

Sustainable Finance Framework

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ALPHA
SERVICES AND HOLDINGS

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|----------|---------------------|-------|--|
| 1 | Introduction | | |
| | | 1.1 | General Scope 5 |
| | | 1.2 | Sustainability Classification Approaches 6 |
| | | 1.2.1 | Dedicated-purpose financing 6 |
| | | 1.2.2 | General-purpose financing 6 |
| | | 1.3 | Exclusions 7 |

| | | | |
|----------|-------------------|--|---|
| 2 | Governance | | 9 |
|----------|-------------------|--|---|

| | | | |
|----------|-------------------------------|-----|--|
| 3 | Eligibility Assessment | | |
| | | 3.1 | Dedicated-purpose financing 11 |
| | | 3.2 | General-purpose – Company Business Mix 11 |
| | | 3.3 | Methodology for assessing Dedicated-purpose and Business Mix financings 12 |
| | | | Step 1: Eligible Themes & Activities 12 |
| | | | Green Themes & Activities 12 |
| | | | Social Themes & Activities 18 |
| | | | Step 2: EU Taxonomy 20 |
| | | 3.4 | General-purpose – Sustainability-linked Loans & Facilities 21 |
| | | | Sustainability Performance Target (SPT) setting 21 |
| | | | Sustainability-linked methodology 21 |
| | | | Indicative Sustainability Performance Targets (SPT) and Key Performance Indicators (KPIs) 22 |

| | | | |
|----------|------------------------|--|----|
| 4 | External Review | | 24 |
|----------|------------------------|--|----|

| | | | |
|--|-----------------|----|--|
| | Appendix | | |
| | | | EU Taxonomy approach 26 |
| | | A. | Energy Efficiency 27 |
| | | B. | Renewable Energy 28 |
| | | C. | Sustainable Transport 29 |
| | | D. | Resource efficiency and pollution control 29 |
| | | E. | Green Buildings 29 |

Introduction

Definition: The Alpha Bank Sustainable Finance Framework (“SFF” or “the framework”) can be defined as a guide that sets out a series of approaches and procedures required for classifying financing as sustainable. Specifically, the framework stipulates the decision and classification process, that the Bank implements, to categorize its financial products or services as sustainable (i.e., green, or social).

Purpose: The main purpose of the framework is to enable the identification and categorization of sustainable activities and to lay out the criteria to characterize specific loans as sustainable.

The SFF follows a set of globally accepted industry guidelines, including: The Green Bond Principles (2021), the Green Loan Principles (2021), the Sustainability-Linked Loan Principles (2021), the Social Bond Principles (2020), and the EU Taxonomy Climate Delegated Act (2021). The Bank aims at aligning the framework with the requirements of the EU Taxonomy eligibility criteria to the extent possible; thus, it will monitor any developments of the Taxonomy regulation for the framework to remain up to date.

Overall, the framework lays the groundwork for helping Alpha Bank to achieve its sustainability strategy by mobilizing capital to sustainable economic activities.

The Bank has embarked on an ambitious journey to support an environmentally sustainable economy and foster healthy economies and societal progress, while ensuring robust and transparent governance.

The Bank’s actions focus on the increase in Sustainable Financings and the reduction of financings that may have a negative impact on the environment and people’s health & wellbeing. In addition, policies and procedures are developed to reduce the operational environmental footprint and to strengthen the commitments associated with this objective.

Specifically, the Bank’s strategic plan aims to incorporate the following commitments for positive environmental and social impact:

- **Support the Bank customers’ decarbonization**
- **Align portfolio emissions to meet the Paris climate objectives**
- **Mitigate key drivers of biodiversity loss**
- **Support the transition to a circular economy**
- **Achieve Net Zero in own operations**
- **Enhance people’s financial health through inclusive access to financing**
- **Provide an Inclusive and Safe Work environment**
- **Support equal access to Healthcare, Education, Culture and Heritage**

The Bank’s strategic plan aims to address the risks and utilize new business opportunities to increase its 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 to effectively manage any ESG related issues and improve environmental and social impacts.

Collaborative initiatives: The Bank is actively participating in the global effort to build a sustainable future for the economy and the planet through its membership to the United Nations - Environment Programme Finance Initiative (UNEP FI) and being signatory to the six Principles for Responsible Banking. Also, the Bank regularly monitors its contribution to the achievement of the United Nations Sustainable Development Goals (SDGs) by focusing both on the positive and the negative

impact of its value chain. In 2023, Alpha Bank joined the UN-convened Net Zero Banking Alliance, formally committing to achieve Net Zero emissions by 2050.

Approach: Based on global market practices and standards, the Bank classifies eligible financings into four major categories, in order to characterize lending transactions as sustainable. These categories are: (i) Dedicated-purpose – Green/Social Loans, (ii) Dedicated-purpose – Recovery and Resilience Facility-based Approach, (iii) General-purpose – Company Business Mix, (iv) General-purpose – Sustainability-linked Loans/Facilities.

With the operationalization of the framework, information on lending transactions is being processed and stored internally along with any relevant documentation, analyzed, and monitored by relevant areas of the Bank.

Reporting: The Bank is expected to regularly report its performance against its strategic plan and specifically its progress in meeting the sustainable financing target. The Bank intends to disclose information in relation to the financings which are characterized as sustainable and to the extent possible, a breakdown of the use of proceeds by eligible themes, in scope business areas, geographical location and refinancing versus new financing. Reporting information will be made publicly available on an annual basis through its Sustainability Report or dedicated Sustainable Finance report. The reporting is published at [ESG Reporting Hub | ALPHA SERVICES AND HOLDINGS \(alphaholdings.gr\)](https://www.alphaholdings.gr/ESG-Reporting-Hub).

Update: The review of the framework will be executed at least on an annual basis, to ensure any required updates are reflected with regards to regulatory requirements or any additional qualifying activities that might need to be incorporated.

1.1 General Scope

Sustainable finance refers to the process of taking environmental, social and governance (ESG) considerations into account when making investment decisions in the financial sector, leading to the financing of sustainable economic activities and projects.

The scope of the SFF encompasses a variety of ESG lending solutions in the Bank's Wholesale and Retail banking portfolios. Further credit products may be considered following the eligibility criteria assessment described in Chapter 3. The framework is applied at Group level by the Group Companies.

All clients may qualify to receive an SFF loan, subject to assessment against specific criteria set by the Bank. The process of credit granting, and client assessment will continue to take place based on the existing Credit Policy. The overall process of evaluation and approval of the sustainable lending is incorporated within the Bank's existing credit approval process. 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. In addition to customer-level characteristics, each transaction is evaluated against the specific criteria defined by the framework. The ESG client assessment in conjunction with the transaction assessment are taken into consideration to provide the overall ESG outcome that informs the credit-decision making and pricing actions. Both client and transaction assessment aim to inform internal systems for the purposes of monitoring, managing risks, as well as for reporting and data disclosures.

The Bank classifies its sustainable financing solutions into four categories, aiming at establishing an overarching set of sustainability guardrails across the Bank's operating system; creating a coherent path for more coordinated action; producing metrics to track performance; and creating meaningful sustainability results both for the Bank and its clients. A short description of the four categories is provided in the following section, while Chapter 2 provides an overview of the framework's governance.

1.2 Sustainability Classification Approaches

1.2.1 Dedicated-purpose financing

Green/Social Loans: The Bank classifies the financing transaction as a dedicated-purpose loan, when its funds are 100% directed towards a project that is listed under the eligible Green/Social criteria (more information in Section 3.1).

Recovery and Resilience Facility financing: The EU's Recovery and Resilience Facility (RRF) aims at helping EU member countries¹ become more sustainable, resilient, and better prepared for the challenges and opportunities ahead, through its reforms and investments. According to the RRF Regulation, national plans should allocate a minimum of 37% to climate objectives and a minimum of 20% to digital measures. The National Recovery and Resilience Plan Greece's 2.0², adopted on 13 July 2021, consists of 106 investment measures and 68 reforms, structured around four pillars: Green Transition, Digital Transformation, Employment-Skills-Social Cohesion, Private Investments and Transformation of the Economy, which will be supported by loans and grants.

The SFF incorporates financing aligned to the green transition components. The main objectives being the increase of renewable energy sources, energy efficiency improvements, electric mobility, regeneration and climate resilience of urban areas, protection of the natural environment and

alignment with the principles of circular economy. According to Greece's RRF loan programme³, indicative key projects and investments which contribute to the country's green transition include:

- **Upgrading energy efficiency enterprises, and the public sector**
- **Electrical interconnections of the islands and energy storage investments**
- **Urban planning & strategic urban regeneration**
- **Urban wastewater treatment infrastructure in tourism areas**
- **Protection of biodiversity and investment in infrastructure and equipment for the Civil Protection Centers**

Other categories of projects and investments in the RRF loan programme include digital transformation, innovation, research and development, business scale up and extroversion.

The RRF loans allocated with respect to the green transition tagging, irrespective of the RRF loan programme categories, can be characterized as sustainable. The loan will also be assessed for alignment with the other approaches.

1.2.2 General-purpose financing

If the financing is not directed towards a specific project, the Bank can consider offering general-purpose financings, as follows:

Company Business Mix: Company Business Mix loans refer to general-purpose loans offered to companies whose profile (i.e., business mix) falls under the Green/Social eligible activities. To evaluate a company's business mix, one critical condition needs to be met: the company must derive a certain percentage, at least 80% of their total revenue,

from eligible activities (more information in Section 3.2).

Sustainability-linked Loans/Facilities:

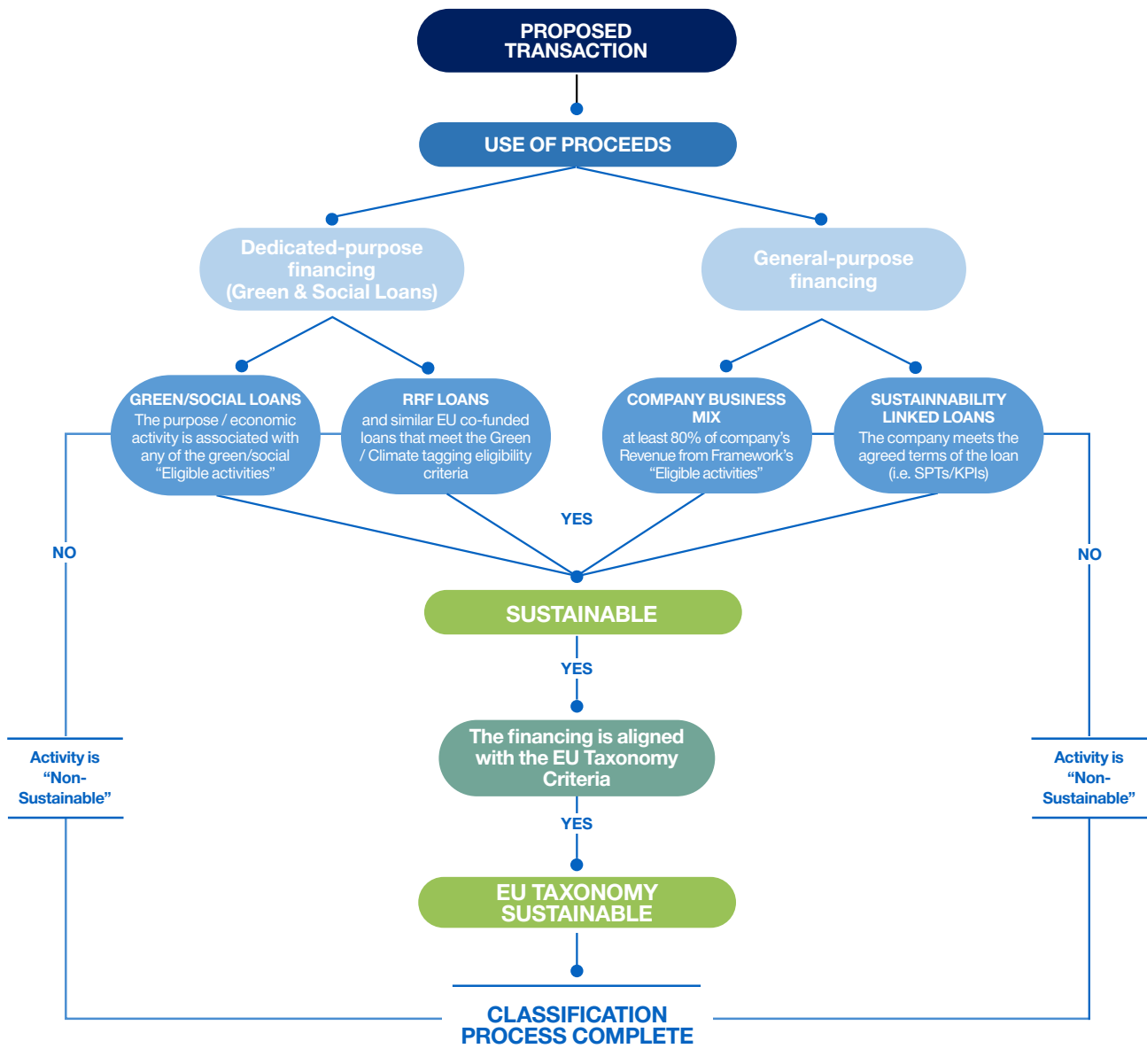
Sustainability-linked loans refer to facilities that provide specific incentives to achieve defined, measurable ESG targets based on pre-determined Sustainability Performance Targets (SPTs) agreed with the client. Typically, the accomplishment of certain SPTs (i.e., the improvement of a client's sustainability performance) leads to a discount to the loan margin (more information in Section 3.4).

1. Foreign subsidiaries with RRF financial instruments that align with the EU's Recovery and Resilience Facility green transition pillar are in scope of the SFF.

2. Link: [NRRP_Greece_2_0_English.pdf \(greece20.gov.gr\)](https://www.greece20.gov.gr/NRRP_Greece_2_0_English.pdf)

3. Link: [Recovery and Resilience Facility Loans](#)

Decision Process Diagram:



1.3 Exclusions

Aligning a sustainable lending transaction with its norms and values is of critical importance for the Bank. Thus, in order to ensure it will finance transactions that do not impose any environmental or social threats, the Bank has incorporated the “Group Environmental and Social Risk Management Policy on Legal Entities Lending” in the Group’s existing Credit Risk Management Framework and the Group’s

Credit Policy, which provides an industry-specific list of sectors that the Group does not finance as well as a list of crucial industry sectors/activities associated with environmental and social risk.

For more information on the above, please read the Sustainability Report (2022, page 38), which is available on the Alpha Services and Holdings S.A. [website](#).

Governance



The Bank acknowledges the importance of the effective integration of its sustainable finance strategy throughout its activities and operations. Thus, the Bank has built a wide-ranging SFF governance model which is based on a dynamic structure and aims to ensure an effective decision-making and execution process.

In order to act on the increasing ESG-related demands of today's highly competitive business environment, the Bank has put in place the SFF governance model whose objective is to facilitate a robust decision process. The SFF governance model is designed to encompass all relevant divisions and lines of defense of the Bank as well as the evaluation and approval process.

- The Bank's **Group Sustainability Committee** (GSC) oversees the implementation of the sustainability strategy and all sustainability initiatives of the Group which are coordinated and monitored by the Governance and Sustainability Division. The committee participates in the review and approval of the framework, whilst measures and monitors the progress of the sustainable financing goals.
- The **Business Units**, including the Wholesale and Retail Units' representatives, perform the initial screening with regards to the proposed ESG classification of the new financings in accordance with the framework.
- The **Governance and Sustainability Division** conducts the evaluation and approval of the eligible transactions and products against the sustainability criteria, monitors the application of the framework, incorporates relevant information into the Bank's sustainability disclosures and participates in the review of the framework.
- The **Credit Risk** ensures that the implementation of the framework is performed in alignment with the Bank's credit risk policies and procedures.
- The **Climate and ESG Risk** performs periodic reviews for ESG classifications of new financings.
- **Compliance** is responsible for monitoring any sustainability-related laws and regulations that could impact the framework and participates in the review of the framework.
- **Internal Audit** performs periodic reviews of the internal controls and processes related to the application of the framework.

The overall process of evaluation and approval of the sustainable financings will be embedded in the Bank's existing credit approval process.

Eligibility Assessment



The Bank has designed a thorough approach for evaluating sustainable financing. Its approach has been developed based on current market practices and regulatory developments, and is demonstrated in detail, throughout this Chapter.

The eligibility assessment approach is broken down into four parts, Dedicated-purpose financing (Green/Social loans), Dedicated-purpose financing (RRF loans), General-purpose financing (Business Mix) and General-purpose financing (Sustainability-linked loans). Each category is linked to a series of tables with information regarding eligible activities (for Dedicated-purpose, Green/ Social loans and General-purpose, Business Mix), and SPTs with their corresponding KPIs per sector (for General-purpose, Sustainability-linked loans). The business units that apply for each sustainable activity are:

Wholesale: The Bank's Wholesale Business Unit can offer all categories of sustainable financing (i.e., Dedicated-purpose / General-purpose). This means that it may exploit the full set of sustainable lending solutions, by choosing to fund a specific economic activity that is listed under the green/ social criteria; a company whose activity is classified as sustainable; or by incentivizing the borrower's achievement of pre-agreed ESG performance targets.

Retail: The Retail Business Unit consists of the Individual Banking and Small Business Banking Divisions. The sustainable financing categories that apply to the Retail portfolio are the Dedicated-purpose financings, the General-purpose financings (only for Small Business clients) and the RRF-based products (only for Small Business clients). In Retail, the Bank will assess whether the products' features align with the sustainability criteria demonstrated in the following sections.

3.1 Dedicated-purpose financing

Through a dedicated-purpose (project/ investment-specific) financing, the Bank determines if the project/ products meet any of the green/ social eligibility criteria and by extension, if the Bank's funds will be directed towards eligible sustainable activities. These eligible activities are presented in the relevant tables in Section 3.3. RRF loans that meet the green/climate tagging eligibility criteria are automatically considered as sustainable.

3.2 General-purpose – Company Business Mix

The General-purpose – Company Business Mix loans refer to transactions which finance general corporate purposes of companies that derive the majority of their revenue from eligible activities. More specifically, in order for the Bank to classify the company as eligible for this type of financing, at least 80% of the company's total revenues must be derived from the framework's eligible activities as presented in Section 3.3.

More specifically,

- **If the company generates at least 90% of its total revenue from the eligible green or social activities, the total amount of the transaction will be included as sustainable.**
- **If the company generates between 80% and 90% of its total revenue from the eligible green or social activities, a pro-rata amount of this funding will be considered as sustainable financing.**



3.3 Methodology for assessing Dedicated-purpose and Business Mix financings

The Bank has developed a list of green and social activities that are eligible for sustainable financing (the tables below apply to Dedicated-purpose and General-purpose, Company Business Mix). The eligibility assessment can be performed through a two-step process: in Step 1, the Bank assesses whether the financing meets the criteria defined under the Eligible Activities. The Eligible Activities are based on the recommendations by the Loan Market

Association (LMA) Green Loan Principles and the International Capital Markets Association (ICMA) Green/ Social Bond Principles. If the financing meets the eligibility criteria included in Step 1, the Bank will evaluate the alignment of the transaction with the EU Taxonomy (Step 2- applicable only for green loans). Also, an annual review⁴ should be conducted to ensure that the client or project complies with the relevant criteria (for Wholesale and Small Business clients).

Step 1: Eligible Themes & Activities Green Themes & Activities

The tables below present the green eligible activities, which are grouped into five distinct themes: **Energy Efficiency, Renewable Energy, Sustainable Transport, Resource Efficiency and Pollution Control, and Green Buildings**; each theme is divided into sub-themes to facilitate eligible activities' categorization purposes.

| Themes | Sub-themes | Eligible Activities | Exclusions | SDG Goals |
|----------------------|--|--|--|--|
| A. Energy Efficiency | A.1 Transmission and Distribution Systems and Upgrades | <ul style="list-style-type: none"> Retrofit of electricity distribution systems, transmission lines or substations to reduce energy use and/or avoid technical losses in the system. Construction/development of new electricity transmission and distribution systems or substations with at least 67% of newly enabled generation capacity below the threshold value of 100 gCO₂ e/kWh or with average system grid emissions below the threshold value of 100 gCO₂ e/kWh, measured on a life cycle basis, over a rolling five-year period. Retrofit or construction/ development of distribution systems, transmission lines or substations to connect on site Renewable Energy Sources (RES) for self-energy needs. Enhancing existing systems to increase efficient use of energy. Example: smart grid technologies. Biofuel infrastructure including refining of eligible biofuels⁵ and transportation/pipelines. | <ul style="list-style-type: none"> Activities that result in the lock in of fossil fuel consumption. Electricity transmission lines and distribution systems which are not part of the interconnected European System. |   |

4. Review may be conducted more frequently or in line with the Bank's Credit Policy/processes in place.

5. For more details refer to Theme: Renewable Energy, Sub-Theme: Generation of electricity from renewable sources.

| Themes | Sub-themes | Eligible Activities | Exclusions | SDG Goals |
|---------------------------------|---|---|--|---|
| A. Energy Efficiency | A.2 Energy Efficiency Technologies | <ul style="list-style-type: none"> Development, manufacture and/ or installation of energy efficiency technologies and products such as efficient appliances with rating of A or above⁶, smart meters, efficient lighting⁷ such as LED lighting, etc. | <ul style="list-style-type: none"> Projects that increase the energy efficiency of fossil fuel production/ distribution or lock in the use of fossil fuel-based technologies and products. |    |
| | A.3 Public Services and Utilities | <ul style="list-style-type: none"> Installation of energy efficient lighting or equipment to increase the operational energy efficiency of utilities and other public services (excluding improvements in buildings). Examples: lighting⁷ such as LED lighting, smart meters, and smart meter infrastructure⁸ and renewable energy storage solutions. High efficiency co-generation, efficient district heating and cooling⁹ with low lifecycle emissions. Improvement of heat efficiency of non-fossil-fuel powered-utilities, power plants, and other public services. Indicative activities involve the rehabilitation of district heating and cooling systems⁹, heat-loss reduction, and/or increased recovery of wasted heat. Distribution network where it is primarily powered by renewables¹⁰. Retrofit of renewable energy power plants such as technology change of solar PV panels, automatic cleaning systems to increase capacity. | <ul style="list-style-type: none"> Projects that enhance the energy efficiency of fossil fuel production and/or distribution. Activities that result in the lock in of fossil fuel consumption. Cogeneration systems applied to the fossil fuel or mining industries. Cogeneration plants powered by coal, oil, or natural gas, unless the natural gas-powered plant has a clear plan to transition to low carbon sources. Electricity transmission and distribution network which is not part of the interconnected European System. |  |
| | A.4 Agricultural processes | <ul style="list-style-type: none"> Improving the energy efficiency of machinery and equipment, irrigation and other agriculture processes through fuel switching to lower carbon options. | <ul style="list-style-type: none"> Energy improvements in equipment and technologies that are primarily driven by fossil fuels. |   |
| | A.5 Industrial processes | <ul style="list-style-type: none"> Development, manufacture, distribution and/or installation of products or services that increase the energy efficiency of industrial processes. Industrial/utility energy efficiency improvements involving changes in processes, reduction of heat losses and/or increased waste heat recovery. This includes the installation of cogeneration plants, powered by renewables. | <ul style="list-style-type: none"> Projects to improve the energy efficiency of fossil fuel production and/or distribution. Processes within industries which are carbon intensive and/or mainly driven by fossil fuels and/ or within heavy industries such as steel, cement, aluminium, etc. Plants or cogeneration plants powered by fossil fuels. |  |

6. Based on the related EU energy labelling system or other equivalent rating system.

7. Interior and exterior LED lighting installations (or lighting rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 - as per activity 3.5 "Manufacture of energy efficiency equipment for buildings" of the EU Taxonomy).

8. Compliant with the requirements of Article 20 of Directive (EU) 2019/944.

9. For systems that use at least: (i) 50% renewable energy, or (ii) 50% waste heat, or (iii) 75% cogenerated heat, or (iv) 50% energy from the combination of specified sources.

10. Renewable energy source includes wind, photovoltaic, small hydro, high efficiency co-generation.

| Themes | Sub-themes | Eligible Activities | Exclusions | SDG Goals |
|----------------------------|---|--|---|--|
| B. Renewable Energy | B.1 Generation of electricity from renewable sources | <p>Electricity generation from:</p> <ul style="list-style-type: none"> Onshore and offshore wind power. Solar power (including floating). Hydropower (<25MW, or >25MW where there is either a lifecycle carbon intensity of $\leq 100\text{gCO}_2/\text{kWh}$ or power density $\geq 5\text{W}/\text{m}^2$). Geothermal power (with direct emissions below $100\text{gCO}_2/\text{kWh}$). Production of electricity from biomass, biogas, or bioliquids (source examples: crop residues, livestock waste, certified wood, non-food biomass, municipal waste). Production of biofuels from waste & residue (forestry and agriculture residues, palm kernels only where these are RSPO certified). Renewable fuels of non-biological origin (RFNBO) including electrofuels (e-fuels). Green hydrogen produced from electrolysis projects. | <ul style="list-style-type: none"> Hydro projects that are large-scale (>25MW) dam or reservoir-based, or run-of river hydro projects with pondage. Facilities operating at life cycle emissions > $100\text{gCO}_2\text{e}/\text{kWh}$. The production of hydrogen through steam reforming processes using natural gas or using oil or coal. Bioenergy production that competes with food production or reduces forestation, biodiversity, or carbon pools in soil. Food and feed crop-based biofuels. |   |
| | B.2 Renewable energy technologies | <ul style="list-style-type: none"> Development and/or manufacture of renewable energy technologies, including equipment for renewable energy generation and energy storage. Examples: wind turbines, solar panels, battery storage. | N/A |   |
| | B.3 Transmission and distribution systems | <ul style="list-style-type: none"> Grid expansion / development that transmits a minimum of 90% renewable energy. Supporting technology/ infrastructure to enable transmission of renewable energy. Examples: energy storage facilities or smart grid technology. | <ul style="list-style-type: none"> Projects/systems where 10% or more of electricity transmitted is fossil fuel generated. |   |
| | B.4 Heat production and thermal energy | <ul style="list-style-type: none"> Thermal applications of solar, geothermal or bioenergy in any sector including the storage of thermal energy. Manufacturing, installation and operation of electric heat pumps¹¹. | <ul style="list-style-type: none"> Application of technology in the fossil fuel industry. |   |

¹¹ The installation and operation of electric heat pumps complies with Directive 2009/125/EC and with a Global Warming Potential < 675.

| Themes | Sub-themes | Eligible Activities | Exclusions | SDG Goals |
|---------------------------------|---|---|---|--|
| C. Sustainable Transport | C.1 Electric, hydrogen and hybrid vehicles | <ul style="list-style-type: none"> • Vehicle retrofit or replacement with zero emission technologies¹². • Hybrid engines and technologies for passenger transportation operating below < 75 gCO₂/vehicle-km¹³. • Acquisition/ manufacture of electric vehicles. • Acquisition/manufacture of other type of vehicles with emissions operating below < 50gCO₂/km until 2025 and zero emission from 2026. | <ul style="list-style-type: none"> • Transport or storage of fossil fuels. • Efficiency improvements involving conventional fossil fuel combustion engines |    |
| | C.2 Public or mass transportation systems | <ul style="list-style-type: none"> • Development and operation of zero emission public or mass transportation systems. This may include equipment and infrastructure for buses, light rail vehicles and other rapid transit systems including overground or underground rail systems. • or hybrid public mass passenger transportation operating below < 75 gCO₂ / passenger-km¹³. • For freight transportation that are not electrified, the following thresholds should be met: 25 gCO₂/t-km¹³. | <ul style="list-style-type: none"> • Transport or storage of fossil fuels. • Efficiency improvements involving conventional fossil fuel combustion engines. |    |
| | C.3 Infrastructure | <ul style="list-style-type: none"> • Development and maintenance of infrastructure for electric vehicles (e.g., charging stations). • Development and maintenance of infrastructure to support zero emissions public transport. • Development of infrastructure for non-motorised transport facilitating personal mobility (e.g. public walking, cycling). • Development of port infrastructure to accommodate for low carbon refuelling, connection to the on-shore electricity grid (shore-side electricity)¹⁴. | <ul style="list-style-type: none"> • Infrastructure dedicated to the transport or storage of fossil fuels. • Port infrastructure not related to the direct supply of zero emissions energy/fuel to vessels. |   |

¹² Replacement of engines with zero-emission technologies including electric or green hydrogen (produced from electrolysis) technologies.

¹³ Aligned to the *EU CO₂ emissions performance standard* and *Climate Bond Initiative criteria*.

¹⁴ Infrastructure enabling low carbon water transport in accordance with Regulation (EU) 2020/852, as per the requirements of activity 6.16.

| Themes | Sub-themes | Eligible Activities | Exclusions | SDG Goals |
|---|--------------------------------|---|--|--|
| | C.4 Shipping | <ul style="list-style-type: none"> • Upgrade or replacement of vessels with low-emission vessels that meet the following criteria: <ul style="list-style-type: none"> › Zero tailpipe emissions, or › Below the emissions intensity thresholds per vessel size (GT) for the Annual Efficiency Ratio (AER) and Energy Efficiency Operational Index (EEOI)¹⁵ – a plan should be demonstrated as a proof that the vessel can remain under the emission intensity threshold throughout its operating life. • Construction/ Purchase of vessels through the use of sustainable fuels/ technologies, to meet low-carbon industry thresholds¹⁵. • Installations and retrofit activities for the use of sustainable fuels (alternative fuel technology could be hydrogen, ammonia etc.) and a mix of technical, operational and innovative solutions¹⁶ that lead to a reduction of emissions intensity below industry thresholds.¹⁵ | <ul style="list-style-type: none"> • Vessels transporting fossil fuels. • R&D for fossil fuel-based technologies. • Open loop scrubbers. |   |
| D. Resource Efficiency and Pollution Control | D.1 Recycling and reuse | <ul style="list-style-type: none"> • Processes and infrastructure that facilitate recycling. Examples: waste management companies which incorporate recycling and sustainable waste management practices. • New technology to facilitate maximum use of waste. Examples: separation of materials or energy efficient recycling technology. • Treatment of bio-waste through anaerobic digestion in dedicated plants with the resulting production and utilisation of biogas and digestate. • Treatment of bio-waste through composting (aerobic digestion) in dedicated facilities with the resulting production and utilisation of compost. | <ul style="list-style-type: none"> • Bioenergy production that competes with food production or reduces forestation, biodiversity, or carbon pools in soil. • Food and feed crop-based biofuels. |   |
| | D.2 Circular economy | <ul style="list-style-type: none"> • Companies/projects that substitute virgin raw materials with secondary (recycled) materials originating from materials and resources recovery. • Companies/projects that increase the capacity utilisation of a product or asset during its useful life through sharing business models. Sharing is circular when it optimises the utilisation of the product or asset. • Repair activities and activities that facilitate reduction in material use. Examples: renting electric appliances instead of buying or community-based equipment sharing, etc. | <ul style="list-style-type: none"> • Activities relevant to products used in/associated with the extraction of fossil fuels |   |

¹⁵ AER (Annual Efficiency ratio) or EEOI (Energy Efficiency Operational Index) aligned to the *Climate Bond Initiative*.

¹⁶ Energy savings technology include hull coating with anti-fouling methods; propulsion hydrodynamics improvements, speed optimization; smarter logistics, installation of low energy light bulbs; installation of solar/wind auxiliary power for accommodation services, wind assisted technology, hydrogen fuel cells, batteries.

| Themes | Sub-themes | Eligible Activities | Exclusions | SDG Goals |
|-----------------------|--|--|---|---|
| E. Green Buildings | E.1 Real Estate (commercial, industrial, residential, and public buildings) | <p>1. Construction/ Purchase of new buildings:</p> <ul style="list-style-type: none"> Buildings certified to an acceptable level under an internationally or nationally recognized green building certification scheme, including: <ul style="list-style-type: none"> › LEED (Gold or above) › BREEAM (Very good or above) › EDGE (Certified) › Energy Performance Certificate (A or above) accredited by the Greek Ministry of Environment & Energy or relevant National Authority. <p>2. Renovation of existing buildings:</p> <ul style="list-style-type: none"> Buildings certified to an acceptable level under an internationally or nationally recognized green building certification scheme, including: <ul style="list-style-type: none"> › LEED (Gold or above) › BREEAM (Very good or above) › EDGE (Certified) › Energy Performance Certificate (B+ or above) accredited by the Greek Ministry of Environment & Energy or relevant National Authority. <p>3. System upgrades for buildings:</p> <ul style="list-style-type: none"> Energy efficiency measures that lead to a reduction of primary energy demand of at least 30% in comparison to the energy performance of the building before the upgrades or The primary energy demand after the upgrades is within the best 15% of the local stock or complies with local energy efficiency regulations¹⁷. <p>Eligible activities include:</p> <ul style="list-style-type: none"> Waste heat recovery improvements with a minimum nominal performance of 73%¹⁸. Energy efficiency measures¹⁹ including tank and pipe insulation, draught proofing, loft insulation, low-energy lights, insulation to existing envelope components such as external walls, roofs, lofts, basements, and ground floors (including measures to ensure airtightness and reduce the effects of thermal bridges), cavity wall insulation, internal wall insulation, double glazing, insulated render, external wall insulation, energy efficient external doors, etc. Heating measures including air source heat pumps, ground source heat pumps, micro combined heat, and power (micro-CHP), heating controls²⁰, replacement of old pumps with efficient circulating pumps²¹. | <ul style="list-style-type: none"> Energy improvements in equipment/ appliances that result in the lock in of fossil fuel technologies. Activities associated with buildings directly involved in the exploration, extraction, refining and distribution of fossil fuels. |    |




¹⁷ Energy Performance of Buildings Directive (EPBD), 2010/31/EU.

¹⁸ Installation heat exchanger/recovery systems aligned with with the Regulation (EU) 2020/852, as per the requirements for activity 7.6.

¹⁹ Energy efficiency measures that comply with the minimum requirements set for individual components and systems in the applicable national measures implementing Directive (EU) 2010/31 and, where applicable, are rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369, as per the requirements for activity 7.3.



²⁰ Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings. Examples: zoned thermostats, smart thermostat systems and sensing equipment, automation and control systems, building energy management systems (BEMS), lighting control systems and energy management systems (EMS), smart meters for gas, heat, cool and electricity.

²¹ Also refer to the Eligible Theme: Renewable Energy, Sub-Theme: Heat production and thermal energy.

| Themes | Sub-themes | Eligible Activities | Exclusions | SDG Goals |
|--------|--|---|---|---|
| | E.1 Real Estate (commercial, industrial, residential, and public buildings) | <ul style="list-style-type: none"> • Installation and replacement of energy efficiency equipment including heating, ventilation, and air conditioning (HVAC)²² and domestic hot water systems²³, equipment related to district heating, etc. • Renewable energy generation including solar hot water, solar Photovoltaic, rainfall capture, etc. • Installation, maintenance and repair of façade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation. • Resilience measures including products to enhance resistance to flooding such as flood doors and windows or demountable barriers, measures to enhance resilience to flooding such as resilient wall and floor finishes, resilient insulation, measures to enhance resistance to heatwaves such as external shutters, external insulation, etc²⁴. • Water efficiency measures to reduce water consumption²⁵, including indoor water efficient fixture and fittings and outdoor water efficient landscaping, etc. | <ul style="list-style-type: none"> • Energy improvements in equipment/ appliances that result in the lock in of fossil fuel technologies. • Activities associated with buildings directly involved in the exploration, extraction, refining and distribution of fossil fuels. |    |

Social Themes & Activities

The tables below present the social eligible activities, which are grouped into four distinct themes: **Economic Inclusion, Affordable Basic Infrastructure, Access to Essential Services, and Affordable Housing**; each theme is divided into sub-themes to facilitate activities' categorization purposes. The framework targets socioeconomically disadvantaged population, living in rural areas or isolated islands with limited or inadequate basic infrastructure, undereducated, long-term unemployed and working population vulnerable at losing their job due to the energy transition. In addition, aging population, vulnerable youth, persons with different abilities or in need of medical attention.

| Themes | Sub-themes | Eligible Activities | Exclusions | SDG Goals |
|--------------------------------------|---|--|---|---|
| A. Economic Inclusion | A.1 Access to credit and financing | <ul style="list-style-type: none"> • SME lending in emerging markets. • Microfinance²⁶ lending. • To be eligible for the use of proceeds, one or more of the following populations should be specifically targeted: <ul style="list-style-type: none"> › Females › Rural populations focusing on agricultural production and agricultural value chains › Excluded and/ or marginalized populations › Economically disadvantaged groups²⁷ | <ul style="list-style-type: none"> • Financings to excluded activities (refer to section 1.3). |    |

22 In compliance with minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU and, where applicable, are rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369, as per the requirements for activity 7.3.











23 Efficient operation of heating water. Examples: tankless (on-demand) water heaters that run on renewables, sun-storage water heaters. Space heating and domestic hot water systems rated in the Qhighest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369, as per the requirements for activity 3.5.

24 Resilience measures to reduce risks related to flooding and / or heatwaves based on climate risk vulnerability assessment.





25 Aligned with the Regulation (EU) 2020/852, as per the requirements for activity 7.1 - 7.2 (DNSH on Water).

26. Microfinance lending covers loans < 10,000 EUR at origination (IFC).

27. Defined as the population groups "at-risk-of poverty" including the persons with an equalised disposable income below the 60% of the median equalised disposable income.

| Themes | Sub-themes | Eligible Activities | Exclusions | SDG Goals |
|------------------------------|---|--|---|---|
| A. Economic Inclusion | A.2 Employment generation and job training | <ul style="list-style-type: none"> • Job training or job placement programs for vulnerable populations. • Projects that generate local employment opportunities in areas of high unemployment, underserved and/or deprived areas. • SMEs located in areas affected by phasing out of fossil fuel power stations. | <ul style="list-style-type: none"> • Financings to excluded activities (refer to section 1.3). |    |
| | B. Affordable Basic Infrastructure | <ul style="list-style-type: none"> • Public transportation²⁸ enabling connectivity of rural and low-income regions or remote islands. • Public transportation that enables low-carbon road and water transport use by underserved populations. | <ul style="list-style-type: none"> • Financings to excluded activities (refer to section 1.3). |    |
| | B.2 Other basic infrastructure | <ul style="list-style-type: none"> • Development, expansion, or improvement of access to safe and affordable drinking water and sanitation, for underserved populations. • Financing that ensures access to clean and affordable energy products/services. • Infrastructure that improves internet/telecommunication connectivity for underserved populations. • Other social infrastructure contributing to social inclusion in the community. Examples: access to recreational centres and cultural centres. | <ul style="list-style-type: none"> • Financings to excluded activities (refer to section 1.3). |     |

28. Types of transportation include rail transport, road transport (buses), seawater and coastal transport (ferries).

| Themes | Sub-themes | Eligible Activities | Exclusions | SDG Goals |
|--|--------------------------------------|--|---|--|
| C. Access to Essential Services | C.1 Health | <ul style="list-style-type: none"> • Development, expansion, or acquisition of hospitals /healthcare facilities. • Financing of public health emergency response energy (including electricity). • Provision/distribution of healthcare equipment for public/ free/subsidised services. • Provision of free/subsidised/ affordable training for healthcare professionals. | <ul style="list-style-type: none"> • Financings to excluded activities (refer to section 1.3). |  |
| | C.2 Education | <ul style="list-style-type: none"> • Development of education facilities (eg. public schools, universities etc.). • Free/subsidised/affordable training for educational professionals. • Financing that ensures access to university education for low-income students. • University programs to promote entrepreneurship and innovation aligned to the framework's eligible themes. | <ul style="list-style-type: none"> • Financings to excluded activities (refer to section 1.3). |  |
| D. Affordable Housing | D.1 Affordable social housing | <ul style="list-style-type: none"> • Financing of construction, renovation and maintenance of houses destroyed or damaged by natural disasters. • Adequate, safe and affordable housing for women, low-income and underserved population | N/A |   |

Step 2: EU Taxonomy

The EU Taxonomy is a classification system, which sets a list of environmentally sustainable economic activities. Under the Taxonomy regulation, economic activities that make a substantial contribution to climate change mitigation or adaptation must meet specific technical screening criteria and must be evaluated in order to ensure that they do not cause significant harm to all remaining environmental objectives, and that they comply with the human and labour rights standards.

The Bank considers the complete list of criteria²⁹ (Substantial Contribution Criteria and DNSH Criteria) in the EU Taxonomy Climate Delegated Act when assessing financing for meeting the EU Taxonomy sustainable classification. Further information on the approach to qualify an economic activity as environmentally sustainable and the alignment of the framework's activities with the EU Taxonomy eligible activities can be found in the Appendix.

29. [Regulation \(EU\) 2020/852 technical screening criteria.](#)

3.4 General-purpose – Sustainability-linked Loans & Facilities

Sustainability-linked lending refers to financing in the form of loan instruments and/or contingent facilities that incentivise the borrower's achievement of ambitious, predetermined sustainability performance objectives. The main goal of the Sustainability-linked loans is to promote environmentally and socially sustainable economic activity and growth.

In order to estimate and assess the sustainability performance of the client, specific sustainability performance targets (SPTs) are defined, measured by key performance indicators (KPIs) that calculate the improvements in the client's ESG profile. The Bank has identified indicative, priority and sector specific KPIs that can be used for the determination of Sustainability Performance Targets.

Finally, in case that the company belongs to a wider Group, the following should be clear: i) the SPTs are related to the legal entity, which is financed, and ii) the SPTs should be linked to the period of repayment of the facility, not to the wider plan of achieving the targets.

Sustainability Performance Target (SPT) setting

The SPTs should be set in good faith between the Bank and its clients and should be ambitious, in order to encourage positive change through incentives and track material improvements in the clients' performance, which will be contrasted to a baseline performance level.

The SPTs should be aligned with the client's existing sustainability strategy (if applicable) and should reflect issues relevant to the company's sector and business.

The SPTs should not be less strict from the sustainability-related commitments/targets already set by the client's sustainability strategy and/or any thresholds required by the relevant applicable regulation.

Finally, the SPTs should be determined on a predefined timeline, set before or concurrently

with the origination of the loan and achieved within the term of the loan.

Sustainability-linked methodology

Sustainability-linked instruments follow a clear process, based on a specified set of components. These are, in summary:

- a) **General:** Rationale and consistency with the client's overall business and sustainability strategy.
- b) **Selection of KPIs:** KPIs must be relevant, core and material to the client's overall business, measurable and able to be benchmarked.
- c) **Calibration of SPTs:** SPTs must be ambitious, representing a material improvement in the respective KPIs.
- d) **Loan characteristics:** Description of the economic outcome linked to whether or not the SPTs are met.
- e) **Reporting:** The client should report performance against the sustainability targets on a pre-determined frequency.
- f) **Verification:** The client should provide an external review of the performance level against the SPTs.

Indicative Sustainability Performance Targets (SPTs) and Key Performance Indicators (KPIs)

The section below presents a set of priority potential SPTs with their respective indicative KPIs. For each Sustainability-linked Loan, the Bank intends to cover all three areas (E, S, G) through the SPTs, in agreement with the client.

Priority SPTs

| Topic | SPT Description | Indicative KPI | Area |
|---|--|--|--------|
| Greenhouse Gas Emissions | Reduction in gross global Scope 1 emissions, percentage covered under emissions-limiting regulations | Metric tons (t) CO ₂ -e, Percentage (%) | E |
| Energy Management | Decrease in the total energy consumed / Increase in the percentage of renewable energy | Megawatt-hours (MWh) Percentage (%) | E |
| Diversity | Increase in gender diversity | % Women in governance and management positions; in overall workforce; in overall recruitments | S or G |
| Health & Safety | Minimisation of serious work-related accidents across business operations | Lost Time Injury Frequency (LTIF): $(\text{Number of lost time injuries in the reporting period} \times 1,000,000) / \text{Total hours worked in the reporting period}$ Lost Time Injury (LTI): $\text{Number of workdays lost} \times 1,000,000 / \text{Total hours worked}$ | S |
| Improvement of ESG Rating (Optional) | Increase in the scoring in reputable ESG rating agencies | N/A | G |

External Review



Alpha Bank has obtained an external review of the framework by ISS-Corporate to confirm the transparency of the framework and alignment with best market practices.

The external review will be published on Alpha Bank ESG & Sustainability webpage *ESG Reporting Hub | ALPHA SERVICES AND HOLDINGS (alphaholdings.gr)*.

Appendix

The EU Taxonomy establishes five overarching conditions to qualify an economic activity as environmentally sustainable.

In order to establish whether an economic activity or project is environmentally sustainable, the following approach should be followed:

- i. Use of proceeds:** The proceeds of the financing are dedicated to an activity that contributes substantially to one or more of the following six environmental objectives:
 - a. Climate change mitigation
 - b. Climate change adaptation
 - c. Sustainable use and protection of water and marine resources
 - d. Transition to a circular economy
 - e. Pollution prevention and control
 - f. Protection and restoration of biodiversity and ecosystems
- ii. Substantial contribution (SC) criteria:** The activity meets the substantial contribution criteria established by the EU Taxonomy for each category of the eligible activities.
- iii. Do No Significant Harm (DNSH) assessment:** The activity does not significantly harm any of the bovementioned environmental objectives.
- iv. Minimum social safeguards:** The activity complies with the minimum social safeguards as set in the EU Taxonomy.
- v. Annual review:** An annual review should be conducted to ensure that the client or project complies with the relevant criteria.

List of Sustainable Finance Framework activities overlapping with EU Taxonomy activities:

A. Energy Efficiency

A.1: Transmission and Distribution Systems and Upgrades

Transmission and distribution of electricity [EU Taxonomy Annex I (Climate Change Mitigation): 4.9]

A.2: Energy Efficiency Technologies

Manufacture of energy efficiency equipment for buildings [EU Taxonomy Annex I (Climate Change Mitigation): 3.5]

A.3: Public Services and Utilities

- Transmission and distribution of electricity [EU Taxonomy Annex I (Climate Change Mitigation): 4.9]
 - Cogeneration of heat/cool and power from solar energy [EU Taxonomy Annex I (Climate Change Mitigation): 4.17]
 - Cogeneration of heat/cool and power from geothermal energy [EU Taxonomy Annex I (Climate Change Mitigation): 4.18]
 - Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels [EU Taxonomy Annex I (Climate Change Mitigation): 4.19].
 - Cogeneration of heat/cool and power from bioenergy [EU Taxonomy Annex I (Climate Change Mitigation): 4.20].
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A.5: Industrial processes

- Transmission and distribution of electricity [EU Taxonomy Annex I (Climate Change Mitigation): 4.9]
 - Cogeneration of heat/cool and power from solar energy [EU Taxonomy Annex I (Climate Change Mitigation): 4.17]
 - Cogeneration of heat/cool and power from geothermal energy [EU Taxonomy Annex I (Climate Change Mitigation): 4.18]
 - Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels [EU Taxonomy Annex I (Climate Change Mitigation): 4.19].
 - Cogeneration of heat/cool and power from bioenergy [EU Taxonomy Annex I (Climate Change Mitigation): 4.20].
 - Installation, maintenance, and repair of energy efficiency equipment [EU Taxonomy Annex I (Climate Change Mitigation): 7.3]
 - Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings [EU Taxonomy Annex I (Climate Change Mitigation): 7.5]
-

B. Renewable Energy

B.1: Generation of electricity from renewable sources

- Electricity generation using solar photovoltaic (PV) technology [EU Taxonomy Annex I (Climate Change Mitigation): 4.1]
 - Electricity generation using concentrated solar power (CSP) technology [EU Taxonomy Annex I (Climate Change Mitigation): 4.2]
 - Electricity generation from wind power [EU Taxonomy Annex I (Climate Change Mitigation): 4.3].
 - Electricity generation from ocean energy technologies [EU Taxonomy Annex I (Climate Change Mitigation): 4.4].
 - Electricity generation from hydropower [EU Taxonomy Annex I (Climate Change Mitigation): 4.5].
 - Electricity generation from geothermal energy [EU Taxonomy Annex I (Climate Change Mitigation): 4.6].
 - Electricity generation from renewable non-fossil gaseous and liquid fuels [EU Taxonomy Annex I (Climate Change Mitigation): 4.7].
 - Electricity generation from bioenergy [EU Taxonomy Annex I (Climate Change Mitigation): 4.8].
-

B.2: Renewable energy technologies

- Manufacture of renewable energy technologies [EU Taxonomy Annex I (Climate Change Mitigation): 3.1]
-

B.3: Transmission and Distribution Systems

- Transmission and distribution of electricity [EU Taxonomy Annex I (Climate Change Mitigation): 4.9]
-

B.4: Heat production and thermal energy

- Storage of thermal energy [EU Taxonomy Annex I (Climate Change Mitigation): 4.11]
 - Installation and operation of electric heat pumps [EU Taxonomy Annex I (Climate Change Mitigation): 4.16]
 - Production of heat/cool from solar thermal heating [EU Taxonomy Annex I (Climate Change Mitigation): 4.21]
 - Production of heat/cool from geothermal energy [EU Taxonomy Annex I (Climate Change Mitigation): 4.22]
 - Production of heat/cool from renewable non-fossil gaseous and liquid fuels [EU Taxonomy Annex I (Climate Change Mitigation): 4.23]
 - Production of heat/cool from bioenergy [EU Taxonomy Annex I (Climate Change Mitigation): 4.24]
 - Production of heat/cool using waste heat [EU Taxonomy Annex I (Climate Change Mitigation): 4.25]
-

C. Sustainable Transport

C.1: Electric, hydrogen and hybrid vehicles

- Transport by motorbikes, passenger cars and light commercial vehicles [EU Taxonomy Annex I (Climate Change Mitigation): 6.5]
 - Freight transport services by road [EU Taxonomy Annex I (Climate Change Mitigation): 6.6]
-

C.2: Public or mass transportation systems

- Passenger interurban rail transport [EU Taxonomy Annex I (Climate Change Mitigation): 6.1]
 - Urban and suburban transport, road passenger transport [EU Taxonomy Annex I (Climate Change Mitigation): 6.3]
-

C.3: Infrastructure

- Infrastructure for personal mobility, cycle logistics [EU Taxonomy Annex I (Climate Change Mitigation): 6.13]
 - Infrastructure for rail transport [EU Taxonomy Annex I (Climate Change Mitigation): 6.14]
 - Infrastructure enabling low-carbon road transport and public transport [EU Taxonomy Annex I (Climate Change Mitigation): 6.15]
 - Infrastructure enabling low carbon water transport [EU Taxonomy Annex I (Climate Change Mitigation): 6.16]
-

C.4: Shipping

- Sea and coastal freight water transport, vessels for port operations and auxiliary activities [EU Taxonomy Annex I (Climate Change Mitigation): 6.10]
 - Sea and coastal passenger water transport [EU Taxonomy Annex I (Climate Change Mitigation): 6.11]
 - Retrofitting of sea and coastal freight and passenger water transport [EU Taxonomy Annex I (Climate Change Mitigation): 6.12]
-

D. Resource efficiency and pollution control

D.1: Recycling and reuse

- Anaerobic digestion of bio-waste [EU Taxonomy Annex I (Climate Change Mitigation): 5.7]
-

E. Green Buildings

E.1, E.2 : Real Estate (commercial, industrial, residential, and public buildings)

1. Construction of new buildings [EU Taxonomy Annex I (Climate Change Mitigation): 7.1]
 2. Renovation of existing buildings [EU Taxonomy Annex I (Climate Change Mitigation): 7.2]
 3. Installation, maintenance, and repair of energy efficiency equipment [EU Taxonomy Annex I (Climate Change Mitigation): 7.3]
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