

Climate-related Report 2023

based on the TCFD Framework



ALPHA
SERVICES AND HOLDINGS



1

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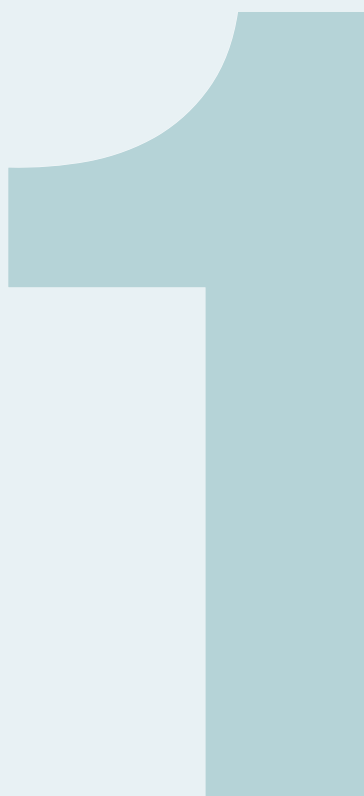
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Introduction

1. Introduction

Alpha Services and Holdings S.A. (the Company), and its largest subsidiary, Alpha Bank S.A. (the Bank), are committed to operating a sustainable business and with a clear strategic focus on growth and value creation for its Shareholders and other Stakeholders, taking into account the economic, social and environmental parameters of its activities, both in Greece and in the other countries where it operates.

With its new corporate purpose - to **enable progress in life and business for a better tomorrow** - Alpha Bank is leading the transition of the Greek economy towards a sustainable and resilient growth model, while promoting an equitable and inclusive society.

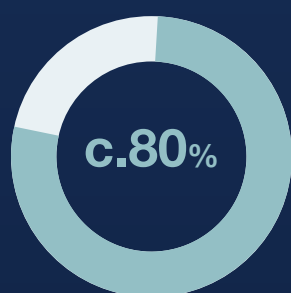
About Alpha Bank

Leading banking and financial services organization
with operations in Greece, Cyprus, Romania, Luxembourg and the UK

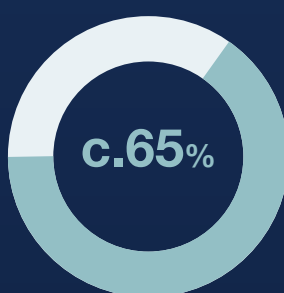


Wide Market Coverage

Active funding relationship with



of Greek Large
Corporates



of Greek
SMEs

The Trusted Relationship Bank

>60% of our customers
have been with us for

20+ years

The Company applies the principles of Corporate Responsibility in the whole range of its activities and aims to continuously improve the products and services it offers and to ensure that its customers' banking needs are addressed thoroughly and responsibly.

In 2019, Alpha Bank became a signatory of the UN Environment Programme Finance Initiative (UNEP FI) and endorsed the six Principles for Responsible Banking. Through its participation, the Bank aims to actively contribute to the protection of the environment and to the conservation of natural resources and address the direct and indirect impacts of its activities on the environment. To this end, it has set targets, which are monitored on an annual basis, aiming to increase its positive effect on society and the environment, utilize new business opportunities and generate value for all Stakeholders.

In 2023, Alpha Bank became a member of the Net Zero Banking Alliance (NZBA) and committed to align with the NZBA overarching principles of setting and publicly disclosing long-term and intermediate science-based targets to support meeting a net zero by 2050 greenhouse gas emissions goal.

As part of this commitment, Alpha Bank developed science-based targets **in 2024** to reduce its financed emissions in key sectors with significant negative climate and environmental impact, marking an important milestone to the Bank's strategy and in line with supervisory expectations. In November 2024, the Board of Directors approved the first-round of net zero targets covering the sectors of power generation, oil & gas, cement and iron & steel. Additional carbon-intensive sectors will be included in subsequent round of target-setting in accordance with the NZBA guidelines.

Alpha Bank recognizes the important role of financial institutions in mobilizing capital towards environmentally sustainable activities and in supporting their clients' transition to a low-carbon economy. The Sustainable Finance Framework serves as a key enabler to deliver the sustainable finance strategy of the Bank by financing climate mitigation projects.

At the same time, the Bank acknowledges the serious ramifications that climate change poses to the real economy and the financial system and the importance to identify, measure and manage the associated risks. As a result, Alpha Bank incorporates climate-related risks, in addition to ESG risks, into its risk management framework while it regularly assesses new approaches for identifying and quantifying climate-related and environmental risks.

The Company implements internationally recognized best practice guidelines and principles on sustainable development, including the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct, the Core Conventions of the International Labour Organization (ILO) and the Universal Declaration of Human Rights (UDHR), as well as complying with all legal and regulatory obligations.

1.1 Background

Since 2021, the Company has been enhancing its framework for sustainable development through a comprehensive ESG workplan which aims to integrate Environmental, Social and Governance (ESG) considerations across all banking activities and an enhanced Group ESG Governance Model which ensures effective oversight of Climate-related and ESG issues.

Governance Enhancements

The Company's Governance structures have been updated to ensure that ESG and Climate Risks are appropriately monitored and managed. Specifically,

- **Board Committees:** The Charters of the Committees of the Board of Directors ensure appropriate oversight of ESG topics. The Corporate Governance, Sustainability and Nominations Committee was assigned overall oversight of ESG issues.
- **Management level:** The Group Sustainability Committee steers and directs all ESG initiatives in the Group.
- **Operational level:** The Group ESG Coordinator role alongside the Governance & Sustainability Division, leads ESG and sustainability initiatives across the Group.

ESG workplan

The ESG workplan outlines the steps to integrate climate risk and ESG considerations into strategy and business planning, adequately address the impact of climate change on Alpha Bank's business in line with the supervisory requirements, and establish the operating structure model for managing sustainability, including roles and responsibilities across the three lines of defense. It also defines a governance framework for sustainability, according to relevant operating responsibilities, that will enable the Bank to identify the resources needed.

As part of the overall ESG workplan, the Bank has in place:

Regulatory Action Plan: submitted a Regulatory Action Plan to address supervisory expectations, which was agreed with the European Central Bank (ECB) to ensure the proper and timely implementation of an effective

framework to manage climate and environmental risks.

Climate Risk Framework: developed a Climate Risk Stress Testing Framework and incorporated the impact of climate and environmental risks into Internal Capital Adequacy Assessment Process (ICAAP) and the Risk Appetite Framework (RAF).

The ESG workplan also includes commercial initiatives to identify sustainable financing opportunities and strengthen the Bank's presence in both the Wholesale and Retail banking markets. These initiatives involve assessing customers' level of ESG maturity and potential transition pathways, to help develop financing solutions to serve their sustainability needs. To support this, Alpha Bank developed its Sustainable Finance Framework (the Framework or SFF) which defines in detail the criteria and processes to classify loans and specific financial products and services as sustainable, based on a "use of proceeds approach". Accordingly, the ESG workplan prioritizes the operationalization of the Framework, by setting the relevant policies, procedures as well as monitoring mechanisms and reporting flows.

The ESG workplan also builds ESG awareness and develops skills to address ESG business challenges through a **multi-year dedicated training plan for all employees** and the launch of an **ESG Academy**. This enables Alpha Bank's employees to understand the evolving sustainability landscape and stakeholder expectations, which is a key requirement for the Bank's sustainability journey.

Based on the work described above, **Alpha Bank has updated its three-year business plan to incorporate considerations of ESG and climate risk impacts on its business**, by setting targets for the growth of its Sustainable Finance business. In addition, Alpha Bank has incorporated **Climate & Environmental Risk KPIs and KRIs in its Risk Appetite Framework (RAF)**. The Business Plan targets and the RAF indicators serve to steer the Bank's decision making, in line with the Bank's objective to align its portfolio with the Paris Climate Agreement targets.

1.2 Key developments in the report

2023

○ Transparency

- The report incorporates the structure of the TCFD recommendations

○ Financed Emissions Measurement Enhanced

- Added new asset class types in the calculation, effectively increasing the perimeter of the measurement
- Improved data quality

○ Materiality Analysis

- Informed the Sustainability Strategy based on identified financed and operational impacts

○ ESG Upskilling

- Continued to expand training provided through the ESG Academy

○ Sustainable Financing

- Operationalized the sustainable financing criteria and internal assessment process

○ Risk Management

- Enhanced ESG incorporation in the risk identification and materiality assessment process
- Climate risk output per short-, medium- and long-term horizon
- Added analysis on other environmental risks
- Climate and ESG Risk management function established

○ ESG Linked Remuneration

- Revised the Remuneration Policy by incorporating ESG and sustainability considerations

2024

○ Strategy Developments in 2024

- Developed science-based targets for financed emissions reductions in alignment with the NZBA overarching principles



Power



Oil & Gas



Cement



Iron & Steel

- Updated the sustainable financing target to EUR 4.4 billion by 2026
- Active engagement with NZBA
- UN Global Compact membership

1.3 Report Structure

Alpha Services and Holdings S.A. and its subsidiaries are committed to transparency in addressing climate-related risks and opportunities. This report aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), reflecting our efforts to integrate climate considerations into our strategy and decision-making process. It concerns Alpha Services and Holdings S.A. and its Subsidiaries (the Group). Alpha Bank S.A. (the Bank) represents the largest subsidiary of the Group and for this reason, extensive reference is made to its performance in the Report.

The report discloses FY 2023 quantitative data but contains information on additional developments that occurred in 2024, in order to provide transparency and ensure stakeholders have an up-to-date view.

The information disclosed is structured around four thematic areas following the TCFD guidelines¹:

Governance: The Company's governance around climate-related risks and opportunities.

Strategy: The actual and potential impacts of climate-related risks and opportunities on the Company's business, strategy and financial planning.

Risk Management: The processes used by the company to identify, assess and manage climate-related risks.

Metrics and Targets: The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

The Company will continue enhancing the disclosures on an ongoing basis, to fully align with these guidelines and other stakeholder expectations. The Bank is leveraging external data providers to supplement data sourced from its customer base and is in the process of incorporating climate and ESG data into its systems and processes.

¹ The report has been prepared based on the guidelines of the TCFD. It is important to note that the TCFD has not collaborated, reviewed nor approved any of the related disclosures.

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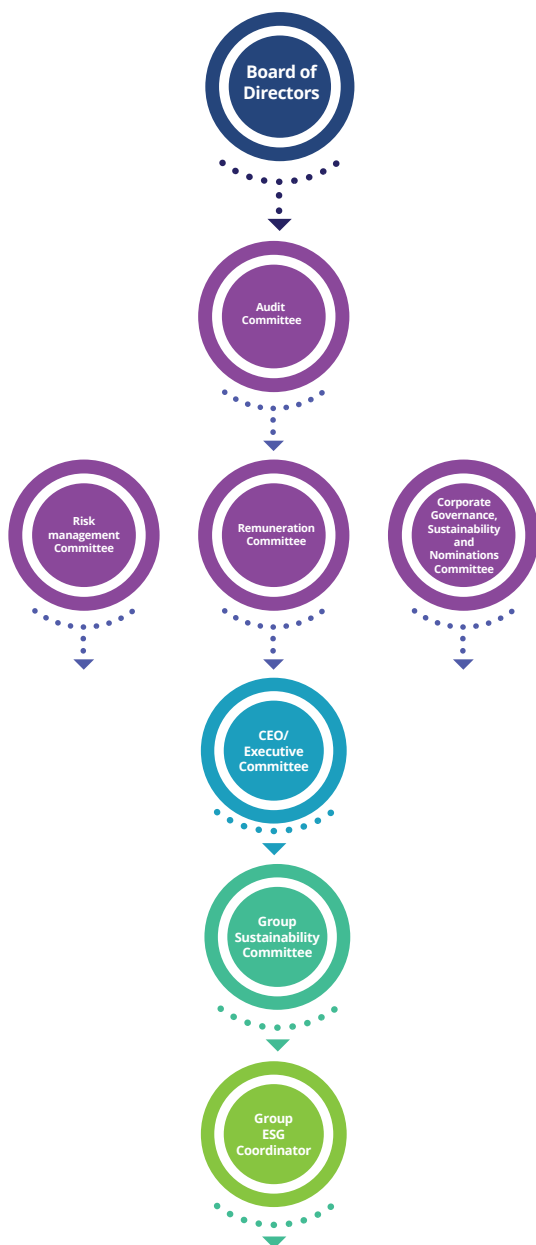
Governance

2. Governance

2.1 ESG Governance structure

The Company's organization and operations are governed by the **principles** of integrity, honesty, objectivity and independence, confidentiality and discretion, disciplined and prudent risk taking, transparency as outlined in its Company's **Code of Ethics** and in the principles of Corporate Governance. Emphasis is placed on the identification, measurement and management of risks undertaken, on compliance with the applicable legal and regulatory framework as in force and on transparency with the provision of full, accurate and truthful information to the Company's Stakeholders.

Alpha Services & Holdings ESG Governance organizational structure



ESG WORKING GROUP Governance and Sustainability



Board of Directors oversight

- The Board of Directors supervises and approves the Bank's ESG objectives and commitments. The Board's Committees have oversight of all relevant Sustainability issues, including Climate & Environmental risk
- The Corporate Governance, Sustainability and Nominations Committee has central oversight of ESG, sustainability and corporate responsibility matters
- Other Board Committees have oversight of specific sustainability topics, including Climate & Environmental risk management

Executive level decision making

- The Group Sustainability Committee approves the sustainability strategy and steers all related initiatives, including commercial ones
- Group ESG Coordinator leads sustainability initiatives and steers the cross-functional ESG Working Group on their implementation

Cross-functional implementation

- A cross-functional working group implements ESG initiatives across all areas
- The Bank's Governance & Sustainability Division, drives the ESG agenda and ensures internal adoption of best practice
- Area leads are in the place throughout the organization, including a Climate & ESG Risk Team in the CRO area and topic owners in other units
- Equivalent Governance structures are adopted across Group subsidiaries, in line with local regulatory standards and materiality

2.2 Board level oversight

The **Board of Directors** holds the ultimate responsibility for managing the Company's affairs and ensuring effective governance arrangements that promote prudent and sustainable management. Key responsibilities include approving and overseeing the implementation of the Company's strategic objectives, risk management, and ESG strategies, as well as ensuring compliance with legal and regulatory frameworks. The Board also oversees disclosures and communications and provides oversight of senior management.

In 2021, the Company established the **Group ESG Governance model** integrating effective oversight, management, and implementation of sustainability-related matters across all levels of governance:

- **Board level:** The Corporate Governance, Sustainability, and Nominations Committee (CGSNC) oversees ESG issues, ensuring alignment with sustainability goals and regulatory requirements.
- **Executive level:** The Group Sustainability Committee directs ESG initiatives and ensures alignment with strategic objectives.
- **Operational level:** The Governance & Sustainability Division, led by the Group ESG Coordinator, implements ESG and sustainability initiatives across the Group.

The Board of Directors has established Committees to assist it in the discharge of its responsibilities, facilitate its operations and effectively support its decision-making. The Committees have an advisory role, including making recommendations to the Board of Directors, but may also assume delegated authorities, as determined by the Board.

2.2.1 Key Committees Supporting ESG Oversight

i. Corporate Governance, Sustainability and Nominations Committee (CGSNC)

The **Corporate Governance, Sustainability and Nominations Committee** (CGSNC) acts as the ultimate liaison/responsible Board Committee with respect to all sustainability/ESG issues and promotes respective communications and feedback from all the Board of Directors Committees. The CGSNC consists of six Members out of whom four are Independent Non-Executive Members. The Committee convenes at least quarterly per year and may invite any Member of the Management or Executive to attend its meetings. At least one Member oversees ESG issues.

The Committee ensures and regularly evaluates that its Members collectively possess the required knowledge, skills and experience relating to sustainability and ESG issues as well as to the business of the Company to assess the appropriate composition of the Board of Directors and, among others, the selection process and suitability requirements to adequately discharge the Committee's responsibilities.

The **main responsibilities** of the Committee include but are not limited to those presented below.

The Committee:

- Assists the Board of Directors in ensuring the implementation of ESG standards according to the regulatory framework and the relevant best practices, thereby strengthening the Company's long-term commitment to creating value in its sustainable development. For this purpose, the Committee ensures that there is an adequate level of communication on ESG issues between the Members of the Committee and the Members of the Risk Management Committee, the Remuneration Committee and the Audit Committee.
- Reviews at least semi-annually current and emerging trends and regulatory developments in ESG issues that may significantly affect the Company's activities, highlighting to the Board of Directors areas that may require actions.
- Oversees the implementation of the Company's policies on ESG issues.
- Reviews the respective communication, the sustainability reporting to Stakeholders and ratings, in coordination with the Audit Committee
- Oversees the Company's alignment with sustainability requirements.
- Oversees the implementation of the Company's policies on ESG issues.
- Reviews at least annually the Sustainability/ESG Policy of the Company and, if necessary, provides proposals for amendments and recommends its approval by the Board of Directors.

During 2023, the Committee:

- Was updated regularly on ESG issues.
- Reviewed the Sustainability Report and the Task Force on Climate-related Financial Disclosures (TCFD)

Report and recommended the approval thereof by the Board of Directors

- Reviewed the ESG Workplan status update and progress, and the key recent developments in the market and regulatory areas.
- Reviewed the ESG Report, including the ESG Workplan status update and progress, and the key recent developments in the market and regulatory areas.

In more detail, the CGSNC reviewed the progress of the ESG Workplan and provided feedback to the relevant stakeholders Management, leading to an increased allocation of resources to the Governance and Sustainability Division.

ii. Risk Management Committee

The Risk Management Committee consists of six Members out of whom five are Independent Non-Executive Members. The Committee convenes at least once a month and may invite any Member of the Group's Management or Executive to attend its meetings. The Chief Risk Officer (CRO) is a regular attendee of the Committee meetings and has unhindered access to the Chair and the Members.

One Member is in charge of overseeing ESG issues.

The main responsibilities of the Committee include but are not limited to those presented below:

The Committee:

- Monitors that the Company adequately embeds Environmental, Social and Governance (ESG) risks in the overall risk appetite statement and framework, business strategy and risk management framework.
- Collaborates with the Audit Committee as necessary on the effective oversight of the mitigation of certain key areas of risk, including climate-related or other ESG risks, and capital management and their repercussions on the Internal Control System. The Committee also convenes jointly with the Audit Committee to discuss and review issues relevant to the remediation plans from regulatory/supervisory assessments and certain operational risk or other issues of importance and common interest.
- Reviews and recommends annually to the Board of Directors for approval the Group's Risk Appetite Framework (RAF) and statement, considering also ESG risks, i.e. the risks of any negative financial impact to the Company stemming from the current or prospective impacts of ESG factors on its counterparties, such as climate-related risks, and ensuring alignment with the Group's strategic objectives and capital allocation. The RAF should be clearly communicated throughout the Group and articulated/monitored via a set of metrics.
- Monitors the incorporation of ESG risks, and in particular the specifics of ESG transmission channels into prudential risks categories, in this line of functions that are independent from the business lines and units, to ensure that the long-term impact of ESG risks is accounted for in the decision-making process and to overall minimize the Company's exposure to ESG risks.

During 2023 the Committee:

- Was regularly informed of the ESG Report, including the 2023 ESG Workplan.
- Was informed of the ESG/Climate Risk.
- Was informed of and discussed the ECB feedback letter on Climate-Related and Environmental Risk Disclosures.
- Reviewed and discussed the Climate and ESG Risk Management and the update of the Climate risk supervisory action plan.
- Was informed of and discussed the process and methodology of the Financed Emissions and the Forward-Looking Assessment.

In more detail, during 2023, the Risk Management Committee has maintained oversight over the Bank's Climate Risk Action Plan to ensure the establishment of an effective framework for the management of Climate & Environmental Risk throughout the three Lines of Defense, in line with supervisory expectations as well as best practice.

Specifically, the Risk Management Committee reviewed the progress in the development of the Bank's Climate Risk Management Framework, the risk materiality assessment methodology, the ESG Action Plan, the progress of ESG RAF Indicators, the results of ESG regulatory reporting (Pillar III), the results of the one-off Fit-for-55 Climate Risk Scenario Analysis, the Sustainable Finance Framework as well as the progress in meeting the requirements of the ECB on the Management of Climate-related and Environmental Risks. The Committee also reviewed supervisory requirements in detail and provided feedback to the relevant stakeholders. In addition, the Committee prescribed the setting of specific pricing terms to incentivize the allocation of capital to the eligible green and social activities

included in the Sustainable Finance Framework. The Risk Management Committee has also maintained oversight of the Group's ESG workplan for 2023 which was developed to implement processes to govern strategic ESG goals, comply with regulatory requirements and manage ESG-related risks, while ensuring effective engagement with the Group's Stakeholders.

iii. Audit Committee

The Audit Committee consists of five Members, out of whom three are Independent Non-Executive Members. The Committee convenes generally on a monthly basis, adding meetings on an as-needed basis. It may invite any Member of the Management or Executive as well as external auditors to attend its meetings. The Head of the Internal Audit and the Head of Compliance are regular attendees of the Committee meetings and have unhindered access to the Chair and to the Members.

The main responsibilities of the Committee include but are not limited to those presented below:

The Committee:

- Collaborates with the Risk Management Committee as necessary on the effective oversight of the mitigation of certain key areas of risk, including climate-related or other Environmental, Social and Governance (ESG) risks, and capital management, and their repercussions on the Internal Control System. More specifically, the Committee convenes jointly with the Risk Management Committee to discuss and review issues relevant to the remediation plans from regulatory/supervisory assessments and certain operational risk or other issues of importance and common interest.
- Performs the oversight of the Sustainability Report and Non-Financial Information reporting, including sustainability and ESG disclosures.
- Reviews the scope and frequency of the statutory audit as well as other annual audit assurance including ESG reporting.
- Monitors and assesses the adequacy, effectiveness and efficiency of the Internal Control System (including ESG procedures) of the Company and the Group based on reports by the Internal Audit Unit, findings of the external auditors, the supervisors and the tax authorities as well as management information, as appropriate.
- Liaises with other Board Committees in relation to issues concerning the effective adherence to responsible practices relating to ESG.

During 2023 the Committee:

- Monitored the procedure followed for the drafting of the Non-Financial Report and the Sustainability Report for the year 2022, was updated on the materiality analysis process and reviewed the relevant Limited Assurance Reports by an External Auditor.
- Was informed of the proposal of the Company for the Sustainability Report Redesign, based on a holistic approach, aiming to address multiple disclosure requirements and associated data needs across key ESG dimensions.
- Was informed on the Task Force on Climate-related Financial Disclosures (TCFD) report for the year 2022.

iv. Remuneration Committee

The Remuneration Committee consists of four Members out of whom three are Independent Non-Executive Members. The Committee convenes at least quarterly and may invite any Member of the Management or Executive to attend its meetings. The Chief Human Resources Officer is a regular attendee of the Committee meetings.

The main responsibilities of the Committee include but are not limited to those presented below:

The Committee:

- Assists the Board of Directors in ensuring that the Group Remuneration Policy as well as the "Remuneration Policy of the Members of the Board of Directors as per the provisions of Law 4548/2018" are consistent with the values, culture, business strategy, risk appetite and strategic objectives of the Company and its Subsidiaries (the "Group"), taking into account Environmental, Social and Governance (ESG) risks that affect the business environment in the short, medium or long term.
- Assesses the alignment of the Remuneration Policies with the Company's Environmental, Social and Governance (ESG) objectives, e.g. long-term resilience of the business strategy under ESG considerations and risk appetite, in order to avoid conflicts of interest when business decisions are made and to facilitate the implementation of ESG risk-related objectives.

- Liaises with other Board Committees in relation to ESG issues.

In 2023, the main activities of the Remuneration Committee, among others, were focused on aligning the remuneration strategy with the Group strategy while supporting the introduction of various important HR initiatives.

The Risk Management Committee, the Corporate Governance, Sustainability and Nominations Committee and the Audit Committee, are informed, on a regular basis, by the Group ESG Coordinator, the Chief Risk Officer, the General Manager of Wholesale Banking (Chair of the Group Sustainability Committee) and the General Manager - Chief of Corporate Center, on issues related to Sustainability and Climate Risk.

During 2023, the Board of Directors convened 21 times. The average participation rate of the Members of the Board of Directors in the meetings stood at 98%.

2.2.2 Remuneration linked to ESG and Sustainability

The Remuneration Policy of the Members of the Board of Directors² has been revised to incorporate ESG and sustainability considerations by aligning variable remuneration elements (the Combined Bonus Plan “CBP” for senior leadership) with both financial and non-financial Key Performance Indicators (KPIs), including environmental, social, and governance (ESG) goals.

- The short-term targets of the CBP include criteria linked with corporate social responsibility and/or wider ESG-related goals, e.g. the balanced scorecard for Senior Executives includes targets on Group Sustainable Financing products. These targets may vary each year and are always subject to the approval of the Board of Directors.
- The long-term (3-year) performance targets of the CBP, additionally to the short-term targets, include Sustainable Finance disbursements and female participation³ at middle management level and above. These targets bear specific weights and aim to incorporate ESG criteria in long-term incentive remuneration.

2.2.3 Induction and Training

For facilitating effective oversight of sustainability matters, the Members of the Board of Directors, receive training regarding sustainability matters. According to the “Induction and Training Policy for the Members of the Board of Directors”, the newly appointed Members participate in training programs which include, among others, Company structure, business model, risk profile and governance arrangements and ESG, Sustainability and Non-Financial Information.

Further to the above, the Members of the Board of Directors in 2023 participated to the following training programs pertaining to ESG:

- How banks can respond to climate change risks.
- ESG in Alpha Bank: Stepping up Stewards of Sustainability.

2.3 Management’s role and responsibilities

2.3.1 Executive level decision making

At the Executive Management level, the **Group Sustainability Committee** (GSC) plays a central role in overseeing ESG and climate-related topics, steers the Group’s ESG strategy and oversees its implementation. It supports the Board of Directors in their oversight of Climate & ESG Risks and Sustainability. Finally, the GSC ensures that key decisions and topics discussed are communicated to the Executive Committee and, where necessary, referred to the Board of Directors for approval, including the adoption of new policies or revisions to existing ones, as well as non-financial targets to be adopted by the Group, and regulatory or strategic ESG priorities. The Chief Executive Officer is informed on sustainability and ESG matters as a member of the Board and of the Executive Committee and as such provides input when needed.

The Committee membership consists of six General Managers as regular members, and eight additional non-regular members at the General Manager or senior executive level. It is chaired by the General Manager of Wholesale Banking, with the Chief Risk Officer (CRO) as a regular member. The Committee convenes regularly at least on a bi-monthly basis.

² <https://www.alphaholdings.gr/-/media/AlphaHoldings/Files/genikes-syneleysis/taktiki-geniki-sineleusi-24072024/eggrafa-gs/024Remuneration-Policy-L45482024-en.pdf>

³ Female participation at middle management level and above means the increase of female participation in people management positions.

Key Responsibilities:

- To steer the Group's strategy and direction on sustainability and ESG-related topics, to support the sustainability and resilience of the Group's business model as well as enable long-term value creation.
- To agree and propose for endorsement by the Executive Committee and approval by the Board of Directors the Group's Sustainability/ESG Policy and its targets, including financial and non-financial Key Performance Indicators (KPIs).
- To monitor the Group's sustainability performance against policy targets and benchmarks.
- To remain informed on the investment community's expectations regarding ESG-related topics and to propose actions.
- To propose criteria for sustainable credit approval, debt issuances and investments, which will be incorporated into the relevant policies.
- To oversee the content of ESG-related non-financial disclosures including the non-financial report and the sustainability report.
- To monitor the Group's alignment with ESG requirements, including regulatory expectations and UNEPFI PRB commitments.

In 2023, the **Group Sustainability Committee** convened nine (9) times to address key priorities, including the progress in ESG integration and the corresponding action plan to meet the supervisory expectations. The Committee Members examined the Company's Sustainability Strategy and commercial implications as well as the Sustainable Finance Framework operationalization and developments regarding the IT systems' integration. The Members of the Committee were also informed about the materiality assessment of climate risk, the ESG training provided to the Company's Employees and the progress of international subsidiaries in integrating ESG criteria in their processes. They also exchanged views on the measurement of financed emissions and climate strategy target setting and reviewed the Company's disclosures. The Committee approved the ESG Operating Model, the risk identification and materiality assessment of Climate Risk, the updated policies and the sustainability-related disclosures.

The **Group ESG Coordinator** leads sustainability-related initiatives and oversee the ESG objectives within the cross-functional ESG Working Group. The Group ESG Coordinator also acts as the Secretariat of the Group Sustainability Committee and meets regularly with its Chair, the General Manager - Chief of Corporate Center and the General Manager - Chief Risk Officer.

2.3.2 Operational level implementation

At the operational level, an **ESG Working Group** has been established to implement key initiatives, led by the Group ESG Coordinator, who is also responsible for providing direction to subsidiaries and other Units. The Bank's **Governance and Sustainability Division** drives the ESG agenda and ensures internal adoption of best practice across the Group. In addition, high-level responsibilities are defined in the Operating Model emphasizing the ESG Strategy and ESG integration, including integral components of Sustainable Finance operationalization, stakeholder engagement and disclosures in line with regulation-driven and other initiatives. The Governance & Sustainability function cooperates closely with the Climate, ESG and Enterprise Risk Management Division for ESG and climate-related issues, and with the Supervisory Issues Management Division, for risk-related input to supervisory processes/submissions.

The ESG Working Group includes representatives from various Business Units, such as Retail Banking, Wholesale Banking, Risk Management, Human Resources, and Treasury. These representatives form an Operating Committee that provides regular updates to the GSC on the progress of ESG-related projects, including climate-specific initiatives.

The **Climate, ESG and Enterprise Risk Management** is an 'umbrella' and holistic risk function collaborating and coordinating the rest of Chief Risk Control Officer's (CRCO) functions and Business Units, while undertaking a limited number of risks under its controlling capabilities related to Bank-wide and even Group matters.

Key responsibilities of the Climate, ESG and Enterprise Risk Management function include:

- Maintaining deep knowledge and understanding of climate risk, ESG regulations and emerging trends.
- Providing expert guidance for ESG integration in the risk management framework.
- Ensuring consistency and adequacy of ESG risk input across risk types.
- Developing content and performing ex-post review of client assessment questionnaires.
- Designing methodologies for assessing physical and transition risk.
- Providing coordinated input for climate risk items in supervisory processes.
- Contributing to ESG risk-related aspects of strategy-setting and business plan.

- Participating in the business planning process, reviewing the business plan against the approved RAF, and offering a risk opinion if required.
- Collaborating with other CRCO functions to monitor specific areas, also controlling from a two Lines of Defense perspective the assessment of Participation and Step-in risks.
- Participating in key strategic projects that significantly change the Bank's Operating Model.

Moreover, the Climate, ESG and Enterprise Risk Management function serves as a central point for CRCO functions regarding OSIs (Open Systems Interconnection) and other regulatory requests. It also oversees the resolution of OSI findings and tracks results within the CRCO area, demonstrating a commitment to continuous improvement and regulatory compliance.

The Bank plans for other Divisions to establish specific ESG-related roles, while equivalent Governance structures are being adopted across Group subsidiaries, in line with local regulatory standards and materiality.

2.3.3 Operating Model

The Bank has developed the **ESG Operating Model** across the three Lines of Defense which defines the roles and responsibilities of relevant divisions and their respective Management, on major activities and workflows relevant for Climate Risk and ESG issues.

High level responsibilities and interactions of Climate, Environmental and ESG Risks are considered across all vertical risk types, alongside the involvement of the Climate, ESG and Enterprise Risk Management. High level responsibilities of other Bank Divisions are also recognized and defined.

For processes that are instrumental to ESG integration, detailed responsibilities are listed across Bank Units and functions. These key processes include the Loan Origination Process, processes related to Supervisory Requirements, Operational Risk Management, Market & Liquidity Risk Management, Investments & Investment Products as well as the Sustainable Finance operationalization, Strategy & Planning and Reporting & Disclosures. Responsibilities across Units involved in the carbon footprint analysis and the energy performance certificates estimation is also accounted for.

The identification of roles and responsibilities in ESG integration in key processes allows for a clear understanding of the internal procedures and the level of collaboration between Units to effectively deliver value to both its internal and external stakeholders.

It is recognized that ESG and Climate Risk are evolving topics, therefore requirements and the optimal approach to address them are expected to change, including the potential need for additional resources and further organizational changes.

3

Strategy

3. Strategy

The Company has adopted a Strategy for Sustainable Development, which aims to mitigate any material negative impacts arising from its operations, while enhancing its positive impacts, on the Environment, Society and Socio-Economic areas, as well as ensuring best practice Corporate Governance. The actions set aim to account for both people and the planet and align to the international goals set by the Paris Agreement on Climate Change and the United Nations 2030 Agenda for Sustainable Development.

The Intergovernmental Panel on Climate Change (IPCC, 2023)⁴ assessment underscores the importance of limiting global warming to 1.5°C to ensure a safe and livable future while emphasizing the need to increase climate finance for both mitigation and adaptation this decade. In the European Union, the Paris Agreement has been transposed into the binding European Climate Law⁵, which requires carbon neutrality by 2050 and to reduce emissions by 55% by 2030. The EU's climate objective is further reinforced by the "Fit for 55"⁶ strategy which provides a set of legislative measures to reduce emissions and decarbonize the economy.

To achieve the objectives of the Paris Agreement and limit global temperature increase to 1.5°C, ambitious actions from all strands of the economy are required. In line with governmental policy commitments and corporate action, financial institutions will need to adjust their business models in the short, medium and long term, and develop realistic strategies underpinned by robust, science-based targets and action plans⁷.

In this context, the **Bank's Strategic Plan** incorporates the following commitments to support an environmentally sustainable economy:

- Support Bank's customers' decarbonization
- Align portfolio emissions to meet the Paris objectives
- Mitigate key drivers of biodiversity loss
- Support the transition to a circular economy
- Achieve Net Zero emissions in own operations

To reduce its financed emissions, the Bank is applying the NZBA guidelines to set climate targets for 2030 and 2050 with respect to its lending and investment activities. In this respect, the Bank is also addressing the Principles for Responsible Banking climate mitigation priority impact area.

3.1 Climate-related Risks and Opportunities

The Bank acknowledges the relevance and potential impact of the risks and opportunities stemming from climate-related and environmental factors, especially climate change, and in alignment with the respective external guidelines, incorporates salient elements in its operations and business lines.

To this respect, the Bank is continuously evolving its processes to identify and measure both transition and physical risks related to its customers as well as its own operations. To determine financial materiality of climate-related issues, the Bank performed a materiality assessment of climate-related risks in its lending portfolio, on a best effort basis. Understanding and assessing climate risk in relation to the Bank's lending exposure represents one key component of the Action Plan already in progress.

Climate-related risks impact the Bank both directly, through its own operations and tangible assets, and indirectly through its lending and investment activities. The main potential impacts of climate-related risks to the Bank's business are analysed in the Bank's ESG Materiality Assessment.

For more information regarding the Bank's ESG Materiality Assessment kindly refer to Section 4. Risk Management.

The Bank is approaching climate-related opportunities through the application of the Sustainable Finance Framework in wholesale and retail banking. The Framework covers both financing for environmentally sustainable economic activities through its alignment with the EU Taxonomy Climate Mitigation objective, but also incorporates specific criteria for harder-to-abate sectors paramount to progressing towards net zero.

4 IPCC, 2023: Climate Change 2023: Synthesis Report.

5 https://climate.ec.europa.eu/eu-action/european-climate-law_en

6 <https://www.consilium.europa.eu/en/policies/fit-for-55/>

7 NZBA, Guidelines for Climate target Setting for Banks, version 2

3.1.1 Financed Emissions measurement

In order to align its portfolio with the Paris Agreement, the Bank regularly measures its financed emissions, covering investment and lending products of its corporate portfolio across all the sectors it finances, based on the GHG emissions of its borrowers or investee companies. To measure its financed emissions, the Bank follows the Global Greenhouse Gas (GHG) Accounting and Reporting Standard for the Financial Industry developed by the Partnership for Carbon Accounting Financials (PCAF, version Dec. 2022).

PCAF builds upon the GHG Protocol Corporate Value Chain (Scope 3) emissions – Investments (Category 15)⁸ to provide asset class specific calculation approaches. According to the PCAF methodology, financed emissions are calculated by multiplying an attribution factor, specific to the asset class, by the emissions of the borrower or investee company. The attribution factor is defined as the share of total annual GHG emissions of the borrower or investee that is allocated to the loans or investments.

Financed emissions asset class coverage

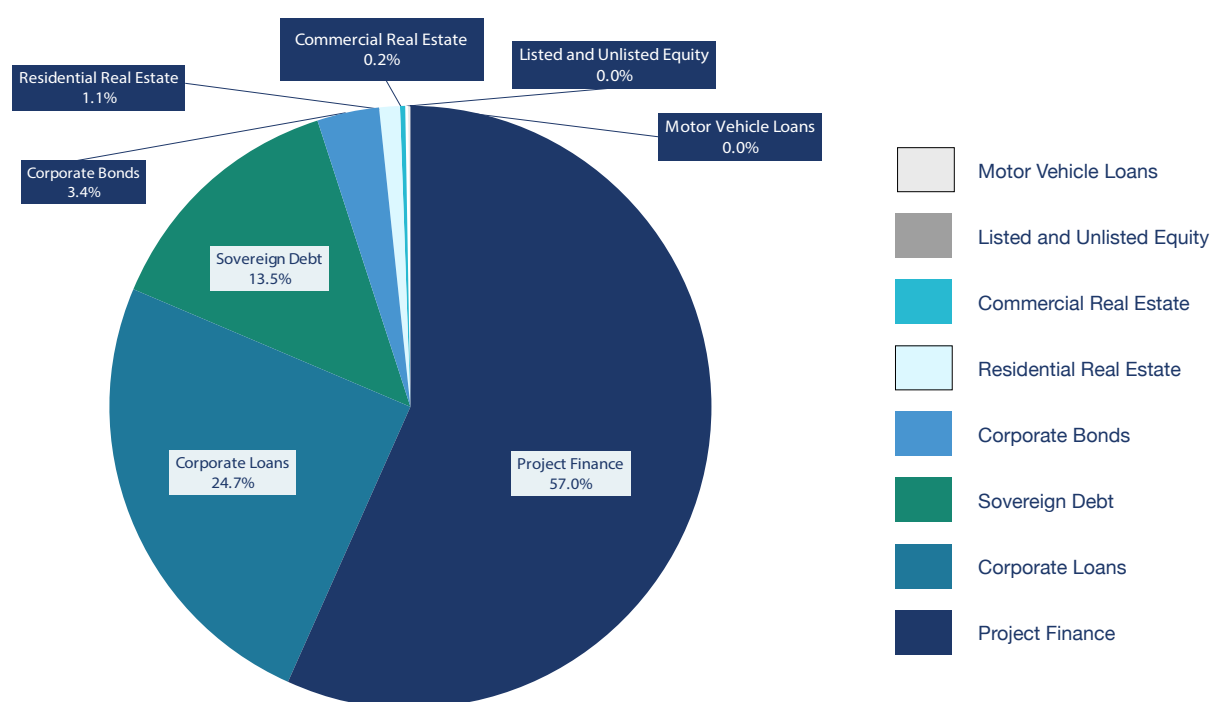
Equity <ul style="list-style-type: none"> On-balance sheet listed equity that are traded on a market and are for general corporate purposes. On-balance sheet equity investments to businesses, non-profits and any other structure of organization, that are not traded on a market and are for general corporate purposes. Derivative financial products are not covered by this asset class. The same holds for short and long positions or special cases of underwriting such as IPO.
Corporate Bonds <ul style="list-style-type: none"> On-balance sheet listed corporate bonds that are traded on a market and are for general corporate purposes. Green bonds and derivative financial products are not covered by this asset class.
Business loans <ul style="list-style-type: none"> On-balance sheet loans and lines of credit to businesses, non-profits and any other structure of organization, that are not traded on a market and are for general corporate purposes.
Commercial Real Estate (CRE) <ul style="list-style-type: none"> On-balance sheet loans for the purchase and refinance of CRE, and on-balance sheet investments in CRE. The property is used for commercial purposes, and the building owner-investor leases the property to conduct income-generating activities. Loans secured by CRE for other purposes than CRE and loans to CRE companies that are unsecured are classified as business loans if the loans are for general corporate purposes.
Project Finance <ul style="list-style-type: none"> On-balance sheet loans or equities to projects for specific purposes (i.e. with known use of proceeds as defined by the GHG Protocol). The financing is designated for a defined activity or set of activities, such as the construction and operation of a gas-fired power plant, a wind or solar project or energy efficiency projects. Only the financed (ring-fenced) activities are included.
Motor Vehicle Loans <ul style="list-style-type: none"> On-balance sheet loans to businesses and consumers for financing different types of motor vehicles.
Sovereign Debt <ul style="list-style-type: none"> On-balance sheet sovereign bonds and sovereign loans of all maturities issued in domestic or foreign currencies.

8 According to the GHG Protocol Standard, Scope 3 emissions represent all indirect GHG emissions that occur in the value chain of a company. Scope 3 emissions are divided into upstream (related to purchased or acquired goods and services) and downstream emissions (related to sold goods and services, with the latter being associated with the provision of capital or financing) and categorized into 15 distinct categories. Category 15 – Investments accounts for equity investments, corporate debt holdings (such as bonds or loans), project finance and investments managed on behalf of clients or services provided to clients.

The measurement of financed emissions for non-financial corporates includes exposures to sectors with the following NACE Codes: A- agriculture, forestry and fishing; B- mining and quarrying; C- manufacturing; D- electricity, gas, steam and air conditioning supply; E- water supply, sewerage, waste management and remediation activities; F- construction; G- wholesale and retail trade, repair of motor vehicles and motorcycles; H- transportation and storage; I- accommodation and food service activities, L- real estate activities.

For 2022, the Bank completed an enhanced measurement of financed emissions that improved both the **coverage and the quality of its financed emissions measurement**. The asset class coverage included Listed and Unlisted Equity, Corporate Bonds, Sovereign Bonds, Business Loans, Commercial Real Estate (CRE), Residential Real Estate (RRE), Motor-Vehicle Loans and Project Finance while the improved coverage of reported data compared to estimated emissions has improved the PCAF quality score. The on-balance sheet exposure covered in the financed emissions perimeter, across all asset class types and sectors at ~ 72%. Project finance and business loans represent the largest contribution to financed emissions measurement.

Scope 1 & 2 Financed emissions distribution per asset class 2022 (tCO₂e)



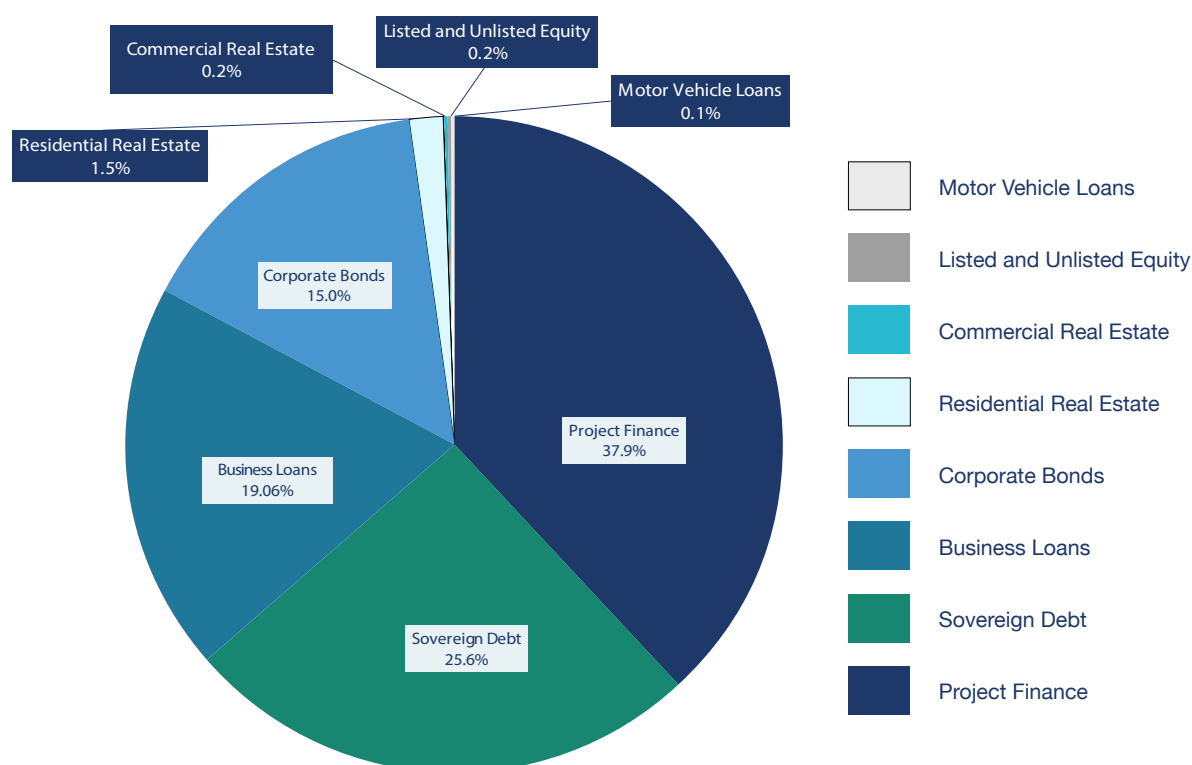
Alpha Bank financed emissions 2022, per asset class - Banking book

Asset class	Scope 1 financed emissions (tCO ₂ e)	Scope 2 financed emissions (tCO ₂ e)	Scope 3 financed emissions (tCO ₂ e)	Scope 123 financed emissions (tCO ₂ e)	Outstanding amount (mn €)	PCAF data quality score
Listed Equity	2,238	412	2,041	4,691	17	2.8
Unlisted Equity	603	2,202	4,140	6,945	2,061	3.9
Corporate Bonds	365,088	56,173	607,086	1,028,347	1,631	1.5
Business Loans*	2,277,911	737,570	29,877,812	32,893,293	11,589	3.5
Project Finance	6,916,152	51,771	1,367,121	8,335,043	4,982	3.0
Commercial Real Estate	4,471	19,999	n/a	24,470	403	3.2
Residential Real Estate	61,937	71,428	n/a	133,365	3,685	3.0
Motor Vehicle Loans	3,949	0	1,050	4,999	67	4.0
Sovereign Debt	1,613,160	38,230	877,007	2,528,398	9,199	1.0
Total	11,245,509	977,784	32,736,257	44,959,551	33,634	

**Note: In the financed emissions measurement for 2022 it is noted that 81.6% of total Scope 123 emissions in the Business Loans asset class are driven by one counterparty in the electric cable manufacturing business which accounts for 26,826,318 tn CO₂e. . The counterparty has excluded category 11, use of sold products, from Scope 3 figures in the 2023 annual reporting, pending changes in methodological elements.*

For the purposes of the financed emissions measurement, the counterparty NACE sector allocation was identified and the GHG financed emissions have been calculated for Scope 1, Scope 2 and Scope 3 emissions (in tons of CO₂ equivalent), depending on availability of counterparty information.

Scope 1 & 2 Financed emissions distribution per asset class 2023 (tCO₂e)



Alpha Bank financed emissions 2023, per asset class - Banking book

Asset class	Scope 1 financed emissions (tCO ₂ e)	Scope 2 financed emissions (tCO ₂ e)	Scope 3 financed emissions (tCO ₂ e)	Scope 123 financed emissions (tCO ₂ e)	Outstanding amount (mn €)	PCAF data quality score
Listed Equity	32	60	1,848	1,939	88	1.8
Unlisted Equity	7,465	1,158	5,909	14,533	2,606	3.8
Corporate Bonds	1,267,812	129,600	5,961,125	7,358,538	2,549	1.3
Business Loans*	1,498,385	346,662	5,687,325	7,532,372	11,974	3.3
Project Finance	3,463,183	33,741	747,853	4,244,777	4,864	2.9
Commercial Real Estate	4,865	11,652	n/a	16,517	667	3.1
Residential Real Estate	94,050	46,384	n/a	140,434	5,155	3.0
Motor Vehicle Loans	7,300	0	1,941	9,241	72	4.0
Sovereign Debt	1,948,816	428,862	2,295,717	4,673,396	12,137	4.0
Total	8,291,908	998,119	14,701,718	23,991,747	40,112	

For 2023, financed emissions have been measured using primary data (e.g. reported emissions) for the 20.9% of the portfolio (in terms of outstanding amount), whereas for the remainder of the portfolio (i.e., 79.1%), financed emissions have been estimated using proxy data (e.g. EEIO). In cases where GHG emissions, activity or financial data were not available for counterparties for 2023, the measurement for the financed emissions was based on data for 2022.

For the measurement of financed emissions in the Commercial Real Estate (CRE) category, annual energy consumption may not always be easily or directly available. Thus, in the absence of metered data, emissions for the operation of each commercial property have been estimated, based on typical energy uses per type of asset, EPC rating and climate zone. Estimated financed emissions used the emission factors from the PCAF database for CRE asset class. Future improvements in the disclosure of emissions by clients are expected to improve data quality but may also cause changes in financed emissions figures.

The following tables represent a mapping of financed emissions in terms of the carbon intensive sectors recommended by the NZBA for target setting.

Alpha Bank financed emissions 2022, per sector

	Sector	Outstanding amount (€Mn)	Scope 1 & 2 financed emissions (tCO ₂ e)	Scope 3 financed emissions (tCO ₂ e)	Scope 1 & 2 emission intensity (tCO ₂ e/€Mn)
Sectors that map to the NZBA recommendations for target setting	Power generation	1,941	725,144	1,022,491	374
	Oil & Gas	692	300,261	181,334	434
	Transport	3,824	6,106,327	1,213,469	1,597
	Road	596	159,346	179,303	268
	Shipping	2,455	5,883,532	1,004,239	2,396
	Aviation	773	63,449	29,928	82
	Auto manufacturing	0	0	0	0
	Real Estate	6,760	182,255	113,110	27
	Commercial Real Estate	3,075	48,890	113,110	16
	Residential Real Estate	3,685	133,365	n/a	36
	Cement	79	312,390	60,193	3,968
	Iron & Steel	222	290,794	54,952	1,308
	Agriculture	224	324,561	85,331	1,451
	Aluminium	87	112,312	29,850	1,295
	Coal	0	0	0	0
	Total	13,829	8,354,044	2,760,731	

Alpha Bank financed emissions 2023, per sector

	Sector	Outstanding amount (€Mn)	Scope 1 & 2 financed emissions (tCO ₂ e)	Scope 3 financed emissions (tCO ₂ e)	Scope 1 & 2 emission intensity (tCO ₂ e/€Mn)
Sectors that map to the NZBA recommendations for target setting	Power generation	2,698	689,153	935,243	255
	Oil & Gas	526	669,281	7,994,402	1,273
	Transport	4,253	3,477,049	929,907	818
	Road	664	40,616	318,058	61
	Shipping	2,803	3,387,479	565,199	1,208
	Aviation	786	48,954	46,650	62
	Auto manufacturing	0	0	0	0
	Real Estate	8,679	182,874	115,980	21
	Commercial Real Estate	3,524	42,439	115,980	12
	Residential Real Estate	5,155	140,434	n/a	27
	Cement	91	783,176	135,503	8,568
	Iron & Steel	197	173,750	35,706	882
	Agriculture	191	309,699	82,152	1,619
	Aluminium	82	5,321	16,714	65
	Coal	0	0	0	0
	Total	16,717	6,290,303	10,245,607	






Verification statement: Alpha Bank's greenhouse gas emissions for 2022 and 2023 have been prepared according to the requirements of the standard ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019. The Greenhouse Gases Verification Statement for the reporting periods 2022 and 2023 has been provided by TUV Austria Hellas.

3.1.2 Sustainable Finance Opportunities





As part of the initiative to incorporate sustainability criteria in its lending operations, the Bank has developed a **Sustainable Finance Framework**⁹, which defines criteria in line with the International Capital Markets Association (ICMA) principles and the EU Taxonomy Regulation. Green eligible categories are grouped into five distinct themes: Energy efficiency, green buildings, renewable energy, sustainable transport, resource efficiency and pollution control. Social eligible categories target activities that positively impact socioeconomically disadvantaged population through economic inclusion, affordable basic infrastructure, access to essential services and affordable housing.

Title: Sustainable Finance Framework eligible themes

Green Loan Themes

 Energy Efficiency	 Green Buildings	 Renewable Energy	 Sustainable Transport	 Resource Efficiency & Pollution Control
<ul style="list-style-type: none"> • Transmission and distribution systems and upgrades • Energy efficiency technologies • Public services and utilities • Industrial processes 	<ul style="list-style-type: none"> • Construction or purchase of new buildings • Acquisition or ownership of buildings • Renovation of existing buildings • System upgrades for buildings 	<ul style="list-style-type: none"> • Generation of electricity from renewable sources • Renewable energy technologies • Transmission and distribution systems • Heat production and thermal energy 	<ul style="list-style-type: none"> • Electric, hydrogen vehicles • Public or mass transportation systems • Infrastructure • Shipping 	<ul style="list-style-type: none"> • Recycling and reuse • Circular economy

Social Loan Themes

 Economic Inclusion	 Affordable Basic Infrastructure	 Access to Essential Services	 Affordable Housing
<ul style="list-style-type: none"> • Inclusive access to credit and financing • Employment generation and job training 	<ul style="list-style-type: none"> • Transport infrastructure • Other basic infrastructure 	<ul style="list-style-type: none"> • Health • Education 	<ul style="list-style-type: none"> • Affordable social housing

Alpha Bank classifies its sustainable financing solutions into the categories of dedicated-purpose financing and general-purpose financing, effectively establishing an overarching set of sustainability guardrails across the Bank's operating system and creating meaningful sustainability results both for the Bank and its clients.

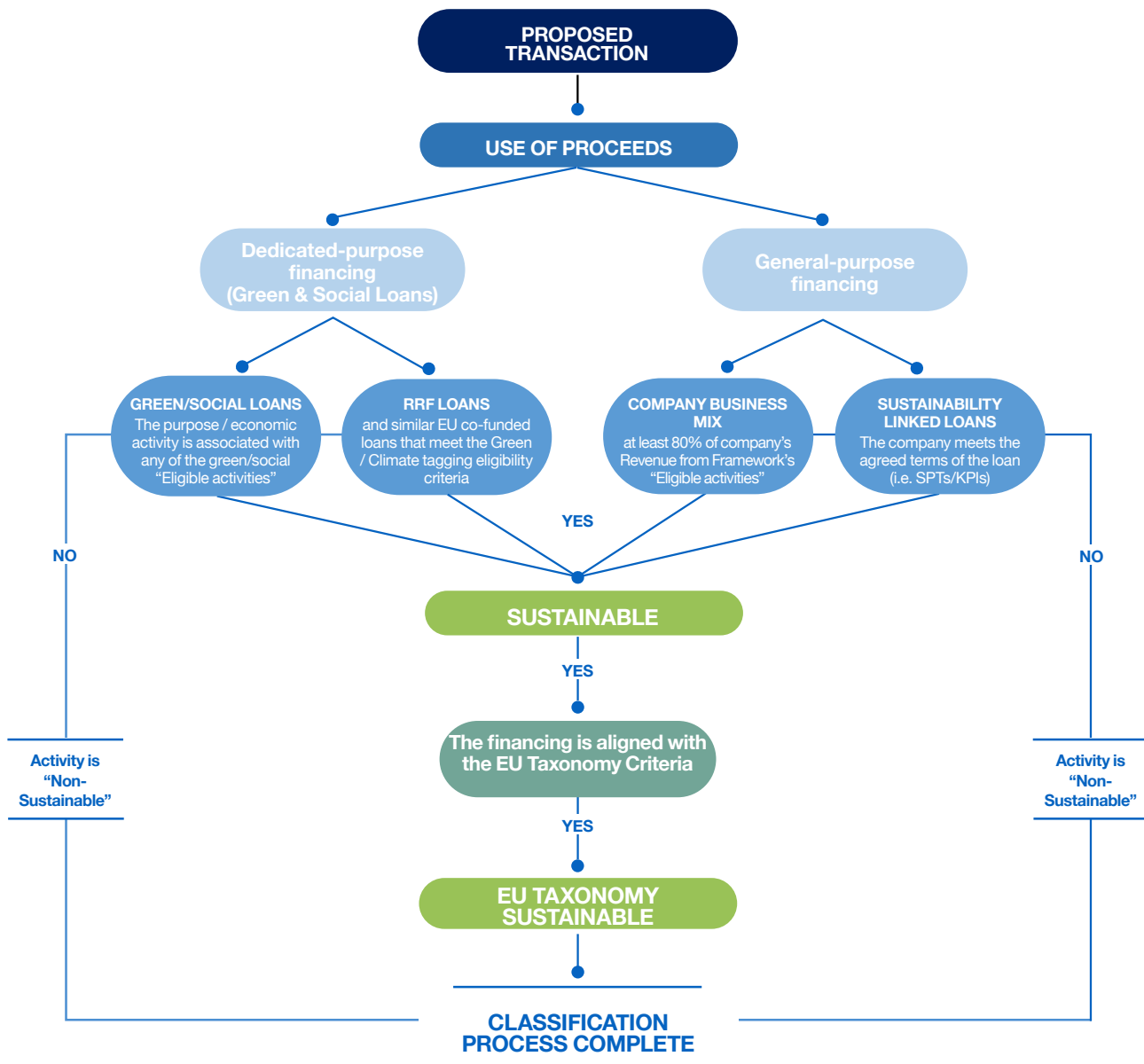
A. Dedicated Purpose Financing

- **Green/Social Loans:** The funds are 100% directed towards a project/investment listed under the eligible green/social criteria.
- **Recovery and Resilience Facility:** Financing aligned to the green transition tagging of the Recovery and Resilience Facility (RRF).

B. General Purpose Financing

- **Company Business Mix:** When a company derives a certain percentage (at least 80%) of its revenues from eligible activities.
- **Sustainability-Linked Loans/Facilities:** General Purpose financing that is linked with measurable ESG targets at client level based on pre-determined sustainability performance targets agreed with the client.

Sustainable Finance Framework Decision Process diagram



**Loans that meet the green eligibility criteria of the RRF are automatically considered sustainable. The Green transition pillar of the Greek NRRP/Greece 2.0 is aligned with many of the strategic priorities of the National Energy and Climate Plan.*

The Framework has been operationalized within the Bank's lending operations as part of the Transaction Assessment & Loan Approval Process. Favorable pricing scenarios with respect to the categories of dedicated-purpose loans, company business-mix loans and sustainability-linked loans are in place, in line with the transition dynamics of different sectors and eligible economic activities. For wholesale clients, the pricing scenarios considered are expected to differentiate between high climate risk sectors with high and lower availability of transition investments as well as low emission sectors. In terms of retail clients, the pricing scenarios will effectively address green mortgages, property renovation and green consumer loans.

Key types of eligible Green loans

Building related investments	<p>Investments in environmental improvements of buildings owned or based by client (buildings do not need to be collateral)</p> <ul style="list-style-type: none"> • Construction of Green Buildings (EPC A, LEED, BREAM, EDGE), Renovation to EPC B+ or above • Loans to use for Energy Efficiency upgrades: LED / Smart Lighting, insulation. Climate Control (HVAC etc.), Heat Pumps, Smart Metering • Other building related investments e.g. Waste Management
Energy & RES	<ul style="list-style-type: none"> • Renewable Energy Systems (incl. PV panels on rooftops etc.) • Power Generation Investments: Electricity Grid Upgrades, Grid Interconnection projects
Transport & Mobility	<p>Investments in Green mobility and increase in energy efficiency of transport</p> <ul style="list-style-type: none"> • Plug-in and electric vehicle acquisition: retail, corporate/leasing fleets, merchant financing programs for PHEVs/EVs • Car charging infrastructure (charges, network projects) • Clean fuel investments for different modes of transport (both vehicles and infrastructure)
Circular Economy	<p>Financing of activities and companies with Circular Economy models:</p> <ul style="list-style-type: none"> • Recycling & materials re-use processes • Repair and refurbishment, renting of electric appliances, community-based equipment (including by cooperatives) • Biomass, biofuel investments
“Green” Companies	<p>General Purpose loans to companies with 80% income from Green i.e. any of the above activities (RES, Circularity / Recycling, Energy efficiency services, Green Mobility etc.)</p>
Sustainability Linked Loans	<p>General Purpose loans to companies that commit to reduce their environmental footprint / ESG metrics over the tenor of the loan Targets are set based on the commitments the company makes to its stakeholders via their sustainability strategy</p>
Climate Change Adaptation	<p>Climate-change investments: increasing resiliency of business or home to climate change and climate disasters: Anti-flooding systems, fire prevention & defense, Agricultural resiliency investments</p>

The Framework constitutes the basis for the Bank’s sustainable lending strategy as well as supporting future funding operations, including the issuance of Green Bonds, by defining the use of proceeds and impact assessment of financings. The Framework has obtained an external review¹⁰ by ISS-Corporate confirming the transparency and alignment with best market practices.

3.2 Impact on Organization

The Company acknowledges that ESG and climate factors can have a significant impact from a Business and Strategic Risk perspective, recognizing as key drivers the potential shift in consumer preferences, behavioural/ demand patterns, the market sentiment and the potential change in the competitive landscape, which could result to lose market share and affect its revenue and profitability, due to ESG and climate considerations.

To address the aforementioned risks, the Bank initiated the following key actions:

- Identified, assessed, and prioritized the ESG issues related to its activities that may impact the Group’s operations and/or its Stakeholders. Under this scope, an impact analysis of its loan portfolio has been performed by utilizing the UNEP FI Principles for Responsible Banking (PRB) Tool and by conducting a Global Reporting Initiative (GRI) materiality analysis, in order to understand the positive and the negative socioeconomic, environmental and social impacts of its portfolio. In 2023, the Group progressed with

10 [External Review on Sustainable Lending Framework](#)

the identification of its most significant impact areas/topics which are associated with the portfolio of its subsidiary company in Cyprus, using the UNEP FI impact analysis tool. Results of the analysis will inform the subsidiary's sustainability strategy and support the alignment with the Group's sustainability strategy.

- b. Implemented regular monitoring of ESG Key Performance Indicators (KPIs) (such as % of disbursements to RES over total disbursements to the energy sector, the gross disbursements aligned with the Sustainable Finance Framework etc.), in order to take corrective action, when needed. Furthermore, the Bank in 2023 enhanced its Risk and Capital Strategy (RCS) document by incorporating additional quantitative monitoring ESG indicators.
- c. Developed science-based financed emissions targets for material carbon-intensive sectors covering both lending and investment portfolios, in alignment with the Paris Agreement on climate change and net zero emissions by 2050.

3.2.1 Business Model and Strategy

i. Material Impact Analysis

The Bank recognizes the positive and the negative interactions between its portfolio and the environmental, financial and social areas identified by the UNEP FI Principles.

For the purpose of fulfilling its commitments as a signatory to the Principles for Responsible Banking (PRB), the Bank reviewed the results of the Materiality Analysis conducted in 2022 and updated its Sustainability Strategy to ensure that it actively manages these impacts by enhancing the positive ones and mitigating the negative ones.

The materiality analysis process covered the following four steps:

- 1. Understand the organization's context:** Reviewed the identified impacts on the natural environment and people/Stakeholders through its own operations, supply chain and financial products/services of the previous financial year.
- 2. Identify actual and potential impacts:** Re-validated the actual impacts, either positive or negative on the natural environment and people, including impacts on human rights.
- 3. Assess the significance of the impacts:** Re-assessed the impacts in accordance to their severity/significance for the short-term, medium-term and long-term horizon.
- 4. Prioritize the most significant impacts:** The results of a dedicated electronic survey were used to determine the material impact areas which then were debated by a dedicated working group before being approved.

The identified impacts included in-house impacts across the Bank's operations and its supply chain as well as financed impacts associated with the Bank's financial products and services. The material impact areas, whether potentially positive or negative, related to the natural environment and people were prioritised follows:

Title: Impact materiality analysis results

Priority Impact Area	Material Impacts 2023	Positive (+)	Negative (-)
Climate	Climate Stability		
	• Impact to climate mitigation, through financial products/services	+	-
	• Impact to climate mitigation, through own operations (including CSR) and supply chain activities (GHG emissions from own operations and supply chain)	+	
	• Impact to climate adaptation, through own operations (including CSR) and supply chain activities	+	
	• Potential Impact to climate adaptation, through financial products/services		-
Biodiversity	Biodiversity, Pollution prevention and control		
	• Impact to water and marine resources, through financial products/services		-
	• Impact to biodiversity and ecosystems, through financial products/services		-
	• Impact to pollution prevention and control, through financial products/services	+	-
Circularity	Circularity		
	• Impact to circularity (resources and waste), through financial products/services		-
Financial health & inclusion	Access to Finance		
	• Impact to customers, through financial access and inclusion (i.e., remote locations, elderly, youth, women, physical accessibility)	+	-

The materiality analysis identified climate stability a key priority to address due to its relevance with positive and negative impacts, both actual and potential.

ii. Business Strategy

The Company's strategic plan aims to address the risks and utilise new business opportunities to increase the positive effect on society and the environment while effectively generating value for its Stakeholders. In this respect, strategic commitments and targets are being updated with the ultimate objective of managing any ESG related issues and improving environmental and social impacts.

The Company is committed to:

Support an environmentally sustainable economy



Foster healthy economies and societal progress

Ensure robust and transparent governance




To **support an environmentally sustainable economy** and mitigate climate change, the Bank's actions focus on the increase in Sustainable Financings, the reduction of financings that may have a negative impact on the environment and the deployment of decarbonization targets for financed emissions in material carbon intensive sectors. Additionally, policies and procedures to reduce the operational environmental footprint with the overarching aim of contributing to a net zero economy.

Targets to support an environmentally sustainable economy

Support an environmentally sustainable economy

Commitments	Targets	Target year	KPIs	2023 key updates
Support our Customers' decarbonization and align our portfolio emissions with the objectives set in the Paris Agreement	Allocate Euro 4.4 billion to new Sustainable Financings, increasing target by 1.4 bn compared to 2023- 2025 target announcement	2026	New financing volumes (in Euro million)	<ul style="list-style-type: none"> Sustainable Finance Targets incorporated in Business Plan The previous 2023- 2025 target of Euro 3bn has been upsized to Euro 4.4bn for 2024- 2026.
13 CLIMATE ACTION  Investment in activities dealing with climate change and reduction of environmental effects from the Bank's operation Taking action to combat climate change, Alpha Bank makes targeted investments in renewable energy sources and other projects supporting environmental sustainability. In parallel, it seeks to reduce its environmental footprint and raise awareness of the issues related to climate change, through actions, events and sponsorships	Within the total Sustainable Financings, achieve at least Euro 2.6 billion to Renewable Energy Systems by 2026, increasing target by 1.6 compared to 2023- 2025 target announcement	2026	New financing volumes (in Euro million)	Management expectation for Sustainable Disbursements (including RES) overachieved, reaching euro 800mIn for 2023.
	Within the total Sustainable Financings, achieve at least Euro 300 million of Retail sustainable loans, including loans to small businesses	2026	New financing volumes (in Euro million)	45 % increase in Retail Banking Individuals Green Loans new disbursements amount Vs FY 2022 (excluding small businesses)
11 SUSTAINABLE CITIES AND COMMUNITIES  Support of the development of sustainable solutions for cities and communities Alpha Bank contributes to the sustainable operation of cities and communities, focusing on reducing their adverse impact and, in particular, on the management of their waste, by financing major waste management projects.	Launch new sustainability-based mortgage and consumer loan products and credit cards	2025	No. of Products Launched	In 2023, the Bank has announced its cooperation with Visa for the support of the transition to a low carbon economy. The first applications for Exoikonomo 2021 program have been received and disbursed €7mIn new loans
	Zero financing to new investments in thermal coal mining, upstream oil exploration or coal-fired electricity generation	Ongoing	New financing volumes (in Euro million)	Zero financing achieved

Support an environmentally sustainable economy

Commitments	Targets	Target year	KPIs	2023 key updates
Mitigate key drivers of biodiversity loss  <p>Protection of the local habitats and species The Bank follows strict procedures, screening processes and policies that filter out investments in activities with an adverse impact on local fauna and flora.</p>	Zero financing to targeted activities harming species diversity, habitats and waterbodies	Ongoing	New financing volumes (in Euro million)	Through the “Reforest Action”, almost 56 thousand trees have been financed to be planted to date, 8,42 thousand tons of CO ₂ stored, 168 thousand natural shelters for wild animals have been created
Support the transition to a circular economy  <p>Reduction of waste generation and promotion of the principles of the circular economy Alpha Bank focuses on the responsible consumption and production, through the rational management of the waste it generates, applying the environmental motto “reduce, reuse, recycle”.</p>	Reduction of annual paper usage rate by 50% by the end of 2025 (compared to 2019)	2025	Tones of paper recycled to tones of paper used (including copying paper, statements, bank forms, etc.)	<ul style="list-style-type: none"> • 450.000 cards bodies printed in recycled plastic • Collaboration with Attica Region’s “GREEN CITY” recycling scheme • 193 entities received fixed electronic and office equipment as part of the “Reuse for Good” programme etc.)
Achieve Net Zero emissions in our own operations  <p>Investment in activities dealing with climate change and reduction of environmental effects from the Bank’s operation Taking action to combat climate change, Alpha Bank makes targeted investments in renewable energy sources and other projects supporting environmental sustainability. In parallel, it seeks to reduce its environmental footprint and raise awareness of the issues related to climate change, through actions, events and sponsorships.</p>	Reduction of our operating footprint and setting Net-Zero targets	2024	Total amount of electricity consumed (MWh)	<ul style="list-style-type: none"> • 16% reduction in electricity consumption
	Reduction of Scope 1 and 2 GHG emissions by 20% (compared to 2022)	2025	Scope 1 and 2 emissions (tCO ₂ e)	<ul style="list-style-type: none"> • 16% reduction in Scope2 location-based emissions • 45% reduction in Scope1 emissions
	Upgrading lighting to LED lighting throughout the network	2028	Number of Branches with upgraded LED lighting	178/45% Branches upgraded with LED lighting of the Group (153/61% for Alpha Bank)
	Continue to procure 100% renewable electricity for all our buildings and Branches	Ongoing	Percentage of electrical power used that is derived from non-renewable energy sources (Alpha Bank)	<ul style="list-style-type: none"> • Guarantees of origin that certify 100% electricity from RES
	Replacement of 70 % of the Bank’s fleet with electric and/or plug-in vehicles.	2025	Number of hybrid and/ or plug-in or cars to total number of cars	<ul style="list-style-type: none"> • 65% of the Bank’s fleet are hybrid and/ or plug-in cars

As part of its broader strategy, Alpha Bank recognizes the EU Taxonomy (EU Regulation 2020/852), as the central pillar of its institutional framework on climate change, environmental protection, and equitable development. The Bank seeks to increase its positive impact on society and the environment, utilizing new business opportunities and generating value for all Stakeholders. As part of the disclosure requirements in accordance with Article 8 of the EU Taxonomy Regulation, Alpha Bank has published its approach and results around the EU Taxonomy.

Summary of results

The gross carrying amount of total covered assets amounted to Euro 57,655 million on December 31, 2023. **The eligibility ratio relevant to climate change mitigation and climate change adaptation is 18.1% based on turnover (20.6% CapEx based). The total Green Asset Ratio (GAR) based on turnover is 2.1% of the total covered assets while the total GAR based on CapEx is 3.5% of the total covered assets as at year end 2023. The GAR is predominantly influenced by exposures to counterparties in scope of the Non-financial Reporting Directive (NFRD) and exposures where the use of proceeds is known and finances taxonomy-aligned economic activities (i.e. for which the project-specific KPIs were used).**

The full approach to EU Taxonomy alignment and reporting forms in accordance with the Disclosures Delegated Act, Annex VI and Annex XII related to nuclear and fossil gas activities can be found in 2023 Alpha Services and Holdings Annual Financial Report¹¹.

iii. International cooperation

In 2019, Alpha Bank signed the **Principles for Responsible Banking**, developed as an international initiative of the United Nations - Environment Programme Finance Initiative (**UNEP FI**) to actively participate in the global effort to build a sustainable future for the economy and the planet. As a result, the Bank seeks to increase its positive effect on society and the environment, utilizing new business opportunities and generating value for all stakeholders.

In 2023, the Bank formally committed to setting interim and long-term targets to decarbonize its lending and investment portfolio by signing to the **Net Zero Banking Alliance (NZBA)**. To this end, Alpha Bank engages with the NZBA and member banks in exchanging views and insights with the scope of making progress towards alignment with the net zero emissions by 2050 goal. Alpha Bank participates in the NZBA working groups on transition planning and transition finance supporting the development of a practical guide for banks and sharing common good practices.

Alpha Bank also participates in the **United Nations Global Compact**, underscoring its commitment to sustainable and responsible business practices. By aligning with the UN Global Compact's Ten Principles, the Bank pledges to uphold human rights, labor standards, environmental protection and anti-corruption efforts in all aspects of its operations. Furthermore, the Bank leverages its UNGC membership to strengthen its sustainability frameworks, enhance credibility, and drive innovation in sustainable finance. In the same context, recognizing the profound impact of addressing plastic pollution on the planet and future generations, the Bank signed the Finance Statement on Plastic Pollution introduced by the UNEP FI and other leading organizations, extending its commitment to the Principles of Responsible Banking.

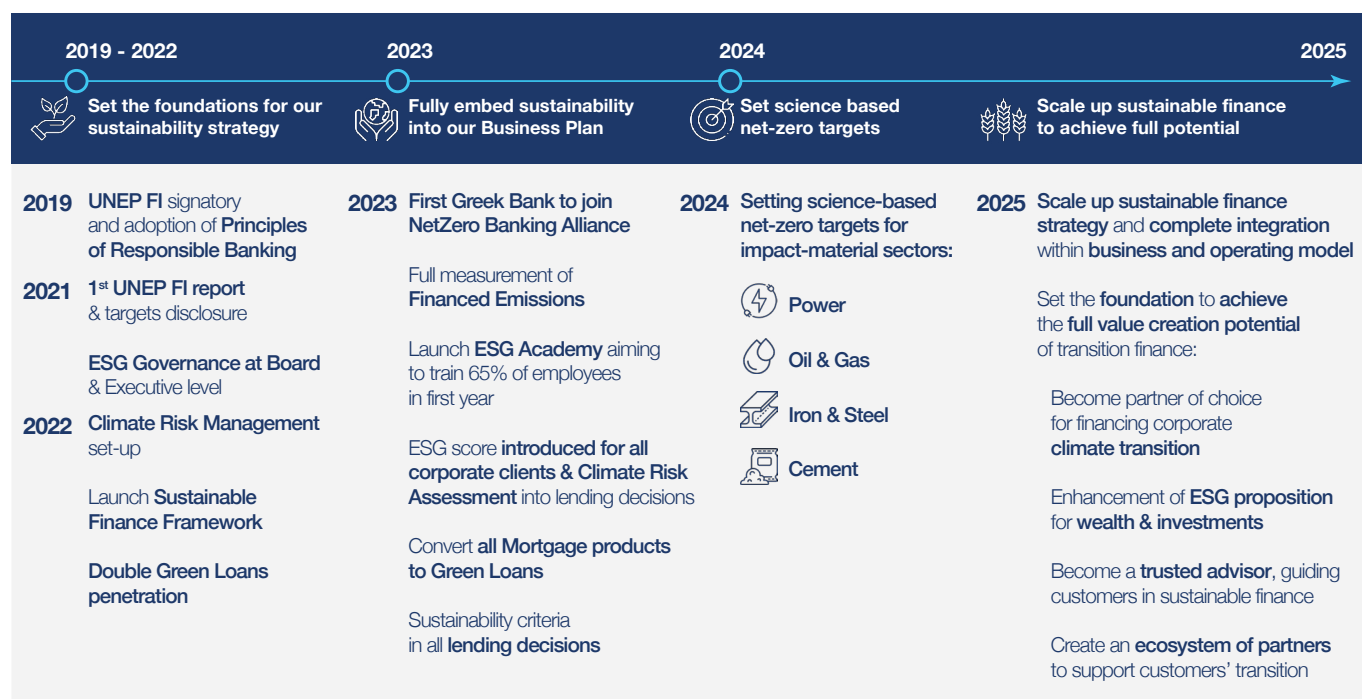
To support the objective of providing transparent and material disclosures, Alpha Bank has been adopting the GRI and TCFD recommendations in reporting its sustainability and climate-related progress and is working towards CSRD-compliant disclosures.

Timeline: Commitment to support climate action through collaboration and transparency



3.2.2 Sector portfolio decarbonization targets

In 2023, Alpha Bank joined the UN-convened Net Zero Banking Alliance (NZBA), formally committing to net zero greenhouse gas emissions by 2050. This undertaking reflects the Bank's societal responsibility, as a leading financial institution in Greece, to help mitigate climate change and drive the transition to a net zero economy.



As part of this commitment to environmental stewardship, Alpha Bank, during 2023 developed a comprehensive strategy to achieve net zero emissions, consisting on the following key elements:

- Reducing financed emissions:** The Bank sets climate targets at the sector level to decarbonize its lending and investment portfolio to net zero by 2050, effectively steering capital to support meeting the 2030 Paris Agreement goals and accelerating the real economy transition.
- Reducing operational emissions:** The Bank implements energy-efficiency measures across all Branches, offices, and data centers to reduce its carbon footprint. This includes using electricity from renewable energy sources, optimizing energy consumption, and adopting sustainable practices in day-to-day Group operations.
- Financing sustainable projects:** Alpha Bank allocates capital to Green and Social investments, in line with its Sustainable Finance Framework, with emphasis on renewables, green buildings and clean transportation. Through sustainable financing, the Bank aims to accelerate the transition to an environmentally sustainable and resilient economy.
- Engaging Customers:** The Bank supports its customers transition to a low carbon economy, offering advice and flexible financing solutions while facilitating access to funding, via tools like the EU Resilience and Recovery Facility and the Hellenic Development Bank.
- Zero financing:** The Bank is committed to zero financing to new investments in thermal coal mining, coal-fired electricity generation and upstream oil exploration - extraction through the exclusion list that determines specific activities, which are not allowed to be financed.
- Foster partnerships:** Alpha Bank works with different partners to improve its clients' awareness and understanding of financing solutions and provide an effective ecosystem to enable the transition.
- Collaboration and advocacy:** Alpha Bank actively engages with its stakeholders, aiming to increase awareness and foster sustainable practices to the entire spectrum of financial and social activity.

In 2024, to align with the NZBA overarching principles¹² of setting and disclosing long-term and intermediate targets to support meeting a net zero by 2050 greenhouse gas emissions goal, Alpha Bank announced a first-round of sector targets across its lending and investment portfolios.

The process followed key steps:

- 1. Establishing an Emissions Baseline:** The Bank established an emissions baseline by completing a comprehensive measurement of its financed emissions for 2022, covering investment and lending portfolios, across all financed sectors. The asset class coverage included on-balance sheet exposures in Listed and Unlisted Equity, Corporate Bonds, Sovereign Bonds, Business Loans, Commercial Real Estate (CRE), Residential Real Estate (RRE), Motor-Vehicle Loans and Project Finance. SMEs were excluded from the initial perimeter for target setting. The baseline measurement relied on the GHG emissions of its borrowers or investee companies and followed the Global Greenhouse Gas (GHG) Accounting and Reporting Standard for the Financial Industry developed by the Partnership for Carbon Accounting Financials (PCAF).
- 2. Focusing on Carbon-Intensive Sectors:** As a second step, the target setting exercise focused on the financed emissions within the carbon-intensive sectors recommended by the NZBA. The sectors identified by the NZBA: agriculture, cement, coal, commercial and residential real estate, iron and steel, oil and gas, power generation and transport were mapped to internationally recognised sector classification codes applied by the Bank.
- 3. Prioritizing Key Sectors for Target Setting:** Alpha Bank prioritised setting targets for the **Power Generation, Oil & Gas, Cement and Iron & Steel sectors**, taking into consideration each sector's materiality based on the financed emissions measurement, outstanding exposure, sectoral contribution to Greece's emissions, the availability of credible sectoral target-setting guidance, data quality and availability, as well as the market practice. These sectors correspond to ~20%¹³ and ~64%^{13,14} of the Bank's outstanding exposure and financed emissions, respectively of the sectors in scope for the NZBA.
- 4. Selecting the Value Chain:** For each of the four priority sectors, the Bank selected the parts of the sector's value chain that are most material to the Bank by exposure and financed emissions, and in which the Bank's clients have the most control over their emissions. After accounting for the appropriate value chain, these sectors correspond to ~15% and ~54% of the Bank's outstanding exposure and financed emissions¹⁴, respectively, of the sectors in scope for the NZBA.

The Bank's internal stakeholders engaged extensively before setting the targets to ensure implementation and monitoring. The Bank utilized working sessions with representatives from the business units that cover the priority sectors for the first-round of net zero targets to provide know-how on the target-setting approach, scenario modelling and market analysis. In addition, information regarding transition plans, technological readiness and potential financing needs for selected top clients was incorporated into the target setting process.

Title: Summary of sector decarbonization targets

Sector	Exposure, 2022 (€ Mn)	Scope of emissions	Metric	Reference scenario	Baseline year	Portfolio value (2022)	IEA value (2022)	IEA value (2030)	Bank target (2030)	Reduction, target vs baseline, %
Power	1,254	Scope 1	kgCO ₂ e / MWh	IEA NZE2050	2022	223	460	186	132	41%
Oil & Gas	607	Scope 1,2	Indexed tCO ₂ e of 2022 = 100	IEA NZE2050	2022	100	100	77	74	26%
Cement	73	Scope 1,2	kgCO ₂ e / t Cementitious product	IEA NZE2050	2022	687	628	465	584	15%
Iron & Steel	197	Scope 1,2	kgCO ₂ e / t Steel	IEA NZE2050	2022	540	1,738	1,260	Intensity of portfolio to remain below the reference pathway	N/A

¹² NZBA [Guidelines for Climate Target Setting for Banks – Version 2](#)

¹³ Before exclusions on segments on value chain covered and SMEs.

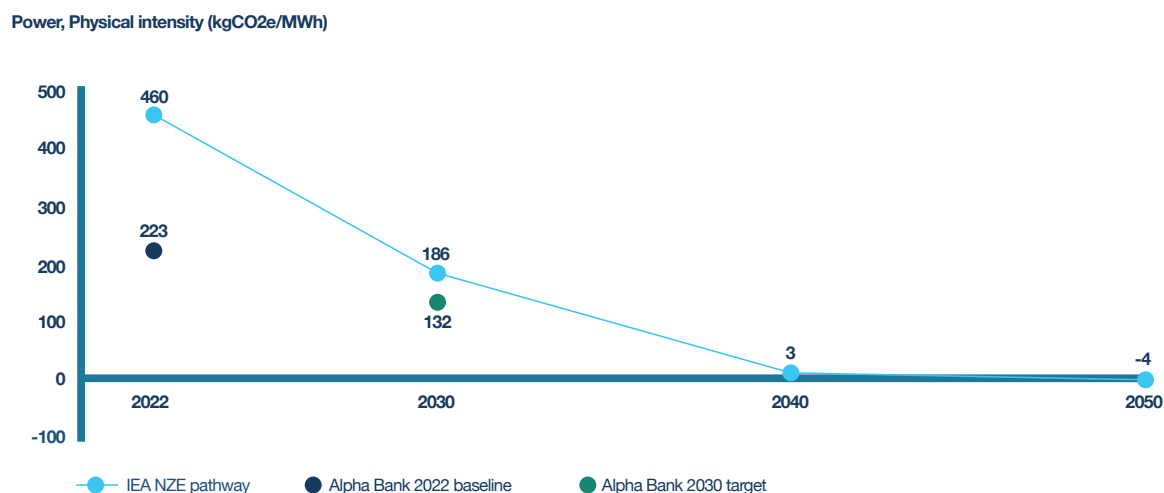
¹⁴ Excluding shipping financed emissions

Scope of emissions

The Bank's target encompasses clients' scope 1 emissions, which captures most emissions from electricity generation.

Reference scenario

The Bank uses the IEA NZE scenario, which describes a pathway for the global energy sector to reach net zero CO₂ emissions by 2050, driven primarily by the widespread deployment of renewable energy technologies.



The Greek energy and electricity landscape

Alpha Bank Economic Research published in December 2023 an analysis of the renewable energy sources and the power generation landscape in Greece¹⁶.

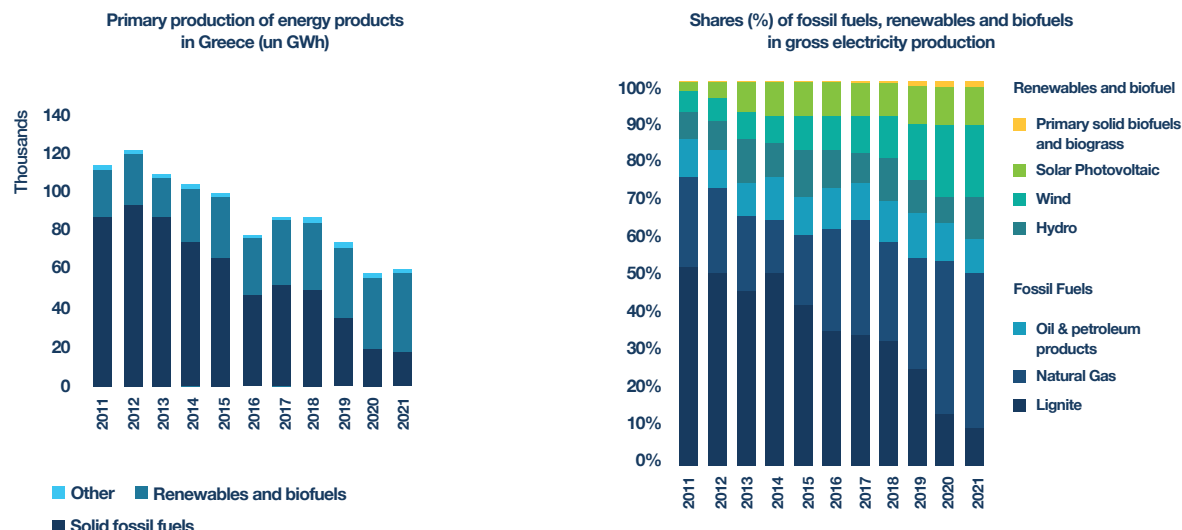
Greece's energy landscape has undergone a significant transformation over the last decade. The country's primary energy production has shifted away from solid fossil fuels towards a greater reliance on renewable energy sources. Key drivers of the energy transition include the government's commitment to reducing greenhouse gas emissions and the growing cost competitiveness of renewable energy technologies.

The majority of available energy (primary and imported energy products) is utilized as input for energy transformation processes, mainly electricity to cover domestic consumption and products of oil refineries and the petrochemical industry, a large portion of which is exported.

In 2021, Greece generated 54.7 thousand GWh of gross electricity, while net electricity production reached 53 thousand GWh, accounting for 97% of gross production, up from 91% in 2011, suggesting an increase in power sector efficiency. This efficiency improvement can be attributed to various factors, such as advancements in power plant technology, proper operation and maintenance of power plants, and an increased utilization of renewables.

The role of fossil fuels in electricity production has progressively diminished as cleaner fuel options replace lignite in covering the country's electricity needs. In 2011, lignite dominated the energy mix, accounting for more than half of the country's electricity generation. However, by 2021, there had been a remarkable decline, with its share dropping to 10%. At the same time, renewable energy sources (hydro, wind, and solar energy) collectively accounted for 40% in 2021, up from only 14% in 2011. Natural gas contributes significantly to the electricity fuel mix—nearly doubling its share (41%) since 2011.

Among electricity consumers, households accounted for the largest share at 36%, trailed by commercial and public services (34%), industry (25%), and agriculture and forestry activities (5%).



Source: Alpha Bank Economic Research, *Electricity – Renewable energy sources and the power landscape in Greece*, December 2023

Since 2004, the Greek interconnected system has been operating in parallel with the European Network of Transmission System Operators for Electricity (ENTSO-E) through multiple connections with neighbouring countries. Smart grids and the digitalization of the distribution network represent key priorities for the transformation of the electricity distribution network. By 2030, digital smart meters will replace conventional ones for all low-voltage consumers and provide real-time data on electricity consumption, used by consumers to better manage their energy use. By digitizing the network, Greece can improve its efficiency and reliability, and support the growth of renewable energy.

SWOT analysis of the power market in Greece

<p>Strengths</p> <p>Prominent growth of renewable energy sources (RES) within the electricity generation mix, coupled with escalating investment in RES. Greece possesses abundant potential in RES, particularly wind and solar energy. The liberalized electricity market stimulates competition among private investors engaged in production and supply. Anticipated completion of the electricity grid expansion across diverse islands, like Crete, by 2025. The decommissioning of numerous lignite-powered plants contributed to lowered greenhouse gas emissions from power generation. Efforts to integrate the Greek electricity market into the EU market.</p> <p>S</p>	<p>Weaknesses</p> <p>Despite the advancement, the delignitization in the Greek power sector still has a considerable distance to cover. Carbon taxation has not yet been adopted in Greece as a means of curbing greenhouse emissions. Progress in infrastructure for vehicle electrification remains modest. Resistance to change and reluctance to embrace RES projects like wind turbines in certain areas. Vulnerabilities tied to reliance on imported fossil fuels underscored by the recent energy crisis. Energy storage systems pose a challenge due to their elevated costs.</p> <p>W</p>
<p>Opportunities</p> <p>Greece as a hub for energy trade and collaboration. Promising geothermal resources for power generation. Potential for offshore wind parks, with careful consideration of the impact of the marine ecosystem. Clean hydrogen investments. Ambitious national targets for RES penetration in electricity. Enhanced regulatory framework and infrastructure. Funding options for RES and electricity projects in the NRRP. Decreasing RES costs and investments expenses. Rising adoption of energy-efficient technologies. Development of a smart electricity grid.</p> <p>O</p>	<p>Threats</p> <p>Electricity prices are susceptible to fluctuations in fossil fuel costs and carbon pricing volatility. Inflationary concerns and fuel price volatility due to geopolitical tensions. Urgent responses required for climate-related risks, including Greece's susceptibility to extreme weather events. Challenges posed by expensive and limited materials, like lithium-ion batteries, for energy storage. Increasing electricity demand juxtaposed with an excessive dependence on intermittent energy sources, lacking sufficient storage capabilities.</p> <p>T</p>

Source: Alpha Bank Economic Research, *Electricity – Renewable energy sources and the power landscape in Greece*, December 2023

The transformation of the power generation sector in Greece plays a critical role in achieving the country's commitments on climate. As such, the relevant targets set in the national climate plans for the share of renewables in the electricity mix, the reduction of carbon dioxide emissions and the lignite phase-out in electricity generation align with the European objectives. In terms of financing, the National Recovery and Resilience Plan (Greece 2.0) is also aligned with the decarbonization objectives of the EU Green Deal strategy. It includes the 'Power up' component which prioritizes investments in electricity transmission and distribution interconnections, the promotion of Renewable Energy Sources (RES), the enhancement of energy supply security, and the mitigation of climate change challenges.

Oil & Gas

Target

The target for the Oil & Gas sector is a 26% reduction in absolute financed emissions from 2022 to 2030. The Bank's target exceeds the 23% reduction required by the IEA NZE, reflecting the ambitious decarbonization commitments of the Bank's key clients in the sector.

Value chain

The Bank focuses on clients engaged in refining, which covers the majority of the Bank's financed emissions in the sector. The target does not cover other parts of the Oil & Gas value chain such as exploration & production (E&P), nor sales and marketing because the Bank's exposure to these parts of the sector's value chain is limited.

Metric

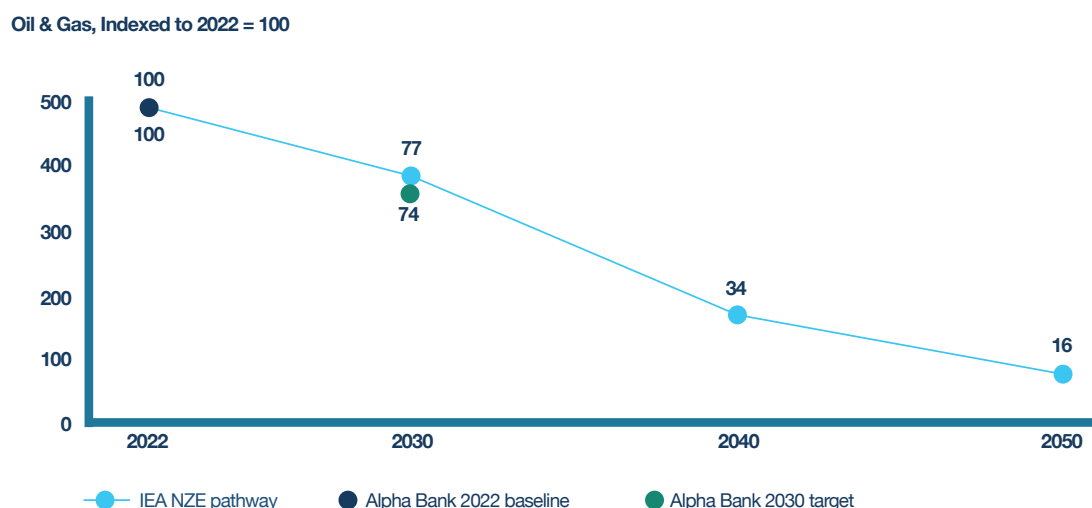
The Bank has adopted an absolute emissions metric, tCO₂e, indexed to 100 in the 2022 base year.

Scope of emissions covered

The Bank's targets cover clients' scope 1 and 2 emissions. Scope 3 is excluded due to the limited ability of the Bank's clients to influence their scope 3 emissions, and constraints in the quality of the underlying data.

Reference scenario

The Bank uses the IEA NZE scenario, which provides a pathway for decarbonization of the sector through an acceleration of measures to limit emissions from operations, while increasing the supply of low carbon liquids and gases. Moreover, decarbonization of refineries is expected through carbon capture, utilisation and storage technologies.



Cement

The target for the Cement sector is 584 kgCO₂e/t Cementitious product, which represents a 15% reduction in physical intensity from 2022 to 2030. The Bank's target for 2030 is above the IEA NZE pathway, reflecting the fact that Cement is a hard-to-abate sector, with limited cost-effective opportunities to decarbonize to 2030 and much of the abatement expected to occur after 2030. The Bank will continue to engage with its key clients in the sector to support their decarbonization efforts.

Value chain

The Bank's target focuses on clients active in clinker and cement manufacturing, which covers most of the emissions in the sector. Companies engaged in the extraction of raw materials and construction are not included in the target, in line with market practice.

Metric

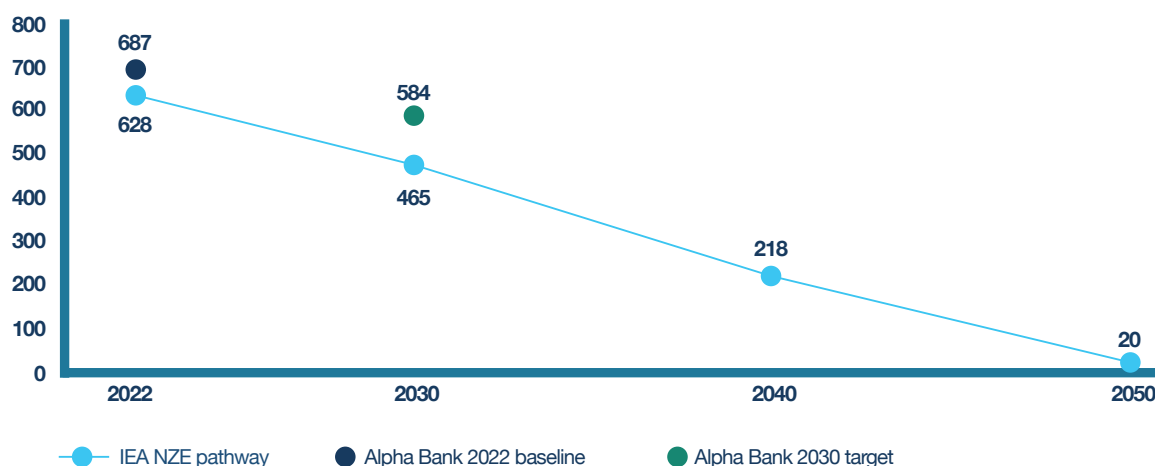
The Bank has adopted a physical intensity metric, kgCO₂e/t Cementitious product, as its metric.

Scope of emissions covered

The Bank's target encompasses clients' scope 1 and 2 emissions, which are the relevant emissions in the production process.

Reference scenario

The Bank uses the IEA NZE reference scenario, which charts a pathway for the decarbonization of Cement by replacing fossil fuels with electricity or hydrogen in the production process, engineering carbon capture and storage solutions, and increasing material efficiency to reduce the clinker-to-cement ratio in production.

Cement, Physical intensity (kgCO₂e/t Cementitious)

Iron & Steel

Target

The Bank's starting position in the Iron & Steel sector is well below the IEA NZE pathway, with a portfolio intensity of 540kgCO₂e/t Steel in 2022, compared to the IEA level of 1,737 kgCO₂e/t Steel. This is because the Bank's exposure in the sector is primarily to secondary steel producers. The Bank remains committed to support its clients' decarbonization and targets its emissions intensity to remain below the IEA NZE pathway to 2030.

Value chain

The Bank's target covers manufacturing and casting of Iron & Steel only. It does not cover other parts of the Iron & Steel value chain such as mining of iron ore or finished products manufacturing, in line with market practice and because the Bank's exposure to these is limited.

Metric

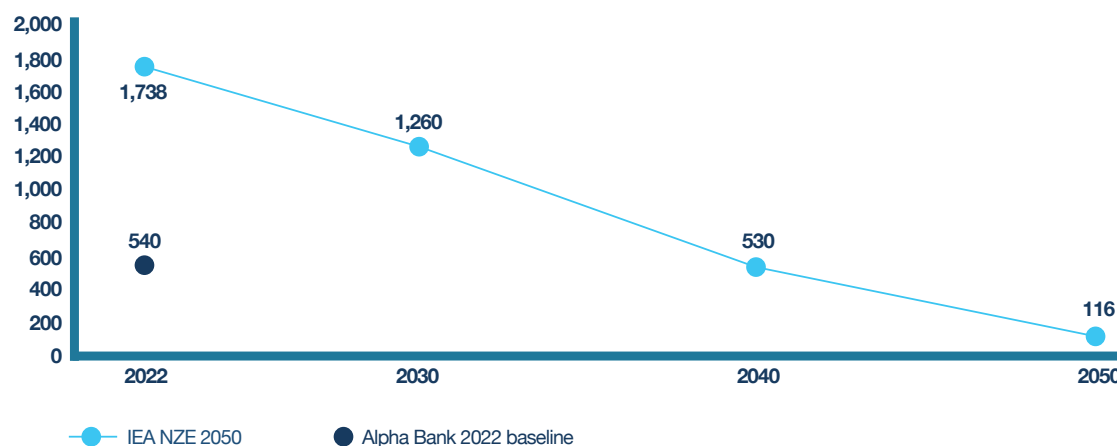
The Bank has adopted a physical intensity metric, kgCO₂e/t Steel, as its metric.

Scope of emissions covered

The Bank's target encompasses clients' scope 1 and 2 emissions, which are the relevant emissions in the production process.

Reference scenario

The Bank uses the IEA NZE reference scenario, in which Iron & Steel decarbonizes through production efficiency improvements, electrification, increases in the share of scrap-based production, and the application of technologies such as carbon capture and hydrogen.

Iron & Steel, Physical Intensity (kgCO₂e/t Steel)

Uncertainties and risks

The Bank recognises that there is a significant amount of uncertainty and complexity associated with the net zero transition. Progress towards net zero in Greece will depend on the policy landscape, the scale and pace of technological developments, and economic and geopolitical factors. In addition, climate data, scenarios and methodologies continue to evolve, which may require the Bank to evolve its methodology and target setting approach over time.

In this context, the Bank notes that:

- The targets rely to a great extent on Alpha Bank's key clients meeting their decarbonization commitments. The Bank will continuously engage with its clients on their level of progress and commitments.
- Changes in the operating and macroeconomic environment (for example, prevailing macroeconomic conditions or systemic events) may adversely impact progress towards the target.
- Physical intensity and financed emissions may change due to changes in data and methodology.

The Greek National Energy and Climate Plan (NECP)

"The Greek NECP is a 10-year plan that sets out the country's energy and climate goals for 2030. It was adopted in December 2019 and serves as the country's national energy policy in line with the Paris Agreement's targets to limit the global temperature rise to 1.5°C and achieve net-zero emissions by 2050. NECP centers around energy transition and sets forth more stringent climate and energy targets for 2030 than the EU targets"¹⁶.

Given that the transition is both necessary and inevitable, Greece released an updated version¹⁷ of the country's National Energy and Climate Plan with ambitious goals, including a greenhouse gas emissions reduction target of 58% by 2030 (vs 1990) and an increase in the renewables' adoption to 45.4% of gross final energy consumption. A minimum 75% share of RES in electricity production is targeted by 2030 and 95.6% by 2035.

According to the 2025-2050 revised NECP, investment needs for the period 2025-2030 amount to EUR 95 billion, with 50% to be allocated in the transportation sector and 25% in the energy production and distribution. Investments in renewable energy systems, renewables grid, energy storage and alternative fuels expected at EUR 26 billion up to 2030. Investment needs in Electric Vehicles (EVs) are estimated at EUR 12.6 billion in the five-year period, while spending in residential buildings will be directed towards energy upgrade measures and low carbon technology appliances, such as heat pumps.

According to the Governor of the Bank of Greece, meeting the goals by 2050 is expected *"to contribute Euros 6 billion annually to the country's gross value and provide a 2.5% yearly boost to GDP. Additionally, it is anticipated to create 210,000 sustainable jobs each year"*.

Alpha Bank recognizes that for the successful implementation of the National Energy and Climate Plan, state and private funding sources are expected to be mobilized towards the transition of key economic sectors, and to households to enable a change in their consumption behaviour. Alpha Bank expects sustainable finance and client engagement practices to become the key enablers in unlocking investments towards real economy decarbonization.

17 August 2024, National Energy and Climate Plans (updated for consultation)

3.2.3 Sustainable Financing targets

i. Support clients' sustainability transition

The Sustainable Finance Strategy includes the design of specific financial products to enable our customers' transition to low-carbon business models and carbon-reduction technologies.

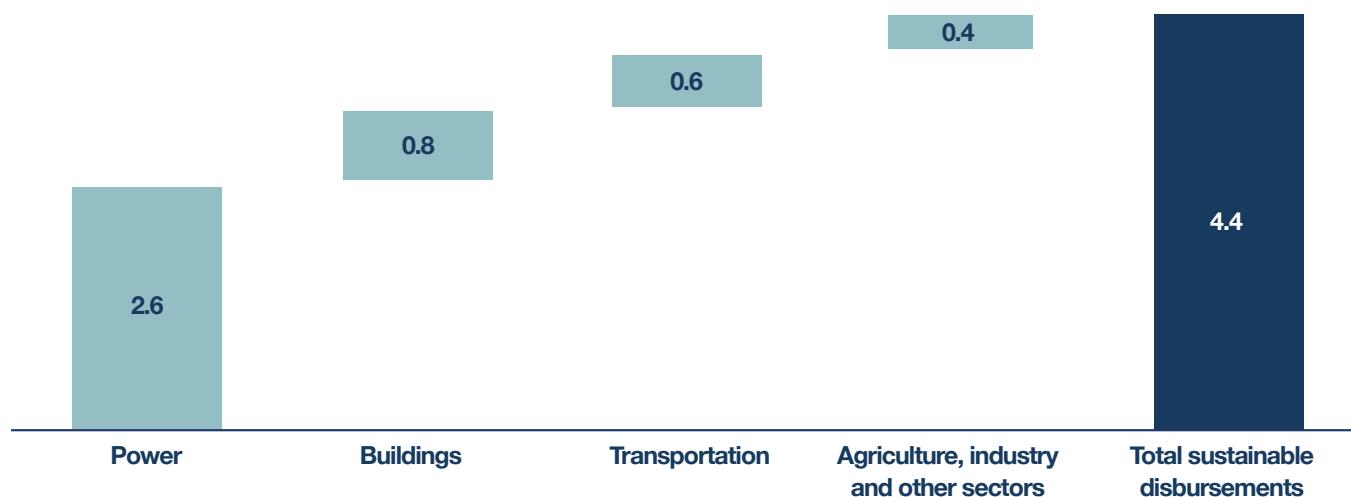
As part of the commitment to support the transition to a more sustainable economy, the Bank plans to:

- Allocate Euro 4.4 billion to new Sustainable Financings in 2024-2026.
- Within the Sustainable Financings, achieve at least Euro 2.5 billion to Renewable Energy Systems by 2026.
- Within the Sustainable Financings, achieve at least Euro 300 million of Retail green loans, including loans to small businesses by 2026.
- Launch new sustainability-based mortgage and consumer loan products and credit cards.
- Zero financing to new investments in thermal coal mining, upstream oil exploration or coal-fired electricity generation.

Sustainable Financing Plan 2024-2026

Sustainable disbursements (€ bn)	2024	2025	2026	2024-26
Renewable energy sources (RES)	0.9	0.9	0.9	2.6
Sustainable financed loans	0.4	0.6	0.7	1.7
Total sustainable disbursements	1.3	1.5	1.6	4.4

Sustainable disbursements per sector 2024-2026 (€ bn)



The cornerstone of the Bank's Sustainable Finance Strategy includes the design of financial products to enable its clients transition to low-carbon business models, the provision of "green" retail loans with preferential interest rate to cover customers' needs and offering financing opportunities through EU and state-funded programs covering green and sustainability-related categories as well as dedicated green solutions for small and medium size businesses.

Sustainable Financing Strategy delivery mechanism

Initiative	Description
Project Finance	Through its specialized Project Finance Unit the Bank supports green/low carbon investments: <ul style="list-style-type: none"> – Providing financing for new investments in wind farms and solar parks. – Providing financing for Commercial Real Estate (CRE) projects certified under an internationally or nationally recognized green building certification scheme.
Co-Funding Programs	Utilize the Bank's significant expertise in deploying co-funding initiatives, to support decarbonization: <ul style="list-style-type: none"> – Leveraging the EU Recovery and Resilience Facility (RRF) Green transition pillar to accelerate green investments. – Enabling small businesses to improve their environmental footprint and reduce their energy use, via the Hellenic Development Bank programs.
Green and Home Energy Solutions	Enhancement with new services and financial incentives in the context of the Green Loan Portfolio to encourage consumer sustainability journey via: <ul style="list-style-type: none"> – Home improvement or equipment loans (thermal insulation, solar panels, heat pumps, energy-efficient electrical appliances). – New Green mobility financing solutions to support electrification of transport (plug-in electric vehicles, electric vehicles, scooters, public transport). – Incorporation of sustainability criteria into mortgage and real estate lending policies, including financing terms and pricing. – Provision of other incentives to existing clients to accelerate the adoption of energy efficiency standards.
Sustainable Investment Products	<ul style="list-style-type: none"> – Enriching the offering of mutual funds that promote sustainable investment characteristics. – Endorsing labelled Green and Social Bonds and promote impact investment-linked structured notes that incorporate environmental and social characteristics. – Engaging in training initiatives and dialogue with clients on sustainability themes.

ii. Alignment of financing to the Sustainable Finance Framework categories

Alpha Bank conducted a **stock-take exercise in 2023** with the aim of categorizing its stock of wholesale corporate loans according to the eligible economic activities included in the Sustainable Finance Framework.

The following steps were followed:

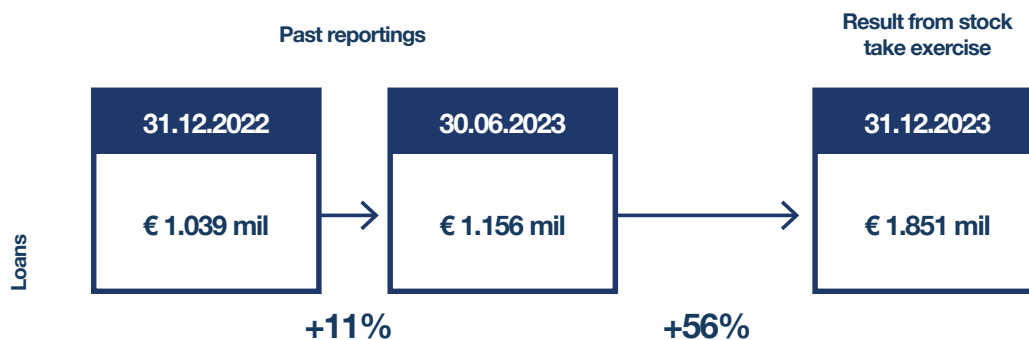
- **Portfolio stock review:** Process to collect targeted data and to identify loans already included in past disclosures for the purpose of delivering the complete list of potentially aligned financings to the Sustainable Finance Framework.
- **Workshops with Business Units:** Shared guidance to different Business Units and conducted targeted workshops to discuss flagged cases. In addition, review any missing data from the flagging process.
- **Collection of supporting material:** Collect supporting material and perform data quality checks on received documentation.
- **Alignment assessment:** Evaluation of the Sustainable Finance Framework alignment cases against supporting documentation and corresponding activity criteria.
- **Calculation of Sustainable Finance aligned loans.**

As an add on, a selection of loans that fulfilled the assessment steps for alignment with both the Framework and the EU Taxonomy criteria were incorporated in the Sustainable Finance transaction assessment tool. The outcome of the sustainable and EU Taxonomy alignment flags derived in the SFF tool helps inform the credit decision making process.

According to the results of the stock take exercise, dedicated purpose loans to green eligible economic activities

cover 76% of total sustainable wholesale loans, as of end 2023. In addition, Renewable Energy is identified as the Sustainable Finance Framework green category with the largest loan coverage (57%).

Results from stock take exercise (2023)



Sustainable Finance Framework Categories	Outstanding amount (EUR mn)	% Total
Dedicated purpose - Green	1,401	76%
B.1 - Generation of electricity from renewable sources	1,061	
E.1 - Real estate	338	
A.5 - Industrial processes	2	
Dedicated purpose - Social	30	2%
C.2 - Education	30	
General purpose - Sustainability Linked Loans	303	16%
General purpose - Business mix	116	6%
Total	1,851	

3.2.4 Risk Management Framework

i. Building strong foundations for the identification, assessment, and management of risk

Alpha Bank has developed a robust risk management framework grounded in best practices and regulatory requirements, continuously refining it for effective use. This framework aligns with European legislation and banking standards, enhancing corporate governance across borders. Since November 2014, the Group has been under the Single Supervisory Mechanism (SSM), directly supervised by the European Central Bank (ECB) and other European authorities. The Bank complies with EU Directive 2013/36/EU and Regulation 575/2013 (CRD IV), introducing the Basel III capital adequacy framework.

Risk management focuses on defining risk appetite, setting limits, and creating procedures to manage risks. It recognizes the importance of climate and environmental risks in alignment with ESG (Environmental, Social, and Governance) guidelines when integrating ESG risks into its framework. These risks affect financial and non-financial risks, including credit, market, operational, and reputational risks.

ESG considerations are part of the Bank's annual risk identification and materiality assessments, aligned with the "double materiality" principle, which accounts for financial and non-financial impacts. The Bank is incorporating ESG risks into its Risk Appetite Framework, tracking climate-sensitive sectors and establishing ESG-related indicators and thresholds.

3.2.5 ESG & Climate upskilling and awareness

i. Build internal know-how

The Bank provides ESG training through the **ESG Academy** and by prioritising three learning paths for its employees: (i) ESG Awareness, (ii) Fundamentals towards ESG integration, (iii) Technical capabilities for ESG. The training topics aim to build an understanding of ESG and how it is being integrated into the Bank's core operations and procedures as well as to improve communication with the Bank's customers. Specifically, the training dedicated to operationalising ESG covers the client and transaction assessment process and provides information to support the RMs when engaging with clients on completing the annual ESG questionnaires.

In 2023, 37% of the workforce participated, while 80% of the Wholesale Business Unit employees followed dedicated ESG training.

As part of its efforts to raise awareness on environmental issues, the Bank organizes, supports and participates in environmental actions that cultivate the ecological conscience of its employees and their families. The Bank continues to work closely with its stakeholders, specifically clients, investors and employees to understand the climate-related risks they face, their expectations and ways to address upcoming challenges.

Title: Alpha Bank employee volunteering initiatives and programs in 2023:



Need

Voluntary reforestation action in Sounio National Forest, Attica Region

Action

280 new saplings and bushes planted in a fire-damaged section

Response to the wildfires on the island of Rhodes & support to local organizations & communities:

Response to documented material needs (i.e medical and protective equipment, food) and participating in environmental restoration initiatives

1,700 cypress trees were planted in collaboration with the Region of South Aegean

ANIMA Wildlife Protection and Care Association

Enabled a life-saving surgery for a deer rescued from the forest fires

Aid to the Hellenic Red Cross

Enabled temporary accommodation services and medical equipment to those affected by the wildfires

Volunteer Forest Firefighters Association of Salakos

Provision of personal protective equipment

Fire Department and the Municipality of Rhodes

Provision of food supplies and necessities for the firefighters and individuals impacted by the wildfires

Fire trucks' donation

Since 2022, Alpha Bank has donated 7 fire trucks (6 in 2022 and 1 in 2023) to Volunteer Forest Firefighting Associations in Evia, Attica and the Peloponnese and supported financially the work of 4 (2 in 2022 and 2 in 2023) other Volunteer Forest Firefighters Associations

i. Customer education & transition support

The Bank is developing an ESG ecosystem of partners and suppliers, to support the Bank's customers in planning and executing their transition to sustainable business models. Examples include the calculation of customers' carbon footprint and enabling local recycling schemes. In addition, the Bank is providing awareness and training to the market, on ESG and climate-related risks, aiming to add the power of its brand name to the wider sustainability transition effort.

CASE STUDY

Ecolytiq

In 2023, the Bank announced its cooperation with Visa to further support the transition to a low carbon emissions economy.

Visa is collaborating with Ecolytiq, its partner in the field of fintech, whose innovative sustainability-as-a-service solution analyses in real time payments data and informs customers for the environmental footprint of their transactions through different calculations. It also provides useful advice to customers for a sustainable way of living, and it offers them the possibility to offset their environmental footprint. With the completion of the technical implementation the information will appear distinctly next to every transaction through my Alpha Web Banking and my Alpha Mobile Banking.

With the aim of raising awareness on ESG and sustainable investments, the Bank provides responsible investment choices and regularly organizes informative events for its clients and publishes relevant reports focused on the merits of ESG investing.

3.2.6 Carbon footprint from internal operations

i. Commit to further reduce Scope 1 & 2 GHG emissions

In the scope of its own operations, the Bank implements GHG accounting and reporting standards to reduce its carbon footprint, to promote environmental protection and to mitigate climate change, ensuring that the reported information represents a faithful, true, and fair account of the company's GHG emissions.

The Bank implements an EMS-Environmental Management System, that constantly monitors:

- Direct Scope 1 GHG emissions that occur from sources that are owned or controlled by the company (i.e. owned vehicles, boilers and generators using fossil fuels, emissions released from coolant liquids in the air conditioning units of the company's facilities, etc).
- Indirect Scope 2 GHG emissions from the generation of purchased electricity consumed.
- Indirect Scope 3 emissions are all emissions (not included in scope 2) that occur in the value chain, including both upstream and downstream emissions.

Alpha Bank regularly issues Emissions Reports based on the requirements of the standard *ISO14064-1:2018*, and an Environmental Statement in accordance with the European regulations 1221/2009 EMAS (Eco-Management and Audit Scheme) and (EU) 1505/2017 (amendment of annexes to 1221/2009/EC). The Ministry of Environment and Energy has approved the registration of Alpha Bank S.A. in the EU EMAS system, along with the registration of the respective Environmental Statement for years 2020, 2021 and 2022. The Environmental Statement for 2023 has been submitted to the aforementioned Ministry and is pending for registration.

The Bank is certified by TUV Austria with *ISO 14001 (Environmental Management System)* and *ISO 50001 (Energy Management System)* and also obtains annually a verification statement according to the requirements of *ISO 14064 (Greenhouse Gas Emissions Management System)*.

In the context of the EMS, the Bank since 2018 assesses environmental aspects and sets targets for reducing the consumption in key aspects that have significant impact in Scope 1, Scope 2 and Scope 3 emissions.

The Bank aims to reduce its environmental and carbon footprint in Scope 1 and Scope 2 emissions by promoting the rational use of lighting, heating and cooling installations in its buildings, the use of environment-friendly class A++ or higher energy efficiency equipment, by implementing initiatives for the efficient use of raw and other materials and by applying the "reduce, reuse, recycle" principles of circular economy in the waste management. Indicatively, the

Bank recycles paper, batteries, light bulbs, printer consumables, electric and electronic equipment, and donates old office equipment. With regards to its suppliers, the Bank's Vendor Risk Assessment Questionnaire has been enhanced to incorporate questions regarding environmental risk drivers that might affect vendors' operations and consequently the services offered to the Bank.

In 2023, Alpha Bank's Scope 1 & 2 GHG emissions were reduced by 19% compared to 2022. The Bank continued its efforts to reduce its own operational carbon footprint through significant investments in green building technologies, resulting lower energy consumption. Moreover, electricity consumption decreased by 9% compared to 2022, mainly attributed to the implementation of the Workspace Optimization Project. This initiative aims to reduce building facilities used and consequently reduce the relevant environmental impacts. In addition, the Bank invested in energy saving projects in Branches and buildings across Greece, focused on upgrading or replacing old lighting and air conditioning systems. Finally, the Bank reduced Natural Gas and heating oil consumption by 69% and 34%, respectively, compared to 2022.

The Bank aims to further reduce Scope 1 and 2 emissions by 20% by 2025, while already commits to procure 100% renewable electricity for its buildings and branches, upgrade lightning to LED throughout its network and replace 70% of the Bank's fleet with electric and/or plug-in vehicles. A plan for the alignment of its own operational carbon footprint with the net zero objectives is under development.

3.3 Resilience of Strategy

Alpha Bank integrates short-, medium- and long-term time horizons to its strategic and financial planning to ensure it remains resilient to evolving climate risks and opportunities, while supporting its financial sustainability and market competitiveness.

Specifically, it defines the following time horizons which aligns with the CSRD - ESRS recommendations: (a) for the short-term time horizon: one year (2024); (b) for the medium-term time horizon: from the 2nd year and up to 5 years (2030); and (c) for the long-term time horizon: more than 5 years (2050). These horizons were chosen to align with scientific pathways that limit warming to 1.5°C and also with the Greek Climate Law that has set a target for climate neutrality by 2050, and an interim target of reducing GHG emissions by 55% in 2030 compared to 1990 emissions.

The integration of these time horizons enables a phased approach to managing environmental risks and opportunities:

Short-Term Horizon:

The short-term horizon is critical for immediate adjustments in financial operations, compliance with imminent application of regulations, and quick responses to emerging environmental risks.

Medium-Term Horizon:

This is where more significant shifts occur in how the Bank structures its portfolios, as it aims to transition its lending and investment strategies to reduce exposure to high-carbon sectors, incorporate climate-related stress testing to evaluate the financial impacts of various climate scenarios and develop green finance products to support clients in meeting the 2030 emissions reduction targets. These decisions impact the Bank's risk appetite, capital allocation, and loan pricing models.

Long-Term Horizon:

The long-term horizon ensures that the Bank's strategic goals are aligned with global efforts to achieve net zero emissions by 2050. Alpha Bank forecasts its long-term financial health based on environmental factors, ensuring its investment and loan portfolios are aligned with sustainable growth models. It makes strategic decisions to capitalize on long-term climate-related opportunities, such as renewable energy financing, while managing the risks associated with climate change.

The Bank in the context of the Internal Capital Adequacy Assessment Process (ICAAP Report) 2023 submission aims to develop climate risk-specific methodologies to estimate the impact of climate scenarios under both the Economic and Normative perspective. The current methodologies focus on the impact of both transition and physical risks (Flood & Drought) on credit risk, as well as the impact on operational risk and business & strategic risks considering the relevant risk materiality assessment that has been performed.

During the 2025 ICAAP the Bank, in alignment with International best practices, will be further enhancing its methodologies for estimating the impact of transition and physical risk (incorporating chronic and additional acute risks) on credit risk across different time horizons (short-, medium- and long term) using leading global macroeconomic and sectoral models, as well as natural catastrophe models for Greece. Additional characteristics such as buildings' energy efficiency, geographic and counterparty level characteristics will also be incorporated in the estimation to further account for heterogeneity of impacts inherent in climate risks. Where applicable these enhancements will also be applied to other risk types.

From a qualitative perspective, the Board acknowledges the importance of ICAAP in decision-making processes and the inherent interrelations with key management processes and continues opting for improvements in methodological, procedural and governance-related aspects.

4

Risk Management

4. Risk Management

The Bank is committed to integrating ESG and Climate risks into its overall risk management framework. In this context, the Bank regularly monitors its exposure concentration in climate sensitive sectors for its loan and investment portfolio, while updating its policies and processes, improving data quality, coverage and calculation approaches.

4.1 Risk identification and assessment

The Bank, acknowledging the relevance and potential impact of the risks stemming from climate-related and environmental factors, and especially climate change, and in alignment with the respective external guidelines¹⁸, has elaborated further on the ESG incorporation into the risk identification and materiality assessment processes and in the overall risk management framework, and is committed to monitoring, assessing and managing these risks going forward.

Environmental, Social and Governance (ESG) Risks are the risks of any negative financial impact to the Bank stemming from the current or prospective impacts of ESG factors on its counterparties or invested assets. Moreover, ESG risks may directly impact the Bank's operations and/or performance, in terms of process disruption, litigation/liability or reputation-related consequences.

ESG factors may have an impact on the financial performance or solvency of an entity by manifesting themselves in financial or non-financial prudential risks, such as credit, market, operational, business and liquidity risks.

- **Environmental Risk:** Environmental risks are the financial risks posed by the exposure of the Bank to counterparties or invested assets that may potentially be affected by/or contribute to the negative impacts of environmental factors, such as climate change and other forms of environmental degradation (e.g., air pollution, water pollution, scarcity of fresh water, land contamination, biodiversity loss and deforestation).

The type of environmental risk that has been most widely researched and recognized is climate-related risk:

- **Climate-related Risk:** Climate-related risks are the financial risks posed by the exposure of institutions to counterparties that may potentially contribute to or be affected by climate change. This could, for example, take the form of physical damage caused by extreme weather events or a decline in the asset value of a counterparty that operates in carbon-intensive sectors subject to carbon tax.

18 For example, the 2020 ECB Guide on climate-related and environmental risks, the 2021 EBA Report on management and supervision of ESG risks for credit institutions and investment firms and the 2021 European commission final study: "Development of tools and mechanisms for the integration of environmental, social and governance (ESG) factors into the EU banking prudential framework and into banks' business strategies and investment policies")

Climate-related risks are commonly understood to comprise the below main risk drivers:

- **Transition:** Transition risks are the risks of any negative financial impact on the institution stemming from the current or prospective impacts of the transition to an environmentally sustainable economy on its counterparties or invested assets, including:
 - a) **climate and environment related policy changes**, for example as a result of energy efficiency requirements, carbon-pricing mechanisms, or policies to encourage sustainable use of environmental resources.
 - b) **technological changes**, for example if a technology with a less damaging impact on the climate or the environment replaces a technology that is more damaging, hence making it obsolete or uncompetitive.
 - c) **behavioral changes**, for example if the choices of consumers and investors shift towards products and services that are more sustainable; or if difficulties to attract and retain customers, employees, business partners and investors arise when a counterparty has reputation for damaging the climate and the environment.
- **Physical:** Physical risks are the risks of any negative financial impact on the institution stemming from the current or prospective impacts of the physical effects of environmental factors on its counterparties or invested assets. They are typically defined as risks which arise from the physical effects of climate change and environmental degradation and can be categorized as following:
 - a) **Acute:** which arise from particular events, especially weather-related events such as storms, floods, fires or heatwaves, that may damage production facilities and disrupt value chains; and
 - b) **Chronic:** which arise from longer-term trends, such as temperature changes, rising sea levels, reduced water availability, biodiversity loss and changes in land and soil productivity.
- **Liability:** Liability risk in the context of ESG factors relates to the risk stemming from people or businesses seeking compensation for losses they may have incurred due to ESG factors, e.g., when institutions' counterparties are held accountable for the negative impact, they have on ESG factors through their activities.¹⁹

Climate & Environmental Risks

In alignment with the relevant external guidance across different sources²⁰, the Bank considers Climate & Environmental (C&E) risks as a theme, i.e., as a transversal, cross-cutting risk and has incorporated such factors as drivers of existing financial and non-financial risk categories (e.g., credit risk, operational risk, market risk, liquidity risk etc.) in its risk management framework.

The table below provides an indicative illustration of the way existing risk types could be affected by ESG drivers:

19 Liability risks are sometimes considered either physical or transition risks. They could, however, also be considered a separate risk category as they may not only arise from climate-related and other environmental risks but also from social and governance risks.

20 Some indicative regulatory and other references are:

In the 2020 ECB Guide on climate-related and environmental risks: "Institutions are expected to incorporate climate-related and environmental risks as drivers of existing risk categories into their risk management framework." and "Climate-related and environmental risks may, in fact, be drivers of several different risk categories and sub-categories of existing risk categories simultaneously."

In the 2021 EBA Report on management and supervision of ESG risks for credit institutions and investment firms: *"The EBA recommends that institutions manage ESG risks as drivers of financial risks, in a manner consistent with the risk appetite, and as reflected in both the ICAAP and ILAAP frameworks."*

In the 2021 European commission final study, "Development of tools and mechanisms for the integration of environmental, social and governance (ESG) factors into the EU banking prudential framework and into banks' business strategies and investment policies": *"The majority of banks mentioned that this requires a clear mapping of ESG risks as drivers of existing risk types, rather than treatment as a stand-alone risk type", "Most banks that include ESG risks in their RAF fall under the second category, meaning they consider ESG risk as a transversal risk driver." and "Participants acknowledged the impact ESG risks can have on financial and non-financial risks, as opposed to considering ESG risk as a standalone risk type."*

In the Climate Financial Risk Forum Guide 2020, "Risk Management Chapter": *"Good practice is to treat climate risk as a cross-cutting risk type that manifests through most of the established principal / standalone risk types."*

Indicative impact of Climate-Related and Environmental risk drivers				
Risk Type	Transition		Physical	
	Climate-related	Environmental	Climate-related	Environmental
Credit risk	<ul style="list-style-type: none"> - Impact on the credit risk parameters (PD, LGD, EAD) as a result of transition risk events, affecting the creditworthiness of counterparties (e.g. increased PD of companies sensitive to transition risk factors, impact on collateral values from disorderly transition to low-carbon economy). 		<ul style="list-style-type: none"> - Impact on the credit risk parameters (PD, LGD, EAD) as a result of physical risk events, within sectors or geographies vulnerable to physical risk (e.g. through lower collateral valuations in real estate portfolios as a result of increased flood risk). 	
Market risk	<ul style="list-style-type: none"> - Volatility and reduction in values and risk returns of financial assets (e.g. corporate/sovereign bonds, equity) from climate-related factors (e.g. from transition risk drivers leading to repricing of securities and derivatives). 		<ul style="list-style-type: none"> - Volatility and reduction in values and risk returns of financial assets (e.g. corporate/sovereign bonds, equity) from climate-related factors (e.g. from physical events leading to repricing of securities and/or derivatives). 	
Liquidity risk	<ul style="list-style-type: none"> - Volatility and reduction in values and risk returns of financial assets (e.g. corporate/sovereign bonds, equity) from climate-related factors (e.g. from transition risk drivers leading to repricing of securities and derivatives), which may reduce the value of high quality liquid assets, thereby affecting the liquidity buffer. - Impact through Bank's ability to raise funds or liquidate assets, e.g.: <ul style="list-style-type: none"> - The ability to access stable sources of funding is reduced. - Climate-related asset classes/instruments are prioritized over other traditional asset classes/instruments. - Deposits and credit lines are drawn down by counterparties. 		<ul style="list-style-type: none"> - Volatility and reduction in values and risk returns of financial assets (e.g. corporate/sovereign bonds, equity) from climate-related factors (e.g. from physical events leading to repricing of securities and derivatives), which may reduce the value of high quality liquid assets, thereby affecting the liquidity buffer. - Impact through Bank's ability to raise funds or liquidate assets, e.g.: <ul style="list-style-type: none"> - The ability to access stable sources of funding is reduced. - Climate-related asset classes/instruments are prioritized over other traditional asset classes/instruments. - Deposits and credit lines are drawn down by counterparties. 	
Operational risk	<ul style="list-style-type: none"> - The Bank may incur fines due to lack of consideration on compliance with environmental standards or as a result of the greenwashing, leading to conduct risk. 		<ul style="list-style-type: none"> - The Bank's operations may be disrupted due to physical risk events, (e.g. extreme weather event) leading to damages to physical assets or critical infrastructure that is essential for providing services to customers (e.g. property, branches, energy supply, data centers etc.). 	
Business & Strategic risk	<ul style="list-style-type: none"> - Failure to account for rising ESG factors, having as key drivers the potential shift in consumer preferences, behavioral/ demand patterns, market sentiment and the potential change in the competitive landscape, leading to misalignment of business model to market practices (e.g. not being able to finance the environmental transition). 			
Reputational risk	<ul style="list-style-type: none"> - Impact on the Bank's public perception and reputation and consequently in its valuation, considering also changing market and consumer sentiment, due to its association with activities and counterparties linked to adverse environmental impacts (e.g. financing of companies with significant polluting activities, investments in sectors with high GHG emissions etc.). - Continually rising stakeholder expectations in the area of climate risk (e.g. Bank's commitments regarding the mitigation of climate risk) could lead to reputational risk, if the Bank does not deliver fully on its position. 			

The Bank has incorporated ESG, climate and other environmental risks in its regular risk identification and materiality assessment processes. The Bank considers several factors, covering both financial materiality (e.g., exposures sensitive to ESG factors as a % of total assets / total loan portfolio, or similar metrics), as well as qualitative factors, such as the perceived impact on the environment and society and potential reputational-related aspects, in alignment with the “double materiality” principle.

In addition, the Bank is gradually integrating such risks into its Risk Appetite Framework, using as input the materiality assessment results, in order to evaluate the need for introducing new qualitative statements and/or quantitative indicators, as needed.

Other Environmental Risks

In the context of its Risk Identification & Materiality Assessment Process, the Bank has defined environmental risks as the risks posed by the exposure of the Bank to counterparties or invested assets that may potentially be affected by/or contribute to the negative impacts of environmental factors, such as climate change and other forms of environmental degradation (e.g., air pollution, water pollution, scarcity of fresh water, land contamination, biodiversity loss and deforestation).

The table below summarizes the outcome of the materiality assessment for **nature-related risks** per time horizon:

Materiality Assessment Outcome for Climate Risk per time horizon

Risk Type	Transition			Physical		
	Short-term (2024)	Medium-term (2030)	Long-term (2050)	Short-term (2024)	Medium-term (2030)	Long-term (2050)
Credit risk	✓	✓	✓	✓	✓	✓
Market risk						
Liquidity risk						
Operational risk (incl. Legal)		✓	✓		✓	✓
Business & Strategic risk	✓	✓	✓			
Reputational risk		✓	✓		✓	✓

4.1.1 Credit Risk

Credit risk is perceived to be materially affected by climate factors, given the Bank’s sizeable loan portfolio and exposures to sectors commonly perceived as sensitive to climate-related and environmental risks.

Transition Risk – NFC portfolio

The Bank has performed the materiality assessment on transition risk within the Non-Financial Corporations (NFC) portfolio²¹. The determination of activities/sectors more sensitive to transition risk was based on a number of factors:

- Climate Policy Relevant Sectors CPRS²² perimeter.
- Sectors sensitive to transition risk according to Net Zero Banking Alliance (NZBA) and Long-Term Strategy for Greece for 2050 (LTS).

21 The financial institutions portfolio is out of scope of the analysis.

22 The Climate Policy Relevant Sectors (CPRS) is a classification of economic activities to assess climate transition risk, first developed in the article by Battiston et al. (2017) published on Nature Climate Change. CPRS are identified considering: i) role in the energy value chain (technology), ii) role in the GHG emissions chain, iii) specific policy processes and iv) business model (input substitutability of fossil fuel).

- Examination of the emission intensities at sector level and forward-looking Probability of Defaults (PDs) based on the short-term disorderly transition scenario that ECB published as part of the 2022 ECB climate stress test exercise.

The Bank employed this multi-factor analysis in order to incorporate different dimensions in the transition risk materiality assessment (sector level sensitivities to transition risk, bank-specific information on key metrics per sector such as intensities and forward-looking information on the impact of transition scenario), by leveraging on information collected over the last year (e.g. emissions intensity ratios of loan portfolio) and on developing capabilities (e.g. forward-looking PDs which include climate-sensitive components such as sector GVAs).

NZBA perimeter

In 2023, the Bank committed to the NZBA for setting and disclosing science-based climate targets on financed emissions. In this context, the Bank mapped the carbon-intensive sectors identified by the NZBA to the relevant NACE codes within agriculture, buildings, aluminum, cement, coal, iron and steel, oil and gas and power generation sectors. For these sectors, distinct business activities that directly contribute to Scope 1 carbon emissions have been classified within the NZBA perimeter, as described below²³:

NZBA sectors' definitions and business activities

Sectors	Business Activities
Agriculture	Agriculture: includes all business activities related to crop cultivation, animal production, mixed farming. Forestry: includes all business activities related to forestry and logging. Fishing & aquaculture: includes all business activities related to fishing and aquaculture.
Buildings	Only includes business activities related to the operation of commercial properties within the hospitality and real estate investment sectors.
Cement	Only includes business activities related to the manufacturing of cement, lime and plaster, as well as manufacturing of articles of concrete, cement and plaster.
Aluminum	Only includes business activities related to the manufacturing of aluminum.
Iron & steel	Only includes business activities related to the mining of iron metals, as well as the manufacturing of basic iron and steel.
Coal	Only includes business activities related to the mining of coal and lignite, as well as manufacturing of coke oven products.
Transportation	Water: Includes all business activities related to vessel operation. Land: includes all business activities related to vehicle and railway operation. Air: includes all business activities related to air and space craft operation. The above also includes leasing business activities.
Power generation	Only includes business activities related to the generation of electricity, excluding transmission, distribution, sales and other related activities.

²³ The NZBA does not specifically define business activities per sector, but rather advises Banks to define these sectors based on their portfolio and data availability on the transition of their clients.

Long-term strategy for 2050

The perimeter of business activities identified in the Greek Long-Term Strategy (LTS) for 2050, is a subset of the CPRS 1-6 including a broader range of business activities, looking not only at direct emissions of manufacturing and industrial processes not covered in the NZBA perimeter, but also indirect emissions. The latter has been considered because energy efficiency is deemed as necessary for the successful transition to net zero carbon emissions by 2050.

Additional business activities in the LTS perimeter, include mining, all other manufacturing, regardless the type of product, as well as activities related to sewerage and waste collection, treatment, and disposal. These business activities have a high intensity of methane emissions.

In summary, the Bank has recognized the sectors that are sensitive to transition by taking into consideration the sectors that fall within the NZBA and LTS perimeters, while the dimensions of emission intensities at sector level and the forward-looking Probability of Defaults (PDs) based on the ECB short-term disorderly transition scenario have also been examined and incorporated in the analysis for consistency. The following table presents the Non-Financial Corporations (NFC) portfolio performing exposures for the sectors categorized as Sensitive to Transition, non-Sensitive to Transition and RES perimeter.

Non-Financial Corporations (NFC) portfolio performing exposures (excl. accounting adjustments) in Transition Sensitive and Transition non-Sensitive perimeter, as of 31.12.2023

Sector exposure in NFC <i>Amounts in EUR mn</i>	Total
Sensitive to Transition	10,242
Agriculture	268
Air & road transportation	435
Buildings (Hospitality and real estate)	3,631
Cement	16
Iron, steel and other metals	435
Mining	19
Oil and gas	657
Other manufacturing	1,035
Power generation	764
Shipping	2,966
Waste	17
Non-Sensitive to Transition/RES	8,422
Grand Total	18,664

The overall credit risk materiality to ESG factors is differentiated considering different breakdowns of sectors, portfolios etc. As indicated in the above table, the sectors under “Buildings (Hospitality and Real Estate)” and “Shipping”, constitute a significant part of the perimeter of sectors that are Sensitive to Transition (35% and 29%, respectively) while relative materiality is also observed for the “Other manufacturing” as well, with EUR 1,035 mn (10%) under the Sensitive to Transition Perimeter.

Furthermore, the majority of exposures (68%) that are Sensitive to Transition, have residual maturity ≤ 5 years, with the exposures with residual maturity above 10 years being 11% (of which 1% has a residual maturity above 20 years), which minimizes the sensitivity of the exposures in the NFC portfolio to transition risk that are expected to materialize in long-term horizons. In addition to the above, the Bank has conducted an analysis of the transition risk, per sub-type and overall, for each sector for the 3 different time horizons considered (2024-Short, 2030-Medium, 2050- Long).

i. Transition Risk – Retail portfolio

Beyond the materiality assessment conducted by the Bank in its Non-Financial Corporations (NFC) portfolio, the Bank recognizes the materiality of C&E risks in its household portfolio, in terms of the energy efficiency of real estate collateral held by the Bank. In this context, the Bank has incorporated in its credit decision making process the Energy Performance Certificate (EPC) as an indicator of transition risk. In parallel, the Bank has developed a model to calculate proxies for the energy efficiency score and EPC label of collaterals in case the property has no certificate. This has made possible to calculate the distribution of energy efficiency score bands and EPC label of the real estate properties included in the Bank's portfolio (as real estate owned assets) or used as collateral on existing assets. Finally, the Bank participates actively in the collective initiative organized by the HBA and the Ministry of Environment & Energy which aims at the provision of access for the financial institutions to the EPC registry in order to facilitate the collection of actual EPCs and increase the coverage of EPC over the total real estate portfolio.

According to the EU Energy Performance of Buildings Directive proposal, the Commission aims to ensure that:

- non-residential buildings achieve at the latest: (i) from 1 January 2027, at least energy performance class “E”; and (ii) from 1 January 2030, at least energy performance class “D” and
- residential buildings achieve at the latest: (i) from 1 January 2030, at least energy performance class “E” and (ii) from 1 January 2033 at least energy performance class “D”.

The Bank's retail portfolio is materially affected by ESG factors, due to its considerable size. The perimeter of RRE collateral with a proxied EPC label of “D” and below is ~ EUR 1.9 billion (38%). The CRE perimeter is limited (~ EUR 0.5 billion), of which less than half (46%) are estimated to have EPC classification “D” and below.

Physical Risk

Alpha Bank conducts a materiality assessment for physical risks in the loan portfolio on an annual basis. The Bank uses a methodology based on sensitivity and exposure analysis to derive vulnerability to physical risk factors. Vulnerability analysis is performed to identify potential significant hazards per subsector covered by the analysis for its business loans portfolio, as well as across the different geographic regions where real estate properties used as collateral extend. The first ESG materiality assessment performed in 2023 for physical risk analysis was aligned with the European Commission technical guidance on climate proofing of investments in and with the ECB's good practices for climate-related and environmental risk management (observations from the 2022 Thematic review). The materiality analysis of physical risk was applied to the corporate portfolio per NACE sector (22 NACE codes) at a country level, while for real estate collateral the analysis was applied at a regional level for each of the four climatic zones in Greece (as defined by the Greek Ministry of Environment and Energy). The analysis included a total of 16 climate risks and for selected risks based on the location of the real estate property (sea level rise, soil & coastal erosion, wildfire, cyclones/hurricane/typhoon, and floods).

The 2023 update used a more granular approach, building upon the initial methodology employed at first and incorporating specific enhancements depending on the portfolio examined. The approach examined separately the two main portfolios for which physical risk has a profound impact: (1) Business loans portfolio and (2) Secured by real estate collaterals and REOs.

For the purpose of a more granular and detailed risk level analysis, the Bank proceeded with:

1) The development of sensitivity analysis for physical risks with the highest exposure at a country level (heat stress, water stress, heatwaves, droughts & floods), of top 20 subsectors (NACE 2 level) in terms of the Bank's outstanding gross carrying amount for end 2023.

2) The development of a location-specific risk analysis for the effects of physical risks on real estate properties using geospatial mapping and local geographical characteristics. This analysis resulted in a vulnerability assessment at NUTS 3 level, allowing to assess materiality in a more granular level in terms of the location of collaterals.

Both analyses resulted in limited exposures to NACE sectors within the high vulnerability perimeter (ranging from c.0-7% for acute, chronic and chronic & acute risks), as well as limited exposures to locations in high vulnerability perimeter (ranging from 1-6% depending on the timeframe considered – 2024/ 2030/ 2050 and the type of physical risk – chronic, acute, chronic & acute). However, from an inherent risk perspective, the Bank considers physical risk to be material, given that it could significantly increase if it is not appropriately monitored and managed.

Top Subsector Sensitivity analysis

The sensitivity analysis covers the top 20 subsectors that are c.89% of the total NFC perimeter- in a comprehensive manner, looking at the subsectors' various operation components and how these are affected by selected hazards and impact the wider network or system. The aim of this step is to conduct a more granular sensitivity analysis in terms of subsectors, which can then be combined with the previous exposure analysis (max value at country level). To this end, the analysis focused on the sensitivity of the top 20 subsectors, for the five climate hazards with the highest exposure at a country level (heat stress, water stress, heatwaves, droughts & floods) while the existing approach (sensitivity applied at 1st level NACE code) has been used for the remaining exposures.

The sensitivity was assessed for the three different time-horizons in alignment with the ESRS recommendations: (a) short-term time horizon: one year (2024); (b) medium-term time horizon: from the 2nd year and up to 5 years (2030); and (c) long-term time horizon: more than 5 years (2050). These horizons were chosen due to their alignment with scientific pathways and in line with Greece's National and Energy Plan and the Greek Climate Law.

Several EU and National initiatives contribute towards the integration of the principle of climate resilience into the implementation of EU Green Deal initiatives. For instance, the EU-level technical guidance on adapting buildings to climate change²⁴, the Climate Adaptation Strategy, the revisions of the Energy Performance of Buildings Directive and of the Construction Products Regulation, the EU taxonomy for sustainable activities, and EU funding mechanisms such as the Recovery and Resilience Facility, InvestEU, and regional funding, enhance the adaptation of many sectors to climate change which is however an ongoing process towards resilience by 2050.

The above analysis indicates that the 2030 sensitivity/vulnerability results are expected to be similar to those of the 2024 assessment, since most of the adaptation measures require more time to be implemented. As for 2050, most of the sectors are expected to have lower sensitivity, due to the increased sectors' adaptation measures. Accelerating and scaling up the adoption of novel industrial technologies, the use of resilient and sustainable materials, as well as techniques and more efficient technologies, such as rainwater harvesting and recharge systems that capture water, to ensure resilience by 2050.

The aforementioned literature is used to evaluate the sensitivity of each sub-sector using a 3-level score of 'High', 'Medium' or 'Low' for each climate hazard:

- **High sensitivity:** the climate hazard may have a significant impact
- **Medium sensitivity:** the climate hazard may have a slight impact
- **Low sensitivity:** the climate hazard has no (or an insignificant) impact on Real estate properties

The Bank performed the materiality assessment on Physical Risk for the Non-Financial Corporations (NFC) portfolio **by identifying activities/sectors more vulnerable to physical risk** based on the NACE25 sector at a country level. For exposures covered by real estate collateral the analysis used geospatial mapping and local geographical characteristics based on identified NUTS 3 levels, under 3 defined time horizons (short – 2024 / medium – 2030 / long – 2050). The Bank used a methodology based on sensitivity and exposure analysis to derive vulnerability to physical risk factors. For the assessment of exposure to future conditions, climate projections for the hot-house scenario of IPCC AR5 RCP 8.5 with a horizon of 2050 were considered, due to its sufficient provision of differentiated outcomes.

Key outcomes:

- o The exposures of loans subject to the category of high vulnerability for chronic physical risks is limited (c.1%) and it solely consists of sectors within "A – Agriculture, forestry, and fishing".
- o Limited (<6%) corporate portfolio exposure is allocated in high vulnerability to acute physical risks, with the largest percentage being found in the "H50 – Water Transport" and "I55 – Accommodation" sector.
- o Limited (< 2%) corporate portfolio exposure is allocated in high vulnerability to acute & chronic physical risks.

Of the total volume of collateralized loans, there is no balance allocated in the category of High vulnerability for Acute & Chronic Physical risks in all 3-time horizons.

4.1.2 Operational Risk

Regarding Operational Risk, including legal risk, the Bank introduced several enhancements to better manage, monitor and mitigate ESG-related risks, effectively acknowledging that there are potentially material ESG factors (as depicted in the RCSA and Scenario Analysis processes) that could drive operational risk in the future medium/long run and cause greater losses compared to historical ones. Moreover, such events may have material reputational impact in the future, due to the shifting expectations of customers and the broader society around ESG matters.

4.1.3 Market Risk

Based on the materiality assessment of the Bank's bond portfolio, there is limited potential effect from climate-related and other ESG factors. More specifically, the Bank conducted a materiality assessment of the corporate bond portfolio following the same methodology described for credit risk for transition risk and taking into consideration the average residual maturity of the ESG-sensitive perimeter to identify the portfolio's sensitivity to environmental risks that are expected to materialize in the long-term. Exposure to transition risk assessed resulted in a significant effect from climate-related and other ESG factors. However, the corporate perimeter most vulnerable to ESG risks is quite low in volume. The Bank, also, performed a materiality assessment of physical risk for the corporate bond

24 ClimateADAPT, EU-LEVEL TECHNICAL GUIDANCE ON ADAPTING BUILDINGS TO CLIMATE CHANGE, 2023

25 NACE (Nomenclature of Economic Activities) is the European statistical classification of economic activities.

portfolio of Greek issuers resulting in minimal or immaterial risk due to its minor size.

With respect to sovereign bonds, which represent the majority of the Bank's bond portfolio, they primarily relate to issuers that are EU member states, while an immaterial exposure is held in countries outside the EU. The materiality of ESG factors on the pricing of EU government bonds is considered particularly limited, considering that coordinated actions at the EU level are expected to be taken in case any of the member states is severely impacted by environmental factors, primarily concerning physical risk. Materiality is perceived as limited also for non-EU issuers with "strong" currencies and in position to manage extreme physical risk events without material impacts on their overall economic stability and prospects.

The Bank's equity & funds portfolio was not considered in the current analysis because of its limited size as of end 2023 (circa EUR 170 million) in comparison to the total portfolio size.

The materiality assessment analysis will be conducted by the Bank on an annual basis to re-assess the materiality of ESG factors, mainly focusing on the below items:

- Volume and residual maturity of exposures in debt securities and equities, where the issuer / counterparty is a corporate customer classified as high risk in terms of sensitivity to ESG factors (leveraging on the classification approach established for the corporate loans portfolio).
- Volume and residual maturity of sovereign exposures, where the issuer / counterparty is a country outside the EU that is subject to material environmental risks or a country with weak currency, the creditworthiness of which could be more sensitive to extreme weather events.
- Additional information and analysis that may be performed going forward, leveraging external (e.g. ESG ratings) and internal sources and tools/methodologies that are currently under development. This is expected to also cover exposures to the financial sector to the applicable extend.

In case the detailed materiality assessment exercise going forward leads to the conclusion that there are material exposures subject to climate-related and environmental factors, the Bank will present additional actions related to the monitoring and controlling of such factors and the associated exposures in market risk.

4.1.4 Liquidity Risk

In terms of liquidity risk there seems to be no material effect from climate-related and other ESG factors. On the asset liquidity side, this is driven by the composition of the buffer, mainly consisting of sovereign rather than corporate bonds, which are considered to be immaterially impacted by ESG factors, as described above in the market risk section. On the funding side, deposits are the main funding source, mostly consisting of retail clients, thus limiting the exposure to ESG risks.

The Bank implemented an analysis on non-financial customer deposits per economic sector and geographic area. Through this analysis the deposit percentage of every economic sector in Greece was calculated. The analysis resulted in low materiality.

A detailed materiality assessment will be conducted on a regular basis and will involve the analysis of assets that are included in the Bank's liquidity buffers, as well as an analysis of its funding profile (on the liabilities side):

- The liquidity buffer analysis will be similar to the detailed materiality assessment that will be conducted for market risk (i.e., considering level and residual maturity of assets included in the buffers).
- The funding profile analysis will take into consideration the diversification of funding sources and the status and progress in the Bank's ability to issue debt securities that are sustainability labelled.

Should the detailed materiality assessment exercise going forward leads to the conclusion that there are material climate-related and environmental factors that could lead to liquidity risk, the Bank will lay down additional actions related to the monitoring and controlling of such factors, as part of its liquidity risk management activities.

4.1.5 Reputational Risk

Reputational risk is the risk arising from negative public opinion. It is inherent in all operations and may be a direct or indirect consequence of other risk categories, such as Non-Financial Risks, Credit Risk, Liquidity Risk, ESG Risk etc. Reputational risk may affect the Group's ability to enter new business relationships and to provide new services, as well as its ability to serve existing business relationships.

The Group has developed a Reputational Risk Policy which defines the main principles, processes and governance structure for effectively managing the reputational risk exposures, including those stemming from ESG factors.

In this context, the Policy describes the processes for managing reputational risk that may arise:

- By financing clients who are involved in controversial activities. This reputational risk exposure is assessed and is taken into account in the credit approval process.

- By initiating new activities, such as bond issuance, investment banking activities, public offerings, outsourcing arrangements, new suppliers, new partners or step-ins, new investors or new services / fees charges to the Bank's clientele.
- From existing activities, such as clients (regular review), existing outsourcing activities (annual review), existing suppliers, etc.

Although historical data do not reflect material losses from reputational risk ESG-related events, the Bank acknowledges that there are potentially material ESG factors that could drive reputational risk exposures in the future. Therefore, it will continue to closely monitor and manage the existing or potential reputational risk exposures stemming from ESG factors, as dictated by the Reputational Risk Policy.

4.1.6 Business and Strategic Risk

Business and Strategic Risk includes the risk of potential (internal or external) adverse events that negatively affect an institution's ability to achieve its objectives and, consequently, it has a negative effect on earnings (profit and loss account) and, through the latter, on solvency. Strategic risk can be defined as the impact on capital, arising from adverse business decisions, improper implementation of those decisions or lack of responsiveness to political, fiscal, regulatory, economic, cultural, market or industry changes. The relevance of ESG factors in Business and Strategic Risk is reflected through the failure to account for rising ESG factors, considering both idiosyncratic (strategic) and systemic (business) components.

The impact that ESG factors can have on Business and Strategic Risk is also highlighted by the fact that they can lead to significant reputational risk, as a second order effect, in terms of a long-term impact on the Bank's brand and reputation.

The impact of the Bank's financing activity and overall strategic direction on the environment is often subject to public scrutiny and, hence, associated with reputational considerations.

The materiality assessment of business and strategic risk conducted by the Bank for the Gross Interest and Fees & Commissions income generated by the Non-Financial Corporations (NFC) portfolio broken down to activities/sectors more sensitive to transition risk, based on the CPRS perimeter.

Considering the factors analyzed above, as well as the analysis performed for the Gross Interest and Fees & Commissions income, the Business & Strategic risk is considered to be currently materially affected by ESG factors.

Considering, also, that a key driver of the Bank's strategy is its loan book composition, the Bank has leveraged on the outcome of the materiality assessment for physical risk factors within credit risk and concluded that physical risk is also material in the context of business and strategic risk.

The Bank is in the process of further enhancing the Business & Strategic risk implementing time horizons developing thus short, medium and long-term forward-looking view.

4.1.7 Other Environmental Risks

The Bank has developed a more comprehensive and granular ESG assessment across environmental and social factors, as well as climate-related matters for clients within the Non-Financial Corporates (NFC) perimeter.

To define the ESG factors affecting each economic sector the Bank applied a materiality-based principle using the following perspectives:

1. The "outside in" perspective, which relates to the financial impact that ESG factors can have to a company's performance.
2. The "inside out" perspective, which relates to the impacts that a company's activities may have to the wider economy, society and the natural environment.

The Bank has considered a number of available sustainability standards and guidelines as a reference to determine which are the material ESG factors per economic sector. These references, indicatively included:

- The Sustainability Accounting Standards Board (SASB) materiality map²⁶
- The Global Reporting Initiative (GRI) Standards²⁷
- The S&P Global Sustainability Yearbook 2021²⁸
- The Fitch Ratings Sector Specific Topics

26 <https://www.sasb.org/standards/materiality-map/>

27 <https://www.globalreporting.org/>

28 https://www.spglobal.com/esg/csa/yearbook/files/spglobal_sustainability-yearbook-2021.pdf

- The MSCI materiality map²⁹

In addition, for certain sectors and based on availability, the following sector specific standards and guidelines were also used. Indicatively:

- ATHEX ESG guide³⁰
- GRESB Real Estate Reference guide³¹
- EPRA Sustainability Best Practices Recommendations Guidelines³²

The first step for defining materiality was the selection of a common (across sectors) taxonomy for the ESG factors. The second step of the methodology included determining the E&S factors which are the most material for each sector, by identifying the relevant factors included in the sector specific ESG standards and other sources defined above.

The table below summarizes the **material environmental topics for each sector**. The green color indicates the factors with the higher materiality and the red color the ones with lower materiality, per sector.

Material and Non- Material Environmental factors, per sector

Sector	Emissions	Water & Effluents	Waste	Biodiversity	Materials
Petroleum Activities					
Energy					
Aviation					
Chemicals					
Gambling					
Tobacco					
Health Care					
Water & Waste					
Mining					
Metal Producers					
Shipping					
Road transportation					
Construction					
Agriculture					
Accommodation					
Real Estate					
Manufacturing of Consumer Goods					
Energy Trade					
Petroleum Trade					
Car Trade					

29 <https://www.msci.com/our-solutions/esg-investing/esg-ratings/materiality-map>

30 <https://www.athexgroup.gr/documents/10180/5665122/ENG-ESG+REPORTING+GUIDE/28a9a0e5-f72c-4084-9047-503717f2f3ff>

31 http://documents.gresb.com.s3-website.eu-central-amazonaws.com/generated_files/infrastructure/2021/asset/assessment/complete.html#performance-water

32 https://www.epra.com/application/files/7415/0306/4407/EPRA_BPR_Guidelines_2017.pdf

UNEP FI Impact Radar Methodology

The Bank has leveraged additional information from the UNEP FI Portfolio Impact Analysis Tool³³ to enhance the relationship between specific economic activities and their negative impact on social & environmental factors. The Sector-Impact Map portrays the positive and negative associations between industries, sectors, economic activities across the three pillars of sustainable development: social, economic and environmental, through a holistic set of Impact Areas (such as Integrity & Security of Person, healthy economies and biodiversity & healthy ecosystems) and Impact Topics (such as soil, air, waterbodies, etc.) defined in the Impact Radar. The mapping builds on resources such as the Environmental Health and Safety Guidelines of the International Finance Corporation, UNEP FI's Risk Briefings, thematic resources such as ENCORE. *The Impact Radar at a glance*



Based on this mapping, the Bank assessed the negative impact of the social and socio-economic pillars of sustainable development, as well as the negative impact of the natural environment pillar in six different areas: water, air, soil, biodiversity, materials and waste in its sector portfolios, taking into consideration the relevant impact topics, as depicted in the figure above. The negative impact considers the following:

- whether a sector/activity is associated with an impact area
- whether the sector is a “key sector” for the impact area

The following table presents the total gross carrying amount of the Bank’s portfolio that is negatively affected by social and environmental factors, including a breakdown of the exposures to specific environmental factors such as water, air, etc. It should be noted that while exposures across different environmental sub-factors are not mutually exclusive (i.e., the exposure of a counterparty could be counted in different sub-factors) they are only counted once for the aggregate Environmental pillar to avoid double counting.

33 <https://www.unepfi.org/impact/unep-fi-impact-analysis-tools/portfolio-tool/>

Environmental factors, as of 31.12.2023

Exposure in NFC, amounts in EUR mn	Key Sector Negative Impact	Total Negative Impact
	Gross Carrying Amount	Grand Total
Social	1,930	8,577
Environmental	3,565	8,016
<i>Water</i>	480	5,222
<i>Air</i>	629	2,688
<i>Biodiversity</i>	1,251	5,843
<i>Materials</i>	2,610	2,917
<i>Waste</i>	663	7,532
<i>Soil</i>	194	4,420
Total NFC portfolio	18,664	

According to the UNEP FI tool analysis, it is observed that c.46% of the Bank's total NFC portfolio is negatively affected by social factors and c.43% (i.e., €3,565mn) is negatively affected by at least one of the environmental factors, while this impact is quite limited – still material though – when the focus is placed on the direct negative impact (where the sector is “key sector” for the impact area) of these factors, standing at 10% and 19% for social and environmental factors respectively. It shall be noted that Tobacco and Gambling sectors have a negative impact from a social risk perspective (regarding mostly the health and safety pillar).

This analysis was performed to examine the “inside out” perspective, which relates to the impacts that a company's activities may have to the wider economy, society and the natural environment, without taking into consideration the “outside in” perspective assessed in the context of ESG client assessment questionnaires. The Bank intends to analyze thoroughly the results from ESG client assessment questionnaires once enough data points/answers are available. Therefore, variations in the relevant results from the two analyses could be observed in the future.

4.2 Risk management process

Environmental, Social and Governance (ESG) Risks are the risks of any negative financial impact to the Bank stemming from the current or prospective impacts of ESG factors on its counterparties or invested assets. Moreover, ESG risks may directly impact the Bank's operations and/or performance, in terms of process disruption, litigation/liability or reputation-related consequences.

The Bank performs the identification and materiality assessment of ESG risks on an annual basis, as part of its broader recurring risk materiality assessment process.

In addition, the Bank is gradually integrating such risks into its Risk Appetite Framework, using as input the materiality assessment results, to evaluate the need for introducing new qualitative statements and/or quantitative indicators, as needed. Specifically,

- The Bank already assesses the specific perimeter of sectors considered more sensitive from an ESG perspective and its target is to gradually limit its risk appetite towards financing such sectors. To this end, it has defined ESG related indicators in the context of RAF that are being monitored and it will develop going forward specific targets linked to risk appetite thresholds. Also, the Bank has enhanced its exclusion/restriction list to encompass additional activities with environmental and social impact, in line with its portfolio transition strategy.
- The Bank regularly monitors its exposure concentration to climate-sensitive sectors in its loan portfolio, through the introduction of credit concentration risk indicator within RAF, which tracks the level of concentration of the Bank's exposures within the loan portfolio to sectors that are more sensitive to climate transition risks. In the year 2023, the Bank introduced additional indicators within the Environmental, Social and Governance (ESG) category, which are slated to be monitored from 2024 onward. The introduction of these new indicators is intended to facilitate the monitoring of transition risk, physical risk, business planning, and the proportion of environmentally sustainable assets in the portfolio. The Bank has also established appropriate limits or thresholds for some existing indicators associated with Bank's strategy and business planning.

- The Bank has enhanced its due diligence process with respect to the assessment of its Customers' ESG/ climate risk profile, through the collection of relevant information.
- Regarding reputational risk, the Bank has designed a robust policy and process that involves identifying and assessing the potential participation of its clients in controversial activities.

The Bank has integrated information on the Energy Performance Certificate (EPC) of relevant real estate properties within its credit decision making process as well as each collateral valuation subject to EPC eligibility. Finally, the Loan Pricing Framework was updated to take into consideration the overall ESG assessment in the pricing of new loan facilities.

The Bank has limited appetite towards Climate, Environmental and Social risks, therefore, it establishes specific assessment procedures and due diligence requirements that are to be understood and met without exception before the Group considers providing financial products and services to the Wholesale Banking clients and/or financing projects.

Furthermore, the Group has set a robust internal governance framework, which includes a transparent organizational structure, a management body that is responsible for proper risk management processes and for strong internal control system. The Group has integrated Climate and ESG in its "Three Lines of Defense Model", allocating ESG related responsibilities in the first line of defense mainly through the involvement of the Business Units in the ESG risk assessment process, in the second line of defense, Climate, ESG and Enterprise Risk Management risk area is responsible for related issues, as well as in the third line of defense, introducing ESG activities / processes in Internal Audit's regular review activity.

4.2.1 Climate-related, Environmental, Social and Governance Risk Management Policy on Group's Business Lending

The Group is committed to provide sustainable finance. In this context during the credit approval process and supplementary to the credit risk assessment, the climate-related, environmental, social and governance (ESG) risks' dimension is taken into account.

- The Climate-related, Environmental, Social and Governance Risk Management Policy on Group's Business Lending, includes the basic principles and rules regarding the assessment of climate-related, environmental, social and governance risks in the context of the Group's business lending approval process. In addition, the Policy defines the Exclusion List i.e. the activities that the Group should not consider for financing due to their nature as well as the ESG risks and implications they entail. The climate and ESG risks management approach is based on the Group's sustainability strategy and applies to business lending.
- The Bank's Credit Policy incorporates the ESG client, ESG transaction and ESG overall assessment, into its credit approval process. At the client level, the Bank applies a granular client screening during the credit origination process, against certain environmental, social and governance criteria collected through the application of inter-banking client ESG questionnaires sectoral or cross sectoral considering the size of the company. At the transaction level, the activity for which the client is applying or has received financing is assessed for alignment with the Sustainable Finance Framework. The non-sustainable transactions are further assessed to determine the level of ESG risk they entail and are classified in risk categories accordingly. The ESG overall assessment represents a combination of the client and transaction assessment and is captured per transaction.
- For each client/project/lending transaction, it is required to document the assessment of climate and ESG risks during the credit approval process. Following the ESG assessment at the client, transaction and overall level and having considered the respective outcomes, actions with reference to the Credit Policy are defined.
- The Bank's Credit Policy stipulates that the energy performance of buildings securing loans must be considered during the credit approval process. In this vein the Energy Performance Certificate (EPC) is included in the documentation for the technical inspection of the property while relevant information is included in the credit proposal note and the core banking system. As regards the existing collaterals it is noted that in the absence of an EPC a methodological approach is applied.
- The Bank's Credit Policy defines the mandatory insurance of mortgaged properties against flooding risk in the context of physical risks management. This provision is additional to the insurance against fire and earthquake risks.
- The Bank applies, maintains and updates an exclusion list that determines specific activities, which are not allowed to be financed. The criteria for exclusion span across various environmental and social matters.

Specifically, the Group does not finance the following activities:

- The production of or trade in any product or activity deemed illegal under host country (i.e. national) laws or regulations or international conventions and agreements or subject to international phase out or bans, such as:
 - o Production of or trade in products containing PCBs.
 - o Production of or trade in pharmaceuticals, pesticides/herbicides and other hazardous substances.
 - o Production of or trade in ozone depleting substances.
 - o Production of or use of or trade in persistent organic pollutants.
 - o Trade in wildlife or production of or trade in wildlife products regulated under CITES.
 - o Transboundary movements of waste prohibited under public international law.
- Production or trade in weapons and munitions.
- Production or trade in alcoholic beverages (excluding beer and wine),
- Tobacco, Gambling, Casinos and equivalent enterprises. The funding of these activities is permissible on a combined basis up to 5% of the total loan portfolio.
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where the radioactive source is considered to be trivial and/or adequately shielded in accordance with international practices.
- Forced evictions.
- New investments in thermal coal mining or coal-fired electricity generation capacity.
- Upstream oil exploration, extraction and production.
- Upstream oil development projects, except in rare and exceptional circumstances where the proceeds of the project exclusively target the reduction of GHG emissions or flaring from existing producing fields.
- Activities involving force-feeding of ducks and geese.
- The keeping of animals for the primary purpose of fur production or any activities involving fur production.
- The manufacture, placing on the market and use of asbestos fibres and of articles and mixtures containing these fibres added intentionally. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- The export of mercury and mercury compounds and the manufacture, export and import of a large range of mercury-added products.
- Activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or cultural heritage.
- Drift net fishing in the marine environment using nets in excess of 2.5 km in length.
- Shipment of oil or other hazardous substances in vessels, which do not comply with International Maritime Organization (IMO) requirements.
- Trade in goods without required export or import licenses or other evidence of authorization of transit from the relevant countries of export, import and, if applicable, transit.
- Conversion of natural forests into plantation.
- Wholesale and retail trade of thermal coal
- Construction of new nuclear power plants. The Group will continue to consider funding for safety improvements of operating plants as well as for radioactive waste management and decommissioning of nuclear facilities.
- Any activity involving degradation, conversion or destruction of the UNESCO World Heritage Sites.
- Any activity involving significant degradation, conversion or destruction of the sites included in the Natura map.
- Health technology activities relevant to human cloning for research or therapeutic purposes and genetically modified organisms/food.
- Customers who are involved in violations of human rights, according to the United Nations' "Universal Declaration of Human Rights".

The Environmental, Social and Governance (ESG) risk associated with lending to legal entities is taken into account by the relevant Credit Committees, the relevant flagging is incorporated in the credit proposals and is registered in the Bank's system.

Following the disbursement of credit, adherence to ESG terms and commitments is obligatory, throughout the long duration of the said financings.

In 2023, there were no cases of non-approval of credits due to issues which occurred during the assessment of environmental and social risks.

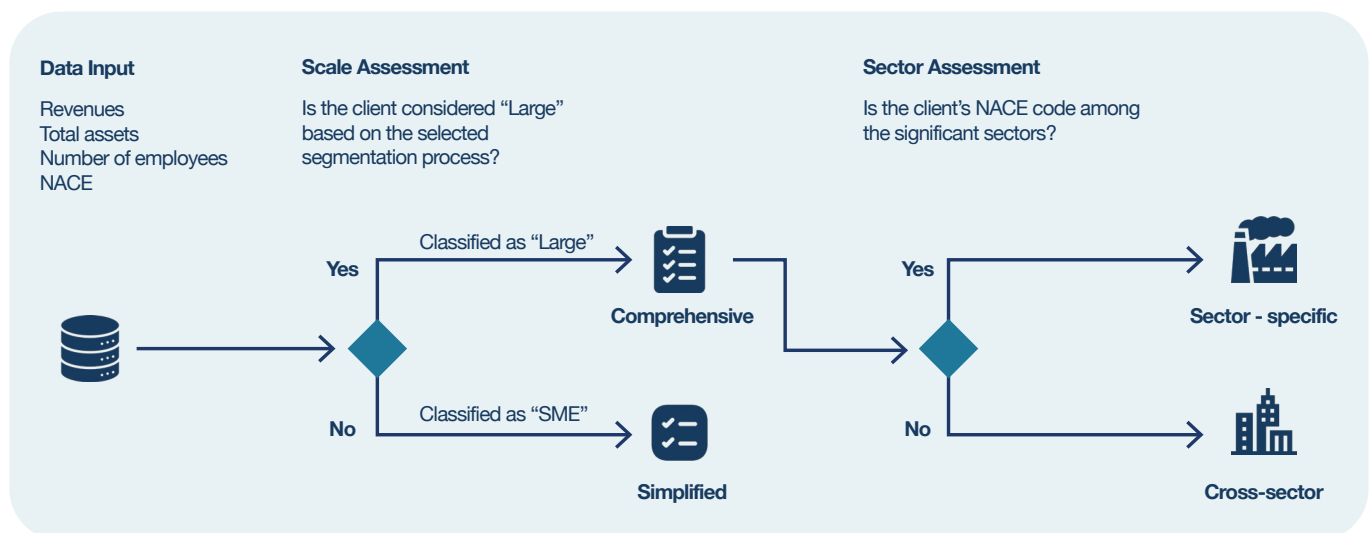
4.2.2 Environmental, Social and Governance Risk categorization and due diligence

The Bank has re-designed the ESG risk assessment approach through the application of changes in several aspects of credit origination. For corporate clients in the wholesale banking and the retail Small Business Unit, the Bank is using ESG client assessment questionnaires for collecting data and assessing its clients in terms of ESG criteria on an annual basis.

The Bank applies a granular sector-specific client assessment during the credit origination process that assesses material topics for each one of the designated sectors against certain environmental, social and governance criteria.

The type of questionnaire that the client is requested to complete depends on its financials (revenues, total assets), the number of employees and its industry sector code (NACE). The routing rules have been agreed at interbank level in Greece and constitute a variant of the Corporate Sustainability Reporting Directive (CSRD).

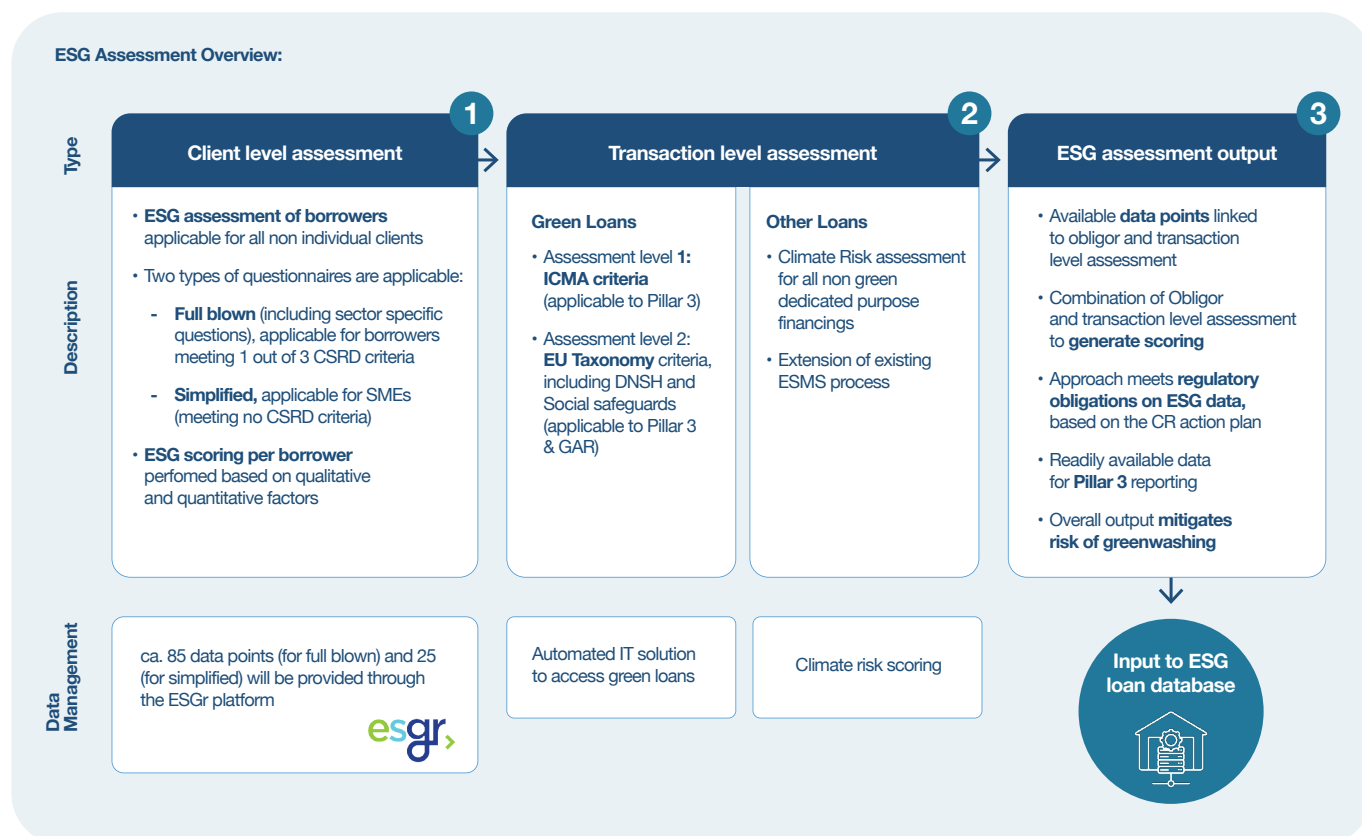
Interbank ESG questionnaire



Following the collection of information, the ESG scoring per client is performed, based on both qualitative and quantitative factors.

The ESG due diligence is based on the best international practices, national and international laws and regulations, the EBRD Performance Standards and is conducted through the implementation of predefined ESG Evaluation Criteria examined during the review of client's/project's/lending transaction's performance in specific areas that represent ESG risks associated with business activities.

Title: Sustainability criteria integration in the lending process



In addition to client-level characteristics, the Bank has also introduced specific criteria to evaluate each transaction for alignment with the Bank's Sustainable Finance Framework, in order to identify and capture sustainable activities, as well as transaction specific characteristics.

The ESG client assessment in combination with the ESG transaction assessment are taken into consideration to generate the overall ESG outcome/scoring which in turn is integrated into the credit-decision making and loan pricing according to Bank's Credit Policy Manual.

The Bank aims to enhance its due diligence process with respect to the assessment of its clients' ESG/climate risk profile, through the collection of relevant information. In this setting, the Bank will take initiatives to encourage its clients to clearly define and communicate their commitments and to develop and execute effective strategies to mitigate climate risks.

4.2.3 Operational management of climate and environmental issues

A system of procedures for managing climate and environmental aspects, threats and opportunities, is implemented ensuring compliance with International Standards³⁴ and best practices.

As the Group acknowledges that the current environmental challenges fall within the context of its Corporate Responsibility, it has developed an **Environmental Management System (EMS)** for the monitoring, management and improvement of environmental performance ensuring compliance with the institutional and regulatory framework on environmental issues and the effective use of natural resources.

EMS includes a **Group Environmental Management Policy** which incorporates principles of sustainable and responsible operation in its decisions and procedures. The Policy acknowledges the responsibility to contribute actively to environmental protection, tackling climate change and saving natural resources. Through this Policy, the Bank is committed to improving its environmental footprint by implementing appropriate processes and actions aiming at preventing pollution, the safe management of extraordinary environmental risks due to unforeseen incidents and addressing the direct and indirect consequences of its operation on the environment in general.

Additionally, the Bank addresses physical risk incidents within its **Business Continuity Management (BCM) System**, certified with ISO22301, to ensure the uninterrupted provision of services to Customers and other Stakeholders.

According to the Group BCM System, the following are conducted annually:

- Risk Analysis to evaluate potential threats or vulnerabilities that might affect the operations of the Bank or the Group Companies.
- Business Impact Analysis covering all internal Units and core business lines, aiming to the identification and assessment of:
 - Their criticality (setting prioritized timeframes for recovery)
 - Potential impacts (operational and financial)
 - Recovery requirements in terms of human resources, equipment and systems,
 - Interdependencies between internal Business Units or with critical third parties such as service providers, suppliers, regulators, etc.

Outcome from the above-mentioned analysis is taken into consideration to implement Business Continuity Strategy and the Business Continuity Plan (BCP).

³⁴ ISO 14001 (Environmental Management System), ISO 14064 (Greenhouse Gas Emissions Management System), ISO 22301 (Business Continuity Management System)

4.3 Integration into overall risk

The Group has limited appetite towards environmental and social risk, therefore is committed to continue progressing in the integration of ESG and climate risks into its overall risk management framework.

The Bank's "Risk Inventory" provides a comprehensive overview of the enhancements and progress achieved in climate and environmental-related risks in the Bank's Risk Registry.

The Bank's materiality assessment analysis identifies the sectors most sensitive to climate-related risks. In alignment with the guidance across different sources (e.g., ECB, EBA, European Commission), the materiality assessment covers all key risk aspects (i.e., Credit Risk; Operational Risk; Market Risk; Liquidity Risk; Reputational Risk and Business/Strategic Risk). The Bank performs the identification and materiality assessment of Climate and ESG risks on an annual basis, as part of its broader recurring risk materiality assessment process.

The Bank regularly monitors its exposure concentration to climate-sensitive sectors in its loan portfolio, through the introduction of credit concentration risk indicator within its Risk Appetite Framework (RAF).

In the year 2023, Alpha Bank introduced additional indicators within the ESG category, intended to facilitate the monitoring of climate transition risk, climate physical risk, business planning, and the proportion of environmentally sustainable assets. The Bank defined 11 additional Climate and Environmental Indicators and 2 Social Indicators to be incorporated in the RAF as supporting elements. The indicators cover the area of business planning and green financing, collateral vulnerability to physical and transition risk, financial activity vulnerability to physical risk, sustainable investing and social related risk. The Bank has also established appropriate limits or thresholds for some existing indicators associated the Bank's strategy and Business Planning.

In addition, the Bank has expanded its Exclusion List to encompass additional specific activities with environmental and social impact such as conversion of natural forests into plantation and construction of new nuclear power plants.

Regarding ICAAP, the Bank has developed climate risk-specific methodologies to estimate the impact of climate scenarios under both the Economic and Normative perspective. The current methodologies focus on the impact of both transition and physical risks (Flood & Drought) on credit risk, as well as the impact on operational risk and business & strategic risks considering the relevant risk materiality assessment that has been performed.

Current and upcoming environmental policies, legal requirements and regulatory guidelines relating to climate and the environment, are continuously assessed to record and efficiently manage any risks related to the Group's financial and operational activities.

5

Metrics and Targets

5. Metrics and Targets

The tables presented in this section include a list of metrics set by the Group to measure the overall progress on environmental issues and specific targets to ensure delivery of its strategy. The data refers to the Reporting Group and Alpha Bank S.A., unless otherwise stated, while information is presented for 2023 and 2022.

5.1 Environmental metrics

5.1.1 Own operations

Environmental metrics						
Code (SASB /ATHEX /GRI INDICATORS)	Metric	Measurement Unit	2022 Reporting Group	2023 Reporting Group	2022 Alpha Bank	2023 Alpha Bank
Energy						
ATHEX C-E3; GRI 302-1	Total amount of energy consumed	Megawatt hour (MWh)	52,640	44,092	47,102	38,911
GRI 302-1	Total amount of energy consumed	MJ	189,504,089	158,730,429	169,565,451	140,079,137
GRI 302-1	Amount of renewable energy consumed	Megawatt hour (MWh)	40,597	35,614	40,597	34,486
GRI 302-1	Amount of renewable energy consumed	MJ	146,150,156	128,210,400	146,150,156	124,148,635
GRI 302-1	Amount of non-renewable energy consumed	Megawatt hour (MWh)	12,043	8,478	6,504	4,425
GRI 302-1	Amount of non-renewable energy consumed	MJ	43,353,933	30,520,029	23,415,295	15,930,502
GRI 302-1	Direct energy consumption (<i>relevant to scope 1</i>)	Megawatt hour (MWh)	6,746	4,931	6,191	4,425
GRI 302-1	Indirect energy consumption (<i>relevant to scope 2 - electricity</i>)	Megawatt hour (MWh)	45,894	39,161	40,910	34,486
	Amount of electricity consumed from renewable energy sources	Megawatt hour (MWh)	40,910	35,614	40,910	34,486
GRI 302-1	Indirect energy consumption (relevant to scope 2 - electricity)	MJ	165,216,884	140,979,241	147,276,266	124,148,635
ATHEX C-E3; GRI 302-1	Percentage of electricity out of the total energy consumed	Percentage (%)	78%	81%	87%	89%
GRI 302-3	Energy intensity (<i>excluding consumption of motor fuels for vehicles</i>)	kWh/m2	127	110	123	104
ATHEX C-E3; GRI 302-1	Proportion of energy consumed from renewable sources	Percentage (%)	77%	81%	86%	89%
GRI 302-1; GRI 302-3	Diesel consumed for heating purposes	Megawatt hour (MWh)	772	509	771	508
GRI 302-1; GRI 302-3	Natural gas consumed	Megawatt hour (MWh)	2,344	784	2,206	685
GRI 302-1; GRI 302-3	Diesel used for generating sets	Megawatt hour (MWh)	69	89	58	80
GRI 302-1; GRI 302-3	Motor fuels consumed	Megawatt hour (MWh)	3,561	3,549	3,157	3,152
GRI 302-4	Reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives (electricity)	MJ	0	12,278,436	0	12,278,436
Water						
ATHEX SS-E3; GRI 303-5	Drinking water consumption	Cubic meters (m3)	47,409	44,126	39,798	37,747
Waste						
GRI 306-3	A4 copying paper	tn	248	243	193	178
GRI 306-3	Paper for banking transaction forms	tn	103	106	103	106
GRI 306-3	Paper for account statements	tn	36	16	36	16
GRI 306-3	Paper roll for ATMs	tn	26	24	26	24
GRI 306-3	Total amount of paper used	tn	412	390	358	325
ATHEX A-E3, GRI 306-4	Amount of paper recycled	tn	1,066	1,015	803	449
	Percentage of recycling printer consumables	Percentage (%)	0	0	N/A	N/A
GRI 306-3	Total waste recycled	tn	1,093	1,042	829	475
	Percentage of credit cards for which an electronic monthly bill is sent (e-statements)	Percentage (%)	56	56	56	58
GRI 306-4	Total weight of hazardous waste diverted from disposal	tn	27	27	26	26
GRI 306-4	Toners	tn	3	2	2	2
GRI 306-4	Electrical equipment / Lamps	tn	17	13	16	13
GRI 306-4	Lead-acid batteries	tn	6	10	6	10
GRI 306-4	Small batteries	tn	2	1	2	1

5.1.2 GHG emissions

	GHG Emissions Scope 1, Scope 2 and Scope 3					
ATHEX C-E1; GRI 305-1	Scope 1 emissions (total)	Tons CO2 equivalent (tCO2e)	2,852	1,683	2,672	1,473
ATHEX C-E1; GRI 305-1	Motor fuels (Petrol)	Tons CO2 equivalent (tCO2e)	722	855	646	779
ATHEX C-E1; GRI 305-1	Motor fuels (Diesel)	Tons CO2 equivalent (tCO2e)	231	93	199	64
ATHEX C-E1; GRI 305-1	Diesel fuel for generating sets	Tons CO2 equivalent (tCO2e)	18	24	15	21
ATHEX C-E1; GRI 305-1	Heating oil	Tons CO2 equivalent (tCO2e)	206	136	206	135
ATHEX C-E1; GRI 305-1	Natural Gas	Tons CO2 equivalent (tCO2e)	469	156	443	137
ATHEX C-E1; GRI 305-1	Cooling systems' leaks	Tons CO2 equivalent (tCO2e)	1,206	419	1,164	336
ATHEX C-E1; GRI 305-1	Scope 1 emissions (from fossil fuels)	Tons CO2 equivalent (tCO2e)	1,646	1,263	1,508	1,137
ATHEX C-E1; GRI 305-4	Scope 1 emissions intensity (excluding consumption of motor fuels for vehicles)	kg CO2 eq/m2	4.93	1.99	5.09	1.83
ATHEX C-E2; GRI 305-2	Scope 2 emissions location-based	Tons CO2 equivalent (tCO2e)	24,796	21,163 ^{35,36}	21,850 ³⁷	18,419
ATHEX C-E2; GRI 305-2	Scope 2 emissions market-based	Tons CO2 equivalent (tCO2e)	2,946	1,723	0	0
ATHEX C-E2; GRI 305-4	Scope 2 emissions intensity-	kg CO ₂ eq/m ²	64	57	61	53
ATHEX C-E1, C-E2; GRI 305-1, 305-2	Scope 1 and Scope 2 emissions	Tons CO2 equivalent (tCO2e)	27,648	22,846	24,522	19,891
ATHEX C-E1, C-E2; GRI 305-4	Scope 1 and Scope 2 emissions intensity (excluding consumption of motor fuels for vehicles)	kg CO ₂ eq/m ²	69	59	66	55
ATHEX A-E1; GRI 305-3	Scope 3 emissions- (excluding category 15)	Tons CO2 equivalent (tCO2e)	94,830	78,633	12,055	13,636
ATHEX A-E1; GRI 305-3	Purchased goods and services	Tons CO2 equivalent (tCO2e)	8,394	9,016	5,050	4,292
ATHEX A-E1; GRI 305-3	Fuels and energy related activities	Tons CO2 equivalent (tCO2e)	4,257	6,213	3,828	5,808
ATHEX A-E1; GRI 305-3	Upstream transportation and distribution	Tons CO2 equivalent (tCO2e)	396	272	396	272
ATHEX A-E1; GRI 305-3	Downstream transportation and distribution	Tons CO2 equivalent (tCO2e)	6	7	0	0
ATHEX A-E1; GRI 305-3	Waste generation	Tons CO2 equivalent (tCO2e)	100	68	94	61
ATHEX A-E1; GRI 305-3	Business travel	Tons CO2 equivalent (tCO2e)	643	318	483	221
ATHEX A-E1; GRI 305-3	Employee commuting	Tons CO2 equivalent (tCO2e)	2,798	3,673	2,204	2,982

35 At Group level, the indicator includes the subsidiaries: Alpha Bank S.A., ABC Factors, Alpha Bank Cyprus, Alpha Bank London, Alpha Bank Luxembourg, Alpha Real Estate Services, Alpha Supporting Services, Alpha Finance, Alpha Leasing, Alpha Life and AEDAK.

36 For Group's data the following sources were used:

For Alpha Bank London, the equivalent carbon footprint factor has been used as provided in DEFRA Guide (2023).

For Alpha Bank S.A. and Group's subsidiaries in Greece, the calculation was conducted using the factor as provided from Renewable Energy Sources Operator & Guarantees of Origin (DAPEEP) and regards the emission factor for the residual energy mix of Greece for 2022.

For the emission factors for gases CH4 a N20, the data from the latest National Inventory Report was used which regard emissions from the energy production in Greece in 2021.

For Alpha Bank Luxembourg: National Inventory Report (NIR) of Luxembourg for Greenhouse and other Gases for the Years 1999-2021 (version 2023) was used.

For Alpha Bank Cyprus, the energy mix of 2022 from the Electricity Authority of Cyprus has been used and the global warming potential (GWP) rate as provided from the IPCC Fifth Assessment Report.

For the consolidation approach, financial and operational control was used. For Alpha Bank London, primary data were used from the provider's invoices. For Alpha Bank Luxembourg, data provided from the landlord and assumption for the consumption.

37 Scope 2 emissions for 2022 have been restated due to a change in the calculation methodology. Specifically, for the calculation of Scope 2 emissions, the Ministry's proposal for the climate law has been used and instead of the NIR used in 2022, the Renewable Energy Sources Operator & Guarantees of Origin (DAPEEP) 2022, was used. Following the previous methodology for 2022, the emissions disclosed in NFR 2022 were 17,221.48.

ATHEX A-E1; GRI 305-3	Downstream leased assets	Tons CO2 equivalent (tCO2e)	78,237	59,066	0	0
ATHEX A-E1; GRI 305-4	Scope 3 (excl. category 15) emissions intensity (emissions/ number of employees)	Tons/Number	14.680	12.689	2.136	2.507
ATHEX C-E1, C-E2, A-E1; GRI 305-1, 305-2, 305-3	Scope 1, Scope 2 and Scope 3 (excl. category 15) emissions	Tons CO2 equivalent (tCO2e)	122,478	101,479	36,576	33,527
ATHEX A-E1; GRI 305-3	Scope 3 emissions (including category 15)	Tons CO2 equivalent (tCO2e)	46,439,189	26,239,412	44,971,606	24,005,382
	Total GHG emissions with the Guarantees of Origin taken into account (excl. category 15)	Tons CO2 equivalent (tCO2e)	100,629	82,039	14,726	15,108
	Other emissions					
GRI 305-6	Emissions of ozone-depleting substances (ODS)	Tons	N/A	N/A	N/A	N/A
ATHEX SS-E2, GRI 305-7	Nitrogen oxides (NOx) disclosure	Tons	5.19	4.09	4.79	3.72
ATHEX SS-E2, GRI 305-7	Sulfur oxides (SOx) disclosure	Tons	0.14	0.09	0.14	0.09
ATHEX SS-E2, GRI 305-7	VOC disclosure	Tons	2.83	2.85	2.58	2.59
ATHEX SS-E2, GRI 305-7	Particulate matter (PM) disclosure	Tons	0.15	0.09	0.14	0.08
GRI 305-7	Hazardous air pollutants (HAP) disclosure	Tons	N/A	N/A	N/A	N/A

5.1.3 Financial products/services

Other data (related to impacts created through financial products/services)						
Total number of loans/projects assessed for environmental and social risks	Number	39,574	43,794	28,208	27,882	
Number of classified in/projects assessed for environmental and social risks classified in <u>low-risk</u> category	Number	23,030	26,608	13,892	13,760	
Amount of outstanding loans of low-risk category	Euros (€)	5,572,628,578	5,439,269,463	4,293,702,757	3,955,411,541	
Number of loans/projects assessed for environmental and social risks classified in <u>medium-risk</u> category	Number	15,956	16,433	13,743	13,476	
Amount of outstanding loans of medium-risk category (€)	Euros (€)	13,215,694,695	13,210,695,465	12,393,499,612	12,319,886,386	
Number of loans/projects assessed for environmental and social risks classified in <u>high-risk</u> category	Number	588	753	573	646	
Amount of outstanding loans of high-risk category (€)	Euros (€)	1,968,701,287	1,899,218,823	1,896,285,813	1,765,132,066	

5.2 Commitments and Targets

In order to support an environmentally sustainable economy and mitigate climate change, the Group has an ambitious plan, with the main objective being the increase in Sustainable Financings and the reduction of financings that may have a negative impact on the environment.

The Group has developed policies and procedures to reduce the operational environmental footprint and set sector decarbonization targets for financed emissions in the most material carbon-intensive sectors, in line with the ambition to promote green financing to mitigate climate change and contribute to a net zero goal.

Strategic environmental metrics						
Code (SASB / ATHEX / GRI INDICATORS)	Metric	Measurement Unit	2022 Reporting Group	2023 Reporting Group	2022 Alpha Bank	2023 Alpha Bank
	Allocate Euro 4.4 billion to new Sustainable Financings, increasing target by 1.1 bn compared to 2023					
INTERNAL INDICATOR	New Sustainable financing volumes (disbursements) throughout the year	mn €	N/A	843	N/A	800
	Within the total Sustainable Financings, achieve at least Euro 2.5 billion to Renewable Energy Systems by 2026					
INTERNAL INDICATOR	Of which: New financing volumes (disbursements) to renewable energy projects throughout the year	mn €	N/A	434	N/A	432
	Within the total Sustainable Financings, achieve at least Euro 300 million of Retail green loans, including loans to small businesses in 2023					
INTERNAL INDICATOR	New financing volumes to Retail Green Loans, including loans to small Businesses	mn €	155	89	35	46
	Launch new sustainability-based mortgage and consumer loan products and credit cards					
INTERNAL INDICATOR	No. of Products Launched	Number	N/A	2	N/A	2
	Zero financing to new investments in thermal coal mining, upstream oil exploration or coal-fired electricity generation					
INTERNAL INDICATOR	New financing volumes	€	0	0	0	0
	Reduction of our operating footprint and setting Net-Zero targets within 2023. Reduction of scope 1 and 2 GHG emissions by 20% until 2025					
GRI 302-1	Total amount of electricity consumed	MWh	52,742	39,266	39,261	34,486
ATHEX C-E1; GRI 305-1	Scope 1 emissions associated with motor fuels, diesel, natural gas and heating oil	tCO2e	2,852	1,683	2,672	1,473
ATHEX C-E2; GRI 305-2	Scope 2 emissions - associated with electricity consumption - location-based	tCO2e	24,796	21,163	21,850	18,419
ATHEX C-E2; GRI 305-2	Scope 2 emissions market-based	tCO2e	2,946	1,723	0	0
ATHEX A-E1; GRI 305-3	Scope 3 (tCO2e) 3 - associated with purchased goods & services, Upstream transportation and distribution, waste generation, business travel, employee commuting. Fuels & energy related activities- excluding category 15	tCO2e	94,830	78,633	12,055	13,636
ATHEX C-E1, C-E2, A-E1; GRI 305-1, 305-2, 305-3	Scope 1, 2 and 3 (excl. category 15) emissions	tCO2e	122,478	101,479	36,576	33,527
ATHEX A-E1; GRI 305-3	Scope 3 emissions (including category 15)	tCO2e	46,439,189	26,239,4125	44,971,606	24,005,382
	Replacement of 70% of the Bank's fleet with electric and/or plug-in and hybrid vehicles					
INTERNAL INDICATOR	Number of hybrid and/or plug-in or electric cars to total number of cars	Number and Percentage	181/434 (42%)	294/442 (65%)	181/434 (42%)	294/442 (65%)
INTERNAL INDICATOR	Upgrading lighting to LED lighting throughout the network	Number of Branches with upgraded LED lighting	147	178	127	153
INTERNAL INDICATOR	Continue to procure 100% renewable electricity for all our buildings and Branches	Percentage of electrical power used that is derived from non-renewable sources	0	0	0	0
	Zero financing to targeted activities harming species diversity, habitats and waterbodies					
INTERNAL INDICATOR	New financing volumes	Million €	0	0	0	0
GRI 304-1	Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas.	Number	0	0	0	0
	Reduction of annual paper usage rate by 50% by the end of 2025 (compared to 2019)					
GRI 306-3	Total waste recycled	tn	1,093	1,042	829	475
GRI 306-3	Total amount of paper used	tn	412	390	358	325
GRI 306-3	Amount of paper recycled	tn	1,066	1,015	803	449
GRI 306-3	Tones of paper recycled to tones of paper used (including copying paper, statements, bank forms, etc.)	Percentage (%)	259	260	225	138
INTERNAL INDICATOR	Sustainable Disbursements - Wholesale: Recycling and Reuse	€	-	8,153,219	-	8,153,219

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Appendix

6. Appendix

TCFD Recommendations table

TCFD Recommendations		Location of the report	Page
Governance Disclose the organization's governance around climate-related risks and opportunities.	A. Describe the Board's oversight of climate-related risks and opportunities.	Governance Board level oversight	11
	B. Describe management's role in assessing and managing climate-related risks and opportunities.	Governance Management's role and responsibilities	14
Strategy Disclose 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.	A. Describe the climate-related risks and opportunities the organization has identified over the short-, medium- and long-term.	Strategy Climate-related Risks and Opportunities Risk Management Risk identification and assessment	18, 49
	B. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Strategy Impact on Organization	26
	C. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2o C or lower scenario.	Governance Resilience of Strategy	47
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	A. Describe the organization's processes for identifying and assessing climate-related risks.	Risk Management Risk identification and assessment	49
	B. Describe the organization's processes for managing climate-related risks.	Risk Management Risk management process	61
	C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Risk Management Integration into overall risk	66
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics and targets Environmental metrics Financial products/ services	69, 71
	B. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Metrics and Targets GHG emissions Strategy Financed Emissions measurement	70, 19
	C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Metrics and Targets Commitments and Targets Strategy Business Model and Strategy Sector portfolio decarbonization targets Sustainable Financing targets	72, 27, 33, 41

List of abbreviations and acronyms

The following table presents the explanation of specific abbreviations and acronyms used within this Report, to ensure that all readers are familiar with their meaning.

Abbreviations	
BCM	Business Continuity Management
BoD	Board of Directors
BREEAM	Building Research Establishment Environmental Assessment Method
CGSNC	Corporate Governance, Sustainability and Nominations Committee
CDP	Climate Disclosure Project
CPRS	Climate Policy Relevant Sectors
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
C&E	Climate-related and Environmental
CRE	Commercial Real Estate
EBRD	European Bank for Reconstruction and Development
ECB	European Central Bank
EFRAG	European Financial Reporting Advisory Group
EMAS	Eco-Management and Audit Scheme
EMS	Environmental Management System
EPC	Energy Performance Certificate
ESG	Environmental, Social, Governance
ESMA	European Securities and Markets Authority
ESRS	European Sustainability Reporting Standards
EU	European Union
EV	Electric Vehicle
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GSC	Group Sustainability Committee
GSD	Governance and Sustainability Division
ICAAP	Internal Capital Adequacy Assessment Process

ICMA	International Capital Markets Association
IEA	International Energy Agency
ILAAP	Internal Liquidity Adequacy Assessment Process
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
IPIECA	International Petroleum Industry Environmental Conservation Association
ISO	International Organization for Standardization
KPI	Key Performance Indicator
KRI	Key Risk Indicator
LEED	Leadership in Energy and Environmental Design
MSCI	Morgan Stanley Capital International
NACE	Nomenclature statistique des Activites economiques dans la Communaute Europeenne
NFRD	Non-Financial Reporting Directive
NFC	Non-Financial Corporations
NGFS	Network for Greening the Financial System
NZBA	Net Zero Banking Alliance
OECD	Organization for Economic Co-operation and Development
OSI	On site inspection
PCAF	Partnership for Carbon Accounting Financials
PHEV	Plug-in hybrid Electric Vehicle
PPP	Public-Private Partnership
PRB	Principles of Responsible Banking
RAF	Risk Appetite Framework
RCP	Representative Concentration Pathways
RES	Renewable Energy Sources
REO	Real Estate Owned
RRF	Resilience and Recovery Facility
RRP	Recovery and Resilience Plan
SASB	Sustainability Accounting Standards Board

SBTi	Science Based Target Initiative
SDA	Sector Decarbonization Approach
SDGs	Sustainable Development Goals
SFF	Sustainable Finance Framework
SIMD	Supervisory Issues Management Division
SSM	Single Supervisory Mechanism
STE	Short Term Exercise
TCFD	Task Force on Climate-Related Financial Disclosures
UN	United Nations
UDHR	Universal Declaration of Human Rights
UNEP FI	United Nations - Environment Program Finance Initiative

Contact information

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