ALPHA BANK

Sustainable Finance Statement

Introduction

The statement is based on the requirements as set out in the Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (SFDR), specifically relating to the integration of sustainability risks.

Alpha Bank is committed to promote sustainable investments, in its capacity both as a financial advisor providing advisory investment service, and as a financial market participant providing the portfolio management investment service.

Alpha Bank provides for a comprehensive framework,

(a) integrating sustainability risks in the investment decision-making and advisory process,

(b) acknowledging there might be adverse effects on the environment and the goals of sustainable investment, as well as environmental or social parameters in the investment decision-making and investment services process,

(c) establishing a consistent and comprehensive methodology for the classification and reporting of financial products, investments and services in relation to their link to sustainability .

Alpha Bank's ultimate vision is to empower its clients to make a positive impact on the society and the environment through sustainable finance.

Scope

The regulatory requirements provided by the Regulation on sustainability related disclosures in the financial services sector (SFDR), apply to Alpha Bank and Alpha Bank Group Entities in the capacity of financial market participants and/or financial advisers.
Alpha Bank believes that taking into account the sustainability ESG factors can have a material impact on its long-term financial performance and on the financial standing of its clients, and ultimately can realize benefits beyond financial markets such as increasing resilience of the real economy and stability of the financial system. Therefore, it aims to select financial instruments and to shape the portfolio standards available for Customers, focusing on the reallocation of capital towards sustainable and responsible investments.

Definitions

- ‘financial market participant’ among others means:
  - an insurance undertaking which makes available an insurance-based investment product (IBIP)
  - a management company of an undertaking for collective investment in transferable securities (UCITS)
  - a credit institution which provides portfolio management

- ‘financial adviser’ among others means:
  - an insurance intermediary which provides insurance advice with regard to IBIPs;
  - a credit institution which provides investment advice;
  - a UCITS management company which provides investment advice

- ‘financial product’ means:
  - a portfolio managed in accordance with point (6) of this Article;
  - an alternative investment fund (AIF);
  - an IBIP;
  - a UCITS;

- ‘sustainable investment’ means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labor relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;

- ‘sustainability risk’ means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

- ‘sustainability factors’ mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Environmental Social Governance factors integration (ESG)
ESG integration is the investment strategy by which environmental, social and governance factors and risks are systematically analyzed, and influence investment decisions on whether to buy or hold a financial product, and to what extent.

ESG integration enhances financial risk analysis by including all ESG criteria in the analysis of financial information to improve the risk return profile of the portfolio. It requires a continuous reassessment of the underlying criteria and of the potential impact of material financial factors and ESG factors on economic sector and Bank’s performance.

Bank’s responsibilities as a financial market participant and as a financial advisor

The following sustainability principles emphasize Alpha Bank’s commitment to environmental, social and governance responsibility, considering the preferences of its clients and at the same time ensuring high level of investor protection.

Given that ESG factors and risks are being progressively incorporated in the characteristics of financial instruments and products, the Bank will monitor and reassess gradually its internal policies.

More specifically, the Bank in compliance with the regulatory framework, when and where feasible in terms of the availability of required data:

- Excludes from the model portfolios, financial instruments related to illegal industries (e.g. production or trade of weapons and ammunition)
- Evaluates financial instruments on the main adverse effects they may have on sustainability factors.
- Acknowledges and considers any inter-relation between investment decisions and adverse effects on sustainability factors, which might be negative, material, or likely to be material
- Classifies model portfolios and financial instruments as financial products that either promote environmental, social or governance issues, or aim at sustainable investment or are ESG neutral.
- Publishes the required information per product category on its official website.
- Ensures a transparent and accurate structure of remuneration, which discourages taking excessive risk with respect to sustainability and promotes sound and effective risk management.

Finally, the Bank will continuously update its policies and procedures to comply with the respective regulatory framework.