ERSTE
Asset Management

Stewardship Policy

Table of contents

1. General Provisions

Our mission is to increase long-term shareholder value – by minimizing risks, developing new opportunities and promoting environmental and social responsibility.

1.1 Objectives

Sustainability is a term that comes with a long tradition at Erste Asset Management GmbH and its subsidiaries and branches (hereinafter collectively referred to as („EAM" resp. "Erste AM"). Early on, we discovered that investors were increasingly taking into account environmental, social and governance aspects in their investment decisions.

EAM coordinates and is responsible for all asset management activities across Erste Group Bank AG. EAM manages assets in Austria, Croatia, the Czech Republic, Germany, Hungary, Romania and Slovakia.

With its **Impact, Responsible and Integration funds**, EAM covers the wide range of sustainable investments. These funds comply with the EU Sustainable Finance Disclosure Regulation. We exercise our voting rights, attend Annual General Meetings (AGM) and set up and maintain a direct dialogue with companies, the latter activity is also known as engagement.

The Stewardship Policy outlines key principles and procedures which govern all our active ownership activities, namely our **engagement and voting**. The Policy is subject to annual review and may be updated at any time to reflect changes due to new legislation, regulatory requirements, or other internal or external considerations.

1.2 Scope

Throughout this policy, the terms "Erste AM" and "EAM" refer to the following group of entities within the Erste Group:

- Erste Asset Management GmbH – a legal entity in Austria with branches in Slovakia, Hungary, and Czech Republic (referred to as "Erste AM AT" or "EAM AT")
- Impact Asset Management GmbH – a legal entity in Austria (referred to as "Impact AM" or "IAM")
- Erste Alapkezelő Zrt. – a legal entity in Hungary ("Erste AM HU" or "EAM HU")
- Erste Asset Management d.o.o. – a legal entity in Croatia ("Erste AM HR" or "EAM HR")
- SAI Erste Asset Management SA – a legal entity in Romania ("Erste AM RO" or "EAM RO")

Voting-related active ownership provisions do not apply to Impact Asset Management GmbH ("I-AM"), as I-AM does not establish or manage own investment funds and does not exercise voting rights in its capacity as a delegated fund manager

The Stewardship Policy lays out guidelines for our engagement and voting activities.

1.2.1 Engagement Provisions

The engagment-related provisions of the Stewardship Policy apply to all investment funds managed by **Erste AM** as well as to all investment funds managed by **Impact AM** in its capacity as a delegated fund manager.

1.2.2 Voting Provisions

The voting-related provisions of the Stewardship Policy apply to all investment funds managed by **Erste AM AT** for which a member of Erste Group acts as a custodian.

2. Our Stewardship Principles

2.1 Our Values and Principles

At Erste AM we are determined to develop our products and services to the highest possible standards, as we want to be judged on our contribution to the prosperity of the individual, society and environment, both regionally and internationally. It is essential for us to act as responsible stewards of the assets we manage, by promoting corresponding behaviors.

2.1.1 Responsible Conduct

Erste AM subscribes to the fundamental values of a law-abiding, ethical and sustainability-oriented corporate culture and lays the foundation for this culture in the **Erste AM Code of Conduct**, which contains binding rules for all relevant activities. Erste AM is committed to contributing to the implementation of the Agenda 2030, including all UN Sustainable Development Goals.

2.1.2 Control and Oversight

At Erste AM, responsibility is governed by a structured framework that is aligned with the interests of our clients.The Board of Directors holds responsibility for the approval of all policies, including this stewardship policy. The **Erste Ethics Advisory Board** supports Erste AM in all matters related to the ESG approach and investment process. The members of the Advisory Board possess diverse expertise ranging from management accounting, taxation, and political science to ethical and sustainable investment, and moral theology.

The day-to-day implementation of our sustainability approach is led by the Responsible Investments (RI) Team, which is tasked with integrating ESG considerations into the investment process and executing EAM active ownership activities – including engagement and voting. The team develops the necessary frameworks, tools, and methodologies to operationalise EAM ESG strategy and ensure its effectiveness across asset classes. Particular emphasis is placed on the constant exchange between fund management and analysts on the RI Team. Whereas engagements with companies can be perfomed by fund managers and RI analysts independently, the progress and outcomes are ultimately shared to ensure internalization of knowledge and expertise.

PRI Principles for Responsible Investment

Erste AM complies with all applicable regulation and strives to follow best stewardship practices. Our sustainable investment approach is both based on the Principles of Responsible Investing (PRI) and the UN Global Compact, and adheres to voluntary and statutory stewardship requirements (ICGN Global Stewardship Principles, SFDR, SRD II and the Responsible Business Conduct for Institutional Investors under the OECD guidelines).

As a signatory of the PRI, Erste AM is committed to integrate the following **Principles** into its Stewardship Policy:

1. We will incorporate ESG issues into investment analysis and decision-making processes
2. We will be active owners and incorporate ESG issues into our ownership policies and practices
3. We will seek appropriate disclosure on ESG issues by the entitees in which we invest
4. We will promote acceptance and implementation of the Principles within the investment industry
5. We will work together to enhance our effectiveness in implementing the Principles
6. We will each report on our activities and progress towards implementing the Principles

Our external partners are also required to have either signed the PRI or to follow them to the greatest extent possible.

2.1.3 Transparency

Transparency is crucial to us, not only to maintain the trust of our clients but also of our employees and other stakeholders. Our priority of improving our data quality is an essential part of our strategy and will support us to create transparency at all levels. Our reports and policy documents (among which our annual Engagement and Voting Reports) are available on Erste AM's website.

2.1.4 External Assurance

Whenever possible we seek independent assessment of our stewardship framework and the quality of its implementation. Some of Erste AM's funds have attained certification according to the current financial market sustainability standards such as the FNG Label and the Austrian Ecolabel. This independent external assessment and confirmation ensures compliance with prescribed sustainability requirements.

2.2 Our Duties and Responsibilities

2.2.1 Environmental Stewardship

In fulfilling our fiduciary responsibility, we recognize that environmental risks directly impact long-term value creation for our clients. At Erste AM, environmental stewardship is a core pillar of our responsible investment strategy. Our focus areas are climate, biodiversity, sustainable use of natural resources, and pollution prevention. That translates into commitment to measure, report, and reduce carbon footprint of our investments. We work continuously to align our investment strategies with the goals of the Paris Agreement and best practices.

Our investment approach integrates environmental considerations to identify and support companies contributing to climate resilience, biodiversity protection, and the sustainable use of natural resources. We allocate capital with our clients' long-term interests in mind and seek to mitigate environmental and climate-related risks – such as stranded assets, regulatory and market shifts, extreme weather events, and resource scarcity – to the best of our ability, without compromising sector diversification unless such focus is explicitly defined by the investment strategy. Such is the case within our funds pursuant to Article 9 of the Disclosure Regulation targeting environmental impact, where we prioritize sectors and activities aligned with science-based targets, circular economy principles, and low-carbon transition pathways.

Through our stewardship activities, we actively engage with portfolio companies to encourage ambitious and credible climate strategies, nature-positive business models, improved environmental disclosures, and responsible resource management. We believe that sound environmental practices is key to building resilient capital markets and mitigating risk across the global economy.

Climate commitment

Erste AM is part of multiple international agreements to measure, monitor and reduce the carbon emissions of its investments. In 2016, Erste AM became the first Austrian asset manager to sign the PRI Montreal Pledge, which obligated Erste AM to measure and publish the carbon footprint of its equity and bond funds. Erste AM started voluntary disclosing impacts of its investments prior to it becoming a regulatory requirement, as it recognized the importance of transparency and accountability in fulfilling its fiduciary dity to clients. Erste AM currently reports the estimated Scope 3 emissions and the carbon footprint of the investments in its funds in accordance with the Sustainable Finance Disclosure Regulation (SFDR). As availability and quality of data improve, the measurements of our Scope 3 emissions will become more robust.

Biodiversity commitment

To actively show our commitment to ecosystems protection, Erste AM decided to sign the statement from the private financial sector to the conference of the parties to the convention on biological diversity, which was drafted by the UNEP Finance Initiative (UNEP FI), the Principles for Responsible Investment (PRI), and the Finance for Biodiversity Foundation. It was endorsed by 154 financial institutions, representing over $24.8 trillion in assets under management:

"We - the signatories of this statement - realize that biodiversity loss threatens our ability and the ability of future generations to live and thrive in a healthy, peaceful and prosperous world. As a result, we commit to contribute to the protection and restoration of biodiversity and ecosystems through our financing activities and investments. In support of this, we call for the adoption of an ambitious Global Biodiversity Framework (GBF) at the Biodiversity Conference to the UN Convention on Biological Diversity (COP 15) held 7 - 19 December 2022 in Montréal under the presidency of the People's Republic of China."

Further information on our biodiversity approach can be found in the Erste AM Biodiversity Policy available on Erste AM's website.

2.2.2 Social Stewardship

Acting in our clients' best interests also means recognizing the importance of social stability, equity, and includion in building resilient economies and sustainable returns. At Erste AM, we begin with a commitment to our own people – fostering a diverse, inclusive, and empowering workplace that enables long-term excellence and reinforces the credibility of our stewardship efforts.

Our investment decisions and engagement activities reflect this commitment and are aligned with the UN SDG Goals. We engage with investees to promote ethical supply chains and responsible human capital management – all of which contribute to sustainable value creation and reduced social risk in our investments. We advocate for responsible labour practices, inclusive corporate cultures, and business models that support the well-being of workers, communities, and society at large.

Social stewardship strengthens the resilience of the portfolios Erste AM manages on behalf of its clients and supports it in fulfilling its duty to serve as a trusted and accountable asset manager.

2.2.3 Governance Stewardship

Robust governance is fundamental to the stability and integrity of the financial system – and to our ability to act as responsible stewards of clients' capital. Erste AM is committed to high standards of transparency, accountability, and integrity – both within our operations and in the companies we invest.

Internally, we ensure that our decision-making structures, risk management, and sustainability governance are aligned with our clients long-term interests. Externally, we promote high standards of governance across the assets we manage, engaging with companies on board effectiveness, executive accountability, transparent reporting, and responsible remuneration.

Beyond company-level engagements, we strive to contribute to strengthening market-wide governance by engaging with regulators, local and global standards-setters, and other relevant stakeholders to support frameworks that foster good governance, market integrity, and long-term resilience across the financial system.

Source: Erste Asset Management, 2025; picture source: Erste Group Bank AG

3. Integration

Our sustainability approach goes far beyond the mere integration of ESG criteria into investment decisions. It reflects our broader understanding of fiduciary duty and aims to systematically promote social and environmental responsibility, as well as transparency, across our portfolio companies. This responsibility is operationalized through a robust stewardship framework based on active ownership. We actively engage with investee companies to promote stronger social responsibility, environmental protection, biodiversity preservation, and enhanced transparency. We exercise active ownership through two key channels: targeted engagement and the exercise of our voting rights.

3.1 Our Engagement Policy

Engagement is a core pillar of our active ownership strategy and a key mechanism for promoting sustainability across financial markets. At Erste AM, we define engagement broadly – not only as dialogue with investee companies, but also as constructive interaction with policymakers, sovereign issuers, standard-setters, and other stakeholders whose decisions shape the sustainability and stability of the financial system.

3.1.1 Engagement Rationale

Our aim is to influence practices and frameworks that impact long-term value creation, ESG risk management, and the resilience of capital markets. Whether through bilateral engagement, collaborative initiatives, or policy advocacy, we act as responsible stewards of our clients' capital, using our voice to support more transparent, inclusive, and sustainable economic systems.

As a committed investor, Erste AM seeks active dialogue with the management of portfolio companies as part of its sustainability process. This might expose weaknesses of the management in handling environmental, social and governance aspects. Furthermore, addressing these issues with companies serves to seek joint solutions for improvement. Engagement is not only a question of responsibility, but also contributes to minimizing risks and thus can improve the long-term investment outlook. Consequently, Erste AM may exclude companies that show no intention to improve.

Image source: iStock | Jacob Lund Photography

3.1.2 Engagement Priorities

Our engagement activities focus on sustainability issues that are material to portfolio resilience and long-term client outcomes. These priority themes guide both the content and direction of our engagement:

- **Climate** – promoting alignment with the Paris Agreement, science-based targets, and credible low-carbon transition plans.
- **Biodiversity** – addressing deforestation, land use and extensive water consumption, and fostering integration of nature-positive strategies.
- **Human Capital** – supporting decent work, diversity, equity, inclusion, and workforce well-being.
- **Global Norms** – encouraging respect for international standards such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines.
- **Good Governance** – advocating for sound corporate governance and transparent disclosures.

These themes are aligned with our overarching Stewardship Principles and inform the selection, design, and evaluation of our engagement activities.

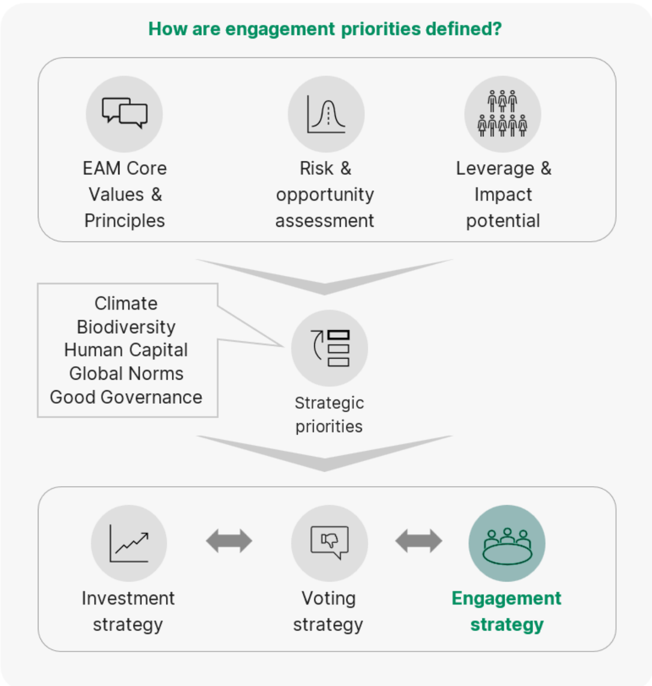

Figure 1: Process for setting engagement priorities

3.1.3 Engagement Types

Engagements of Erste AM can be broadly classified into three categories:

Local Engagements

As market leader in CEE, Erste AM regards domestic companies as one of its focal areas. Its market position and reputation allow Erste AM to maintain an efficient dialogue with those companies. The engagement process is launched as soon as our regular research efforts indicate that engagement would make sense. This automatically ensures a focus on relevant issues.

Global Engagements

Outside our local markets we pool our ESG interests with other investors in order to increase the clout with international groups and jointly promote sustainable change through dialogue with companies. In doing so, we may resort to international sustainability networks, investor initiatives and collaborations, and support of engagement service providers. Whenever possible we will initiate direct one-on-one dialogue with companies to discuss their sustainability approach and future strategy, and ESG-related concerns.

System-Level Engagements

Beyond company-focused dialogue, we engage with regulators, standards-setters, industry groups, sovereign actors, transnational agencies, civil society organisations, and other stakeholders to promote long-term resilience and integrity of the financial system. This includes:

- contributing to public consultations
- advocating for robust ESG regulation
- capacity-building aimed at improving effectiveness of responsible investing worldwide
- supporting frameworks that align capital markets with sustainable development

More detailed information about our engagement activities and cases can also be found in our annual Engagement & Voting Reports on Erste AM's website.

Source: Erste Asset Management, 2025

3.1.4 Engagement Process

Our engagement activities follow a structured, outcome-oriented process that ensures consistency, accountability, and a clear link to our Stewardship Priorities.

Step 1: Identifying Engagement Targets and Objectives

We constinuously monitor issuers that are part of the investment universe of our funds. We select companies, issuers, or stakeholders for engagement based on the following considerations:

- Alignment with our Stewardship Priorities
- Presence of material ESG impacts, risks, or opportunities
- Level of exposure and impact potential (e.g., size of our investments)

We define a clear engagement objective, ranging from improved disclosure or performance to strategic realignment or governance reforms.

Step 2: Defining the Engagement Strategy

The engagement strategy consists of the following elements:

- Goal of the engagment
- Tools and channels (see figure 2 "Channels and Tools which can be used in the engagement process")
- Timeline and key milestones
- Indicators of progress for internal monitoring
- An escalation path in case of insufficient progress

Step 3: Implementation

We carry out the engagement using the selected tools. We document all interactions in our internal system, the ESGenius® App, to ensure traceability and accountability. Engagement dynamics are continuously monitored to make timely adjustments to our approach if necessary.

Step 4: Assessment and Update of Engagement Strategy

We regularly assess progress against our engagement objectives by reviewing the timeline, evaluating the responsiveness of the engagement target, and determining the extent of improvement on the issue. This informs our decision to continue the dialogue, escalate our approach, or close the case. Insights gained through the process also inform our voting and investment decisions.

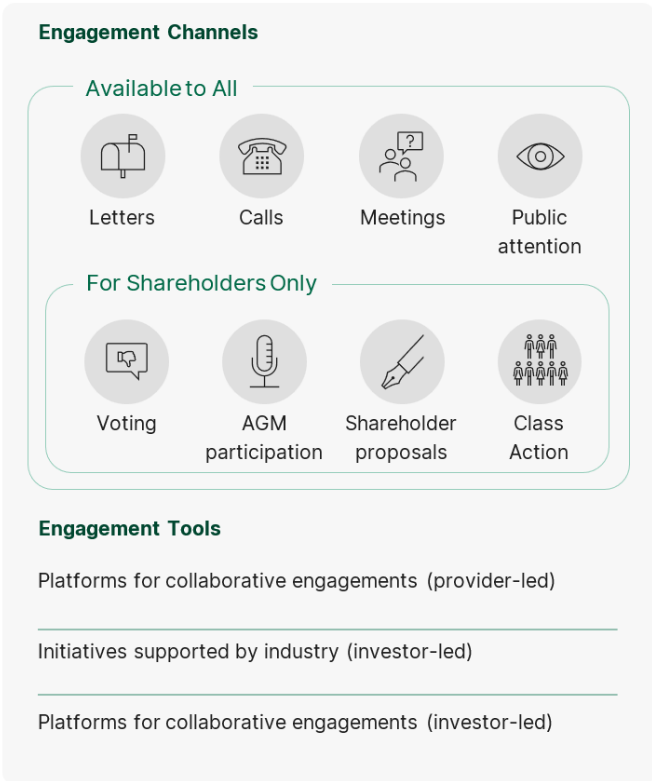

Figure 2: Channels and Tools which can be used in the engagement process

3.1.5 Escalation Approach

While our preference is to maintain constructive and solution-oriented dialogue, we apply escalation measures when engagement fails to yield sufficient progress or when material risks remain unaddressed.

Principles of Escalation

We recognise that every engagement is unique, and so is the appropriate escalation pathway. The timeline, tone, and choice of escalation tools are shaped by a range of contextual factors and must remain flexible. Our escalation approach is always **proportional** to the materiality and urgency of the issue and might take into account :

- the issuer's present capacity
- timing of the request (for instance, engaging issuers in the middle of the annual reporting period)
- issuer's size
- internal resources
- jurisdiction
- cultural norms (some regions lack tradition of investor dialogue)
- issuer's ownership structure

Furthermore, some markets impose legal or procedural limits on shareholder activism (for instance, on filing proposals), which shape what forms of escalation are available. Severity of engagement tools applied is not necessarily proportional to the timeline of engagements. In the event of severe violations by our portfolio companies invested in the respective fund, such as involvement in certain controversial activities or violations of global norms, we will endeavor to immediately dispose of the relevant financial instrument while safeguarding the legitimate interests of the investors and only then begin the engagement process (detailed information on our exclusion criteria can be found on the Erste AM website).

Every engagement ultimately leads to a reassessment of the investment case. Depending on the issue severity and engagement outcome, this may result in reduced exposure, full divestment, or exclusion in negative scenatrios – or, conversely, to re-inclusion and increased allocation where the issuer demonstrates meaningful improvement.

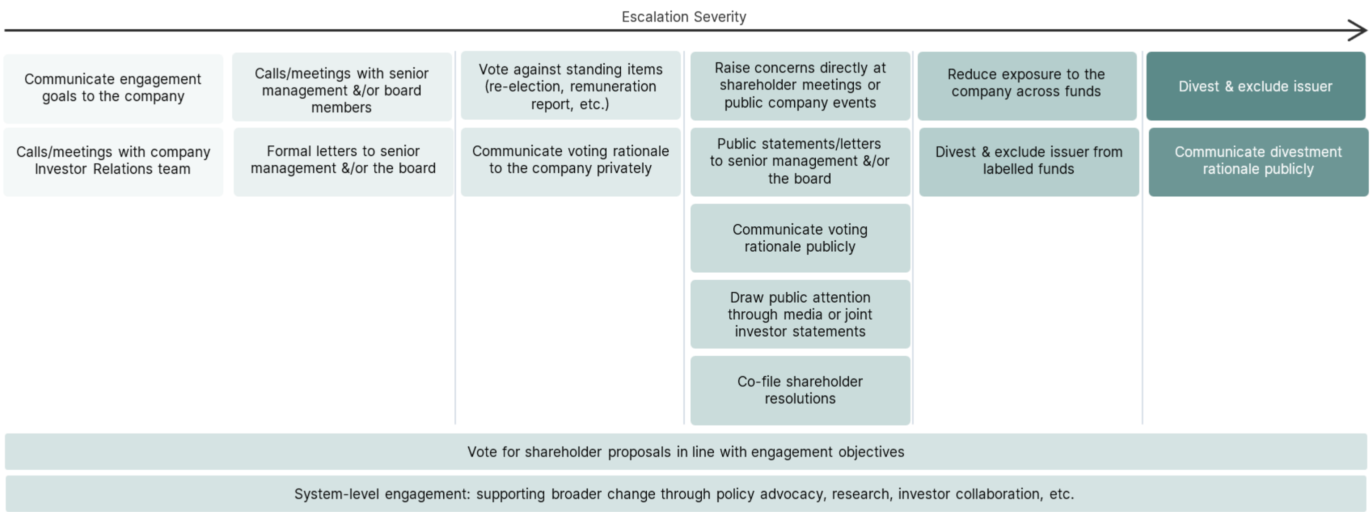

Figure 3: Available tools for escalation from least to most intensive

Source: Erste Asset Management, 2025

3.2 Our Voting Policy

Voting is a fundamental expression of our fiduciary duty and enables us to support sound and sustainable business practices across our entire portfolio.

Since 2012, Erste AM has exercised voting rights associated with the shares held by its RESPONSIBLE funds in accordance with its voting policy.

In 2015, the scope of proxy voting was expanded to include all retail funds to ensure that the interests of all investors are taken into account. In 2023, Erste AM further strengthened its stewardship commitment by incorporating biodiversity considerations into its voting practices, as outlined in its Biodiversity Policy. This reflects a broader recognition of the material risks and opportunities associated with biodiversity loss and ecosystem degradation.

3.2.1 Implementation

In Austria, we exercise voting rights directly. Internationally, our service provider ISS (Institutional Shareholder Services) handles this task. Erste AM AT will exercise its voting rights, if our funds hold at least a combined EUR 2 million of equity in the company or more than 5% worth of its outstanding shares. Erste AM AT will exercise its voting rights typically for assets held in its mutual funds. In some cases, also for other funds. Exercising these voting rights is restricted to those funds for which a member of Erste Group acts as custodian bank.

3.2.2 Conflict of Interest

By exercising voting rights on general meetings of companies a conflict of interest might occur in certain cases.

Following situations were identified:

- AGM (Annual General Meeting) of Erste Group Bank AG which is the parent of Erste AM
- Constellations in which Erste Group Bank AG
  - is a shareholder of a listed company, owns more than 10% and identifies conflict of interest,
  - is owned by a listed company by more than 5% and identifies conflict of interest or
  - has a strategic partnership with a listed company and identifies conflict of interest.

Affected Companies

Regarding the mentioned criteria following companies were identified by Erste AM as affected:

- Erste Group Bank AG (ISIN: AT0000652011)
- Erste Bank Polska S.A. (ISIN: PLBZ00000044)
- Vienna Insurance Group AG (ISIN: AT0000908504)

For these companies Erste AM will abstain from exercising voting rights to avoid conflict of interest. The list of affected companies will be reviewed annually, in advance of the main season.

3.2.3 Share Blocking

In certain jurisdictions, Erste AM is currently unable to exercise voting rights due to legal or procedural constraints. These include administrative complexity, disproportionate costs, or share blocking requirements, which restrict trading in shares during a period surrounding the shareholders' meeting, which may limit portfolio management flexibility. Such restrictions are particularly relevant in markets such as Argentina, Curaçao (formerly the Netherlands Antilles), Egypt, Iceland, Kazakhstan, Lebanon, Luxembourg, Mauritius, Morocco, Norway, and Switzerland. In these cases, Erste AM may abstain from voting to protect investors' interests and maintain prudent portfolio and fund management.

4. Transparency

Transparency is a cornerstone of our sustainability and stewardship efforts. We are committed to improving the quality of our data and to enhancing the clarity and effectiveness with which we communicate it – particularly through our reporting. This reflects our broader goal of fostering accountability and maintaining the trust of all our stakeholerd.

All relevant policies, reports, and documents (including our annual Engagement and Voting Reports) are available on Erste AM's website.

Company description

Erste AM (www.erste-am.com) coordinates and is responsible for the asset management activities (asset management based on investment funds and portfolio solutions) within Erste Group Bank AG. At locations in Austria, Croatia, Czech Republic, Germany, Hungary, Romania and Slovakia, it manages assets of about 102.29bn Euro (as of 10/2025).

Contact

Erste Asset Management GmbH
Communications & Digital Marketing
Am Belvedere 1, 1100 Vienna
Telefax: 0043 (0) 50 100 DW 17102
E-Mail: communications@erste-am.com

Erste Asset Management GmbH
Vienna, Commercial Register Number: FN 102018b
Registration court: Commercial Court Vienna

Source: Erste Asset Management, 2025; picture source: Pexels | Pixabay

DISCLAIMER

This document is an advertisement. Please refer to the prospectus of the UCITS or to the Information for Investors pursuant to Art 21 AIFMG of the alternative investment fund and the Key Information Document before making any final investment decisions. Unless indicated otherwise, source: Erste Asset Management GmbH. Our languages of communication are German and English.

The prospectus for UCITS (including any amendments) is published in accordance with the provisions of the InvFG 2011 in the currently amended version. Information for Investors pursuant to Art 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 Art 21 AIFMG, and the Key Information Document can be viewed in their latest versions at the website 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 fund prospectus or the Information for Investors pursuant to Art 21 AIFMG and the Key Information Document are available, and any additional locations where the documents can be obtained can be viewed on the website 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.

Detailed information on the risks potentially associated with the investment can be found in the fund prospectus or Information for investors pursuant to Art 21 AIFMG of the respective fund. 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.

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.

Version 2.2 of the guideline

Media owner and manufacturer:
Erste Asset Management GmbH

Am Belvedere 1
A-1100 Vienna
www.erste-am.at

Place of publishing and production: Vienna

ERSTE
Asset Management