/15/30	Consumer, Cyclical	0.75	Netherlands
XS0161488498	DEUTSCHE TELEKOM INT FIN DT 7 1/2 01/24/33	Communication s	0.69	Netherlands
XS2326546434	UBS AG LONDON UBS 0.01 03/31/26	Financial	0.66	United Kingdom
FR001400CEQ3	CREDIT AGRICOLE SA ACAFP 2 1/2 08/29/29	Financial	0.65	France
XS2484327999	DEUTSCHE BAHN FIN GMBH DBHNGR 1 7/8 05/24/30	Industrial	0.63	Germany
XS2075937370	ELI LILLY & CO LLY 0 5/8 11/01/31	Consumer, Non-cyclical	0.59	United States
XS2348030425	NOVO NORDISK FINANCE NL NOVOB 0 1/8 06/04/28	Consumer, Non-cyclical	0.57	Denmark
XS2554487905	VOLKSWAGEN INTL FIN NV VW 4 1/8 11/15/25	Consumer, Cyclical	0.57	Netherlands
XS2197348597	TAKEDA PHARMACEUTICAL TACHEM 1 07/09/29	Consumer, Non-cyclical	0.57	Japan
XS2381853279	NATIONAL GRID PLC NGGLN 0 1/4 09/01/28	Utilities	0.57	United Kingdom

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: Feb 1, 2022 - Jan 31, 2023



## What was the proportion of sustainability-related investments?

Sustainability-related investments refer to all investments that contribute to the achievement of the environmental and/or social characteristics within the scope of the investment strategy.



**Asset allocation** describes the share of investments in specific assets.

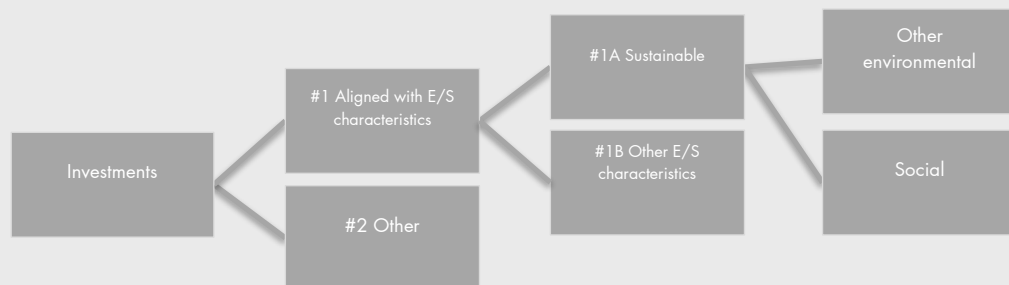


### What was the asset allocation?

The values given below refer to the end of the accounting year

At the end of the reporting period 94.9% of total fund assets were aligned with environmental or social characteristics according to the investment strategy (#1, see also information under "To what extent were the environmental and/or social characteristics promoted by this financial product met?"). 5.1% of total fund assets were other investments (#2, see also information under "What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?").

75.9% of total fund assets were sustainable investments with environmental or social objectives aligned with Art. 2 (17) of Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation) (#1A, see also information under "What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?" and "What was the share of socially sustainable investments?").



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments..

The category **#1 Aligned with E/S characteristics** covers:

The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.

The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investment.



### In which economic sectors were the investments made?

Investment structure	Proportion Fund in %
Consumer, Non-cyclical	20.68
Financial	18.92
Industrial	13.69
Utilities	13.64
Communications	9.73
Bankguthaben / Cash	4.33
Sonstige / Others	19.00
<b>Gesamt / Total</b>	<b>100.00</b>

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.



## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

At the end of the accounting year, the level of investments in economic activities that are environmentally sustainable within the meaning of the EU Taxonomy Regulation did not exceed a de minimis level.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>3</sup>?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☐ No.

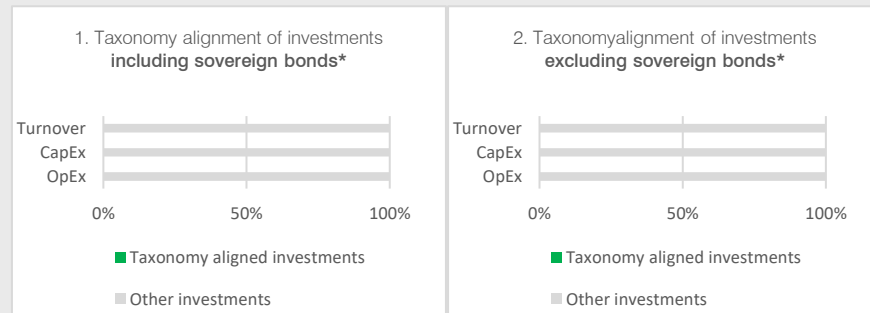
Not applicable

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

### What was the share of investments made in transitional and enabling activities?

At the end of the accounting year, the level of investments in economic activities that are environmentally sustainable within the meaning of the EU Taxonomy Regulation did not exceed a de minimis level.



## What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The sustainability of an economic activity is assessed on the basis of the Raiffeisen ESG indicator. As this is comprised of environmental and social objectives, it is not sensible to differentiate between the individual shares for environmental and social investments. At the end of the abbreviated accounting period, the actual share of investments that pursued environmental and social objectives was 75.9% of the fund assets.



## What was the share of socially sustainable investments?

<sup>3</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguard?**

Investments that were not aligned with environmental or social characteristics were sight deposits and derivatives. Sight deposits were not subject to the sustainability criteria of the investment strategy and were primarily used for liquidity management. Derivatives were used for duration management. Accruals and deferrals were included in the position “other”.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The attainment of the environmental and/or social characteristics promoted by the fund was continuously monitored against defined limits as part of the internal limit system.

With regard to ESG (environmental, social, and governance) factors, the investment strategy contained mandatory negative criteria, a comprehensive sustainability-related analysis, and the construction of a portfolio taking the ESG score and ESG momentum into account. During this process, especially high importance was placed on the quality of the company and the business model. A high degree of sustainability and fundamental strength were the key aspects for an investment. Corporate sustainability was assessed on the basis of company principles, and particularly in connection with their active operations. Countries were evaluated mainly on a theoretical level in regards to ESG legislation

More detailed information on the implementation of the engagement policy can be found in the annual engagement report on the website of the management company in the section "Our Topics/Sustainability" within the paragraph "Policies & Reports".