

## Sustainability risk integration into the investment advisory process

(August 2022)

RBA as the Financial Adviser, as defined in Article 2 (11) of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (the Regulation), provides advisory services in respect of financial products manufactured by Financial Market Participants which are part of the RBA Group or RBI Group and/or by Financial Market Participants with which RBA has entered into a financial product distribution contract.

Integrating sustainability aspects means including environmental, social, and corporate governance (ESG) issues and the corresponding data and analyses in the decision-making process on which financial products as defined in Article 2 (12) of the Regulation we recommend to our clients.

In this respect, RBA does not undertake any specific activities on its own, but relies on investment decisions and other information obtained from the Financial Market Participant as a manufacturer of financial products recommended by RBA as a Financial Adviser and ensures that all of the aforementioned information received from the Financial Market Participant is passed on to its clients, while acting exclusively as a Financial Advisor distributing a financial product.

For the same reason, adverse effects of investment decisions on sustainability factors are currently not taken into account when choosing financial products for investment advice; we reserve the right to consider sustainability effects in the future, taking into account future regulatory developments and established practices in the financial market. In any case, the nature and quantity of financial products distributed by RBA does not warrant taking any special action on the part of RBA other than providing clients with accurate, complete and transparent information and appropriate documentation received from the manufacturer of the financial product, which is also responsible for its correct categorization in all relevant investment segments, including the existence or non-existence of sustainability characteristics of each individual financial product, i.e. the level /extent ( and types) of sustainability characteristics to the extent the financial product has any. The effort, time consumed, and expense of doing so would be prohibited. Furthermore, there is no assurance that the relevant information relating to the financial instruments in which the financial products invest is comprehensive and up-to-date, or even available, as RBA has only indirect knowledge of it, acting as distributor. RBA distributes sustainable financial products in accordance with the client's risk profile and the instruction on whether, and to what extent, the client wishes to invest in sustainable financial products. Considering its role as a financial advisor, as part of its obligation to integrate sustainability aspects, RBA has updated the complete financial advisory process, which provides for the integration of client preferences for investing in sustainable financial products, the adaptation of software applications, specialized employee education and an additional component of monitoring sustainability criteria in the investment advisory oversight process.

To ensure the provision of impartial investment services when making investment decisions, staff remuneration is independent of the sustainability features of the financial products concerned.

RBA operates in accordance with the highest professional standards in all segments of banking services, and, accordingly, discloses its own socially responsible behavior and sustainability, and devotes special attention to strengthening investor protection, and recognizing and avoiding greenwashing.

RBA monitors the life cycle of all the financial products it offers, notifying clients without delay of any changes related to the characteristics of the fund it distributes, including the sustainability. By acting transparently, RBA also protects its clients, thereby supporting the transition of the financial system to its ultimate goal – a sustainable economy as a whole.

## Glossary

<b>RBA</b>	Raiffeisenbank Austria d.d.
<b>Financial Advisor</b>	A credit institution providing the investment advice
<b>Financial product<sup>1</sup></b>	<ul style="list-style-type: none"> <li>• portfolio management</li> <li>• alternative investment fund</li> <li>• UCITS fund</li> <li>• insurance based investment product</li> <li>• pension product</li> <li>• pension scheme or</li> <li>• PEPP</li> </ul>
<b>UCITS funds</b>	UCITS funds are open-ended investment funds with a public offering, the operations of which have been aligned with EU directives and are regulated and structured in such a way to provide maximum protection to investors lacking specific financial and investment knowledge, without exposing them to complex risks.
<b>Financial Market Participant</b>	A company managing undertakings for collective investment in transferable securities (UCITS fund management company) or a credit institution that provides portfolio management.
<b>RBA Group</b>	<p>Members of RBA Group are:</p> <ol style="list-style-type: none"> <li>1. Raiffeisenbank Austria d.d.</li> <li>2. Raiffeisen Leasing d.o.o.</li> <li>3. Raiffeisen društvo za upravljanje obveznim i dobrovoljnim mirovinskim fondovima d.d.</li> <li>4. Raiffeisen mirovinsko osiguravajuće društvo d.o.o.</li> <li>5. Raiffeisen Consulting d.o.o.</li> </ol> <p>Associate member of RBA Group:</p> <ol style="list-style-type: none"> <li>6. UNIQA osiguranje d.d.</li> </ol> <p>Members of the RBA Group also include all companies that, in accordance with the legislation governing the concept of a group of credit institutions, subsequently become members of the RBA Group. The change of members of the RBA Group as well as the change of associate members of the group, regardless of whether through accession or establishment of new members or a departure from the group of existing members, will not affect the provisions of these Sustainability risk integration into the investment advisory process and they will not be modified in case</p>

<sup>1</sup> Note: As part of the RBA financial advisory service, not all financial products are currently included, but the list is provided according to Article 2 (12) of the Regulation

	of such change. An up-to-date list of RBA Group members and associate members is available on the Bank's website <a href="http://www.rba.hr">www.rba.hr</a>
<b>RBI Group</b>	<p>Members of RBA Group are:</p> <ol style="list-style-type: none"> <li>1. Raiffeisen Bank International AG (RBI) is part of the Austrian Raiffeisen Banking Group (RBG). The structure of the RBG comprises three levels, consisting of autonomous local Raiffeisen banks, regional Raiffeisen banks at the level of provinces and RBI. Autonomous local Raiffeisen banks are private cooperatives and owners of regional Raiffeisen banks in their provinces, and these regional banks are the main shareholders of RBI. RBI considers as its home market not only Austria but also Central and Eastern Europe (CEE). Its subsidiary banks cover 14 markets in the region. In addition, the RBI Group includes a number of providers of other financial services, for instance, in the areas of leasing, asset management, as well as mergers and acquisitions.</li> <li>2. Raiffeisen Invest društvo s ograničenom odgovornošću za upravljanje investicijskim fondovima.</li> </ol>
<b>ESG</b>	Environmental, social, and corporate governance