

Statement on principal adverse impacts of investment  
decisions on sustainability factors  
EUROBANK S.A.

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October 2024

**Financial market participant**  
Eurobank S.A. (LEI: 213800KGF4EFNUQKAT69)

**Summary**

Eurobank S.A. (LEI: 213800KGF4EFNUQKAT69), hereinafter referred to as “Eurobank”, member of the Eurobank Holdings Group, considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Eurobank S.A. This statement on principal adverse impacts on sustainability factors covers the reference period from 1<sup>st</sup> July to 31 December 2023 with data as of 31<sup>st</sup> December 2023.

The PAI indicators are calculated taking into account the total assets of the portfolios managed under the Discretionary Portfolio Management Service. The data presented has been prepared, gathered and computed for the eligible assets under management via reliable third parties. More specifically, the investment manager Eurobank Asset Management M.F.M.C (hereinafter referred to as the “Investment Manager”) is using Sustainalytics as a source of PAI data for either direct or indirect investments. As the quantity and quality of data progresses, the PAI calculation will evolve accordingly.

## Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies				
Adverse sustainability indicator	Metric	Impact [year 2023]	Explanation/Coverage*	Actions taken, and actions planned and targets set for the next reference period
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>				
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	2,824.18	GHG emissions are calculated at the portfolio level by aggregating emissions from investee companies in proportion to the portfolio's exposure to those companies. This approach ensures that both direct (Scope 1) and indirect (Scope 2 and 3) emissions are captured. Coverage 37.06%
		Scope 2 GHG emissions	729.00	
		Scope 3 GHG emissions	27,088.16	
		Total Scope 1 + 2 (tCO <sub>2</sub> eq)	3,554.17	
		Total Scope 1 + 2 + 3 (tCO <sub>2</sub> eq)	30,622.78	
	2. Carbon footprint	Carbon footprint	621.67	Carbon footprint measured as tCO <sub>2</sub> eq per million euros invested. Carbon footprint is calculated by determining the total emissions of each company within the portfolio and attributing them based on the portfolio's investment size. This ensures that emissions are normalized across different portfolios for comparability. Coverage 37.06%*
	3. GHG intensity of investee companies	GHG intensity of investee companies	753.41	GHG intensity calculated as tCO <sub>2</sub> eq per million euros in revenue. GHG intensity is derived from the ratio of emissions to revenue for companies in the portfolio. This is calculated at a weighted average, focusing on industries that are most exposed to carbon risks. Coverage 43.05%
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	4.67%	Weighted average calculation. Coverage 67.94%	
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	28.94%	"Weighted average calculation. Coverage 13.58%"	
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	53.10%	"Weighted average calculation. Coverage 13.58%"	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	2.92%	"Involvement and Policy Calculations, i.e. the share of the investments in the portfolio that are involved with (or exposed to) certain industries or activities. Coverage 83.76%"

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact [year 2023]	Explanation/Coverage*	Actions taken, and actions planned and targets set for the next reference period	
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>					
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00	Coverage 0%	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	1.44	Coverage 21,08%	

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.46%	Coverage 53.37%	<p>The Operational Impact Strategy is also developed and deployed along the below pillars:</p> <p>1) the "Societal Impact" for providing a diverse and inclusive environment for its people and clients, while fostering sustainable development and prosperity for the benefit of society, and 2) the "Governance &amp; Business Impact" for focusing on building ESG awareness, internally and across its value chain, while intensifying its efforts for ethics and transparency.</p> <p>Eurobank is committed to respecting and protecting human rights. In line with international leading practice, Eurobank has established pertinent policies and procedures, such as the Code of Conduct and Ethics, that reflect this commitment. Eurobank has developed a wide suite of policies which target the respect for human rights, foster Diversity, Equity and Inclusion, aim at preventing and combating harassment, promote anti-bribery and anti-corruption practices and encourage reporting of illegal or unethical conduct. More specifically, focusing on the social aspect of ESG, Eurobank has taken actions that outline its corporate values, principles and commitments by issuing the Human Rights Statement, the Diversity, Equity and Inclusion Policy as well as the Policy against Harassment and Violence in Workplace.</p> <p>Eurobank acknowledges the UN Guiding Principles on Business &amp; Human Rights and, in particular, the corporate responsibility to respect human rights (pillar 2). Eurobank shall avoid causing or contributing to adverse human rights impacts through its own activities and address such impacts if and when they occur. Furthermore, Eurobank shall seek to prevent or mitigate adverse human rights impacts that are directly linked to its operations, products or services by its business relationships, even if Eurobank has not contributed to those impacts.</p> <p>Eurobank is a signatory to the UN Global Compact since 2008, and is committed to respecting, actively supporting and promoting the 10 fundamental principles relating to human rights, labour rights, protection of the environment and anti-corruption. Moreover, Eurobank is a founding signatory of the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking, designed to bring purpose, vision and ambition to sustainable finance. In line with this commitment and the PRB implementation roadmap, Eurobank publicly discloses self-assessment reports. Eurobank is a signatory of the Banking Collective Bargaining agreements that define the framework of labour rights and working relations for the employees of the Banking Sector in Greece. Moreover, in its wider Diversity, Equity and Inclusion policies, Eurobank has successfully launched the Women in Banking initiative which activated Eurobank's endorsement of the 7 UN's Women's Empowerment Principles (WEPs), promoting gender equality and women's empowerment in the workplace, marketplace and community.</p> <p>In its investing activities through Eurobank Asset Management MFMC, the latter has developed a rigorous Responsible Investment Policy that takes into account how investee companies adhere to the UN Global Compact and excludes from the investment universe companies that severely breach the UN Global Compact principles on human rights, labor standards, environmental protection and anti-corruption. Likewise companies that are involved in the production of controversial weapons are excluded.</p>
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multi national Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	50.53%	Coverage 57.39%	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	22.07%	Coverage 50.25%	
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	35.21%	Coverage 50.08%	
	14. Exposure to controversial weapons (anti- personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of contro versial weapons	0.00%	Coverage 62.53%	

Indicators applicable to investments in sovereigns and supranationals					
Adverse sustainability indicator		Metric	Impact [year 2023]	Explanation/Coverage*	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	-	-	Eurobank provides financing for landmark initiatives in the area of renewable energy sources (RES), sustainable infrastructure and environmentally friendly solutions in Greece. Eurobank capitalizes on RRF funds initiating a new era for Greek entrepreneurship and for the reconstruction of the economy of the country, channeling funds to support the recipients' green transition. A flagship energy transition, mainly financed by Eurobank, is the electrical interconnection of Crete to Attica, the largest energy project in Greece in 2020 and one of the largest investments in Europe. The interconnection integrates isolated regions (islands) with the mainland electricity grid, securing reliable and stable power supply. It also allows for the development of renewable-energy power plants on the islands to gradually replace fossil fuel units and move forward to achieving Greece's energy transition and sustainability goals.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	-	-	Countries that severely breach the UN Principles on Human Rights are not considered for investment.

Indicators applicable to investments in real estate assets					
Adverse sustainability indicator		Metric	Impact [year 2023]	Explanation/Coverage*	Actions taken, and actions planned and targets set for the next reference period
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>					
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0	There are no direct investments to real estate assets.	N/A
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	0	There are no direct investments to real estate assets.	N/A

Other indicators for principal adverse impacts on sustainability factors					
Adverse sustainability indicator		Metric	Impact [year 2023]	Explanation/Coverage*	Actions taken, and actions planned and targets set for the next reference period
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>					
Emissions	19. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	27.26%	Coverage 34.44%	N/A
Human Rights	20. Lack of a human rights policy	Share of investments in entities without a human rights policy	10.55%	Coverage 13.35%	N/A

**\*Data Coverage definition:**

For all PAIs, coverage statistics are calculated to enable users to see the proportion of the adjusted portfolio that is eligible and covered. In this context, “eligible” means those holdings that are the relevant type for the PAI in question (so, a corporate holding for a corporate PAI), and “covered” means those holdings for which the relevant underlying data has been obtained or estimated. A field indicating the number of holdings covered (that is, that have the relevant data for the PAI statistic) will also be calculated for all PAIs. As funds may have a mixture of different holding types alongside the PAI calculations, various coverage statistics will be supplied. For each PAI, the following is calculated: the percentage of “eligible” securities (that is, the percentage of the portfolio invested in securities the PAI is measuring), the percentage of the portfolio that is “covered” by data (where the required input is known for the holdings), and the percentage of the “eligible” part of the portfolio that is “covered.” For example, a portfolio may have 60% in corporate holdings and 40% in sovereign holdings; of the corporate holdings, 50% may have data. For the PAIs, the percentage of the portfolio that is eligible would be 60% and the amount covered would be 30% (60% \* 50%).

## **Description of policies to identify and prioritise principal adverse impacts on sustainability factors**

### Policy Governance

As a signatory to the PRI since September 2018, the Investment Manager 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 to consider sustainability risks within the investment process, integrating material ESG criteria into the traditional financial valuation framework regarding investments.

The effect of ESG factors on the investments of a Fund/Portfolio is considered throughout the whole investment lifecycle while incorporating certain exclusions depending on the Fund/Portfolio’s strategy. All Funds/Portfolios are subject to Level 1 exclusions under the Investment Manager’s Responsible Investment Policy. Level 1 exclusions include Normative Exclusions (Controversial Weapons, Countries subject to hard sanctions by Switzerland, the European Union and the US Office of Foreign Assets Control) and Sectoral Exclusions (Thermal Coal exposure above 30% of investee company’s revenues).

In accordance with Principle 2 of the PRI, the Investment Manager is committed to being active owner and exercising its stewardship responsibilities through mechanisms such as engagement with current or potential investee companies and through exercising its voting rights at shareholder meetings. Investee companies are ranked for engagement. The Investment Manager takes into consideration:

- The extent of exposure to material ESG risks and opportunities, and in what way that is managed.
- The severity of ESG controversies and the companies’ response.
- The size of holding and/or strategic importance (i.e. significant holding, over 1%, of an investee company’s share capital for the aggregate assets under management and/or significant holding, over 5%, of a mutual fund’s assets).

The Investment Manager has formulated an ESG Committee, whose role is to provide guidance and oversight for the gradual integration of ESG issues in investment decisions made across all asset classes (equity, fixed income, and funds). The role of the ESG Committee also includes monitoring the evolving ESG regulatory framework, the best practices of asset managers in the domestic, European and international market, the capacity building of the Investment Manager’s employees on sustainability risks and responsible investing, as well as upholding the Investment Manager’s commitments to the PRI.

### Methodology and data for the calculation of PAI values

The Investment Manager has adopted an approach for the calculation and management of sustainability indicators related to principal adverse impacts that is based on the principle of portfolio coverage on each PAI.

While the Investment Manager has identified both short- and long-term adverse impacts that are principal to the investment portfolios, the information available for assessing and reporting on the adverse impacts is limited and often lacks standardization across sectors and regions. Therefore, the Investment Manager's approach to principal adverse impact assessment is applied bottom up.

The Investment Manager uses Sustainalytics and Bloomberg data providers for the data collection of the investee companies.

### Methodology Limitation and margin of error

Methodology limitations are by construction mainly linked to the use of sustainability indicators ("ESG data"). The ESG data landscape is currently being standardized, which can impact data quality. Data coverage is also a limitation.

These limitations are being mitigated by a combination of approaches: the use of several data providers, a structured qualitative assessment of the ESG scores, and the implementation of a strong governance. Finally, in some specific cases portfolio data may not be easily obtained and lack of data availability may impact a certain portion of assets. As a result, there is a possibility of a substantial margin of error in our calculations. We encourage stakeholders to exercise caution and consider this potential margin of error when interpreting and utilizing the information provided.

As a concluding remark, it is worthwhile noting that current and future regulations will improve standardized reporting and corporate disclosures on which ESG data rely.

### **Engagement policies**

Eurobank has developed and implements four guiding frameworks defining the approach and criteria for classifying its financing and investing activities as sustainable, which can be leveraged by the Investment Manager:

- its Sustainable Finance Framework (SFF), which supports the identification of sustainable/green financing opportunities (finance the transition of Eurobank's clients);

- its Green Bond Framework, which has been externally reviewed by an established second-party opinion provider, facilitates the financing of projects that will deliver environmental benefits to the economy and supports the Eurobank's business strategy and vision;
- its Sustainable Investment Framework, which specifies the respective criteria that are utilized in Eurobank's banking books investment strategy, along with the selection process of eligible sustainable investments;
- the ESG Risk Assessment, a holistic approach which assists in assessing and classifying Eurobank's clients in terms of ESG criteria, as per the relevant regulatory framework.

For the provision of the portfolio management service, the Investment Manager uses UCITS Funds as underlying financial instruments for the portfolios under management. Consequently, the Investment Manager does not have a direct relationship with the investee companies. However, it encourages the managers of the underlying funds to interact with the companies they invest in, promoting alignment with the Environmental and Social principles supported by their funds.

### **References to international standards**

Eurobank invests in sustainable development and consistently designs its actions in banking and investments to improve its impact on environmental sustainability, social responsibility and corporate governance.

Eurobank is an active participant in various Associations and Organizations that promote Sustainable Growth and Responsible Entrepreneurship. In this context, it is actively contributing to the achievement of the United Nations Sustainable Development Goals (SDGs) and the 2030 Agenda goals. Eurobank is a signatory of the UN Global Compact, a signatory to the UNEP FI Principles for Responsible Banking (PRB) and through Eurobank Holdings, has also joined the UN-convened Net Zero Banking Alliance, while it has endorsed the UN's Women's Empowerment Principles (WEPS). Eurobank acknowledges the UN Guiding Principles on Business & Human Rights and, in particular, the corporate responsibility to respect human rights (pillar 2). Eurobank is also participant in the Eco-Management and Audit Scheme register for following the EC Regulation on eco-management.

Eurobank has set up a robust overall sustainability management framework which is reviewed by the ESG Management Committee prior to the submission to the appropriate approval bodies/committees while Eurobank reports ESG performance in accordance with a number of international standards and respective regulations (GRI Standards, SASB Commercial Banks Standard, AccountAbility AA1000 2018 Principles, Athens Stock Exchange ESG Reporting Guide, Principles of the United Nations Global Compact, PRB, TCFD, Pillar ESG risk assessment). Assurance engagement is conducted for the Annual Business & Sustainability Report, UNEP FI PRB Progress Report and EMAS-related disclosures.

The Investment Manager is a signatory to the PRI since September 2018, and publishes an Annual PRI Transparency Report disclosing publicly its responsible investment activities each year. The Investment Manager's PRI Transparency Report is available to all interested stakeholders at the PRI Public Signatory Reports Database. Further, the Investment Manager publicly discloses the implementation of its Policy through the periodic



regulatory reports. The Investment Manager supports the principles of the EFAMA Stewardship Code which aims at providing a series of best practices for asset managers to be followed when they engage with the companies in which they invest on behalf of their clients.

### **Historical comparison**

Year 2023 is the first reference period of reporting, therefore no historical comparison can be performed.