



Piraeus Bank

Sustainability-Linked Loans Framework Assessment



Pillar	Key Drivers
Financed Loans: KPI Selection and SPT Calibration	<ul style="list-style-type: none"> Piraeus Bank does not currently intend to issue any capital markets instruments, but any proceeds from a future issuance will finance the underlying pool of sustainability-linked loans (SLL) aligned with this framework and in accordance with the ICMA Sustainability-Linked Loan Principles (SLL Principles). The bank has set up robust processes to select KPIs that are relevant, measurable and benchmarkable. The materiality of KPIs is determined based on an ESG questionnaire, assessed by the bank’s internal ESG expert team. In Sustainable Fitch’s view, the internal materiality assessments could benefit from a more standardised industry approach to mitigate borrower bias and conflicts of interest; currently, this assessment relies on the bank’s internal approach and borrowers’ expertise. The sustainability performance targets (SPTs) are set annually and based on historical data and external benchmarks, ensuring robust baselines. The bank includes provisions to amend long-term transactions so that the SPTs remain relevant and ambitious throughout the lifetime of the loan. The bank’s margin adjustments are tied to sustainability performance, which is consistent with the SLL Principles. The reporting on KPI relevance and target achievements aligns with standard market practice, but the bank does not outline a clear process for renegotiation of targets when they are no longer ambitious or relevant to implement. Piraeus Bank has committed to require an external verification of KPIs and SPTs, as recommended by the SLL Principles; it benefits from having an internal team with specialised sustainability expertise, and an independent reviewer may also be appointed to verify such data.
Process for SLL Evaluation and Selection	<ul style="list-style-type: none"> Piraeus Bank uses a structured process to offer SLLs, in line with its credit policy that evaluates and ranks environmental and social risks. The bank’s assessment includes climate factors and screening for potential controversies, and excludes financing for harmful sectors. The involved departments are clearly disclosed in the framework. Potential borrowers for SLLs are identified and assessed using an ESG questionnaire to gather data and guide engagement, across sectors. The assessment benefits from the department’s track record in sustainability risk assessment. The bank has not defined exclusion criteria specific to the framework or eligible clients for SLLs.
Management of Loan Pool	<ul style="list-style-type: none"> The bank has committed to establish an internal registry for the loans financed under this SLL framework, and has further committed to regular monitoring and disqualification of loans that no longer meet the requirements of the framework. Should Piraeus Bank intend to issue a capital markets instrument to finance the loan pool, the bank reserves the possibility to request external verification on a portfolio level or for individual loans contained within the pool. The development and sustainable banking unit will administer the process of adding new loans to the pool and exclude disqualified loans.
Reporting and Verification	<ul style="list-style-type: none"> In the absence of capital markets instruments, the bank will internally report the characteristics of the loan pool. Should Piraeus Bank intend to issue a capital markets instrument to finance the loan pool, the bank will publicly disclose information such as the size of the loan pool in terms of outstanding loan balances and the sector and geography of borrowers.

Framework Type	Sustainability-Linked Loans
Alignment	✓ Market best practice
Date assigned	2 September 2024
See Appendix A for definitions.	
See Appendix B for methodology.	

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Scope of Assessment

This assessment of the bank's SLL framework does not constitute a second-party opinion for sustainability-linked loans granted by the bank. It assesses the quality of the SLL framework based on existing market best practice and guidelines in terms of the process of identifying applicable KPIs, performance targets, requirements for reporting and verification.

The assessment is based on market principles including the LMA, LSTA and APLMA Sustainability-Linked Loan Principles 2023 as well as the corresponding Guidance on Sustainability Linked Loan Principles 2023. The assessment is also informed by the Guidelines for Sustainability-Linked Loans financing Bonds 2024.

This assessment should not be considered or presented as an assessment of green, social, sustainability or sustainability-linked bonds.

Entity Highlights

Piraeus Bank is one of the largest financial institutions in Greece. It provides retail and corporate banking services to around 6 million customers. As of end-2Q24, Piraeus Bank had about 7,500 employees and total assets of EUR76.6 billion.

The bank's performing loans amounted to EUR23.5 billion at end-2Q24, with large corporate financing comprising the largest share (at EUR11 billion), followed by SMEs (EUR7.2 billion), shipping (EUR3 billion), and small businesses and professionals (EUR2.3 billion). The bank has a target in place to provide over EUR5 billion in sustainable financing by 2026.

Piraeus Bank established its ESG strategy in 2020, guiding the bank in incorporating ESG criteria into its banking practices. The strategy's aim is to balance economic development with environmental and social sustainability. The strategy aligns with the Paris Agreement, the UN Sustainable Development Goals and the UN Principles for Responsible Banking, and it prioritises four key areas: reaching net-zero emissions in the bank's own operations, steering the financing portfolio towards net zero by 2050, supporting clients in their transition, and fully integrating climate and nature risks into credit risk management.

Piraeus Bank is a signatory of the UN Environment Programme Finance Initiative and a founding member of the UN Principles for Responsible Banking. Furthermore, the UN Principles for Responsible Investment have been adopted by two subsidiaries, Piraeus Asset Management and IOLCUS Investments. The bank has a strategic plan to become net-zero by 2050 at the latest and achieve a reduction of its financed emissions that is well over 50% by 2030.

The bank's intermediate targets include a 73% reduction in Scopes 1 and 2 emissions compared to the baseline year of 2019. Its current decarbonisation approach covers residential and commercial buildings as well as electricity production and generation, among other areas. Piraeus Bank's near-term targets have been validated by the Science Based Targets initiative.

The bank has established a dedicated development and sustainable banking unit that develops financing products aimed at innovative sustainable initiatives. The bank has also improved its governance model by embedding ESG factors at the management and senior management levels.

Piraeus Bank established the board ethics and ESG committee in 2022 to provide the management board with oversight of strategic climate-related risk and opportunity management. It also established a corporate responsibility and ESG committee at the management level, which is responsible for managing sustainability issues and integrating climate and ESG criteria into the bank's strategy.

Piraeus Bank has enhanced its risk management by incorporating climate risk analysis and ESG considerations into its lending and credit policies, with the "Proteus" project streamlining the integration of these factors into its broader risk management strategy. Piraeus Bank has been reporting on financed Scopes 1, 2 and 3 emissions as well as its exposure by sectors, in line with the European Banking Authority's enhanced regulatory standards with regards to climate risk under Pillar 3.

To advance the financing of environmentally sustainable projects, the bank has established green loans to corporate clients under "Piraeus Green Business 360°", a package of specialised products for financing within the areas of renewable energy and clean transportation. The bank has issued SLLs to help support clients that are earlier in their sustainability journey, and to incentivise their environmental and social objectives by connecting sustainability targets to financial objectives.

Source: Sustainable Fitch, Piraeus Bank sustainability and business report 2022

Framework Highlights

Sustainable Fitch considers this SLL framework as aligned with the market best practices based on the SLL Principles.

Piraeus Bank established its SLL framework in 2024 with the aim of supporting borrowers in their transition to a low-carbon economy and advancing positive social impact. The framework also aims to advance the bank's targets for transition financing.

The framework is structured along five key pillars: the approach of potentially eligible corporates, identification of KPIs, calibration of SPTs, verification and financial incentives. KPIs are negotiated directly between the borrower and the bank, resulting in a selection of one to five KPIs. The KPIs and SPTs are integrated as sustainability provisions into legal credit documentation such as facility agreements. As a pilot project, the bank has implemented sustainability provisions in a loan pool of over EUR600 million between 2020 and 2023.

The main target group of the framework are Greek SMEs, with the aim of helping these clients in their strategic integration of sustainability. SMEs comprise the backbone of the economy at both the national and EU level. Greece had over 700,000 SMEs as of 2022, representing 99.9% of all businesses in the non-financial sector.

The predominant sectors for SMEs in Greece, which includes self-employment, are wholesale and retail trade. These are followed by professional and technical services, tourism, construction, and transport and storage. Micro enterprises (those with fewer than 10 employees) have a larger employment share in Greece than the EU average.

The bank's selection of borrowers is driven by the group's credit assessment and an ESG questionnaire that focuses on environmental and social aspects as well as principles of good governance. Metrics requested in the questionnaire are based on international reporting frameworks such as the Global Reporting Initiative (GRI) standards. The questionnaire is a key aspect of the selection process and proposes sustainability objectives that borrowers shall be screened upon.

We acknowledge and view positively that the KPIs recommended by the questionnaire correspond with the metrics mandated by both national and international reporting standards, including the European Sustainability Reporting Standards, Sustainability Accounting Standards Board (SASB) and GRI. Additionally, the questionnaire incorporates environmental management certifications such as ISO. For companies that are just starting to focus on sustainability, the framework allows for the inclusion of the development and implementation of sustainability-related policies as KPIs.

We view positively that the bank aims to support its clients on their sustainability journey, regardless of size and progress of sustainability integration. Policy-related KPIs can pose challenges in measuring their direct impact, but we recognise that they can serve as a foundational step for very small companies, or those that have not yet fully embraced sustainability, to begin incorporating sustainable practices into their business operations.

The bank has provided a sample portfolio of existing SLLs; however, we have not assessed individual loans in this assessment, and the sample may not be representative of the future origination of loans.

Source: Sustainable Fitch, Piraeus Bank annual report 2023, Piraeus Bank SLL framework, pilot loan portfolio

Financed loans: KPI selection and SPT calibration

Company Material	Sustainable Fitch's View
<p>KPI Selection</p> <ul style="list-style-type: none"> In the selection of KPIs, the bank prioritises internal corporate ESG metrics, eg those that are specific to the company and already in use. The bank reserves the right to rely on external third-party ESG ratings. The bank prefers KPIs that are already monitored by the company, and have been included in previous annual reports, sustainability reports or other non-financial reporting disclosures. The number of KPIs may vary and can range between one and five. It is important to select the right number of KPIs and ensure that they are clear and credible. KPIs must be relevant, core and material to the borrower's overall business; measurable or quantifiable; able to be calibrated using external references; and focused on improving the company's environmental footprint as well as social and governance practices. A clear definition of the KPIs should be provided in the SLL and should include the applicable scope or perimeter, as well as the calculation methodology. The selection of KPIs will take place during the due diligence phase of an agreement. The bank's ESG experts will assess the ESG questionnaire, which may lead to a list of potential KPIs, the materiality of which will then be established in discussion with the borrower. The bank notes that environmental performance provides opportunities to set up KPIs that are factual and measurable. However, it strives for SLLs to also include corporate social and governance metrics. 	<ul style="list-style-type: none"> The bank has committed to selecting KPIs that are relevant, core and material to the borrower's strategy; are measurable and quantifiable; and are externally benchmarkable. We see this commitment as aligned with market best practice, as defined by the SLL Principles. Market best practice is to define KPIs that are specific and material to the borrower's business. We cannot yet assess whether all selected KPIs will be relevant and material but have reviewed the bank's processes for identifying KPIs. The bank has an internal approach to assessing materiality, which is conducted by a team separate from that responsible for originating any SLLs. The bank verifies the borrower's understanding of materiality. We view that applying external approaches such as the GRI or SASB may be more aligned with market best practice by providing a standardised approach to industry materiality. The framework provides a degree of borrower discretion in the selection of KPIs. This could give rise to a conflict of interest in the loan origination discussions between the lender and the borrower. The bank mitigates this risk through an additional layer of independent final approval by the ESG expert team. We view positively that the department overseeing the selection of KPIs has robust experience in assessing the sustainability profile of companies in the scope of the environmental and social risk management system (ESMS) assessment. The bank provides a selection of possible KPIs in the ESG questionnaire, which is included in the appendix to the framework. This includes mapping to relevant reporting standards as well as potential metrics and documents to be provided by the borrower. We positively highlight the bank's preference to use established KPIs, which will help ensure that the borrower has sufficient processes in place to track and report on these KPIs. The ESG questionnaire includes some possible KPIs that do not have stringent quantitative requirements. For example, KPIs related to environmental management certificates or those related to the creation of policies are not quantifiable. We consider this to not be market best practice, but these KPIs can still strengthen structures when used in conjunction with other, more measurable KPIs.
<p>SPT Calibration</p> <ul style="list-style-type: none"> In setting SPTs, the bank uses three parameters: a baseline based on three-to-five years of historic data, one or several target levels to be attained during the lifetime of the loan and a timeline including target and observation dates. For longer-dated transactions (or transactions subject to extension options), where not all SPTs can be accurately set at the outset of the loan, or where certain SPTs may cease to be relevant over time, the parties may need to consider amendments to the SPTs over the life of the loan. The potential impact of changes to the borrower's core business (for example, mergers, acquisitions and asset dispositions) on SPTs may also need to be considered. The specific target setting should be based on a benchmarking of the combination of the borrower's own performance, peer performance, industry initiatives and standards as well as regulatory targets. It is stressed that just meeting regulatory targets cannot be a valid objective and that SPTs should go beyond legal requirements. The SPTs must take into account any anticipated changes in legislation and the dates on which these changes might take effect. Piraeus Bank should clearly communicate to borrowers the references to the benchmarks selected, and how the specificities of a given sector and/or local context have been identified and addressed. The calibration of SPTs will require significant borrower input since it will have the best understanding of its own business activities and it is expected to 	<ul style="list-style-type: none"> In the calibration of targets, the bank intends for SPTs to be beyond "business-as-usual" trajectories, to meet relevant benchmarks, to be consistent with the borrower's strategy and to be measured annually. We consider this aligned with best practice, in line with the SLL Principles. We view the commitment for SPTs to be monitored on an annual basis and the use of historic data in determining robust baselines to be in line with best practice. We positively view that the bank includes the possibility to amend longer-dated transactions; however, it is unclear whether the loan agreements include covenants for renegotiation of KPIs and SPTs should they no longer be considered material or significant. The bank clearly describes its process for calibrating and benchmarking SPTs. The benchmarking shall be based on historical performance, peers, regulatory targets and industry benchmarks, which can include decarbonisation pathways aligned with the Paris Agreement. We consider the combination of benchmarking methods and the use of reliable external industry benchmarks as best practice.

measure and report back to Piraeus Bank on the SPT achievement during the life of the loan.	
Loan Characteristics	
<ul style="list-style-type: none"> SLLs can include any type of bilateral or syndicated loan financing, eg term loans, revolving credit facilities, or any other type of facility (including contingent instruments), where there is an economic impact tied to the borrower's achievement (or not) of predetermined SPTs. 	<ul style="list-style-type: none"> We view the commitments as aligned with the SLL Principles, as the economic outcome, in this case the margin ratchet, is directly linked to selected, predefined KPIs and SPTs. We positively view that the bank clearly describes different possible scenarios for the margin adjustment related to sustainability covenants. The lack of established loan pool means we are unable to gauge the financial materiality of economic impact in loan agreements.
Reporting and Verification of SPTs	
<ul style="list-style-type: none"> Piraeus Bank requires borrowers to, at least annually and during the life of the loan, provide up-to-date information that allows it to monitor the performance of the KPIs and the relevance and ambitiousness of the SPTs. Additional to the annual reporting, Piraeus Bank requires borrowers to submit sustainability information with a verification report attached, outlining the performance against the SPTs for the relevant year and including details of any underlying methodology of SPT calculations and/or assumptions, emphasising any departure from the approved ones or confirming that there has been no change. A borrower failing to meet SPTs due to factors outside its control should not be considered contractual default, unless there is a deliberate attempt to misreport or forge the KPIs. In case a borrower fails to meet its targets, the SLL can be requalified as a standard loan, an event called "declassification". For the borrower, this triggers the cancellation of any financial incentive embedded in the SLL. In this case, Piraeus Bank will have to withdraw the SLL from any ESG-dedicated portfolio. The verification of each KPI should occur at least once a year and for any date or period relevant for assessing the SPT performance that may lead to an adjustment of the loan characteristics. This verification will be carried out by Piraeus Bank, eventually helped by external experts if necessary. The need for an external opinion or verification on SPT achievement is to be considered on a case-by-case basis. The verification can be done by a qualified external reviewer with relevant expertise, such as an auditor (by way of limited or reasonable assurance), environmental consultant and/or independent ratings agency. 	<ul style="list-style-type: none"> We consider the expectation of reporting on the continued relevance of the KPI, as well as the achieved target levels versus the SPTs, as in line with the SLL Principles. The lender does not describe any mechanisms for when the KPI should no longer be considered relevant and material (outside the events defined through the rendezvous clause). The bank does not describe mechanisms for early achievement of targets or targets that otherwise cease to be considered ambitious. In the case of an early achievement of targets, market best practice would be to replace SPTs with more ambitious ones. Piraeus Bank requires an external verification of the KPIs and SPTs, as is recommended by the SLL Principles; both the principles and the bank require this to be sufficient to determine the borrower's performance against the SPTs. The bank further requires additional public documentation, such as sustainability reports, to be verified by a qualified auditor. Should this verification of a KPI and SPT performance not be possible or provided, the bank itself will engage a technical external verifier. We consider this in line with market best practice. There is confidential sharing of this data between lender and borrower; market best practice would be to prioritise public reporting of targets and achievement levels in publications such as the borrower's annual report. The bank does not include any reference to public reporting in the framework.
Source: Piraeus Bank SLL framework	Source: Sustainable Fitch

Process for SLL Evaluation and Selection

Company Material	Sustainable Fitch's View
<ul style="list-style-type: none"> The development and sustainable banking unit is responsible for the selection of KPIs and setting SPTs, the validation of SPT achievement, and the disqualification of loans that are no longer suitable. The bank has drawn expertise from an external consultant in the formulation of the framework and the list of suggested KPIs and SPTs. Subject to the bank's regular credit assessment, any type of borrower may receive an SLL, regardless of sector, geography or level of sustainability maturity, under the condition that the borrower is able to provide the strategic elements necessary for the structure to be aligned with the framework. The framework does not prescribe a minimum level of ESG performance or consider any exclusions beyond the regular exclusion list of Piraeus Bank. The bank has developed an ESG questionnaire focusing on ESG perspectives. The questionnaire builds on external sustainability reporting frameworks such as the GRI, SASB and European Sustainability Reporting Standards as well as the Athens Exchange's ESG Reporting Guide and the ICMA registry of KPIs for sustainability-linked bonds. Following the completion of the questionnaire, Piraeus Bank will assess the borrower's commitment to ESG criteria. This assessment is focused 	<ul style="list-style-type: none"> The bank has developed a structured process for identifying, selecting and approaching potential clients for the signing of a sustainability-linked facility. The bank clearly describes the units involved in structuring and monitoring the loans and the portfolio at large, which we consider market best practice as it provides significant transparency to stakeholders. All SLLs follow the group's credit policy, with no minimum criteria for the use of proceeds or the sustainability quality of the borrower. As part of the credit policy, the bank conducts an assessment in line with its ESMS. The bank further conducts controversy screenings using public sources and Diavgeia, the Greek national depository for administrative decisions. The ESMS assessment assigns loans a ranking from A (high sustainability risk) to C (low sustainability risk). We highlight positively that the bank engages in a corrective action plan if it identifies the risks are insufficiently mitigated. When the bank identifies a potentially eligible client, it provides an ESG questionnaire, with the aim of determining the client's data availability

Process for SLL Evaluation and Selection

Company Material	Sustainable Fitch's View
<p>on whether the borrower has started to integrate sustainability into its business strategy and has sufficient management systems in place to provide a credible validation mechanism for the attainment of targets. Additionally, the bank takes into account the borrower's participation in the selection of KPIs and SPTs.</p>	<p>and overall sustainability profile. The ESG questionnaire is thereover used as a platform for engagement and ESG data collection.</p> <ul style="list-style-type: none"> We view positively that the ESG questionnaire is based on external standards and the ICMA registry of KPIs for sustainability-linked bonds. The bank does not define specific exclusion criteria for SLLs. Rather, the loans are subject to the general exclusion list of the credit policy. We view the general exclusion list as clear; it excludes financing of controversial areas that would have an adverse environmental and/or social impact (eg coal, mining, tobacco and forced labour). We view the overarching exclusion criteria as robust, and the screening of potential controversies as in line with the regular loan approval process. The bank intends to primarily finance SMEs under this framework, though it can also be used for larger corporates. This may require more stringent analysis, based on the company's progress in its sustainability journey.
Source: Piraeus Bank SLL framework, credit policy, ESMS assessment, exclusion list	Source: Sustainable Fitch

Management of Loan Pool

Company Material	Sustainable Fitch's View
<ul style="list-style-type: none"> The development and sustainable banking unit is responsible for the ownership, maintenance and updating of the content of the framework. In addition to the selection of KPIs and SPTs, this unit will also manage the loan pool, in a way that ensures that all loans included meet the framework's criteria and will administer the process of including new SLLs and excluding loans that have been disqualified. The group corporate development and ESG unit participates in the periodic review of the framework by providing subject-matter expert advice and ensuring alignment with the latest market and regulatory developments. The performance and value management unit closely collaborates with the development and sustainable banking unit and the group corporate development and ESG unit to produce the reported data on the SLL portfolio. 	<ul style="list-style-type: none"> The bank has committed to establishing a pool of loans, and to regular monitoring and disqualification of loans that no longer meet the requirements of the framework. We consider this in line with best practice. The bank has not yet created a pool of loans, but it reserves the possibility of additional verification of individual loans once a pool has been established. We consider it best practice that Piraeus Bank has clearly outlined the units involved in the management of the loan pool and has defined clear responsibilities. Should the bank issue a capital markets instrument in the future, it will revise the framework to clearly outline the process and responsibilities for the management of proceeds.
Source: Piraeus Bank SLL framework, credit policy, ESMS assessment, exclusion list	Source: Sustainable Fitch

Reporting and Verification

Company Material	Sustainable Fitch's View
<ul style="list-style-type: none"> The treasury unit will co-ordinate the effort of issuing an SLL financing bond, in case such a decision is made by Piraeus Bank. Any such issuance will involve: <ul style="list-style-type: none"> reports on the SLL pool that will include the number of SLLs originated, the size of the pool (outstanding balance of loans), the sector and geography of borrowers, and other relevant information (eg in relation to the KPIs and SPTs); and external review according to approach 1 of the use of proceeds section of the Guidelines for Sustainability-Linked Loans financing Bonds. 	<ul style="list-style-type: none"> We positively view that, in the case of an issuance of a capital markets instrument, the bank has committed to publishing reporting on the pool of financed SLLs. In the absence of any capital market instruments, the issuer will establish and follow internal reporting structures. We consider the types of information the bank aims to provide with regards to the sector and geography of loans as well as the attainment of SPTs in line with standard market practice.
Source: Piraeus Bank SLL framework	Source: Sustainable Fitch

Appendix A: Definitions

Term	Definition
Debt types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with the ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with the ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with the ICMA Sustainability Bond Guidelines or other principles, guidelines or taxonomies.
Sustainability-Linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with the ICMA Sustainability-Linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Standards	
ICMA	International Capital Market Association. A series of principles and guidelines for green, social, sustainability and sustainability-linked bonds.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). A series of principles and guidelines for green, social and sustainability-linked loans.
EU Green Bond Standard	A set of voluntary standards created by the EU to “enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market”.

Source: Sustainable Fitch, ICMA, UN, EU Technical Expert Group

Appendix B: Assessment Methodology

Analytical Process

Analysis considers all available relevant information such as lending framework, origination and credit policies, due diligence questionnaires, ESG policies. The reports transparently display the sources of information analysed for each pillar and provide a commentary on the sub-factors analysed. The ESG analysts working on an assessment will also engage directly with the issuer to acquire any additional relevant information not already in the public domain.

An important part of the analysis is the assessment of the lending framework. In addition to the coherence with LMA, LSTA and APLMA and ICMA Principle and Guidelines, the analysis may also refer to major taxonomies (e.g. the EU taxonomy for E aspects, and the UN Sustainable Development Goals for S aspects).

Once the analyst has completed the analysis, with commentary for the related ESG Opinions, it is submitted to the approval committee, which reviews it for accuracy and consistency. Based on issuer preference and mandate, an assessment can be monitored (annually or more frequently, if new information becomes available) or on a point-in-time basis.

Scale and Definitions

	ESG Framework
Aligned	Sustainable finance framework and/or debt instrument structure is aligned to best market practice, informed by core international principles and guidelines. Practices inherent to the structure meet the minimum standards in terms of rigour and transparency commonly followed by the market.
Not Aligned	Sustainable finance framework and/or debt instrument structure is not aligned to best market practice informed by relevant core international principles and guidelines. Practices inherent to the structure fall short of common market practice.

Source: Sustainable Fitch

SOLICITATION STATUS

The Sustainability-Linked Loans Framework Assessment was solicited and assigned or maintained by Sustainable Fitch at the request of the entity.

A Sustainable Fitch ESG Analytical Product (ESG Product) provides an assessment of the Environmental, Social and/or Governance ("E", "S" and "G") qualities of an issuer and/or its securities. ESG Products include without limitation ESG ratings, ESG scores, ESG second-party opinions and other ESG assessments and data-related products, among other ESG Products. An ESG Product is not a credit rating. ESG Products are provided by Sustainable Fitch, a Fitch Solutions company, and an affiliate of Fitch Ratings. Sustainable Fitch has established certain policies and procedures intended to avoid creating conflicts of interest and compromising the independence or integrity of Fitch Ratings' credit rating activities and Sustainable Fitch's ESG Product generation activities. For a description of the methodology, limitations and disclaimers relating to Sustainable Fitch's ESG Products, please use this link: www.sustainablefitch.com.

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