



carbonfootprint

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Raiffeisen Capital Management stands for Raiffeisen Kapitalanlage GmbH, or short Raiffeisen KAG.

Carbon footprint of Raiffeisen's SRI funds



www.montrealpledge.org

As a signatory to the Montreal Carbon Pledge , Raiffeisen KAG is committed to measuring the carbon footprint of its SRI funds.

The first section of this document provides a detailed definition of the term “greenhouse gases”. The calculation method is then thoroughly explained, and the results for each fund are presented.

Greenhouse gases

While people tend to simplify and refer to CO₂ emissions in colloquial language – as is also the case in this document – a wide range of greenhouse gases comprising the gases specified in the Kyoto Protocol is included in the calculations.

The following figure shows these gases with their relevant global warming potential, or CO₂ equivalent. This is a relative measure of a gas's contribution to the greenhouse effect, in other

words the amount of heat trapped by a certain mass of a greenhouse gas compared to the amount of heat trapped by the corresponding mass of CO₂.

For example, the CO₂ equivalent for methane amounts to 21, which means that one kilogram of methane traps 21 times more heat than one kilogram of CO₂ within the first 100 years after being emitted.

Figure 1:
Greenhouse gases according to the Kyoto Protocol²

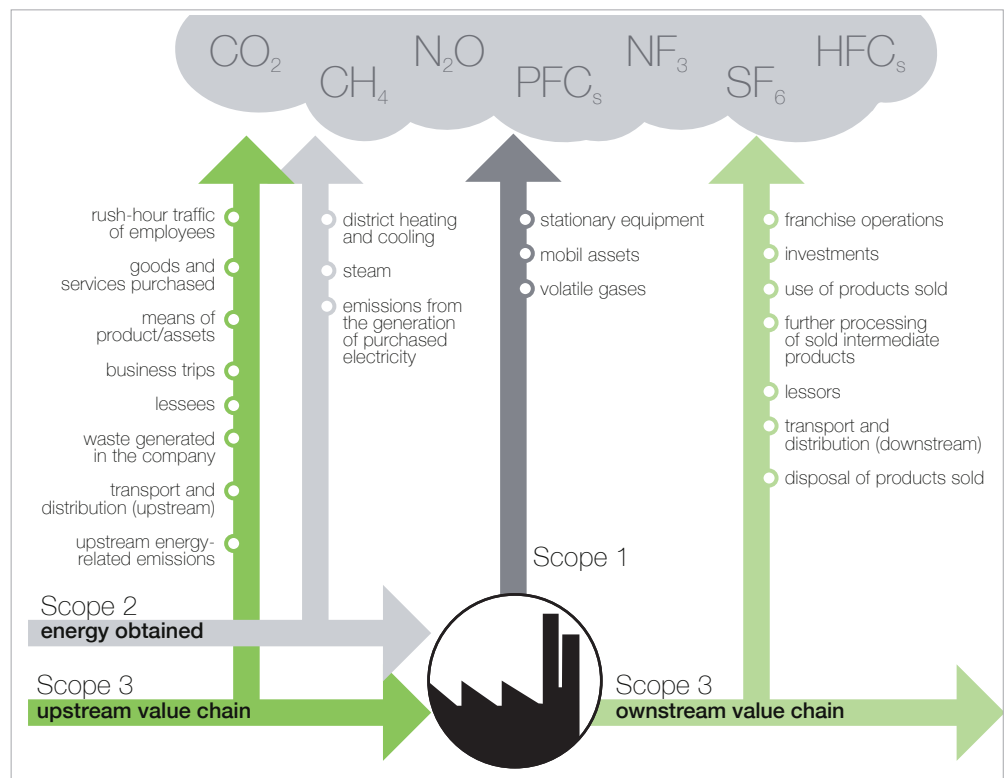
GREENHOUSE GAS	GLOBAL WARMING POTENTIAL
Carbon Dioxide (CO ₂)	1
Methane (CH ₄)	21
Nitrous Oxide (N ₂ O)	310
Hydrofluorcarbons (HFC _s)	150 – 11,700
Perfluorcarbons (PFC _s)	6,500 – 9,200
Sulphur hexafluoride (SF ₆)	23,900

1) Source: <http://montrealpledge.org/> 2) Source: http://unfccc.int/ghg_data/items/3825.php

Greenhouse gas emissions are assigned to three categories according to the Greenhouse Gas Protocol: Scope 1, 2, and 3. Scope 1 pertains to all of a company's direct emissions. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 covers the emissions that occur in the upstream and downstream value chain.

Scope 1 and Scope 2 emissions are used in the calculations of the carbon footprint of Raiffeisen's SRI funds, because the dataset is already very fully developed and good for these emissions. We are working to also take Scope 3 emissions into account at the sector level. The following illustration provides an overview of the three categories.

Figure 2
Emissions Categories



Source: http://www.ccf.nrw.de/navi/downloads/emissionsquellen/Emissions_Kategorien_Scopes.pdf

Calculation method

There are different methods and approaches for calculating the carbon footprint. The original idea for such a calculation was geared towards equity investments. Therefore, some calculation methods consider the share of the given investment in the company's market capitalisation. However, an indicator that allows mixed funds and bond funds to be compared

is also presented below.

The calculations employed generally pertain to companies and their share in a portfolio. Emissions by governments – and thus also investments in government bonds – are excluded from such calculation methods. The emissions data from the ISS ESG* database are used for calculating the carbon footprint*.

* © 2021 ISS ESG Reproduced by permission.

The following funds are compared below:

FUND NAME	FOCUS
Raiffeisen Sustainable Equities	Global equity fund
Raiffeisen Sustainable Momentum	European equity fund, focusing on mid caps
Raiffeisen Sustainable European Equities	European equity fund
Raiffeisen Sustainable EmergingMarkets Equities	Global equity fund (emerging markets)
Raiffeisen SmartEnergy ESG Equities	Global sustainable thematic fund
Raiffeisen PAXetBONUM Equities	Equity fund, following a church-based ethical approach
Raiffeisen-Nachhaltigkeit-ÖsterreichPlus-Aktien	DACH region equities
Raiffeisen Sustainable US Equities	American equity fund
Raiffeisen Sustainable Mix	Mixed fund (roughly 50% equities, 50% bonds)
Raiffeisen Sustainable Solid	Mixed fund (roughly 20% equities, 80% bonds)
Raiffeisen Sustainable Growth	Mixed fund (roughly 75% equities, 25% bonds)
Klassik Nachhaltigkeit Mix	Mixed fund (roughly 50% equities, 50% bonds)
Raiffeisen Sustainable Diversified	Mixed fund (equities, bonds, commodities)
Raiffeisen GreenBonds	Global bond fund
Raiffeisen Sustainable Bonds	Global bond fund
Raiffeisen Sustainable ShortTerm	European short-term bond fund
Raiffeisen PAXetBONUM Bonds	Bond fund, following a church-based ethical approach
Raiffeisen Sustainable EmergingMarkets LocalBonds	Global bond fund (emerging markets)

* Guideline Ethical Investments of Österreichischen Bischofskonferenz und der Ordensgemeinschaften Österreich (short name FinAnKo)

The indicators in detail

A. Total CO₂ emissions

$$\sum_n^i \frac{\$ Investment\ i}{Market\ cap\ of\ company\ i} * Emissions\ of\ company\ i$$

This indicator measures the total emissions caused by an equity portfolio. The investor's proportionate share of the emissions of each company in the portfolio is added together. The unit for this indicator is tonnes of CO₂e.

Because this is an absolute number, it can be used in the course of "carbon offsetting". This indicator cannot be reliably compared with other portfolios or benchmarks because it depends on the size of the portfolio.

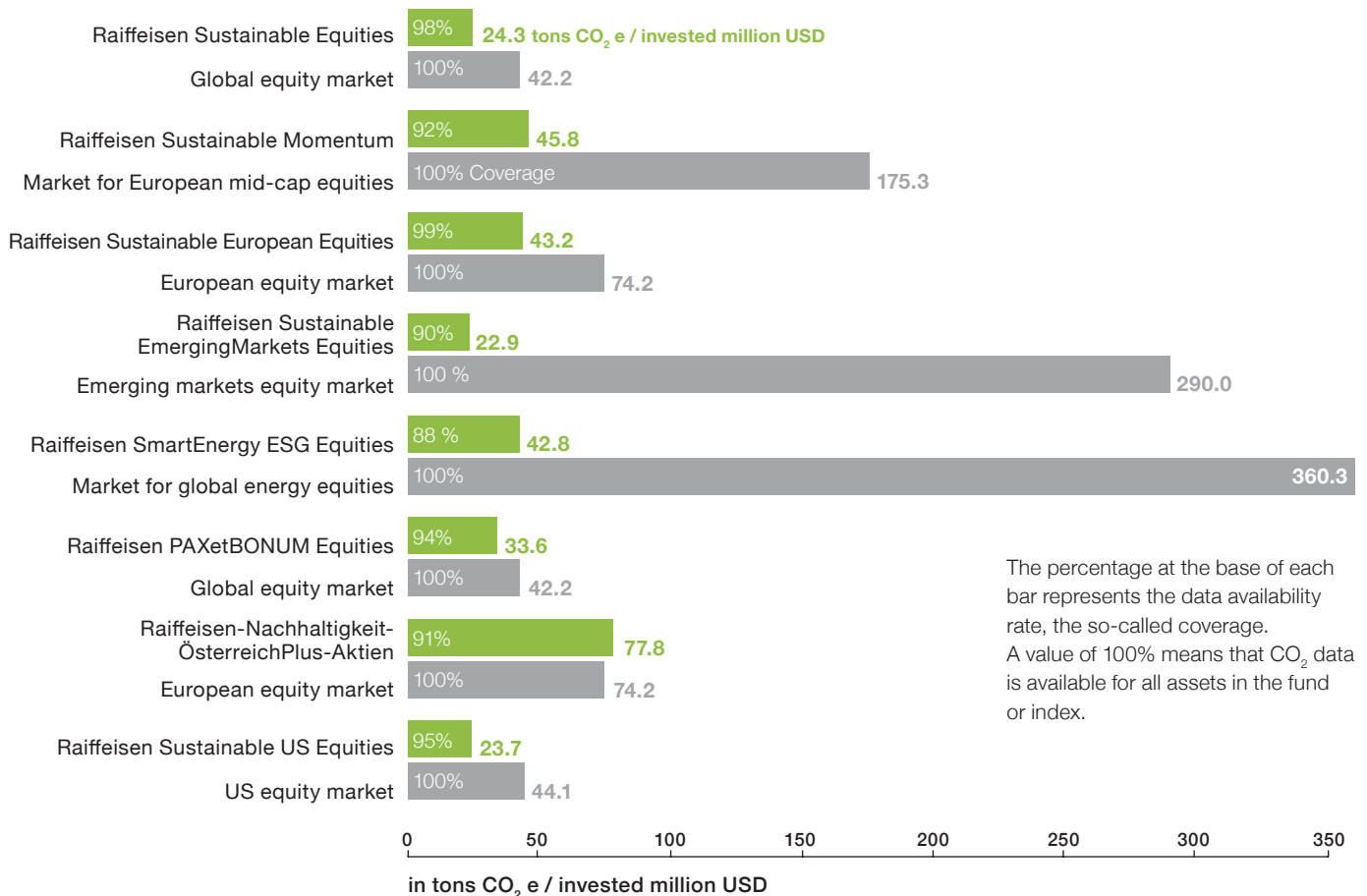
B. Normalised CO₂ emissions

$$\frac{\sum_n^i \frac{\$ Investment\ i}{Market\ cap\ of\ company\ i} * Emissions\ of\ company\ i}{Market\ value\ of\ the\ portfolio} * 1.000.000$$

This indicator provides information about the normalised carbon footprint of an equity portfolio per one million dollars invested. This allows for comparison with a referring market, between

various portfolios, and over a specific period of time – independent of the portfolio size. One disadvantage of this indicator is the sensitivity to fluctuations in the market value of the portfolio.

Figure 3 Normalised CO₂ emissions



C. Carbon intensity

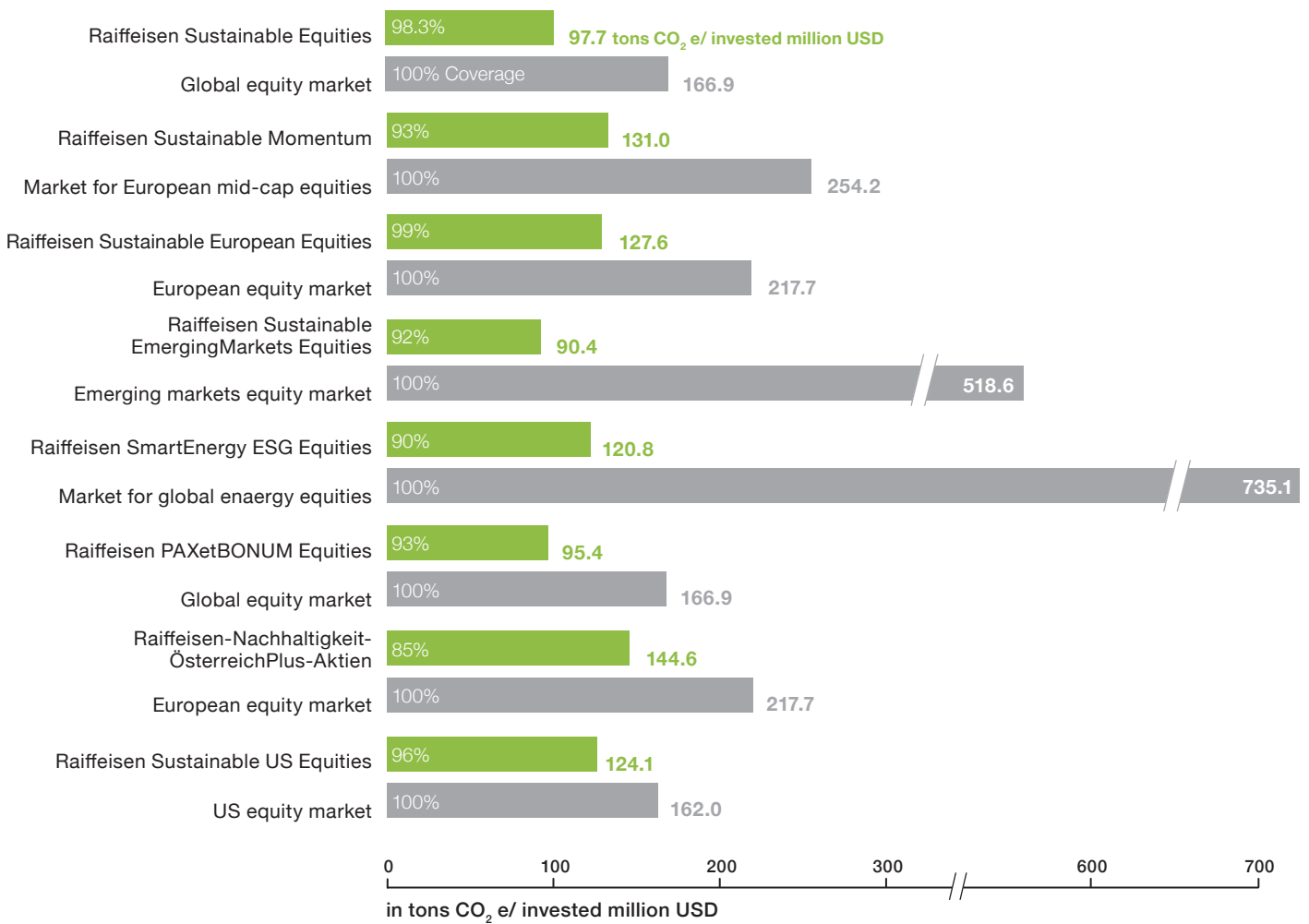
$$\sum_n^i \frac{\$ Investment\ i}{Market\ cap\ of\ company\ i} * Emissions\ of\ company\ i$$

$$\sum_n^i \frac{\$ Investment\ i}{Market\ cap\ of\ company\ i} * Revenue\ of\ company\ i$$

Carbon intensity measures the efficiency of an equity portfolio in emissions per unit of output. It allows investors to measure the volume of emissions generated by the companies in which the portfolio is invested per dollar of

revenue. This indicator is independent of the size of the companies and is oriented more towards the efficiency of their output than the absolute footprint of a portfolio.

Figure 4 Carbon Intensity



The percentage at the base of each bar represents the data availability rate, the so-called coverage. A value of 100% means that CO₂ data is available for all assets in the fund or index.

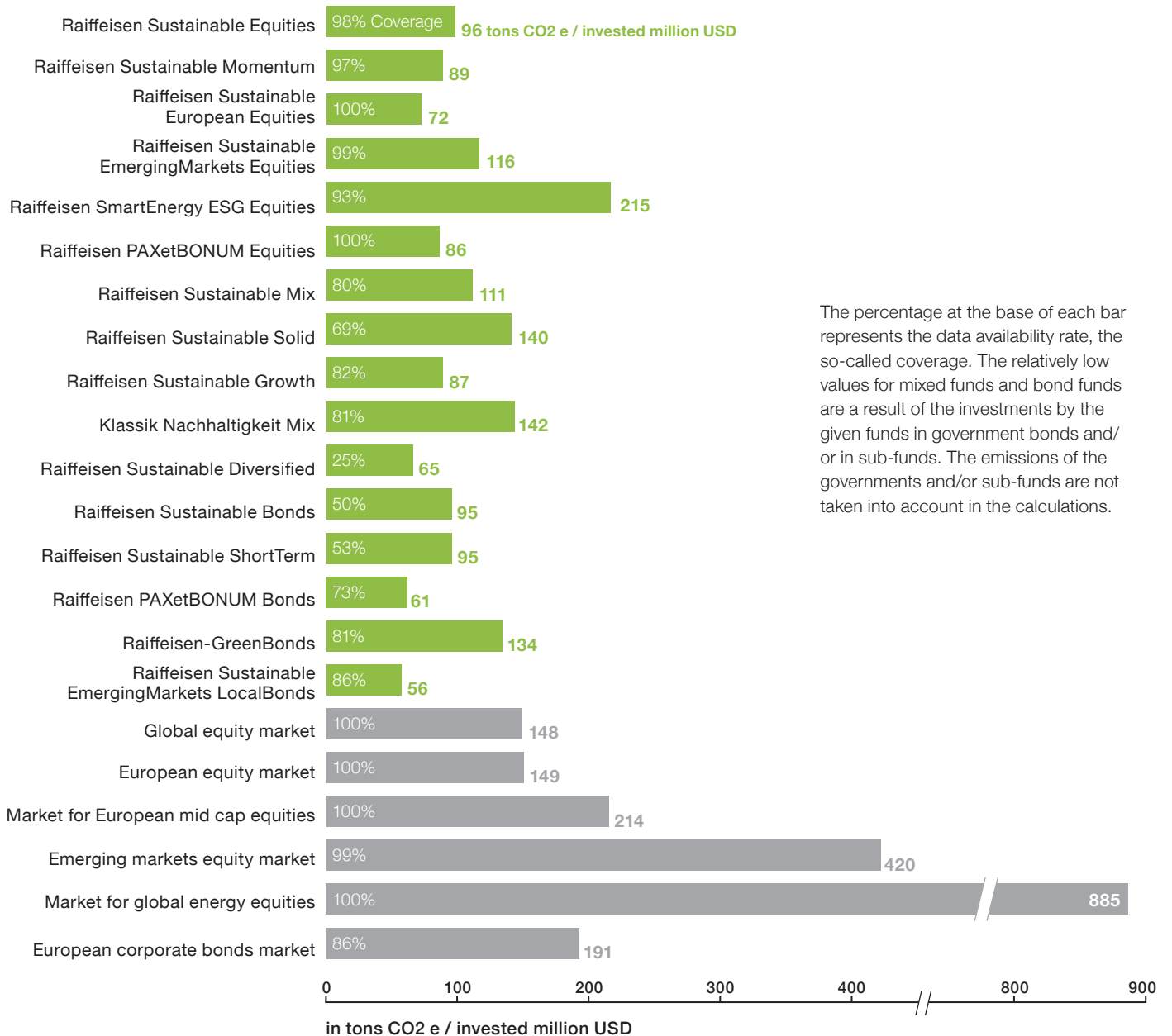
D. Average weighted carbon intensity

$$\sum_n^i \text{Portfolio weight } i * \frac{\text{Emissions of company } i}{\text{Revenue of company } i}$$

This indicator is not based on the stake the shareholder owns in the company, but rather the weighting of the company in the portfolio. As a result, it can also be used for bond funds and

mixed funds. This indicator depicts the exposure of a portfolio to climate change-related risks and carbon-intensive companies compared to another portfolio or a referring market.

Figure 5 Average weighted carbon intensity



The percentage at the base of each bar represents the data availability rate, the so-called coverage. The relatively low values for mixed funds and bond funds are a result of the investments by the given funds in government bonds and/or in sub-funds. The emissions of the governments and/or sub-funds are not taken into account in the calculations.

Average weighted carbon intensity table

	Average weighted carbon intensity	Data availability
Raiffeisen Sustainable Equities	99	100%
Raiffeisen Sustainable Momentum	92	100%
Raiffeisen Sustainable European Equities	111	100%
Raiffeisen Sustainable EmergingMarkets Equities	115	100%
Raiffeisen SmartEnergy ESG Equities	260	99%
Raiffeisen PAXetBONUM Equities	105	100%
Raiffeisen-Nachhaltigkeit-ÖsterreichPlus-Aktien	137	94%
Raiffeisen Sustainable US Equities	122	100%
Raiffeisen Sustainable Mix	142	81%
Raiffeisen Sustainable Solid	133	68%
Raiffeisen Sustainable Growth	87	82%
Klassik Nachhaltigkeit Mix	142	81%
Raiffeisen Sustainable Diversified	65	25%
Raiffeisen Sustainable Bonds	95	50%
Raiffeisen Sustainable ShortTerm	95	53%
Raiffeisen PAXetBONUM Bonds	61	73%
Raiffeisen-GreenBonds	134	81%
Raiffeisen Sustainable EmergingMarkets LocalBonds	56	86%
Global equity market	148	100%
Market for European MidCap equities	149	100%
European equity market	214	100%
Emerging markets equity market	420	99%
Global energy-equities market	885	100%
Market for European corporate bonds	191	86%

Conclusion

Raiffeisen's SRI funds take the topic of decarbonisation very seriously. The funds have a lower carbon footprint than the comparable regional market in all calculated scenarios.

Disclaimer

The published prospectuses, information for investors pursuant to § 21 AIFMG, and customer information documents for the investment funds of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. are available in German at www.rcm.at under the heading „Kurse & Dokumente“ (and for some funds the customer information documents are additionally available in English) or, if the fund shares are sold abroad, in English (if applicable in German) or in your national language at www.rcm-international.com under the heading „Prices & Documents“. A summary of investors rights is available in German and English under the following link: <https://www.rcm.at/corporategovernance>. Note that Raiffeisen Kapitalanlage-Gesellschaft m.b.H. may decide to terminate the arrangements for the distribution of the fund unit certificates outside the fund domicile country Austria.

Due to the low or negative yields that currently prevail on capital markets, the interest income in the funds Raiffeisen-GreenBonds, Raiffeisen Sustainable ShortTerm, Raiffeisen Sustainable Bonds and Raiffeisen PAXetBONUM Bonds is currently – and with high probability in the near future as well – insufficient to cover the running costs. It is not possible to make reliable, long-term forecasts in view of the incalculable factors regarding future market developments. The investment strategy permits the funds Raiffeisen Sustainable Bonds and Raiffeisen Sustainable European Equities to predominantly (relative to the associated risk) invest in derivatives. The funds Raiffeisen Sustainable Growth, Raiffeisen Sustainable Equities, Raiffeisen

Sustainable Momentum, Raiffeisen Sustainable European Equities, Raiffeisen-Nachhaltigkeit-ÖsterreichPlus-Aktien, Raiffeisen Sustainable US Equities, Raiffeisen Sustainable EmergingMarkets Equities, Raiffeisen SmartEnergy ESG Equities and Raiffeisen PAXetBONUM Equities exhibit elevated volatility, meaning that unit prices can move significantly higher or lower in short periods of time, and it is not possible to rule out loss of capital. The Fund Regulations of the funds Klassik Nachhaltigkeit Mix, Raiffeisen Sustainable Bonds, Raiffeisen PAXetBONUM Bonds, Raiffeisen Sustainable Solid and Raiffeisen Sustainable Diversified have been approved by the FMA. The Raiffeisen Sustainable Solid fund may invest more than 35 % of its volume in bonds of the following issuers: France, Netherlands, Austria, Belgium, Finland, Germany. The Raiffeisen Sustainable Diversified fund may invest more than 35 % of its volume in bonds of the following issuers: France, Netherlands, Austria, Belgium, Finland, Germany, Italy, Sweden, Spain. The funds Klassik Nachhaltigkeit Mix and Raiffeisen PAXetBONUM Bonds may invest more than 35 % of the fund's volume in securities/money market instruments of the following issuers: France, Netherlands, Austria, Belgium, Finland, Germany. The Raiffeisen Sustainable Bonds may invest more than 35 % of the fund's volume in securities/money market instruments of the following issuers: France, Netherlands, Austria, Italy, United Kingdom, Sweden, Switzerland, Spain, Belgium, United States, Canada, Japan, Australia, Finland, Germany.

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