Raiffeisen Sustainable Momentum

Enviromental and/or social characteristics

Product name: Raiffeisen Sustainable Momentum
Legal entity identifier: 529900QK6MEXFY248Z50

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.

1. Enviromental and/or social characteristics

Does this financial product have a sustainable investment objective?	
●● ☐ Yes	●○ ☒ No
☐ It will make a minimum of **sustainable investments with an enviromental objective:** ___% ☐ in economic activities that qualitfy as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualitfy as environmentally sustainable under the EU Taxonomy ☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 51 % 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 promotes E/S characteristics, **but will not make any sustainable investments.**

The **EUTaxonomy** 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.

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

What environmental and/or social characteristics are promoted by this financial product?

The fund takes environmental and social criteria into consideration 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") are in any case prerequisites for an investment. There is no limitation to specific environmental or social characteristics.

Raiffeisen Kapitalanlage-Gesellschaft m.b.H. / the management company is embedded in the sustainability strategy of RBI Group (Raiffeisen Bank International AG) as an asset manager of this group. The management company understands sustainability to mean responsible corporate action for long-term business success, in harmony with environmental and social objectives. Sustainability is a core component of its business policy. Its actions are based on the commitment to being a responsible fund manager, fair partner, and good corporate citizen.

Sustainability in the investment process is achieved through the consistent integration of

environmental, social and governance (ESG) criteria. In addition to economic factors, these also include traditional criteria such as profitability, liquidity and security, but also environmental and social factors and (good) corporate governance, which are all integrated into the investment processes.

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This investment policy serves to reduce sustainability risks, to take into consideration the principal adverse impacts of investment decisions on sustainability factors, and to encourage the establishment of sustainability goals.

1. Avoidance and show responsibility: negative criteria to exclude controversial sectors and/or companies and countries (sovereigns) that violate the established criteria.

2. Support and empower sustainability by integrating ESG research into the investment process (ESG scores) for the evaluation of companies and ultimately for stock-picking (best-in-class approach). This is applied analogously to countries (sovereigns) as issuers of debt securities.

3. Influence and make an impact: "Engagement" as an integral component of a responsible and sustainable investment policy by means of initiating corporate dialogue and, in particular, exercising voting rights. The unification of all three elements – avoidance, support and, above all, influence – is required for the responsible, active management of sustainable funds.

The following criteria in particular are decisive here:

- Good financial development with a consistently high ESG level
- Positive influence in the area of sustainable development goals (SDG); these goals for sustainable development were established by the United Nations and unanimously adopted by 193 nations, and are also implemented by the Austrian Federal Government.
- Positive impact on sustainability factors as compared to the traditional market (carbon footprint calculation, work accidents, waste production and water consumption)
- Selection of companies with an above-average ESG assessment and positive development (ESG momentum).

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

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**
  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.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**
  The objectives of the sustainable investments cover 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, is a prerequisite for an investment in any case.

The sustainability of an economic activity is assessed on the basis of the internal Raiffeisen ESG corporate indicator. This indicator combines the following sustainability assessments from data providers:

- ISS ESG Corporate Rating
- MSCI ESG Score
- ISS SDG Impact Score
- MSCI Controversy Score

The Raiffeisen ESG corporate indicator is the corporate-specific iteration of the Raiffeisen ESG indicator and is also measured on a scale of 0 to 100. The assessment also takes into account the relevant sector.

It combines 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 makes to sustainable objectives along the entire value chain is examined and transformed into qualitative and quantitative ratings. An important part of this is the sustainable influence of the respective products and/or services (economic activity).

Climate protection bonds, also called green bonds, serve to raise financing for environmental projects. These are categorised as sustainable investments if the issuer is not excluded from investment based on the investment criteria listed below under "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?" and if they comply with the Green Bond Principles of the International Capital Markets Association or the EU Green Bond Principles.

The financed projects normally fall into the following categories:

- Renewable energy,
- Energy efficiency,
- Sustainable waste management,
- Sustainable land use,
- Clean transport,
- Sustainable water management, or
- Sustainable buildings.

The project assessment generally includes an evaluation of whether there are material adverse impacts on environmental or social objectives.

The sustainability of government bonds is assessed on the basis of the internal Raiffeisen ESG sovereign indicator. This indicator combines different sustainability assessments from data providers and an internal assessment: It affords a comprehensive view of environmental (biodiversity, climate change, resources, environmental protection), social (basic needs, justice, human capital, satisfaction), and governance (institutions, political system, finances, and transparency) factors.

The Raiffeisen ESG sovereign indicator is the sovereign-specific iteration of the Raiffeisen ESG indicator and is also measured on a scale of 0 to 100. A variety of topics are identified for the assessment of sovereigns and are represented by so-called 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.

How do the sustainable investments that the financial product partially intends to make, 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) do not qualify as a sustainable investment. Details on how negative criteria are handled can be found in the section "What investment strategy does this financial product follow? / What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

How have the indicators for adverse impacts on sustainability factors been taken into account?
See the information under "Does this financial product consider principal adverse impacts on sustainability factors?".

How are the 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 as listed below cover 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 monitors 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 are 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 does not comply with the OECD Guidelines for Multinational Enterprises is not eligible for investment. A violation is assumed to exist if a company is involved in one or more controversial incidents in which there are credible allegations that the company or its management has 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 Taxonomyobjectives and is accompanied by specific EU criteria.

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

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

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes.

☐ No.

The consideration of the principal adverse impacts of investment decisions on sustainability factors occurs through the below-mentioned negative criteria, through the integration of ESG research into the investment process (ESG Scores) and in stock-picking (positive criteria). The use of positive criteria includes the absolute and relative assessment of companies regarding stakeholder-related data, e.g., relating to employees, society, suppliers, business ethics and environment, as well as the absolute and relative assessment of countries regarding the sustainable

development of factors such as the political system, human rights, social structures, environmental resources and climate change policy. 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". These corporate engagement activities are conducted in the respective companies independent of any specific investment. For information on the principal adverse impacts on sustainability factors, please also refer to the annual fund reports, where applicable.

Companies		Negative criteria	Positive criteria	Engagement
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	✓▪	✓▪	

Countries and supranational organizations		Negative criteria	Positive criteria
Environment	Greenhouse gas emissions	✓	✓
Social issues	Violation of social provisions in international agreements and conventions and the principles of the United Nations	✓	✓

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The three pillars of sustainability that form the basis of every investment decision stand for environment (E), social (S) and responsible corporate governance (G). The sustainability analysis is integrated into the fundamental, financial company analysis on various analysis levels:

On the first analysis level, preselection is made of the overall investment universe. In terms of sustainability, no company/issuer in this universe may violate the negative criteria established by the management company in order to avoid investments in controversial sectors and practices. The negative criteria are subject to constant monitoring and may be amended or adjusted on the basis of new information and developments on the market.

Negative criteria may have various backgrounds. Specifically, the management company differentiates between negative criteria that are related to the environment, social or societally motivated, connected with corporate governance, or linked to the theme "addiction", and negative criteria that are related to the preservation of a dignified natural life (simply referred to as the theme "natural life"). Criteriology also serves to avoid scandals and the related, potentially negative adverse effects on prices.

Negative criteria do not necessarily mean the total exclusion of a sector or a business practice. In some cases, thresholds are established in consideration of the significance.
Some of the negative criteria mentioned are typically not discovered until after the occurrence of an event (for example, accusations of manipulating balance sheet figures) and therefore support the estimation of future behavior for an investment decision.

Corporate sustainability is assessed on the basis of company principles, and particularly in connection with their active operations. Countries are evaluated mainly on a theoretical level in regards to ESG legislation.

On the second analysis level, a detailed evaluation of the individual companies/issuers takes place. In addition to the classical financial analysis, various aspects of sustainability are taken into consideration. During this sustainability analysis step, companies that are unconvincing will be eliminated from the investable universe; this step leads to a significant reduction of the original investment universe.

On the third level, a widely diversified portfolio is created from the remaining companies based on their ESG assessment (ESG score) and their development (ESG momentum). During this process, especially high importance is placed on the quality of the company and the business model. A high degree of sustainability and fundamental strength are of crucial importance for investment.

Details on the investment policy and the investment objective of the Fund in Section II / Item 13 of this Prospectus.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

  Derivative instruments that may enable or support speculative deals with food commodities are excluded from purchase altogether.

  The management company aspires to resolutely withdraw from the financing of the coal industry by 2030. This includes all investible companies that are active in the field of coalmining, coal processing, coal burning (for the production of electrical or thermal energy), coal transport and other infrastructure. In the sustainable investment process, no investment whatsoever is allowed in coal production.

  Negative criteria for companies:

  Environmental negative criteria (category "E")
  – Coal: production, mining, processing and use, and other related services
  – Extraction of oil and gas (including high-volume fracking and extraction of oil sands)
  – Nuclear energy: producers of nuclear energy and uranium; services in connection with nuclear energy production
  – Massive destruction of the environment
  Social negative criteria (category "S")
  – Violation of human rights
  – Infringement of labor laws (according to the protocol of the International Labour Organization)
  – Use of child labor
  Corporate governance negative criteria (category "G")
  – Corruption
  – Balance sheet manipulation
  – Violation of the United Nations Global Compact criteria
  Negative criteria relating to the theme "addictions"
  – Alcohol: producers of beverages with a high alcohol content
  – Gambling: in particular controversial forms
  – Tobacco: producers of end products
  Negative criteria relating to the theme "natural life"
  – Abortion: pharmaceuticals and clinics
  – Embryo research
  – Green gene technology: producers
  – Pornography: producers
  – Animal testing (except where legally provided for)
  – Defense supplies: producers of weapons (systems) and banned weapons; dealers of

conventional weapons, producers of other defense supplies; dealers of banned weapons

Negative criteria for countries
(as issuers of government bonds)

Environmental negative criteria (category "E")
– Non-ratification of the Paris Agreement on Climate Change
– Nuclear energy as a dominant energy source
– Violation of the Convention on Biological Diversity
Social negative criteria (category "S")
– Authoritarian regimes, countries that are not free (classification by Freedom House)
– Substantially detrimental working conditions: in particular relating to minimum wages, working hours, safety and healthcare
– Massive discrimination, massive limitation of legal and social equality
– Widespread use of child labor
– Massive violation of human rights: massive limitations, such as political despotism, torture, violations of privacy, freedom of movement
– Massive violation of freedom of the press and media
Corporate governance negative criteria (category "G")
– Lack of cooperation in relation to money laundering:
(according to the Financial Action Task Force on Money Laundering of the Organisation for Economic Co-operation and Development (OECD)
– Corruption: in consideration of the Transparency International corruption index
Negative criteria relating to the theme "natural life"
– Particularly high defense budget (exceeding 4 % of the GDP)
– Possession of nuclear weapons
– Death penalty, where it has not been eliminated altogether according to Amnesty International

For violations of negative criteria by companies that are not obvious, such as moderate infringement of labor laws or cases of corruption, the fund management initiates a so-called engagement process with the company. During this process, it is examined as to how the company reacts to the case and which precautions will be taken in the future. Then the fund management decides on whether to keep the position in the fund or sell it off.

For severe violations, the securities are generally sold at the management company's discretion within a period of 14 days.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**
  Not applicable.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **What is the policy to assess good governance practices of the investee companies?**
  In the investment process, good corporate governance is assessed based on the application of negative criteria, the integration of ESG research into the investment process (ESG scores) for the evaluation of companies, and ultimately in security selection (best-in-class approach), as well as through the continuous monitoring of the governance-related score of the fund.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The securities in which the fund invests comply with the principles described under investment strategy. Raiffeisen Sustainable Momentum is an equity fund that pursues long-term capital growth subject to higher risks. It invests at least 51 % of the fund assets in equities and equity-equivalent securities. At the individual stock level (i.e. not including units in investment funds, derivative instruments and sight deposits or deposits at notice), it exclusively invests in securities and/or money market instruments whose issuers have been classified as sustainable on the basis of social, environmental and ethical criteria. The fund will not invest in certain sectors such as the arms industry or the genetic engineering of crops as well as in companies which violate

labor and human rights, etc. The bonds and money market instruments featured in the fund may be issued by sovereigns, supranational issuers and/or companies, etc.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The fund takes environmental and social criteria into consideration for investment. Sustainability in the investment process is achieved through the consistent integration of environmental, social and governance (ESG) criteria.

#1 Aligned with E/Scharacteristics 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/Scharacteristics** covers:

The sub-category **#1ASustainable** covers sustainable investments with environmental or social objectives.

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

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not have a sustainable investment objective within the meaning of the EU Taxonomy. Accordingly, there is no verification of this by the auditor or other third parties.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☐ No.

Not applicable.

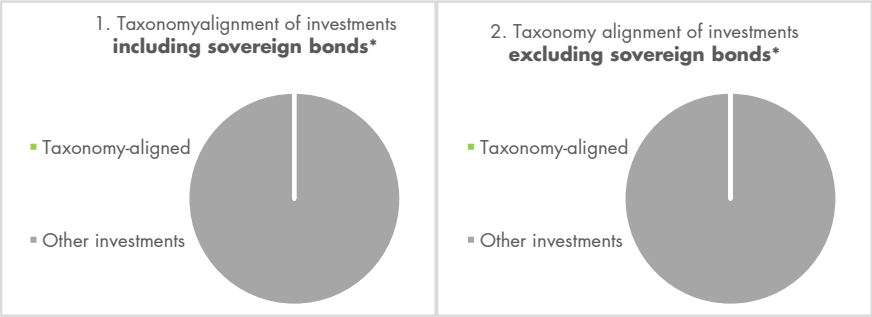
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to 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 two graphs below show in green the minimum percentage of investments that are 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 is the minimum share of investments in transitional and enabling activities?
Not applicable.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are 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. The minimum share of investments that pursue environmental and social objectives is 51% of the fund assets.

What is the minimum share of socially sustainable investments?

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. The minimum share of investments that pursue environmental and social objectives is 51% of the fund assets.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Investments that neither qualify as a sustainable investment nor are aligned with environmental or social characteristics are either sight deposits or deposits at notice. Sight deposits and deposits at notice are not subject to the sustainability criteria of the investment strategy and are primarily used for liquidity management.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?
No reference benchmark has been designated to measure the fund's attainment of the environmental and social characteristics.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?
Not applicable.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable.

- **How does the designated index differ from a relevant broad market index?**
  Not applicable.

- **Where can the methodology used for the calculation of the designated index be found?**
  Not applicable.

Where can I find more product specific information online?

Further product-specific information can be viewed at: https://www.rcm.at/at-de/global/fondsdokumente/, or in the case of registration in other countries, at www.rcm-international.com on the website of the respective country in the section “Prices and Documents”.