

# Piraeus Group

**Type of Engagement:** Annual Review

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## Introduction

In November 2021, Piraeus Group (“Piraeus” or the “Bank”) issued a green bond under the Piraeus Group Green Bond Framework (the “Framework”)<sup>1</sup> aimed at financing or refinancing loans for renewable energy projects in Greece as well as loans eligible under other Framework categories.<sup>2</sup> Sustainalytics provided a Second-Party Opinion on the Framework in September 2021.<sup>3</sup> In November 2023, Piraeus engaged Sustainalytics to review the assets financed under the Framework between November 2021 and September 2023 and provide an assessment as to whether they met the use of proceeds criteria and the reporting commitments outlined in the Framework. This is Sustainalytics’ second annual review of Piraeus’ Green Bond following a previous review in November 2022.<sup>4</sup>

With its inaugural issuance (ISIN XS2400040460), Piraeus raised a total of EUR 497.5 million, financing 723 projects as of September 2023. The majority of the proceeds went towards loans for solar photovoltaic and offshore and onshore wind projects and a small share to small-scale hydropower financing.

## Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the 2021 green bond issuance based on whether they:

1. Met the use of proceeds and eligibility criteria outlined in the Framework; and
2. Reported on at least one of the key performance indicators (KPIs) for each use of proceeds category outlined in the Framework.<sup>5</sup>

**Table 1: Use of Proceeds Category, Eligibility Criteria and associated KPIs**

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators (KPIs)
<b>Renewable Energy</b>	Loans related to the acquisition, development, manufacturing, construction, operation and maintenance, distribution and transmission of renewable energies, such as: <ul style="list-style-type: none"> <li>• Offshore and onshore wind</li> <li>• Concentrated solar power and solar photovoltaic</li> <li>• Small-scale hydropower (&lt;20MW)</li> <li>• Geothermal facilities operating at life cycle emissions less than 100 gCO<sub>2</sub>e/kWh</li> <li>• Waste biomass with feedstock not derived from sources that compete with food sources nor deplete carbon pools</li> </ul>	<ul style="list-style-type: none"> <li>• Expected renewable energy capacity (in MWh)</li> <li>• Expected annual renewable energy generation (in MWh)</li> <li>• Estimated annual GHG emissions avoided or reduced (in tCO<sub>2</sub>e)</li> </ul>

<sup>1</sup> Piraeus Group, “Piraeus Group Green Bond Framework”, at: <https://www.piraeusholdings.gr/en/investors/financials/debt-issuance/green-bond-framework>

<sup>2</sup> The Framework defines three green use of proceeds categories: Renewable Energy, Green Buildings and Energy Efficiency. As of September 2023, Piraeus Group has allocated financing to one green use of proceed category: Renewable Energy.

<sup>3</sup> Sustainalytics, “Second-Party Opinion, Piraeus Group”, (2021), at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/piraeus-group-green-bond-framework-second-party-opinion.pdf?sfvrsn=395313a8\\_1](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/piraeus-group-green-bond-framework-second-party-opinion.pdf?sfvrsn=395313a8_1)

<sup>4</sup> Sustainalytics, “Piraeus Group Green Bond Framework Annual Review”, (2022), at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/piraeus-group-green-bond-annual-review-2022.pdf?sfvrsn=3edbd9fb\\_3](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/piraeus-group-green-bond-annual-review-2022.pdf?sfvrsn=3edbd9fb_3)

<sup>5</sup> KPIs are reported for the use of proceeds category with allocated financing: Renewable Energy

## Issuer’s Responsibility

Piraeus is responsible for providing accurate information and documentation relating to the details of the funded assets, including the description of the assets, the amounts allocated and the projects’ impacts.

## Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from Piraeus’ green bond. The work undertaken as part of this engagement included collection of documentation from Piraeus and review of said documentation to assess conformance with the Piraeus Group Green Bond Framework.

Sustainalytics relied on the information and the facts presented by Piraeus. Sustainalytics is not responsible, nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Piraeus.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

## Conclusion

Based on the limited assurance procedures conducted,<sup>6</sup> nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the reviewed assets do not conform with the use of proceeds criteria and reporting commitments outlined in the Framework. Piraeus has disclosed to Sustainalytics that as at 30 September 2023, 100% of proceeds were allocated to eligible assets.

## Detailed Findings

**Table 2: Detailed Findings**

<b>Eligibility Criteria</b>	<b>Procedure Performed</b>	<b>Factual Findings</b>	<b>Error or Exceptions Identified</b>
<b>Use of Proceeds Criteria</b>	Verification of the assets funded with proceeds from the green bond to determine if assets aligned with the use of proceeds criteria outlined in the Framework and above in Table 1	All assets reviewed complied with the use of proceeds criteria.	None
<b>Reporting Criteria</b>	Verification of the assets funded with proceeds from the green bond to determine if impact of assets was reported in line with the KPIs outlined in the Framework and above in Table 1. For a list of KPIs reported, please refer to Appendix 2.	All assets reviewed reported on at least one KPI per use of proceeds category.	None

<sup>6</sup> Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, their estimated and realized costs and impact, as provided by the issuing entity, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

## Appendices

### Appendix 1: Allocation reporting

Table 3: Allocation of proceeds by Eligibility Criteria

Use of Proceeds Category	Category	Financing	Refinancing	Total
		in million EUR (as of September 2023)		
Renewable Energy	Solar PV	226.4	-	226.4
	Offshore and onshore wind	34.2	227.0	261.2
	Small scale hydropower	-	12.4	12.4
<b>Total</b>		<b>260.6</b>	<b>239.4</b>	<b>500.0</b>

Table 4: Balance of net proceeds

	Amount (in EUR million)	Share (in percentages)
Allocated proceeds	500.0	100
Unallocated proceeds	0	0
<b>Net proceeds from issuance</b>	<b>497.5</b>	<b>100</b>

### Appendix 2: Impact reporting

Table 5: Impact reporting by Eligibility Criteria

Use of Proceeds Category	Added renewable energy capacity (in MW)		Annual electricity generation (in MWh)		Annual GHG emissions reduced or avoided (in tCO <sub>2</sub> e)	
	Financing	Refinancing	Financing	Refinancing	Financing	Refinancing
Solar PV	470.8	-	601,830.7	-	241,352.7	185,194.6
Offshore and onshore wind	73.9	220.9	174,185.7	520,671.6		
Small scale hydropower	-	6.6	-	17,854.2		
<b>Total</b>	<b>772.2</b>		<b>1,314,542.2</b>		<b>426,547.3</b>	

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