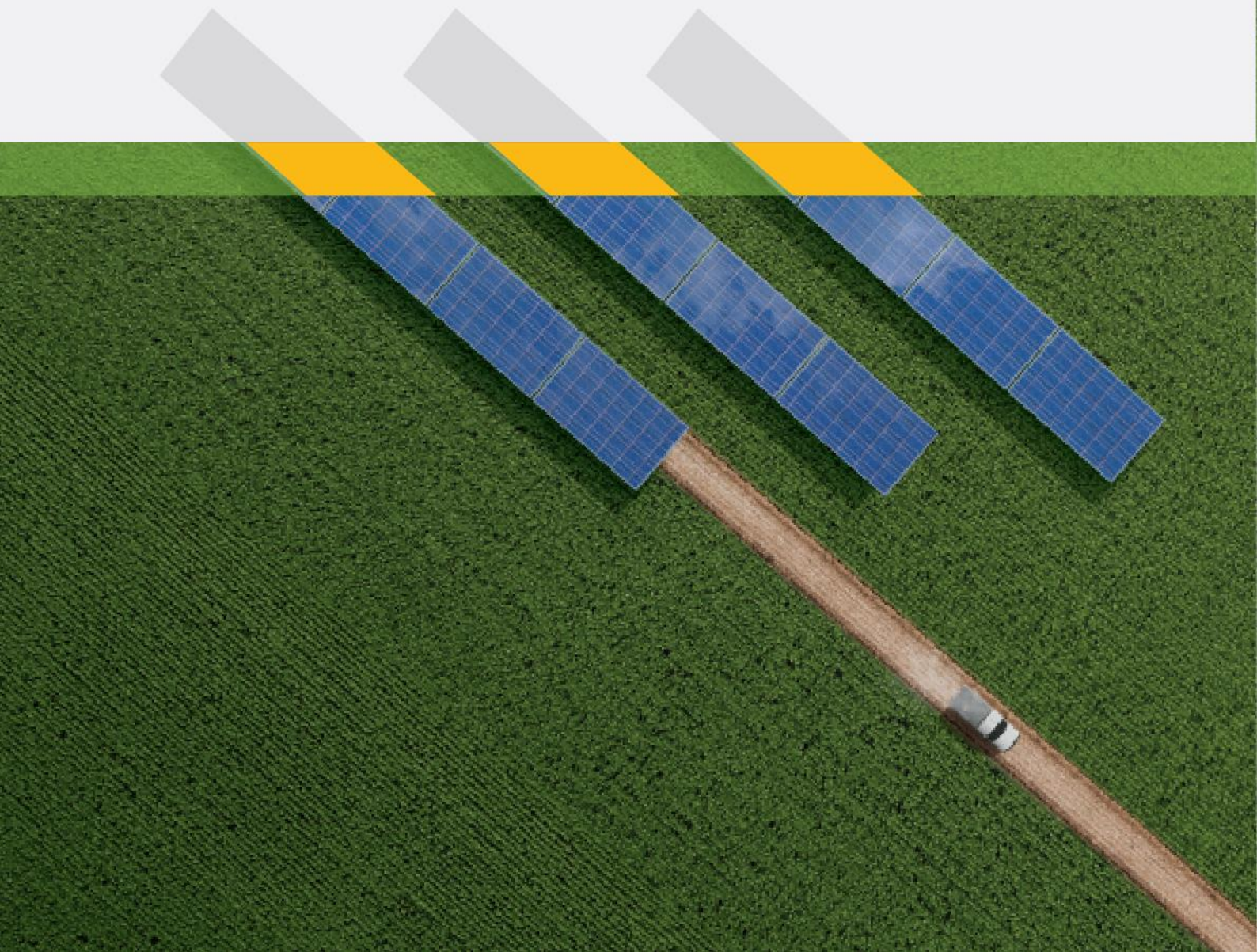




PIRAEUS GROUP
SUSTAINABLE DEVELOPMENT POLICY



GENERAL INFORMATION

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1. SCOPE OF POLICY

Piraeus Group seeks to contribute to and operate in alignment with the United Nations Sustainable Development Goals and the Paris Agreement on climate. The scope of the Piraeus Group Sustainable Development Policy (henceforth ‘Policy’) is to support, promote, and finance sustainability with adherence to ESG criteria. The Policy focuses on the areas of corporate governance – economy – society – culture – employees – environment.

In the context of its responsible business activities, Piraeus Group remains consistent with its commitments regarding the growth of the Greek economy, financing sustainable entrepreneurship, ensuring best workplace practices, reinforcing social coherence, strengthening its relationship with local communities, safeguarding cultural heritage and protecting the environment. Through this Policy and guided by the Principles for Responsible Banking of UNEP FI (United Nations Environment Programme Finance Initiative), Piraeus Group integrates Environmental, Social and Governance factors in its operation and business activity.

2. POLICY FRAMEWORK

2.1. General Principles

Piraeus Group, in the context of its vision and values, as well as its strategy and business plans,

Taking into account:

- the Articles of Association of “Piraeus Bank S.A.” and “Piraeus Financial Holdings S.A.”
- the Code of Conduct and Ethics
- the Risk and Capital Strategy of Piraeus Group
- the Corporate Governance Structure and Operating Regulation
- the Credit Policy of the Bank
- the Human Rights Policy of Piraeus Group
- the Regulatory Compliance Policy of Piraeus Group
- the Environmental Policies and the Climate Change Strategy of Piraeus Group
- the Procurement Policy of Piraeus Group,

In compliance with relevant laws for the disclosure of non-financial information and having adopted international sustainability frameworks and guidelines, such as:

- The UN Sustainable Development Goals
- The ten (10) principles of the UN Global Compact signed
- The Paris Agreement (United Nations Framework Convention on Climate Change)
- The Recommendations of the TCFD (Task Force on Climate-related Financial Disclosures)
- The six (6) UNEP FI Principles for Responsible Banking signed
- The Cultural and Environmental Goals set by UNESCO
- The European Union Policy on Cultural Heritage
- National and international initiatives and organisations in which the Group participates to promote sustainable development

Commits, through the implementation of the present Policy, to:

- Optimise corporate governance, enforcing transparency in all procedures and in the disclosure of financial and non-financial information.
- Align business strategies and goals with the Sustainable Development Goals and the Paris Agreement and cooperate with all stakeholders to achieve them. Set goals in fields with significant impact, increasing positive impacts while reducing negative ones.

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- Adopt best workplace practices and promote individual responsibility, as well as a responsible banking culture.
 - Leverage the growth potential of culture in order to strengthen society.
 - Protect the environment by using natural resources responsibly and supporting environmentally and socially beneficial business activities.
 - Assess and manage ESG risks emanating from its operations and financing activities.

2.2. Implementation Framework and Updates of the Policy

- The Sustainable Development Policy of Piraeus Group embodies the commitment of the organisation to transparency and concerns the management of the Group's internal operation and its business activities, as well as its relationship with stakeholders within and outside the organisation.
- The Group's Executive Committee approves the Policy and informs the BoD thereof.
- The Group's Corporate Responsibility Committee monitors the implementation of the Policy and reports to the Executive Committee.
- The Group's BoD is responsible for safeguarding the commitments deriving from the Policy.
- All Piraeus Group employees are informed about and comply with the principles stipulated in the Policy, accessible via the intranet.
- The Policy is updated by the Corporate Development & ESG unit every three years or whenever deemed necessary, in agreement with all Units involved.
- The Group may develop additional internal systems and processes in order to optimally implement the present Policy.

3. SUSTAINABILITY IN PIRAEUS GROUP

The Principles of Corporate Responsibility of the Group and the Principles for Responsible Banking govern the organisation and operation of Piraeus Group, integrating environmental, social and cultural aspects, as well as aspects of optimal governance in its operation and business activity. The Group supports and promotes the Sustainable Development Goals, which address the most important global economic, social and environmental challenges, as well as the Paris Agreement.

3.1. Corporate Governance

Piraeus Group adopts and implements optimal corporate governance and operational practices, enforcing transparency in all procedures and in disclosing financial and non-financial information, thus contributing to the achievement of Sustainable Development Goal 16.¹

Piraeus Group implements a Corporate Governance System, seeking to safeguard the interests of all stakeholders and ensure an effective corporate organisation, operation, and management.

The Group's Corporate Governance System complies with all legal, institutional, and regulatory requirements relating to its operation.

In particular, Piraeus Financial Holdings S.A. as a financial holdings company, listed on the Athens Stock Exchange, and the parent company of the banking institution "Piraeus Bank S.A.", complies with legal requirements regarding limited companies, the requirements included in its Articles of Association, and the legal and regulatory requirements pertaining to Corporate Governance in listed companies, as applicable. As a financial organisation supervised by the European Central Bank, it adheres to specific, strict legal and regulatory requirements governing the operation principles and the assessment criteria in the Management and Internal Audit Systems of financial institutions.

3.2. Responsible Entrepreneurship

Piraeus Group aligns its business strategy and business goals with social progress and solidarity, i.e. with the Sustainable Development Goals and the Paris Agreement, and cooperates with its stakeholders to achieve them, especially in high-impact sectors, thus contributing to the achievement of Sustainable Development Goals 7, 8, 9, 15, and 17.²

¹ SDG 16: 'Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.'

² SDG 7: 'Ensure access to affordable, reliable, sustainable and modern energy for all', SDG 8: 'Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all', SDG 9: 'Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation', SDG 15: 'Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss', SDG 17: 'Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development'.

Collaboration with Suppliers

The Group has adopted a centralized management model for its supplies and suppliers in order to strengthen transparency, further reduce costs, and ensure high quality in its services. In this context, it assesses all suppliers regarding their performance as collaborators, as well as their sustainability, recognising and managing potential risks to the Group.

Relationships of trust with Customers, Transparency in Transactions, and Responsibility

The Bank seeks to promptly, clearly, and fully inform all customers regarding the terms governing the provision of its services. Advertising aims to honest and transparent communication about its products and services, without misleading the recipient.

Customisation and Customer Support

The Bank cares for its customers' financial literacy and encourages them to implement sustainable practices; it also develops initiatives to support all customers and regularly updates feedback on customer satisfaction.

Positive Impact Financing

Piraeus Group recognises that it can contribute to the achievement of the Sustainable Development Goals and the Paris Agreement by increasing and directing capital towards activities that have a positive impact on the society and the environment and, conversely, by identifying and limiting financing initiatives that may lead to negative impacts. Therefore, the Bank supports and finances companies, institutions, organisations, and projects which offer added value to stakeholders and offers specialised products and services leading to social and environmental benefits in the following sectors:

- Enhancement of Business Innovation, Rural Development, Development Programmes

Piraeus Bank promotes and endorses new development standards, reinforces entrepreneurship, competitiveness and innovation, and supports the agricultural sector. Through business units and state / European funding, subsidies and / or guarantees, as well as through financing on favourable terms, the Bank seeks to facilitate the implementation, development, and modernisation of the business activities of less advantaged socio-economic groups (professional farmers, entrepreneurship of women and young people, etc.).

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- Support to Green and Sustainable Entrepreneurship

Piraeus Bank designs, develops, and promotes specialised products and services in order to finance innovative investments and green technologies in all sectors of green entrepreneurship.

Environmental & Social Management System – ESMS

In its Risk and Capital Strategy, Piraeus Group identifies, assesses, categorises and manages environmental and social risks, i.e. negative impacts on the environment and society deriving from its borrowers' business activity.

- Social risk refers to issues related to human rights, employment, employee health and safety, as well as the health and safety of the community where the business operates.
- Environmental risk refers to issues related to natural resources and landscape management, air pollutants management, liquid and solid waste management, as well as compliance with relevant laws and regulations.

During the financing process for businesses, the Environmental and Social Management System organises the assessment and management of environmental and social risks that may result from the business activities of the Bank, especially from financing directed to business customers. The effectiveness of the ESMS is assessed annually, according to the Bank's Risk Appetite Framework.

The significance of environmental and social risks inherent to each financing case depends on the customer's activities, the monetary value, duration, and objective of the financing, the proximity of the financed project to environmentally sensitive areas, as well as the potential environmental and social impact of the project and its extent.³

Processes of the Environmental and Social Management System (ESMS)

- **Assessment of the activity to be financed:** The Bank checks whether the activity sector of the business or project to be financed is mentioned in the exclusion list, as presented in the Group's Credit Policy, according to which certain activities cannot be financed.
- **Categorisation of financing:** The Bank assesses applications for financing and determines an audit scope in order to identify environmental and social risks. Thus, in accordance with Law 4014/2011 on environmental licensing for works and activities, the Bank categorises financing as low (C), medium (B) or high (A) risk.

More specifically:

- **Category A:** Financing that may result in major environmental or social risks and / or impacts that are potentially multidimensional, irreversible or unprecedented and which usually affect a larger area, outside the project's boundaries.
- **Category B:** Financing that may result in significant environmental or social risks and / or impacts that are potentially reversible and which usually do not affect a larger area, outside the project's boundaries.
- **Category C:** Financing that may result in comparatively manageable environmental or social risks and / or impacts that are reversible if suitable measures are taken and which usually are limited within the project's boundaries.

For all environmental and social risk categories, the Bank assesses the background of the customer, the shareholders and involved parties in relation to grave environmental and social violations, leveraging all publicly accessible information.

- **Environmental and social due diligence:** Considering the aforementioned environmental and social risk categorisation for all business financing, the Bank performs an appropriate economic, environmental, and social assessment.
- **Corrective Action Plan:** In case risks that have not been managed are identified, either during the initial environmental and social assessment or during subsequent audits, a Corrective Action Plan is developed; the implementation of the Plan is monitored according to the Bank's Credit Policy and processes.
- **Integration of environmental and social terms in contracts:** The Bank integrates in the contract the right to a) audit the facilities of the financed business, b) propose corrective measures, and c) lay down specific terms and clauses, if necessary, in the financing contract.
- **Monitoring of environmental and social performance:** The Bank monitors and regularly reassesses its borrowers' environmental and social risks, based on specific assessment criteria, since a customer's degree of compliance or the risks themselves may change. In the event of an accident or any other environmental and social event, the customer is obliged to inform the Bank in written no later than a day after the event.

3.3. Employees

Piraeus Group adopts best workplace practices and fosters a responsible banking culture, thus contributing to the achievement of Sustainable Development Goals 4, 5, and 8.⁴

Safeguarding Human Rights

The Group offers equal opportunities in all its activities, respects and safeguards human and labour rights, acknowledges and respects diversity and objects to any violation thereof. The Group has instituted a Human Rights Policy, as well as a Whistle-Blowing Policy, and it implements an Anti-Retaliation Framework.

Equal opportunities in Appointing Executives

The Group implements equal opportunities processes when appointing executives, seeking the optimal utilization of its human resources. It continuously improves working conditions through policies and procedures in order to ensure equal opportunities regardless of gender, sexual orientation, age, religion, nationality or physical ability, without any discrimination in the basic salary for men and women.

Human Resources Education and Responsible Banking Culture

Aiming to shape a high-performance workforce, Piraeus Group seeks to continuously educate its human resources and strives to equip employees with needed skills, knowledge, and qualifications in order to help them achieve their professional goals, create value, and act in alignment with the organisation's values and strategy. The Group invests in developing shared values and a uniform responsible banking culture, as well as a risk management culture within its human resources through specific educational programmes.

Human Resources Reward Systems

The Group implements reward systems, which encourage individual and collective contribution favouring performance, innovative initiatives, ethics, integrity, and exceptional professional conduct. The Group has instituted a Remuneration Policy and ensures that employees are remunerated in a way that they can afford a consistent standard of living and, at the same time, are sufficiently motivated.

⁴ SDG 4: 'Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all', SDG 8: 'Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all', SDG 5: 'Achieve gender equality and empower all women and girls'.

Contemporary, Healthy, and Safe Working Environment

The Group continuously aspires to create a contemporary, healthy, and safe working environment, emphasising on the identification of occupational and psychosocial risks, prevention, and early intervention. It is fully in line with legal requirements on workplace safety, which cover all its facilities. Apart from adhering to labour-related provisions, the Group gives employees and their family members, access to occupational physicians, nurses, and support services, through internationally certified Employee Assistance Programmes (EAPs). The Group has also established a 24-hour helpline and offers individual counselling sessions, while it also supports employees through emergency interventions in case of critical or unexpected traumatic events.

Collective Representation

The Group adheres to all legal provisions and provisions deriving from individual employment contracts and collective labour agreements and it maintains an open communication channel with employees and their representatives in order to continuously improve the working environment.

3.4. Society

Piraeus Group promotes culture, leverages its growth potential in order to reinforce social cohesion and ensures that relationships with its institutions are harmonious, thus contributing to the achievement of Sustainable Development Goals 4, 11, and 17.⁵

Promotion of Culture

The Piraeus Bank Group Cultural Foundation (PIOP), which has been certified by the General Conference of Member States of UNESCO as an advisory body on issues of Intangible Cultural Heritage, promotes and supports the Group's strategy to strengthen local communities through an integrated action plan that aims to preserve and showcase the country's cultural heritage. PIOP promotes the country's intangible cultural heritage and cultural capital, emphasising the country's production history, artisanal and industrial technology, while it also ensures the sustainable operation of a museum network in Greece, under the highest international standards.

Piraeus Group commits to safeguarding and organising archives reflecting economic and social parameters of the country's contemporary history. The PIOP's Historical Archives support historical research and cultural production.

⁵ SDG 4: 'Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all', SDG 11: 'Make cities and human settlements inclusive, safe, resilient and sustainable', SDG 17: 'Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development'.

PIOP implements research programmes in alignment with its statutory objectives, collaborating with a large network of academic and research institutions in Greece and abroad.

PIOP contributes to lifelong learning by designing and implementing contemporary educational programmes and also by providing high-quality educational and printed material. The Bank offers employees and their families the opportunity to attend cultural events and educational programmes organised by PIOP.

Strengthening Society and Maintaining Harmonious Relationships with its stakeholders

Piraeus Group strengthens society by providing financial aid and donations to institutions. It also cooperates with non-governmental organisations, thus supporting family, education, health, the environment, culture, fair play and entrepreneurship.

The Group supports employability and local hiring in covering specific staffing needs within the communities it operates.

The Group regularly undertakes volunteering activities to benefit society and local communities, involving employees and their family members in line with the Bank's 'Volunteering Statement'.

3.5. Environment

Piraeus Group protects the environment by using natural resources in a responsible way and supporting business activities that lead to environmental and social benefits, thus contributing to the achievement of Sustainable Development Goals 12 and 13.⁶

Environmental Management

Piraeus Group acknowledges that energy and natural resources are exhaustible and should be used responsibly. Therefore, it implements an Environmental Management System (EMS), certified under the European EMAS Regulation and the Standard ISO 14001:2015. The Bank's EMS provides an integrated framework to monitor, manage and ultimately reduce the environmental impact associated with the Bank's operation and activities.

The Group's Management commits to implement and regularly upgrade the EMS, aiming to prevent and address environmental pollution, to continuously improve its environmental performance and disclose relevant results and performance indicators, to comply with applicable national and international regulations and codes of conduct regarding the Bank's operation, and to comply with applicable legal requirements regarding the environment.

The EMS is implemented in all branches and administration buildings in Greece aiming to include its subsidiaries in the future. PIOP promotes the interconnection between Culture and the Environment and is certified under EMAS.

Through the EMS, environmental risks are assessed and managed, i.e. negative environmental impacts that may result from the activities of the Bank (direct risks) and are related to the management of natural resources, air pollutants and waste. In addition, the EMS assesses risks faced by the Bank due to changes in the environment in order to design relevant management and adaptation programmes. The EMS places particular emphasis on issues pertaining to energy efficiency.

The Bank sets environmental objectives and annual targets, which are achieved through the implementation of specific environmental programmes (e.g. energy and water saving programmes, waste management and recycling programmes, programmes to reduce business travel and promote responsible procurement, programmes to promote e-banking, etc.) and are regularly reviewed.

To ensure the optimal implementation of its environmental policy, the Group commits and seeks to continuously educate, inform raise awareness and engage its human resources, who are required to comply with all EMS processes. Piraeus Bank's environmental policy is updated based on current developments, disclosed to all stakeholders and made public on the organisation's website.

⁶ SDG 12: 'Ensure sustainable consumption and production patterns', SDG 13: 'Take urgent action to combat climate change and its impacts'.

Climate change

Piraeus Group recognizes the impact of climate change on the economy, society and the environment and thus seeks to:

1. Gradually reduce the carbon footprint resulting from its operation and business activities,
2. Support investments in projects with environmental benefits (e.g. RES and energy saving projects),
3. Assess and evaluate transitional and physical risks due to climate change for Greek businesses and the adaptation cost to climate change, by using specific tools and processes,
4. Provide solutions to support clients and businesses and help them adapt to new climatic conditions.

Environmental, social and climate risks affect the operation, liquidity and reputation of an organisation; therefore, the Bank estimates the impact of climate change on businesses in Greece, identifies and promotes business opportunities arising from addressing climate change, sets goals, and develops / promotes relevant products and services (green banking products, financing environmentally beneficial investments, etc.).

Biodiversity and ecosystems

The protection and management of biodiversity and ecosystems is one of the Group's objectives, since the Group acknowledges their value and potential risks to the economy and society that may result from the loss of biodiversity and ecosystems. To this end, the Group promotes the protection of biodiversity and ecosystems through sustainable business activities, in compliance with EU policies and strategies.

The Group evaluates the aforementioned risks and seeks to develop products and services that promote and strengthen biodiversity and ecosystem services, emphasising on areas within the Natura 2000 Network.

