APPENDIX VI

UNEP FI Principles for Responsible Banking 3rd year Progress Report

Principle 1: Alignment

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

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Response	Links and references
Eurobank Ergasias Services and Holdings S.A. (Eurobank Holdings) is a holding company registered in Athens (8 Othonos Street, 10557), listed on the Athens Stock Exchange. Eurobank Holdings and its subsidiaries (Group) have total assets of €81.5 billion, gross loans of €43.5 billion, deposits of €57.2 billion, total equity of €6.7 billion and 11,328 employees (data) as at December 31st, 2022). Eurobank Holdings is the parent company of Eurobank Group, consisting of Eurobank SA and its subsidiaries. With a total network of 616 branches in Greece and abroad, the Eurobank Group offers a comprehensive range of financial products and services to its retail and corporate customers. In Greece, Eurobank operations encompass a retail banking network, dedicated business centers, a Private Banking network and a dynamic digital presence. The Eurobank Group also has presence in Bulgaria, Serbia, Cyprus, Luxembourg and United Kingdom (London).	**Annual Report 2022 Business and Sustainability** Profile

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

☒ Yes
☐ No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

☒ UN Guiding Principles on Business and Human Rights
☐ International Labour Organization fundamental conventions
☒ UN Global Compact
☐ UN Declaration on the Rights of Indigenous Peoples
☐ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones:
☐ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones:
☐ None of the above

Response	Links and references
The Bank supports the sustainable transition of our economy and sees sustainability and climate change as an opportunity. A key strategic objective is to adapt its business and operation in a way that addresses climate change challenges, to accommodate social needs within its banking business model, and to safeguard prudent governance for itself and its counterparties, in accordance with supervisory initiatives and following international standards / best practices. To this end, the Bank approaches ESG in a holistic manner, in line with the commitments it has undertaken, the regulatory framework requirements and globally acknowledged best practices prioritizing the management and mitigation of any underlying economic, environmental and social risks arising as integral part of developing products and services, while complying with applicable regulatory framework. Eurobank has designed and approved the ESG Strategy related to its financing and products, its internal environment, and the way it is organised and operates.	**Annual Report 2022 Business and Sustainability** ESG Strategy
Eurobank is a signatory of the UNEP FI Principles for Responsible Banking since 2019, acknowledging and embedding its six principles in the Bank's Strategy and Operations, as publicly disclosed in its Progress Reports.	eurobank.gr

APPENDIX VI

Principle 2: Impact and Target Setting

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

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a-d)[2]:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Response

Within the context of its commitment to the PRBs, the Bank utilized UNEP FI's Portfolio impact analysis tool, a resource to identify its most significant impact areas at the portfolio level based on the nature, content and location of its portfolio.

The scope of the Bank's portfolio impact analysis included its three key business activities,

- Consumer,
- Business and
- Corporate Banking.

Although the Bank undertakes investment banking activities, Investment Banking was not included in the scope of the analysis.

The impact analysis was conducted based on portfolio data for the year 2020 and related to the totality of its operations in Greece. Asset management activities are a core business element of the Bank, however they are excluded from this analysis since such activities are not part of the impact analysis tool.

Links and references

Annual Report 2022 Business and Sustainability

Stakeholder engagement and materiality analysis

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope
i) by sectors & industries[3] for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

Response

The Bank has considered the distribution of its portfolio in Greece across the business segments as defined by the UNEP FI impact analysis tool:

Consumer banking
- % of number of individual clients per type of products as defined by the International Standard Industrial Classification (ISIC) list (Current accounts, Savings accounts, Consumer credit & overdraft, Home loans and other housing-related credit, Vehicle related loans, Certificates of deposit).
- % of number of type of individual clients (based on the clients' income) per type of products (Low, middle, high income populations).

Business banking
- % loan balance for the top 10 sectors for both Small Business (SB) & SME Portfolio representing over 75% of the Bank's business banking clientele.

Corporate banking
- % loan balance for the top 10 sectors of the Coprporate portfolio, representing over 75% of the Bank's large corporate and multinationals clientele.

Links and references

Annual Report 2022 Business and Sustainability

Business Overview

[1] That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.
[2] Further guidance can be found in the Interactive Guidance on impact analysis and target setting.
[3] Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.
[4] Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

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Principle 2: Impact and Target Setting

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?[4] Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

Response	Links and references
Utilising tools such as the UNEP FI impact analysis tool, the Bank identified challenges and priorities related to the impact areas most prevalent in Greece. These included Climate, Resources efficiency / security, Housing, Mobility and Availability - Water. The Bank -specific impact analysis results included the following positive / negative impacts per business activity • Consumer banking - Positive impact areas: employment, economic convergence, housing and mobility - Negative impact areas: Climate and resource efficiency/security • Corporate and business banking - Positive impact areas: culture and heritage, mobility, employment, housing, food and economic convergence - Negative impact areas: waste, climate and resource efficiency/security The impact analysis results provided valuable input for the Bank to develop an ESG strategy and targets focused on addressing its most significant impact areas.	**Annual Report 2022 Business and Sustainability** Stakeholder engagement and materiality analysis

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)?[5] Please disclose.

Response	Links and references
The Bank acknowledges that its key impacts are driven by its business activities at portfolio level and has therefore prioritised the two negative impact areas appearing throughout its business activities and addresses them through its financed impact strategy. 1. Climate 2. Resource effiency / security. The prioritization of these impact areas has been based on several criteria such as exposure to key contributing sectors and proportion of the portfolio associated with the negative impact areas.	**Annual Report 2022 Business & Sustainability** Stakeholder engagement and materiality analysis ESG Strategy

d) Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

Response	Links and references
Utilising the UNEP FI impact analysis, along with other internal tools such as the climate risk materiality assessment, stress test, and scorecard,among others, the Bank has identified the sectors that play a key role in addressing negative impacts in the prioritised areas. Recognising that financed emissions will play a key role in developing the sectoral approach and overall action plan to address its climate-related impacts, the Bank has also developed its capabilities to collect publicly available data, as well as estimate and monitor the GHG emissions of its counterparties following the PCAF methodology. The Bank has calcualated its financed emissions per sector and identified its exposure to sectors more likely to be impacted by climate risk (physical / transition) considering criteria such as their GHG emissions, their role in the energy supply chain, policies and geographies. Outcomes of the above indicate that the key sectors contributing to the identified impact areas include energy, real estate, transportation, and manufacturing from corporate and business banking activities. This will in turn inform the Bank's financed impact strategy which will focus on: • Engaging and rasing client awareness to adapt their business model so as to address climate change challenges. • Setting portfolio and sectoral targets with regards to financing the green transition of the Bank's clients and achieving specific targets in line with climate transition pathways. The Bank is continuously enhancing and refining its capabilities for the quantification of its performance against its significant impact areas, through the collection of climate-related and environmental risk data, the integration of additional information requirements in the credit process as well as cooperating with third party data providers. Towards this end, the Bank plans to implement the below initiatives in the following year: • Perform of Net Zero gap analysis and prepare a Net Zero action plan, alinged with the Science Based Targets initiative (SBTi). • Publish a dedicated climate report, aligned with the TCFD recommendations. • Develop tools, approach and roadmap for assessing portfolio alignment in relation to climate transition pathways.	**Annual Report 2022 Business & Sustainability** EG Strategy ESG in Risk Management Sustainable finance, services, and portfolio green transition **Consolidated Pillar 3 report**: ESG Risks

[5] To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.
[6] You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

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Principle 2: Impact and Target Setting

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?[6]

Scope:	☒ Yes	☐ In progress	☐ No
Portfolio composition:	☒ Yes	☐ In progress	☐ No
Context:	☒ Yes	☐ In progress	☐ No
Performance measurement:	☐ Yes	☒ In progress	☐ No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

- Positive impact areas: employment, economic convergence, housing and mobility, culture and heritage
- Negative impact areas: Climate, resource efficiency/security, waste

How recent is the data used for and disclosed in the impact analysis?

☐ Up to 6 months prior to publication
☐ Up to 12 months prior to publication
☐ Up to 18 months prior to publication
☒ Longer than 18 months prior to publication
Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets[7] have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:
a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with[8] have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Response	Links and references
The ESG Strategy, through a set of actions with measurable targets, 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 in the market and its portfolio. The Operational and Financed elements of the ESG Strategy are combined for addressing Eurobank's path towards Net Zero by 2050. Making progress along these pillars, the Bank aims to maximize its contribution to the achievement of the Paris Climate Agreement's targets, the EU Sustainable Finance Action Plan and the United Nations (UN) Sustainable Development Goals.	**Annual Report 2022 Business & Sustainability** ESG Strategy

[7] Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

[8] Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

[9] Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

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Principle 2: Impact and Target Setting

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

Response

Climate change

The Bank has commitment 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, key part of which is the calculation of the Bank's financed emissions, which will in turn form the baseline on which it will set sectoral targets and inform its sector-specific action plan.

This is the first year that the Bank calculates and discloses its financed emissions, following the PCAF methodology. Since financed emissions will play a key role in developing the Bank's baseline, sectoral approach and overall Net Zero action plan, it aims to further enhance and refine its capabilities and tools for calculating its financed emissions.

Impact area	Indicator code	Response
Climate change mitigation	A.1.1	Yes – Portfolio alignment and Net Zero strategic pillars
	A.1.2	To become Net Zero by 2050 – Baseline definition In progress
	A.1.3	In progress – See "ESG strategy" section
	A.1.4	In progress – See "Financed emissions" section
	A.1.5	Yes - See "Sustainable finance, services, and portfolio green transition" section
	A.2.1	Yes - See "Sustainable finance, services, and portfolio green transition" section

Impact area	Indicator code	Response
Climate change mitigation	A.2.2	See "Financed emissions" section
	A.2.3	In progress
	A.2.4	In progress
	A.3.1	See "2022 Sustainable Financing Targets & Performance" section
	A.3.2	In progress
	A.4.1	In progress
	A.4.2	In progress

Resource effiency / security
As part of its strategy, the Bank will actively support the green transition of its clients with an ambition to further increase sustainable financing going forward. Using the guiding principles of the Sustainable Finance Framework, the Bank has set sustainable financing targets in relation to its annual disbursements, towards activities that promote clean energy, resource effiency, circular economy and pollution prevention

Links and references

Annual Report 2022 Business & Sustainability

ESG Strategy

Sustainable finance, services, and portfolio green transition

ESG in risk management

c) SMART targets (incl. key performance indicators (KPIs)[9]: Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Response
The Bank's financed impact strategy is based on the following areas and aims to address, among others, the two prioritised impact areas, climate and resource efficiency:
1. Sustainable Financing
Portfolio and sectoral targets with regards to financing the green transition of the Bank's clients
2. Portfolio alignment
Align portfolio with transition pathways for corporate clients in order to achieve specific targets in line with climate transition pathways (1.5°C / 2°C).
3. Net Zero strategy
Sectoral decarbonisation targets covering the Bank's lending portfolios with phased target setting up to 2050.

For the Sustainable Financing area, the Bank has set the following targets:

Portfolio targets
New Disbursements
- € 2 billion new green disbursements to businesses until 2025 (as of 31.12.2022).
- 20% of the annual new corporate disbursements to be classified as Green / Environmentally sustainable.

Retail banking
- Double Retail Green Gross Disbursements within 2023 compared to 2022.

Green Stock / Exposure evolution
- 20% stock of green exposures by 2027 for the corporate portfolio (up from 11% in 2022)

Recovery and Resilience Facility (RRF)
- € 2.25 billion Total Green RRF funds contribution in the Greek economy until 2026.

Sectoral targets
Renewable energy
- In 2023, 35% of new disbursements in Energy sector will be directed to Renewable Energy Sector (RES) financing.

Green Buildings
- In 2023, 80% of disbursements related to construction of new buildings will be allocated to green buildings.

Links and references

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Principle 2: Impact and Target Setting

d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.
Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Response	
The Bank plans to revisit and update its Financed Impact Strategy on an annual basis, in line with best market practices, aiming to develop a specific approach towards the "Portfolio alignment" and "Net Zero" strategic pillars. To this end, the Bank intends to do the following within the following 3 quarters: **Next milestones towards "Portfolio alignment" and "Net Zero" strategic pillars** • Align loan portfolio and investments with a net zero carbon footprint until 2050 by developing a robust action plan and roadmap by Q1 2024. • Actively support clients' climate transition with an ambition to further increase sustainable financing going forward. • Further integrate climate risk regulatory requirements into its business strategy and risk management framework, levering on key initiatives: - Governance, policies, and control framework. - Climate risk modeling and data management. - Commercial strategies/sector policies. • Align with Task force on Climate Related Financial Disclosures (TCFD) recommendations within 2023 and publish a dedicated climate report along with the Annual Report – Business & Sustainability. • Actively participate in Hellenic Bank Association initiative for the creation of an ESG data repository to support sustainable financing, in line with the regulatory requirements. The Bank will also focus on working with companies, irrespectively of their current carbon footprint, and will support them with financing in their transition efforts. Leveraging on tools, frameworks and enablers such as the climate risk assessment exercises and the Sustainable Finance Framework, the Bank's strategic approach is to support green transition efforts, through financing and advisory solutions to current and potential clientele. To this end, its approach focuses on the below areas: • Sustainable financing and investments for corporate clients • Sustainable financing for individuals and businesses • Asset and wealth management with ESG criteria • Deposit solutions with ESG criteria	**Annual Report 2022 Business & Sustainability** ESG Strategy Sustainable finance, services, and portfolio green transition

Self-assessment summary
Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your…

	… first area of most significant impact: … **Climate**	… second area of most significant impact: … **Resource efficiency / security**	(If you are setting targets in more impact areas) …your third (and subsequent) area(s) of impact: … (please name it)
Alignment	☒ Yes ☐ In progress ☐ No	☒ Yes ☐ In progress ☐ No	☐ Yes ☐ In progress ☐ No
Baseline	☐ Yes ☒ In progress ☐ No	☒ Yes ☐ In progress ☐ No	☐ Yes ☐ In progress ☐ No
SMART targets	☐ Yes ☒ In progress ☐ No	☒ Yes ☐ In progress ☐ No	☐ Yes ☐ In progress ☐ No
Action plan	☐ Yes ☒ In progress ☐ No	☒ Yes ☐ In progress ☐ No	☐ Yes ☐ In progress ☐ No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

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Principle 2: Impact and Target Setting

Response

The Bank has demonstrated progress in implementing the targets related to its priorised impact areas. The Bank has achieved its 2022 target for over 20% of the annual gross new corporate disbursements to be classified as green / environmentally sustainable.

In 2022, new green SFF-aligned disbursements constituted more than 20% of the total disbursements in the corporate portfolio, indicating the Bank's dedication to the support of 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.

- Sustainable financing categories
  Over € 900 million are attributed to Renewable Energy Sources (RES) projects, with the remaining being allocated to energy efficiency, green building and other green projects.
- Sustainable financing approaches
  Over € 1.1 bn have been allocated to dedicated purpose financing while € 400 million have been allocated to Sustainability Linked Loans, supporting clients' sustainable transition through ambitious performance targets.

In addition to the above, in 2022 the Bank achieved the following:

Operationalisation of the Sustainable Finance Framework

- Completed the roll-out of the SFF as part of its loan origination process for the corporate portfolio and is working towards the operationalization of the Retail portfolio.
- Developed a web-based SFF Assessment Tool for the Corporate Portfolio, to automate and underpin the classification and evaluation of sustainable/ green financing opportunities in a structural manner.
- Is assessing a series of new proposed Retail SFF-aligned products, also taking into account upcoming Greek Government Initiatives (ongoing / recurring initiatives).
- Is currently examining solutions for developing sotution that contribute to climate change mitigation in alignment with the SFF.

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

- 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.

Increased ESG 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.

Links and references

Annual Report 2022 Business & Sustainability

ESG Strategy

Sustainable finance, services, and portfolio green transition

ESG in risk management

Consolidated Pillar 3 report:
ESG risks

Principle 3: Clients and Customers

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

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers[10] in place to encourage sustainable practices?

☒ Yes ☐ In progress ☐ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☐ Yes ☒ In progress ☐ No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities[11]). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

Response

Client engagement and raising awareness to adapt their business model to address climate change challenges and dedicated actions for supporting customers in their transition efforts towards a more ESG-friendly economic environment are key elements of the Bank's financed impact strategy.

In order to facilitate the green transition of its clients, the Bank has developed a dedicated approach consisting of the following elements

- Guiding frameworks defining the approach and criteria for classifying its financing and investing activities as sustainable
- Guiding frameworks defining the approach and criteria for classifying its financing and investing activities as sustainable
- Direct financings aiming to finance projects that meet green eligibility criteria, or Sustainability Linked Loans, focusing on leveraging clients' commitments towards green transition.
- Financing solutions for consumers and small business that aim to deliver positive environmental impacts.
- Advice to current and potential clients aiming to support their green transition efforts.
- Asset and wealth management with ESG criteria.
- Incorporation of climate-related and ESG risks in the client financing evaluation process.

In addition to the above, the Bank is placing great emphasis in building capacity among its employees to be able to support its clients on their sustainability journey and their green transition. To this end in addition to launching ESG initiatives for its clients, implements an ESG upskilling plan for its employees. Specifically for business units with crucial role in delivering the ESG strategy, the Bank has launched dedicated sessions targeted to sustainabile financing approached and identifying opportunities.

Links and references

Annual Report 2022 Business & Sustainability

Sustainable finance, services, and portfolio green transition

[10] A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

[11] Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

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Principle 3: Clients and Customers

3.2 Business opportunities
Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services , information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Response	Links and references
As described adove, in 2022, new green SFF-aligned disbursements constituted more than 20% of the total disbursements in the Bank's corporate portfolio, indicating the Bank's dedication to the support of green transition of its clients' operations. 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 with key financed activities being Renewable Energy Sources and energy efficiency projects (55%). Leveraging its guiding frameworks, the bank has incorporated dedicated financing offerings / products in its corporate and retail portfolions aiming to address environmental and social issues, and create positive impacts.	**Annual Report 2022 Business & Sustainability** Sustainable finance, services, and portfolio green transition

Principle 4: Stakeholders

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

4.1 Stakeholder identification and consultation
Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups[12]) you have identified as relevant in relation to the impact analysis and target setting process?

☒ Yes ☐ In progress ☐ No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Response	Links and references
An integral part for the Bank's approach to sustainability is to foster strong relationships of trust, cooperation and mutual benefit with all stakeholders affected by its activities directly or indirectly. In this context, the Bank promotes two-way communication and develops an ongoing dialogue with stakeholders, so as to be able to actively meet the expectations, concerns and issues raised by all its stakeholders. Within its Materiality Analysis process, the Bank also engaged its stakeholders with topics relevant to the Bank's sustainability activities and responsible financing products, aligned with the Principles for Responsible Banking, in order to obtain their view on Eurobank's sustainability performance. Eurobank's materiality analysis is the key process used to define the Annual Report 2022 Business and Sustainability contents. Adopting the new methodology of the GRI Standards (2021), Eurobank completed the identification, assessment, prioritization, and validation of the positive and negative impacts that the Bank creates or may create on the environment, people, and the economy.	**Annual Report 2022 Business & Sustainability** Stakeholder engagement and materiality analysis

Principle 5: Governance and Culture

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

5.1 Governance Structure for Implementation of the Principles
Does your bank have a governance system in place that incorporates the PRB?

☒ Yes ☐ In progress ☐ No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

[12] Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

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Principle 5: Governance and Culture

Response

Sustainability in Eurobank is deployed through an ESG governance structure that addresses both regulatory requirements and voluntary commitments. Board oversight with respect to ESG Strategy is addressed through the inclusion of ESG items in the Board Meetings agenda, per international best practice. 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 Group 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. The updated governance structure aims to further enhance the effective oversight of such matters at management / board level

Board and Management Level:

BoD:
- Defines and oversees the Bank's ESG Strategy.
- Has permanent ESG item(s) on its agenda of the quarterly meetings, as per best practice.
- Assigns the responsibility for ESG as well as climate-related and environmental risks to a BoD member.
- Enhanced "fit and proper" criteria for climate risk awareness.
- Roles and Responsibilities at BoD level may be updated, based on upcoming regulatory requirements

Board Risk Committee (BRC)
- Oversees implementation of and adherence to the Bank's risk policies, including climate-related and environmental risks, in order to assess their adequacy against the approved risk appetite and strategy
- Determines the principles which govern climate-related and environmental risk management across the Bank and the Group in terms of identifying, measuring, monitoring, controlling, and mitigating risks
- Approves risk principles, risk policies, risk procedures and risk methodologies.

ESG Management Committee:
- Chaired by the BoD Member Responsible for ESG/ climate risks with Secretary the Head of ESG Division.
- Provide strategic direction on ESG initiatives and review ESG Strategy prior to submission for approval
- Has the responsibility to integrate the elements of the ESG strategy into the Bank's business model and operations.
- Submits required frameworks, policies. documents, etc. for information/review and approval to the BoD.

Climate Risk Stress Test Committee (CRSTC)
- 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.

ESG Community/ Key functions:

ESG Division:
- Operates as coordinator and consultant for the operational impact related topics in order to ensure alignment.
- Acts as Secretary to the ESG Management Committee and retain direct reporting line to the Deputy CEO - COO. Coordinates and prepares ESG-related reports and is responsible for the UNEP FI PRB implementation.
- Responsible for Environmental and Energy management / Systems Manager role for related ISO certifications.
- Responsible for the design and monitoring of the implementation of ESG Operational Impact Strategy and for centralized coordination of ESG Ratings.

Group Climate Risk Division:
- Responsible for overseeing, monitoring, and managing CR&E risks and operates as Project office responsible for the implementation of the CR&E risks roadmap ("Program Field").
- Responsible for the co-ordination with Business and Risk Units, for the preparation and submission for approval of the Financed Impact Strategy, as well as for monitoring its implementation.
- Responsible to assess/ validate the sustainability features of new loans and products according to the criteria set within the SFF

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. ESG 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 Sustainable Finance Framework.
   - Implementation and monitoring of Sustainable Investment and Green Bond Frameworks.
3. ESG and Climate Risk Management
   - Performance of the ESG Risk Assessment
   - Identification and implementation of mitigation action plans for ESG and Climate related risks.

Links and references

Annual Report 2022 Business & Sustainability

ESG Governance and Operating Model

Corporate Governance Statement 2022

Consolidated Pillar 3 report

APPENDIX VI

Principle 5: Governance and Culture

5.2 Promoting a culture of responsible banking:
Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Response

ESG capacity building
Eurobank is placing great emphasis on building capacity among its employees so they are able to support its clients on their sustainability journey and their green transition, through:

- ESG upskilling plan for its employees. Eurobank's internal awareness sessions regarding ESG and CR&E matters cover both members of the management body and other stakeholders across the Bank (e.g. business units).
- Training to stakeholders from all three lines of defence (i.e. business units, risk management units, Internal Audit) regarding the SFF, enhance their understanding.
- Paper Challenge programme. The programme trains Eurobank employees on the automations in place to reduce paper use, tests their knowledge on specific issues and information and eventually transforms them into paperless culture ambassadors.
- Various articles and information on the Eurobank Intranet site ("Connected") about the Bank's Management Systems and various ESG-related topics. In addition, the findings of the Employee Transportation Survey for calculating related emissions (see Environmental Management section) were presented to employees to raise further awareness and engagement
- e-learning and interactive programmes as part of applying the Environmental Management System and the Energy Management System, to the environmental supervisors at its branches and units through, to brief them on environmental and energy issues that relate to Eurobank.

ESG engagement
Eurobank strongly believes in giving back to the community. That's why Eurobank is proud to support the TeamUp initiative, the employee volunteer Programme that has been running since 2018. With a strong emphasis on purpose, the TeamUp volunteer programme provides opportunities for employees and their families to participate in volunteer actions.

During 2022, TeamUp was reloaded allowing its continued accomplishment of varying environmental and social initiatives. Its actions focused on raising awareness to employees in relation to climate change, environmental risks and social issues, through a broad set of topics covering ESG factors.

ESG Insight
Responding to stakeholder expectations, Eurobank created ESG Insight: a new digital newsletter to update internal and external stakeholders about actions and initiatives relating to society, the environment and corporate governance

Links and references

Annual Report 2022 Business & Sustainability

ESG Governance and operating model

ESG Engagement and Capacity Building

5.3 Policies and due diligence processes
Does your bank have policies in place that address environmental and social risks within your portfolio?[13] Please describe.
Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Response

For the integration of Environmental and Social issues into its business model, the Bank implements an Environmental and Social Management System (ESMS) to assess direct and indirect environmental aspects, and in line with the requirements and expectations of institutional investors, shareholders, and other stakeholders.

In this context, the purpose of the Environmental and Social Policy is to set the framework of general principles and requirements for the management of Environmental and Social Affairs, in order to achieve and maintain compliance with existing applicable national and international environmental and social legislation and regulations as well as with commitments to its shareholders, stakeholders, and the society, through a uniform approach to be followed by the Bank and its Key Subsidiaries, domestic and international, Banking and Non-Banking.

The core elements of the Group ESMS, include the following:

- ESMS Policies/ Guidelines/ Manual(s)
- Roles, responsibilities and authorities for implementing the ESMS
- Provision of Training on Environmental and Social issues
- Documented process to assess Environmental and Social impacts and risks
- Monitoring of performance, Environmental and Social Action Plans and corrective actions as well as record maintenance
- Reporting to shareholders, stakeholders (eg EBRD)

Apart from the activity, other factors determining activity risk include financed amount, financing duration / payback period and purpose. The current process for evaluating and rating ESG related risks is through a scorecard based on the above criteria set by the ESMS , resulting in a High/Medium/Low risk level. The cases of Medium and High-risk levels are followed up by a due diligence process (either through physical inspections or desktop assessment) which reassesses and finalises the outcome.

Links and references

Annual Report 2022 Business & Sustainability

ESG in risk management

Self-assessment summary
Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

☒ Yes ☐ No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

☒ Yes ☐ No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

☒ Yes ☐ In progress ☐ No

[13] Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

APPENDIX VI

Principle 6: Transparency and Accountability

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

6.1 Assurance
Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

☒ Yes ☐ Partially ☐ No

If applicable, please include the link or description of the assurance statement.

Response	Links and references
Assurance Report can be found in Annual Report 2022 Business and Sustainability Appendix VI	**Annual Report 2022 Business & Sustainability:** Appendix VI

6.2 Reporting on other frameworks
Does your bank disclose sustainability information in any of the listed below standards and frameworks?

☒ GRI ☐ SASB
☒ CDP ☐ IFRS Sustainability Disclosure Standards (to be published)
☐ TCFD ☐ Other: ....

Response	Links and references
The Bank plans to revisit and update its Financed Impact Strategy on an annual basis, in line with best market practices. Aiming to continuous improvement, we intend during 2023 to align with Task force on Climate Related Financial Disclosures (TCFD) recommendations and publish a dedicated climate report along with our annual business and sustainability report.	**Annual Report 2022 Business & Sustainability:** ESG Strategy

6.3 Outlook
What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis[14], target setting[15] and governance structure for implementing the PRB)? Please describe briefly.

Response	Links and references
Following its ESG strategy and aiming to implement the PRB, within the next year the bank plans to implement the following actions aiming to further develop its "Portfolio alignment" and "Net Zero" strategic pillars: • Align loan portfolio and investments with a net zero carbon footprint until 2050 by developing a robust action plan and sectoral transition pathways by Q1 2024. • Specify short, medium, and long-term targets for portfolio alignment with respect to climate transition pathways in line with the Bank's ESG and Business Strategy, portfolio composition and characteristics. • Further integrate ESG and climate risk considerations in the business planning process (e.g., project budgeting and prioritization), to reflect the Bank's business strategy and relevant targets. • Align with Task force on Climate Related Financial Disclosures (TCFD) recommendations within 2023 and publish a dedicated climate report along with the Annual Report 2022 Business & Sustainability.	**Annual Report 2022 Business & Sustainability:** ESG Strategy

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

☐ Embedding PRB oversight into governance
☐ Gaining or maintaining momentum in the bank
☐ Getting started: where to start and what to focus on in the beginning
☐ Conducting an impact analysis
☐ Assessing negative environmental and social impacts
☒ Choosing the right performance measurement methodology/ies
☒ Setting targets
☐ Other: ...
☒ Customer engagement
☐ Stakeholder engagement
☐ Data availability
☒ Access to resources
☐ Reporting
☐ Assurance
☐ Prioritizing actions internally

If desired, you can elaborate on challenges and how you are tackling these:

[14] For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

[15] For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

Deloitte.

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Independent Limited Assurance Report to the Management of Eurobank S.A.

Scope of our work

Eurobank S.A. (the "Bank" or "you" or "your") has engaged us to perform independent limited assurance reporting in accordance with International Standard on Assurance Engagements 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board ("IAASB") over the responses to principles:

- 2.1 Impact analysis,
- 2.2 Target setting,
- 2.3 Target Implementation and Monitoring and,
- 5.1 Governance Structure for Implementation of the Principles

(the "selected responses") of Eurobank S.A., which have been prepared by the Management of the Bank, included within the UNEP FI Principles for Responsible Banking 3rd year Progress Report (the "PRB Reporting and Self-Assessment Template" or the "PRB Report") for the reporting period March 2022 – March 2023, based on the Principles for Responsible Banking Guidance Document, published by the United Nations Environment Program Finance Initiative ("UNEP FI") in November 2021 and the Principles for Responsible Banking Reporting and Self -Assessment Template, published by UNEP FI in September 2022 and the basis of preparation presented on pages 126-133 of the Annual Report 2022 Business & Sustainability (collectively referred to as the "applicable criteria").

Our assurance conclusion

Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the selected responses on pages 126-133, in the PRB Reporting and Self -Assessment Template for the reporting period March 2022 – March 2023, are not prepared, in all material respects, in accordance with the applicable criteria.

Inherent limitations of the selected responses

- Where, under the scope of our engagement, financial information was used from the Annual Report 2022 and other published information of the Bank our work was limited to check the accuracy of the transfer of the relevant information to the selected responses.

- Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

- We do not provide any assurance relating to future performance, such as estimates, expectations or targets, or their achievability.

- Our assurance services were limited to the English version of the selected responses. In the event of any inconsistency between the English and Greek versions, as far as our conclusions are concerned, the English version of the selected responses prevails.

- Our assurance procedures did not include testing the Information Technology systems from which data was extracted and aggregated by the Bank or third parties for the selected responses.

Deloitte.

Management responsibilities

The Management of Eurobank S.A. is responsible for the preparation of the PRB Reporting and Self-Assessment Template, which complies with the requirements of the applicable criteria and for being satisfied that the selected responses, taken as a whole, is fair, balanced, and understandable.

The Management of the Bank is also responsible for:

- Preparing, measuring, presenting and reporting the information within the PRB Reporting and Self-Assessment Template.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the PRB Reporting and Self-Assessment Template to ensure that they are free from material misstatement, including whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of our work.
- Confirming to Deloitte through written representations that Eurobank S.A. has provided Deloitte with all information relevant to our work of which the Bank is aware.

Deloitte's responsibilities

Deloitte is responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the selected responses included in the PRB Reporting and Self-Assessment Template.
- Communicating matters that may be relevant to the selected responses to the Bank's Management including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the selected responses.
- Reporting our conclusion in the form of an independent limited Assurance report to the Bank's Management.

Our independence and competence

In conducting our engagement, we complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) related to assurance engagements issued by the International Ethics Standards Board. This code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. The fundamental principles of ethics establish the standard of behavior expected of a professional accountant.

Deloitte applies International Standard on Quality Management ("ISQM") 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Deloitte.

Key procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the PRB Reporting and Self-Assessment Template is likely to arise. Our procedures were informed by the Guidance for assurance providers – Providing Limited Assurance for Reporting - Version 2 (October 2022) published by the UNEP FI in November 2022. These procedures do not necessarily obtain the confidence level as outlined by UNEP FI's Guidance for assurance providers, but rather what is normally obtained by a practitioner in a limited assurance engagement under ISAE 3000. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the description of activities undertaken in respect of the selected responses we performed the following procedures:

- Through inquiries of management, obtained an understanding of the Bank, its environment, the processes and information systems relevant to the preparation of the selected responses to identify areas where material misstatements of the subject matter information is likely to arise and to obtain limited assurance to support an inclusion;
- Conducted interviews with personnel of the Bank to understand the processes and control activities for measuring, reporting, and presenting information in the PRB Reporting and Self - Assessment Template, in accordance with the applicable criteria;
- Performed inquiries with personnel of the Bank, obtained and reviewed supporting evidence to assess whether disclosures within the selected responses in the PRB Reporting and Self -Assessment Template reflect the Bank's assessment of the stage of implementation of the Principles;
- In respect of Principle 2.1 (Impact analysis), based on inquiries made with personnel of the Bank and information obtained and reviewed that the Bank's business areas and scope are clearly described, checked the portfolio composition to management information and checked that the challenges and priorities have been analyzed. Furthermore, we checked that the Bank has disclosed the method for determining its impact areas and has selected what was determined as the two most significant areas of impact.
- In respect of Principle 2.2 (Target setting), based on inquiries made with personnel of the Bank and information obtained and reviewed, checked that the Bank sets targets for the two significant impact areas (Climate & Resources efficiency / security) and that the targets are linked to that impact areas. Finally, we checked that the targets are Specific, Measurable, Achievable, Relevant and Time-bound;
- In respect of Principle 2.3 (Target Implementation and Monitoring), based on inquiries made with personnel of the Bank, obtained and reviewed supporting evidence to assess whether disclosures within the selected responses in the PRB Reporting and Self -Assessment Template reflect the Bank's assessment of the stage of implementation of the Principle;
- In respect of Principle 5.1 (Governance Structure for Implementation of the Principles), based on inquiries made with personnel of the Bank and information obtained and reviewed, we checked the consistency of the disclosures against supporting evidence and that the structure is in line with existing governance structures as defined by the Bank.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Deloitte.

Use of our report

This report is made solely to the Bank's Management in accordance with ISAE 3000 and our agreed terms of engagement. Our work has been undertaken so that we might state to the Bank's Management those matters we have agreed to state to them in this report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank's Management as a body, for our work, for this report, or for the conclusions we have formed.

Athens, 20 July 2023

The Certified Public Accountant

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