



# OUR SUSTAINABILITY STORY

Strategy and Performance on Environment,  
Society & Governance (ESG)

PIRAEUS  
FINANCIAL HOLDINGS



# WE ARE WORKING TODAY FOR A BETTER TOMORROW



“We are living in very challenging times for households, businesses and the overall economy. In dealing with such complex and systemic challenges, cooperation has proved to be a lifesaving factor. At Piraeus Group, we recognize the importance of cooperation and therefore we work responsibly with our clients, employees and other stakeholders. Having a robust governance and a vigorous sense of corporate responsibility, we develop solid and transparent relationships that address the needs of society and build a healthy economy.”

**George Handjinicolaou**  
Chairman of the Board of Directors



“Piraeus Group is committed to playing a leading role in regenerating the economy and creating a sustainable and inclusive future, leaving no one behind. Having a comprehensive ESG Strategy, we are redefining our business model guided by the Principles for Responsible Banking. Leveraging on EU and national priorities we are steering our financing toward a 1.5 degrees Celsius economy. We want to become a net-zero bank earlier than 2050, while at the same time we are committing to invest in biodiversity. Piraeus Group has the expertise and the solutions to help build a resilient economy. Building an equitable future and perspective for all members of our society is an integral part of our purpose and mission. A priority, which we act upon, on a daily basis. We want to make the change today, so that we can all enjoy a better world tomorrow.”

**Christos Megalou**  
CEO



## OUR VISION

“Our vision is to be the most trusted Bank in Greece, creating value for our shareholders, clients and employees.”

## OUR PURPOSE

“Our purpose is to be a pillar of stability for the Greek economy, to fuel growth and to promote innovation. Our footprint in society is positive and lasting, for the benefit of our customers, our people and our shareholders, fully reflecting our values.”

Piraeus Bank, headquartered in Athens, offers a full range of financial products and services. It is the leading bank in Greece in terms of footprint, market shares both in loans and deposits. Piraeus Bank remains more committed than ever to its aspiration for becoming a more lean, efficient, de-risked and highly profitable bank, operating to the benefit of our clients, providing returns to our investors and adding value to our people and the community.

Sustainable development, social outreach and responsible banking are aligned with our business model and with our values of Accountability Meritocracy Transparency.

Build  
relationships  
of trust

Enthuse our  
customers

Challenge  
the  
frontiers

Create value  
in all we do

# WE ASPIRE FOR A POSITIVE AND LASTING FOOTPRINT IN THE SOCIETY WE OPERATE IN

# WE ARE BUILDING THE NEW PIRAEUS BANK ON A SOLID BASE

## Leveraging on our competitive strength: providing unique banking experience & an integrated customer offering

### 1

#### Local market leader with widespread commercial network

#1 in customer loans (31% market share) & deposits (29% market share), dominant player in Northern Greece (>40% market share)

### 2

#### Nationwide 5.5mn client base in Greece with solid, longstanding relationships

representing c.60% of bankable customers in Greece. Sticky banking relationships with c.4 products per client & c.13 years duration on average; leading position in SMEs & farmers (c.700k clients)

### 3

#### Strong customer perception

with client satisfaction rate among the top 30% of European banks; leading presence in agri, green and sustainable financing

### 4

#### Best in class digital capabilities to deliver unique customer experience

95% of all banking transactions executed via digital channels, e-branch network

### 5

#### Experienced, results-oriented management team

having achieved tangible results in all areas of focus, restoring profitability, improving capital and liquidity position and most importantly de-risking the Bank's balance sheet



**ENVIRONMENT**  
Supporting the green transition

Driving sustainability financing

- Largest RES portfolio in GR, exceeding 2GW
- €2.1bn current green loan exposure
- ~€1bn additional exposure by 2024
- First sustainability-linked loan in Greece
- First ESG mutual fund in Greece

Climate journey

- Full alignment with TCFD requirements and ECB Expectations by 2022 in managing risks and applying climate lens to financing decisions

**SOCIETY**  
Contributing to a cohesive & inclusive community

Supporting society

- COVID-19 support measures for employees, clients and community
- Project Future >2,500 graduates trained, bridging gap (education vs job market)  
1 of 2 participants enter the job market
- Grants/donations with social benefit

Supporting culture

- Grants/donations/initiatives with cultural benefit
- Leverage on the contribution of Piraeus Bank Group Cultural Foundation to local communities and preserving artisanal and industrial technology heritage
- Creativity 360°offer a range of integrated solutions to businesses in the Art & Culture sector

**GOVERNANCE**  
Doing business the right way

Strong corporate culture

- All activities embrace and serve our principles of Responsibility, Meritocracy and Transparency, aiming to maximize value for all interested parties
- ESG embedded in governance structure

Talented & Diverse

- Safeguard pay equity
- 31 professional training hrs/employee p.a.
- 55% of promotions covered by women
- 49% women in management positions
- Joined UN Women’s Empowerment Principles (WEPs) to promote gender equality and women’s empowerment in the workplace, marketplace & community

TCFD: Task Force on Climate-related Financial Disclosures

OUR ESG JOURNEY  
& MILESTONES







# WE ALIGN OUR OPERATIONS WITH THE PRINCIPLES FOR RESPONSIBLE BANKING

## Our PRB commitments

### 1. Alignment

*We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.*

### 2. Impacts and Target Setting

*We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.*

### 3. Clients & Customers

*We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.*

## Our key actions so far

### Incorporate ESG criteria into our business strategy:

- Support the U.N. Global Compact and the Sustainable Development Goals
- Signed the UNEP FI Principles for Responsible Banking and the Principles for Responsible Investment (PRI – Piraeus Asset Management M.F.F.C.)
- Monitor and align with the EU Action Plan for Sustainable Growth
- Became signatory of the Women’s Empowerment Principles established by UN Global Compact and UN Women

### Identify impact areas:

- Developed the “Climate Risk Management Model” for estimating the climate risk of our business borrowers
- ESG target setting by engaging all competent business units
- Continuously developing measuring tools and assessment criteria for ESG actions, such as the Impact Assessment and EU Taxonomy (in cooperation with EBF), in collaboration with UNEP FI

### Support our clients:

- Develop and promote environmentally and socially responsible banking products and services
- Established the Environmental and Social Management System (ESMS) to reduce environmental and social risk from financing businesses
- Support financial literacy
- Pioneer in issuing the first in Greece ESG aligned mutual fund and bond
- Launched the first in Greece Sustainability Linked Loan
- First to launch a set of specialized products and services for the Cultural and Creative Industries

## Our 2021–2024 Action Framework

### Contribute to society through our ESG Strategy founded on:

- Piraeus Group's Policy on Sustainable Development
- The UNEP FI “Collective Commitment to Climate Action”
- The “Finance for Biodiversity Pledge”
- United Nations – convened Banking Alliance for Net-Zero
- Leveraging on Piraeus’ competitive strength so as to provide a unique banking experience and an integrated customer offerin
- Establishing an integrated policy to promote gender equality and women’s empowerment in the workplace, marketplace and society

### Aim to:

- Set Science Based Targets for our operations and our financed emissions
- Adopt new customized Key Performance Indicators and hybrid metrics to monitor our progress
- Upgrade and fully incorporate the “Climate Risk Management Model” in credit and business decisions
- Improve and apply the Portfolio Impact Analysis Tool for Banks
- Investigate business opportunities in biodiversity and set targets

### We focus on developing new banking products and services such as:

- Clean energy
- Organic and responsible farming
- Investment solutions
- Financial inclusion
- Female entrepreneurship
- Cultural and Creative Industries

# WE ALIGN OUR OPERATIONS WITH THE PRINCIPLES FOR RESPONSIBLE BANKING



## Our PRB commitments

### 4. Stakeholders

*We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.*

### 5. Governance & Culture

*We will implement our commitment to these Principles through effective governance and a culture of responsible banking.*

### 6. Transparency & Accountability

*We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.*

## Our key actions so far

### We identify our stakeholders and:

- Promote the purpose of the Principles for Responsible Banking
- Communicate and address their needs and expectations with emphasis on investors, supervisory & regulatory authorities and government
- Contribute to the economic development of local communities through our Piraeus Bank Group Cultural Foundation (PIOP)
- Train our employees on ESG matters
- Support the young generation through “Project Future”

### Building a robust governance system for implementing our ESG strategy is of paramount importance:

- The CEO chairs the Corporate Responsibility Committee and has ownership and oversight of the PRB
- Members of the Executive Committee have assumed the role of “Responsible Banking Ambassadors” while the “Action Team” coordinates the cross functional team “PRB Working Group” and liaises with the top management
- The newly established units "Group Cultural & Social Initiatives" and "Group Corporate Development & ESG" will support the implementation of the Group's Corporate Responsibility Strategy

### Being transparent and accountable is a priority by:

- Publicly disclosing our ESG commitments on our website, in our reports and in media
- Having published our first TCFD report (Task Force on Climate Related Financial Disclosures) on climate risk
- Participating in sustainability (ESG) ratings
- Working with the Sustainable Development Committee of the Hellenic Banking Association

## Our 2021-2024 Action Framework

### We aspire to:

- Be the employer of choice, promoting equal opportunities, respecting diversity and promoting inclusion
- Implement talent-retention schemes
- Attain shareholder satisfaction on a sustainable basis
- Strengthen the financial and sustainability literacy of our stakeholders
- Work close with suppliers

### To further strengthen governance, we will:

- Adopt best in class practices in corporate governance and in Board leadership
- Reinforce Top Management’s commitment
- Increase women's participation in the BoD, Executive Committee and top management
- Safeguard pay equity
- Incorporate ESG criteria in relevant policies and revision of exclusion list for investments
- Align with the EU Taxonomy, adapt the Principles for Green and Sustainability Loans
- Evaluate participation on other global initiatives that can have an impact on our business

### We intend to:

- Further integrate ESG in our financial reporting through new global ESG reporting frameworks and improve the disclosure on the targets for implementing the PRB
- Strengthen communication with our clients and stakeholder groups
- Systematize the communication of our ESG achievements to the media
- Focus on improving and communicating our performance in ESG

Financial Capital



Sustainability Green Financing outstanding exposure  
RES projects that have been financed & reduce CO<sub>2</sub>  
Sustainability-linked Loans (SLL) and Green Bonds  
EU & State aid payments to beneficiaries  
**For every €1 of Piraeus Bank value added**

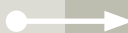


€2.1bn approved limits  
c.2GW installed led to 4mn tonnes of avoided emissions CO<sub>2</sub>  
Pioneer in the market as advisor for Green domestic bonds and for SLL  
o/w €2.7bn only to the agricultural sector  
**€0.4 added value is created in the Greek economy**

Natural Capital



Total climate risk of business borrowers  
Energy consumption / m<sup>2</sup>  
RES electricity consumption (Guarantees of Origin)  
CO<sub>2</sub> emissions / m<sup>2</sup>  
**Annual average cost savings from environmental programs**



0.58% of their total turnover  
-23.4% reduction (2016-2020)  
100% of the electricity consumed in the Bank's facilities from renewables  
-23.7% reduction (2016-2020)  
**€5.5mn**

Social & Cultural Capital



Grants / Donations / Sponsorships with social & cultural benefit  
Bridge the gap between higher education and the job market  
Contribution of PIOP Museums  
Support clients through the COVID-19 crisis  
**Investments in Society, Culture and the Environment**



€5mn  
Project Future: 5 cycles & 2,600 participants, 3€ of social value generated for each euro invested  
€23mn in economic activity  
Targeted solutions, through all available tools  
**c.1.5% of the Group's OpEx**

Human Capital



Inclusion and diversity  
Employee protection through the COVID-19 crisis  
**Every job in Piraeus Bank indirectly supports**



55% of promotions covered by women  
21% women in top management positions, 49% in management positions  
The majority of employees are working from home, COVID-19 tests & medical advisor  
**1.4 jobs in the Greek economy**

Productive Capital



Modern Banking Experience and accessibility in banking services  
Digital Banking  
winbank - Personal Financial Management tools



484 branches nation-wide & 10 e-branches, accessible also to people with disabilities  
1,888 ATMs & 538 easypay kiosks  
95% increase of transactions to digital channels  
offered at no cost to ~2mn active e-banking users, aiming to provide valuable information on managing their financials

Intangible Capital



ESG commitments  
**Acquired expertise**



UNEP FI, Collective Commitment to Climate Action, Science-Based Targets, TCFD  
**Climate Risk Management Model, Impact Analysis tool, Energy Office**



OUR ESG PERFORMANCE

1 Energy

- Double risk appetite to €2bn in renewable energy, energy saving and storage, net-metering, green mortgages, and supporting energy communities, and just transition over the medium term
- Exoikonomo – Autonomo it is expected that c.60k households per year will be upgrading their energy efficiency and autonomy until 2030. Piraeus holds a leading position in the program with over 40% market share. Enhance contribution of program financing to the total mortgage portfolio by 400bps to 20% in the short term

2 Agri-food

- Earmark €500mn to support farmers in organic farming, water and agri-waste management, smart & precision farming, agri-cooperatives, renewable energy production and by expanding contractual banking
- Increase by 50% training of young farmers in remote areas

3 Green transportation

- Increase finance by €1bn for green public transportation, e-charging infrastructure and networks, and purchase or leasing of e-vehicles (private and corporate)

4 Circular economy

- Allocate €1bn to finance new or transition of existing infrastructures towards a circular economy (waste management, biodegradable production lines, packaging) and support SMEs in doing so

5 ESG products

- Increase Sustainability Linked Loans by 100% and proceed with issuance of 2nd ESG bond
- Enhance ESG Mutual Funds portfolio aiming at 15% growth in beneficiaries and 60% of ESG criteria in portfolio
- EaSI Piraeus Microloan provides for specialized education, training, counselling and mentoring services to start-ups and very small businesses. New disbursements are expected to reach €40mn in the medium term
- Support local entrepreneurship in the recently launched program Shop in the Neighborhood by enrolling 18,000 small enterprises and bringing them closer with 800,000 customers
- Enhance ESG awareness for employees and customers on ESG related product offerings

6 Society & Culture

- In July 2020, the Cultural & Social Initiatives Unit was established, in order to support the pillars of Society and Culture, in full respect of Piraeus Bank’s corporate responsibility strategy. In this context, the unit has been developing and implementing social and cultural initiatives that address society’s current needs and are connected to Piraeus Bank’s mission and purpose, as well as its operational model and stakeholders expectations. Initiatives focusing especially on creative economy, cultural literacy, gender equality, vocational guidance, health and education will strengthen Piraeus Bank’s social and cultural impact, building a legacy for the generations to come
- Maintain and leverage on the contribution of Piraeus Bank Group Cultural Foundation (PIOP) to local communities

7 Climate Change

- By 2050 the Piraeus Bank portfolio will be net-zero, by committing to SBT initiative (applying PCAF methodology) and participating in the Collective Commitment for Climate Action (UNEP FI)
- Achieve full alignment with TCFD recommendations and ECB Expectations

8 Workplace Wellbeing

- Provide a safe, modern and ergonomic work environment for our people. In addition, we give our employees the opportunity to be trained in a systemic way in order to deal effectively with everyday health and safety issues and receive first aid seminars

9 Inclusion & Diversity

- Increase female representation in governance bodies
- Apply impactful bias management (Run a flagship campaign regarding unconscious bias)
- Increase governance training (+5% risk & controls)
- Safeguard pay equity
- Integrate the respective KPIs to track performance in supporting gender equality, through policy development, representation and transparency

10 Operational Footprint

- Electricity 100% sourced from renewables leading to zero Scope 2 emissions from 2021; 50% reduction of Scope 1 emissions, by 2030

UNFOLDING  
OUR ESG ACTION PLAN

We focus on key areas with impact and set targets to meet our near and medium-term aspirations.





**Piraeus Bank issued in 2020 its first TCFD standalone report and is currently elaborating a roadmap to fully integrate by 2023 the European Central Bank’s expectations on climate-related and environmental risks.**

**PILLAR 1: GOVERNANCE**

- The Bank has signed the Principles for Responsible Banking and has issued a comprehensive new Sustainability Policy
- The CEO is overall responsible for ESG issues and informs the Board of Directors and relevant Board Committees
- The Corporate Responsibility Committee, chaired by the CEO, coordinates all ESG initiatives and informs the Executive Committee
- A management committee coordinates the implementation of ECB guides on climate-related and environmental risks
- A dedicated unit liaises with other units to promote and coordinate ESG strategies
- The Bank discloses climate management aspects

**PILLAR 2: STRATEGY**

- Piraeus Bank’s Climate Change Strategy focuses on:
  - Gradual reduction of Piraeus Group’s operational carbon footprint
  - Support of investments in renewable energy and energy saving projects
  - Climate change risk assessment of clients
  - Provision of solutions to businesses in order to adapt to the new climatic conditions
- Leveraging on climate opportunities the Bank expands development on low-carbon and responsible ESG investment products, digitization and e-banking, access to new markets
- Piraeus Bank is pilot testing application of EU Taxonomy on core banking products as member of an EBF-UNEP FI working group
- Roadmap for fully integrating climate related and environmental risks in management, processes and decision making according to ECB Guide

**PILLAR 3: RISK MANAGEMENT**

Piraeus Bank has established tools and processes for assessing and managing climate-related risks:

- Risk & Capital Strategy: incorporates climate and ESG risks
- Annual Risk Identification Process: climate identified as risk driver
- Environmental and Social Management System (ESMS): applied during loan origination
- Credit Policy: integrates business clients’ climate & ESG risks
- Environmental Management System (EMS) for the Bank’s operation certified under EMAS (Scope 1, 2 & 3)
- Climate Risk Management Model aligned with TCFD and UNEP FI scenarios: annual reporting of portfolio climate risk

**PILLAR 4: METRICS & TARGETS**

Metrics

- Piraeus Bank annually identifies, calculates and discloses:
  - the climate risk of its business borrowers as percentage of their turnover
  - transition and physical risks for both its operations and clients
  - its operational environmental footprint (scope 1, 2, 3)
  - financed emissions (Scope 3 category 15)
  - portfolio impact analysis by using the self-assessment tool developed by UNEP FI

Targets

- By 2050 (latest) the Piraeus Bank portfolio will be net-zero, having committed to SBT Initiative and applying the PCAF methodology, and by participating in the Collective Commitment for Climate Action (UNEP FI)
- Electricity 100% sourced from renewables, leading to zero Scope 2 emissions from 2021; Reduce Scope 1 emissions by 50%, no later than 2030
- Piraeus Bank has an appetite of €4.5 bn over the next 2-3 years for renewable energy, energy savings in buildings, circular economy, sustainable agri-food and just transition.



**WE ALIGN  
WITH THE TCFD  
RECOMMENDATIONS**

# WE PARTICIPATE IN GLOBAL INITIATIVES FOR SUSTAINABLE DEVELOPMENT



Signatory: UN Global Compact  
Signatory: UNGC “United in the Business of a Better World”



Signatory: UN Global Compact  
“Caring for Climate: The Business Leadership Platform”

In support of



Signatory: UN Women's Empowerment Principles



Supporter: UN SDGs



Signatory: Science Based Targets Initiative for setting targets to reduce carbon emissions



Signatory: UN Environment Programme Finance Initiative(UNEP FI) – elected on the Banking Board



Signatory: Collective Commitment to Climate Action, for a low-carbon economy

Signatory of:



Founding bank and signatory: Principles for Responsible Banking



Signatory: Finance for Biodiversity Pledge – committed to set biodiversity targets



Member: EU B@B Platform



Supporter: Paris Climate Agreement



Signatory: PRI – Piraeus Asset Management

## ESG Ratings:



## ESG Distinctions:



Europe's Climate Leaders 2021



2021 Sustainability Gold Award in the category "Financial Intermediaries"



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