

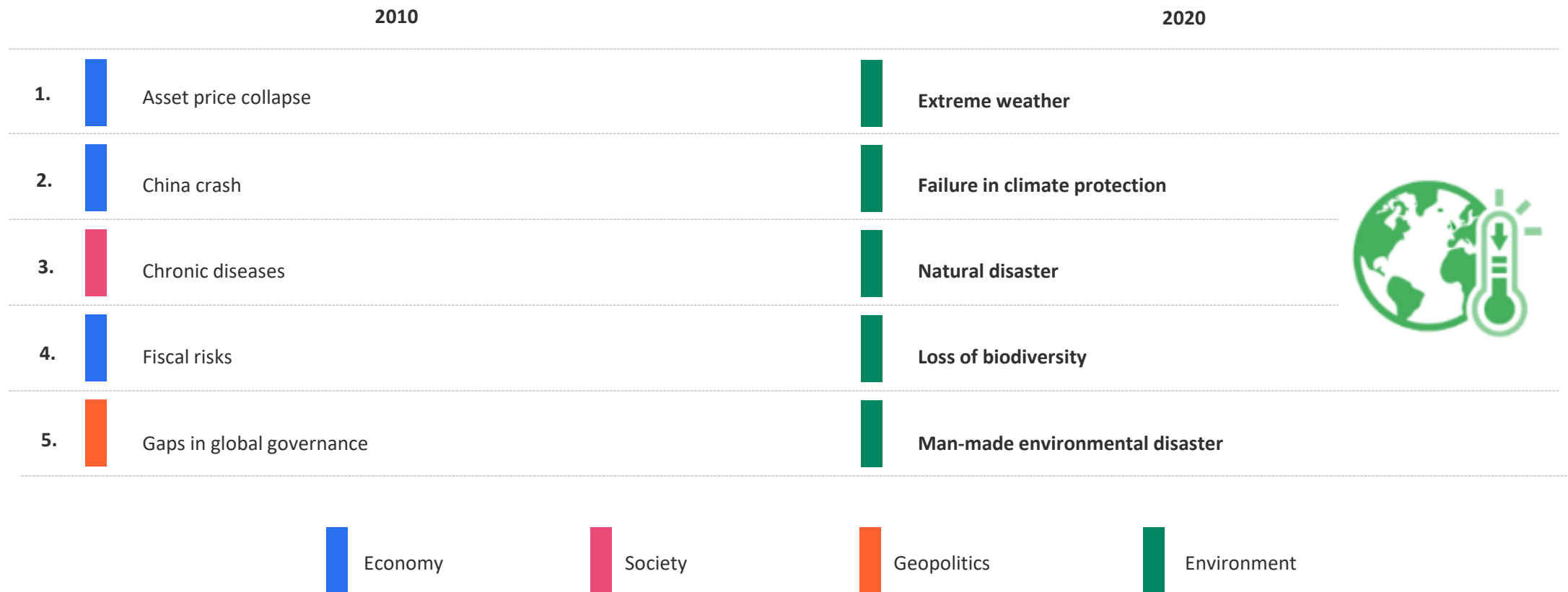
Trends that define the future and the impact of ESG

Mihnea Bărbulescu

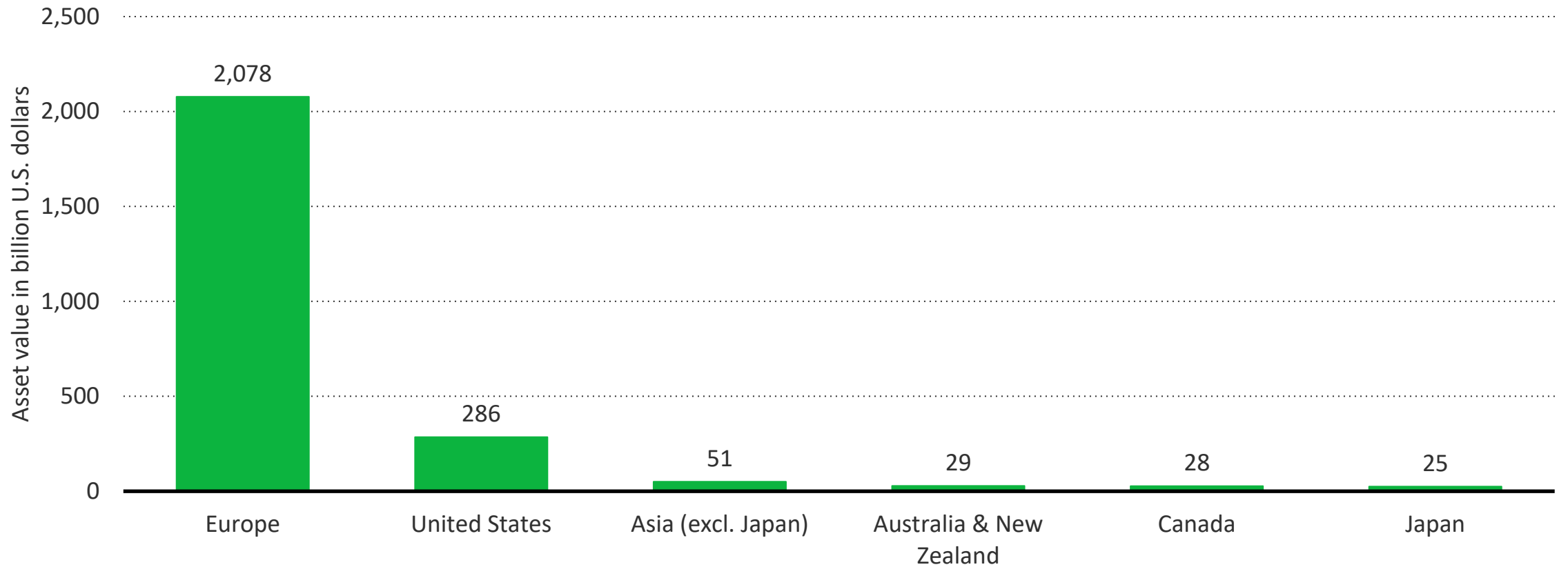


Environmental risks, climate change and scarcity of resources ... Never more true than today!

Global Risk Report 2020 World Economic Forum – TOP 5 risks by probability of occurrence



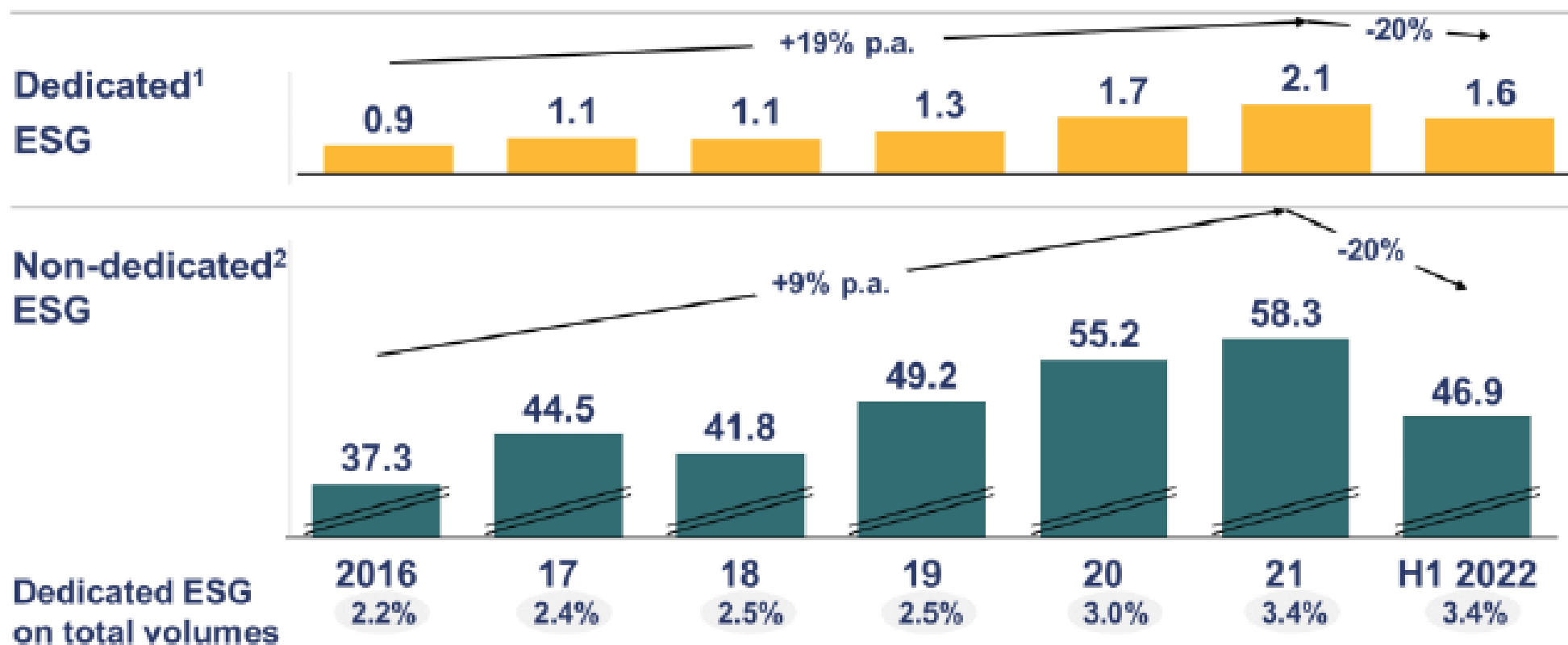
Asset size of sustainable funds worldwide as of the fourth quarter of 2022, by region (in billion U.S. dollars)



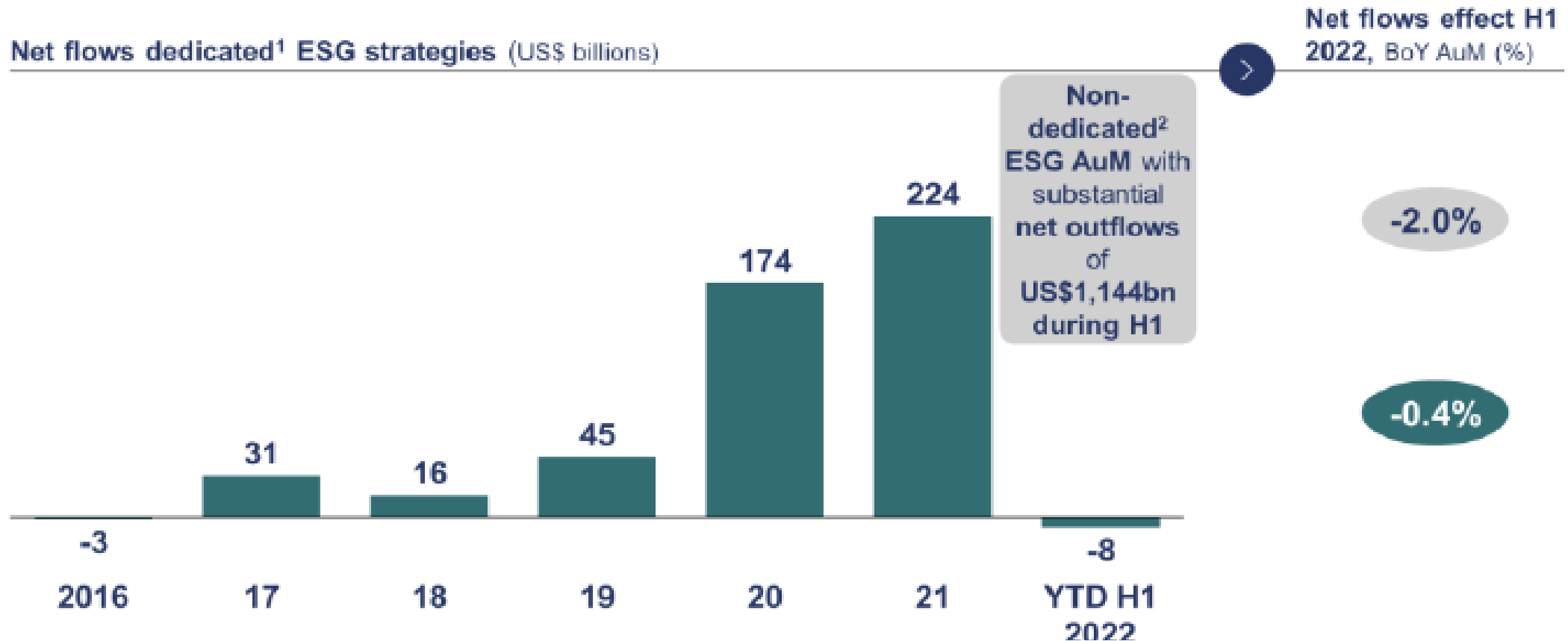
Note(s): Worldwide; Q4 2022

After growing rapidly for the past five years, the value of dedicated ESG strategies declined in 2022 amid a series of macroeconomic and geopolitical shocks...

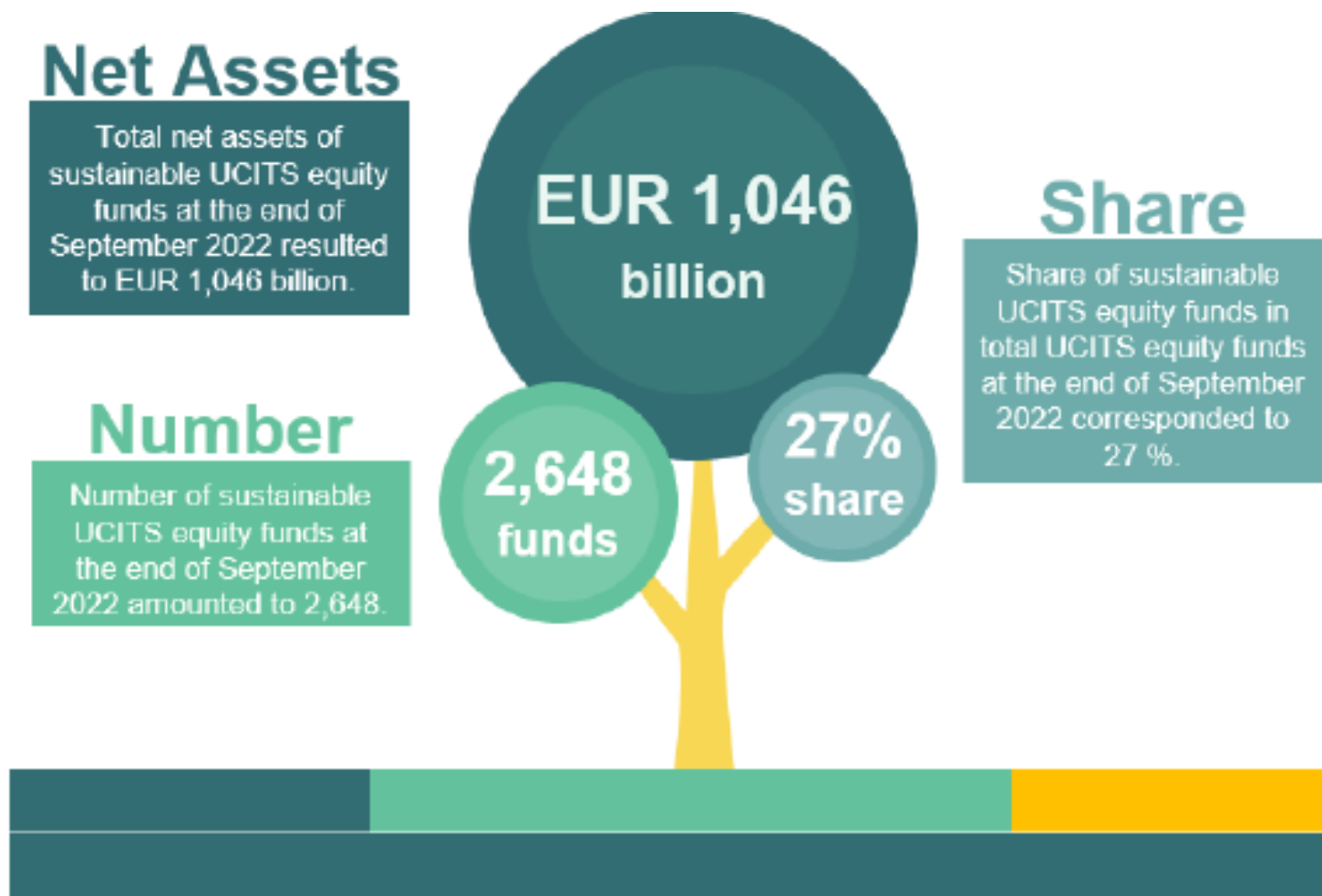
Total AuM (US\$ trillions)



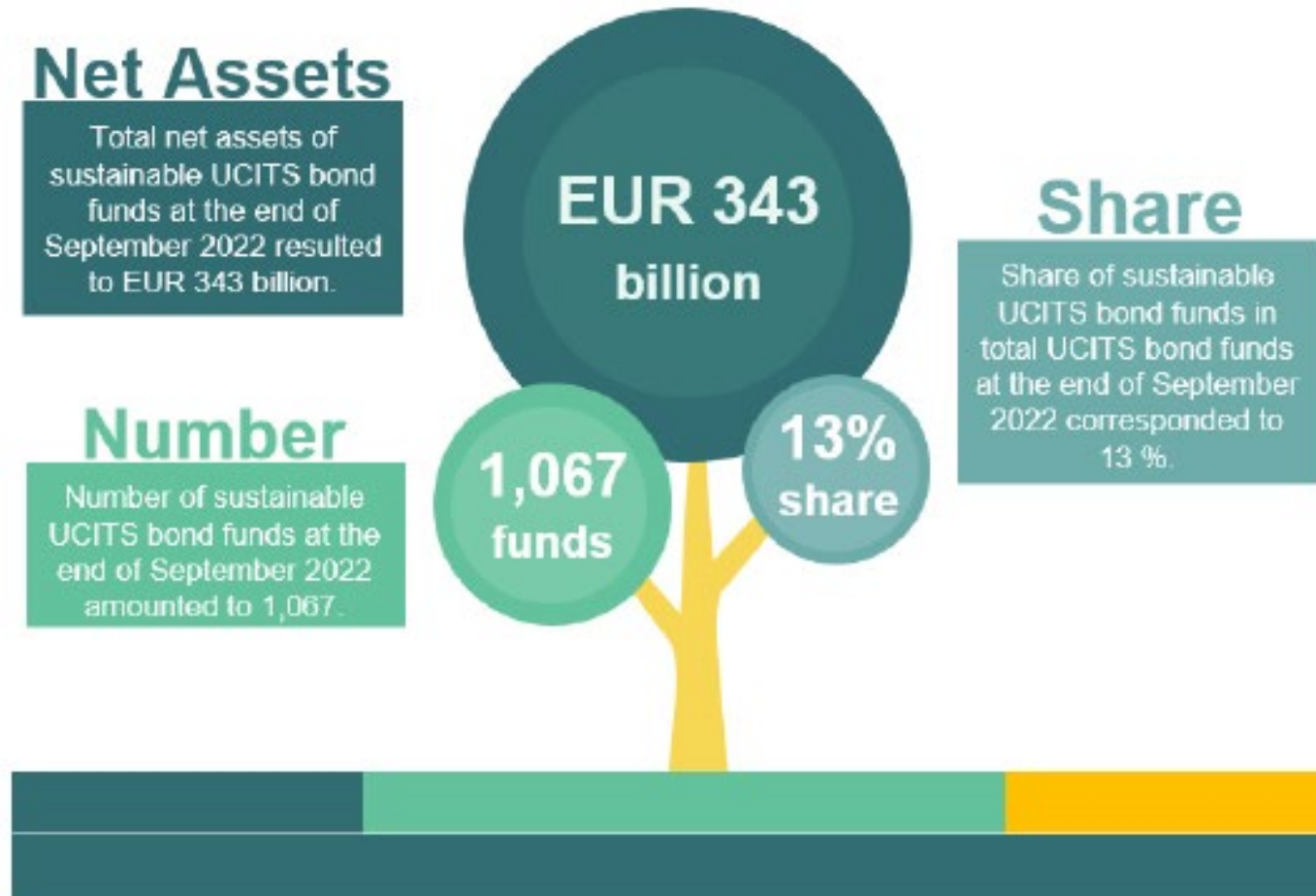
... but while capital has drained from the AM industry, net inflows to dedicated ESG funds have proven relatively resilient to global headwinds



Sustainable Equity UCITS

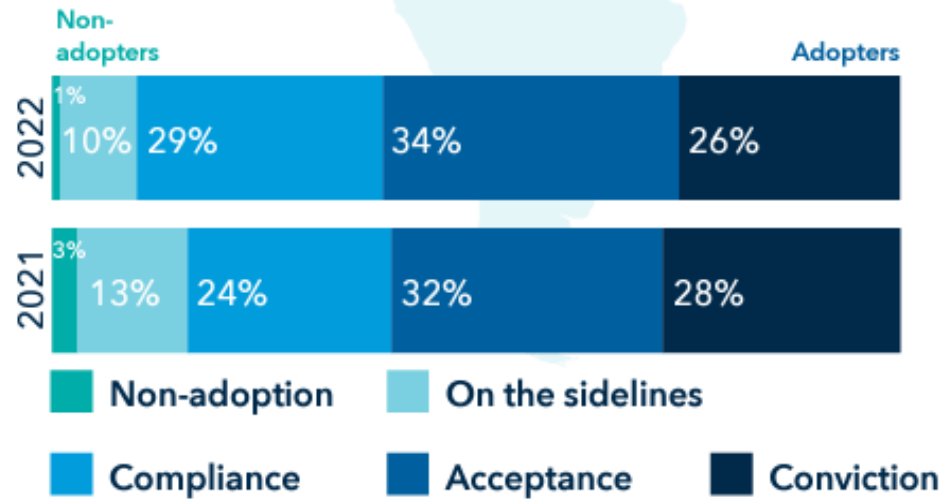


Sustainable UCITS Bond Funds



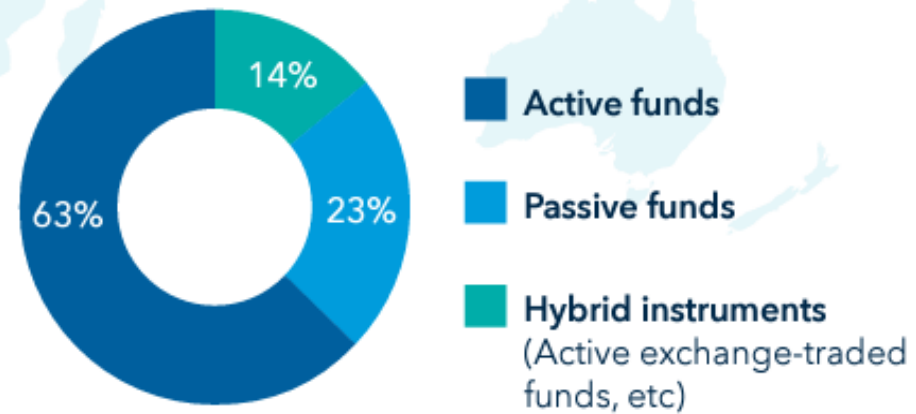
Global trends in ESG

ESG adoption is continuing to grow



ESG adopters have increased from 84% to 89%.

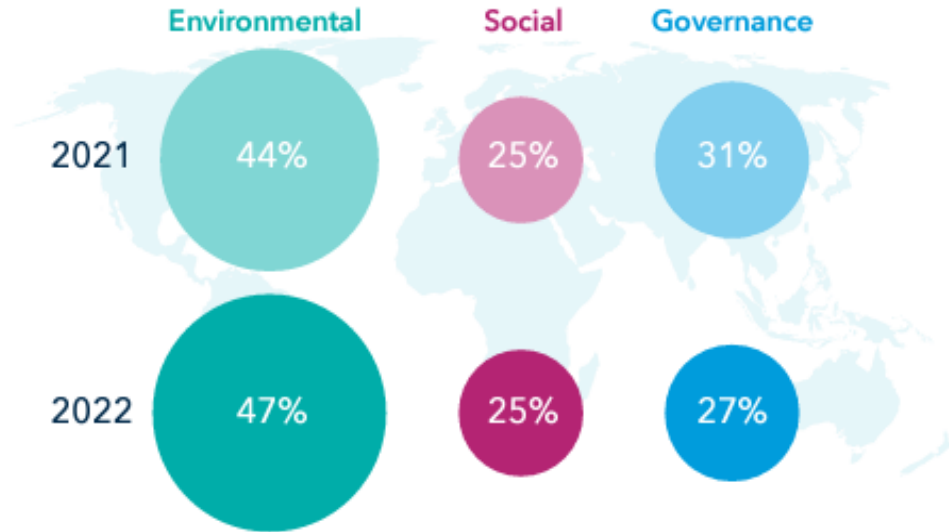
With active funds still the most popular route to access ESG investments



What is your preferred approach to integrating ESG?

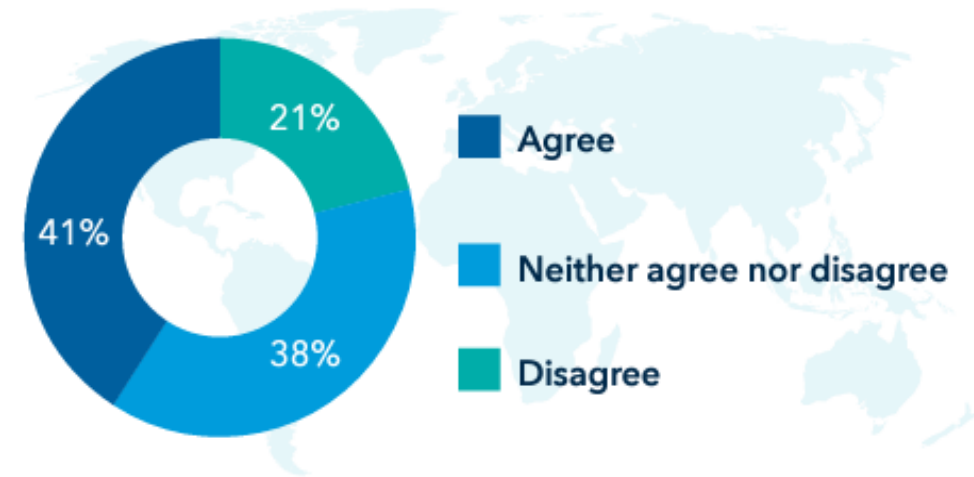
Global trends in ESG Investments

The E of ESG continues to dominate investor allocations



What percentage of your ESG focus is, or would be, allocated to these three segments (E, S & G)?

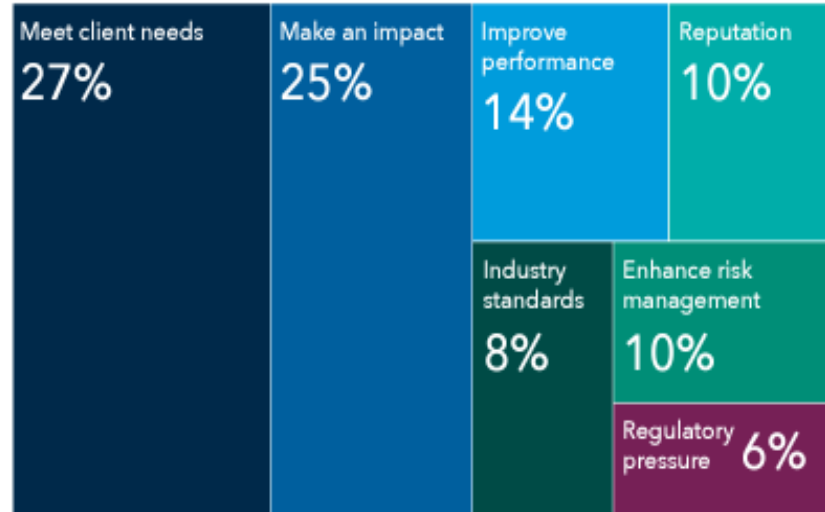
Despite 40%+ recognising social issues are being overlooked



To what extent do you agree or disagree that social issues are being overlooked in the debate on climate change?

Global trends in ESG Investments

Meeting client needs and making a positive impact are key ESG drivers



What is the primary reason your organisation has adopted, or would adopt, ESG?

While accessing reliable and consistent ESG data remains a key challenge



What is your number one challenge when implementing ESG investments?



INVESTMENTS ARE THE ENGINE OF DEVELOPMENT.
YOU CAN DETERMINE WHAT THIS DEVELOPMENT LOOKS LIKE.

Sustainable Investing



Milestones, Facts & Figures

2001

Launch of our first sustainable investment fund

2006

Cooperation with WWF Austria

2009

Signatory of UN PRI

2012

Refrain from investments in producers of controversial weapons

2015

We measure the carbon footprint of our mutual funds

2016

No investments in producers of thermal coal

2018

We measure the water footprint of our mutual funds

2020

Measures for achieving CO₂ neutrality of Erste AM

2020/21

Launch of two more Article 9 equity funds

Erste Asset Management ESG Expertise

PIONEERING ROLE OF ERSTE ASSET MANAGEMENT



22 years of
ESG experience



20+ ESG
investment experts



Since **2012** we have been applying minimum ethical standards to all of our single stock public funds



Since **2009** we have been the first AMC in Austria to adhere to the principles for Sustainable Investments of the United Nations



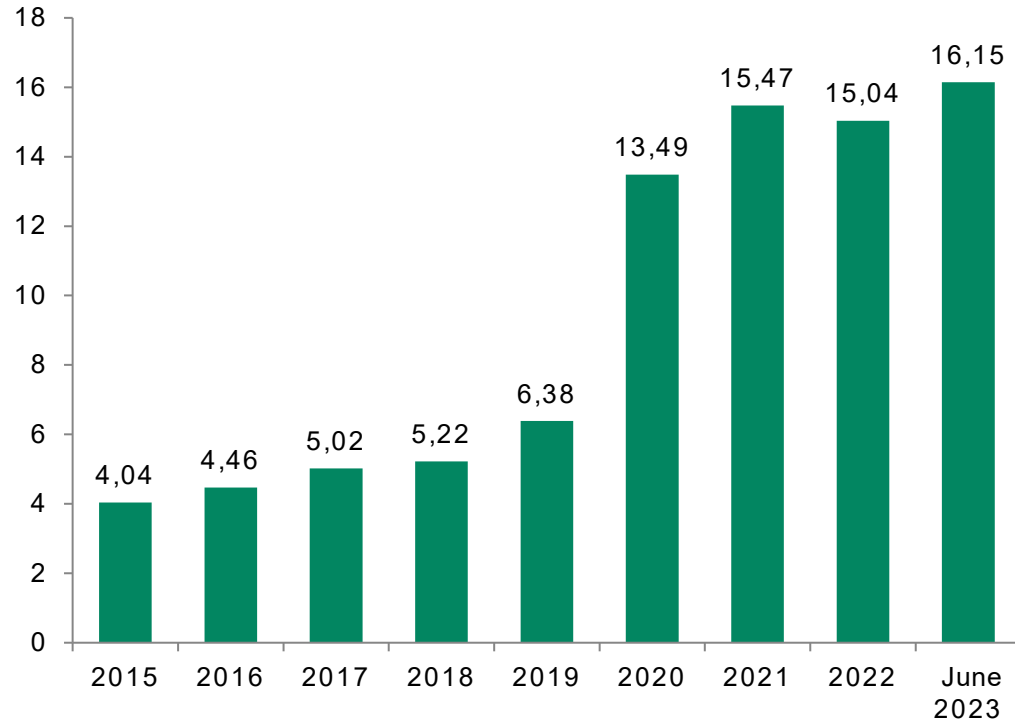
Approx. EUR **16 billion** of the assets we manage sustainability criteria are taken into account*



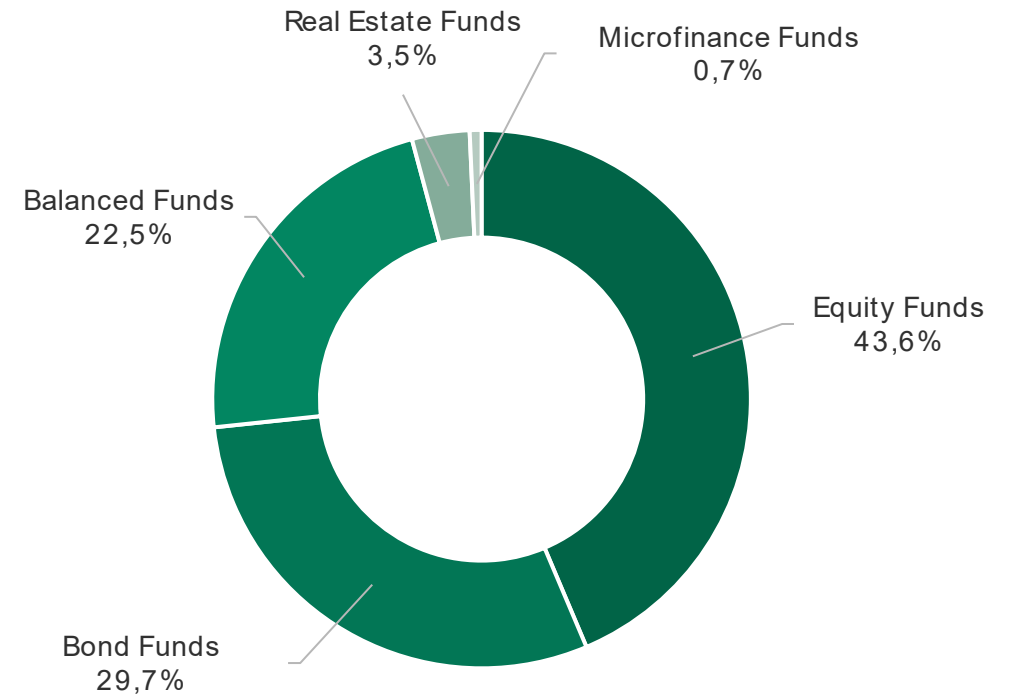
At more than **400** Annual General Meetings, the voting rights of our equity funds are bundled according to ESG criteria.

Our sustainable assets

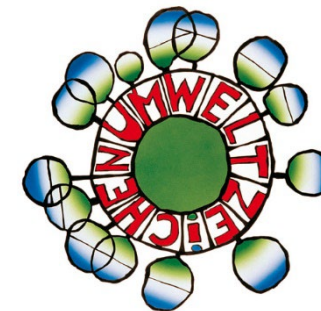
Development ESG Assets under Management (EUR bn)



Breakdown by Asset Class



Our memberships, initiatives and partners



Core competences-sustainable investments

Sustainability put into practice

Sustainability is not just a buzzword for us. For more than 20 years, since the launch of our first environmental equities fund in 2001, we have been pushing the possibilities of sustainable investments.

Reliable quality

Awards from renowned international agencies confirm the quality of our management. Many of our core ESG funds have been assigned with a 3-star rating by FNG.

Long-term experience

We have a long track record in the management of sustainable investment solutions. Our in-house sustainability research and investment team provides us with comprehensive know-how in this segment.

Integrated research process

Following a holistic approach, our processes combine all relevant strategies regarding sustainable investments, such as norms-based screening, exclusion criteria, best-in-class, active voting & engagement and integration into traditional financial analysis



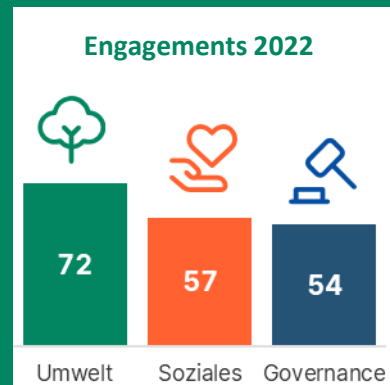
Positive Impact through stewardship

Engagement

Erste Asset Management's engagement approach aims to strengthen the long-term performance of the Company through better governance and the inclusion of social and environmental factors, in direct dialogue with the Company and on behalf of our clients.

To this end, we have structured our engagement strategy into three approaches:

- Local Engagement
- Collaborative Engagement
- ESG Dialogs



Voting

Voting is the second central pillar of Erste AM's active ownership approach. We exercise the voting rights for the shares held in our mutual funds within the framework of our Voting Policy. Thus, the voting rights of our clients are actively exercised.

Voting rights are also exercised for institutional clients upon request. This gives you the opportunity to fulfil your role as a responsible investor.

Voting Volume (Company with more than 2 million Euro in Erste AM portfolio or 5% of the outstanding shares)	6,2 bn Euro
Number of reconciled Company / Annual General Meetings (01.2022 to 12.2022)	495 / 561
Regional distribution of votes	34 Countries



INVESTING WITH A CLEAR CONSCIENCE

ERSTE STOCK ENVIRONMENT

This is a marketing advertisement. Please read the prospectus and "Information for investors pursuant to § 21 AIFMG" and the PRIIPS-KID of the investment fund before making a final investment decision.



Source of picture: Unsplash

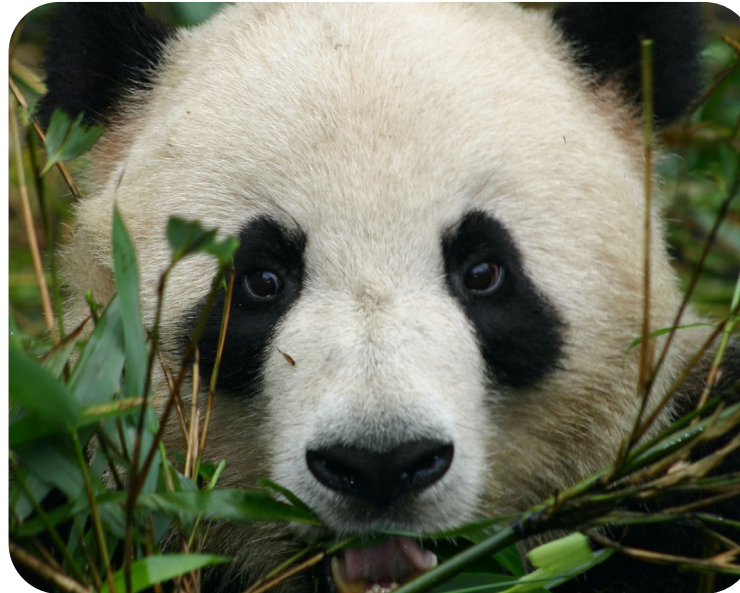
Three good reasons



EAM ESG Expertise

By applying **sustainability criteria** in stock selection, investments are made in companies that perform particularly well in the environmental, social and corporate governance areas.

With around **EUR 16 billion** in sustainably managed assets, Erste Asset Management is the **clear #1** in ESG investing in our region.



Impact investing

Impact investing refers to investments in companies, organizations and funds with the intention of achieving measurable, positive effects on the environment or society in addition to a financial return.

Thus, part of the income from the fund goes directly to **WWF's water and climate protection program**.



Green megatrends

The global effort to combat climate change and its consequences is accompanied by the development of various **technologies and applications**.

ERSTE STOCK ENVIRONMENT focuses on the technologies **mobility, water, green energy and waste** that benefit from the megatrends.

Please note that an investment in securities also entails risks in addition to the opportunities described.

Green megatrends

Investing in the sustainable trends of tomorrow



RENEWABLE ENERGIES

New markets are becoming key markets for the wind and solar industries. The price development of oil cannot stop the trend towards renewable energies.



ENERGY SUPPLY

Energy storage, optimization of energy transport, but also "smart grids" (intelligent networks) and "smart metering" (intelligent electricity meters). New applications are designed to make life easier for all of us.



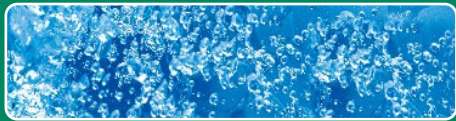
MOBILITY

New propulsion technologies such as electric cars and hydrogen cars and third-generation biofuels. Nowhere else is technological progress watched with such excitement as in the new generation of vehicles.



ENERGY EFFICIENCY

Better thermal insulation of buildings, new technologies in lighting (LED). The motto here: Fight against energy waste.



WATER SUPPLY

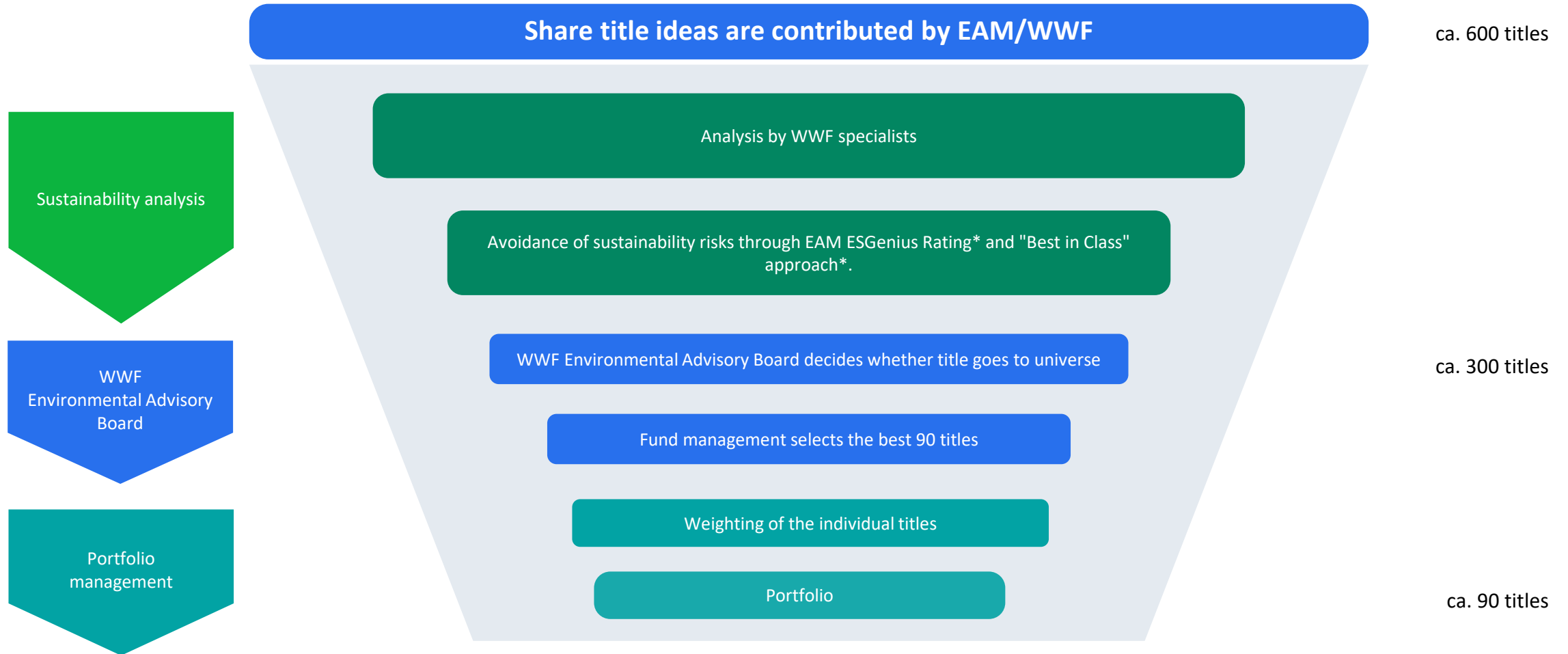
Investing in infrastructure, reducing consumption and costs, hygiene, increasing water scarcity. One of the greatest challenges facing humanity and a clear declaration of war on hunger and thirst in the poor parts of the world.



WATER COLLECTION AND SEPARATION

Fighting rising waste volumes due to prosperity gains, reducing CO2 emissions in thermal waste recycling. Waste can be disposed of in a better and more environmentally friendly way. A market with a future.

The investment process



*Explanation see appendix

Please note that, in addition to the opportunities described above, investing in securities also entails risks.

Excerpt from the portfolio

Renewable energy	Energy efficiency	Energy supply	Waste & Recycling	Water
Sunnova Energy	Schneider Electric	Polaris Infrastructure Inc.	Verallia SA	Zurn Water Solutions
Encavis AG	Sunrun Inc.	Vestas Wind System	Renewi PLC	American Water Works
SolarEdge	Trimble Inc.	Plug Power	Tomra Systems	Xylem Inc.

The companies listed here have been selected as examples and do not represent an investment recommendation. They are examples from the portfolio. There is no claim that the securities will be permanently included in the portfolio. Updated as of 30.06.2023



Disclaimer

ERSTE ASSET MANAGEMENT GMBH

This document is an advertisement. All data is sourced from Erste Asset Management GmbH, unless indicated otherwise. Our languages of communication are German and English.

The prospectus for UCITS (including any amendments) is published in Amtsblatt zur Wiener Zeitung in accordance with the provisions of the InvFG 2011 in the currently amended version. Information for Investors pursuant to § 21 AIFMG is prepared for the alternative investment funds (AIF) administered by Erste Asset Management GmbH, pursuant to the provisions of the AIFMG in connection with the InvFG 2011.

The fund prospectus, Information for Investors pursuant to § 21 AIFMG, and the Key Information Document can be viewed in their latest versions at the web site www.erste-am.com within the section mandatory publications or obtained in their latest versions free of charge from the domicile of the management company and the domicile of the custodian bank. The exact date of the most recent publication of the fund prospectus, the languages in which the Key Information Document is available, and any additional locations where the documents can be obtained can be viewed on the web site www.erste-am.com. A summary of investor rights is available in German and English on the website www.erste-am.com/investor-rights as well as at the domicile of the management company.

The management company can decide to revoke the arrangements it has made for the distribution of unit certificates abroad, taking into account the regulatory requirements.

This document serves as additional information for our investors and is based on the knowledge of the staff responsible for preparing it at the time of preparation. Our analyses and conclusions are general in nature and do not take into account the individual needs of our investors in terms of earnings, taxation, and risk appetite. Past performance is not a reliable indicator of the future performance of a fund. Please note that investments in securities entail risks in addition to the opportunities presented here. The value of shares and their earnings can rise and fall. Changes in exchange rates can also have a positive or negative effect on the value of an investment. For this reason, you may receive less than your originally invested amount when you redeem your shares. Persons who are interested in purchasing shares in investment funds are advised to read the current fund prospectus(es) and the Information for Investors pursuant to § 21 AIFMG, especially the risk notices they contain, before making an investment decision. If the fund currency is a currency other than the investor's home currency, changes in the corresponding exchange rate may have a positive or negative impact on the value of his investment and the amount of the costs incurred in the fund - converted into his home currency.

Please consult the corresponding information in the fund prospectus and the Information for Investors pursuant to § 21 AIFMG for restrictions on the sale of fund shares to American citizens. Misprints and errors excepted.

Presentations:

It is expressly noted that presentations shall not be construed as providing investment advice or investment recommendations; presentations simply represent the current market opinion. The presentations are not intended as sales instruments and shall therefore not be construed as an offer to buy or sell financial or investment instruments. The investor shall be solely responsible for any and all decisions that he makes on the basis of this presentation.

ERSTE ASSET MANAGEMENT ROMANIA

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S.A.I. Erste Asset Management S.A., asset management company with headquarters in Bucharest, Bld. Aviatorilor no. 92, District 1, Romania, registered in the Public Registry of the Financial Supervisory Authority (ASF) with no. PJR05SAIR/400028, fiscal code RO24566377, registered within the Trade Register under no. J40/17060/2008, authorized by C.N.V.M. by Decision no. 98/21.01.2009, registered in the ANSPDCP General Register with no. 0017716, phone: +40 372 269 999; e-mail: office@erste-am.ro; website: www.erste-am.ro.