






# TCFD Climate - related & Environmental **Risk Report**



Content

2		3.3	14	
3		3.4	15	
5		3.5	18	
		7	44	
		8	46	
2.1		8	5.1	
2.2		8	5.2	57
2.3		9	5.3	57
2.4		10	5.4	57
			19	
		4.1	21	
		4.2	25	
		4.3	30	
		4.4	32	
		11		
3.1		12	6.1	63
3.2		12	6.2	66
			6.3	69
			6.4	74
			6.5	76
			6.6	77

## Terminology

01.	<b>AML</b>	Anti Money Laundering	11.	<b>CR&amp;E</b>	Climate-Related & Environmental	21.	<b>ESMS</b>	Environmental & Social Management System
02.	<b>AP</b>	Audit Plan	12.	<b>CRST</b>	Climate Risk Stress Test	22.	<b>ETS</b>	Emissions Trading Scheme
03.	<b>BCBS</b>	Basel Committee on Banking Supervision	13.	<b>DNSH</b>	Do No Significant Harm	23.	<b>EU</b>	European Union
04.	<b>BoD</b>	Board of Directors	14.	<b>E&amp;S</b>	Environmental & Social	24.	<b>EV</b>	Electric vehicles
05.	<b>BRC</b>	Board Risk Committee	15.	<b>EBA</b>	European Banking Authority	25.	<b>FFDR</b>	Forage Fish Dependency Ratio
06.	<b>CAPEX</b>	Capital Expenditures	16.	<b>ECB</b>	European Central Bank	26.	<b>GAR</b>	Green Asset Ratio
07.	<b>CBAM</b>	Carbon Border Adjustment Mechanism	17.	<b>EMAS</b>	Eco-Management and Audit Scheme	27.	<b>GCRD</b>	Group Climate Risk Division
08.	<b>CEO</b>	Chief Executive Officer	18.	<b>EMS</b>	Environmental Management System	28.	<b>GDP</b>	Gross Domestic Product
09.	<b>CGE</b>	Computable General Equilibrium	19.	<b>EPC</b>	Energy Performance Certificate	29.	<b>GHG</b>	Greenhouse Gas
10.	<b>CIB</b>	Corporate & Investment Banking	20.	<b>ESG</b>	Environmental, Social & Governance	30.	<b>GORS</b>	Group Operational Risk Sector

## Terminology

31.	<b>GRMGD</b>	Group Risk Management General Division	41.	<b>IT</b>	Information Technology	51.	<b>NACE</b>	Statistical classification of economic activities in the European Community
32.	<b>HBA</b>	Hellenic Bank Association	42.	<b>KPIs</b>	Key Performance Indicators	52.	<b>NECP</b>	National Energy and Climate Plan
33.	<b>HQLAs</b>	High-Quality Liquid Assets	43.	<b>KRIs</b>	Key Risk Indicators	53.	<b>NFC</b>	Non-Financial Corporation
34.	<b>IAG</b>	Internal Audit Group	44.	<b>LCR</b>	Liquidity Coverage Ratio	54.	<b>NFRD</b>	Non-Financial Reporting Directive
35.	<b>ICAAP</b>	Internal Capital Adequacy Assessment Process	45.	<b>LMA</b>	Loan Market Association	55.	<b>NFRs</b>	Non-Financial Risks
36.	<b>ICMA</b>	International Capital Market Association	46.	<b>LoD</b>	Lines of Defense	56.	<b>NGFS</b>	Network for Greening the Financial System
37.	<b>ICT</b>	Information and Communications Technology	47.	<b>ManCo</b>	Management Committee	57.	<b>NZEB</b>	Nearly Zero Energy Building
38.	<b>IGCM</b>	Internal Governance Control Manual	48.	<b>MPS</b>	Managed Print Services	58.	<b>OPEX</b>	Operating Expenses
39.	<b>ILAAP</b>	Internal Liquidity Adequacy Assessment Process	49.	<b>MRA</b>	Moody's Risk Analyst	59.	<b>PAI</b>	Principal Adverse Impact
40.	<b>ISO</b>	International Organization for Standardization	50.	<b>MRC</b>	Management Risk Committee	60.	<b>PCAF</b>	Partnership for Carbon Accounting Financials

## Terminology

61.	<b>PED</b>	Primary Energy Demand	71.	<b>RIMA</b>	Risk Identification and Materiality Assessment	81.	<b>WRI</b>	World Resources Institute
62.	<b>PMO</b>	Project Management Office	72.	<b>RRF</b>	Recovery and Resilience Facility			
63.	<b>PPA</b>	Power Purchase Agreement	73.	<b>SDGs</b>	Sustainable Development Goals			
64.	<b>PRB</b>	Principles for Responsible Banking	74.	<b>SFF</b>	Sustainable Finance Framework			
65.	<b>PRI</b>	Principles for Responsible Investment	75.	<b>SIF</b>	Sustainable Investment Framework			
66.	<b>PV</b>	Photovoltaic	76.	<b>SLLs</b>	Sustainability Linked Loans			
67.	<b>RAF</b>	Risk Appetite Framework	77.	<b>SPTs</b>	Sustainability Performance Targets			
68.	<b>RE</b>	Real Estate	78.	<b>TCFD</b>	Task Force on Climate-Related Financial Disclosures			
69.	<b>RCPs</b>	Representative Concentration Pathways	79.	<b>UN</b>	United Nations			
70.	<b>RES</b>	Renewable Energy Sources	80.	<b>UNEP FI</b>	United Nations Environment Programme Finance Initiative			

## CEO Foreword

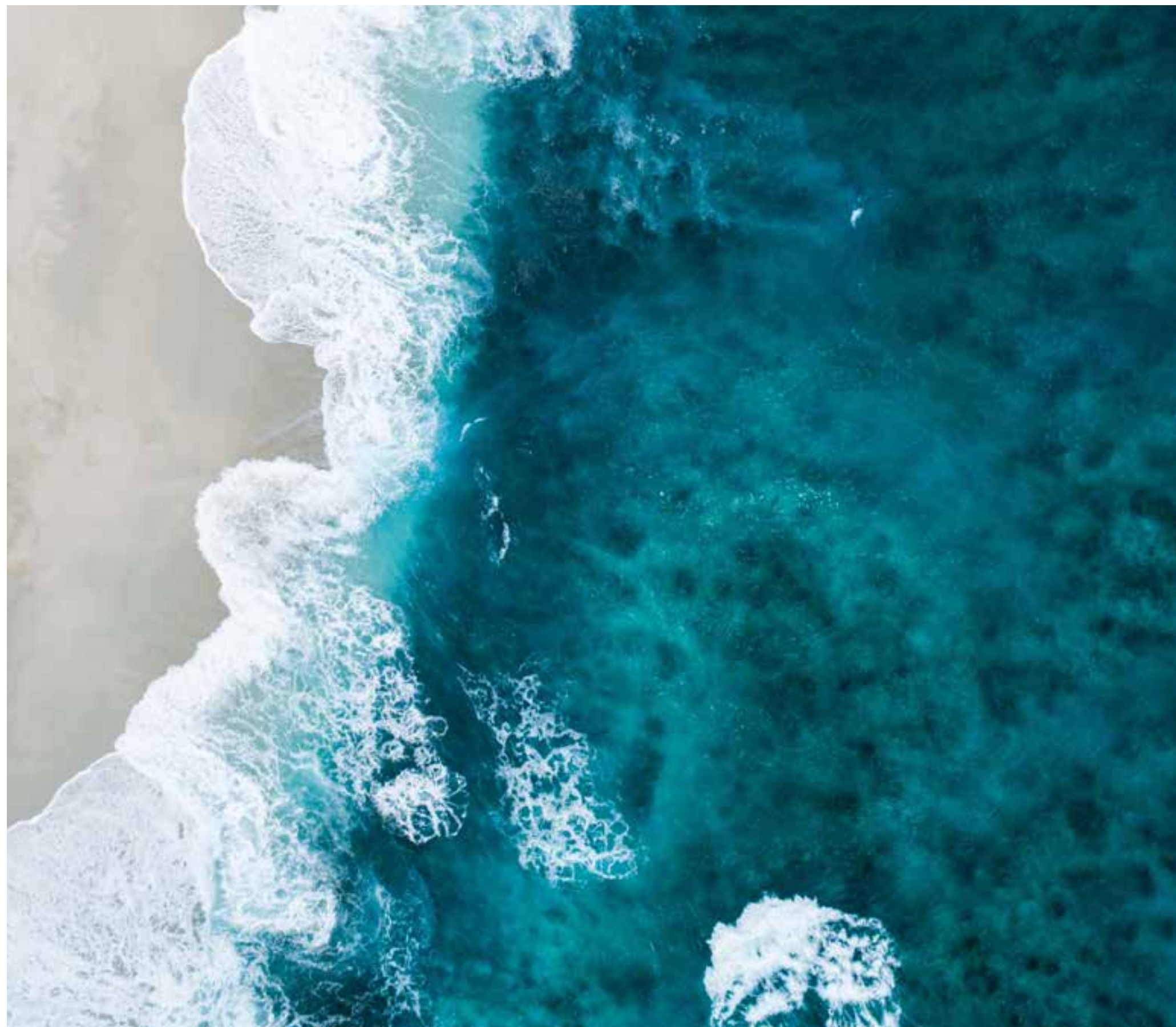
Eurobank's mission is to foster economic growth, while enabling and supporting a sustainable economy that generates prosperity and value for all stakeholders. To this end, Eurobank continuously strives to incorporate environmental and social sustainability criteria into its activities. The Bank has committed to contributing to the achievement of the United Nations Sustainable Development Goals (SDGs) and the UN 2030 Agenda, as a signatory to the UN Global Compact since 2008, and by actively promoting its fundamental principles and applying the precautionary approach. In this context, in 2023 the Group implemented a holistic sustainability strategy. This strategy is based on two main pillars. Firstly, the Operational Impact Strategy, which applies to the Bank's own operations and activities and includes three strategic axes – Environmental Impact, Social and Business Impact, and Employer Impact – with specific measurable targets and time commitments. Secondly, the Financed Impact Strategy, which involves on the one hand the Bank's investment choices and on the other hand actions and initiatives related to extending financing to customers and working with them in meeting environmental goals, addressing climate change, thus jointly contributing to the creation of a sustainable economic environment. Managing climate related challenges and opportunities is a priority under this strategy. For this Eurobank has committed to achieving Net Zero in its own operations by 2033 and has undertaken the 'Net Zero 2050' commitment both for its operations and portfolio.

The journey towards a more sustainable future is continuous. We are constantly learning, adapting, and innovating to improve our practices and maximize our positive impact. In this TCFD Climate - related & Environmental Risk Report, we provide a transparent and comprehensive overview of our governance framework, strategies, and risk management for climate risk, as well as our progress against our sustainability initiatives' targets, as we aim to be a catalyst for positive impact to the economy, our clients, and the society.



Fokion C. Karavias  
Chief Executive Officer

## Introduction



## 2.1 About this report

This report is meant to inform all of our stakeholders about Eurobank's approach and efforts to climate action. It aims to give a balanced overview of Eurobank's commitments, initiatives, impacts, and other relevant updates regarding our progress on climate action.

## 2.2 How our climate reporting has evolved

Eurobank has reported on its climate and environmental approach through several reports and presentations. We have captured our progress on CR&E risks and opportunities in our "Annual Report Business & Sustainability" and in our "Consolidated Pillar 3 Report". In addition, we have reported on our actions, initiatives and achievements in Program Field since its launch in 2021, on a quarterly basis. Program Field is a bank wide initiative, with an aim to develop

and implement the Bank's sustainability strategy, integrate CR&E risks in risk assessment, fulfil its UNEP FI signatory commitments, as well as to ensure readiness to comply with upcoming regulations. This TCFD Climate - related & Environmental Risk Report has been prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in order to facilitate standardization and comparability throughout the financial industry. We will continue to adjust our approach to climate-related and environmental disclosures as we expand on our expertise in measuring and quantifying climate metrics and as regulatory and methodological advancements evolve. Additional disclosures can be found in:

- **Annual Report 2022 Business & Sustainability**
- **Environmental Report 2022**
- **Consolidated Pillar 3 Report**
- **UNEP FI Principles for Responsible Banking - 3rd year Progress Report**





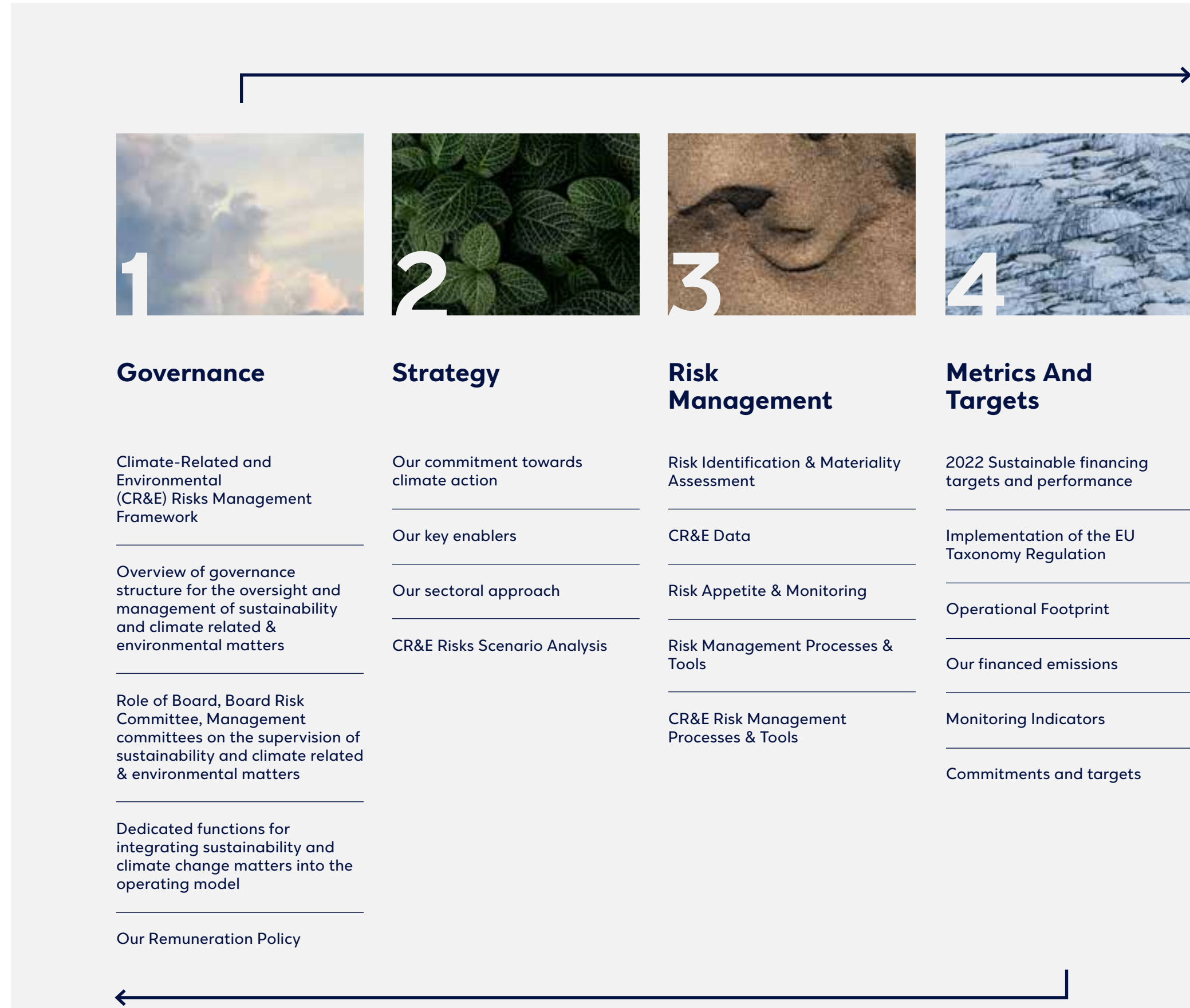
## 2.3 Mapping of the TCFD Recommended Disclosures

TCFD Recommended Disclosures		TCFD Report Location
Governance	Board's oversight of climate-related risks and opportunities	Chapter 3.1 & 3.2
	Management's role in assessing and managing climate-related risks and opportunities	Chapter 3.3
Strategy	Climate-related risks and opportunities (short, medium and long term)	Chapter 4
	Impact of climate-related risks and opportunities on business, strategy and financial planning	Chapter 4
	Resilience of strategy, considering different climate-related scenarios, including a 2°C or lower scenario	Chapter 4.4
Risk Management	Processes for identifying and assessing climate-related risks	Chapter 5.1
	Processes for managing climate-related risks	Chapter 5.2, 5.3 & 5.4
	Integration of processes for identifying, assessing and managing climate-related risks into overall risk management	Chapter 3.4 & 5
Metrics and targets	Metrics to assess climate-related risks and opportunities in line with strategy and risk management process	Chapter 6
	Scope 1, 2 and 3 GHG emissions and the related risks	Chapter 6.4
	Targets used to manage climate-related risks and opportunities and performance against targets	Chapter 6

## 2.4 Structure of this report

This TCFD Climate - related & Environmental Risk Report has been prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In this context, the information provided herein is structured based on the TCFD’s thematic areas, which are stated below:

1. **Governance:** Disclosure of the organization’s governance around climate-related risks and opportunities
2. **Strategy:** Disclosure of the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material
3. **Risk Management:** Disclosure of how the organization identifies, assesses, and manages climate-related risks
4. **Metrics and Targets:** Disclosure of the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material



## Governance



## Governance

### 3.1 Climate-Related and Environmental (CR&E) Risks Management Framework

Eurobank has incorporated CR&E risks aspects across all pillars of its Risk Management Framework, through the establishment of comprehensive policies and processes. It is among the Group's priorities to identify, assess, manage, and mitigate relevant risks, with a view to ensuring alignment with its business strategy, as well as regulatory and industry developments. In addition, Eurobank has updated its governance structure by introducing and defining the roles and responsibilities in relation to ESG and climate related and environmental risks, embedding regulatory guidelines and market practices involving various key stakeholders (i.e., Business functions, Units, and Committees).

In this context and taking into account the significant impact of climate-related and environmental (CR&E) risks both on financial institutions and on the global economy, the Group developed and approved its CR&E Risks Management Policy which aims at fostering a holistic understanding of the effects of CR&E risks on its business model, as well as support decision-making regarding these matters and provide a robust governance under its Risk Management Framework.

#### **CR&E Risks Management Policy encompasses, among others, information on the following areas:**

- **CR&E Risks Governance:** Definition of the Group's main CR&E risks management pillars and summary of the responsibilities of the Group's Management/Board Committees and the three Lines of Defense regarding the management of CR&E risks.
- **CR&E Risks Definitions, Drivers & Transmission Channels:** Detailed presentation of the CR&E risks definitions and drivers identified by the Group, including the transmission channels through which these risks impact Group's traditional risk types.
- **CR&E Risks Management Pillars:** Outline of the key practices of the Group and of the work performed by the Group Climate Risk Division as regards the below CR&E risks management pillars

→ Framework & Related Policies

→ Financed Impact Strategy

→ Identification and Mitigation

→ Scenario Analysis & Stress Testing

→ Monitoring, Reporting & Disclosures

→ Projects and Other Activities

- **CR&E Risk Management Tools:** Indication of the main tools used by the Group's Lines of Defense for the identification, measurement and management of CR&E risks.

### 3.2 Overview of governance structure for the oversight and management of sustainability and climate related & environmental matters

Sustainability at Eurobank is deployed across an ESG governance structure that addresses both regulatory requirements and voluntary commitments. Board oversight with respect to Sustainability Strategy is addressed through the inclusion of ESG items in the Board Meetings agenda, as per international best practice.

The Group applies the elements of the Three Lines of Defense (3LoD) model for the management of CR&E risks. The Three Lines of Defense Model enhances risk management and control by clarifying roles and responsibilities within the organization.

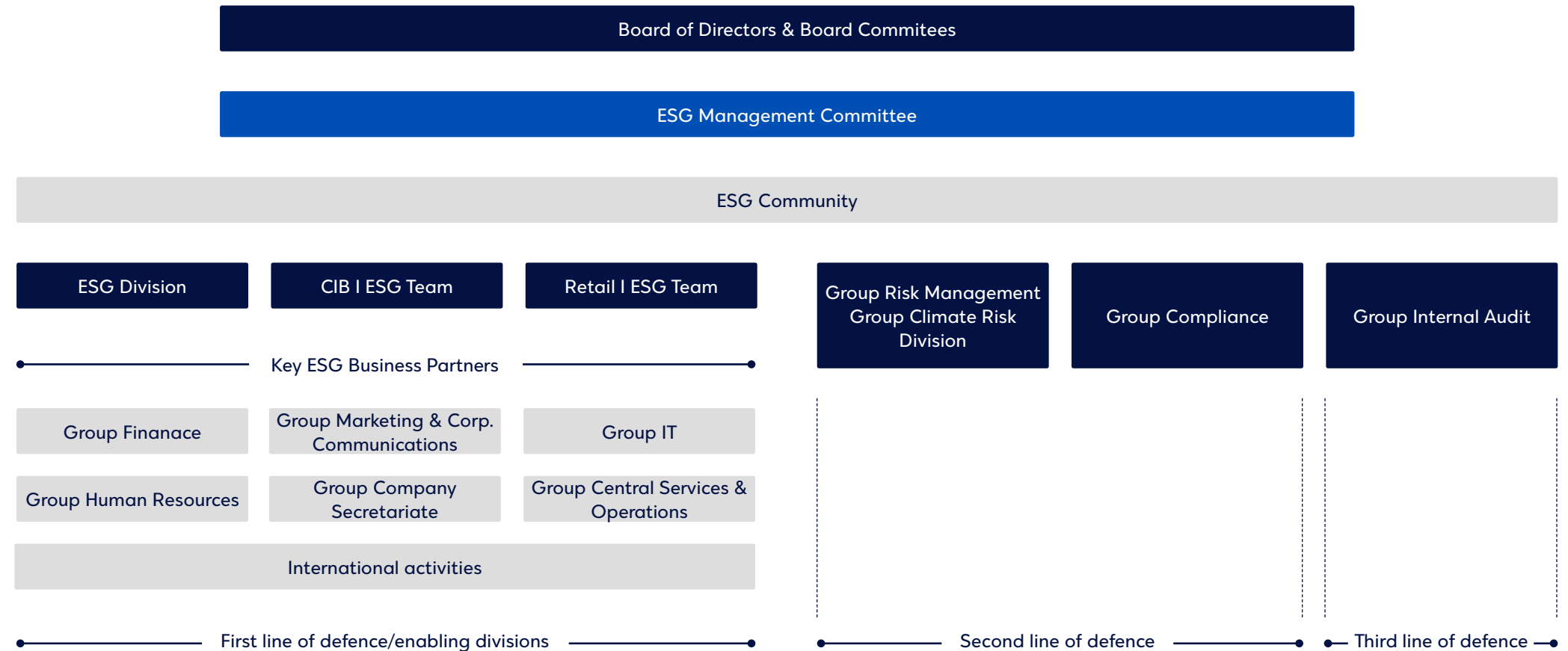
Eurobank's ESG governance model also ensures that the management of relevant climate-related and environmental risks is integrated in the Bank's three lines of defense.

The updated governance structure aims to further enhance the effective oversight of ESG matters at management / Board level.

Table on next page



### 3.2 Overview of governance structure for the oversight and management of sustainability and climate related & environmental matters



Over the past year, the Bank has taken significant steps to enhance its ESG governance model and support the roll out of its Sustainability Strategy and the integration of ESG and CR&E risks.

#### Enhanced Governance Structure and Committees

- A Board Member is responsible for climate-related and environmental risks.
- Oversight of CR&E risks at management body level through allocation of responsibilities to Board and management committees.
- Establishment of two Committees that supplement the governance arrangements in the area of ESG / CR&E risks i.e. Environmental, Social & Governance Management Committee and Climate Risk Stress Test Committee.

#### Integration of CR&E Risk Management across the three Lines of defence

- Dedicated teams within CIB and Retail Divisions, for overseeing ESG and sustainable financing activities.
- Automated process established to assess and classify sustainable financing opportunities.
- ESG Division responsible for the design and monitoring of the Operational Impact Strategy and oversight of the Bank’s ESG performance.
- Group Climate Risk Division responsible for managing and monitoring CR&E risks, PMO office for the implementation of the Climate Related and Environmental risks roadmap, preparation and submission for approval of the Financed Impact Strategy, along with Business and Risk Units.
- Intensive training on sustainable finance and climate risk to Bank personnel.

## Governance

### 3.3 Role of Board, Board Risk Committee, Management committees on the supervision of sustainability and climate related & environmental matters

The Group's governance structure has been updated to ensure that ESG and CR&E risks are appropriately monitored and managed, aiming to further enhance the effective oversight of ESG and CR&E risks at management/ Board level, as follows:

#### **Eurobank Holdings/ Eurobank Board of Directors (Board or BoD)**

The Eurobank Holdings / Eurobank Boards' role is to provide entrepreneurial leadership to the Group within a framework of prudent and effective controls which enables risk to be assessed and managed. The Boards set the Group's strategic goals, ensure that the necessary financial and human resources are in place for the Group to pursue its purpose and review management performance. The Boards set the Group's values and standards and ensure that its obligations to its shareholders and others are understood and met. The Eurobank Holdings/ Eurobank Boards have assigned an executive member as the Board Member responsible for climate and environmental risks. As part of his duties, the member responsible updates the Eurobank Holdings/ Eurobank Board Risk Committees (BRC), which in accordance with their Terms of Reference are responsible to oversee (among others) the climate and environmental risks, on climate change and environmental related risks at least on a semi-annual basis. As per international best practices, effective Board oversight with respect to the Group's Sustainability Strategy is also safeguarded through the regular inclusion of ESG items in the agendas of Board Meetings.

#### **Eurobank Holdings / Eurobank Board Risk Committee (BRC)**

The Eurobank Holdings / Eurobank Board Risk Committees, among others, oversees the implementation of strategies for capital and liquidity management as well as for all other related risks, including climate-related and environmental risks, in order to assess their adequacy against the approved risk appetite and strategy. In addition, Eurobank Holdings/ Eurobank Board Risk Committees determines, among others, the principles which govern risk management (including risk management of climate-related

and environmental risk) across the Bank and the Group in terms of identifying, measuring, monitoring, controlling, and mitigating risks. To this end, they approve risk principles, risk policies, risk procedures and risk methodologies and Specific Risk Management Framework (e.g. Climate and Environmental Risk).

#### **Eurobank Management Risk Committee (MRC)**

The Eurobank Management Risk Committee (MRC) is responsible to oversee the risk management framework of Eurobank. As part of its responsibilities, the MRC facilitates reporting to the BRC on the range of risk-related topics under its purview, including climate and environmental risks. The MRC ensures that material risks are identified and promptly escalated to the BRC and that the necessary policies and procedures are in place to prudently manage risk and to comply with regulatory requirements.

Additionally, the Group has established two Committees that supplement the governance arrangements in the area of ESG/ CR&E risks.

#### **Eurobank Environmental, Social & Governance Management Committee (ESG ManCo)**

The Eurobank Environmental, Social & Governance Management Committee (ESG ManCo) provides strategic direction on Environmental, Social & Governance (ESG) initiatives, reviews the Sustainability Strategy prior to approval, integrate the elements of the Sustainability Strategy into the Eurobank's business model and operations, approves eligible assets of Green Bond Frameworks, regularly measures and analyses the progress of the ESG goals and performance targets, ensures the proper implementation of ESG-related policies and procedures, in accordance with supervisory requirements and voluntary commitments. To this end, ESG ManCo reviews and approves ESG-related reports and ensures that they are in accordance with related Standards and Guidelines. It is chaired by the Board Member responsible for climate-related and environmental risks.



## Governance

### Eurobank Climate Risk Stress Test Committee (CRSTC)

The Eurobank Climate Risk Stress Test Committee is responsible for designing and executing the Group's CRST Programme; coordinates all activities relating to Climate Risk Stress Testing including risk identification, scenario design and stress test execution; reviews and challenges the output at each stage of the process prior to escalating to the Executive Board.

### 3.4 Dedicated functions for integrating sustainability and climate change matters into the operating model

The Group launched an initiative, namely "Programme Field", with an aim to develop and implement its sustainability strategy, integrate climate risks, fulfil its UNEP FI PRB signatory commitments and ensure readiness to comply with upcoming sustainability-related regulations (i.e. EU Green Deal, ECB Guide on climate-related and environmental risks, EU Taxonomy Regulation, etc.). Through this initiative, the Group has also identified, assessed and implements climate-related and environmental (CR&E) risk action plans within the three lines of defense.

#### Integration of ESG Risk Management across the three lines of defense

The Bank has addressed short-term, medium-term and long-term effects of CR&E risks for the purposes of risk management, by integrating them in its business environment and strategy. The defined Climate-Related time horizons are depicted as follows:

- Short term <3 years aligned with budget: The Bank conducts a materiality assessment of all identified risk drivers and key risks. This assessment takes into account the Bank's operating environment, business model, and emphasizes the achievement of its short-term strategic goals with regards to the budget.
- Medium term 3-10 years aligned with business planning: To assess long-term risks the Bank has defined a longer period to understand Climate-Related risks and evaluate how their business model can handle different future scenarios.

- Long term: >10 years aligned with strategic planning: The Bank has defined a longer horizon, in order to conduct long-term assessments. Additionally, the Bank aims to include the impact of climate change and environmental factors in its strategic targets and decision-making processes, as these risks are expected to be increased in the long term.

The Group applies a model of defined roles and responsibilities regarding the management of ESG risks across the 3 lines of defense, considering all relevant guidelines and regulatory requirements:

#### 1st line of defense

---

The business units (CIB and Retail Banking) are responsible for assessing, managing and monitoring their risk levels in all risk categories, including ESG risks. The CIB ESG coordinator which is being evolved to a Sustainability Center of Excellence, along with the Retail Banking Division ESG coordinators, are responsible for undertaking all relevant ESG and sustainable finance activities. In addition, the role of the ESG Division in the 1st line of defence has been revisited to include the responsibility for the Operational Impact Strategy as well as Sustainability Reporting, Environmental & Energy Reporting (EMAS Report, Greenhouse Gases Emissions Report per ISO 14064) and ESG ratings.

#### 2nd line of defense

---

The Group Risk Management General Division (GRMGD) is independent from the business units and has full responsibility in setting the risk strategy and risk appetite framework, including ESG risks. Within the GRMGD, the dedicated Group Climate Risk Division has been established, with the overall responsibility for overseeing, monitoring, and managing ESG risks and sustainable financing activities, in cooperation with the other GRMGD sectors/ divisions, as well as the Group Compliance General Division.

#### 3rd line of defense

---

The Internal Audit Group (IAG) independently reviews the adequacy and effectiveness of the internal control framework in place regarding ESG risk management, following a risk-based approach.

Dedicated roles in existing Units on sustainability and climate related & environmental matters



## 3.4 Dedicated functions for integrating sustainability and climate change matters into the operating model

### Dedicated roles in existing Units on sustainability and climate related & environmental matters

#### Business Units

Business Units, namely, Corporate and Investment Banking and Retail Banking are primarily involved in executing all portfolio-related ESG activities including the implementation of the financed impact strategy. Key responsibilities are classified under the following three main categories:

##### 1. Sustainability Strategy

- Execution and monitoring of financed and specific operational ESG goals and performance targets.

##### 2. Sustainable Financing/Funding and Investments

- Identification of sustainable financing opportunities and design of the relevant solutions and ESG products.
- Performance of the Sustainable Financing assessment in line with the Sustainable Finance Framework.
- Implementation and monitoring of the Sustainable Investment & Green Bond Frameworks.

##### 3. ESG & Climate Risk Management

- Performance of the ESG Risk Assessment
- Identification and implementation of mitigation action plans for ESG and Climate related risks.

To effectively manage ESG and sustainable financing related CIB activities, a dedicated function, the Sustainability Center of Excellence is being initiated in 2023. In the meantime, CIB ESG coordinator is responsible to oversee ESG and sustainable financing activities. Regarding the Retail Banking Division, the Bank has introduced two ESG coordinators, who are responsible for organising and supporting ESG-related activities.

#### Group Climate Risk Division (GCRD)

The GCRD has the overall responsibility for overseeing, monitoring, and managing CR&E risks. Specifically, the GCRD operates as the Project office responsible for the implementation of the climate related and environmental risks roadmap (“Programme Field”), with a coordinating and supervisory role on all related project streams to ensure alignment with the Bank’s business strategy and the regulatory authorities’ expectations. In this context, the GCRD ensures the

implementation of corresponding environmental and sustainability initiatives (frameworks, policies, procedures and products) and compliance with relevant existing and upcoming regulations, under an ongoing bank-wide programme, in line with the agreed supervisory roadmap, which is accelerated where possible. The GCRD is also responsible for coordinating with Business and other Risk Units, preparing and submitting for approval the Financed Impact Strategy, and monitoring its implementation. Furthermore, the GCRD leads the 2nd line of defense independent sustainable lending re-assessment process. Specifically, in the context of implementing the approved SFF, the Division is responsible for assessing the sustainability features of new loans and products according to the criteria set within the SFF. Going forward, the role of the GCRD will be expanded, covering the management of ESG risks.

#### ESG Division

The ESG Division acts as a custodian of ESG Principles and Culture to enhance the Bank’s Impact, and as a cross functional coordinator to ensure alignment on ESG issues and interdependencies, as well as compliance with relevant existing and upcoming operational impact related regulations. Specifically, the ESG Division is responsible for designing / reviewing the ESG Operational Impact Strategy and monitoring its implementation, with a leading role in selected areas, providing also support to international subsidiaries. Furthermore, the ESG Division coordinates and prepares ESG operational impact related reports in line with applicable standards/ regulations, in cooperation with involved subject-matter responsible Units, while it is responsible for the UNEP FI PRB implementation. Being responsible for the oversight of the Bank’s overall ESG operational performance, its key roles include the centralised management of ESG Ratings, seeking continuous improvement in related scores. The ESG Division also manages the ISO Management Systems under the related provisions of equivalent policies and the Operational Impact Strategy. The ESG Division collects, calculates and reviews data related to the operational impact in line with the associated certified management systems, while it also ensures implementation of corresponding initiatives (e.g. operational net zero transition, energy self-production, energy and emissions monitoring, green building certifications, recycling and circular economy management).

#### Group Operational Risk Sector (GORS)

The GORS is responsible for establishing an effective operational risk management framework and for overseeing its implementation across the Group and across all lines of defence, aligned with regulations, standards, good practices, Internal Policies, Internal Governance Control Manual (IGCM) and based on the Group’s business objectives



## 3.4 Dedicated functions for integrating sustainability and climate change matters into the operating model

and values. In order to further strengthen the existing Operational Risk Framework in line with increased regulatory expectations and appreciating the increasing criticality of Non-Financial Risks (NFRs), the Bank is taking actions to address the management of NFRs holistically. Non-Financial Risks include operational risks as well as aspects of ESG risks, strategic risk and reputational risk, and are gradually becoming integrated to the Non-Financial Risks Framework. In this context, Operational risks arising from ESG factors are being managed in accordance with the requirements set out in the Non-Financial Risk Management Policy and other relevant operational risk management policies.

### Group Compliance General Division

The Group Compliance General Division monitors compliance with ESG/ climate-related regulations and standards. Its key roles and responsibilities include:

#### 1. Regulatory compliance

- Monitors the regulatory environment and emerging trends around sustainable financing, informs the 1st and 2nd lines of defense and may propose required changes / enhancements for the relevant policies and documents regarding sustainable financing offerings;
- Issues a regulatory bulletin which refers to regulatory developments and their impact on the Bank's operation in terms of ESG risks;
- Complements the risk management framework and monitors the alignment of institutions' activities with applicable laws, rules, regulations and standards, including ESG regulatory aspects.

#### 2. Compliance Risk Assessment

- Assesses conduct risk in relation to ESG; and
- Performs compliance checks with regards to ESG-related conduct risk.

#### 3. Policies' Update

- Maintains the Bank's conduct related policies (e.g., AML & Sanctions, Anti-Bribery and Corruption, etc.), including their ESG elements.

#### 4. Product offering monitoring

- Via its participation in the Products and Services Committee and process, provides advice and checks on Bank's ESG product offerings, including that promotional statements do not misrepresent products or services to clients.

### Internal Audit Group (IAG)<sup>1</sup>

The role of the third line of defense within Eurobank governance and organizational structure is allocated to the Internal Audit Group (IAG,) for the independent review of the adequacy and effectiveness of the internal control framework. IAG mandate covers all processes, risks, and mechanisms, and for all business lines and internal units.

IAG follows a risk-based methodology for the determination of its audit plan(s) (AP), ensuring focus on high-risk areas, aiming at the strengthening of the Bank's internal control framework. The risk assessment is implemented across all units, functions, processes and systems of the Bank and its subsidiaries (i.e., the "Audit Universe"). It considers current developments in both internal and external environment, as well as changes in the regulatory framework.

In recent years, the IAG has recognised ESG internal controls and the risk management framework as an area of focus, and has taken several initiatives and actions within its strategy. These aim to ensure adequate coverage of the area, in line with the Bank's strategy as well as industry and regulatory developments.

### Bank's key Pillars considered under the Three Lines of Defense

In line with the Basel Committee's "Principles for the effective management and supervision of climate-related financial risks", the Bank assesses the potential impacts of climate-related risk drivers on its individual business model and assesses the financial materiality of these risks, proportionate to the nature, scale, and complexity of its activities. In this context, the Bank ensures the consideration of CR&E risks in short, medium, and long term in all applicable steps relating to its main pillars, as presented below:

1. **Risk Identification and Materiality Assessment;**
2. **Loan Origination and Credit Decisioning;**
3. **Internal Reporting and Monitoring;**
4. **Scenario Analysis & Stress Testing;**
5. **ICAAP & ILAAP;**
6. **Risk Appetite; and**
7. **Disclosures.**

In the context of the above pillars, indicative activities integrated across the Bank's three Lines of Defense are presented below.

1. For more details on the role of the Internal Audit Group, please refer to the Pillar III report.

### 3.4 Dedicated functions for integrating sustainability and climate change matters into the operating model

#### The Role of the 1st Line of Defense

- Contributes to the identification of CR&E risks and the recognition of materiality changes of such risk (e.g. through the update of a policy document, monitoring market, risk exposures etc.);
- Ensures credit granting is in line with relevant CR&E thresholds as per the Risk Appetite Framework and Credit Policy Manuals;
- Engages with clients in the context of ESG/Climate Risk Assessment and Sustainable Finance Assessment;
- Establishes and monitors the CR&E risk KRIs/KPIs to ensure alignment with risk limits/strategy;
- Manages CR&E risks in line with the approved Risk Appetite Framework and the development of strategic business planning and budgeting; and
- Provides required data for CR&E risks for internal reporting, Pillar III/EU Taxonomy disclosures and regulatory exercises (e.g. Climate Risk Stress Testing) as mandated by the 2nd Line of Defense.

#### The Role of the 2nd Line of Defense

- Initiates the risk identification processes and concludes the outcome of the materiality assessment and updates accordingly the risk taxonomy;
- Reviews relevant credit proposals and considers sustainable finance and CR&E elements in credit decisioning for the creditworthiness assessment;
- Is responsible for the generation of CR&E risk reports, escalation of significant issues to management and proposition of mitigation actions;
- Is responsible for the Scenario Analysis and the development and validation of the CRST models;
- Defines the risk quantification methodology and performs the assessment regarding CR&E risks;
- Monitors compliance with Risk Appetite Framework and escalates significant issues when required;
- Coordinates with Business Units and prepares CR&E risk disclosures (i.e. Pillar III, EU taxonomy) and regulatory exercises (e.g. Climate Risk Stress Testing); and
- Ensures compliance with ESG/ Climate-related regulations and standards.

#### The Role of the 3rd Line of Defense

- Governance and CR&E risk management processes, including the climate risk stress testing framework and integration with the ICAAP/ILAAP, the risk-appetite and strategic planning;
- Sustainable finance framework (e.g. governance and offering of sustainable products and services, and the related internal policies) audit assessment and related reporting;
- Sustainable investment framework (e.g. sustainability criteria) audit assessment and related reporting; and
- Sustainability disclosures in respect of assessing compliance with regulatory requirements and the underlying methodologies adopted by the Bank.

### 3.5 Our Remuneration Policy

Eurobank has established a Remuneration Policy that is applicable to all Bank employees and covers their total remuneration. The Remuneration Policy forms an integral part of the Bank's corporate governance practice and is developed in accordance to its operational model, business strategy, objectives, long-term interests of the Bank and incorporates measures to avoid conflict of interest.

The Remuneration Policy promotes sound and effective risk management and is consistent with the objectives of the Bank's business and risk strategy, corporate culture and values, risk culture, with regard to environmental, social and governance (ESG) risk factors, including long term interests of the Bank and the measures used to avoid conflicts of interest and should not encourage excessive risk-taking on behalf of the Bank. The Bank ensures that remuneration practices are aligned with their overall risk appetite, taking into account all risks, including climate-related & environmental risks, reputational risks, as well as risks resulting from the mis-selling of products.

More specifically, the Remuneration Policy has been designed in order to:

1. **Be consistent with and promote sound and effective risk management,**
2. **Stimulate behaviour consistent with climate-related & environmental and sustainability risks approach, as well as**
3. **Comply with Bank's voluntary commitments.**

## Strategy



## Strategy

The Bank supports the sustainable transition of the economy and considers sustainability, climate change and the low-carbon transition a challenge but also a unique opportunity.

The Bank’s key strategic objective is to adapt its business and operations in a way that addresses climate change challenges, accommodate social needs within its banking business model, and safeguard prudent governance for itself and its counterparties, in accordance with supervisory initiatives and following international standards / best practices.

To this end, Eurobank has designed, approved and is currently

implementing a holistic strategy related to its financing and products, its internal environment, and the way it is organised and operates along two key pillars.

Through a set of actions with measurable targets, the Sustainability Strategy reflects the Bank’s vision in the short, medium, and long term in relation to the environment, its social footprint, with focus on its people, and the ESG impact on the market and its portfolio.

Making progress along these pillars the Bank aims to maximise its contribution to achieving the Paris Climate Agreement’s targets and the United Nations (UN) Sustainable Development Goals.

### Group Sustainability Strategy

Operational Impact Strategy	Financed Impact Strategy
Impact arising from the organisation’s operational activities and footprint.	Impact arising from the organisation’s lending and investing activities to specific sectors and clients.
<p><b>The Operational Impact Strategy focuses on 3 strategic axes:</b></p> <p>1. Environmental impact</p> <hr/> <ul style="list-style-type: none"> <li>Operational net zero</li> <li>Paperless banking</li> <li>Circular economy</li> </ul> <p>2. Social and business impact</p> <hr/> <ul style="list-style-type: none"> <li>Sustainable procurement</li> <li>Socio-economic effect</li> <li>Transparency</li> </ul> <p>3. Employer impact</p> <hr/> <ul style="list-style-type: none"> <li>Diversity and inclusion</li> <li>Wellbeing culture</li> <li>Innovative environment</li> </ul>	<p><b>The Financed Impact Strategy focuses on:</b></p> <ul style="list-style-type: none"> <li>Clients’ engagement and awareness to adapt their business so as to address climate change challenges.</li> <li>Actions for supporting clients in their transition efforts towards a more ESG-friendly economic environment.</li> <li>Enablers and tools such as frameworks and products to underpin Sustainable Financing.</li> <li>The assessment and management of climate-related material exposures.</li> </ul>

“We aspire to create a future that embraces growth and prosperity for all. We are developing detailed action plan to align our operations, portfolio and investments to become Net Zero by 2050.”

## 4.1 Our commitment towards climate action

The Bank understands that sustainable development is key to prosperity. To this end, its commitment to support the transition to a greener economy by offering financing solutions that foster growth and sustainable development is at the core of its financed impact strategy.

Climate change and the low-carbon transition present new challenges and unique opportunities. Our key ambition is to be at the forefront of enabling our clients develop and reap these opportunities in order to support their low carbon transition. To this end the Bank

has developed its Financed Impact Strategy focusing on sustainable financing as well as portfolio and sectoral targets with regards to financing the green transition of its clients.

Leveraging on tools, and enablers, such as the climate risk assessment exercises and the Sustainable Finance Framework, the Bank’s strategic approach is to support the achievement of the climate and environmental objectives, through financing, advisory and capital raising solutions to current and potential clientele.

Key aspect of the Bank’s strategy is also identifying and managing climate-related risks through dedicated climate risk management processes as well as developing a Net Zero Plan.



The Bank aims to identify the processes that are used to determine risks and opportunities with material financial impact, in order to understand how environmental risks, affect its business environment. More specifically, the Bank plans to update its business strategy and processes, by implementing the following initiatives:

- Preparation of the Bank’s sectoral transition pathways.
- Performing perimeter analysis of Taxonomy-related sectors and counterparties affecting the Green Asset Ratio.
- Developing an approach and defining the tools required for

assessing portfolio alignment with respect to climate transition pathways.

- Specifying short, medium, and long-term targets for portfolio alignment with respect to climate transition pathways and in line with the Bank’s Sustainability and Business Strategy and portfolio composition and features.
- Further integrating ESG and CR&E risks considerations in the business planning process (e.g., project budgeting and prioritisation), to reflect the Bank’s business strategy and relevant targets.

## 4.1 Our commitment towards climate action

### Key components of the Financed Impact Strategy

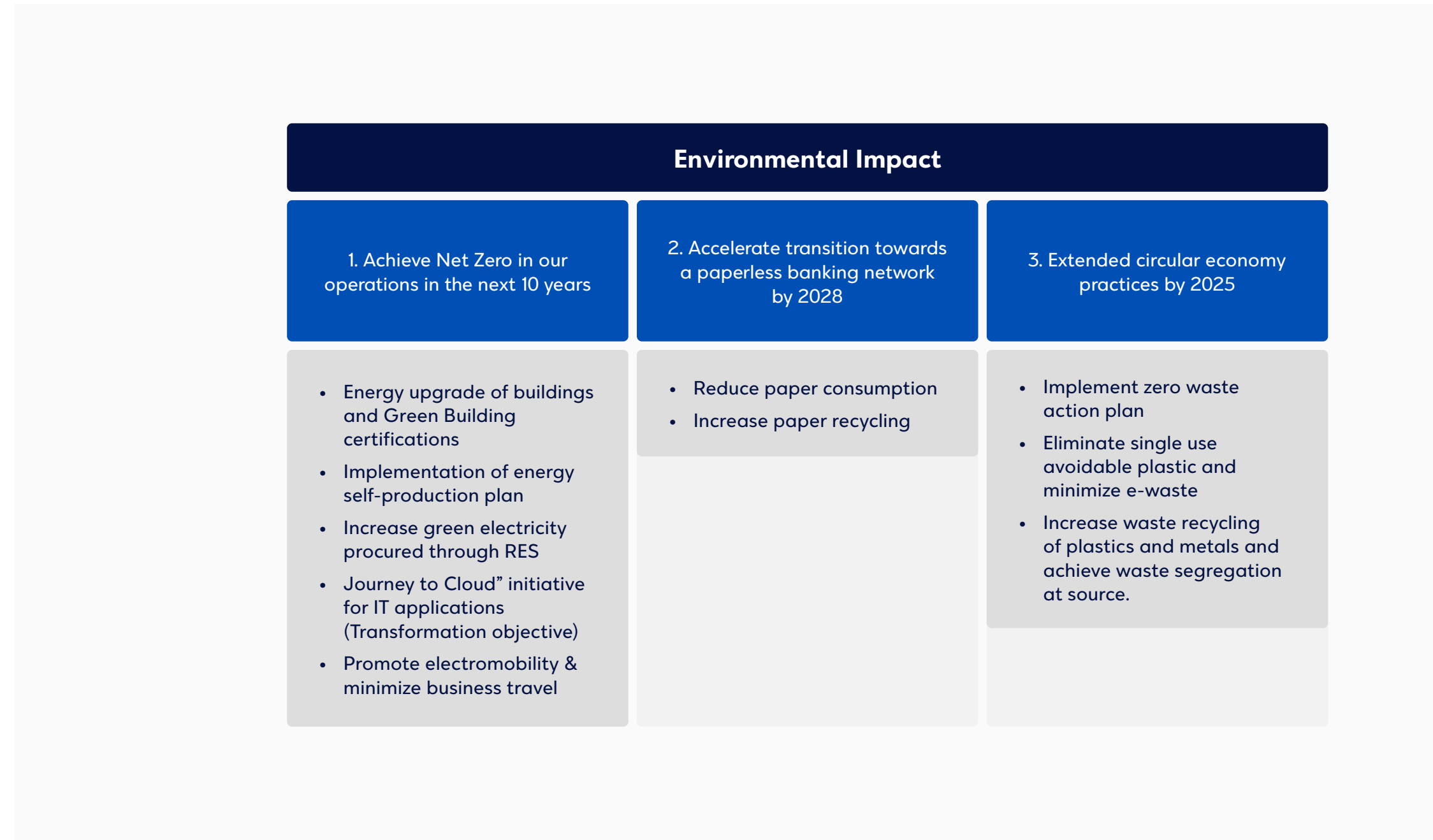
Sustainable Financing	Portfolio alignment	Net zero strategy
<p>Identify total portfolio / sector targets with regards to financing the green transition of the Bank's clients</p>	<p>Transition pathways for corporate clients in order to achieve climate targets for the Bank's portfolio</p>	<p>Sector decarbonisation targets covering the Bank's lending portfolios, with phased target setting up to 2050</p>
<p>Specifically for the "Sustainable Financing" pillar the Bank had set the following targets in 2022:</p>	<ul style="list-style-type: none"> <li>→ Operationalise the Sustainable Finance Framework (SFF) in terms of policies, procedures, and processes.</li> <li>→ Expand data collection capabilities for climate risk related data.</li> <li>→ Increase penetration of ESG products</li> <li>→ Assure at least 20% of the annual gross new corporate disbursements as are green / environmentally sustainable.</li> </ul>	

## 4.1 Our commitment towards climate action

Portfolio targets	Sectoral targets	Next milestones
<p><b>New disbursements</b></p> <ul style="list-style-type: none"> <li>• € 2 billion in new green disbursements to businesses by 2025.</li> <li>• 20% of the annual new corporate disbursements to be classified as Green / Environmentally sustainable</li> </ul> <p><b>Retail banking</b></p> <ul style="list-style-type: none"> <li>• Double Retail green gross disbursements within 2023 compared to 2022.</li> </ul> <p><b>Green stock / Exposure evolution</b></p> <ul style="list-style-type: none"> <li>• 20% stock of green exposures by 2027 for the corporate portfolio (up from 11% in 2022)</li> </ul> <p><b>Recovery and Resilience Facility (RRF)</b></p> <ul style="list-style-type: none"> <li>• Mobilize € 2,25 billion total green RRF funds in the Greek economy by 2026</li> </ul>	<p><b>Renewable energy</b></p> <ul style="list-style-type: none"> <li>• 35% of new disbursements in the energy sector will to be directed to Renewable Energy Source (RES) financing.</li> </ul> <p><b>Green buildings</b></p> <ul style="list-style-type: none"> <li>• 80% of disbursements related to the construction of new buildings will to be allocated to green buildings</li> </ul>	<p><b>Portfolio alignment and net zero</b></p> <ul style="list-style-type: none"> <li>• Align loan portfolio and investments with a net zero carbon footprint by 2050 by developing a robust action plan and roadmap by Q1 2024.</li> <li>• Actively support clients' climate transition with an ambition to further increase sustainable financing going forward.</li> <li>• Further integrate climate risk regulatory requirements into its business strategy and risk management framework, leveraging on key initiatives: <ul style="list-style-type: none"> <li>→ Governance, policies, and control framework.</li> <li>→ Climate risk modelling and data management.</li> <li>→ Commercial strategies/sector policies</li> </ul> </li> <li>• Actively participate in the Hellenic Bank Association initiative for the creation of an ESG data repository to support sustainable financing, in line with the regulatory requirements.</li> </ul>

## 4.1 Our commitment towards climate action

1. For the full Operational Impact Strategy, please refer to the 2022 Business and Sustainability Report.





## Strategy

### 4.2 Our key enablers

#### Guiding frameworks

Committed to being transparent about its approach and to ensure that decision-making is in line with best practices in environmental protection and sustainability, Eurobank has developed three guiding frameworks, defining the approach and criteria for classifying its financing and investing activities as sustainable:

#### Sustainable Finance Framework (SFF)

Through its Sustainable Finance Framework (SFF), the Group is able to classify sustainable lending solutions offered to its clients, specifying the applied classification approach and the activities defined as eligible to access sustainable financing (eligible green and social assets). The SFF scope encompasses a wide range of sustainable lending products covering both wholesale and retail banking portfolios. The purpose of establishing the SFF is to provide a clear and comprehensive methodology for classifying, monitoring, and reporting sustainable financing. Eurobank has drawn on internationally recognised industry guidelines and principles for the development of the SFF and is fully committed to being transparent about its ESG approach. Specifically, the SFF has been updated based on the following standards and principles:

	Green Bond Principles (2021), published by the ICMA
	Green Loan Principles (2021) published by the Loan Market Association (LMA)
	Social Bond Principles (2020), published by the ICMA
	Sustainability-Linked Bond Principles (2020), published by the ICMA
	Sustainability-Linked Loan Principles (2021), published by the LMA
	The EU Taxonomy

## 4.2 Our key enablers

Currently, the SFF follows the EU Taxonomy eligibility criteria on a best effort basis. The Bank aims to further align the SFF with the EU Taxonomy requirements. Along the same lines, Eurobank will closely monitor the developments of the EU Taxonomy, to update its SFF and embed the relevant requirements to the extent possible.

### The SFF defines two levels of alignment:

- SFF alignment - Fulfilment of criteria dictated by best market practice and verified by a Second Party Opinion.
- EU Taxonomy alignment - Fulfilment of criteria associated with each of the EU Taxonomy assessment steps (substantial contribution, DNSH, minimum social safeguards).

### In its SFF Sustainable Finance Framework, Eurobank defines four classification approaches:

- **Dedicated-purpose – Green/Social loans**

Project-specific loans or financing instruments whose use of proceeds is 100% directed towards eligible green / social activities. The SFF currently defines the following eligible activities, while it is the intention of the Bank to regularly revisit and update eligible activities / eligibility criteria following best market practice and developments.

The SFF defines the eligible activities (for the wholesale and retail portfolios) along with the applicable eligibility and exclusionary criteria that need to be fulfilled. The eligible activities **include the following:**

<h3>Energy Efficiency</h3>	<p>Energy efficiency is a crucial enabler of the green transition. It offers immediate and tangible benefits by reducing emissions, promoting renewable energy integration, fostering economic growth, and enhancing energy security.</p> <p>Improving energy efficiency poses one of the most significant hurdles for the implementation of public policies in the coming decade. Through the National Energy and Climate Plan (NECP), Greece has set ambitious energy efficiency targets until 2030 through a set of policies and measures promoting energy efficiency across all sectors.</p> <p>Consequently, the energy efficiency activity aims to finance the upgrade of energy transmission and distribution systems and promote innovative energy saving and storage technologies.</p>	<h3>Eligible activities</h3>	<ul style="list-style-type: none"> <li>• New transmission and distribution systems and upgrades</li> <li>• Smart energy systems (including smart grids and ICT systems) and related storage</li> <li>• Cogeneration of heat/cool and power and district heating/cooling</li> <li>• Energy storage facilities</li> </ul>
----------------------------	---	------------------------------	---

Tables continue on next pages



## 4.2 Our key enablers

<p><b>Renewable Energy</b></p>	<p>Renewable energy plays a pivotal role in mitigating climate change, reducing dependency to fossils fuels and enabling the green energy transition.</p> <p>The EU and Greece have set ambitious targets for the increase of RES share in the total energy mix. Increase of RES is a central element to the country's lignite phase out and the National Energy and Climate Plan (NECP) sets measures for accelerating the RES licensing process and integration to the energy grid.</p> <p>Through the renewable energy activity, the Bank aims to finance generation of electricity through all RES technologies as well as the manufacturing of associated technologies and equipment and the expansion / upgrade of renewable energy transmission systems.</p>	<p>Eligible activities</p>	<ul style="list-style-type: none"> <li>• RES technologies for electricity generation</li> <li>• RES technologies for equipment manufacturing</li> <li>• Renewable energy transmission systems</li> </ul>
<p><b>Green Buildings</b></p>	<p>Given that buildings currently account for more than 40% of energy consumption and 36% of GHG emissions in the EU, there is a need to promote the improvement of the energy efficiency of buildings through renovation and modernization. To make buildings more climate-friendly, new structures need to be energy efficient, but also those already standing need to be renovated as most of them will still be in place for decades to come.</p> <p>To this end, the European Commission has developed a renovation wave to improve the energy performance of buildings across the EU, while the National Climate Law and the National Energy and Climate Plan (NECP) have specific provisions for the reduction of building-related emissions and the energy upgrade of the national building stock.</p> <p>Through the green buildings activity, the Bank aims to finance the construction of new green buildings and the renovation and energy upgrade of existing buildings.</p>	<p>Eligible activities</p>	<ul style="list-style-type: none"> <li>• Construction of new public, commercial, industrial, and residential buildings</li> <li>• Renovation of existing public, commercial, industrial, and residential buildings</li> <li>• Building energy efficiency improvement, renewable energy promotion, and water consumption reduction</li> </ul>



## 4.2 Our key enablers

<p><b>Clean Transportation</b></p>	<p>Clean transportation is an essential pillar of the green transition, playing a pivotal role in reducing GHG emissions and the mitigation of the environmental impacts caused by the transportation systems.</p> <p>Greece, through the National Energy and Climate Plan (NECP) has set targets for the penetration of means of transport using alternative fuels and electricity, the full electrification of the rail infrastructure, as well as the share increase of fixed-route transport, aiming to completely change the technological structure and fuel mix of the transport sector by the end of the next decade.</p> <p>Through the clean transportation activity the Bank aims to finance the electrification of the national vehicle fleet as well as the development of the supporting infrastructure.</p>	<p><b>Eligible activities</b></p>	<ul style="list-style-type: none"> <li>• Electric, hydrogen and hybrid vehicles</li> <li>• Electric, hydrogen and hybrid vehicles (public or public transport systems)</li> <li>• Electric transportation infrastructure</li> </ul>
<p><b>Pollution prevention &amp; Circular Economy</b></p>	<p>More than 2.2 billion tonnes of waste are produced in the European Union every year and there is currently an update of the legislation on waste management to promote reduce waste and promote a shift to circular economy.</p> <p>Transitioning to a circular economy is crucial for slowing down the use of natural resources, reducing landscape and habitat disruption and help to limit biodiversity loss. Another benefit from the circular economy is a reduction in total annual greenhouse gas emissions, since industrial processes and product use are responsible for 9 of GHG emissions in the EU, while waste management accounts for 3%.</p> <p>Through the Pollution prevention &amp; circular economy activity, the Bank aims to finance waste treatment and reuse facilities as well as circular products and technologies.</p>	<p><b>Eligible activities</b></p>	<ul style="list-style-type: none"> <li>• Waste treatment and facilities</li> <li>• Circular products, technologies, and processes</li> </ul>

## 4.2 Our key enablers In its SFF

- **General-purpose – Company business mix**

Financing to companies that fulfil the eligibility green/ social criteria and derive their revenue from eligible activities. Specifically, companies are eligible under the business mix category when:

1. They derive a minimum predefined percentage of their total revenue from eligible activities.
2. None of their activities are among the excluded ones (as described in Eurobank's Environmental and Social Policy).

- **General-purpose – Sustainability-linked loans/facilities**

The second type of general-purpose lending adopted relates to Sustainability Linked Loans (SLLs). The purpose of SLLs is to enable and accelerate the ESG transition of clients. Through SLLs, Eurobank provides ESG related incentives to its clients, by offering products (loans, bond loans, etc.) with terms linked to ambitious and predefined Sustainability Performance Targets (SPTs).

The SPTs are specific targets, that aim to improve the ESG performance of the client. The client commits to achieve them during the loan repayment period and as such, the SPTs are also included in the loan agreement (i.e. in the form of non-financial covenants). The accomplishment of the relevant targets is monitored using specific KPIs which are specialised according to the client's activity sector/ industry. The agreed KPIs are reported at least on an annual basis by the clients and are also verified by an independent assurance provider.

SLLs are linked to specific incentives provided by Eurobank, including, but not limited, to reduced interest rate or longer repayment period.

The SFF, outlines the methodology for defining SPTs and proposes overarching as well as industry-specific targets.

- **Recovery and Resilience Facility-based approach**

Activities approved through the Greek Recovery and Resilience Facility, contributing to the green pillar.

### **Green Bond Framework**

The Bank's Green Bond Framework facilitates the Bank to meet its environmental/sustainability commitments and finance projects that will deliver environmental benefits to the economy and support its business strategy and vision.

The Green Bond Framework is developed in accordance with global best practices and standards and considers EU Taxonomy eligibility

criteria to classify potential investments as green. The Framework defines the eligible assets and associated criteria, the use of proceeds, the process for project evaluation and selection, the management of proceeds as well as the relevant reporting obligations.

The eligible green projects to be financed with the net proceeds raised from any Eurobank green bond shall contribute to the UN SDGs, while the EU Taxonomy substantial contribution, Do No Significant Harm (DNSH), and minimum social safeguards principles shall be taken into consideration in specific projects on a best effort basis.

### **Sustainable Investment Framework**

The Bank has approved its Sustainable Investment Framework (SIF), for the classification of investments as sustainable based on criteria observed in international market practices.

Eurobank's SIF outlines the Bank's potential sustainable investment approaches/strategies, the process for the selection of eligible investments, as well as the monitoring frequency regarding the sustainable portfolio (part of the Bank's investment portfolio). The sustainability assessment based on the SIF criteria, irrespective of eligibility outcome, does not prevent the Bank from considering non-eligible investments for its portfolio. **The classification approaches used by the Bank in the context of its SIF:**

- Value-based exclusions and AML: Exclusion of companies, sectors, or countries whose behaviours do not align with basic societal values and Anti-Money Laundering (AML) exclusions.
- Norm-based exclusions: Exclusion of issuers that do not comply with basic standards of business and international norms.
- Avoid harm: A combination of value-based and norm-based exclusions, with additional activities with negative impacts excluded
- Sustainable bonds: Selection of bonds that follow sustainable, green or social standards (i.e., selection of green or social bonds, or green and social bonds, or sustainability-linked bonds).

As regards sustainable bonds, the use of proceeds or any sustainability related target of such issuances should be articulated in a relevant Bond Framework (Green, Social, Sustainable, Sustainability-linked, etc.). This Bond Framework must be reviewed by an independent and reputable third-party reviewer.

## 4.3 Our sectoral approach

<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Agriculture forestry and fishing</b></p>	<p>In Greece, the sector is responsible for 10% of the GHG emissions (8,4 Mt of CO2 for 2021), while more than 50% of the national agricultural emissions relate to farming livestock.</p> <p>The Bank’s sustainable financing approach defines eligibility criteria and financing approaches that will generate positive climate impact through:</p> <ul style="list-style-type: none"> <li>• Investments aiming to enhance agricultural productivity and minimize environmental impact using modern equipment.</li> <li>• Extension of sustainable farming practices/sustainable land use/reduced water usage.</li> </ul> <p>In addition, the Bank has identified “marine aquaculture” as an activity with relevance and thus has pre-defined industry-specific Sustainability Performance Targets (SPTs) related to the reduction of Forage Fish Dependency Ratio (FFDR), Increase of ingredient sourcing from certified sources on biodiversity and deforestation impacts, decrease of antibiotics use along with overarching SPTs related to emissions reduction and biodiversity protection.</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Mining and quarrying</b></p>	<p>In Greece, fugitive methane (CH4) emissions, mainly from the mining of lignite, accounted for 0,7% of total GHG emissions and are considered a key emissions category. The National Climate Law requires industrial activities, including mining to reduce GHG emissions by at least 30% by 2030 in relation to 2022 levels.</p> <p>Through its financed impact strategy and its commitment to the UNEP FI Principles for Responsible Banking, the Bank has set targets to mitigate negative impacts related to “Climate”, “Waste” and “Resource efficiency/security”, which are most relevant to the Mining sector.</p>
	<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Manufacturing</b></p>		<p>In Greece, industrial manufacturing contributes 21,5 MtCO2 of emissions with more than 50% of industrial emissions coming from 3 activities: cement production, oil and gas refining. Through its Sustainable Finance Framework, the Bank defines eligibility criteria and financing approaches that will generate positive climate impact through:</p> <ul style="list-style-type: none"> <li>• Processes, infrastructure, and technologies that facilitate recycling and sustainable waste management practices</li> <li>• Promoting the substitution of raw materials through the reuse of recovered materials</li> <li>• Developing, repairing, and sharing activities that lead to reductions in material use.</li> </ul> <p>The Bank has been actively engaging in financing the sector’s low carbon transition and plans to further support companies to meet their ambitious environmental targets.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Construction</b></p>		<p>The construction industry and its value chain account for 40% of global CO2 emissions. Construction of buildings in Greece emits 6% of total GHG emissions (approximately 5,5Mt of CO2). The National Energy and Climate Plan sets the action plan for the improvement in energy efficiency of public buildings and the renovation of the building stock in the residential and tertiary sector.</p> <p>Through its financed impact strategy, the Bank aims to extend sustainable financing buildings meeting green eligibility criteria:</p> <ul style="list-style-type: none"> <li>• Buildings certified under an international or national recognized green building certification schemes</li> <li>• Buildings with Net Primary Energy Demand (PED) at least 10% lower than the primary energy demand resulting from the relevant NZEB requirements.</li> </ul>	



## 4.3 Our sectoral approach

Automotives	<p>The automotive sector is materially exposed to greenhouse gas emissions in the product-use phase, as road transportation accounts for about 14% of global emissions. In Greece, the National Climate Law prohibits the sale of new passenger cars and light commercial vehicles with internal combustion engines from 2030 onwards and sets interim targets for the electrification of taxis and corporate vehicles.</p> <p>Through its Sustainable Finance Framework the Bank aims to finance clean transportation and the infrastructure supporting:</p> <ul style="list-style-type: none"> <li>• Acquisition of electric or other type of vehicles which are zero-emission, or hybrid vehicles emitting &lt;75 gCO<sub>2</sub>/vehicle-km.</li> <li>• Development and operation of sustainable public or mass transportation systems.</li> <li>• Development and maintenance of infrastructure for electric vehicles and development and maintenance of infrastructure to support zero emissions public transport.</li> </ul>	<p>Transportation and storage</p> <p>Freight transport accounts for 7% of global greenhouse gas emissions, while shipping sector for 2,5% whereas aviation is the second biggest emitter in the transportation industry, accounting for 13,9% of the transportation-caused emissions. In Greece, the transportation sector emits 21% of total GHG emissions. Most emissions (more than 80%) are related to road transport.</p> <p>The Bank aims to finance the green transition of the transportation sector leveraging its clients' green transition strategies and engaging with them, providing enablers and tools which can support their climate ambitions.</p>
	<p>Real Estate</p> <p>In the Greek market, buildings are responsible for approximately 5.4 Mt of CO<sub>2</sub> emissions, corresponding to 6% of the overall country emissions. The National Long-term Strategy for the building inventory refurbishment aims to drastically reduce emissions from the real estate sector by 2050.</p> <p>Through the "Green Buildings" category of the SFF, the Bank aims to finance the construction, acquisition and renovation of buildings that meet, or are close to, the requirements of Nearly zero-energy buildings and are certified under green building certification schemes. It will also finance activities for the improvement of existing buildings at a system level which will entail energy efficiency, integration of renewable energy and water efficiency.</p>	<p>Electricity, gas, steam, and air conditioning supply</p> <p>The National Energy and Climate Plan commits to increase RES to 13GW and simplify the RES licensing process. It also sets the objective for a minimum RES share of 35% in the gross final energy consumption and 60% for electricity consumption by 2030. Moreover, National Energy and Climate Plan-Energy Efficiency and Energy Consumption sets qualitative energy efficiency in the final energy consumption to reach 38% by 2030. Through its Sustainable Finance Framework, the Bank defines eligibility criteria and financing approaches that will generate positive climate impact through:</p> <ul style="list-style-type: none"> <li>• Promotion of energy efficiency, including retrofit or new distribution systems, transmission lines or substations to reduce energy use and/or technical losses and Smart Energy Systems.</li> <li>• Promotion of Renewable energy.</li> </ul> <p>As part of its strategy, the Bank plans to extend significant funds to the development and operation of RES, including solar park and wind farms and the energy upgrade of the national energy infrastructure.</p>

## 4.4 CR&E Risks Scenario Analysis

The Bank aims to provide an in-depth analysis regarding climate change transition and physical risks within the context of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. As the global financial sector increasingly recognizes the importance of understanding and managing climate-related risks, scenario analysis has emerged as a valuable tool for assessing the potential impacts of climate change on financial institutions.

Forward-looking analysis is especially important, but also challenging. Efforts to mitigate and adapt to climate change are without historical precedent, and many aspects regarding the timing and magnitude of climate change in specific contexts are uncertain. For these reasons, the Bank considers that scenario analysis is an important tool to use in its strategic planning process.

Scenario analysis is a key component that enables Eurobank to evaluate its resilience and adaptability in different climate-related scenarios. This subsection emphasizes on the methodology, benefits, challenges and results associated with the performance of scenario analysis. The methodological approach adopted allows to measure impacts, based on different scenarios and time horizons (2030, 2040 and 2050).

The study aims to enhance Bank's understanding of climate-related risks, inform strategic decision-making, and facilitate the integration of climate considerations into its risk management framework.

The purpose of the analysis is to inform the Bank so as to proactively identify potential vulnerabilities, seize opportunities, and align its business strategies with the transition to a low-carbon economy. The integration of scenario analysis, as recommended by TCFD, plays a crucial role in shaping its strategy, by providing valuable insights into the potential impacts of climate-related risks and opportunities on its financial performance and long-term sustainability.

The results of the scenario analysis, which provide a comparison of financial evolutions by sectors and geographies over a range of scenarios and time horizons, indicate that Bank's strategy remains adaptive.

The Network for Greening the Financial System (NGFS) scenarios that the Bank has adopted, provides a common starting point for analysing climate risks to the economy and financial system. The set of scenarios that are utilized by the Bank, include four representative scenarios that cover different dimensions. More specifically, the scenarios are:

1. **Orderly: Net zero 2050;**
2. **Disorderly: Delayed transition;**
3. **Hot house world: Current Policies;**
4. **Too-little-too-late: Fragmented world.**

The Bank assesses the physical impacts on its strategy utilizing two scenarios:

1. **RCP2.6**
2. **RCP8.5**

The results illustrated in the following section reflect the financial impact per sector and geography of a 2°C or lower scenario, in line with the TCFD recommended disclosures.



## 4.4 CR&E Risks Scenario Analysis

### Overview of scenarios assessed

NGFS scenarios	Representative Concentration Pathways (RCPs) climate scenarios
<p><b>1. Orderly: Net Zero 2050</b>, where climate policies involve early, ambitious action and the impacts are low for both physical and transition Risks</p>	<p><b>1. RCP2.6</b>, that incorporates strong climate policies and limit the increase in average global temperature to below 2°C.</p>
<p><b>2. Disorderly: Delayed Transition</b>, in which climate policies are not introduced until 2030 and the outcome has a higher impact on transition risk.</p>	
<p><b>3. Hot house world: Current Policies</b>, with limited climate policies and severe physical risks and irreversible changes, including higher sea level</p>	<p><b>2. RCP8.5</b> implying strong climate changes and the necessity of strong adaptation to the new conditions.</p>
<p><b>4. Too-little-too-late: Fragmented World</b>, in which delayed and divergent climate policy ambition globally, leads to elevated transition risks due to the overall ineffectiveness of the transition.</p>	

## 4.4 CR&E Risks Scenario Analysis

### Transition Risk Impact

The Bank employs a large-scale applied Computable General Equilibrium “CGE” model in order to quantify the macroeconomic impacts of the different NGFS scenarios. The model is dynamic, global and specific for Greece. The model represents 46 countries and 60 economic activities linking simultaneously all countries and economic sectors through bilateral trade flows. It represents in detail the economic transactions of all economic agents (firms, households, government and the external sector) and features a bottom up representation of the energy system and all sources of GHG emissions. By explicitly modelling all sources of GHG emissions, their associated abatement options<sup>1</sup> and their costs it is possible to estimate the impact that the adoption of these technologies by firms and households will have on production costs, competitiveness, disposable income and consumption. In particular the model calculates / simulates in each scenario the optimum mix of technologies and measures that have to be adopted so as to deliver the desired (as defined by the NGFS scenarios) GHG emission reduction pathways. The mix of technology and measures is different by country depending on its abatement potential, its capacity to provide the necessary materials and services for the transition, financial adequacy to support clean energy investments, labour skill availability and existing status of energy assets<sup>2</sup>. The model captures how the adoption and transition to a low carbon energy system affects firms’ production costs (explicit representation of energy prices and technologies in firms production decision), households consumption and savings decisions. In this way the model calculates how changes in firms competitiveness and aggregate demand impacts the Greek economy.

To this end the CGE model provides a robust framework to capture the complex energy-economy-climate interactions. The model, by capturing in full detail the energy-environment systems and their interaction with the economy, is able to account for all transitional impacts.

---

1. These are technologies that can be used to reduce emissions such as PV, Wind Turbines, Hydrogen, Electric cars, Electric Arc in Steel Production etc.

2. Early adoption of ambitious GHG targets leads to retirement of existing non amortized assets – increasing the value of stranded assets and hence the overall cost of adjustment.

#### The model can assess:

1. Direct (cost on carbon intensive economic activities, the emergence of clean technology etc.),
2. Indirect (value chain effects) and
3. Induced (economy feedback, price and income effects).

#### Our analysis provides detailed insights on:

- What is the impact of carbon pricing on the use of energy technologies
- How the adoption of new energy technologies affects production costs.
- How changes in production costs due to climate and energy policies affect competitiveness, sectoral production and disposable income.
- Attribute economic benefits to the sectors contributing to the decarbonisation process and account for the losses in sectors that are directly or indirectly linked to fossils and conventional technologies.
- Which is the level of carbon prices to achieve different GHG emission reduction pathways.

The Bank explored 4 different scenarios as part of its strategic planning and risk management with time horizons up to 2050. Key features of the climate-related scenarios (i.e. NGFS) are presented below.

## 4.4 CR&E Risks Scenario Analysis

### Summary of transition risk scenarios

	Orderly: Net zero 2050	Disorderly: Delayed transition	Hot house world: Current Policies	Too-little-too-late: Fragmented world
Ambition	High ambition for EU and non-EU to reduce GHG emissions	No action until 2030. High ambition after 2030 for EU and non-EU to reduce GHG emissions.	Low ambition for EU and non-EU to reduce GHG emissions	No action until 2030 and moderate ambition after 2030 (slightly above of Hot House World).
International Energy prices	<p><b>Oil:</b> Significant reduction as compared to Hot House World.</p> <p><b>Gas:</b> High increase in short and medium term and accelerated reduction after 2040.</p>	<p><b>Oil:</b> Similar to Hot House World until 2030 and moderate reduction as compared to Hot House World after 2030.</p> <p><b>Gas:</b> Similar to Hot House World until 2030. High increase in 2035 and accelerated reduction after 2035.</p>	Energy prices increase steadily	<p><b>Oil:</b> Similar to Hot House World until 2030 and slightly below Hot House World after 2030.</p> <p><b>Gas:</b> Similar to Hot House World.</p>
Cost of clean energy technologies	Clean energy technologies will have significant cost reductions	Clean energy technologies will have moderate cost reductions in short term and significant cost reductions in long-term	Clean energy technologies will have moderate cost reductions	Clean energy technologies will have moderate cost reductions

## 4.4 CR&E Risks Scenario Analysis

	Orderly: Net zero 2050	Disorderly: Delayed transition	Hot house world: Current Policies	Too-little-too-late: Fragmented world
<b>Growth Path</b>	Balanced growth path driven by concerted action, significantly lower than Hot House World	Balanced growth path driven. Similar to Hot House World until 2030 and significantly lower afterwards.	Balanced growth path	Balanced growth path lower than Hot House World
<b>Investment requirements</b>	Significant both in short-term and long-term	Significant in long-term	Follows GDP trajectory by country	Slightly higher as compared with Hot House World
<b>Market size of clean energy technologies</b>	Countries with established competitive advantage will benefit from exports as the market size of clean energy technologies increases (rate of increase moderated by the cost reductions).	After 2030 countries with established competitive advantage will benefit from exports as the market size of clean energy technologies increases (rate of increase moderated by the cost reductions).	Not significant competitive advantage possibilities as the market size of clean energy technologies increase with a slow pace.	Not significant competitive advantage possibilities as the market size of clean energy technologies increase with a slow pace.
<b>GHG intensive Industries</b>	Significant production cost and loss of competitiveness for EU. EU has higher ambition / carbon price as compared to non-EU.	Significant production cost and loss of competitiveness for EU after 2030. EU has higher ambition / carbon price as compared to non-EU.	Very limited production cost and loss of competitiveness for EU. EU has higher ambition / carbon price as compared to non-EU.	Moderated production cost and loss of competitiveness for EU. EU has higher ambition / carbon price as compared to non-EU.

## 4.4 CR&E Risks Scenario Analysis

The different NGFS scenarios imply a smooth or fast change of the following channels:

### Energy efficiency:

- Expenditures for energy efficient equipment
- Expenditures on building renovation
- High upfront cost with long-term benefits from energy efficiency (reducing energy bills)
- Financing scheme of these expenditures affect the transition cost over time

### RES:

- Domestic content of the manufacture of Clean Technologies (EV, Batteries, Wind, PV)
- Investment for RES technologies (installation of PV, Wind, etc.)
- Financing scheme of these investments affect the transition cost over time

### Energy mix & production cost:

- Energy policies (i.e., carbon price) affect the energy mix by increasing the price of energy (fossil fuels and electricity) in-short term but with possible benefits in the long term through the electrification and the energy efficiency (lower energy cost)
- Capital and energy cost in the short-term increase the unit cost of production and deteriorate competitiveness as opposed with long-term that lower energy cost implies competitiveness improvement
- The change in the energy mix decreases the energy dependency with a positive impact on balance of trade

The impact on GDP and sectoral economic activity is driven by changes in production costs, in households' disposable income, in competitiveness and current account.

In the **high ambition scenarios** EU (and Greece - as an ETS (Emissions Trading Scheme) price taker) has a higher than key competitors carbon price as low-cost abatement options have been already taken up (EU being the front-runner in GHG emission reductions) and further decarbonizing the energy system comes at higher marginal cost.

- In both high ambition scenarios EU has a small but negative impact on its GDP which impacts Greece through the trade channel: lower demand for Greek exports – EU countries being the main trading partner of Greece.
- Greek energy and carbon intensive firms (steel, cement) also face high production costs. The ultimate impact on firms that fall under the cement and steel industries greatly depend on their ability to pass through cost reductions, existing RES PPAs (Power Purchase Agreement) and the application of Carbon Border Adjustment Mechanism “CBAM” measures moderate the impact on firms competitiveness.
- The high ambition scenarios entail significant deployment of clean energy technologies which reduces their capital costs through economies of scale, learning by doing and research. Lower costs significantly benefit the Greek economy that is depended on imports (PV, WindTurbines, Electrolysers, Electric Cars) to decarbonize its energy system.
- Households in the high ambition scenarios and in the short run face higher energy costs that have a negative impact on their disposable income (despite the intense adoption of energy saving measures) as more expensive technologies are used and electricity price increases due to carbon pricing. It should be noted that the positive effects of energy saving expenditures come in the long term.
- Decarbonising the Greek energy system entails a transition from a high OPEX low CAPEX expenditure profile to a high CAPEX low OPEX profile. Despite the long term benefits that energy saving and energy efficient technologies are bringing the short term impact on capital requirements is sufficient to reduce available funds for consumption and investment. In other words high upfront payments require available capital either through self financing (out of pocket) or loans. Economic agents that are not eligible for low cost financing are negatively affected.

In the **low ambition scenarios** EU (and Greece) carbon prices are low hence providing weak signals regarding the adoption of clean energy technologies and decarbonisation related investments.

- The low climate ambition scenarios do not lead to significant clean energy costs reductions (cost maturity is achieved late in the simulation – mostly driven by autonomous technical progress).
- Low investment and financing requirements do not put any pressure in the capital market and costs.

## 4.4 CR&E Risks Scenario Analysis

Impact in terms of sectoral production, Orderly: Net Zero 2050 vs Current Policies

Sector	2030	2040	2050
Agriculture	Moderate Negative	Moderate Negative	Moderate Negative
Manufacturing	Moderate Negative	Moderate Negative	Moderate Negative
Electricity Supply	Strong Positive	Strong Positive	Strong Positive
Water Supply	Same Level	Same Level	Same Level
Construction	Moderate Positive	Moderate Positive	Positive
Wholesale & Retail Trade	Same Level	Same Level	Same Level
Transporting and Storage	Negative	Negative	Strong Negative
Real estate activities	Same Level	Same Level	Same Level
Oil and Gas	Strong Negative	Strong Negative	Strong Negative
Renewable Energy Sources (RES)	Strong Positive	Strong Positive	Strong Positive

## 4.4 CR&E Risks Scenario Analysis

### Overview of horizontal Impacts

- Overall, the net impact on the economic activity (GDP) of Greece is found to be small but negative in the long term in all scenarios examined, compared with Hot House World Scenario. However, changes in the energy system in any scenario examined do not have any critical impact on the structural growth drivers of the economy hence a stable economic growth is projected in all scenarios examined.
- The low ambition scenarios do not have any significant impact on the short term.
- Positive impacts are brought into the economy mainly through energy efficiency improvements as these are characterized by high multipliers and domestic content. Energy efficiency improvements mainly addresses the construction sector (domestic capacity) that is characterized by a high output and employment multiplier. Energy efficiency improvements also reduce the dependency on imported fossil fuels and on electricity.
- In the high ambition scenarios the Greek economy is benefited from reducing its dependency on fossil imports as gradually its system is fully decarbonized. However increased penetration of RES further burdens the trade balance as most of the equipment is imported.
- The impact on household income is mixed: An increase in employment in high value-added sectors takes place in order to support the deployment of clean energy technologies. A decrease in employment in brown sectors leads to skills shortage and increasing unemployment in ages where upskilling – reskilling has low potentials – leading to long term unemployment. The impacts are highly contrasted among regions within Greece although the net impact is small.
- The key sectors benefiting in the high ambition scenarios are the power generation utilities. Significant positive effects on electricity production driven by the electrification of the energy system (despite the energy efficiency improvements the electrification of the economy is significant – in particular through the electrification of the transport sector the net demand for electricity increases significantly).
- Negative impacts are mainly driven by import requirements (assuming that the market share of Greece in clean energy technologies will not change considerably in the future - significant share of the equipment required to decarbonize the energy system is imported – PV, wind turbines, electric vehicles, batteries).

### Key outcomes from scenario analysis

- Low ambition scenarios in the short-term have moderate impacts on GDP and sectoral production as carbon prices do not increase much production costs but also provide a weak signal for investments.
- **Too Little too late** and **Delayed** transition scenarios have marginal virtually zero impact on the short term.
- **Net zero 2050** is projected to have significant contrasted sectoral impacts both in the short and long term.
- Services are benefited to the extent that operate supplementary to the deployment of the clean energy technologies (design, implementation, financing etc.). Services are characterized by low dependency on energy and openness to trade hence higher energy costs leave the competitiveness of the sector virtually unaffected.
- The demand of clean technologies increases with positive impact in their production. Biofuels, batteries, PV, energy saving equipment/ materials and Wind are essential for the decarbonization of the system. Cost maturity achieved both in the **Net Zero 2050 and Delayed Transition Scenarios**.
- The higher carbon price in Emissions Trading Scheme - ETS (incl. the extended ETS, Transport & Services) **Net Zero and Delayed Transition** imply negative impact on GHG intensive industries - when not sufficient measures are taken to mitigate international competitiveness.

## 4.4 CR&E Risks Scenario Analysis

### Physical Risk Impact

Eurobank assesses the physical climate risks related to its clients' activities following an analytical and transparent methodological approach, considering both:

- Chronic effects: impact on companies' revenue or operating costs due to the long-term changes in weather patterns.
- Acute effects: damages to companies' assets or revenue losses attributed to extreme weather events.

To this end, the Bank utilises two Climate Scenarios for the analysis of physical impacts, namely:

1. RCP 2.6, which is a stringent mitigation scenario with the aim to keep global warming below 2°C. This is associated with orderly scenarios.
2. RCP 8.5, which is a scenario with very high GHG emissions. It is a "business as usual" scenario where emissions keep increasing throughout the whole century as it incorporates weak policies for tackling climate change. In other words, it is associated with hot house world scenarios.

Climate data and indices have been derived from Copernicus Climate Data Store database. Historical values have been calculated by using ERA5 reanalysis data, while future projections derived from climate model simulations with general circulation and regional climate model pairs under the EURO-CORDEX program. A total of 4 to 8 model-combinations (depending on the climate index and variable) at a horizontal resolution of 0.11 x 0.11 degrees (approximately 11.5 x 11.5 km) have been used. Multi-model mean values are used in order to minimize the range of uncertainty in climate model simulations while both historical data and future projections are bias-adjusted versus the ERA5 reanalysis data.

The methodological approach developed is applied at the appropriate level of spatial analysis (i.e., at NUTS 2 level for chronic effects and at NUTS 3 level for acute effects), takes into account the different levels of vulnerability that the various economic activities have to these phenomena (the analysis is performed at NACE code 2- digits level), and is extended to the time horizon of 2050 (providing where possible also estimates for 2030 and 2040). At the end of this process, the climate risk attributed to the Bank's financing to companies belonging to an economic sector operating in a specific region is categorized on a 5-point RAG scale, rating them from Negligible to Very High.

More detailed information about the applied methodological framework is given below.

#### Analysis of chronic effects

The analysis of chronic effects has been performed for 2030, 2040 and 2050 at NUTS 2 level for 13 regions in Greece. In this context, the Bank utilises climate indicators drawn from European, internationally recognized, databases (e.g., Copernicus) or results of European programs such as the COACCH project, CLIMPACT I, JRC studies, etc. More specifically, we have utilized:

- The outcomes of research projects as regards the impact of climate change on the yield/revenue of the primary sector (i.e., agriculture, fishery, and forestry).
- The outcomes of research projects as regards the impact of climate change on the productivity of the mining, manufacturing, and construction sectors.
- The outcomes of research projects as regards the impact of climate change on the productivity of different power generation technologies (both renewables and fossil-fuelled) in Greece.
- The number of heating and cooling degree days attributed to various climatic scenarios in order to assess the changes in heating and cooling needs of the non-residential buildings, which usually affect the operating costs of the companies of the services sector.
- The changes on the Tourism Climate Index associated with the different climatic scenarios that affect tourism activity and associated companies.

The above-mentioned climate indicators are considered as the drivers of the potential chronic impacts of climate change on the companies of the respective economic sectors, affecting either their operating costs or their revenues. In the context of the present analysis, these effects either directly (due to the structure of the climate indicators used) or indirectly (through the input-output tables of the respective economies or other econometric models) were expressed as percentage changes in the turnover of the respective businesses. At the final stage of the process, specific thresholds were adopted as regards the estimated losses due to climate change, with a view the related risks to be characterized as negligible, low, medium, high or very high.



## 4.4 CR&E Risks Scenario Analysis

### Impact in terms of sectoral production, RCP 2.6

Sector	2030	2040	2050
Agriculture	High	Very high	Very high
Construction	Negligible	Low	Low
Electricity Supply	Low	Low	Medium
Manufacturing	Low	Low	Low
Oil and Gas	Negligible	Negligible	Negligible
Real estate activities	Negligible	Negligible	Negligible
RES	Negligible	Negligible	Negligible
Transporting and Storage	Low	Low	Low
Water supply	Low	Low	Low
Wholesale and retail	Negligible	Negligible	Negligible

## 4.4 CR&E Risks Scenario Analysis

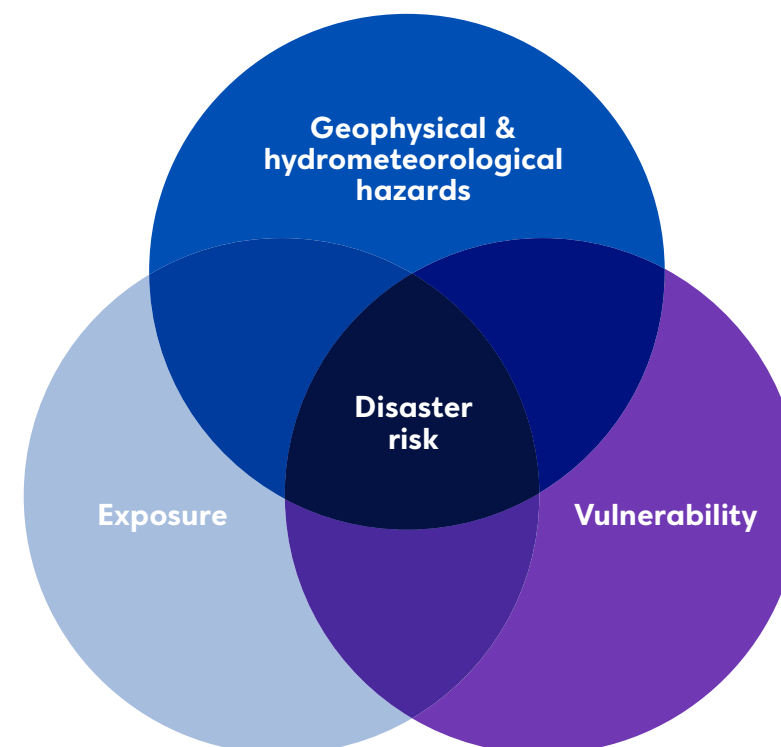
### Analysis of Acute effects

During the analysis of acute effects, the Bank takes into consideration several extreme phenomena, such as:

- fluvial floods (high-water levels in river channels, causing dyke breach)
- pluvial floods (rainfall intensity exceeding infiltration capacity)
- extreme heat
- wildfires
- water scarcity
- landslides
- coastal floods

The quantitative analysis is performed at NUTS 3 level for 52 prefectures in Greece, as well as per NACE code at 2-digit level. The effects are expressed in quantitative categorical scales and the analysis is conducted uniformly for the entire period up to 2050.

**Risk = f(Hazard, Exposure, Vulnerability)**



The overview of our approach is depicted in the Figure below (source: MacFarlane, 2021), and considers three main dimensions:

1. **Climate Hazards:** utilizing data and indicators from European databases (i.e. Copernicus and EPSO) the severity of the 7 extreme phenomena in each NUTS 3 region under consideration has been assessed, assigning a risk score according to our 5-point RAG scale (Negligible to Very High)
2. **Exposure:** utilizing data and indicators (e.g. population in settlements exposed to coastal hazard) from European databases (i.e. RESIN, EPSO, and ELSTAT) the exposure of the NUTS 3 regions in question to the above hazards has been assessed (again according to the 5-point RAG scale)
3. **Vulnerability:** utilizing expert judgements included in the Regional Plans for Climate Change Adaptation in Greece, the vulnerability of the various economic activities to the extreme events in question has been assessed. Specifically, the assessment is performed at sector level and separately for the buildings using a 4-point qualitative scale.

In the next stage of the methodological framework developed, the climate risk attributed to each extreme phenomenon under consideration, is calculated by geographical area and economic activity as the product of the three indicators formulated to evaluate the abovementioned dimensions. The extreme event with the highest score is considered to be the one shaping the climate risk for that activity in that area. Consequently

$$ACR_{s,r} = \max (H_{i,r} \times E_{i,r} \times V_{i,s})$$

Where ACR the acute climate risk attributed to a company operating in industry  $s$  and region  $r$ ,  $H$  the severity of the hazard faced by area  $r$  due to phenomenon  $i$ ,  $E$  the degree of exposure of the area  $r$  to the extreme effect  $i$ , and  $V$  the vulnerability of the economic sector  $s$  to the extreme event  $i$ .

Ultimately, adopting appropriate thresholds, this climate risk attributed to acute effects is characterized, similarly to chronic effects, as negligible, low, medium, high, or very high.

## 4.4 CR&E Risks Scenario Analysis

### Acute Risk Assessment, RCP 2.6

Sector	Assessment
Agriculture	Negligible
Construction	Negligible
Electricity Supply	Low
Manufacturing	Negligible
Oil and Gas	Negligible
Real estate activities	Negligible
RES	Negligible
Transporting and Storage	Negligible
Water supply	Low
Wholesale and retail	Negligible

## Risk Management



## Risk Management

### 5.1 Risk Identification & Materiality Assessment

#### Climate-Related and Environmental Risk Drivers & Transmission Channels

The Group identifies and assesses CR&E risks within the context of the Risk Identification and Materiality Assessment (RIMA) process, which is performed at least on an annual basis, or ad-hoc, if necessary. Through the RIMA process, the Group identifies material risks that could potentially have a significant adverse impact on its financials, capital base, liquidity position or business model, as well as identifies any possible emerging risks that the Group might be exposed to. In this context, the Group takes into consideration several different sources to identify new risks, such as the SSM’s Supervisory Priorities, the European Union & national legislation changes, developments in the regulatory landscape in general, along with EBA or BCBS reports.

The Group has identified as Climate-Related and Environmental risks as the risks deriving from potential loss or negative impact to the Group, including loss/damage to physical assets, disruption of business or system failures, transition expenditures and reputational effects from the adverse consequences of climate change and environmental degradation.

As CR&E risks interact with other risks and result in direct distributional impacts and indirect macroeconomic impacts, the Group understands that careful consideration of the cross-cutting nature thereof is necessary in order to ensure the optimal implementation of

adaptation activities. Thus, the Group considers CR&E risks as drivers of existing risk types, undertaking a holistic and systemic approach when examining the complex links between CR&E risks and both financial and non-financial risks. Eurobank has integrated CR&E risks elements into its existing risk management processes, creating additional procedures, policies and tools so that these risks can be properly identified and measured.

The Group aims to develop a shared understanding of the key risks related to the implementation of its strategy and to pinpoint those that may potentially have an impact on its operations. To this end, the Group has identified the risk drivers related to climate change and environmental degradation, through internal and external sources of knowledge, that are most relevant for the business environment in which it operates.

From an internal perspective, the Group has placed great emphasis in building capacity among its employees and increasing overall awareness on CR&E matters. To this end, a dedicated division (Group Climate Risk Division) has been established with the overall responsibility for overseeing, monitoring, and managing CR&E risks, in line with the provisions of CR&E Risk Policy. In parallel, the Group considers various external sources of information, including, inter alia, the cooperation with external advisors and the consultation of public sources (e.g. ThinkHazard!, World Resources Institute) to determine the key risk drivers that could potentially have a significant adverse impact on its operations.

**In this context, the Group has identified the following list of CR&E risk drivers:**

Climate-Related Risk		Environmental Risk
Transition Risk	Physical Risk	
Behavioural Changes	Acute Hazards (floods, wildfires)	Water Scarcity
Policy & Regulatory Changes	Chronic Hazards (droughts, heat waves)	
Technological Changes		

## 5.1 Risk Identification & Materiality Assessment

### Climate-Related and Environmental Transition risk

Transition risk refers to financial loss that can result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy. This transition may entail extensive behavioral, policy and regulatory, as well as technological changes, to address mitigation and adaptation requirements relating to impacts deriving from climate change and environmental risks. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organizations.

- **Behavioural Changes**

Behavioral changes of consumers, suppliers, employees and investors could trigger shifts in supply and demand for certain commodities, products, services and capital as climate-related and environmental risks and opportunities are increasingly taken into account. Changing client or community perceptions of an organization's contribution to or detractor from the transition to a lower-carbon economy and developments aimed at halting or reversing damage to nature, can all result in decreased revenue, changes in the revenue mix and major capex requirements, while they are also a potential source of reputational risk for many corporates.

- **Policy & Regulatory Changes**

The objectives of policy actions and regulatory requirements generally fall into two categories:

1. Policy actions that aim at constraining actions that contribute to the adverse effects of climate change (e.g., implementing carbon-pricing mechanisms to reduce greenhouse gas - GHG emissions, energy use toward lower emission sources) and environmental degradation (e.g. restrictions on water consumption levels, ban of certain environmentally damaging materials/chemicals).
2. Policy actions that seek to promote adaptation to climate change (e.g., adopting energy-efficiency solutions, encouraging greater water efficiency measures, and promoting more sustainable land-use practices) and environmental degradation (e.g. more efficient water management practices).

Both the nature and the timing of policy changes determine the extent of the associated risk and its subsequent financial impact.

Another important risk is litigation or legal risk. As the value of loss and damage arising from climate change and environmental degradation grows, litigation risk is also likely to increase.

- **Technological Changes**

Technological improvements or innovations that support the transition to a lower-carbon, energy efficient economic system as well as the substitution of products or services with a lower / improved impact on nature or reduced dependency on nature can have a significant impact on organizations, as different industries may encounter difficulties in adapting to technology advancements toward greener practices.

For example, the development and use of emerging technologies such as renewable energy, battery storage, energy efficiency, and carbon capture and storage will affect certain organizations, their production and distribution costs, and ultimately the demand for their products and services from end users.

The timing of technology development and deployment is also a key uncertainty in assessing technology risk.

### Climate-Related and Environmental Physical risk

Physical risk refers to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as the impact of environmental degradation, such as air, water and land pollution, water stress, biodiversity loss and deforestation.

- **Acute Hazards**

Physical risk is categorized as “acute” when it arises from particular extreme weather-related events such as storms, floods, fires or heatwaves and other environmental hazards such as geologic events or changes in ecosystem equilibria (e.g., soil pollution) that may damage production/ operation facilities and disrupt value chains.

- **Chronic Hazards**

Physical risk is categorized as “chronic” when it arises from progressive shifts, such as increasing temperatures, sea level rise, water stress, biodiversity loss, land use change, habitat destruction and resource scarcity. This can directly result in, for example, damage to property or reduced productivity, or indirectly lead to subsequent events, such as the disruption of supply chains.



## 5.1 Risk Identification & Materiality Assessment

### Water Scarcity

Water scarcity is a seasonal, annual or multi-annual water stress condition. It occurs when water demand frequently exceeds the sustainable supply capacity of the natural system in river basins. It can be measured as the ratio between renewable freshwater resources and water abstraction or water use.

Water scarcity is assessed in the context of environmental risk. However, environmental risk is not further split into physical and transition hazards at this stage, due to a lack of appropriate data and the overall early stage of the corresponding environmental risk management framework; rather, water scarcity assessment embodies both components altogether. The analysis for environmental hazards will resemble the analysis for climate risk going forward, as the risk environment matures.

### Biodiversity Loss

Eurobank has identified biodiversity loss as a relevant risk for its operations. Biodiversity loss is an average loss in biological diversity over time and/or space that leads to a decline in the ability of the natural world to generate flows of ecosystem services, with negative

economic impacts on individuals, households, organisations and countries.

On the basis of the capability of the financial sector to influence the sustainable use of nature through its business activities, Eurobank is already taking appropriate steps to integrate biodiversity loss in its operations, by developing a corresponding response strategy and incorporating relevant provisions in the risk management framework. According to the Group's Exclusion List, activities prohibited by the laws of the host country or international conventions concerning the protection of biodiversity or cultural heritage resources are excluded from financing. In parallel, the ESG Questionnaire that will be utilized by the Group in the context of the borrowers' creditworthiness assessment includes inter alia dedicated questions aiming to capture the biodiversity loss risk of Bank's counterparties.

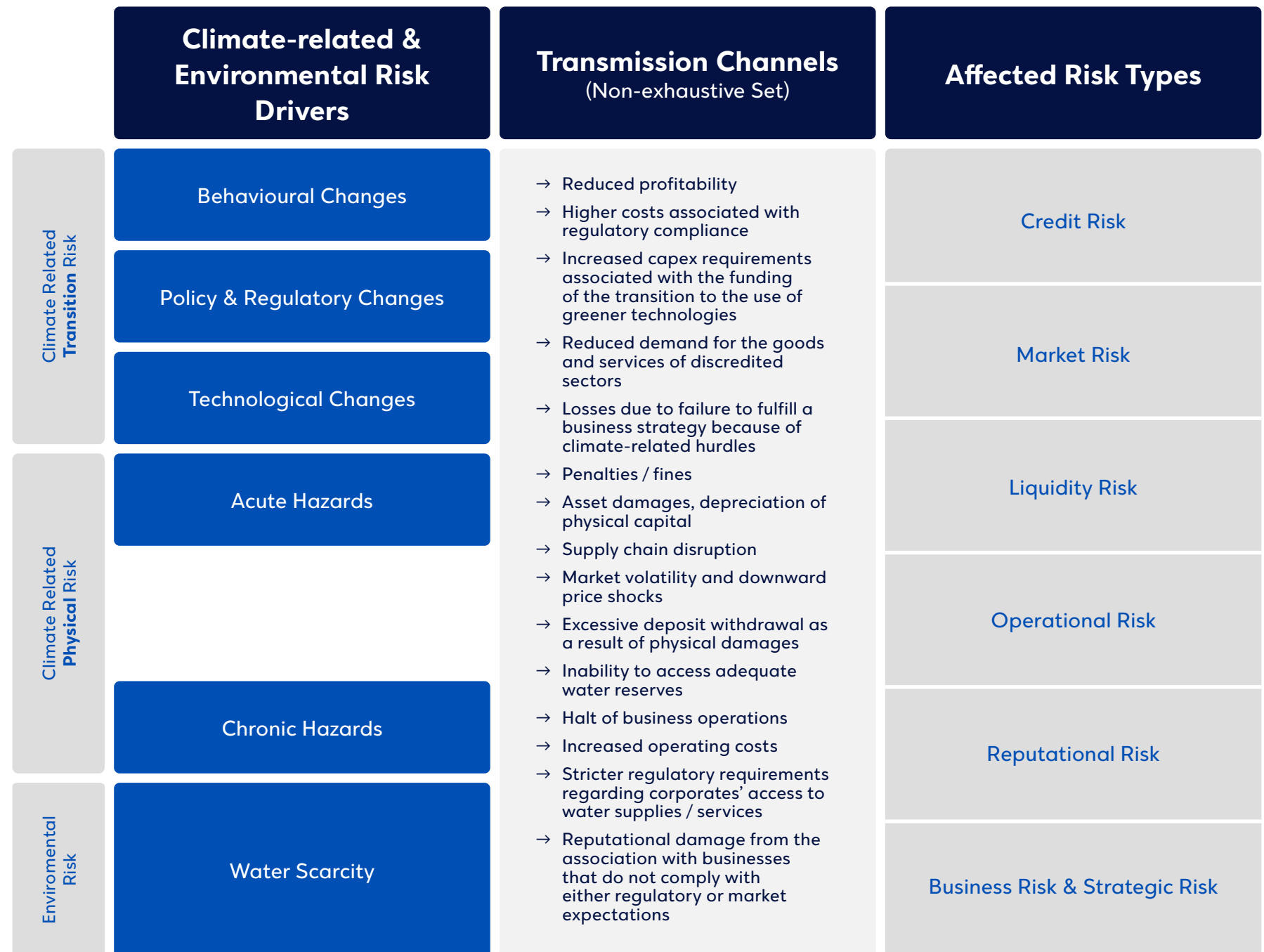
Considering the complexity of assessing this risk driver in relation to Eurobank's business practices and own operations, given the fact that the relevant guidance in this field is currently under development, Eurobank is following closely several related initiatives and continues to build on its skills and capacity, so as to ensure readiness to appropriately address such risks, upon the availability of more granular guidelines and methodologies in this respect.

Table on next page



## 5.1 Risk Identification & Materiality Assessment

Climate change and environmental risks materialise for Eurobank through various channels, including Eurobank’s business activities and overall infrastructure (including properties, business premises and facilities). The following figure high-level captures the key transmission channels through which CR&E risk drivers could negatively impact Eurobank’s existing risk categories.





## 5.1 Risk Identification & Materiality Assessment

### Sectoral Analysis

To inform the materiality assessment process, the Group performed a heatmapping exercise to determine how CR&E risks affect certain sectors that the Group is exposed to, and subsequently to interpret the impact on the overall Bank’s risk profile and operations in terms of financial losses, business disruptions, legal claims and/or reputational damages.

Traditional economic variables such as demand, prices, and productivity may be impacted by CR&E risks. With this exercise, the Group sought to take into account the unique characteristics of each sector while also leveraging the pertinent analysis for the transmission channels through which CR&E risks may manifest for the Group. For the sectoral analysis, the Group integrated both qualitative and quantitative aspects. Under climate-related transition risk and environmental risk, all identified CR&E risk drivers were assessed, -namely Behavioural Changes, Policy & Regulatory Changes,

Technological Changes for the former and Water Scarcity for the latter, while under climate-related physical risk the following risk drivers were selected due to their relevance to the Greek geographical area (where the core operations of the Group are located), **as well as pertinent data availability:**

- Acute Hazards: Floods, wildfires
- Chronic Hazards: Droughts, heat waves

The sectors that were designated for assessment in this context are considered to significantly contribute to climate change and environmental degradation. Each sector received a severity score for each of the determined risk drivers. The scores have the following dimensions: **1-Minor Impact, 2-Low Impact, 3-Medium Impact, 4-High Impact.** The following table demonstrates what each score represents in terms of severity:

Sectoral Analysis Scores’ Definition

Scores	Definition
High	Sector is severely affected by climate change and/or environmental degradation, with regards to societal/regulatory/technological shifts or physical hazards
Medium	Sector is moderately affected by climate change and/or environmental degradation, with regards to societal/regulatory/technological shifts or physical hazards
Low	Sector has low vulnerability in terms of climate change and/or environmental degradation, with regards to societal/regulatory/technological shifts or physical hazards
Minor	Sector has minor vulnerability in terms of climate change and/or environmental degradation, with regards to societal/regulatory/technological shifts or physical hazards

## 5.1 Risk Identification & Materiality Assessment

Data sources that are currently available (e.g. UNEP FI, ThinkHazard!, ENCORE) and the professional judgment of industry experts were used to help determine the projected level of severity. In the context of climate-related physical and transition risks, the qualitative analysis performed is supplemented with a quantitative assessment that leveraged on the scenario analysis conducted in the context of ICAAP.

The heatmapping exercise's selected sectors, represent 79% of the Group's Non-Financial Corporation (NFC) exposures as of 31.12.2022. The following table demonstrates the consolidated results of the assessment.

A/A	Sector	Climate-Related Risk		Environmental Risk (Water Scarcity)
		Physical Risk	Transition Risk	
1	Agriculture	High	Medium	High
2	Mining and quarrying	Medium	Low	Medium
3	Manufacturing	Medium	Medium	Low
4	Electricity supply	Medium	Medium	Low
5	Water supply	Medium	Medium	High
6	Construction	High	Medium	Low
7	Wholesale and retail trade	Low	Medium	Minor
8	Transporting and Storage	Medium	Medium	Low
9	Real estate activities	High	Medium	Minor
10	Oil and Gas	Medium	High	Low
11	Renewable Energy Sources (RES) <sup>1</sup>	Low	Minor	Minor

1. The RES sector is defined based on the loan purpose and in line with the Group's Sustainable Finance Framework (SFF)

## 5.1 Risk Identification & Materiality Assessment

The sectoral analysis is expected to take place annually and its outcome will be taken into consideration in the Group's follow-up actions in terms of measuring the materiality of the risks and allocating relevant resources within the organization.

### Materiality Assessment per Risk

The Group has carried out a number of actions to safeguard that there is a concrete procedure via which CR&E risks are fully taken into consideration and afterwards evaluated in order to conduct a solid materiality assessment.

A proportionate method has been taken in the evaluation of the materiality of the CR&E risks, concentrating only on those that are considered to be able to have the most detrimental effects. In parallel, it should be also noted that the materiality assessment process follows the "gross approach". In other words, without taking into account specific techniques designed to mitigate the underlying risks.

The results of the materiality assessment exercise are included in the Group's Risk Identification & Materiality Assessment (RIMA) Report, Risk Library and Risk Inventory. The risks identified as material form the basis for the Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) exercises, in the context of which the Group identifies mitigating actions to ensure that it remains adequately capitalized and maintains sufficient liquidity buffers to support its business strategy.

### Credit Risk

The results of the heatmapping exercise serve as the foundation for the materiality assessment of credit risk. The Group has assessed the concentration of its Non-Financial Corporation (NFC) portfolio as of 31.12.2022 towards climate-related and environmental risks to conclude to a materiality assessment outcome.

### Climate-Related Transition Risk

The transition to a low-carbon economy poses significant challenges for clients due to associated required expenditures that could severely burden businesses' financials. For the assessment of transition credit risk, the Group leveraged on both quantitative and qualitative aspects. The quantitative analysis was based on the dedicated climate scenario analysis that was performed in the context of the ICAAP baseline scenario and introduced transition risk shocks and their translation into macroeconomic and sectoral level impact. In this context, to inform the heatmapping exercise, quantitative data regarding the percentage change in the projected turnover of the

selected sectors were utilized. Along with expert judgement from specialists, scores for the impact of transition risk drivers to the selected sectors were determined.

The Group utilized an exposure concentration approach to identify the Group's exposure distribution among the sectors characterized with "High Impact" or "Medium Impact" scores from climate-related transition risk drivers, with the purpose of drawing reasonable conclusions for the materiality of the risk. **The relevant assessment is shown in the following table.**

Climate-related **transition risk** sectoral credit exposure impact assessment

	Sectors / Portfolio Impact	Impact
1	Oil and Gas	High
2	Wholesale and retail trade	Medium
3	Transporting and Storage	Medium
4	Manufacturing	Medium
5	Real estate activities	Medium
6	Electricity supply	Medium
7	Construction	Medium
8	Agriculture	Medium
9	Water supply	Medium
10	Mining and quarrying	Low
11	Renewable Energy Sources	Minor

## 5.1 Risk Identification & Materiality Assessment

### Climate-Related Physical Risk

The severity and frequency of physical risk losses have increased as a result of the intensification of extreme weather events globally. In this context, both clients' creditworthiness as well as asset values may deteriorate. For the assessment of physical credit risk, the Group utilized the heatmapping exercise, that also leveraged on the climate scenario analysis developed in the context of ICAAP.

Subsequently, the sectoral analysis was supplemented with an exposure concentration approach to identify the Group's exposure distribution among the sectors characterized with "High Impact" or "Medium Impact" scores from climate-related physical risk drivers, with the purpose of drawing reasonable conclusions for the materiality of the risk. **The relevant assessment is shown in the following table.**



Climate-related **physical risk** sectoral credit exposure impact assessment

	Sectors / Portfolio Impact	Impact
1	Real Estate Activities	High
2	Construction	High
3	Agriculture	High
4	Transporting and Storage	Medium
5	Manufacturing	Medium
6	Oil and Gas	Medium
7	Electricity supply	Medium
8	Mining and quarrying	Medium
9	Water supply	Medium
10	Wholesale and retail trade	Low
11	Renewable Energy Sources	Low

## 5.1 Risk Identification & Materiality Assessment

### Water Scarcity

The materiality assessment of water scarcity is based on the heatmapping exercise. Water shortage could manifest for the counterparties in the form of pertinent value chain disruptions or corresponding capital expenditures to comply with transition risk related to more environmentally friendly water management techniques. Through its comprehensive analysis for transmission channels, the Group's purpose was to capture the key causal chains through which water scarcity materializes for the Group and build its materiality assessment approach accordingly.

Through an exposure concentration analysis, the Group aimed to identify whether water scarcity has a severe detrimental impact to the Group's credit exposures. The NFC portfolio as of 31.12.2022 was examined in terms of water scarcity severity scores of the selected sectors, based on World Resources Institute (WRI) data for information around the projected water stress conditions. **The relevant assessment is shown in the following table.**



### Water scarcity sectoral credit exposure impact assessment

	Sectors / Portfolio Impact	Impact
1	Agriculture	High
2	Water supply	High
3	Mining and quarrying	Medium
4	Transporting and Storage	Low
5	Manufacturing	Low
6	Oil and Gas	Low
7	Electricity supply	Low
8	Construction	Low
9	Wholesale and retail trade	Minor
10	Real estate activities	Minor
11	Renewable Energy Sources	Minor

## 5.1 Risk Identification & Materiality Assessment

### Market Risk

#### Climate-Related Transition Risk

As the Group considers that climate transition risk is the most prominent channel that has the potential to result in the greatest losses for the Group's trading book, market exposures in terms of transition risk have been evaluated for this year's materiality assessment exercise. The transmission channel for market transition risk includes corporates with high carbon footprints that may have their valuations cut to account for future transition-related losses to more sustainable operations.

Leveraging on the heatmapping exercise, the Group has performed an exposure concentration analysis of the trading book, evaluating exposures as of 31.12.2022 in the selected sectors, representing 20% of trading book. **The relevant assessment is shown in the following table.**



Climate-related **transition risk** sectoral trading exposure impact assessment

	Sectors / Portfolio Impact	Impact
1	Oil and Gas	High
2	Electricity supply	Medium
3	Construction	Medium
4	Real estate activities	Medium
5	Manufacturing	Medium
6	Wholesale and retail trade	Medium
7	Agriculture	Medium
8	Water supply	Medium
9	Transporting and Storage	Medium
10	Mining and quarrying	Low
11	Renewable Energy Sources	Minor

## 5.1 Risk Identification & Materiality Assessment

### Operational and Reputational Risk

Climate and the environment are considered by the Group as causal factors of operational risks and losses through changes in human and institutional behaviors, policy, regulatory and technological changes and direct physical impacts. In this context, operational risks arising from CR&E factors are assessed, quantified, reported and managed in accordance with the relevant operational risk management policies.

The Group has identified how CR&E drivers affect each of the 12 operational risk sub-types (risk themes) and in reputational risk. The key risk themes that could be affected are Physical Security, Safety and Business Disruption Risk, Conduct Risk, Regulatory Compliance Risk, Third Party Risk, Technology Risk and People Risk. All risk themes affected considerably by CR&E factors were deemed as material during the Group's materiality assessment process.

#### Climate-Related Physical Risk

Operational risks connected with CR&E drivers are flagged in the risk register and operational risk events and losses are marked accordingly in the internal events database. Rules for the capturing of CR&E-driven operational risk risks and events have been determined.

#### Climate-Related Transition Risk

Through scenario analysis, the Group evaluated and quantified the operational risk and reputational risk consequences resulting from climate risk by embedding such drivers into traditional operational risk scenarios.

For example, when assessing Conduct Risk, which includes liability risk, the relevant scenario included climate-related issues, among other types of conduct-related issues, such as greenwashing, covering aspects such as misleading statements about products or services, failure to disclose information, etc.

### Liquidity Risk

#### Climate-Related Transition Risk

In the context of funding needs, the Group considers that the decline in the value of the corporate bonds it owns could have an impact on its liquidity. Corporate bonds may be used as collateral to secure loans from other financial institutions or to enter into repurchase agreements to borrow money to fund operations. The Group's ability to raise money on favorable terms is hampered by the overall decline in its assets. To determine the approximate impact of climate risk in

its liquidity, the analysis quantified the impact on the Bank's buffer of HQLAs from a potential devaluation of the corporate securities that are mapped as vulnerable (medium / high risk sectors) to the climate risk.

To reiterate, the assessment for transition liquidity risk drew on both the sectoral analysis and a scenario that was internally designed with the goal of determining how resilient the corporate securities portfolio is to changing economic conditions as a result of the transition factors that were examined.

#### Climate-Related Physical Risk

The Group acknowledges that climate physical risk could have an adverse impact on its liquidity. Extreme physical events (mainly acute ones) could lead to deposit withdrawal or draw of credit lines, therefore putting Bank's own liquidity under pressure and leading to crystallized liquidity risk within its environment. These withdrawals could affect the Group's Liquidity Coverage Ratio (LCR) by increasing the Bank's net cash outflows. Specifically, under an event of heavy flooding clients may need to withdraw deposits to finance recovery of operations and /or to absorb the related losses.

The analysis quantified the impact on the Bank's client deposits from a potential flood event in certain areas of middle Greece. Under an internally developed scenario which took into account specific parameters, an outflow amount and its impact on Bank's LCR was determined.

### Business Risk and Strategic Risk

#### Climate-Related Transition Risk

For the materiality assessment of climate business risk and strategic risk, transition risk has been identified as the most relevant risk driver. To evaluate this risk, the Group examined several aspects of climate change impact to its overall operations, including the heatmapping exercise outcomes as well as pertinent shifts to Group's organizational structure and strategy.

In the context of the sectoral analysis, the gross interest income distribution as of 31.12.2022 was evaluated. This assessment is based on the fact that business risk and strategic risk entails the risk that adverse changes in revenues caused by external trends (i.e. climate change) will negatively affect current or prospective earnings. Therefore, sectors negatively impacted from climate-related transition risk may give rise to future reduced profitability and/or losses for the Group.

## 5.1 Risk Identification & Materiality Assessment

Qualitative factors were also considered when determining the materiality. Given the growing regulatory and market requirements, the Group could face negative consequences arising from the failure to design and implement an effective climate business design. Integrating climate change concerns into the Group's operations over the past few years has resulted in major alterations ranging from internal governance structure to business strategy commitments.

As the Group understands that sustainable development is key to prosperity, the aforementioned changes include, inter alia, the incorporation of climate strategic goals in the Group's financial planning, the offering of financing solutions that foster growth and

sustainable development as well as the enhancement of the Bank's governance arrangements with the establishment of dedicated bodies across the three lines of defense. Group's risk appetite has also been enriched with climate risk key performance indicators that are regularly monitored and provide the Group's tolerance and willingness to undertake relevant risks.

### Materiality Assessment Results

The aggregated results of the CR&E materiality assessment are shown in the table below along with the approach and criteria that were used for to **evaluate each type of risk**.

		Risk	Approach	Materiality Result
Climate Risk	Physical Risk	Credit Risk	Concentration (credit exposures) / Heatmapping analysis	Material
		Liquidity Risk	Scenario analysis	Non-Material
	Transition Risk	Credit Risk	Concentration (credit exposures) / Heatmapping analysis	Material
		Market Risk	Concentration (trading exposures) / Heatmapping analysis	Non-Material
		Liquidity Risk	Scenario analysis / Heatmapping analysis	Non-Material
		Business Risk and Strategic Risk	Concentration (gross interest income) / Heatmapping analysis / Qualitative assessment	Material
	Water Scarcity	Credit Risk	Concentration (credit exposures) / Heatmapping analysis	Non-Material



## Risk Management

### 5.2 CR&E Data

The Group recognizes the importance of relevant and reliable data in order to produce meaningful information, appropriate for decision-making purposes. Having already performed an assessment of CR&E data availability in its internal systems against regulatory requirements/ expectations, the Group continues to enhance its environmental risk data aggregation capabilities and IT infrastructure accordingly, while also using appropriate controls and safeguards to ensure the accuracy and completeness of the compiled information. The Group seeks to further improve environmental risk data granularity, through the allocation of detailed roles and responsibilities for the purposes of CR&E data management and the implementation of approaches for the remediation of identified data gaps (i.e., engagement with external data providers, development of methodological approaches for the estimation of required information).

### 5.3 Risk Appetite & Monitoring

#### Risk Appetite

The Group articulates its Risk Appetite via a set of qualitative and quantitative statements relating to, inter alia, solvency, liquidity, profitability, asset quality and other areas related to the material risks. The purpose of these indicators and thresholds is to support the evaluation whether the Group operates within its risk appetite. The outcome of this process is the Risk Appetite Statements (RAS) document whereas the principles, process and governance aspects related to the RAS are outlined in the Risk Appetite Framework (RAF). The RAS are complemented by a set of Business Line Statements (BLS) which constitute operational metrics (and limits) at the level of business where the risks are undertaken.

In this context, a Risk Appetite Statement was established and set for at least 20% of the annual new CIB disbursements within 2022 to be classified as Green/ Environmentally sustainable loans by applying the criteria set in Bank's Sustainable Finance Framework, which also includes RRF green tagging classification. This target was exceeded during 2022, showing the Bank's commitment towards green transition. In addition, an extra quantitative RAS in relation to climate risk was introduced during 2023, as well as a qualitative RAS in relation to other environmental risk.

### Risk Monitoring & Reporting

All responsible stakeholders within the Group, including the Senior Management, receive accurate, complete and timely CR&E risks information through Group's internal reporting framework. Aiming to facilitate informed decision-making, a dedicated dashboard has been established, in order to consolidate the abovementioned indicators as per a defined reporting frequency and using standardized report templates, in order to present main results and insights.

### 5.4 CR&E Risk Management Tools & Processes

The Bank is in the process of the incorporation of the ECB's "Good practices for climate-related and environmental risk management – Observations from 2022 thematic review" in its loan origination process, through enhancements to Lending criteria, Data collection & risk assessment, Risk classification, Client engagement and Transition plan assessment.

Eurobank has implemented a set of tools for the identification, measurement and management of CR&E risks. These are utilized by involved Units across Group's both 1st and 2nd Lines of Defense, with the relevant tasks being performed in a collaborative and efficient way.

#### CR&E Risks Monitoring Dashboard

Eurobank has established a monitoring dashboard with appropriate CR&E risks KPIs/ KRIs that are reported to the Senior Management, Management Body, as well as at Board level on a periodic basis, in order to safeguard efficient oversight of CR&E risks. For the selection and the definition of the relevant CR&E risks indicators, Eurobank leveraged on the insights gained from the 2022 ECB Climate Risk Stress Test (i.e., use of methodological assumptions made for the calculation of climate risk metrics), as well as on the Group's internal exercises and materiality assessment process (for transition and physical risk), and took into account best market practices.



## 5.4 CR&E Risk Management Tools & Processes

The ongoing and timely monitoring of pertinent indicators allows Management to assess the evolution of CR&E risks management trends, taking into account the Group's relevant targets, while it also facilitates internal reporting and disclosures.

### Engagement with Counterparties for CR&E Risks Mitigation

In order to facilitate the green transition of its clients, Eurobank has developed a dedicated approach to increase clients' engagement and awareness regarding environmental risks. Besides the initiatives launched aiming to build ESG literacy and capacity among its clients (e.g., online events, articles and webinars, digital academy for businesses), the Bank also utilizes the following tools in order to engage with its counterparties in the context of its credit granting activities, so as to understand their strategies and mitigate their CR&E risks exposures:

#### A. Moody's Risk Analyst (MRA) Model

The Group's Moody's Risk Analyst (MRA) Model assesses the CIB borrowers' credit profile based on qualitative and quantitative criteria. In more detail, the criterion "Risk of Adverse Events" assesses the client's vulnerability to adverse developments or business interruptions, fines, litigation and negative publicity, stemming among others, also from environmental parameters.

#### B. Environmental & Social Management System (ESMS)

Along with its service and product offerings, the Group implements an Environmental and Social Management System (ESMS), aiming to mitigate potential credit risks arising from the operation of businesses that are financed by the Group. In this context, Group's Environmental & Social (E&S) Policy sets the framework of general principles and requirements for the management of Environmental & Social Affairs in the Group. Additionally, Group's Environmental & Social Exclusion List defines the activities that are excluded from financing, while the Category A List outlines indicative types of projects that could result in potentially significant adverse future environmental and/or social impacts and therefore require an environmental and social impact assessment. As per the Group's current Environmental & Social Policy, the Environmental & Social assessment process is mandatory for all new credit granting, including new and existing clients. All clients/ activities proposed to be financed by the Group are screened against both the Group Environmental & Social Exclusion List and the Group Category A List, while the clients are also required to complete the Environmental & Social Risk Screening Form/ Scorecard, for the categorization of the financing transactions as Low, Medium, or

High risk according to their E&S impacts. For the cases classified as "Medium Risk" or "High Risk", an Environmental & Social Due Diligence process is conducted, in cooperation with external consultants. Any E&S risk control measures that the client has to implement in order to avoid or mitigate E&S impacts, are incorporated in the official contractual documentation. The Group monitors the cases classified as High Risk every year, while for cases classified as Low or Medium Risk, the monitoring takes place every three years.

#### C. Climate Risk Scorecard

In line with best market practices, as well as taking into account supervisory requirements/ expectations regarding the establishment of an approach for further assessing clients with higher climate risk exposure, the Bank has developed a Climate Risk Scorecard for the consideration of climate-related and environmental risks.

In this context, an assessment process based on the Climate Risk Scorecard is planned to be performed for all new financing transactions and limit increases (existing and new clients) initially applied to the Bank's Corporate & Investment Banking (CIB) portfolio.

The Climate Risk Scorecard shall comprise a modular questionnaire which will include targeted climate risk and sustainable financing related questions both qualitative and quantitative, capturing the following key dimensions: Transition risk, Taxonomy Aligned Activities, Physical risk, Sustainable financing, Emissions, Strategy, Governance, Climate & environmental incidents, Transition - Green technology. In addition, the questions of the Climate Risk Scorecard have been developed in order to examine climate risk and sustainable financing aspects both at client, as well as at transaction level. The output of the Climate Risk scorecard will be one of the following three scores: (a) High Risk, (b) Medium Risk and (c) Low Risk, while mitigating actions and/ or monitoring based on the client's Climate Risk scoring will be developed.

#### D. Interbank ESG Questionnaire

In the recent years, increased regulatory focus has been placed on ESG aspects in the banking sector. Institutions are expected to enhance their credit risk classification procedures in order to identify and evaluate climate-related and environmental risks, as well as integrate ESG aspects in the creditworthiness assessment process.



## 5.4 CR&E Risk Management Tools & Processes

In this context, an interbank initiative in the Greek banking market pertains to the design of an Interbank ESG Questionnaire, which the HBA (Hellenic Bank Association) is jointly conducting with the major Greek banks. The objective is to develop a comprehensive ESG Questionnaire to be used by all the banks, ensuring a harmonized assessment approach and a level-playing field, in order to incorporate a holistic assessment of borrowers' ESG factors.

The ESG Questionnaire shall ensure alignment with supervisory expectations/requirements (e.g. meeting obligations regarding the EBA Guidelines on Loan Origination and Monitoring and the ECB Guide on Climate-Related and Environmental Risks), applicable international standards and guidelines (e.g. Task Force on Climate-related Financial Disclosures) and banks' operational needs, while also taking into account best market practices.

The common ESG Questionnaire and the respective ESG scoring will be integrated into Eurobank's processes and will serve as a tool to help Eurobank in assessing clients' ESG maturity. The Bank's target is to unify the ESG risk assessment under a common questionnaire fully aligned with the regulatory requirements, leveraging on the interbank ESG questionnaire.

### E. ESG Risk Assessment

By combining the Climate Risk Scorecard and the Interbank ESG Questionnaire, Eurobank has developed, and is currently in the process of incorporating in its credit processes, the ESG Risk Assessment, a holistic approach which facilitates the assessment and classification of Bank's clients in terms of ESG criteria as per the relevant regulatory framework. More specifically, Eurobank's ESG Risk Assessment assesses its Corporate clients both at obligor level by utilizing the Interbank ESG Questionnaire, as well as at transaction level utilizing the Climate Risk Scorecard along with the Sustainable Finance Framework classification. In this context, Eurobank has developed its internal ESG Scoring approach for the ESG Risk Assessment in order to facilitate the final ESG scoring assessment and classification. The output of the ESG Risk Assessment will be one of the following three scores: (a) High ESG Risk, (b) Medium ESG Risk and (c) Low ESG Risk. During the credit decision/ granting process, Eurobank will consider through the ESG Risk Assessment the client's ESG risk scoring and profile, the possible mitigating actions resulted by the Climate Risk Scorecard, as well as the due diligence assessment performed for selected cases. Overall, the ESG Risk Assessment supports Eurobank's business strategy and ESG risk awareness and ensures adherence to the Group's risk appetite and credit policies.

### F. Sustainable Finance Framework and Tool

The Group's Sustainable Finance Framework (SFF) provides a clear and comprehensive methodology for classifying, monitoring, and reporting sustainable financial products. The SFF sets out the eligible assets to be financed, presented separately for the portfolios of Wholesale and Retail (i.e. presentation of the scope, the sustainable financing classification, and the applicable regulatory frameworks). If a potentially eligible financing fulfils the criteria outlined for each classification category, then, upon following the necessary verification process of evaluation and approval, it can be characterized as sustainable financing.

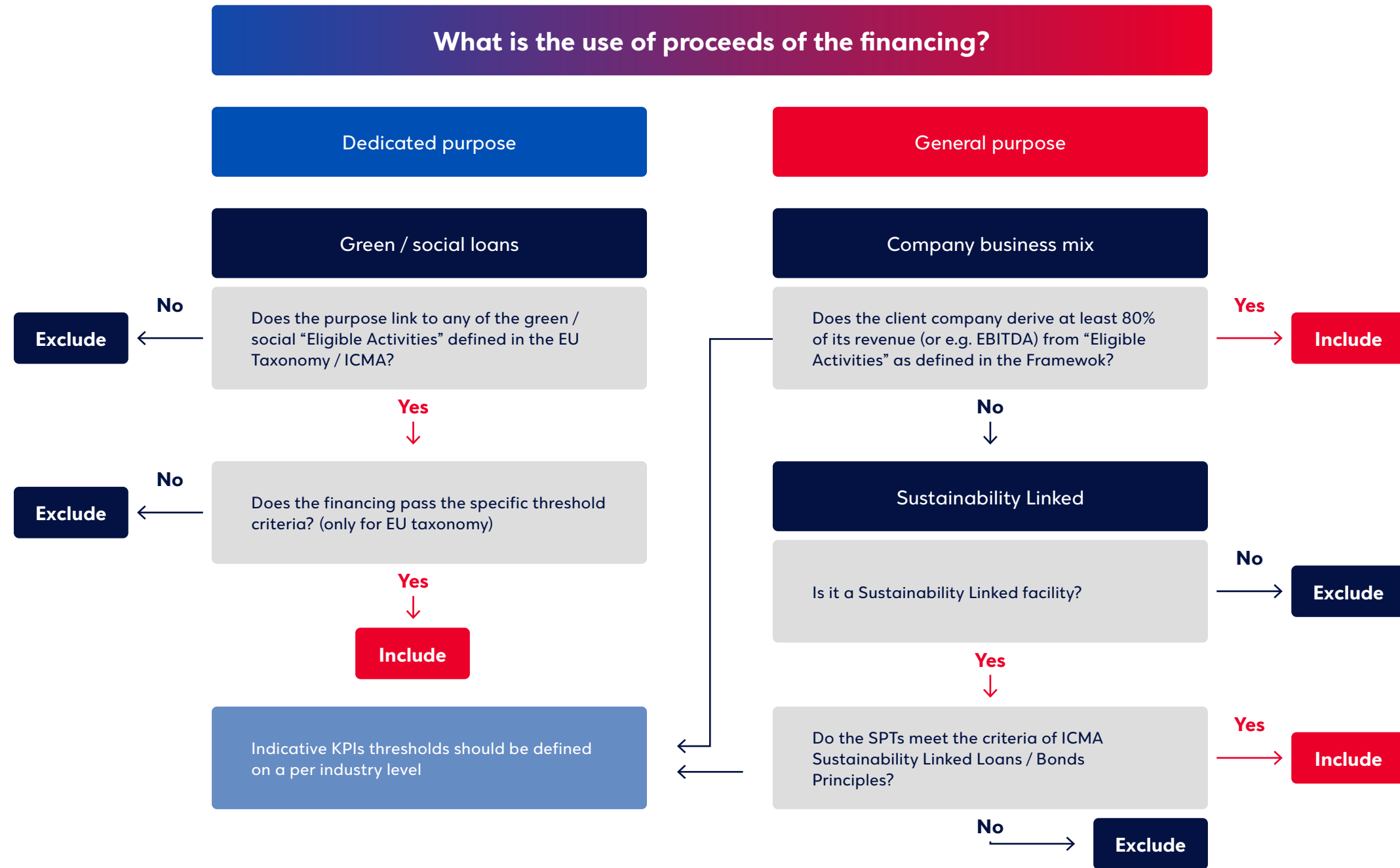
Through its Sustainable Finance Framework (SFF), the Group is able to classify sustainable lending solutions offered to its clients, specifying the applied classification approach and the activities defined as eligible to access sustainable financing (eligible green and social assets). The Sustainable Finance Framework scope encompasses a wide range of sustainable lending products, covering both CIB and Retail Banking portfolios. The Group has developed a web-based SFF Assessment Tool for the CIB Portfolio, to underpin the classification and evaluation of sustainable/ green financing opportunities in a structural manner. The SFF Assessment Tool automates the process of assessing the Group's financings against the criteria defined in the SFF. It is delivered through an online platform, which is a workflow-based application. The Group has completed the roll-out of the SFF as part of its loan origination process for the CIB portfolio and is working towards the operationalization of the Retail portfolio. In this view, the Group is currently in the process of developing a corresponding tool for the Retail Portfolio.

### G. Collateral Valuation Policy

The Bank's Collateral Valuation Policy (CVP) outlines the key types and attributes of collaterals that the Bank accepts and the procedures governing the valuation of certain types of collaterals. Based on the regulatory framework, the Bank is in the process of updating its CVP by integrating climate related and environmental risks into the Collateral Valuation process, considering the potential impact of climate change on the value of collateral assets by collecting selected information from Bank's clients (e.g. EPC) and performing analysis based on the collaterals' sensitivity to physical risk events and characteristics.

Table on next page





## 5.4 CR&E Risk Management Tools & Processes

### Investment & Asset Management Activities

#### A. Sustainable Investment Framework

The Bank has approved its Sustainable Investment Framework (SIF), for the classification of investments as sustainable based on criteria observed in international market practices.

Eurobank intends to invest in sustainable development with the aim of improving its impact on environmental sustainability, social responsibility, and corporate governance. The Bank is gradually integrating ESG practices and aspects within its operations and services.

Eurobank's Sustainable Investment Framework (SIF) outlines the Bank's potential sustainable investment approaches/strategies, the process for the selection of eligible investments, as well as the monitoring frequency regarding the sustainable portfolio (part of the Bank's investment portfolio). It is noted that the sustainability assessment based on the criteria of the SIF, irrespective of eligibility outcome, does not prevent the Bank from considering non-eligible investments for its portfolio.

#### B. Asset Management Activities

The Bank has outsourced investment advice and portfolio management services to Eurobank Asset Management M.F.M.C., which is the investment arm of the Eurobank Group. Thus, due diligence, research and investment decision processes when selecting or recommending financial instruments are conducted based on the applicable policies of Eurobank Asset Management M.F.M.C. Eurobank Asset Management M.F.M.C. was the first asset management company in Greece to join the global Principles for Responsible Investment (PRI) initiative.

The Responsible Investment Policy of the Company is also in line with the requirements set by Regulations (EU) 2019/2088 and (EU) 2020/852 on sustainability-related disclosures in the financial services sector and on the establishment of a framework to facilitate sustainable investment.

ESG factors relate, among other things, to: (i) The 10 principles of the United Nations Global Compact; and (ii) The sectoral policies of the Company's Investment Management & Corporate Strategy Division.

#### Overview of Approaches & Processes

As per the Sustainability Risk Policy document of Eurobank Asset Management M.F.M.C. (the "Company"), the Company integrates sustainability risk factors into the investment process. In particular, the ESG analysis includes the assessment of environmental criteria (e.g., energy efficiency, reduction of emission of greenhouse gases and waste treatment) at the level of the companies in which the Funds and Portfolios invest. The events or conditions that may be responsible for a negative impact on the return of the Fund/Portfolio include environmental aspects (e.g. carbon emissions, the sustainable use and protection of water and marine resources). The specific sustainability factors considered may vary, as they depend on the specific investment strategy followed by each Fund/Portfolio.

The Investment Management & Corporate Strategy Division pays close attention to investments in sensitive sectors. The sectors concerned include, but are not limited to, palm oil, wood pulp, mining activities, oil sands extraction, coal-fired power generation, tobacco, controversial weapons, unconventional oil and gas and asbestos. Companies from these sensitive sectors may be excluded from the Investment Management & Corporate Strategy Division. The effect of sustainability factors on the investments of a Fund/Portfolio is considered throughout the whole investment lifecycle and may occasionally lead to divestment.

Also, the Responsible Investment Policy of Eurobank Asset Management M.F.M.C. provides a description of the integration of ESG information into the investment processes, as well as outlines the foundation, ownership and oversight mechanisms which support the relevant approach. In this context, the Company has delineated specific procedures for selecting and monitoring financial instruments according to Principle 1 of the PRI and in line with the requirements of Regulation (EU) 2019/2088.



## 5.4 CR&E Risk Management Tools & Processes

### **Eurobank Asset Management uses the Sustainable Investment Strategies described below:**

1. **ESG Integrated:** Integration of ESG metrics in the analysis, selection, and composition of managed portfolios. Securities of issuers with high sustainability risks and/or principal adverse impacts may be purchased and retained in the portfolio.
2. **Best in Class:** Preferences towards securities with low or medium sustainability risks and/or decreases the weight of securities with high sustainability risks, as defined by ESG scores, without excluding entire industries.
3. **Best in Class Plus:** Seeks to invest in securities of issuers with low sustainability risks compared to their peers within the respective industry/sector, while: a) Excluding those with high sustainability risks (ESG risk classified as “severe”) b) In addition, a negative screen is used to exclude the 20% worst ESG scoring stocks from the investable universe.
4. **Sustainable Investing:** Seeks to invest mainly in issuers that contribute to making a positive environmental and/or social impact, as measured by third party ESG vendors, UN SDG contribution and PAI consideration and address. In addition, the Best in Class Plus process as above is applied in this strategy.

The Responsible Investment Policy also presents the applicable Investee company exclusions based on Controversial Activities and Revenue Thresholds. Also, the Policy sets out Investee company exclusions based on breaches of International Norms i.e. companies in severe breach of UN Global Compact Principles on human rights, labor standards, environmental protection, and anti-corruption.

### **Scenario Analysis & Stress Testing**

#### **A. Climate Stress Test Scenario/ Sensitivity Analysis in the 2023 ICAAP**

As part of ICAAP 2023, a forward-looking sensitivity analysis through targeted Climate Stress Test scenarios has been performed, for the quantification of climate-related risk impacts on Bank’s credit risk exposures. The impact has been incorporated under economic perspective, as an indicative internal capital requirement.

In particular, the Group assessed its vulnerabilities towards climate-related risks and the transmission channels to credit risk impact through targeted Climate Stress Test scenario analysis. To this end, the Group designed and developed a relevant Climate Stress Test

scenario analysis capturing transition risks as well as physical risks and quantified the credit risk impact in the Bank’s loan portfolios by **analyzing two sensitivity scenarios:**

1. **Transition Risk:** Assessment of the Bank’s Top 20 Clients (for the sectors identified as most sensitive to transition risk) under a short-term disorderly climate scenario, in line with Network for Greening the Financial System (NGFS) scenarios. The analysis reflected the effects at macroeconomic, sectoral and counterparty level through a dedicated climate scenario model, developed by an external provider.
2. **Physical Risk:** Application of a sensitivity shock on the real estate collateral values resulting from flood risk, in line with the ECB’s flood risk scenario examined as part of 2022 ECB Climate Risk Stress Test.

Both the short-term disorderly climate transition risk scenario, as well as the physical risk-flood risk shock on RE properties are very severe and imply a frontloaded impact that is not expected to occur for that short horizon under assessment.

#### **B. Group Climate Risk Stress Test (CRST) Framework**

The Group Climate Risk Stress Test (CRST) Framework accommodates a dedicated governance structure and defines the minimum requirements for designing, executing, approving, and applying the climate risk stress test. The Framework provides a transparent and repeatable process for designing and executing the climate risk stress test, as well as for reporting and evaluating stress test outcomes and determining management actions.

The CRST Framework has been developed as per the overall Stress Testing Policy of the Group, also taking into account the provisions of the ECB Guide on climate-related and environmental risks and the requirements of the 2022 ECB Climate Risk Stress Test. Additionally, the Framework complies with other best practices and supervisory requirements, such as the EBA Guidelines on institutions’ stress testing (EBA/GL/2018/04).

Going forward, the Bank aims to further enhance its Climate Risk Stress Testing capabilities and integrate climate scenarios into its overall risk management framework by developing a methodological approach for the incorporation of the impact of these scenarios in the Bank’s credit risk and market risk models.

## Metrics and Targets



## Metrics and Targets

### 6.1 2022 Sustainable financing targets and performance

Based on actual performance the Bank has successfully managed to accomplish its 2022 financed impact targets. Specifically, it:

#### 1. Operationalised its Sustainable Finance Framework

- It has completed the roll-out of the SFF as part of its loan origination process for the CIB portfolio and is working towards the operationalisation of the Retail portfolio, while the SFF is currently being localised to material international subsidiaries.
- It has developed a web-based SFF assessment tool for the Corporate Portfolio, to underpin the classification and evaluation of sustainable/ green financing opportunities in a structural manner. The SFF assessment tool automates the process of assessing the Bank's financings against the criteria defined in the SFF.
- It is assessing a series of new proposed Retail SFF-aligned products, also taking into account upcoming Greek government initiatives (ongoing / recurring initiatives).
- It is currently examining solutions for converting other climate mitigation products into SFF-eligible products.

#### 2. Enhanced its capabilities for the collection of climate / ESG risk data

The Bank is continuously enhancing its capabilities for the collection of climate-related and environmental risk data, through integration of additional information requirements in the credit process, as well as cooperating with third-party data providers. The Bank has also developed capabilities to collect publicly available data to calculate and monitor its financed emissions, using the PCAF methodology.

#### 3. Increased ESG / sustainable products

Eurobank has developed multiple products that promote sustainable growth, including RES investments, energy saving programmes for residential buildings, and debt restructuring programmes for vulnerable groups, while it received the Silver Awards for Sustainable Financing for Tourism at the Green Awards 2022. Going forward, it aims to develop additional ESG dedicated products for the Retail portfolio.

#### 4. Overachieved its target for at least 20% of the annual gross new corporate disbursements to be classified as green / environmentally sustainable

As regards sustainable financing targets in the Corporate Portfolio, for 2022, new green SFF-aligned disbursements in the CIB portfolio constituted more than 20% of the total disbursements in the CIB portfolio, indicating the Bank's dedication to supporting the green transition of its clients' operations.

**More specifically, the total outstanding balance of existing green exposures exceeded €1.5 billion as of 31.12.2022, indicating an over 60% year-on-year growth in green financing.**

# 20%

of total CIB disbursements classified as green SFF-aligned in 2022

# €1.5 billion

total outstanding balance of green exposures as of 31.12.2022

# 60%

year-on-year growth in green financing



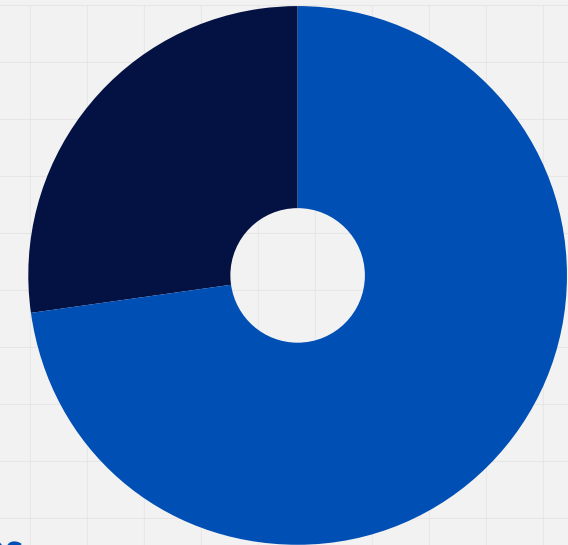
## 6.1 2022 Sustainable financing targets and performance

Over €900 million are attributed to Renewable Energy Sources (RES) projects, with the remaining being allocated to energy efficiency, green buildings and other green projects.

Over €1.1 billion have been allocated to dedicated purpose financing while € 400 million have been allocated to sustainability linked loans, supporting the clients' sustainable transition through ambitious performance targets



% of exposure for legacy portfolio per sustainable financing category

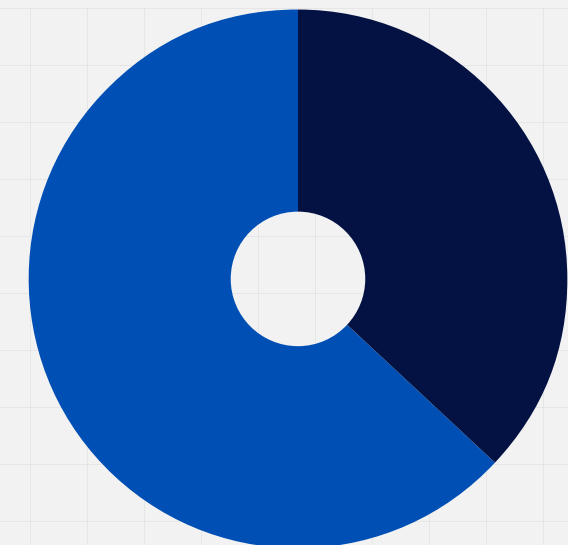


**73% Dedicated purpose loans**  
**27% Sustainability - linked loans**

Regarding bond positions, as at 31.12.2022 the Bank held over €0.45 billion in green and sustainability-linked bonds.



% of positions in green and sustainability - linked bonds



**63% Green bonds**  
**37% Sustainability - linked bonds**

## Metrics and Targets

### 6.2 Implementation of the EU Taxonomy Regulation

The EU Taxonomy (Regulation (EU) 2020/852 of the European Parliament and of the Council) was adopted in 2020 by the European Parliament and represents an important step for the EU to achieve the Paris Agreement climate neutrality goals. The key indicator of alignment for credit institutions is the Green Asset Ratio (GAR), which companies will be required to publish starting in 2024. It determines the extent to which activities comply with the criteria of Taxonomy. It is the ratio of a company's taxonomy-aligned assets to covered assets (total assets excluding exposure to sovereigns, central banks and the trading portfolio). As described above, the Bank strives to invest in sustainable development, is integrating ESG practices and aspects within its operations and services and will continue to do so as

the ESG elements and requirements evolve. The Bank aims to further align the Sustainable Finance Framework with the EU Taxonomy requirements, which will underpin the identification of exposures aligned with the EU Taxonomy, and the calculation of Green Asset Ratio (GAR) and supplementary key performance indicators. The GAR constitutes the key indicator of alignment for credit institutions under the EU Taxonomy Regulation. Upon reviewing its business activities to align Taxonomy reporting with its core activities, the Bank provides the key performance indicators (KPIs) and other disclosure requirements related to its dominant financial undertakings as laid down in Article 10 of the Art. 8 Delegated Act. The data as of 31.12.2022 have been prepared based on a best effort basis to adhere to the applicable regulations and will evolve in the future, as further information becomes available from counterparties and new regulatory developments.

1. The total assets in the KPIs above are presented at their gross amounts (except for collateral obtained by taking possession included in Taxonomy eligible and non-eligible assets, which is presented in carrying amount), according to EU Taxonomy methodology.

2. The Taxonomy-eligible assets of the Group using only the turnover KPI of the non-financial counterparties subject to NFRD amount to €11,637 million, that is 14% of total assets and the Taxonomy non-eligible assets amount to €62,437 million, that is 75% of total assets.

Assets		Amount (in € million)	% of total assets <sup>1</sup>
1	Taxonomy - eligible assets <sup>2</sup>	11,937	14.36%
2	Taxonomy non-eligible assets	62,138	74.76%
	of which corporate exposures to non-NFRD counterparties account for	30,719	36.96%
	of which derivatives, hedge accounting account for	1,022	1.23%
	of which on-demand interbank loans account for	30	0.04%
3	Assets to central governments, central banks, supranational issues	8,912	10.72%
4	Trading portfolio	134	0.16%
<b>Total assets<sup>1</sup> (1+2+3+4)</b>		<b>83,121</b>	<b>100.00%</b>
Impairment for debt instruments at amortised cost and other adjustments according to the EU Taxonomy methodology		(1,661)	
<b>Total assets according to the consolidated balance sheet as at 31.12.2022</b>		<b>81,460</b>	

## 6.2 Implementation of the EU Taxonomy Regulation

Along with mandatory disclosures, the Group implemented increased information with a breakdown of Taxonomy eligible and non-eligible assets on a voluntary basis. The purpose is to enhance transparency, provide additional information of the metrics and present the eligibility proportion of its assets.

Assets		FY 2022		
		Amount (in €million)	% of total covered assets <sup>1</sup>	% of total assets <sup>1</sup>
1	Taxonomy - eligible assets <sup>2</sup>	11,937	16.11%	14.36%
	of which exposures to households amount to	10,545	14.24%	12.69%
	of which corporate exposures to undertakings under the NFRD amount to	827	1.12%	0.99%
	of which collateral obtained by taking possession: residential and commercial immovable properties amount to	565	0.76%	0.68%
2	Taxonomy non-eligible assets	62,138	83.89%	74.76%
	of which exposures to households amount to	3,100	4.18%	3.73%
	of which corporate exposures to undertakings under the NFRD amount to	3,963	5.35%	4.77%
	of which exposures to regional governments or local authorities amount to	25	0.03%	0.03%
	of which corporate exposures to non-NFRD counterparties amount to	30,719	41.47%	36.96%
	of which derivatives and hedge accounting amount to	1,022	1.38%	1.23%
	of which on-demand interbank loans amount to	30	0.04%	0.04%

1. The total assets and total covered assets in the KPIs above are presented at their gross amounts (except from collateral obtained by taking possession, which is presented in carrying amount), according to the EU Taxonomy methodology.

2. In terms of eligible assets, a breakdown of the Group's activities shows that 12,69% stem from lending to households (vehicle loans and lending with collateral in real estate which are Taxonomy-eligible in their entirety), while lending to undertakings subject to NFRD represents 0.99% and repossessed collaterals represent 0.68%.

Assets' Data Table continued



## 6.2 Implementation of the EU Taxonomy Regulation

Assets		FY 2022		
		Amount (in €million)	% of total covered assets <sup>1</sup>	% of total assets <sup>1</sup>
	of which other assets amount to	23,279	31.43%	28.01%
<b>Total covered assets<sup>1</sup></b>		<b>74,075</b>	<b>100%</b>	<b>89.12%</b>
3	Assets to central governments, central banks, supranational issuers	8,912		10.72%
4	Trading portfolio	134		0.16%
<b>Total assets<sup>1</sup></b>		<b>83,121</b>		<b>100%</b>
Impairment for debt instruments at amortised cost and other adjustments according to the EU Taxonomy methodology		(1,661)		
<b>Total assets according to the consolidated balance sheet as at 31.12.2022</b>		<b>81,460</b>		

The voluntary metrics are based both on the denominator total assets and total covered assets. Total covered assets amount to €74,075 million, excluding exposures to sovereigns and the trading portfolio. The share of Taxonomy-eligible assets to total assets is 14.36% while the share of Taxonomy-eligible assets to total covered assets rises to 16.11%. Eurobank envisages to play a key role in financing landmark projects that are necessary for pursuing sustainable growth. To this end, the Bank has been increasingly incorporating sustainability in its offerings and client engagement and has been working with clients and various stakeholders with the aim of promoting sustainable development.

## Metrics and Targets

### 6.3 Operational Footprint<sup>1</sup>

Eurobank has established an Environmental Management System (EMS) that serves as an integrated framework for effectively managing all environmental aspects arising from the Bank's operations. It encompasses all Head Office Buildings and Bank branches, ensuring 100% coverage of its operations. The EMS implemented by Eurobank adheres to the guidelines set forth by the Eco-Management and Audit Scheme (EMAS) and is primarily designed to ensure compliance with the Bank's Environmental Policy within the scope of its operations.

#### Energy Management

The importance of climate change makes energy consumption monitoring one of the most important environmental priorities for Eurobank. It applies a certified Energy Management System (EnMS), in accordance with the ISO 50001 standard, with the purpose of responsible energy management in all the Bank's facilities (all

administration buildings / branches, covering 100% of its operations). This aims to minimize energy costs, the environmental impact of harmful greenhouse gas emissions and fossil fuel depletion.

According to the energy review conducted in the context of the EMS application the Energy consumption at **Eurobank occurs from:**

- burning of natural gas and oil for heating
- the use of diesel and petrol to fuel the vehicles used to transport materials between buildings within Attica; and
- the use of electricity for the organization's operations.

Eurobank's total energy consumption for 2022 reached 41,808.6 MWh (150.5 TJ), reflecting a decrease of 7.38% compared to the previous year's consumption of 45,138.1 MWh (162.5 TJ). Furthermore, the corresponding index of energy consumption per area, when compared to the figures from 2021, presenting a reduction of 4.82%.

1. For the detailed presentation of the Bank's operational environmental footprint, please refer to the Environmental Report 2022

Fuel consumption		2020	2021	2022	Annual change (%) - 2022 vs 2021
Heating oil	lt	22,376	25,217	<b>27,884</b>	10.57%
Surface area of spaces heated by oil	m <sup>2</sup>	5,885	5,885	<b>3,254</b>	-44.70%
Heating oil by surface area	lt/m <sup>2</sup>	4	4	<b>9</b>	99.95%
Natural gas	kWh	3,818,807	3,431,771	<b>3,163,095</b>	-7.83%
Surface area of spaces heated by natural gas	m <sup>2</sup>	74,729	74,729	<b>65,996</b>	-11.69%
Natural gas by surface area	kWh/m <sup>2</sup>	51	46	<b>48</b>	4.37%
Petrol for vehicles	lt	5,566	5,080	<b>5,029</b>	-0.99%
Diesel	lt	1,757	1,622	<b>1,084</b>	-33.21%

Table continue on next page



## 6.3 Operational Footprint

Electricity consumption		2020	2021	2022	Annual change (%) - 2022 vs 2021
Electricity	kWh	43,674,273	41,395,496	<b>38,314,106</b>	-7.44%
Electricity from RES	kWh	41,771,541	40,326,924	<b>37,508,269</b>	-6.99%
Electricity from NON RES	kWh	1,902,732	1,068,572	<b>805,837</b>	-24.59%
Percentage of electricity consumption from RES	%	95.64%	97.42%	<b>97.90%</b>	0.49%
Electricity consumption per employee (intensity)	kWh/person	6,073	6,460	<b>6,144</b>	-4.89%
Electricity by surface area (intensity)	kWh/m <sup>2</sup>	154	147	<b>143</b>	-2.61%

Energy consumption		2020	2021	2022	Annual change (%) - 2022 vs 2021
Heating oil	kWh	220,851	248,892	<b>275,211</b>	10.57%
Natural gas	kWh	3,818,807	3,431,771	<b>3,163,095</b>	-7.83%
Petrol for vehicles	kWh	50,340	45,945	<b>45,488</b>	-0.99%
Diesel	kWh	17,342	16,011	<b>10,694</b>	-33.21%
Electricity	kWh	43,674,273	41,395,496	<b>38,314,106</b>	-7.44%
Total energy consumption	kWh	47,781,613	45,138,115	<b>41,808,595</b>	-7.38%
Total energy consumption per employee (intensity)	kWh/person	6,645	7,044	<b>6,704</b>	-4.82%
Total energy consumption by surface area (intensity)	kWh/m <sup>2</sup>	168	160	<b>156</b>	-2.54%

## 6.3 Operational Footprint

### Greenhouse Gas Emissions

Eurobank is committed to reducing its environmental footprint and actively contributes to the reduction of greenhouse gas emissions. As part of this effort, the Bank closely monitors its operational emissions through the implementation of a certified Energy Management System (EMS) in accordance with the ISO 50001 standard.

The Bank applies the International Standard ISO 14064 for the quantification and reporting of greenhouse gas emissions (category 1-7) as well as GHG removals. The pertinent correspondence with the International Standard "GHG Protocol Corporate Accounting and Reporting Standard" (scope 1, 2 & 3) is also mentioned.

The table below shows the GHG emissions per Category / Scope.

Total Emissions		2020	2021	2022	Annual change (%) - 2022 vs 2021
GHG emissions – Scope 1	tCO <sub>2</sub> e	946	1,872	<b>2,681</b>	43.24%
GHG emissions – Scope 2	tCO <sub>2</sub> e	17,120	16,169	<b>12,824</b>	-20.69%
GHG emissions – Scope 3	tCO <sub>2</sub> e	36	4,538	<b>4,558</b>	0.45%
GHG emissions – Category 1 & 2, Scope 1 & 2	tCO <sub>2</sub> e	18,066	18,040	<b>15,505</b>	-14.05%
Total GHG emissions	tCO <sub>2</sub> e	18,103	22,578	<b>20,063</b>	-11.14%
Total GHG emissions per employee (intensity)	tCO <sub>2</sub> e/ person	2.52	3.52	<b>3.22</b>	-8.69%
Total GHG emissions by surface area (intensity)	tCO <sub>2</sub> e/m <sup>2</sup>	0.064	0.080	<b>0.075</b>	-6.50%

Emissions by greenhouse gas		2020	2021	2022	Annual change (%) - 2022 vs 2021
Carbon dioxide CO <sub>2</sub>	tCO <sub>2</sub> e	18,050	22,113	<b>19,988</b>	-9.61%
Methane CH <sub>4</sub>	tCO <sub>2</sub> e	40	46	<b>43</b>	-6.25%
Nitrous oxide N <sub>2</sub> O	tCO <sub>2</sub> e	13	33	<b>32</b>	-0.72%
Total GHG emissions	tCO <sub>2</sub> e	18,103	22,191	<b>20,063</b>	-9.59%

Table continue on next page



## 6.3 Operational Footprint

Intensity Index		2020	2021	2022	Annual change (%) - 2022 vs 2021
Energy Intensity	MWh/million €	30.99	29.71	<b>15.26</b>	-48.62%
Carbon emission intensity (scope 1)	tCO <sub>2</sub> e/million €	0.61	1.23	<b>0.98</b>	-20.54%
Carbon emission intensity (scope 2)	tCO <sub>2</sub> e/million €	11.10	10.64	<b>4.68</b>	-56.00%
Carbon emission intensity (scope 3)	tCO <sub>2</sub> e/million €	0.02	2.99	<b>1.66</b>	-44.28%
Carbon emission intensity (scope 1+2)	tCO <sub>2</sub> e/million €	11.72	11.87	<b>5.66</b>	-52.32%
Carbon emission intensity (scope 1+2+3)	tCO <sub>2</sub> e/million €	11.74	14.86	<b>7.32</b>	-50.71%
Operating income	(€ m)	1,542	1,519	<b>2,739</b>	80.27%

Carbon Emission Intensity is calculated as GHG emissions of category 1 & 2 (scope 1 & 2) in terms of operating income in millions of euros.

Emissions of Gaseous Pollutants		2020	2021	2022	Annual change (%) - 2022 vs 2021
Sulphur dioxide-SO <sub>2</sub>	t	677	642	<b>594</b>	-7.44%
Nitrogen oxides-NOX	t	53	50	<b>46</b>	-7.39%
Particulate matter	t	35	33	<b>31</b>	-7.44%

Gaseous pollutants from electricity are also included.

Table continue on next page





## 6.3 Operational Footprint

<b>Water Consumption</b>		<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Annual change (%) - 2022 vs 2021</b>
Water consumption	m <sup>3</sup>	54,691	62,322	<b>54,460</b>	-12.61%
Water consumption per employee	m <sup>3</sup> /person	7.61	9.73	<b>8.73</b>	-10.20%
Water consumption by surface area	m <sup>3</sup> /m <sup>2</sup>	0.19	0.22	<b>0.20</b>	-8.05%

<b>Paper Use</b>		<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Annual change (%) - 2022 vs 2021</b>
Paper supply A4 & A3	kg	247,188	209,243	<b>129,850</b>	-37.94%
Paper supply A4 & A3 per employee	kg/person	34	33	<b>21</b>	-36.23%
A4 & A3 paper supply with environmental labelling	%	100	100	<b>100</b>	0.00%
Paper consumption from MPS printers	mio Pages	60	52	<b>45</b>	-13.46%

## Metrics and Targets

### 6.4 Our financed emissions

The Bank has committed to align its portfolio with climate transition pathways and to develop phased, sectoral decarbonisation targets covering its portfolio, with the ultimate objective of reaching net zero by 2050. To this end it is in the process of developing an action plan and roadmap towards net zero, a key part of which is the calculation of its financed emissions, which will in turn inform its sector-specific action plan. The Bank has developed its capabilities to collect publicly available data, as well as estimate and monitor the GHG emissions of its counterparties. This is the first year that the Bank calculates and discloses its financed emissions, following the PCAF methodology, which is based on a revenue-based approach, with emission factors estimated for each sector and country through a multiregional input-output analysis framework. The Bank's financed emissions have been calculated per sector and identified its exposure to sectors more likely to be impacted by climate risk considering criteria such as their GHG emissions, their role in the energy supply chain, policies and geographies. It should be noted that reported emissions have been applied where the disclosed emissions from our clients have been available across Scope 1, 2 and 3, while where one or more reported scope categories were not disclosed/complete, the Bank has applied the estimated emissions according to its internal methodology in line with PCAF standard. **The table below presents the Bank's GHG financed emissions for loans, bonds and shares positions:**

Table on next page



## 6.4 Our financed emissions

Financed emissions will play a key role in developing the Bank's baseline, sectoral approach and overall net zero action plan. Therefore, the Bank aims to further enhance and refine its capabilities and tools for calculating its financed emissions.

Nace Code	Outstanding Amount (€ million)	% Outstanding Amount	Scope 1 ('000 tCO <sub>2</sub> e)	Scope 2 ('000 tCO <sub>2</sub> e)	Scope 3 ('000 tCO <sub>2</sub> e)	Total Emissions ('000 tCO <sub>2</sub> e)	Emissions Intensity
A - Agriculture, forestry and fishing	289	2%	71.56	4.11	43.18	118.85	41%
B - Mining and quarrying	121	1%	37.46	1.14	16.47	55.06	46%
C - Manufacturing	3,599	19%	1,358.66	283.65	1,265.43	2,907.75	81%
D - Electricity, gas, steam and air conditioning supply	1,753	9%	889.14	46.42	173.57	1,109.12	63%
E - Water supply; sewerage, waste management and remediation activities	31	0.2%	42.71	17.72	13.40	73.82	238%
Exposures to other sectors (NACE codes J, M - S)	2,207	12%					
F - Construction	736	4%	22.88	4.32	333.12	360.32	49%
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	3,553	19%	315.84	95.29	745.13	1,156.26	33%
H - Transportation and storage	3,526	19%	434.08	44.57	355.27	833.92	24%
I - Accommodation and food service activities	1,746	9%	3.94	13.96	123.19	141.09	8%
K - Financial and insurance activities	133	1%					
L - Real estate activities	871	5%	0.05	0.30	8.91	9.26	1%
<b>Grand Total</b>	<b>18,565</b>	<b>100%</b>	<b>3,176.31</b>	<b>511.47</b>	<b>3,077.67</b>	<b>6,765.45</b>	<b>36%</b>

## Metrics and Targets

### 6.5 Monitoring Indicators

The Bank has adequate monitoring and reporting mechanisms in place to ensure appropriate management of the CR&E risks generated by its activities. For this purpose, the Bank has developed appropriate Key Performance Indicators (KPIs) that are reported to the management body in order to effectively oversee CR&E risks across the Bank, leveraging on the insights gained from the 2022 ECB Climate Risk Stress Test, as well as from the Bank's internal exercises and materiality assessment (for transition and physical risk). In this context, the Bank has established a climate risk monitoring dashboard with appropriate climate risk KPIs that is reported to the management body on a periodic basis, in order to effectively oversee CR&E risks across the Bank.

For the selection and the definition of the climate risk monitoring indicators, the below were also taken into account:

1. Guidelines on non-financial reporting: Supplement on reporting climate-related information (2019/C 209/01);
2. Task Force on Climate-related Financial Disclosures – Guidance on Metrics, Targets, and Transition Plans; and

3. Development of Tools and Mechanisms for the Integration of ESG Factors into the EU Banking Prudential Framework and into Banks' Business Strategies and Investment Policies – Study by BlackRock on behalf of the European Commission

Additionally, the Bank's Business Units maintain and update appropriate templates and mechanisms in order to monitor respective sustainable financing disbursement amounts (e.g. regarding Green and Social Loans), in line with the provisions of the Bank's SFF. The ongoing and timely monitoring of sustainable loans allows Senior Management to assess the evolution of sustainable financing volumes and trends, taking into account Bank's relevant targets, as well as facilitates internal reporting. Going forward, the Bank aims to implement further systemic enhancements in its IT and data infrastructure, to support the standardization of the monitoring of pertinent information, as well as safeguard data availability and accuracy. The following table describes the Bank's key KRIs included in the Climate Risk Monitoring Dashboard:

Table on next page



## 6.5 Monitoring Indicators

	Area	Indicator Category	CR&E Risks Monitoring Indicator	Metric
1	Transition Risk	Credit Risk Indicators – Sectors Subject to Transition Risk (Corporate & Retail Portfolios)	Exposures to sectors with high transition risk in Group's portfolios	€ 20,5bn
2	Sustainable Financing	Credit Risk Indicators – Exposures (Corporate Portfolio)	New CIB disbursements in Green / Environmentally sustainable loans over total new CIB disbursements	€ 1,1bn
3	Physical Risk	Credit Risk Indicators – Sectors Subject to Physical Risk (Corporate & Retail Portfolios)	Concentration of exposures to sectors subject to physical risk in Group's portfolios	€ 2,8bn
4	Physical Risk	Credit Risk Indicators – Collateral Subject to Physical Risk (Corporate & Retail Portfolios)	Concentration of exposures collateralized with immovable property located in areas subject to physical risks in Group's real estate secured portfolio	€ 3bn
5	Transition Risk	Market Risk Indicators – Exposures (Corporate Portfolio)	Exposures towards the top 20 most carbon intensive counterparties globally in Group's trading and banking portfolios	€ 0,044bn
6	Real Estate Energy Performance Certificate (EPC) & Energy Consumption	Credit Risk Indicators – Energy Performance Certificate (EPC) and Energy Consumption (Corporate & Retail Portfolios)	Concentration of real estate collateral in Energy Performance Certificate (EPC) and Energy Consumption Bands in Group's portfolios	€ 8,8bn with EPC D or better

## 6.6 Commitments and targets

The targets and commitments associated with the Bank's Sustainability Strategy reflect its vision in the short, medium, and long term. The tables below summarise the Bank's performance against the environmental targets associated with the pillars of its Sustainability Strategy.

Target	Target Date
€2 billion in new green disbursements to businesses by 2025.	2025
Double Retail green gross disbursements within 2023 compared to 2022.	2023
20% stock of green exposures by 2027 for the corporate portfolio	2027
Mobilise €2.25 billion total green RRF funds in the Greek economy by 2026	2026
35% of new disbursements in the energy sector to be directed to Renewable Energy Source (RES) financing.	2023
80% of disbursements related to the construction of new buildings to be allocated to green buildings	2023

## 6.6 Commitments and targets

Environmental targets that correspond to the environmental aspects and aim at continually improving the Bank's environmental performance are set each year. The targets concern all Head Office Buildings and all Bank branches and covers 100% of its operations.

Natural resource conservation	Performance 2021	Target 2022 (%)	Target value 2022	Performance 2022	Saving amount / change	Change (%)	Status	Target 2023 (%)	Target value 2023
Reduction in electricity consumption (MWh)	41,395	-4%	39,740	38,314	-3,081	-7.44%	Target achieved	-3.0%	37,165
Increase in the percentage (%) of electricity consumption from RES	97.42%	1%	98.39%	97.90%	0.48	0.49%		0.5%	98.39%
Decrease in the percentage (%) of electricity consumption from non RES	2.58%	-37.55%	1.61%	2.10%	-0.48	-18.52%		-23.0%	1.61%
Reduction of paper consumption (million pages) MPS	52	-8%	48	45	-7	-13.46%	Target achieved	-3.0%	44
Reduction of water consumption (m <sup>3</sup> )	62,322	-3%	60,452	54,460	-7,862	-12.61%	Target achieved	-3.0%	52,826

Operational GHG emissions	Performance 2021	Target 2022 (%)	Target value 2022	Performance 2022	Saving amount / change	Change (%)	Status	Target 2023 (%)	Target value 2023
Variance of GHG Emissions (Scope 1), tn CO <sub>2</sub> e	1,872	No Target was set		2,681	809	43.24%	No Target was set	-3.0%	2,601
Variance of Indirect GHG Emissions (Scope 2), tn CO <sub>2</sub> e	16,169	-4%	15,522	12,824	-3,345	-20.69%	Target Achieved	-3.0%	12,439



TCFD Climate - related  
& Environmental  
**Risk Report**