

The European SRI Transparency Code



The European SRI Transparency Code (the Code) focuses on SRI funds distributed publicly in Europe and is designed to cover a range of assets classes, such as equity and fixed income. All information pertaining to the European SRI Transparency Code can be found at the following website: www.eurosif.org. The Code comes with a Guidance Manual for fund managers on how to best use and respond to the Code. The present version of the Code was approved by the Board of Eurosif on February 19, 2018.

TWO KEY MOTIVATIONS UNDERPIN THIS CODE

The opportunity for retail SRI funds to provide clarification to investors and other stakeholders about their SRI approach in an easily accessible and comparable format. Proactive strengthening of self-regulation to contribute to the development and promotion of SRI funds by setting up a common framework for transparency best practices.

GUIDING PRINCIPLE

Signatories to the Code should be open and honest and should disclose accurate, adequate and timely information to enable stakeholders, especially consumers, to understand the ESG policies and practices of the fund.

COMMITMENTS BY SIGNATORIES

- The order and exact wording of the questions should be followed;
- Responses should be informative and clear, and the resources and methodologies used should be described in as much detail and as precisely as possible;
- Funds should report data in the currency that they use for other reporting purposes;
- Reasons preventing the fund from providing all or part of the information to a given question should be clearly stated and, in such cases, signatories should state when they will be able to answer the question;
- Responses should be updated at least on an annual basis and should have a precise publication date;
- Responses to the Code should be easily accessible from the website of the fund and/or of the fund manager. In any case, signatories should make it clear where to find the information required by the Code;
- Signatories are solely responsible for the answers to the questions, and should state this in their response.

SIGNATORY

Česká spořitelna – penzijní společnost, a.s. (CSPS) is a pension company, domiciled and registered in Czech Republic, and is one of the biggest providers of the pension investment products in the country. CSPS was founded in 2013, and is owned by Česká spořitelna, a.s. (CS), the biggest retail bank in Czech Republic and member of an Austrian ERSTE Financial Group.

We initiate and launched in 2017 the first responsible pension fund in Czech Republic. In our Eticky fond we implemented the complex principles of responsible investing. Basic ESG criteria was later implemented also in all our pension funds under management. We are member of EUROSIF, the leading European association for the promotion and advancement of sustainable and responsible investment. We are also asset owner member of PRI - Principles of Responsible Investments, the world's leading proponent of responsible investment.

Asset management of our funds is provided by ERSTE Asset management (EAM), member of ERSTE Financial Group, with more than 20 years of experiences and practice in ESG analysis, responsible investing and sustainable funds management.

Statement of Commitment

Sustainable and responsible investing is our key investment belief. We are convinced that with active pension savings management in accordance with strict ethical, responsible and sustainable principles, we are able to directly influence our environment and make it better.

We have been joined Eurosif since 2018 and we welcome the European SRI Transparency Code. This is our first statement of commitment and covers the period 2021. Our full response and fulfillment to the European SRI Transparency Code can be accessed below and is available on our web site www.cspz.cz.

Compliance with the Transparency Code

We are committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries we operate. We meet the full recommendations of the European SRI Transparency Code.

In Prague, October 2022



Ing. Jakub Krkoška MBA
Vice Chairman of the Board

1. List of funds covered by the Code

Name of the fund: Eticky fond

<https://www.csps.cz/cs/jak-sporit/eticky-fond>

www.etickesporeni.cz

Dominant/preferred SRI strategy (Please choose a maximum of 2 strategies)	Asset class	Exclusions standards and norms	Fund capital as at 31 December	Other labels	Links to relevant documents
<p>■ Best-in-Class Investment section</p> <p><input type="checkbox"/> Engagement & Voting</p> <p>■ ESG Integration</p> <p><input type="checkbox"/> Exclusions</p> <p><input type="checkbox"/> Impact Investing</p> <p><input type="checkbox"/> Norms-Based Screening</p> <p>✓ Leading to exclusions</p> <p>✓ Leading to risk management analysis/engagement</p> <p><input type="checkbox"/> Sustainability Themed</p>	<p>Passively managed</p> <p><input type="checkbox"/> Passive investing – core benchmark: specify the index tracking</p> <p><input type="checkbox"/> Passive investing – ESG/SRI benchmark: specify the index tracking</p> <p>Actively managed</p> <p>■ Shares in a euro area country</p> <p>■ Shares in an EU country</p> <p>■ International shares</p> <p>■ Bonds and other debt securities denominated in euro</p> <p>■ International bonds and other debt securities</p> <p>■ Monetary assets</p> <p>■ Short-term monetary assets</p> <p>■ Structured funds</p>	<p>■ Controversial weapons</p> <p>■ Alcohol</p> <p>■ Tobacco</p> <p>■ Arms</p> <p>■ Nuclear power</p> <p>■ Human rights</p> <p>■ Labour rights</p> <p><input type="checkbox"/> Gambling</p> <p><input type="checkbox"/> Pornography</p> <p>■ Animal testing</p> <p><input type="checkbox"/> Conflict minerals</p> <p>■ Biodiversity</p> <p><input type="checkbox"/> Deforestation</p> <p>■ CO2 intensive (including coal)</p> <p><input type="checkbox"/> Genetic engineering</p> <p>■ Other (please specify)</p> <p><input type="checkbox"/> Global Compact</p> <p><input type="checkbox"/> OECD Guidelines for MNCs</p> <p><input type="checkbox"/> ILO Conventions</p> <p><input type="checkbox"/> Other (please specify)</p>	To be filled out with a number of AuM	<p><input type="checkbox"/> French SRI label</p> <p><input type="checkbox"/> French TEEC label</p> <p><input type="checkbox"/> French CIES label</p> <p><input type="checkbox"/> Luxflag Label</p> <p><input type="checkbox"/> FNG Label</p> <p><input type="checkbox"/> Austrian Ecolabel</p> <p><input type="checkbox"/> Other (please specify)</p>	<p>- (KIID)</p> <p>- Prospectus</p> <p>- Management report</p> <p>- Financial and non-financial reporting</p> <p>- Corporate presentations</p> <p>- Other (please specify)</p>

Other Exclusions: Food speculation

30th September 2022 AuM: 2.5 bn CZK (0.1 bn EUR)

Name of the funds: Konzervativní fond, Vyvážený fond, Dynamický fond, Transformovaný fond

<https://www.csps.cz/cs/jak-sporit/konzervativni-fond>

<https://www.csps.cz/cs/jak-sporit/vyvázeny-fond>

<https://www.csps.cz/cs/jak-sporit/dynamicky-fond>

<https://www.csps.cz/cs/pro-klienty/transformovany-fond>

Dominant/preferred SRI strategy (Please choose a maximum of 2 strategies)	Asset class	Exclusions standards and norms	Fund capital as at 31 December	Other labels	Links to relevant documents
<input type="checkbox"/> Best-in-Class Investment section <input type="checkbox"/> Engagement & Voting <input type="checkbox"/> ESG Integration <input checked="" type="checkbox"/> Exclusions <input type="checkbox"/> Impact Investing <input checked="" type="checkbox"/> Norms-Based Screening <ul style="list-style-type: none"> ✓ Leading to exclusions ✓ Leading to risk management analysis/engagement <input type="checkbox"/> Sustainability Themed	Passively managed <input type="checkbox"/> Passive investing – core benchmark: specify the index tracking <input type="checkbox"/> Passive investing – ESG/SRI benchmark: specify the index tracking Actively managed <input checked="" type="checkbox"/> Shares in a euro area country <input checked="" type="checkbox"/> Shares in an EU country <input checked="" type="checkbox"/> International shares <input checked="" type="checkbox"/> Bonds and other debt securities denominated in euro <input checked="" type="checkbox"/> International bonds and other debt securities <input checked="" type="checkbox"/> Monetary assets <input checked="" type="checkbox"/> Short-term monetary assets <input checked="" type="checkbox"/> Structured funds	<input checked="" type="checkbox"/> Controversial weapons <input type="checkbox"/> Alcohol <input type="checkbox"/> Tobacco <input type="checkbox"/> Arms <input type="checkbox"/> Nuclear power <input checked="" type="checkbox"/> Human rights <input type="checkbox"/> Labour rights <input type="checkbox"/> Gambling <input type="checkbox"/> Pornography <input type="checkbox"/> Animal testing <input type="checkbox"/> Conflict minerals <input type="checkbox"/> Biodiversity <input type="checkbox"/> Deforestation <input checked="" type="checkbox"/> CO2 intensive (including coal) <input type="checkbox"/> Genetic engineering <input checked="" type="checkbox"/> Other (please specify) <input type="checkbox"/> Global Compact <input type="checkbox"/> OECD Guidelines for MNCs <input type="checkbox"/> ILO Conventions <input type="checkbox"/> Other (please specify)	To be filled out with a number of AuM	<input type="checkbox"/> French SRI label <input type="checkbox"/> French TEEC label <input type="checkbox"/> French CIES label <input type="checkbox"/> Luxflag Label <input type="checkbox"/> FNG Label <input type="checkbox"/> Austrian Ecolabel <input type="checkbox"/> Other (please specify)	- (KIID) - Prospectus - Management report - Financial and non-financial reporting - Corporate presentations - Other (please specify)

Other Exclusions: Food speculation

30th September 2022 AuM: 112.8 bn CZK (4.6 bn EUR)

2. General information about the fund management company

2.1. Name of the fund management company that manages the applicant fund(s)

Česká spořitelna – penzijní společnost, a.s.
Poláčkova 1976/2
140 21 Prague 4
Czech Republic
www.csps.cz

2.2. What are the company's track record and principles when it comes to integrating SRI into its processes?

Sustainability is a term that comes with a long tradition at Erste Asset Management (EAM). Early on, we discovered that investors were increasingly taking into account the responsibility for the environmental, socio-ethical, and governance aspects in their investment decision-making.

Sustainable investments are characterised by numerous, sometimes competing approaches and definitions. While some providers are happy to just exclude certain sectors, others for example enter into a dialogue with companies but do not follow up in any further analysis. It is the view of EAM that a sustainable investment process creates the biggest value added when it combines all available tools and methods. In view of this stance and in order to meet the strict requirements of our clients, we have developed the integrated sustainable approach of EAM for our sustainable funds. It combines exclusion criteria, positive screening, a best-in-class approach based on our ESG analysis, engagement and voting as well as the design of our investment decisions in line with the desired impact, and the measurement of the sustainable yield thus achieved.

We also make use of this option within EAM. We are convinced that sustainability is not simply a product but emanates from the conviction that the consideration of environmental, social, and governance factors allows our clients to improve their risk management and thus performance in the long run. Therefore, we are putting the expertise of our Responsible Investment Team at the disposal of the entire company and have increasingly integrated it, in an adjusted form, with our traditionally managed products. This also applies to the Montréal Pledge, i.e. the commitment to measuring and publishing the CO2 footprint, which EAM signed as first asset manager in Austria in 2016. Our most important ethical principles are not restricted to some sustainable products either, but apply to all mutual funds of EAM. For this reason, we have developed ethical minimum standards for all of our products since 2012.

In 2017 we have launched Etický fond as the first and still only one responsible pension fund in Czech Republic. In 2019 we have implemented the basic ESG principles in all our pension funds under management.

2.3. How does the company formalise its sustainable investment process?

Sustainable investments are characterised by numerous, sometimes competing approaches and definitions. While some providers are happy to just exclude certain sectors, others for example enter into a dialogue with companies but do not follow up in any further analysis. Our sustainable investment process creates the biggest value added when it combines all available tools and methods. We use the integrated sustainable approach of EAM. It combines exclusion criteria, positive screening, a best-in-class approach, engagement

and voting as well as the design of our investment decisions in line with the desired impact, and the measurement of the sustainable yield thus achieved.

CZ

<https://www.csps.cz/odpovednost>

EN

https://cdn0.erstegroup.com/content/dam/at/eam/common/files/ESG/EAM_HANDBUCH_NACHHALTIGKEIT_EN.pdf

https://cdn0.erstegroup.com/content/dam/at/eam/common/files/ESG/VotingPolicy/EAM_Voting_Policy_EN.pdf

https://cdn0.erstegroup.com/content/dam/at/eam/common/files/ESG/broschuren/EAM_Controversial_Weapons_Policy.pdf

https://cdn0.erstegroup.com/content/dam/at/eam/common/files/ESG/broschuren/EAM_Soft-Commodity_Speculation_Policy.pdf

https://cdn0.erstegroup.com/content/dam/at/eam/common/files/ESG/broschuren/EAM_Coal_Divestment_Policy.pdf

2.4. How are ESG risks and opportunities – including those linked to climate change – understood / taken into account by company?

In order to achieve the goals for sustainable development as set by the United Nations, it is not enough to limit impact investments to just some niches. It is necessary to make impact the core parameter of all sustainable investment decisions. The sustainable footprint represents the first step towards rendering this impact measurable. Turning impact into a parameter for decision-making results in the sustainable footprint of the fund.

EAM started reporting sustainability metrics for all sustainable equity funds a few years ago. They contain, for example, data on the CO2 intensity of the shares in the fund and on the independence of the supervisory boards of the respective companies. In 2016, EAM signed the Montréal Pledge of the PRI and thus to undertake measure and publish the CO2 footprint of all its share holdings. The result that takes into account both traditional and sustainable funds was convincing in 2018.

It is the ongoing goal of EAM beyond our investment products and individual investment solutions to continuously promote the issue of sustainability among investors and to help create new trends. Therefore, we have started to cooperate with numerous universities over the past years. Erste AM also strives to contribute decisively to the development in the field of sustainable investments through alliances with industrial organisations introduced in this handbook. This basic groundwork allows us to ensure the pioneering role of Erste AM through ongoing innovation, to improve the sustainability approach of the ERSTE RESPONSIBLE funds continuously, and to integrate sustainability criteria also in traditional fund management.

2.5. How many employees are directly involved in the company's sustainable investment activity?

Sustainable and responsible investment activity in CSPS is managed by:

1) Fund investment team

Jakub Krkoška, CFO and Vice Chairman of the Board / CSPS

Jakub Malík, Investment Analyst / CSPS

Martin Holas, Risk Manager / CSPS

Petr Holeček, Institutional Asset Management / CS

Martin Peřina, Institutional Asset Management / CS

Marcel Kostovski, Asset Manager / EAM

2) Advisory team

CSPS Investment Committee

EAM Investment Team in Czech Republic

EAM Responsible Investment Team and ESG Analysts in Austria

2.6. Is the company involved in any RI initiatives?

General Initiatives	Environmental/Climate Initiatives	Social Initiatives	Governance Initiatives
<input type="checkbox"/> ECCR – Ecumenical Council for Corporate Responsibility <input type="checkbox"/> EFAMA RI WG <input type="checkbox"/> European Commission's High-Level Expert Group on Sustainable Finance <input type="checkbox"/> ICCR – Interfaith Center on Corporate Responsibility <input type="checkbox"/> National Asset Manager Association (RI Group) <input checked="" type="checkbox"/> PRI - Principles For Responsible Investment <input type="checkbox"/> SIFs - Sustainable Investment Fora <input type="checkbox"/> Other (please specify)	<input type="checkbox"/> CDP – Carbon Disclosure Project (please specify carbon, forest, water etc.) <input type="checkbox"/> Climate Bond Initiative <input checked="" type="checkbox"/> Green Bond Principles <input type="checkbox"/> IIGCC – Institutional Investors Group on Climate Change <input type="checkbox"/> Montreal Carbon pledge <input type="checkbox"/> Paris Pledge for Action <input type="checkbox"/> Portfolio Decarbonization Coalition <input type="checkbox"/> Other (please specify)	<input type="checkbox"/> Access to Medicine Foundation <input type="checkbox"/> Access to Nutrition Foundation <input type="checkbox"/> Accord on Fire and Building Safety in Bangladesh <input type="checkbox"/> Other (please specify)	<input type="checkbox"/> ICGN – International Corporate Governance Network <input type="checkbox"/> Other (please specify)

2.7. What is the total number of SRI assets under the company's management?

To 30th September 2022 the total AuM is 115.3 bn CZK (4.7 bn EUR).

3. General information about the SRI fund(s) that come under the scope of the Code

3.1. What is (are) the fund(s) aiming to achieve by integrating ESG factors?


We are convinced that with active pension savings management in accordance with strict ethical, responsible and sustainable principles, we are able to directly influence our environment and make it better. Our objectives of the ESG are based on and are in line with the EU Green Deal and the UN Sustainable Development Goals.

As member of PRI we:

- incorporate ESG issues into investment analysis and decision-making processes
- are active owners and incorporate ESG issues into our ownership policies and practices
- seek appropriate disclosure on ESG issues by the entities in which we invest
- promote acceptance and implementation of ESG within the investment industry
- work together to enhance our effectiveness in implementing ESG
- report on our activities and progress towards implementing ESG

3.2. What internal or external resources are used for ESG evaluation of the issuers who make up the investment universe of the fund(s)?

ERSTE Asset Management ESG analyst team (20 FTE) outputs, evaluations and ratings, with their long-standing partners in the field of sustainability. We cooperate on daily basis with asset manager and monthly on Investment Committee. In addition to EAM expertise, the Responsible Investment Team has a multitude of external partners and resources at its disposal, which support it in its activities.

Provider	Focus	Contribution	
	Sustainable research with focus on ethical criteria; company and country analysis	Stakeholder research, negative screening	Incorporated in EAM ESG rating
	Sustainable research with focus on risk management and company analysis	Sector based research, risk assessment, corporate governance research	
	Sustainable research with regional focus and focus on company analysis as well as ESG advisory	Regional research (Austria, CEE)	
	Collaborative corporate engagement Portfolio monitoring for compliance with norm-based criteria	Engagement, Controversy - Screening	Input for EAM ESG research
	Sustainable research with focus on corporate governance provider for proxy voting	Proxy voting, corporate governance information	
	Sustainable research focusing on environmental technologies, company- and country analysis	Impact measurement	

3.3. What ESG criteria are taken into account by the fund(s)?

Viz 4.1. Portfolio construction.

3.4. What principles and criteria linked to climate change are taken into account in the fund(s)?

Viz 4.2. Portfolio construction.

3.5. What is the ESG analysis and evaluation methodology of the fund manager/fund management company (how is the investment universe built, what rating scale is used etc.)?

Viz 4.1. Portfolio construction.

3.6. How often is the ESG evaluation of the issuers reviewed? How are any controversies managed?

There is a continuous ESG evaluation with quarterly reporting. Controversies are managed by ERSTE Responsible Advisory Board. If the set of ESG criteria is not met, we do not invest or we start the divesting.

4. Investment process

4.1. How are the results of the ESG research integrated into portfolio construction?

With ERSTE Asset Management in our financial group we use the integrated sustainable approach for our sustainable funds. It combines exclusion criteria, positive screening, a best-of-class approach based on our ESG analysis, engagement and voting as well as the design of our investment decisions in line with the desired impact, and the measurement of the sustainable yield thus achieved.



Ethical minimum standards

Exclusion of banned weapons

Refraining from food speculation

Refraining from investments in coal (Coal Divestment Policy)

Exclusion criteria



Positive screening describes the selection or overweighting of companies where due to their business model or sustainable focus by the management increased growth or an improved profit profile can be expected in the long run. For example, the opportunities arising from demographic change or emerging environmental technologies can be identified and exploited early.

Negative screening, investments are avoided or underweighted, as their future development seems risky from a sustainability perspective. In contrast to exclusion criteria, no absolute threshold is set here, but instead the fund manager takes active investment decisions. An example of negative screening is the lower weighting of fossil energy carriers in favour of investments in the providers of renewable energies.

Positive criteria

ENVIRONMENT

- Energy and water consumption
- Use of renewable energies
- Avoidance of air pollution
- Pioneer in environmental technologies
- Water treatment
- Environmental efficiency

SOCIAL

- Medical care
- Workplace conditions
- Healthcare
- Safety
- Work-life balance
- Accountability for products and customers

GOVERNANCE

- Corporate governance
- Women in management positions
- Independent management

Negative criteria

ENVIRONMENT

- Fur
- Violation of the principle of wildlife conservation
- Exploitation of environment, employees, and society (includes also socio-ecologically controversial large-scale projects)
- Environmental pollution (includes high CO₂ emissions and "carbon leakage")
- Oil industry

SOCIAL

- Exploitation of environment, employees, and society (includes also socio-ecologically controversial large-scale projects)
- Red gene technology (germ line invasion or embryo experimentation)

GOVERNANCE

- Proven (severe) manipulation of business
- Cartel violation
- Non-cooperative tax havens

ESG analysis / Best-in-Class

The ESG or best-in-class analysis constitutes the core of the sustainable investment approach. The goal of the process is to identify the sustainable companies within every sector; i.e. those that master the company specific, environmental, social and governance risks best and whose actions reflect the highest ethical standards.



ESG rating scales

Developed Markets	A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E
Emerging Markets	AAA	AA	A	BBB	BB	B	CCC	CC	C				

Overall, a total of almost 60% of all titles analysed are excluded on the basis of the best-in-class approach. This information is cross-referenced with the exclusion criteria that apply to our funds, which yields the investable investment universe for our fund managers.

4.2. How are criteria specific to climate change integrated into portfolio construction?

Ethical minimum standard: **No investment in coal.**

These rules capture the biggest producers of greenhouse gases in the energy sector, as a result of which risks in these areas are efficiently avoided on behalf of our clients. This also constitutes a significant contribution to curbing climate change. The revenue threshold was set on 5% and supplemented with findings from the Paris Climate Agreement. Therefore, companies that have communicated and committed to exit coal are exempt from the revenue threshold.

Impact measurement

In order to achieve the goals for sustainable development as set by the United Nations, it is not enough to limit impact investments to just some niches. It is necessary to make impact the core parameter of all sustainable investment decisions. The sustainable footprint represents the first step towards rendering this impact measurable and thus turning it into a parameter for decision-making is the sustainable footprint of the fund. With ERSTE Asset Management we are preparing the reporting sustainability metrics included CO2 intensity and issues in comparison.

4.3. How are the issuers that are present in the portfolio, but not subject to ESG analysis evaluated (not including mutual funds)?

All securities and issuers in portfolio are incorporated in ESG analysis, it is obligatory part of the investment process.

4.4. Has the ESG evaluation or investment process changed in the last 12 months?

The process is already steady but the attributes are continuously developing. For example on 1 July 2021, the Coal Divestment Policy was tightened by an exclusion of coal-fired power generation and a reduction of the revenue threshold to 5%.

4.5. Is a part of the fund(s) invested in entities pursuing strong social goals/social enterprises?

No strong social enterprises in portfolio.

4.6. Does (do) the fund(s) engage in securities lending activities?

No securities lending activities in portfolio.

4.7. Does (do) the fund(s) use derivative instruments?

No derivative instruments in portfolio.

4.8. Does (do) the fund(s) invest in mutual funds?

Yes, but marginally and possible are investments only to mutual funds of ERSTE Asset Management, hence the identical ESG approach is assured.

5. ESG controls

5.1. What internal and/or external control mechanisms are in place to ensure compliance of the portfolio with the ESG rules on managing the fund(s) as defined in section 4?

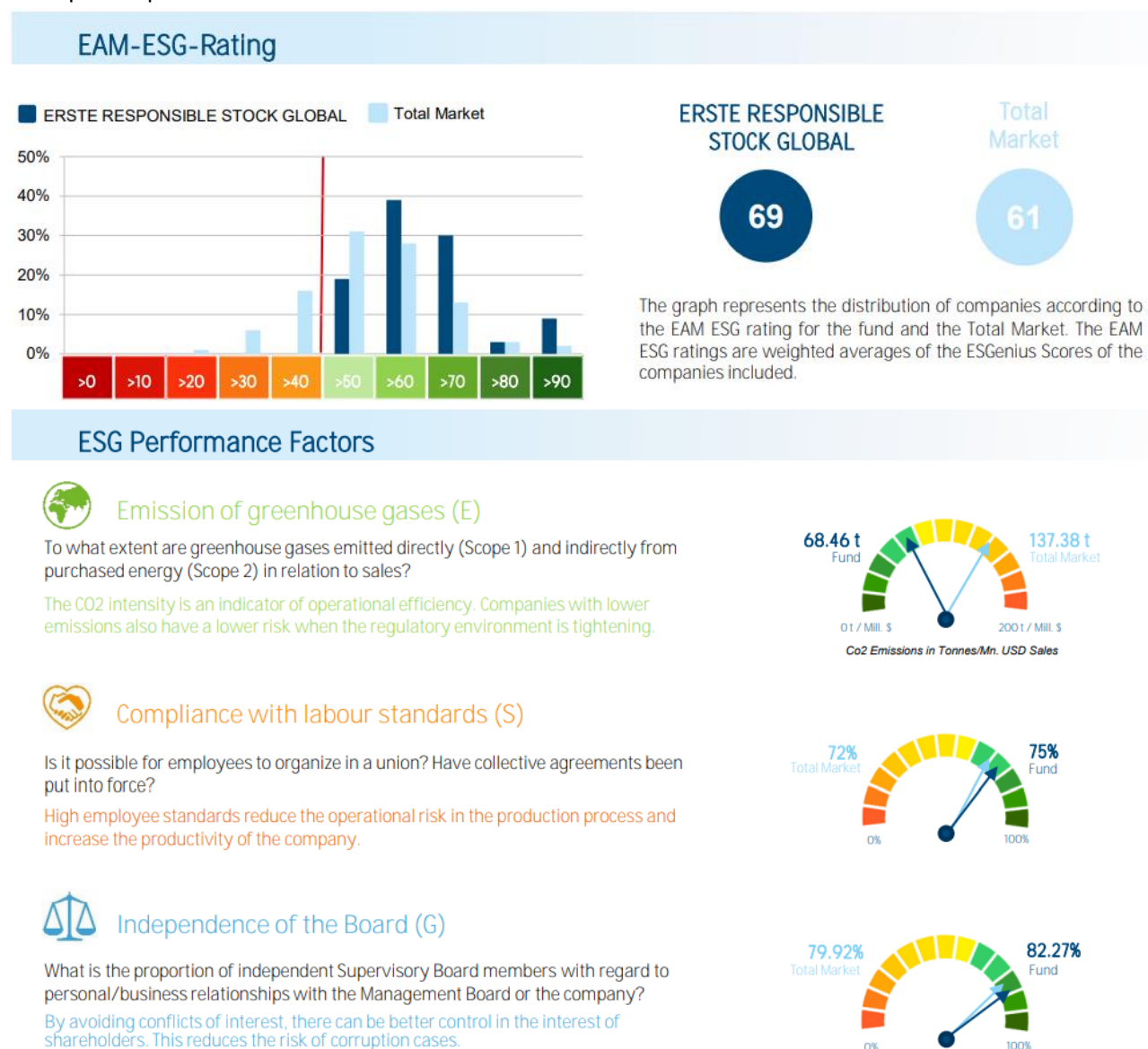
Regular ESG Universe reporting with detail evaluation of Issuers. The portfolio (securities ISIN) is being published monthly on website, everyone can see how the ESG setting is being fulfilled.

6. Impact measures and ESG reporting

6.1. How is the ESG quality of the fund(s) assessed?

With internal ESG rating, viz 4.1 Portfolio construction. The Sustainable Footprint with ESG Performance Factors are going to be prepared and publish at the beginning of 2023.

Example templates:



6.2. What ESG indicators are used by the fund(s)?

ESG indicators are being prepared according to EU Sustainable Finance Disclosure Regulation (SFDR 14 Mandatory indicators in areas Greenhouse Gas Emission, Biodiversity, Water, Waste, UN Global Compact, guidelines, Unadjusted gender pay gap, Board gender diversity, Controversial weapons.)

6.3. What communication resources are used to provide investors with information about the SRI management of the fund(s)?

Bank advisory, pension product and funds prospectus, factsheets, funds key information, annual report, website.

Link: www.etickesporeni.cz

6.4. Does the fund management company publish the results of its voting and engagement policies?

Yes via ERSTE Asset Management.

Link: <https://www.erste-am.at/en/private-investors/sustainability/publications-and-guidelines#/modalComponent/isOpen/true/url/%2Fen%2Fconfiguration%2Fleads%2Fesg-voting.modal>