

Sustainability-related disclosures¹ regarding ERSTE RESPONSIBLE IMMOBILIENFONDS (referred to as “ERI” or the “Fund” in the following)

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Summary

In accordance with Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (Disclosure Regulation), this financial product promotes environmental and social characteristics but does not have a sustainable investment objective.

The Fund applies a broad interpretation of sustainability. Both environmental and social factors are promoted through the application of ERSTE Immobilien KAG's proprietary sustainability approach. This is ensured by the application of ERSTE Immobilien KAG's internal ESG toolbox as part of the investment process.

ERSTE Immobilien KAG takes into account the principal adverse impacts on sustainability factors (“PAIs”; indicators for adverse impacts of investment decisions on sustainability factors) in the investment strategy of this Fund.

All acquired investments must have been categorised as suitable according to a sustainably oriented investment strategy by ERSTE Immobilien KAG on the basis of a predefined screening process at the time of acquisition.

In the course of the screening process for properties, the buildings are evaluated on the basis of their environmental and social risks. Only properties whose construction is deemed to exhibit a sufficiently sustainable approach by ERSTE Immobilien KAG can be considered for purchase. This analysis is completed by way of internal evaluation and on the basis of external **klimaaktiv** certification. The exclusion criteria for real estate investments are primarily based on the property use type.

In the course of the screening process for securities, issuers are assessed in terms of their environmental, social, and corporate governance risks. Only companies whose business policy demonstrates a sufficiently sustainable approach to ERSTE Immobilien KAG are eligible for inclusion in the investment universe. In the securities segment, this analysis is completed on the basis of internal evaluation and using external research. These issuers must also comply with the exclusion criteria to be eligible for the Fund. The exclusion criteria for companies include human rights violations, labour law violations, child labour, violations of the UN Global Compact, corruption, balance sheet fraud, nuclear energy, coal mining, electricity generation from coal, the thermal conversion of coal, petroleum and natural gas extraction, the manufacture and sale of armaments/weapons, green gene technology, consumptive embryo research, gambling, pornography, tobacco, and unnecessary animal testing. ERSTE Immobilien KAG may employ defined thresholds and operationalisation to facilitate the application of the exclusion criteria in terms of an identification limit and to ensure that the criteria have the desired effect. The exclusion criteria for sovereigns include authoritarian regimes, human rights restrictions, capital punishment, child labour, nuclear weapons, disproportionate military spending, insufficient cooperation and serious violations relating to money laundering, corruption (as measured by the corruption index of Transparency International), and deficits in climate protection and biodiversity preservation. Operationalisation is employed at the discretion of ERSTE Immobilien KAG.

¹ Pursuant to Article 10 (1) of Regulation (EU) 2019/2088 and Articles 25 to 36 of Delegated Regulation (EU) 2022/1288

Data from external providers are also used when gathering sustainability-related data on securities for internal analyses. In the real estate segment, data are collected by ERSTE Immobilien KAG, partly in cooperation with property managers.

The external data may be incomplete, imprecise, or unavailable at times. The providers of sustainability ratings also take different influences into account and apply different weightings, meaning that an investee company can have different sustainability scores. There is therefore the risk of a security or issuer being assessed incorrectly.

A proprietary rating model is used to limit this risk for securities. In this rating model, the predominant sustainability approaches in the market (ethically oriented approach versus a risk view) are combined into an overall view during the analysis. Combining the different providers reduces any data gaps and also verifies the plausibility of the different approaches, and thus attains the promoted environmental or social characteristics.

No index has been designated as a reference benchmark for the attainment of the environmental and/or social objectives.

Information on how the environmental or social characteristics of the Fund are promoted can be found in the annex to the prospectus or the Information for Investors pursuant to § 21 AIFMG.

Information on how the environmental or social characteristics were met and information on the overall sustainability-related impact of the Fund can be found in the annual reports of the Fund published on or after 1 January 2023.

No sustainable investment objective

In accordance with Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (Disclosure Regulation), this financial product promotes environmental or social characteristics but does not have a sustainable investment objective.

A sustainable investment pursuant to Article 2 (17) of Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation [SFDR] or Disclosure Regulation) is an investment in an economic activity that contributes to an environmental objective or a social objective, provided that such investments do not significantly harm any environmental or social objectives and that the investee companies follow good governance practices.

Article 2 (17) SFDR specifies topic areas for which key indicators must be defined in order to measure whether the investment pursues economic activities that contribute to the achievement of the selected environmental objective.

This includes the following topic areas:

- Resource efficiency in the use of energy, renewable energy, raw materials, water, and land
- Impact on the production of waste and greenhouse gas emissions
- Impact on biodiversity and the circular economy

With regard to these topic areas, compliance with specified key criteria is ensured for investments by ERI in real estate assets by way of klimaaktiv certification (see the item “Investment strategy” below for further information) in order to be able to demonstrate that the investment in the specific properties represents an economic activity that contributes to the achievement of the selected environmental objective.

A comparison of the topic areas specified in Article 2 (17) SFDR with those included in klimaaktiv shows that the stipulated topic areas are largely covered. The topic areas listed above that are covered by

klimaaktiv are measured using the key criteria required under the regulatory framework and are mitigated by way of exclusion and/or thresholds.

In accordance with the principle of preventing significant harm, ERSTE Immobilien KAG has defined PAIs for ERI and takes them into account according to the methodology and process defined in the Sustainability Policy. The PAIs for real estate assets are measured and taken into account in the investment in accordance with Table 1 of Annex 1 to Delegated Regulation (EU) 2022/1288.

Therefore, the properties of ERI that have been awarded klimaaktiv certification can fundamentally be classified as sustainable investments pursuant to Article 2 (17) SFDR. ERSTE Immobilien KAG pursues such certifications according to the klimaaktiv standards solely for the purpose of ensuring the achievement of the defined environmental and social characteristics. As an Article 8 SFDR fund, however, the Fund does not have a sustainable investment objective per se. Due to the fact that the klimaaktiv certifications meet the definition of sustainable investments pursuant to the SFDR, the share of certified properties in ERI does not fall below 35% of the total fund volume at any time in line with a minimum investment in sustainable investments pursuant to the SFDR.

Environmental or social characteristics of the financial product

The Fund aims to reduce the carbon intensity of the properties and minimise complicity in violations of international standards.

The Fund pursues the environmental objective “climate change adaptation” pursuant to Article 9 lit. b of the Taxonomy Regulation.

For the purpose of promoting this environmental objective with regard to investments in real estate assets, the internal investment strategy of the Fund stipulates that all properties that are fundamentally eligible for certification must at least meet the klimaaktiv Bronze standard for an investment to be possible. This is ensured in the Acquisition unit in the form of a checklist that defines requirements for real estate assets that represent prerequisites for an investment.

The criteria catalogue of klimaaktiv, and particularly the sharper focus and partial reorientation of the entire klimaaktiv criteria set towards the issues of carbon neutrality and climate change adaptation, support ERI’s alignment towards the environmental objective “climate change adaptation” in the real estate segment.

At the time of the preparation of this document, all completed buildings have received klimaaktiv certification. The following properties are not eligible for certification based on their nature: individually purchased apartments in residential properties and buildings that are still under construction.

ERI has been awarded the Austrian Ecolabel in the “Financial Products” category. The Austrian Ecolabel is a government seal of quality for sustainable financial products that invest in accordance with ecological and socio-ethical guidelines.

In order to ensure the environmental and social characteristics of ERI, investments are made in properties that promote environmental and social criteria as follows:

- In addition to residential and office properties, emphasis is placed on investments in the following properties
 - Properties used for infrastructure,
 - Properties used for special forms of housing,
 - Properties used for special social purposes (e.g. therapy centres, nursing homes), and
 - Properties used for public and quasi-public purposes.

- Investments are made in properties that
 - exhibit a long useful life,
 - have a positive internal sustainability rating, and
 - meet at least the klimaaktiv Bronze standard.

Additional environmental, social, and governance (ESG) criteria may also be taken into account.

At the level of investments in securities issued by companies, ERSTE Immobilien KAG is pursuing the objective of achieving improvements in the following key environmental and social aspects through its proprietary sustainability approach:

- The environmental footprint of the investments held by the Fund, in particular
 - the carbon footprint and the mitigation of climate change in general, and
 - the water footprint and measures for the responsible use of the resource water.
- The avoidance of environmental risks beyond this
 - for the protection of biodiversity
 - the responsible management of waste and other emissions
- Social factors such as
 - the exclusion of any investments in companies that produce or deal in controversial weapons
 - the promotion of human rights and exclusion of issuers complicit in human rights violations
 - the promotion of good working conditions, for example in the areas workplace safety and training, and the exclusion of issuers that are complicit in labour law violations, in particular of the core standards of the ILO
 - the promotion of diversity and the exclusion of issuers that practice discrimination
 - the avoidance of corruption and fraud

To meet the environmental and/or social characteristics, corresponding factors are integrated into the investment process, and only properties and securities that have been categorised as sustainable by ERSTE Immobilien KAG on the basis of a predefined screening process are purchased for the Fund.

Investment strategy

ERI is a gilt-edged, sustainably oriented real estate fund. The Fund strives to generate net asset growth and pursues an investment policy based on sustainable earnings.

The Fund pursues a long-term investment strategy that is oriented towards environmental and social characteristics and invests solely in properties and securities that meet the criteria of ERSTE Immobilien KAG's internal ESG toolbox.

Investments made by the Fund are oriented towards the environmental objective "climate change adaptation" pursuant to Article 9 lit. b of the Taxonomy Regulation. The principal adverse impacts of these investment decisions on sustainability factors are also taken into account in the selection of properties and securities:

The most important PAIs from Table 1 of Regulation (EU) 2022/1988 that are applicable to investments by the Fund in securities issued by companies are taken into account.

In addition, the Fund takes the following PAIs from Tables 2 and 3 of Annex 1 into account for investments in securities issued by companies:

- Indicator 8 (Table 2) – Exposure to areas of high water stress (share of investments in investee companies with sites located in areas of high water stress without a water management policy)

- Indicator 14 (Table 3) – Number of identified cases of severe human rights issues and incidents (number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis)

By applying the exclusion criteria and taking the ESG rating into account in the selection of securities issued by companies, the sustainability approach of the Fund ensures compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The most important PAIs from Table 1 that are applicable to investments by the Fund in securities issued by sovereigns are taken into account.

All important PAIs from Table 1 that are applicable to investments by the Fund in real estate assets are taken into account.

The Fund also takes the following PAIs from Table 2 of Annex 1 of Regulation (EU) 2022/1288 into account for investments in real estate assets:

- Indicator 20 (Table 2) – Waste production in operations: Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract

ERSTE Immobilien KAG also relies on the following criteria with the help of its ESG toolbox in order to take sustainability risks and sustainability factors into account in the investment process for real estate assets:

Property use type

The long-term use of the property is a precondition for purchase in the interests of preserving value over the long term and generating sustainable returns. ERSTE Immobilien KAG has defined exclusion criteria for real estate investments in relation to the property use type. For example, the Fund may not acquire or hold industrial plants or warehouses or real estate assets involved in the extraction, storage, transport, or manufacture of fossil fuels. The creation of living space and social infrastructure in buildings themselves serves to upgrade the immediate surroundings and the location. Thus, the targeted siting of businesses and uses with a social character (nursery schools, assisted living/ambient assisted living, student residences, etc.) represent a positive selection criterion for purchases that goes beyond the exclusion criterion.

Sustainability rating

All properties are assigned a sustainability rating. This sustainability rating is determined through a procedure that assesses the performance of real estate projects and properties in terms of specific environmental, social, and economic sustainability criteria (including materials, resource and waste management, energy efficiency, and social infrastructure). This also allows the sustainability commitment to be improved and sustainability risks in this area to be assessed more accurately. The goal of the sustainability rating is to achieve improvements in social, environmental, and economic aspects of the property and to increase the transparency of the property. ERSTE Immobilien KAG only purchases properties for this Fund that have been classified as investable in accordance with the internal sustainability rating.

Klimaaktiv certification

Klimaaktiv is the climate protection initiative of the Federal Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK). The klimaaktiv building standard is the most well-known rating system in Austria for the sustainability of buildings, with particular emphasis on energy

efficiency, climate protection, and resource efficiency. There are various klimaaktiv standards, including Gold, Silver, and Bronze.

The new editions of the klimaaktiv criteria catalogues published in 2020 brought with them a sharper focus and partial reorientation of the entire criteria set towards the issues of carbon neutrality and climate change adaptation. The rating system was expanded to include new topics and criteria and was restructured, and the point system was revised accordingly. The criteria catalogue now fundamentally excludes the use of fossil fuels in klimaaktiv buildings and includes tighter quality requirements with regard to energy efficiency. In addition, it defines more stringent requirements for infrastructure and environmentally sound mobility as well as for the environmental compatibility of the materials and products used.

All klimaaktiv criteria catalogues are based on a point system that is used to objectively evaluate and rate categories such as location, energy and supply systems, the quality of the building materials and construction, and key aspects related to comfort and health. Some criteria are defined as “essential” or “E” criteria, which must be met as a prerequisite for certification. Key indicators are defined for the categories listed above, and maximum thresholds are specified for each of these key indicators.

These key indicators allow the contribution to the given topic area related to the environmentally friendly and sustainable economic activity of property construction and management to be measured. For example, the key indicators in the energy category include heating energy demand, primary energy demand, CO₂ emissions, and the overall energy efficiency factor.

In the building materials and construction category, environmental optimisation from the production of a building all the way to disposal is rated. Building materials that are particularly harmful to the environment and substances of very high concern are excluded, and the use of environmentally friendly materials is rewarded. In addition, the values of the ecological index and disposal indicator are rated along with the circularity.

All properties to be purchased by and completed properties held by ERI must at least meet the klimaaktiv Bronze standard, provided that they are fundamentally eligible for certification.

ERSTE Immobilien KAG's strategy for ERI is to continue obtaining certification according to klimaaktiv standards for all properties held by the Fund.

All real estate investments acquired must take into account the criteria included in the ESG toolbox listed above at the time of acquisition. This ensures the integration and associated reduction of ESG risks in the property selection process. In turn, this improves the risk profile of the Fund through the lower weighting of non-sustainable or less sustainable properties in the portfolio and ensures that the Fund makes an active contribution to the reduction of social and environmental problems.

In the course of the screening process for securities, issuers are assessed in terms of their environmental, social, and corporate governance risks. Only companies whose business policy demonstrates a sufficiently sustainable approach to ERSTE Immobilien KAG are eligible for inclusion in the investment universe. In the securities segment, this analysis is completed on the basis of internal evaluation and using external research. These issuers must also comply with the exclusion criteria to be eligible for the Fund. The exclusion criteria for companies include human rights violations, labour law violations, child labour, violations of the UN Global Compact, corruption, balance sheet fraud, nuclear energy, coal mining, electricity generation from coal, the thermal conversion of coal, petroleum and natural gas extraction, the manufacture and sale of armaments/weapons, green gene technology, consumptive embryo research, gambling, pornography, tobacco, and unnecessary animal testing. ERSTE Immobilien KAG may employ defined thresholds and operationalisation to facilitate the application of the exclusion criteria in terms of an identification limit and to ensure that the criteria have the desired effect. The exclusion criteria for sovereigns include authoritarian regimes, human rights restrictions, capital punishment, child labour, nuclear weapons, disproportionate military spending, insufficient cooperation and serious violations relating to money laundering, corruption (as measured

by the corruption index of Transparency International), and deficits in climate protection and biodiversity preservation. Operationalisation is employed at the discretion of ERSTE Immobilien KAG.

The good governance practices are assessed based on compliance with the exclusion criteria, the minimum ESG score, and the assessment of compliance with the principles of the UN Global Compact.

ERI does not invest in companies in the form of equities at present. Therefore, there is currently no written policy in place for the evaluation of the good corporate governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff, and tax compliance.

Proportion of investments

As a real estate fund pursuant to the Real Estate Investment Fund Act (ImmoInvFG), ERI's investments are focused on real estate assets. In addition to real estate assets, the Fund invests in securities (bonds and funds) and holds liquidity in accounts, with the latter being limited to a maximum of 49% of the fund assets pursuant to § 32 ImmoInvFG.

Therefore, investments in real estate assets account for at least 51% of the investments made by ERI at all times.

As previously stated, all completed buildings have received klimaaktiv certification at the time of the preparation of this document. The following properties are not eligible for certification based on their nature: individually purchased apartments in residential properties and buildings that are still under construction.

As previously indicated, all investments in properties that have been certified according to the klimaaktiv standard meet the requirements for sustainable investments pursuant to Article 2 (17) SFDR. The minimum investment in these sustainable investments pursuant to SFDR resulting from investments in properties with klimaaktiv certification amounts to 35%. Thus, at least 35% of ERI's investments are in sustainable investments pursuant to Article 2 (17) SFDR at all times.

Monitoring of the environmental or social characteristics

All properties are assigned a sustainability rating. This sustainability rating is determined through a procedure that assesses the performance of real estate projects and properties in terms of specific environmental, social, and economic sustainability criteria (including materials, resource and waste management, energy efficiency, and social infrastructure).

This also allows the sustainability commitment to be improved and sustainability risks in this area to be assessed more accurately.

The goal of the sustainability rating is to achieve improvements in social, environmental, and economic aspects of the property portfolio and to increase the level of transparency. The sustainability rating is monitored by the Sustainability Office on a regular basis, and if negative deviations are identified in the course of these monitoring activities, corrective measures are initiated in cooperation with the responsible department, provided this is possible and in the interest of investors. This process is intended to ensure that the overall sustainability rating of the real estate portfolio is maintained.

ERSTE Immobilien KAG only purchases securities for this Fund that have been classified as investable in accordance with the internal sustainability rating. All of these financial products are reviewed prior to an investment being made as part of the ESG investment process in the securities segment, as well. Compliance with this requirement is assessed on a regular basis.

The monitoring of the environmental or social characteristics is ensured by the investment process described above, the review of all real estate transactions by Risk Management and the review of all securities transactions by Fund Management in coordination with the trading desk for securities (ex-ante check), and the review of ERI's holdings.

Methodologies

ERSTE Immobilien KAG uses the following methods to measure the extent to which the social or environmental characteristics promoted by the financial product are met.

- Investment decision checklist: Prior to the execution of an investment decision, the responsible department uses a checklist to ensure that investments that are to be acquired for ERI meet the criteria defined by the ESG toolbox:
 - Real estate investments: Compliance with the requirements as per the ESG toolbox for real estate investments. As previously stated, this includes requirements pertaining to the property use type and PAIs, the sustainability rating, and klimaaktiv certification.
 - Securities investments: All issuers in which the Fund invests are analysed and selected before acquisition on the basis of a predefined sustainability process. The proprietary ESG process provides a comprehensive ESG analysis of each issuer based on its specific ESG risk profile and the measures taken to mitigate these risks. Based on the results of this analysis, the ESGenius rating, only those issuers that achieve a score of at least 30 of 100 possible points are eligible for investment based on an ESG risk analysis approach. This minimum score can be higher depending on the sector of the economy in which the issuer is active. All issuers are also evaluated for violations of the Fund's exclusion criteria. The investment universe is assessed for compliance with these criteria at least once per quarter and updated as needed. Compliance with the eligible investment universe is verified daily. Securities from issuers that no longer meet the ESG criteria of the Fund are sold while protecting Unit-holder interests. Investments in government bonds are subject to a comparable, specific analysis process. The minimum score for an investment in this case is 70 of 100 possible points. Verification of the application of social and environmental exclusion criteria.
- Processes for assessing the suitability of real estate investments: The internal investment strategy for the Fund stipulates that certain sustainability criteria must be met for investments in real estate assets (ESG toolbox). As previously stated, this includes requirements pertaining to the property use type and PAIs, the sustainability rating, and klimaaktiv certification. Compliance with the requirements pertaining to these criteria is evaluated by Risk Management during the suitability assessment.
- Sustainability rating: A regular evaluation is performed to assess whether real estate investments held by ERI have a very good to average internal sustainability rating.

Data sources and processing

In the segment of real estate investments, the required data are generally collected directly by ERSTE Immobilien KAG, often in cooperation with the manager of the given property.

Data from external providers are also used when gathering sustainability-related data for the sustainability analysis of securities.

The following data sources and providers are used, among others:

- MSCI ESG
- ISS ESG
- FactSet TrueValueLabs
- Sustainalytics (engagement)

The strict selection of the data providers and the aggregation of their data in a model ensures maximum data quality. For the investment funds that are managed by the Management Company, the data are aggregated and analysed using the Management Company's proprietary sustainability approach. The ESG data for securities supplied by the specified providers may contain a limited degree of estimates. Data estimates are not required in the real estate segment.

Limitations to methodologies and data

There are currently no limitations to the previously indicated methods and data sources in the real estate segment that could influence how the environmental or social characteristics promoted by the financial product are met.

The external data may be incomplete, imprecise, or unavailable at times. The providers of sustainability ratings also take different influences into account and apply different weightings, meaning that an investee company can have different sustainability scores. There is therefore the risk of a security or issuer being assessed incorrectly.

A proprietary rating model is used to limit this risk. In this rating model, the predominant sustainability approaches in the market (ethically oriented approach versus a risk view) are combined into an overall view during the analysis. Combining the different providers reduces any data gaps and also verifies the plausibility of the different approaches, and thus attains the promoted environmental or social characteristics.

Due diligence

ERSTE Immobilien KAG has established numerous procedures in order to meet its due diligence obligations in connection with assets at all times.

ERSTE Immobilien KAG has drawn up procedures for taking the principal adverse impacts into account and has developed policies for fulfilling its due diligence obligations relating to the adverse impacts of investment decisions on sustainability factors.

The due diligence evaluation consists primarily of

- the regular review of quantitative requirements and limits in risk management using
 - positive lists and/or
 - negative lists
- additional supporting (quantitative) evaluations in risk management for verifying the plausibility of assumptions and further (relevant) information for management
- the review of the processes and documentation as part of the regular OP risk, ICS, and compliance audits

Procedures for taking the relevant financial and sustainability risks into account have been integrated into ERSTE Immobilien KAG's processes.

The responsible department assesses whether properties that are to be acquired meet the defined criteria for ERI using an established checklist during the acquisition process. Along with certification according to at least the klimaaktiv Bronze standard, this includes the assignment of a sustainability rating, the assessment of the PAIs to be taken into account in the investment, and the previously described exclusion criteria.

In addition, the ESG Office prepares a plausibility verification of the ESG criteria and an evaluation of the sustainability risks in cooperation with Risk Management in the course of the due diligence for the acquisition of properties. This precedes the acquisition and serves as a decision-making basis for the execution of the transaction.

Engagement policies

ERI does not invest directly in companies in the form of equities. Therefore, it is not currently required to establish a written policy for the evaluation of the good corporate governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff, and tax compliance.

Designated reference benchmark

No index has been designated for ERI as a reference benchmark for the environmental or social characteristics promoted by the Fund.