

CUSTOMER INFORMATION ON SUSTAINABILITY

for the use of investment services provided by Raiffeisen Bank Zrt.

New EU rules require investment firms and banks to take into account their clients' sustainability objectives. On the one hand, this requires banks to transparently disclose to their clients the sustainability factors of the financial instruments offered in the context of investment services, and on the other hand, it requires banks to obtain a sufficiently detailed picture of the individual sustainability preferences of their clients.

In order to enable you to make informed investment decisions and effectively represent your own sustainability preferences, please find information below on the different dimensions of the sustainability of financial instruments and on sustainability-sensitive investment advice.

How your sustainability preferences will be reflected in our advisory process?

Prior to providing investment services, the Bank will assess your sustainability preferences through an Investor Questionnaire (MiFID test) so that we can take them into account when providing investment advice.

In the MiFID test, you will be asked to determine whether the Bank should take the sustainability of products into account in its investment advisory activities, and how important sustainability considerations are to you when making investment decisions.

Sustainability preferences mean your decision on the type of financial instrument(s) you wish to invest in from among the following:

- a) environmentally sustainable investments under the Taxonomy Regulation,
- b) sustainable investments under the SFDR Regulation, and
- c) financial instruments that take into account the Principal Adverse Impacts (PAI) on sustainability factors.

- **If you do not have any sustainability preferences**, your financial advisor will recommend products that meet your traditional suitability criteria (risk appetite, investment objective, product knowledge and experience, etc.), and you are free to choose the product that best suits your needs, regardless of sustainability criteria.

- **If you are interested in sustainability considerations but do not want to specify your sustainability preferences for your investments** (e.g. percentages, Taxonomy, SFDR or PAI values), we will recommend products that meet your traditional suitability criteria and any sustainability criteria. You can decide to choose a product that meets or choose a product that does not meet sustainability criteria.

- **If you are specifically interested in sustainability aspects and would like to specify your sustainability preferences for your investments**, you will have the opportunity to specify the desired sustainability characteristics in detail. You will then be able to determine which sustainability factors you are interested in, as well as the percentage of products in your portfolio that meet your sustainability preferences, and the minimum values expected for Taxonomy, SFDR, and PAI. The Bank will then compare the sustainability characteristics you have provided with the sustainability ratings of the available products, and the investment advice will be given on the basis of the result. When providing investment advice, the Bank will therefore take into account your sustainability preferences in addition to your traditional suitability criteria.

What are the sustainability factors?

Increasingly, investors expect companies to identify and communicate the environmental and social impacts of their activities and to minimise negative impacts.

In the future it will become even more transparent for investors what sustainable investment really means, and how their own investments impact the environment and society.

Sustainability factors ("ESG" criteria) are the criteria against which the activities of business organisations are assessed from a sustainability perspective.

Environmental factors ("E"): this includes, for example, companies' energy use, waste management, pollution prevention, climate change mitigation and adaptation, and the conservation of natural resources and biodiversity.

Social factors ("S"): this includes human rights, labour relations, inequality, illegal child labour, and other issues such as compliance with the requirements of health and safety at work.

Governance factors ("G"): it means a set of rules or principles that define the rights, responsibilities and expectations related to corporate governance, such as the fight against corruption and bribery, or increasing tax transparency.

Which investments are considered sustainable?

Investments can qualify as sustainable based on several criteria. Some financial instruments and their issuers take ESG considerations into account by raising investor awareness, for example by calculating and disclosing the negative environmental or social impacts of investments, while other financial products explicitly aim to have a positive impact on the environment or society.

Sustainable investments can be defined according to the following three regulations:

1. Taxonomy Regulation
2. Sustainable Finance Disclosure Regulation (SFDR)
3. Principal Adverse Impacts (PAI)

Taxonomy: investments in economic activities that are considered **environmentally sustainable** under the EU's sustainable activities regulation (the Taxonomy Regulation).

The Taxonomy Regulation identifies green activities that make a significant contribution to the six environmental objectives highlighted in the Regulation, thereby facilitating the transition to a sustainable economic operation.

The six environmental objectives are:

- climate change mitigation
- climate change adaptation
- the sustainable use and protection of water and marine resources
- transition to a circular economy
- pollution prevention and control
- protection and restoration of biodiversity and ecosystems.

What does it mean in practice?

A predefined set of economic activities (real estate transactions, manufacturing, agriculture and forestry, water supply, transport, energy, information and communication, professional and scientific activities) considered by the Taxonomy Regulation as contributing most to climate impacts are assessed against specific indicators (e.g. emission thresholds, carbon footprint, etc.), and it is examined whether OECD and UN business, human and labour rights guidelines are complied with during such activities. Once all activities related to an investment have been screened against the criteria set out in the EU taxonomy, the proportion of sustainable activities within the investment that meet these criteria is determined.

If, for example, 60% of a construction company's revenues come from the construction of buildings that meet all the necessary criteria, we can say that 60% of the investment is in line with the criteria set out in the Taxonomy Regulation.

If you decide to buy investments under the Taxonomy Regulation, you choose the most sophisticated and data-intensive way to meet the ESG assessment criteria. Unfortunately, as the necessary data are not yet available for most companies, the choice of investment products that are more in line with the requirements of the Taxonomy Regulation is currently very limited.

SFDR: financial instruments that follow a minimum rate of sustainable investments as defined in Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector.

These financial instruments are investments in the financial instruments of issuers that **follow good corporate governance practices** (e.g. sound management structures, employee relations, remuneration of the relevant staff, tax compliance), or whose **economic activity contributes to the implementation of some environmental** (e.g. increasing resource efficiency in energy use, use of renewable energy, waste production) **or social objectives** (contribution to the fight against inequality; investments to strengthen social cohesion, social inclusion and labour relations), provided that these investments do not have a significant negative impact on any of these objectives.

The calculation of the rate of sustainable investments follows the same logic as the previous example: a product that represents 60% sustainable investment according to the SFDR has 60% of the total money invested in activities that meet the requirements of the SFDR Regulation. The calculation is based on data published by the companies concerned, which few large companies are currently able to do.

PAI (Principal Adverse Impacts): financial instruments that **take into account the principal adverse impacts on sustainability factors**, from which the client determines the indicators that are most important to him. A financial instrument that takes into account PAI aims to avoid the negative impacts of the investment on sustainability.

Principal adverse impacts on sustainability (PAI) are the effects of investment decisions that have a negative impact on environmental, social and labour issues, the respect for human rights, or the fight against corruption and bribery.

For investments in general, you can choose from the following 5 PAI indicators:

- Greenhouse gas emissions,
- Biodiversity,
- Waste management,
- Water management,
- Social and labour issues.

For investment in government bonds, two specific PAI indicators are available:

- Environmental, i.e. the intensity of greenhouse gas emissions.
- Social, i.e. countries where social violations occur, such as violations of the UN Global Compact principles on human rights, labour rights and anti-corruption.

As regards real estate funds, two specific PAI indicators are available:

- Exposure to fossil fuels, for example from tenants processing fossil fuels.
- Investment in real estate property that is inefficient according to its energy performance certificate.

PAI can be taken into account:

- On a best-in-class basis: selecting companies that are leaders in their sector in implementing ESG requirements.
- Based on exclusion criteria: no investment in companies dealing in e.g. coal, tobacco, fossil fuel.
- Through strategies on engagement policies.

Based on the data currently available on investment products, products that take into account PAI are available in the highest number.

For more information, please ask your personal banking advisor!

MiFID – Investor questionnaire – For non-private individuals

PERSONAL DATA

Name of the Client	
Headquarters	
Tax ID	
Client ID	

Based on the obligation to give preliminary information as provided for by Act CXXXVIII of 2007 *on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities (hereinafter referred as "Act")*, Raiffeisen Bank Zrt. (hereinafter referred as Bank) compiled the following questionnaire for its clients.

Within the framework of the Suitability Test the Bank shall assess whether or not the offered services and products are suitable for the achievement of your company's/organization's investment goals, possible sustainability preferences and if the degree of risk related to the offered services and products is in accordance with your company's/organization's investment objectives, risk appetite, financial situation and loss bearing capacity .

Through the questions asked in the Suitability Tests, the Bank assesses your company's/organization's objectives and preferences so that such information can be compared with the target market of the product distributed by the Bank, and the Bank will be able to offer a product that belongs to your company's/organization's target market.

Before completing the Investor Questionnaire, please read the Bank's Sustainability Client Disclosure.

After the completion of the questionnaire we will evaluate your answers and deliver you the related results. The Bank must have information on your company's / organization's financial situation, to be able to provide a full range of investment services to you and to assess the suitability of the offered investment to the company / organization, as well as to be able to carry out the target market assessment. Furthermore, the Bank has to take the information provided by your company / organization into account when it renders investment services to your company / organization. Therefore, we ask you to give answers to all the questions included in the following Suitability Test. We inform you that if you fail to provide answers to all of the questions and, as a result, our Bank cannot receive all the information necessary for conducting the Suitability Test, or if, based on the assessment methodology worked out by our Bank the information leads to a result that makes it impossible to provide the service to your company/organization in terms of the financial product concerned, our Bank will refuse to provide investment advisory or to perform portfolio management activities based on Section 54 (1) point d) and e) of the Act.

We hereby draw your attention, that if you do not answer all the questions in the Suitability Test, the Bank cannot give you assessment and not able to provide you investment services.

Please take note, that in order to provide investment services to your company/organization, Bank has to assess the product knowledge and experience of the authorised person acting on behalf of your company/ organization, so filling of Appropriateness of the authorised person acting on behalf of your company/ organization is necessary.

SUITABILITY TEST

Please, mark with an "X" as appropriate.

I. Characteristics of the investment concepts	
A.1. Most typical investment objectives — you must select one from answers b), c) and d), and besides independently of these you can mark answer a) as well	<input type="checkbox"/> a) Only and exclusively to hedge and manage the risks related to the operation of the company/entity through the conclusion of currency futures, FX options, interest rate swaps (IRS, CCIRS) or commodity futures or to enter into means of payment in order to facilitate payment for identifiable goods, services or direct investment through the conclusion of FX forwards. If subsequently the customer decides to conclude any transaction belonging to the above product group for other purposes different from hedging or entering into means of payment in order to facilitate identifiable goods, services or direct investments, the authorised dealer of the company/entity shall inform the Bank to this effect when placing the order*.
	<input type="checkbox"/> b) Primarily to ensure short term liquidity
	<input type="checkbox"/> c) To ensure long term resources (e.g. investment project)
	<input type="checkbox"/> d) To make high profit even at the risk of losing the principal amount.
A.2. Investment term (more answers can be chosen)	<input type="checkbox"/> a) Expectably I will use the majority of my financial assets within the next 1 year.
	<input type="checkbox"/> b) Expectably I will use the majority of my financial assets within the next 1-3 years.
	<input type="checkbox"/> c) Expectably I will use the majority of my financial assets within the next 3-5 years.
	<input type="checkbox"/> d) Expectably I will use the majority of my financial assets after a period of 5 years.
	<input type="checkbox"/> e) Expectably I will use a part of my financial assets in the short term, for speculative purposes.

II. Financial situation (Please, mark only one answer for each question, with the exception of question A.10. and A.12.!)	
A.3. Equity capital	<input type="checkbox"/> a) Negative <input type="checkbox"/> b) HUF 0-50 million <input type="checkbox"/> c) HUF 50-100 million <input type="checkbox"/> d) Over HUF 100 million
A.4. Annual net sales revenue / operating income	<input type="checkbox"/> a) HUF 0-250 million <input type="checkbox"/> b) HUF 250-1250 million <input type="checkbox"/> c) Over HUF 1250 million
A.5. EBIT / operating profit	<input type="checkbox"/> a) Loss-making <input type="checkbox"/> b) HUF 0-10 million <input type="checkbox"/> c) HUF 10-50 million <input type="checkbox"/> d) Over HUF 50 million
A.6. Balance sheet asset value / Total budget	<input type="checkbox"/> a) HUF 0-100 million <input type="checkbox"/> b) HUF 100-400 million <input type="checkbox"/> c) HUF 400-750 million <input type="checkbox"/> d) Over 750 million
A.7. Liquid investments <i>(Financial assets currently available - bank deposits, securities, investment certificate -, total, with any financial institution)</i>	<input type="checkbox"/> a) None <input type="checkbox"/> b) HUF 0-10 million <input type="checkbox"/> c) HUF 10-50 million <input type="checkbox"/> d) Over 50 million
A.8. Fixed Financial Assets	<input type="checkbox"/> a) None <input type="checkbox"/> b) HUF 0-10 million <input type="checkbox"/> c) HUF 10-50 million <input type="checkbox"/> d) Over HUF 50 million
A.9. Real estates	<input type="checkbox"/> a) None <input type="checkbox"/> b) HUF 0-10 million <input type="checkbox"/> c) HUF 10-50 million <input type="checkbox"/> d) Over HUF 50 million
A.10. Source of regular income <i>(If the company's / organisation's main source of income comes from financial operations, then please mark it as "income from core activity".)</i>	<input type="checkbox"/> a) income from core activities <input type="checkbox"/> b) profit/loss from financial operations <input type="checkbox"/> c) sale of tangible assets <input type="checkbox"/> d) other
A.11. Amount of regular monthly liabilities	<input type="checkbox"/> a) HUF 0-20 million <input type="checkbox"/> b) HUF 20-100 million <input type="checkbox"/> c) Over HUF 100 million
A.12. Composition of liabilities	<input type="checkbox"/> a) taxes, contributions <input type="checkbox"/> b) wages, utilities <input type="checkbox"/> c) trade accounts payable <input type="checkbox"/> d) loan repayment <input type="checkbox"/> e) other

III. Risk appetite related to investments (Please, mark only one answer for each question!)

A.13. Please select one from the following statements that is the most characteristic in terms of your company's / organisation's willingness to take risks (only one answer is to be given)

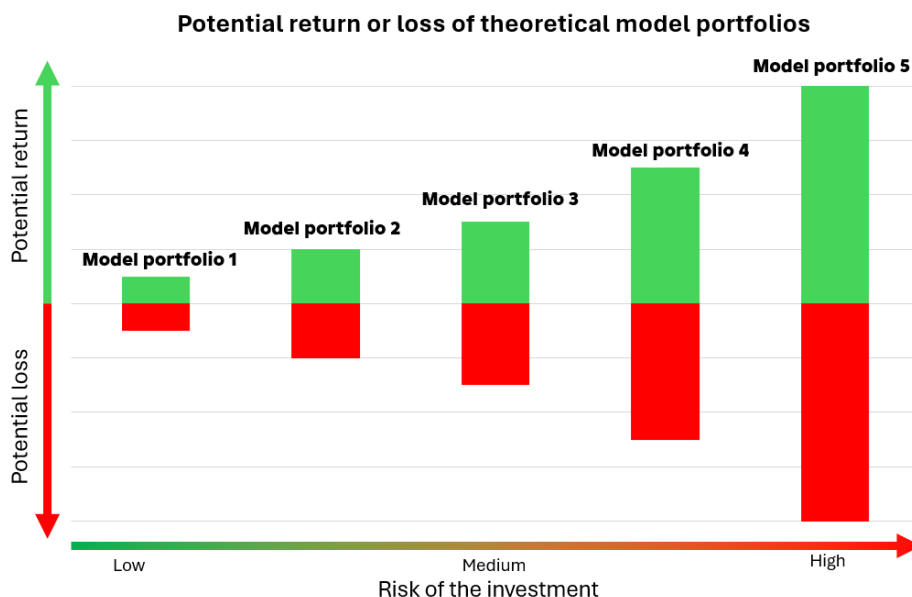
- a) Low: I only take risks that do not jeopardise my principal under ordinary market conditions, and where my invested capital may slightly decrease under extreme circumstances (e.g. government securities, bonds, money market and liquidity funds).
- b) Average: In order to reach a higher than average return I am ready to risk a part of my principal (e.g. beside the products mentioned in point a), other investment funds, foreign bonds, equities).
- c) High: In the hope of high returns I am willing to take the risk of losing the invested amount in whole or in part even under ordinary market conditions. I am aware that I might sustain a loss higher than the original invested amount on certain investments, (e.g. beside the products mentioned in points a) and b), options and futures).

A.14. As regards your risk bearing, which of the following statements is most characteristic of your company / organisation?

- a) The safety of my capital is important for me, and in order to avoid risks I am ready to give up the possibility of higher returns; I am aware, that the price of financial instruments may fluctuate, therefore there is possibility of minor capital losses.
- b) Hoping for higher returns I accept taking higher risks, and I am ready to accept the possibility of decrease of my capital.
- c) Hoping for outstanding returns I am ready to take high risks even if a considerable part of my capital might be at risk as a result; also I am aware that if I invest in a derivative product the loss may exceed the amount invested in the product concerned.

A.15. Please indicate which of the theoretical model portfolios shown in the figure best meets your expectations based on potential return and risk values.

- a) 1
- b) 2
- c) 3
- d) 4
- e) 5



IV. Sustainability preference

A.16. Do you have sustainability preferences regarding your investment decisions?
(In case your answer is a) or b), please sign the last page of this document. In case your answer is c), please go on to question A.17.)

- a) No, I do not have sustainability preferences.
- b) Yes, I am somehow interested in the sustainability considerations, but not wish to further specify any sustainability preferences
- c) Yes, I am interested in the sustainability considerations, and I wish to further specify my sustainability preferences.

A.17. Which of the following sustainability factors are your company / organisation interested in?
(Multiple answers are possible)

- a) **Environmental factors (E):** this includes for example the company' energy use, waste management, pollution prevention, climate change mitigation and adaptation, preservation of natural resources and biodiversity.
- b) **Social factors (S):** this includes human rights, labour relations, inequality, illegal child labour and other issues such as compliance with health and safety rules at work.
- c) **Governance factors (G):** set of rules or principles that define the rights, responsibilities and expectations in relation to corporate governance, for example fight against corruption and bribery, increase tax transparency.

A.18. Please specify the minimum share of sustainable products you wish to have in your portfolio (0-100%)

A.19. Would you like further specify your company's / organisation's sustainability preferences (SFDR, Taxonomía, PAI)? <i>(In case your answer is a) please go on to question A.20. In case your answer is b), please sign the last page of this document)</i>	<input type="checkbox"/> a) Yes <input type="checkbox"/> b) No
A.20. Please select the type of financial instrument you wish to invest in (Multiple answers are possible) <i>(In case your answer is a) please go on to question A.21., in case your answer is b), please go on to question A.22., in case your answer is c), please go on to question A.23.)</i>	<input type="checkbox"/> a) A financial instrument that takes into account the main adverse impacts (PAI) on sustainability factors <input type="checkbox"/> b) A financial instrument that is a sustainable investment as defined in SFDR regulation <input type="checkbox"/> c) A financial instrument that is an environmentally sustainable investment as defined in Taxonomy regulation
A.21. Please select the main adverse impacts (PAI) on sustainability factors that are most important to your company / organisation! (Multiple answers are possible)	<input type="checkbox"/> Greenhouse Gas Emissions <input type="checkbox"/> Biodiversity <input type="checkbox"/> Water management and water pollution <input type="checkbox"/> Waste management <input type="checkbox"/> Social and employee matter <input type="checkbox"/> Sovereign - Environmental <input type="checkbox"/> Sovereign - Social <input type="checkbox"/> Real estate – Fossil fuel <input type="checkbox"/> Real estate – Energy efficiency
A.22. Please set the minimum level of sustainable investment as defined in SFDR regulation!	<input type="checkbox"/> 1% <input type="checkbox"/> 15% <input type="checkbox"/> above 30%
A.23. Please set the minimum level of environmentally sustainable investment as defined in Taxonomy regulation!	<input type="checkbox"/> 1% <input type="checkbox"/> 5% <input type="checkbox"/> above 10%

I the undersigned do hereby acknowledge that the above Investor questionnaire contains my answers on behalf of the Company / Organization.

Dated:

Client's signature