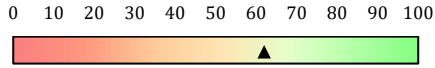


ESG Fund Score & Rating

ESG Fund Score **62,3**
ESG Fund Rating **BBB[esg]**



Environmental	56,5	BB[E]
Social	55,9	BBB[S]
Governance	75,0	AA[G]

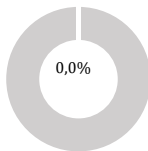
Fund information

ISIN / Code	RU000A101R66
Registration number	4057
Country	Russia
Fund currency	RUB
Exchange	MOEX
Fund type	ETF
Investment object	Index
iNAV ticker	ESGRA
Moscow Exchange ticker	ESGR
Bloomberg code	ESGR RX

Fund ESG scorecard

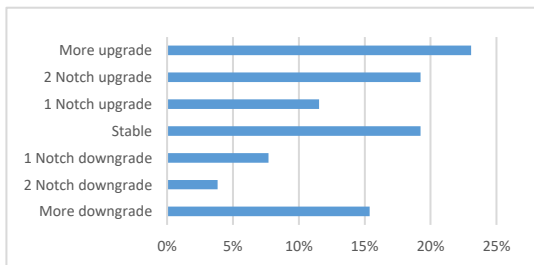
Theme	Weight	Score	
E	Natural Resources	10,1%	59,5
	Pollution	7,6%	57,6
	Climate Change	8,7%	53,6
	General Environmental Risks	6,9%	57,2
	Environmental Asset Portfolio	0,8%	33,6
S	Human Capital	15,1%	57,5
	Corporate Social Responsibility	11,3%	68,9
	Social Supply Chain Risk	6,2%	50,5
	Social Asset Portfolio	0,8%	56,5
G	Corporate Structure	18,1%	73,8
	Corporate Behavior	14,4%	80,0

Share of companies facing severe* controversies



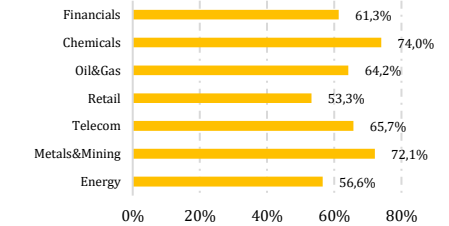
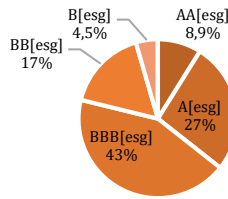
* Weight higher or equal to 50%

ESG Rating trend in the past three months

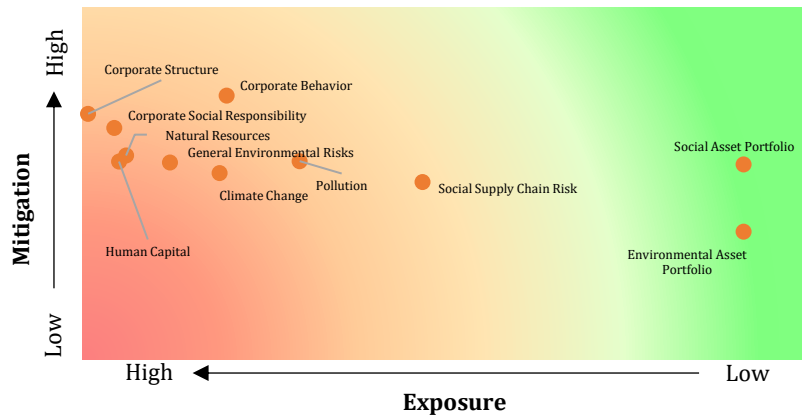


Exposure to flagged sectors - No

Fund ESG Rating distribution (weighted)



Exposure vs Mitigation



Summary

RAEX-Europe reassessed the ESG risks of the investment portfolio and slightly changed the ESG Score of RSHB - Moscow Exchange Index - RSPP Vector of sustainable development from 63.7 to 62.3 (equivalent to the BBBESG rating) This means that the management of ESG related risks remains at a Moderately high level. In the same time, we observe a major rebalancing in the fund and numerous rating changes in the portfolio. Since the previous publication of the ESG rating, the Agency has revalued most of the companies in the portfolio, taking into account late-published non-financial statements for 2021. NLMK, Polyus and Polymetal became the portfolio leaders in the assessment of sustainability parameters, while one of the former leaders Credit Bank of Moscow (CBM) and the main outsider of the previous assessment Detsky Mir left the list, leaving 26 items in it.

There is a slight increase in the assessment of Environmental and Social factors. However, the ESG leader of the Russian banking sector, CBM, drop out caused a serious decrease in the assessment of the Social and Environmental Assets Portfolio factors.

In the Governance part, we see the influence of the general decrease in Corporate structure transparency partly offset by an improvement in the assessments of the Corporate Behavior factors.

Strengths:

- ❖ Corporate Behavior
- ❖ Corporate Structure
- ❖ Corporate Social Responsibility
- ❖ Natural Resources

Weaknesses:

- ❖ Environmental asset portfolio (Financials)
- ❖ Social Supply Chain Risk
- ❖ Climate Change
- ❖ Social Asset Portfolio

Top-5 holdings

Holding	Industry	Portfolio Weight	ESG Score / Rating	Highest score	Lowest score
NLMK	Metals&Mining	4,39%		Climate Change	General Social Risks
Polyus	Metals&Mining	4,48%		Climate Change	Corporate Behavior
Polymetal	Metals&Mining	4,98%		Corporate Structure	Pollution
Phosagro	Chemicals	4,01%		Corporate Social Responsibility	General Social Risks
Nornickel	Metals&Mining	4,71%		Corporate Behavior	General Social Risks

Bottom-5 holdings

Holding	Industry	Portfolio Weight	ESG Score / Rating	Highest score	Lowest score
Sistema	Financial services	4,49%		Corporate Structure	Natural Resources
FGC UES	Energy	4,62%		Corporate Behavior	Climate Change
Magnit	Retail	3,13%		General Social Risks	Climate Change
X5 Retail Group	Retail	2,83%		Corporate Behavior	Climate Change
VTB Group	Financials	2,57%		Corporate Behavior	General Social Risks

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Table 1. Fund ESG scoring per section

Holding	Country	Industry	Portfolio Weight*	ESG Score	ESG Rating	Natural Resources	Pollution	Climate Change	General Environmental Risks	Environmental asset portfolio	Human Capital	Corporate Social Responsibility	General Social Risks	Social asset portfolio	Corporate Structure	Corporate Behavior
NLMK	Russia	Metals&Mining	4,39%		AA[esg]											
Polyus	Russia	Metals&Mining	4,48%		AA[esg]											
Polymetal	Russia	Metals&Mining	4,98%		A[esg]											
Phosagro	Russia	Chemicals	4,01%		A[esg]											
Nornickel	Russia	Metals&Mining	4,71%		A[esg]											
Severstal	Russia	Metals&Mining	3,33%		A[esg]											
Lukoil	Russia	Oil&Gas	3,25%		A[esg]											
MTS	Russia	Telecom	3,74%		A[esg]											
Tatneft	Russia	Oil&Gas	2,72%		A[esg]											
Rusal	Russia	Metals&Mining	2,66%		BBB[esg]											
Moscow Stock Exchange	Russia	Financials	4,53%		BBB[esg]											
Novatek	Russia	Oil&Gas	3,63%		BBB[esg]											
Gazprom Group	Russia	Oil&Gas	5,06%		BBB[esg]											
Rosneft	Russia	Oil&Gas	4,20%		BBB[esg]											
MMK	Russia	Metals&Mining	4,87%		BBB[esg]											
Rostelecom	Russia	Telecom	4,48%		BBB[esg]											
Sber	Russia	Financials	3,32%		BBB[esg]											
RusHydro	Russia	Energy	5,13%		BBB[esg]											
Inter RAO	Russia	Energy	5,13%		BBB[esg]											
Petropavlovsk	Russia	Metals&Mining	0,19%		BBB[esg]											
Transneft	Russia	Oil&Gas	3,54%		BB[esg]											
VTB Group	Russia	Financials	2,57%		BB[esg]											
X5 Retail Group	Russia	Retail	2,83%		BB[esg]											
Magnit	Russia	Retail	3,13%		BB[esg]											
FGC UES	Russia	Energy	4,62%		BB[esg]											
Sistema	Russia	Financial services	4,49%		B[esg]											

C[esg] AAA[esg]

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