



The Code of Conduct of Erste Asset Management



<https://www.erste-am.sk>

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Foreword

The Code of Conduct provides a reference point for our actions and behaviour and serves as a binding set of rules governing the behaviour for our daily business activities. It describes what is important to us and confirms our commitment to act as a sustainable company. In it, Erste Asset Management GmbH ("EAM" or "Erste Asset Management") and its subsidiaries claim accountability for the company and its environment. One of the pillars of our corporate culture is our focus on accountability, respect, and sustainability in all our activities.

We at Erste Asset Management see ourselves as an international asset manager with a strong position in Central and Eastern Europe. Erste Asset Management is backed by the financial power of Erste Group Bank AG.

More than 300 employees develop and manage investment solutions for our investors across seven countries. We offer a wide range of high-quality investment funds and asset management solutions to our clients and apply the highest quality standards in dealing with our clients' money.

Erste Asset Management attaches particular importance to the sustainability of its products and services. As a company, we pursue a socially responsible and environmentally friendly way of doing business. Therefore, we are not only pioneers (since 2001) and market leader in the area of sustainable investment in Austria, but we also align our own actions with sustainable criteria. We are proud of our employees and attract specialists and talents from all corporate areas as attractive employer.

We want to establish a lot of what the Code of Conduct contains as self-evident part of our daily routine. The Code of Conduct promotes consistent action and allows for the inspection on whether we comply with the rules set forth therein. It is therefore an important quality assurance tool both internally and externally, because for us, quality means fostering respectful, trusting relationships with one another and with our external stakeholders.

We want to continuously develop the Code of Conduct. Compliance is obligatory for both employees and management. All EAM employees have to commit to honesty and integrity across all business and personal areas. Our good reputation and the trust placed in us constitute our most valuable assets. The Code of Conduct will help us protect and build this capital further.

Statement of the Board of Directors of Asset Management Slovenskej sporiteľne

We, the members of the Board of Directors of Asset Management Slovenskej sporiteľne, consider this Code of Conduct as important for our company, and we have accepted it in full. The principles and rules of this Code consistently support not only the mission and values of the Erste group but also the us as its part. The procedures, commitments and policies it contains are formulated to take account of international and national legislation and regulatory conditions for the Slovak financial market. It is binding on us as well as on all employees and in violation of this, we apply the principle of zero tolerance.

Governance

Our management and control system serves two objectives. On the one hand, the aim is to keep our organisation running smoothly, and on the other, to safeguard the interests of all of our stakeholders. The various elements of governance are thus important tools for implementing the Code of Conduct. Therefore, all the employees, management staff and representatives of the corporate bodies of Erste Asset Management are committed to the highest standards of corporate governance. Compliance with these standards is constantly evaluated and, if necessary, adjustments are made. We are fully committed to complying with all legal provisions and the regulatory framework applicable to us.

Compliance

Our compliance programme is aimed at securing trust in our company. The term compliance describes the comprehensive obligation of the Management Board to put in place suitable organisational measures in order to ensure the lawful conduct of the employees and to promptly uncover and sanction any violations of law. This does not only include obligatory rules and standards in this field, but also voluntary ones. Among the tasks of compliance is the fight against and prevention of money laundering, terrorism finance, and corruption. Our compliance programme meets all international regulatory requirements and compliance standards

To ensure this:

- we identify, report and do not execute suspicious transactions that relate to the financing of terrorism, misuse of sensitive information, market manipulation and insider trading
- we maintain business relations only with clients, investors, and their owners who

have been duly checked (know your customer) and whose business models we understand (know your customer's business)

- we identify and, if possibly, solve all potential conflicts of interest and disclose those conflicts of interest that cannot be dispelled
- we refrain from accepting any benefits for allocating or maintaining transactions or securing any other form of unlawful advantage as laid down in the current guidelines
- we encourage all employees to report any suspicion of conduct that does not comply with the rules manifested by colleagues, clients, or third parties on a whistle-blowing platform
- we make our regular compliance trainings obligatory for all employees.

Relationship to regulators

We establish and maintain a proactive and transparent dialogue supervisory authorities

both on a regular and ad hoc basis.

To ensure this:

- we establish and maintain effective procedures to ensure regulatory compliance, including clear processes for regulatory reporting
- we permanently update regulatory knowledge and understanding within Erste Asset Management.
- we increasingly take into account environmental, social, and governance factors in our portfolio decisions in the context of sustainable investments
- we set minimum standards for the mutual funds we manage with regard to coal and controversial/banned weapons
- we exercise the voting rights of our equity mutual funds in accordance with our sustainable voting policy and engagement

¹An international framework for incorporating social and environmental issues into investment processes. The UN PRI was signed in 2012.

Fair competition

We promote free and fair competition.

To ensure this:

- we provide our employees with information on anti-competitive behaviour and prohibit them from entering into anti-competitive agreements
- we do not misuse a dominant position in the market and we ensure that any mergers meet all of the applicable requirements prescribed by antitrust legislation
- we do not violate third-party trademarks or other intellectual property rights, and we protect our own rights against potential misuse by third parties.

Responsible investment

In the context of our investment operations, we consider the impact on society and the environment in addition to economic considerations.

To ensure this:

- we observe the „Principles of Responsible Investment“ (PRI)¹

Risk management

The area of risk management deals with the methodical handling of risks, especially those that can translate into possible damage or loss for the observer. Risk management includes the entirety of all organisational measures geared towards recognising and dealing with risk.

Typically, market risks, liquidity risks, and credit risks are identified and evaluated. The results of these evaluations are continuously accorded with external (statutory) and internal guidelines. In such cases where the risk metrics are not in line with the risk profile or a fund or a portfolio, the fund management team is immediately instructed to take adjusting measures accordingly.

Operational risk management

Operational risk management is the systematic analysis aimed at identifying and evaluating risks on the corporate level. It mitigates, avoids, or transfers to third parties potentially negative events via pre-emptive measures.

The activities follow the Basel framework, which categorises the operational risk as the risk of losses that occur because of the inadequacy or the failure of internal processes, people, or systems or as the result of external events.

Here, the focus of the analysis is on non-financial risks, i.e. risks that occur outside of the market risk. Such risks are then categorised

and, if necessary, reduced by the implementation of specific measures. Among them are systemic risk, risk assessment, damage analysis, business continuity management, workplace safety, and fire safety concepts.

Protection of human rights and non-discrimination

We pledge to comply with the Convention for the Protection of Human Rights and Fundamental Freedoms and do not tolerate any form of discrimination.

To ensure this:

- we comply with the ten principles enshrined in the UN Global Compact¹ and implement them in all our relevant business processes
- we do not discriminate on the basis of gender, age, marital status, family obligations, religion, political conviction, sexual orientation, race, nationality, social or ethnic background, disability, physical appearance or any other aspects unrelated to our business
- we have set up within Erste Group an anti-discrimination representative as first point of contact for employees who were victims of discrimination, mobbing, or sexual harassment, and to facilitate their prevention.

¹Global pact concluded between companies and the UN to make globalisation more social and ecological. This pact was signed in 2015.

Customers

We exist because people strive for financial independence. We are there to make this possible by providing accessibility of our products and services for everybody. Meeting and exceeding our customers' needs is the foundation for sustainable business success. We develop our products and services on the basis of these needs and meet our obligations towards our customers.

Comprehensibility and transparency

Comprehensibility and transparency in product communication and pricing are important to us. We support our customers in making competent financial decisions.

To ensure this:

- we provide transparent information on pricing, fees and charges
- we promote our customers' and employees financial literacy.

Responsible product development and marketing

We foster a culture that is based on treating our customers fairly and with respect.

To ensure this:

- we use a product development process which ensures compliance with the applicable quality standards
- our marketing campaigns are based on respect and do not include images or messages which are offensive or libellous

- our PR material is transparent, balanced, and clear.

Data protection and privacy

We respect our customers' right to privacy and handle customer data confidentially and with the utmost diligence and care.

To ensure this:

- we guarantee maximum confidentiality when gathering, processing and storing customer data
- we do not disclose privileged customer information without our customers' consent unless such disclosure is required by law
- we ensure that all our employees strictly comply with these confidentiality rules, even after termination of their employment
- we do not use customer data to the detriment of our customers' interests; we also require that our service providers commit to these privacy and data protection standards.

Dealing with complaints

We respond adequately and effectively to complaints and feedback, thereby contributing to our customers' satisfaction.

To ensure this:

- we take responsibility for any mistakes we make and act promptly to resolve complaints using discretion and sensitivity
- we set up, apply, and maintain effective and transparent processes to deal with investor complaints adequately and promptly
- we analyse the root causes of complaints on an ongoing basis and take prompt action to resolve them
- we instruct our employees on the correct way of handling complaints.

Employees

Our corporate culture promotes respect and equal opportunity and enables personal and professional development. The services we provide to our customers give meaning to our work. We recognise that a positive work-life balance promotes sustainable performance which benefits all our stakeholders.

Working at Erste Asset Management GmbH

Our business is about providing services to people, by people. Therefore, we put people first.

To ensure this:

- we abide by the highest ethical standards and act with the utmost integrity in everything we do
- we value and respect each other regardless of our position
- we provide a work environment that is free from any form of harassment or intimidation
- we promote teamwork and recognise the importance of each individual's contribution to the achievement of common goals.

Leadership

As leaders, we are responsible for empowering each other, inspiring personal commitment, and acting as role models and setting examples.

To ensure this:

- we are accessible and visible at all times
- we give and receive feedback in order to improve

- we encourage each other to be innovative and to improve our business processes
- we respect each other and treat each other as individuals with unique needs
- we promote diversity in order to foster learning and innovation, and to encourage a sustainable, value based performance culture.

Equal opportunity, work-force diversity and inclusion

Equal opportunity, diversity and inclusion are fundamental principles embedded in our corporate culture and key competitive advantages that drive our business success.

To ensure this:

- we strive to ensure equal opportunities for all our employees in all areas, e.g. career development, work-life balance, remuneration, etc.
- we promote and encourage diversity in leadership positions, especially with respect to gender, age and nationality
- we leverage the diversity of our workforce to benefit the entire organisation.

Fair working conditions and remuneration

Employees are entitled to fair and favourable working conditions.

To ensure this:

- we regularly review and benchmark our work environment
- we act on feedback provided by employees or their representatives
- we offer fair and competitive remuneration linked to sustainable performance
- we assist our employees with internal placement and outplacement in the event of job restructuring.

Workforce development, training and learning

We provide our employees with opportunities to grow and develop both professionally and personally.

To ensure this:

- we offer a wide range of programmes dedicated to talent development, professional-knowledge training, soft-skills training, mentoring, coaching and leadership development.

Health promotion

Our employees benefit from workplace health promotion at the Health Centre of Erste Group, which declares itself in favour of workplace health promotion and wellbeing in line with the

Luxembourg Declaration of the WHO.

'The Workplace Health Promotion includes joint efforts by employees, employers, and the company in general towards the improvement of the health and wellbeing of people at their workplace. This declaration was signed in 2007.'

To ensure this the Health Centre of Erste Group:

- provides our employees with comprehensive information about health issues and encourages a healthy lifestyle
- includes many different health aspects, such as lifestyle choices, ageing, corporate culture, employer-employee relations, mental health, stress management, and nutrition
- cooperates with the European Network for Workplace Health Promotion (ENWHP) to facilitate the international exchange of information and best practices.

Occupational health and safety (OHS)

In our organisation, employees have a right to be safe and healthy.

To ensure this:

- we provide a safe workplace and strive to eliminate work-related injury and disease
- we comply with all regulatory requirements related to OSH and contribute to the promotion of workplace health and safety.

Dealing with conflicts

We are committed to addressing employee grievances appropriately and resolving conflicts in a sensitive, fair and constructive manner.

To ensure this:

- we offer our employees support and provide them with access to various channels for assistance, always making sure that their right to anonymity is preserved
- we keep our employees informed of the status of their grievance at each step of the process and respond within reasonable time frames.

Freedom of association and expression on workplace matters

Our employees have the right to organise and to voice their opinions freely.

To ensure this:

- we respect employees' right to association, freedom of expression and collective action, provided they do not infringe upon the rights of others
- we do not discriminate against employees on the grounds of their membership in representative organisations, e.g. trade unions
- we recognise the right of our employees to collective bargaining in accordance with the law.

Society

Financial literacy

Financial literacy is important to us, since people can use their knowledge to make competent financial decisions in all areas of life thus improving the financial situation of individuals and society as a whole.

To ensure this:

- we meet our quality criteria for all projects concerning financial literacy
- we convey the knowledge necessary to make informed decisions on financial matters.

Environment

We place great importance on a responsible and sustainable approach to managing natural resources. We are convinced that business and environmentally conscious conduct are compatible.

The topics of sustainability and ESG (environmental, social, and governance) have been implemented in all business areas of EAM in a top-down approach, starting from Management. More than 50 mutual funds have been managed on the basis of integrated ESG criteria since 2020.

Environmental awareness

We monitor the impact of our operations on the environment and raise awareness of it.

To ensure this:

- we incorporate environmental criteria into our funds
- we optimise the use of natural resources (e.g. water, energy, fuel and paper consumption) in our operational processes
- we raise awareness amongst our employees and stakeholders by proactively communicating our environmental policy.

In a joint project launched at the beginning of 2020 with the University of Natural Resources and Life Sciences, Vienna (BOKU), Erste Asset Management GmbH started calculating the greenhouse emissions produced by its corporate activities in Austria on the basis of international standards. Our companies in CEE/SEE will follow in 2021. EAM engages in a carbon offsetting scheme with the help of its partner, BOKU, by supporting international projects.

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