

/// Piraeus

Green Bond Framework



May 2024

The Green Bond Framework of Piraeus

CONTENTS

1. Piraeus at a glance
2. Piraeus' sustainability background
3. Piraeus Green Bond Framework overview
 - i. Use of Proceeds
 - ii. Process for Project Evaluation and Selection
 - iii. Management of Proceeds
 - iv. Reporting
4. External Review
5. Disclaimer

1. Piraeus at a glance¹

Piraeus Financial Holdings S.A. (hereinafter “Piraeus Financial Holdings”) is a financial holding company, listed in the Athens Stock Exchange, and the parent company of the banking institution Piraeus Bank S.A. (hereinafter “Piraeus Bank” or the “Bank”) and jointly referred to as “Piraeus”.

Piraeus Bank was founded in 1916 and today represents the leading Bank in Greece as measured by customer loans and deposits market share, with 25% and 28% respectively. It maintains the largest distribution network in Greece, with 378 branches and offers a vast array of financial products and services to 6.2 million customers. Its client base represents c.65% of bankable customers in Greece, with a client satisfaction rate in the top 30% of European banks.

Piraeus is a leading provider of credit and other banking services to large corporates, as well as small and medium business customers in Greece, demonstrated by a 26% market share in corporate loan balances. Piraeus is also a leading provider of sustainable financing, with €2.9bn sustainable loans and an integrated “ecosystem” of solutions to support the efficient development of energy transition products in the Greek market.

The Bank’s digital banking service stands as a prominent banking platform in Greece, providing both web banking and mobile banking options. The platform has earned recognition both domestically and internationally, receiving various awards. In particular, Piraeus holds a 36% market share in e-banking, with 99% of its transactions being conducted via digital channels.

Piraeus is committed to playing a leading role in the Greek economy, actively supporting economic activity and expansion through specialized solutions and high-quality services to its customers.

The Bank’s main targets consist of:

- (a) enhancement and diversification of revenue sources and operational efficiency to generate sustainable profitability,
- (b) expansion of lending to support the country’s economic recovery,
- (c) optimization of return on capital and reward of its shareholders, with a growing distribution pay-out ratio in line with European average levels.

2. Piraeus sustainability background

UN Sustainable Development Goals (SDGs)

Piraeus strives to significantly support the UN Sustainable Development Goals. Specifically, Piraeus, in line with its ESG strategy and materiality analyses, mainly focuses on contributing to 12 SDGs (SDGs: 3, 4, 5, 7, 8, 9, 11, 12, 13, 15, 16, 17).

United Nations Global Compact (UNGC)

In 2004, Piraeus became a signatory to the UN Global Compact, a principle-based framework for businesses, stated in ten (10) Principles in the areas of human and labour rights, environment, and anti-corruption.

Sustainability Policy

The objective of Piraeus Sustainable Development Policy (the “Policy”) is to support, promote, and finance sustainability with adherence to ESG criteria. The Policy, focuses on the areas of corporate governance – economy – society – culture – employees – environment.

In the context of its responsible business activities, Piraeus remains consistent with its commitments regarding the growth of the Greek economy, financing sustainable businesses, ensuring best workplace practices, reinforcing social coherence, strengthening its relationship with local communities, safeguarding cultural heritage and protecting the environment. Through this Policy and guided by the *UN Principles for Responsible Banking*, Piraeus integrates Environmental, Social and Governance (ESG) factors in its operations and business activities.



¹ Piraeus figures refer to 31 December 2023

Piraeus’ climate sustainability strategy is anchored in four dimensions:

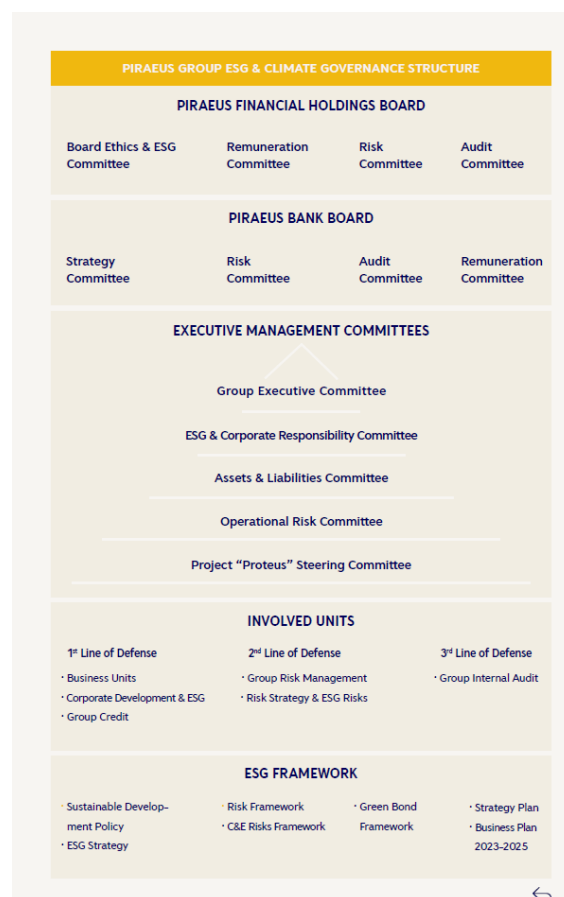
- Reach net zero in own operations: By monitoring and managing environmental impact closely, investing in operational efficiency solutions and sourcing 100% renewable energy for the bank’s buildings;
- Steer portfolio towards net zero by 2050 or sooner: By focusing on the carbon intensive sectors and measuring alignment of lending with Piraeus’ climate and nature solutions;
- Support and advise customers in line with a carbon neutral and nature positive economy: By accelerating the green economy, financing transition, and pioneering financing for new technologies and business models;
- Manage climate and ESG risks: By fully integrating climate and ESG risks in risk management framework and by helping customers protect their business from climate, societal, and governance related risks providing advice and financing their transition.

Piraeus’ ambition is to:

- operate as a purpose-driven organization;
- become the bank of client preference for sustainability solutions;
- better manage ESG-related risks;
- attract long-term investors;
- support the national recovery vision "Greece 2.0²".

Robust corporate governance for sustainability

The Corporate Governance System of Piraeus, adopts and complies with all legislative, institutional and regulatory acts governing its operation and is marked by a strong ESG focus.



² The National Recovery and Resilience Plan under the code name "Greece 2.0" has been approved by Ecofin in mid-July 2021 https://primeminister.gr/wp-content/uploads/2021/03/Greece-2_0-April-2021.pdf

Carbon Footprint: Scope 1, Scope 2 and Scope 3

Piraeus has an internal Environmental Management System, which is registered under EMAS and certified under ISO 14001. Starting in 2024, it will also be certified under ISO 50001.

Piraeus calculates its Scope 1, Scope 2 and Scope 3 (cat. 1-14) carbon emissions stemming from its operations. Furthermore, Piraeus analyzes the carbon intensity of its loan book by calculating its Scope 3 (cat.15) GHG emissions associated with its loans and investments according to the new PCAF methodology per banking product category. The calculation of Piraeus' financed emissions covers all asset classes of the Bank's portfolio under PCAF methodology. Specifically, the calculation of Piraeus' carbon footprint stemming from its business and investment portfolio includes corporate bonds, commercial real estate (loans and investments), equity investments, mortgage loans, corporate loans, motor vehicle loans, as well as sovereign bonds and loans.

Piraeus' Green Bond Framework is stipulated by the following regulatory acts, voluntary standards, in line with market practice. The financings that Piraeus classifies as sustainable must follow the Regulations and Bank's internal Policies/ Frameworks and processes presented, hereinunder:

EU Taxonomy

Piraeus is taking all necessary steps to fully integrate the EU Taxonomy framework in its business decision process and be in the position to meet all mandatory disclosure requirements phasing throughout the 2024 – 2026 period.

Pursuant to EU Taxonomy Regulation (EU 2020 / 852)³, an environmentally sustainable economic activity meets simultaneously the following four criteria:

- ✓ Substantially Contributes (SC) to at least one of the following (six Climate & Environmental (C&E) Objectives) environmental objectives:
 - 1) climate change mitigation
 - 2) climate change adaptation
 - 3) sustainable use and protection of water and marine resources
 - 4) transition to a circular economy
 - 5) pollution prevention and control
 - 6) protection and restoration of biodiversity and ecosystems
- ✓ complies with Technical Screening Criteria (TSC) set in relevant delegated acts⁴ of the Taxonomy Regulation;
- ✓ meets the Do No Significant Harm (DNSH) rule to any of the environmental objectives;
- ✓ complies with Minimum Social Safeguards (MSS).

Specific criteria have been set for all environmental objectives through supplementary delegated acts.

An economic activity is considered as Taxonomy Aligned if it meets all the aforementioned criteria. In case an activity is described in the delegated acts but does not meet the remaining C&E criteria, it is considered as Taxonomy Eligible.

Pursuant to the disclosure obligations of article 8 of the EU Taxonomy Regulation (EU Regulation 2020/852), as supplemented by the Commission Delegated Regulation (EU) 2021/2178, Piraeus disclose the EU Taxonomy Alignment ratios in the Annual Financial Report, starting from the financial year 2023⁵.

Piraeus Sustainable Finance Framework (PG-SFF)

In line with its commitment to sustainability, Piraeus has developed a dedicated Sustainable Finance Framework ("PG-SFF") that serves as a guide for the classification of financial services and products as sustainable. The PG-SFF aims to establish a clear and comprehensive methodology for identifying sustainable financing, thus facilitating the monitoring of the Bank's performance on sustainability-related strategic aspirations and targets.

For the development of the PG-SFF, the Bank leverages on already established internal frameworks (e.g., the Green Bond Framework and the Sustainability-Linked Loans Framework) and globally or regionally recognized initiatives, standards and guidelines (SDGs, EU Taxonomy, ICMA Principles).

³ REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0852&from=EN

⁴ EU Taxonomy Delegated Acts, including both EU Taxonomy Climate Delegated acts and Environmental Delegated Acts, available link [Sustainable finance package 2023 - European Commission \(europa.eu\)](#)

⁵ [Financial Statements & Other Information | Piraeus Financial Holdings \(piraeusholdings.gr\)](#)

The Bank considers the following categories as qualifying for sustainable financing in line with Group's PG-SFF:

1. Sustainable financings based on regulatory and official sector definitions (i.e. Recovery and Resilience Facility (RRF) financings, specific-purpose financings assessed against the EU Taxonomy Regulation).
2. Transition Finance based on regulatory definitions.
3. Other types of sustainable financings based on definitions established by the Bank (e.g. financing with positive SDG contribution or financing towards ESG pure players).

Roadmap for integrating climate risk in Piraeus

Responding to the ECB supervisory expectations regarding climate and environmental risks, Piraeus has implemented a roadmap to fully integrate climate risk in all its operations and decision processes. Specifically:

Intergradation into strategy and governance:

- a. Established firm-wide governance structure with top management accountability.
- b. Assigned responsibility for the management of climate-related and environmental risks within the organizational structure along the 3 Lines of Defense model, in accordance with market practice.
- c. Integrated climate-related and environmental risk into the Bank's strategic mission.

Creation of the proper infrastructure and integration of climate risk into key bank processes:

- d. Defined and identified principal climate risk types and incorporated them as drivers of existing risk categories.
- e. Developed methodology and capabilities to quantify climate related risks and performed scenario analyses.
- f. Initiated integration of climate risk into key bank processes: Credit origination, risk appetite and client engagement.
- g. Integrated climate risk into internal stress testing framework.

Creation of capabilities to meet ECB disclosure expectations, internal monitoring process & reporting:

- h. Designed and implemented methodology to disclose KPIs expected by ECB.
- i. Defined additional KRIs and KPIs to be reported, including development of a Paris Pathway Alignment framework.
- j. Reporting aggregated risk data that reflect their exposures to climate-related and environmental risks enabling the management body and relevant sub-committees to make informed decisions.
- k. Monitoring, on an ongoing basis, the effect of climate-related and environmental factors.

Environmental & Social Management System in business financing (ESMS)

The ESMS aims to evaluate and manage the climate, environmental and social risks from the business activities of financed business customers. The Bank's aim is climate-related and environmental risks to be included at all stages of the credit-granting process since these risks affect the borrower's default risk. With the implementation of the ESMS, climate, environmental and social risks are integrated into the credit assessment. The Bank has also in place an approach for identifying obligors involved in controversial activities. Questions in the ESMS Questionnaire, filled-in by the client, act as triggers to identify Obligors with potentially controversial activities. When triggers have been activated, an interview is performed to understand the underlying events instigating the controversial activity and any mitigation actions planned, in progress or completed. An assessment is performed to evaluate the importance of the incident and the effectiveness of the mitigation actions to prevent the reoccurrence of similar incidents. The results feed into the credit assessment process.

Following this controversy assessment all new loans are ranked as High, Medium or Low E&S Risk Loans. More specifically:

- High Risk: Financing that may result in major environmental or social risks and / or impacts that are potentially multidimensional, irreversible or unprecedented and which usually affect a larger area, outside the project's boundaries.
- Medium Risk: Financing that may result in significant environmental or social risks and / or impacts that are potentially reversible and which usually do not affect a larger area, outside the project's boundaries.
- Low Risk: Financing that may result in comparatively manageable environmental or social risks and / or impacts that are reversible if suitable measures are taken and which usually are limited within the project's boundaries.

According to the ranked category, Piraeus undertakes a case-by-case due diligence by conducting desk reviews of permits and licenses and, in certain cases, site visits. In cases where during the due diligence process, the risks are recognised to be ineffectively addressed, a Corrective Action Plan (CAP) is developed with a specific deadline of implementation, which is agreed upon with the customer.


Exclusion list in business financing

Piraeus has incorporated into its Credit Policy a list of business activities that are excluded from financing; environmental, social, reputational and litigation factors are integrated in Piraeus' Credit Policy. Recent addition includes restrictions in financing clients with revenues from coal/lignite energy production unless a robust and timebound transition plan is in place.

Piraeus Science Based Targets initiative (“SBTi”)

Piraeus has set near-term targets (2027-2030) for operational and financed emissions that were validated by SBTi in December 2023. The financed emissions targets are for below 2°C and refer to nine asset classes representing well over 50% of the total financed emissions.

Electricity in the Bank’s buildings is 100% sourced from renewables, leading to zero Scope 2 emissions (market-based) from 2020 onwards. A target of 73% reduction of Scope 1 and Scope 2 (2019 base year) emissions by 2030 has also been set under the SBTi.

		GHG emissions Scope 1 & Scope 2 (tCO2eq) (base year 2019)	GHG emissions Scope 1 & Scope 2 (tCO2eq) (target year 2030)	GHG emissions reduction (%)	Actual GHG emissions (2022)	Actual GHG emissions (2023)	Actual GHG emissions reduction % (2023)	Progress
Operations <ul style="list-style-type: none"> Direct and indirect GHG from branches and administrative buildings Continue annually sourcing 100% renewable electricity through 2030 		7,880	2,136	-73%	2,083	1,238	-84%	✔
Portfolios under the Sectoral Decarbonization Approach		GHG emissions intensity (base year 2019) In kg CO ₂ / m ²	GHG emissions intensity (target year 2030) in kg CO ₂ / m ²	GHG emissions reduction (%) per m ²	Expected GHG emissions intensity (2023) in kg CO ₂ / m ²	Actual GHG emissions intensity (2023) in kg CO ₂ / m ²	Deviation from expected intensity	Progress
Commercial RE loans in residential buildings managed by companies		34	17	-50%	28	27	-3%	✔
Commercial RE loans in commercial buildings managed by companies		59	25	-58%	46	34	-26%	✔
Commercial RE investments in residential buildings		33	16	-50%	27	27	0	✔
Commercial RE investments in commercial buildings		71	30	-58%	56	43	-23%	✔
Investments in listed REITS (RE companies)		59	25	-58%	46	42	-11%	✔
Investments in bonds issued by companies active in the electricity production		0.66 t _n CO ₂ / MWh	0.34 t _n CO ₂ / MWh	-49%	0.54 t _n CO ₂ /MWh	0.72 t _n CO ₂ /MWh	33%	⊖
Electricity generation sector: continue financing and investing only in renewable electricity activities								✔
Portfolios under the Temperature Rating Method		Portfolio temperature score (base year 2019)	Portfolio temperature score (target year 2027)	Temperature reduction per annum	Actual temperature score for 2022	Expected temperature score for 2023	Actual temperature score for 2023	Progress
Investment in stocks of listed companies		2.83 °C	2.42 °C	-0.051 °C	3.19°C	2.62°C	1.82°C	✔
Long - term (>1yr) loans for large corporates with 500+ employees		2.85 °C	2.43 °C	-0.052 °C	2.56°C	2.64°C	2.37°C	✔
Investment in corporate bonds of listed companies		1.83 °C	1.80 °C	-0.04 °C	2.26°C	1.81°C	2.59°C	⊖

✔ On track to achieve 2030 target ⊖ Continue working in order to achieve targets

Piraeus Energy Transition Business project

Piraeus has launched its Energy Transition Business project as a concrete commercial programme / action plan, which will allow Piraeus to assume a front running role in its customers’ transition journeys to build a better and more sustainable Greek economy. Piraeus will leverage on a structured approach and its deep understanding of the specific needs of each sector with priority focus on power generation, real estate / buildings, and agriculture, as well as tailored approaches to support small businesses and individuals.

The robust implementation of Piraeus’ business plan to date and the realistic assumptions on which it is based, allow us to be optimistic about achieving Piraeus’ goals, enabling us to support the Greek economy.

3. Piraeus Green Bond Framework overview

Piraeus, committed to acting as a responsible bank, strongly believes in the effectiveness of the sustainable finance market and its ability to channel investments to projects and activities with environmental and social benefits. This Framework aims to support Piraeus' ambition to align its business strategy with the need of individuals and the goals of society, as expressed in the SDGs and the Paris Climate Agreement.

Piraeus published its inaugural Green Bond Framework in September 2021. The present 2024 Green Bond Framework (the "Framework") represents an update in order to align with the latest best market practices, Piraeus' sustainable strategy and regulatory developments, in particular the EU Taxonomy and the EU Green Bond Standard, on a best effort basis. Since 2021, regulations have evolved and the Bank aims to incorporate all these evolutions in its Framework in order to reinforce its transparency on the commitment to a sustainable finance market.

EU Taxonomy: The eligibility criteria for the use of proceeds, detailed below, have been drafted taking into considerations the Substantial Contribution Criteria of the EU Taxonomy, where possible and relevant.

EU Green Bond Standard: While the EU GBS enters into application on December 21st 2024 and there is no formal requirement included in the regulation on Green Bond Frameworks, Piraeus has taken the EU GBS into account when structuring this Framework, with the objective to be well positioned to adhere to the standard, on a best effort basis, when it becomes applicable to issuers.

The Framework is compliant with the Green Bond Principles 2021, with June 2022 Appendix 1⁶ version of the International Capital Markets Association ("ICMA"), the "ICMA Principles".

The Framework aligns with the following four core components of the ICMA Green Bond Principles:

- i. Use of Proceeds
- ii. Process for Project Evaluation and Selection
- iii. Management of Proceeds
- iv. Reporting

This Framework also follows the Key Recommendations of the ICMA Principles regarding External Review, both pre- and post-issuance.

This Framework applies, from the moment of its publication, to any future issuance of green bonds, across the capital structure, including senior unsecured bonds, subordinated bonds and senior secured bonds such as covered bonds, via public or private placements. Issuance of Green Bonds by either of the two issuers (Piraeus Financial Holdings S.A. and Piraeus Bank S.A.) aim at (re)financing Eligible Green Assets and contributing to achieving a carbon neutral Europe by 2050, which is a legally binding target prescribed in the recent EU Climate Law, the cornerstone of the European Green Deal.

The Framework is available on [Piraeus' website](#). The Framework is subject to regular review and may be updated to reflect sustainable market developments, regulatory requirements and guidelines. Any such updates to the Framework, when material in nature, will be published on Piraeus' website and will be subject to a refreshed Second Party Opinion (SPO) from a qualified SPO provider.

⁶ [Green-Bond-Principles_June-2022-280622.pdf \(icmagroup.org\)](#)

i. Use of Proceeds

Piraeus at its discretion will use an amount equal to a Green Bond's net proceeds to finance or refinance, in whole or in part, new or existing Eligible Green Assets, that have been specifically selected in accordance with the Eligibility Criteria as outlined in this Framework.

Eligible Green Assets will consist of loans to projects that meet the Eligibility Criteria that have been defined according to:

- ✓ the ESG policies and strategy of Piraeus as described in the Piraeus Sustainable Finance Framework (PG-SFF), or
- ✓ the substantial contribution criteria on eligible economic⁷ activities according to the EU Taxonomy Regulation as indicated in the following table, where possible and relevant.

In addition the Criteria are also based on priorities of the National Recovery and Resilience Plan, and current market best practices.

An amount equal to the net proceeds will be allocated to one or more of the following categories:

- (a) Fixed assets both financial and non-financial
- (b) CapEx and OpEx under Delegated Regulation (EU) 2021/2178⁸
- (c) Assets and expenditures of households

The Eligibility Criteria for potential Eligible Green Assets are outlined below along with examples of Eligible Green Assets that adhere to such criteria.

⁶ [EU Taxonomy Compass](#)

⁷ For further information [Publications Office \(europa.eu\)](#)

HYPERLINK "https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf"-[Bond-Principles_June-2022-280622.pdf \(icmagroup.org\)](#)
2178"[Publications Office \(europa.eu\)](#)

Category

Eligibility Criteria

Contribution to UN SDGs

Green Buildings

Residential and Commercial real estate



Loans to finance new and existing residential and commercial buildings that meet the following criteria:

- For buildings built after 31 December 2020:
 - Primary Energy Demand (PED) at least 10% lower than the threshold set in the national nearly zero-energy building (NZEB) requirements
 - For buildings built before 31 December 2020:
 - minimum Energy Performance Certificate (EPC) class A, or
 - are within the top 15% of the national building stock expressed as operational PED
- and
- Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air conditioning systems or systems for combined air conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment.

Or

Buildings that have obtained one of the following certifications:

- Leadership in Energy and Environmental Design (LEED) of at least Gold, or
- ENERGY STAR (minimum score of 85), or
- Building Research Establishment Environmental Assessment Method (BREEAM) of at least Excellent




or an Energy Performance Certificate (EPC) class “B+” or higher



Loans to finance renovations of buildings that:

- i) comply with the applicable requirements for major renovations set in the national and regional building regulations implementing Directive 2010/31/EU or
- ii) lead to a reduction of the primary energy demand of at least 30%.

Climate Change Mitigation:

- 7.1. Construction of new buildings.
- 7.2. Renovation of existing buildings.
- 7.7. Acquisition and ownership of buildings.

Category	Eligibility Criteria	EU Taxonomy Environmental Objectives and Economic Activity
Renewable Energy		
Renewable energy power generation  	Loans to finance equipment, development, manufacturing, construction, operation, of renewable energy generation sources: <ul style="list-style-type: none"> ▪ Solar Photovoltaic (“Solar PV”) ▪ Offshore and Onshore Wind ▪ Small scale Hydropower (<20MW) facilities with lifecycle GHG emissions lower than 100gCO₂e/kWh (assets older than 2019) or 50gCO₂e/kWh (assets in operation since 2019 or later) ▪ Geothermal facilities operating at life cycle emissions lower than 100gCO₂e/kWh 	Climate Change Mitigation: <ul style="list-style-type: none"> 3.1. Manufacture of renewable energy technologies. 4.1. Electricity generation using solar photovoltaic (PV) technology. 4.3. Electricity generation from wind power. 4.5. Electricity generation from hydropower. 4.6. Electricity generation from geothermal energy.
Energy Storage 	Loans to finance construction, installation, maintenance and operation of electrical storage.	Climate Change Mitigation: <ul style="list-style-type: none"> 4.10 Storage of electricity. 4.11 Storage of thermal energy. 7.6 Installation, maintenance and repair of renewable energy technologies.

Category	Eligibility Criteria	EU Taxonomy Environmental Objectives and Economic Activity
Energy Efficiency		
Energy efficiency equipment  	Loans related to assets that contribute to a reduction of energy consumption such as: <ul style="list-style-type: none"> • Energy Efficient Lighting (LED lighting) ▪ Electricity smart meters Loans related to the installation, repair or maintenance of: <ul style="list-style-type: none"> • energy efficient equipment, • EV charging stations, • devices for measuring and regulating energy performance. 	Climate Change Mitigation: <ul style="list-style-type: none"> 7.3. Installation, maintenance, and repair of energy efficiency equipment. 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings). 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings.

Category

Eligibility Criteria

Clean Transportation

Clean Transportation Vehicles



Loans related to the development, manufacturing construction or maintenance of low-carbon shipping rolling stock:

- Passenger or freight Vessels running on zero direct (tailpipe) CO2 emissions and are not dedicated to fossil fuels transportation
- Sea and coastal passenger or freight vessels as well as vessels for port operations and auxiliary activities operating on zero direct (tailpipe) emission fuels or on fuels from renewable sources that until 31 December 2025, have an attained Energy Efficiency Design Index (EEDI) value equivalent to reducing the EEDI reference line by at least 10 percentage points below the EEDI requirements (for cases where technologically and economically is not feasible to comply with the above criterion)

Until 31 December 2025, Loans related to the retrofit or upgrade of sea and coast freight or passenger vessels that lead to fuel consumption reduction of at least 15%, expressed in grams of fuel per deadweight tons per nautical mile, as demonstrated by computational fluid dynamics (CFD), tank tests or similar engineering calculations.

Loans related to the development, manufacturing, construction or maintenance of electric vehicles for passenger transport and light commercial vehicles, excluding any vehicle dedicated to the transport of fossil fuel.

Loans related to the development, manufacturing construction or maintenance of the zero direct tailpipe

- electric passenger buses

Loans related to the development, manufacturing construction or maintenance of Infrastructure for zero direct emissions transport:

- electric charging stations

Vehicles and vessels dedicated to the transport of fossil fuel are excluded.

Climate Change Mitigation:

- 6.3. Urban and suburban transport, road passenger transport.
- 6.5 Transport by motorbikes passenger cars and light commercial vehicles.
- 6.11. Sea and coastal passenger water transport.
- 6.12. Retrofitting of sea and coastal freight and passenger water transport.
- 6.15. Infrastructure enabling low-carbon road transport and public transport.

EU Taxonomy

As part of the reporting of its Green Asset Ratio for financial year 2023, Piraeus has started assessing the alignment of its loans with the Substantial Contribution Criteria, the DNSH and the Minimal Social Safeguards (MSS). Piraeus intends to leverage on this exercise to progressively align its loan portfolio with the criteria of the EU Taxonomy.

In this objective, Piraeus updated the Eligibility Criteria of this Framework to be as close as possible to the Substantial Contribution Criteria and intends to analyse the alignment with the DNSH and MSS of Eligible Green Assets when feasible with the objective of allocating parts (up to 10%) of the proceeds of its Green Bonds to assets fully aligned with the EU Taxonomy.

Exclusionary Criteria

Piraeus has developed a list of exclusionary criteria for the proceeds of its Green Bonds. Piraeus commits to not knowingly involving itself in financing any of the following assets or activities through the proceeds of its Green Bonds:

- Fossil Fuel
- Weapons
- Gambling
- Tobacco
- Adult entertainment
- Predatory lending
- Nuclear

Furthermore, Piraeus will not finance companies:

- whose operations impact the UNESCO World Heritage Sites in Greece;
- that operate within nature protected areas (e.g. Natura 2000, Ramsar Convention wetlands) without complying with all legal and regulatory restrictions.

In addition, in case of co-financing, the share of the project already financed by another entity will be excluded from the Eligible Project.

ii. Process for Project Evaluation and Selection

The Green Bond Working Group (GBWG) oversees the application of the Piraeus Green Bond Framework. The GBWG reports to the Asset - Liability Committee (ALCO) of Piraeus, ensuring that the eligibility criteria for green assets, as well as the use of proceeds are in full compliance with the Framework and follow Piraeus' relevant internal lending procedures.

The GBWG comprises of representatives of relevant business lines including Corporate Development & ESG, Investor Relations, Sustainable Banking, Treasury, Risk management and Finance. The GBWG meets at least once a year or more frequently if otherwise required.

The Green Bond Working Group:

- ✓ Ensures that the Eligible Categories and related specific criteria defined in the Framework are duly applied in any project/loan selected;
- ✓ Reviews and proposes to ALCO any future updates to the Framework, to ensure the document is aligned with best market practices and disclosure requirements or reporting harmonization;
- ✓ Supervises the reporting activity of the outstanding bonds issued under this Framework;
- ✓ Reviews and validates the loans pre-selected for allocation;
- ✓ Reviews any updates to the list of loans pre-selected from the larger Green Asset Portfolio;
- ✓ Removes from the Green Asset Portfolio any Eligible Assets that no longer meet the eligibility criteria and replaces them with new Eligible Assets as soon as feasible;

- ✓ Ensures that all loans financed by a Green Bond will undergo an Environmental and Social risk evaluation using Piraeus' pre-existing Environmental and Social Management System (ESMS, detailed on page 6 of this document and p 10-11 of the Sustainable Development Policy of Piraeus, version 1.0).

ESG Risk Management

All loans financed by Piraeus will comply with the relevant internal lending procedures, which are based on Piraeus' policies such as: Sustainable Development Policy, Sustainable Finance Framework, Credit Policy, Loan Origination, Human Rights Policy; as well as on international principles, such as: UN Principles for Responsible Banking, UN Global Compact.

iii. Management of Proceeds

An amount equal to the net proceeds of the Green Bonds issued under this Framework will be earmarked for allocation to Eligible Green Assets based on an internal Green Bond Register.

The Green Bond Register referred to above will include information on the Piraeus Green Asset Portfolio and is expected to be dynamic with new loans being added and existing loans being removed, as and when applicable.

The Register will include, on a best effort basis, the following information:

- Bond details: ISIN, issue date, size, maturity date, etc.
- Green Asset Portfolio:
 - Eligible Category utilized
 - Amount of Eligible Green Assets outstanding per Eligible Category, with specific flagging of EU Taxonomy aligned assets
 - Description and maturity of the Eligible Green Assets contained in the Portfolio
 - Expected environmental benefits including performance measures where feasible

To ensure that the new bond proceeds are allocated in accordance with this Green Bond Framework, the Green Bond Working Group will track this Green Asset Portfolio on a quarterly basis within the Green Bond Register.

Pending allocation or reallocation to Eligible Green Assets following an issuance, an amount equal to the net proceeds of the bonds will be held in accordance with Piraeus' usual liquidity management policy (including treasury liquidity portfolio, cash, time deposit with banks or other forms of available short term liquidity).

Piraeus aims to have fully allocated an amount equal to the net proceeds of each Green Bond within 24 months of issuance. An amount equal to the Net proceeds can be attributed to Eligible Green Assets originated or refinanced up to 36 months before the issuance of a Green Bond and up to 10% to EU taxonomy aligned activities.

iv. Reporting

Piraeus will publish on its website an Annual Green Bond Report providing information on an aggregated basis for both the allocation of proceeds, as well as the expected impact of the Eligible Green Assets, starting one year after any issuance and until full allocation of an amount equal to the proceeds, and thereafter in case of material changes. Such report will include references, among others, to the following:

Allocation Reporting

The Green Bond Report will include indicatively and inter alia:

- Total amount of bonds outstanding
- Total amount allocated to Eligible Green Assets, with specific flagging for EU Taxonomy aligned assets
- Total amount allocated per Eligible Category
- The remaining unallocated total amount
- The amount or the percentage of new financing and refinancing

Impact Reporting

As part of its public annual reporting, Piraeus will also provide information on the expected environmental impacts of the Eligible Green Assets. The impact report will include qualitative and, where feasible, quantitative information of the environmental outcomes of the Eligible Green assets subject to the availability of the relevant data. Below are examples of impact indicators that may be reported.

Eligible Categories	Potential Quantitative Performance Measures
Green Buildings	<ul style="list-style-type: none"> • Environmental certification • Annual Primary energy consumption of the building (kWh/m²) • Annual Estimated CO₂ emissions of the building (kg /m²) • Reduction in Primary Energy Demand (%)
Renewable Energy Power Generation	<ul style="list-style-type: none"> • Expected annual renewable energy generation (MWh) • Estimated annual GHG emission avoided or reduced (tCO₂e) • Total renewable energy capacity (MW)
Energy Storage	<ul style="list-style-type: none"> • Storage Capacity (MWh)
Energy Efficiency	<ul style="list-style-type: none"> • Annual energy savings (MWh) • Estimated annual GHG emission avoided or reduced (tCO₂e) • Number of smart meters installed
Clean Transportation	<ul style="list-style-type: none"> • Number of financed vessels with zero direct (tailpipe) CO₂ emissions • Number of financed electric vehicles with zero direct (tailpipe) CO₂ emissions • Number of retrofitted vessels financed • Number of financed vessels with a EEDI value at least 10% below the requirements applicable on April 1 2022 • Number of EVs charging stations installed

Piraeus will aim, on a best effort basis, to align its reporting with the recommendations proposed by the Handbook - Harmonised Framework for Impact Reporting⁹ dated June 2023 as published by the ICMA.

⁹ <https://www.icmagroup.org/sustainable-finance/impact-reporting/green-projects/>

4. External review

Second-party opinion: Piraeus has obtained a second-party opinion from Sustainalytics on this Framework and its alignment with the ICMA Principles, as well as its compliance with the substantial contribution criteria and minimum social safeguards of the EU Taxonomy.

Post issuance Annual Review: Starting one year after any issuance and until full allocation Piraeus will request a limited assurance report of the allocation of the bonds proceeds to eligible assets, provided by an external auditor or any other appointed independent third party. The reviewer will verify that an amount equal to the net proceeds of the green bonds has been allocated to Eligible Green Assets in compliance with this Framework.

The Second-Party Opinion and Annual Review will be made available on Piraeus' website (<https://www.piraeusholdings.gr/en/investors/financials/debt-issuance/green-bond-framework>).

5. Disclaimer

The information and opinions contained in this Green Bond Framework are provided by Piraeus Financial Holdings and/or Piraeus Bank S.A. (each of them hereinafter called "Piraeus") as at the date of this document and are subject to change without notice. This Green Bond Framework is intended to provide non-exhaustive, general information. This document may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Piraeus and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability for any loss or damage is accepted by Piraeus as to the fairness, accuracy, reasonableness or completeness of such information or how- soever arising out of or in connection with the use of, or reliance upon, the information contained in this document.

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