FRAMEWORK EXTERNAL REVIEW
SUSTAINABLE FINANCE FRAMEWORK

Alpha Bank SA
December 28, 2023

VERIFICATION PARAMETERS

Covered Instruments	▪ Green, Social and Sustainability-linked Loans
Type of Framework	▪ Sustainable Finance Framework
Scope of verification	▪ Alpha Bank Sustainable Finance Framework (as of December 15, 2023) ▪ Alpha Bank's Sustainable financing classification approach (as of December 15, 2023)
Validity	▪ Valid as long as the Framework remains unchanged.

CONTENT

SCOPE OF WORK

Alpha Bank SA ("Alpha Bank" or "the Bank") commissioned ISS Corporate Solutions (ICS) to assist with its Sustainable Finance Framework ("SFF" or "the Framework") by assessing four core elements to determine the quality of its classification system[1] for identifying sustainable financing activities and the sustainability quality of the eligibility criteria:

1. Sustainable Finance Framework - benchmarked against market practices and guidelines[2] that enable capital and loan markets to contribute to environmental and social sustainability (see Annex 1)
2. Alpha Bank's sustainable finance classification approach - the soundness of the eligibility parameters to identify eligible sustainable financing activities (see Annex 1), whether the eligible project categories contribute positively to the UN SDGs and the eligibility of the project categories against the EU Taxonomy on a best-efforts basis - whether the nominated project categories satisfy the EU Taxonomy Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation.
3. ESG Risk Management - assessment of Alpha Bank's overarching risk management procedures considered relevant in the context of the Bank's sustainable finance activities (see Annex 1).
4. The Sustainable Finance Framework and Alpha Bank's overall ESG profile - drawing on the Bank's overall ESG profile and financing activities integrating ESG considerations (see Annex 2).

[1] The methodology of external reviews provided for sustainable financing, lending, and investment strategies has been developed based on our expertise in assessing a range of sustainable finance-related instruments and frameworks. In general, these types of external reviews are not to be treated as a "pass or fail" assessment of the sustainability quality of sustainable financing, lending, or investment strategies but rather as an overall assessment. Thus, obtaining an external review of an overarching financing framework does not imply a detailed assessment of the sustainability quality of each underlying transaction. A qualitative assessment of sampled eligible ESG products is not in scope of the verification procedures.

[2] The assessment is based on current market practices for sustainable capital and loan markets referring to different market standards and voluntary guidelines including but not limited to the International Capital Market Association's (ICMA) Green, Social Bond Principles, and Sustainability Bond Guidelines, Sustainability-Linked Bond Principles, the Loan Market Association's (LMA) Green Loan Principles, Social Loan Principles, Sustainability-Linked Loan Principles, the UNEP-FI PRB, and the Climate Bonds Initiative Standard Version 4.0 (version April 2023) Guidelines proposed by the European Banking Authority (EBA) with respect to environmentally-sustainable lending.

ALPHA BANK BUSINESS OVERVIEW

Alpha Bank SA, part of Alpha Services & Holdings SA ("the Group"), is a Greek bank. The Bank provides banking services. It is classified in the Commercial Banks & Capital Markets industry, as per ISS ESG's sector classification.

Alpha Services and Holdings S.A., together with its subsidiaries, provides various banking and financial products and services to individuals, professionals, and companies in Greece and internationally. It operates through Retail Banking, Corporate Banking, Asset Management and Insurance, Investment Banking and Treasury, Southeastern Europe, and other segments. The company offers various deposit products, including deposits/savings accounts, working capital/current accounts, checking accounts, investment facilities/term deposits, repos, and swaps; Loans comprising mortgage Loans, consumer Loans, working capital facilities, corporate Loans, and letters of guarantee; and debit and credit cards. It also provides leasing and factoring services; asset management services; insurance products; stock exchange, advisory, and brokerage services relating to capital markets; investment banking facilities, as well as deals in interbank market activities and securitization transactions; and mobile and Web banking services. Further, the company provides in the real estate management and hotel services. The Company was founded in 1879 and is based in Athens, Greece.

ASSESSMENT SUMMARY

SECTION	EVALUATION SUMMARY
Part I: **Review of Alpha Bank's Sustainable Finance Framework**	**The Sustainable Finance Framework reflects market practices. Alpha Bank has set forth a formal methodology for defining and classifying transactions as sustainable for the purpose of tracking and disclosing its performance against its sustainable finance targets.** 1. Objectives, Targets & Progress: In its Sustainable Finance Framework, the Bank puts forth a clear definition of the sustainability objectives for its financing activities. Those objectives are expressed in line with key market guidelines. 2. Definition of sustainable financing activities: The Sustainable Finance Framework presents a clear definition of Alpha Bank's transaction scope with clear and transparent criteria for each financing approach and refers to relevant market principles and guidelines. The Bank set forth generic exclusion criteria applied at the group level and a specific set of exclusion criteria for the eligible themes and activities. The Bank evaluates the alignment of its eligible Green/Social Dedicated or General-Purpose transactions with the EU Taxonomy Climate Delegated Act. 3. Evaluation & Selection Process: The evaluation and approval process for eligible transactions will be embedded in the Bank's existing credit approval process. Alpha Bank set forth a list of eligible green and social themes and activities, referring to commonly used market standards. The Bank describes an evaluation and selection methodology for Sustainability-linked Loans and Facilities in line with market guidelines. The Bank applies an exclusion list in line with the Group's Environmental and Social Risk Management Policy. 4. Governance & Monitoring: Alpha Bank clearly describes the monitoring process for the transaction's eligibility over the life cycle. A designated committee has been put in place to be responsible for the periodic review of the eligible transaction. 5. Reporting: The Bank reports on a regular basis on its sustainable financing progress. As data availability in terms of impact reporting improves and where feasible, the Framework may be further improved by engaging on the tracking and collecting of the expected or achieved impact of Banks' sustainable financing transactions on environmental and social objectives.
Part II: **Assessment of Alpha Bank's**	**The Bank's sustainable financing classification approach reflects market practice. Where feasible, the Framework might be further improved by:** ▪ **Engaging beneficiaries of Dedicated Purpose transactions to make and keep readily available up-to-date information on the use of proceeds,**

sustainable finance classification system	**such information to be renewed annually until the Green or Social loan is fully drawn.** Alpha Bank put forth multiple sets of eligibility parameters for its financing activities to be classified as sustainable. Eligible types include Dedicated Purpose, General Purpose, and Sustainability-linked financing. A comprehensive assessment of the sustainability quality of the eligible green and social themes and activities and an assessment against the EU Taxonomy (Climate Delegated Act of June 2023) Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation on a best-efforts basis[3] can be found in Part II B and Part II C. It is noted that not all listed eligible categories are considered to have a net positive impact on environmental or social factors.

Part III: **Assessment of Alpha Bank's ESG risk management**	**ESG risks, relevant in the context of the Bank's sustainable financing activities, are considered to be partially managed.** Alpha Bank has defined ESG risk assessment processes applicable to its sustainable financing activities. Sectorial exposures are taken into consideration. The Financial Institution has measures/policies/guidelines in place to address material environmental, social and governance risks faced by sectors financed. The Bank makes use of the PCAF methodology for emission measurement. It is carrying out full measurement of its financed emissions, covering lending and investment products of its corporate portfolio across all sectors. The Group publicly discloses the amount of carbon-related financing under the Pillar 3 supervisory requirement, by sharing its exposures towards sectors that highly contribute to climate change. However, Alpha Bank has limited information in place to systematically ensuring that assets financed under this Framework provide for responsible marketing. The Bank currently has no public targets to reduce carbon-related financing emissions and is working towards the first carbon reduction finance target to be submitted to Net-Zero Banking Alliance (NZBA) by November 2024.
Part IV: **The Sustainable Finance Framework's link to Alpha Bank's overall ESG profile**	**The Sustainable Finance Framework is consistent with the Bank's Sustainability strategy.** The Sustainable Finance Framework is consistent with the Bank's Sustainability strategy. The rationale for establishing a Sustainable Finance Framework is described by the Bank. At the date of publication and leveraging ISS ESG Research, no severe controversy in which the Bank would be involved has been identified.

[3] The Do No Significant Harm Criteria and the Minimum Safeguards requirements as included in the EU Taxonomy Climate Delegated Act have not been assessed, considering the Issuer has not yet launched the projects that will be financed by the Sustainable Finance Instruments. It is noted that the Issuer will report on its compliance with the DNSH and MS criteria in the allocation report.

FRAMEWORK EXTERNAL REVIEW ASSESSMENT

PART I: REVIEW OF ALPHA BANK'S SUSTAINABLE FINANCE FRAMEWORK

In its Sustainable Finance Framework, Alpha Bank defines its methodology for classifying eligible financing transactions as sustainable for the purpose of tracking and disclosing the performance against its sustainable finance targets.

These processes are reviewed against current market practices for sustainable loan markets derived from market standards and voluntary guidelines. The assessment is based on derived key principles for transparency, disclosure and non-contamination of sustainable labelled-products, such as proposed by the Loan Market Association (LMA) Green and Social Loan Principles (GLP and SLP) and Sustainability-linked Loans Principles (SLLP), the TEG final report on the EU Taxonomy and Technical Annex, for ESG factor integration in institutional, corporate and private lending and fixed income business.

CRITERIA	SUMMARY AND OPINION
1. Objectives, Targets, & Progress	Alpha Bank provides a Sustainable Finance Framework that can be defined as a guide setting out a series of approaches and procedures required for classifying financing as sustainable. The main purpose of the SFF is to enable the identification and categorization of sustainable activities and to lay out the criteria to characterize specific Loans as sustainable in order to mobilise capital to sustainable economic activities. The scope of the Sustainable Finance Framework encompasses a variety of ESG lending solutions in the Bank's wholesale and retail portfolios. The SFF covers transactions in all locations the Bank operates in and is applied at Alpha Bank Group level by the Bank's subsidiaries.[4] The Bank commits to allocate EUR 3.0 billion capital to sustainable loans over the 2023-2025 period in order to accelerate the transition, and within total sustainable financing, to achieve at least EUR 1.0 billion to Renewable Energy Sources (RES) and EUR 300 million for Retail green loans (e.g., home improvement or equipment loans, new green mobility financing).[5] This short-term sustainable financing target will be delivered through (1) its Project Finance unit securing financing for investments in RES projects, (2) drawing on the Bank's expertise in deploying co-funding initiatives to support clients' transition pathway and (3) enhancing its new retail services and financial incentives to encourage Consumer Sustainability journey via for example new green mobility financing. Alpha Bank is a member of various industry associations and reports under several international initiatives (i.e., the UNEP FI Principles for Responsible Banking and others). In 2019, the Bank signed the Six Principles for Responsible Banking, which were developed as an international initiative of the UNEP FI. The Bank's progress with regard to the targets set in order to align its operations with

[4] Alpha Bank's advisor and underwriter roles are out of the scope of the Sustainable Finance Framework.
[5] Climate-related report 2022, page 35, Alpha Bank, https://www.alphaholdings.gr/-/media/alphaholdings/files/enimerosi-ependuton/apologismoi-etairikis-upeuthinotitas/climate-related-report-2022.pdf

	the Principles for Responsible Banking (PRB) can be found in the Group's third self-assessment PRB report, which is made publicly available to its stakeholders[6]. The report provides information about impact and target setting, and the action plan. **Opinion**: *The Bank clearly discloses the purpose of this Sustainable Finance Framework. In its Sustainable Finance Framework, the Bank puts forth a clear definition of the sustainability objectives for its financing activities. Those objectives are expressed in line with key market guidelines. Alpha Bank specifically outlined the scope of application of the Framework. The Bank's overall sustainable finance commitments are publicly available and expressed making use of international reporting frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD). The Bank refers to intergovernmental agreements and adheres to various industry associations. Alpha Bank has set a short-term quantified target for its sustainable financing, yet, the Framework might be further improved by integrating the mid-term target and the associated action plan.*
2. Definition of sustainable financing activities	Under Alpha Bank's Sustainable Finance Framework, 'Sustainable financing' includes green, social, and sustainability-linked finance and includes both financings of expenditures tied to a specific purpose and general corporate expenditures. Further, the Bank includes recovery and resilience facility (RRF)[7] Loans and grants under Greece's recovery and resilience plan. For RRF loan allocated with respect to the green transition tagging, irrespective of the RRF loan program categories, will be characterized as sustainable. It is noted that in line with the EU commission rules, Greece has included a DNSH assessment for each measure included in its plan in accordance with the template provided by the Commission and in line with the DNSH Technical Guidance. The Commission staff working document states that 'by selecting measures that either contribute substantially to environmental objectives, such as those on reforestation, or have no or an insignificant foreseeable impact on environmental objectives (such as those on labour market, social policy, or public administration), many measures in Greece's plan can be considered DNSH compliant from the outset.[8] Alpha Bank bases its definition of sustainable financing on established national and international standards, frameworks, and principles. These include, in particular, the Green Loan Principles, the Social Loan Principles, and the Sustainability-linked Loan Principles administered by the LMA. The Bank evaluates the eligibility of its Green Dedicated and General-Purpose transactions against the EU Taxonomy Climate Delegated Act. 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 themes and activities.

[6] Alpha Bank Principles for Responsible Banking 3rd Report and Self-Assessment 2022, https://www.alphaholdings.gr/-/media/alphaholdings/pdf-files/apologismoi-etairikis-upeuthinotitas/3-self-assessment-report-2022.pdf
[7] Recovery and Resilience Facility Loans, Greece 2.0, https://greece20.gov.gr/en/recovery-and-resilience-facility-Loans/. Recovery and Resilience Facility Loans, Greece 2.0, https://greece20.gov.gr/en/recovery-and-resilience-facility-Loans/
[8] European Commission, Commission Staff Working Document: Analysis of the recovery and resilience plan of Greece, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021SC0155

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).

Eligible type of financing

Alpha Bank's Sustainable Finance Framework sets out 4 types of financing that the Bank defines as eligible for sustainable financing classification for tracking and disclosing its sustainability performance, which include:

- **Dedicated Purpose Financing**
  - **Standard Approach** where the use of proceeds satisfies either the green or social eligibility criteria.
  - **RRF Approach** where the use of proceeds is allocated to RRF loans with green transition tagging irrespective of the RRF loan programme categories.
- **General Purpose Financing**
  - **Company profile approach** where the business mix of the entity satisfies either the green or socially eligible themes and activities based on the thresholds set out in section 1.2.2 of the Framework.
  - **Sustainability-linked Financing approach** which meets the internal proprietary methodology set out in section 3.4 of the Framework. Sustainability-linked financing is not required to satisfy either the green or social eligibility criteria.

In addition to the above requirements, the Bank applies an exclusionary strategy, which includes a list of all prohibited activities for which it will not grant credit (in line with the Bank's E&S Policy).[9] Further, the Bank applies specific exclusion criteria for eligible green and social themes and activities.

Instrument Scope

INSTRUMENT	DESCRIPTION	CRITERIA
Green, Social Loans	Dedicated-Purpose financing when funds are 100% directed towards an eligible category and General-Purpose financing when the beneficiary obtains at least 80% of its revenue from the Frameworks eligible activities.	▪ Alpha Bank's Sustainable Finance Framework eligibility criteria ▪ LMA Green and Social ▪ Loan Principles ▪ EU Taxonomy Climate Delegated Act

[9] Sustainability Report 2022, Alpha Bank, https://www.alphaholdings.gr/-/media/alphaholdings/files/enimerosi-ependuton/apologismoi-drastiriotiton/sustainability_report_alpha_bank_2022.pdf

Sustainability-linked Loans/Facilities	Facilities that provide specific incentives to achieve defined, measurable ESG targets based on pre-determined Sustainability Performance Targets (SPTs) agreed with the client.	▪ Alpha Bank's Sustainable Finance Framework eligibility criteria ▪ LMA Sustainability Linked Loan Principles
Recovery and Resilience Facility (RRF) Loans and grants	Greece's recovery and resilience plan consists of 106 investment measures and 68 reforms, which will be supported by loans and grants: 37.8% and 25.59% of the Recovery and Resilience Budget Investment Resources will respectively promote climate objectives and endorse the digital transition at the country level. Eligible Investments are required to comply with the Do No Significant Harm Technical Guidance (2021/C58/01).[10]	▪ Alpha Bank's Sustainable Finance Framework eligibility criteria ▪ EU funding program's Recovery and Resilience Facility eligibility criteria and Terms and Conditions ▪ EU Taxonomy Climate Delegated Act

Table 1. Alpha Bank's financing transaction scope

Finally, Alpha Bank primary focus is placed on the power generation sector (solar power, wind power, grid upgrades etc.) with targets on loan disbursements to Renewable Energy Systems. Alpha Bank expects to mobilize 1 bn EUR (out of the total 3 bn EUR in sustainable financing) to Renewable Energy Systems by 2025.[11]

Opinion: *The Sustainable Finance Framework presents a clear definition of Alpha Bank's classification approach and transaction types in scope with clear and transparent criteria for each eligibility criteria. The sustainability quality of the eligibility parameters to identify eligible sustainable financing activities is further analyzed in Part II. A of this report. The Bank refers to relevant market principles and guidelines. The Sustainable Finance Framework defines exclusion criteria and a specific set of exclusion criteria per eligible activities. The Bank evaluates the eligibility of its Green Dedicated and General-Purpose transactions with the EU*

[10] Recovery and Resilience Facility Loans, Greece 2.0, https://greece20.gov.gr/en/recovery-and-resilience-facility-Loans/
[11] Alpha Bank, Sustainability Report 2022, page 14-16, https://www.alphaholdings.gr/-/media/alphaholdings/files/enimerosi-ependuton/apologismoi-drastiriotiton/sustainability_report_alpha_bank_2022.pdf

	Taxonomy Climate Delegated Act. The sustainable financing instruments, business lines included, and the Bank's operations covered are well defined. Besides the disclosed sustainable financing target toward Renewably Energy Systems, the Framework may be further improved with regard to disclosing an estimated share by eligible instrument and by project categories.[12]
3. Evaluation & Selection Process	Alpha Bank established a 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 overall process of evaluation and approval of sustainable financings is embedded in the Bank's existing credit approval process. When a client is applying to receive financing for an economic activity, the Relationship Manager (RM) [13] will carry out an assessment at the transaction level on a special platform that operationalizes the eligible economic activities included in the Sustainable Finance Framework. The RM categorizes the loans as Dedicated-purpose or General-purpose loans: ▪ For Dedicated-purpose loan, the RM should select a financed activity from an exclusive list of sustainable activities which are defined based on the Sustainable Finance Framework (SFF). ▪ For General Purpose loan, there will be two options for categorization to be considered sustainable, namely (i) company business mix and (ii) Sustainable Linked Loan. Based on the information provided by the client during the preparation of the credit request and the submission of relevant documentation the outcome of the transaction assessment will be generated. The outcome generated falls under: ▪ Excluded activity when the financed activity falls within the exclusion list; ▪ Sustainable financing based on the criteria set in the Framework. ▪ Non-sustainable financing based on the criteria set out in the Framework. The Corporate Governance and Sustainability Department (GSD) supports the relevant Business Units in delivering the outcome of the transaction assessment. The GSD reviews the transaction details and the documentation to confirm that the transaction is indeed "Sustainable". If all the information is correctly completed and the transaction/loan is indeed "Sustainable" then the GSD user will approve the transaction and the transaction will go to the second line of defense. In case the GSD finds out that the transaction is not "Sustainable" or in case the information is incomplete then the GSD is likely to reject the request and return to RM to complete the missing information or select another activity. The second line of defense is the Credit User[14] who will evaluate the approval of the transaction from the GSD for cases where a loan is classified as "Sustainable"

[12] An estimated share by eligible instrument and project categories is being used for internal purposes to set annual budget per area (wholesale/retail).
[13] RM are the Bank employees responsible for the relationship with clients/corporations.
[14] Credit Users are the Bank employees responsible to determine the credit and ESG risks embedded in the transactions.

or for cases where a loan is classified as "Not Sustainable". The Credit User reviews the request and approves or denies the request based on the criteria in the E&S Policy and other credit approval criteria.

The ESG assessment at the transaction level constitutes a prerequisite for the examination of a credit request by the competent approval committee (Second line of Defense). This assessment is explicitly depicted in the credit proposal note and is validated by the credit committee in accordance with the credit risk rating.

The risk management division (Climate and ESG risk) as second line of defense will perform checks to ensure that the SFF criteria have been applied correctly to loan disbursements to avoid greenwashing/reputational/operational risks.

DIVISIONS/ COMMITTEES	ROLE AND RESPONSIBILITY
Business Units	The Business Units comprise the Wholesale and Retail units' representatives. The Relationship Managers (RMs) of the Wholesale division perform the initial screening with regard to the proposed ESG classification of the new financings in accordance with the Framework. The Business Units also participate in the periodic review, at least on an annual basis of the SFF.
Governance and Sustainability Department	This Division conducts the evaluation and approval of the eligible transactions and products, which have been reviewed by the Business Units, against the sustainability criteria. Additionally, this Division acts as a coordinator among the other relevant stakeholders (i.e., Business Units, Group Sustainability Committee, etc.), while it also participates in the periodic reviewing process of the Framework. Furthermore, the Governance and Sustainability Division incorporates the SFF-related disclosures into the Bank's annual sustainability reports and monitors the application of the Framework on sustainable financings.
Group Sustainability Committee (GSC)	The committee comprises of the chiefs and general managers from the Bank's divisions, including Risk, Finance, Wholesale and Retail Banking, Legal and Governance, International Network, Operations, Transformation, Growth and Innovation, Human Resources, and Marketing and Communication. The committee oversees the implementation of the sustainability strategy & all sustainable initiatives at the Group level, which are coordinated and monitored by the Governance and Sustainability Department. The Committee approves the SFF document and informs the Executive Committee. The GSC also participates in the periodic review of the Framework, whilst measures and

	monitors the progress of the ESG goals based on the SFF, on a regular basis.
Credit Risk	Credit Risk ensures that the implementation of the Sustainable Finance Framework is performed in alignment with the Bank's credit risk policies and procedures.
Compliance	Compliance is responsible for monitoring any sustainability-related laws and regulations that could impact the SFF. Moreover, it participates in the periodic review of the SFF.
Internal Audit	Internal Audit performs periodic reviews of the internal controls and processes related to the application of the SFF.

Table 2. Alpha Bank's SFF governance model; Divisions/Committees and Roles and Responsibilities

The eligibility assessment approach is broken down into four parts, Dedicated-Purpose financing (Green/Social loans), Dedicated-Purpose financing (RRF financing), General-Purpose financing (Business Mix) and General-Purpose financing (Sustainability-linked Loans). The Bank's Wholesale business unit can offer all three categories of sustainable financing (i.e., Dedicated-Purpose/ General-Purpose/ RRF-based). The Retail business unit consists of the Individual Banking and Small Business Banking divisions and can offer Dedicated-Purpose financings, the General-Purpose Business Mix financings (only for Small Business clients) and the RRF-based products (only for Small Business clients).

Opinion: *The process for sustainable financing transaction's evaluation and selection is described. Roles and responsibilities for the evaluation and selection of sustainable lending solutions are described. Alpha Bank has developed a list of eligible green and social categories, referring to commonly used market standards. The Bank describes an evaluation and selection methodology for Sustainability-linked Loans and facilities in line with market guidelines. The Bank applies exclusion list in line with the Bank's E&S Policy. Furthermore, ESG risks associated with all the eligible sustainable activities within the scope of the Framework are identified and managed through an appropriate process.*

4. Governance & Monitoring

For Dedicated-Purpose loans, the first line of defense will perform the eligibility assessment at origination and will review upon completion or if there are any changes either to the Framework or to the project. Besides the RMs have continuous discussions with clients to ensure proceeds are used as planned.

For General-Purpose loans – Business Mix, the RMs annually review, based on the updated revenue mix of the company, if the transactions are still eligible. A breach of the threshold for General Purpose or company mix transactions will lead to the declassification of the transaction.

	For General-Purpose loans – SLL, the transactions eligibility will be reviewed based on the term structure decided of the loan and annually through SPTs trigger. In case the criteria no longer hold, then the loan will no longer be categorized as sustainable. The Governance and Sustainability Division in cooperation with the business units will be responsible for reclassification. For clients applying to receive or having received financing, ESG-related data is collected via an inter-banking third-party platform to which clients are given access to provide their answers in the applicable ESG questionnaire and then transferred to the internal database in order to conduct the ESG assessment at corporate clients' level and to compute the ESG client score, in order to monitor the loan portfolio ESG risks, as well as, for reporting purposes and data disclosures.[15] As per Alpha Bank's ESG Operating Model the Governance and Sustainability Division (GSD) monitors implementation of ESG strategy and Sustainable Finance budgets, as well as related parameters including movements in sector portfolio exposures subject to climate risk, alignment of emissions with Paris Objectives, and performance vs market in Sustainable Finance. The GSD opines on the sustainability of every financing, in the context as needed. An annual review should be conducted to ensure that the client or project complies with the relevant criteria (for Wholesale and Small Business clients). **Opinion**: *All eligible transactions under the Sustainable Finance Framework are subject to the Bank's overarching sustainability criteria that take into account Alpha Bank's overarching sustainability criteria which are reviewed on a regular basis (yearly for General-Corporate Purpose transactions (business mix and SLL) and upon completion or changes for Dedicated-Corporate Purpose transactions). Alpha Bank clearly describes the monitoring process for the transaction's eligibility over the transaction's life cycle. A designated committee has been put in place to be responsible for the periodic review of eligible transactions. Data is tracked through a transaction platform and then transferred to the internal database.*
5. Reporting	The Bank intends to disclose information in relation to the financings which are characterized as sustainable through its annual Sustainability Report. Commitments against ESG strategy and goals will be also made available through the Bank's website. Alpha Bank publishes an annual Sustainability Report,[16] including sustainability strategy objectives, EU Taxonomy Disclosure Requirements. The annual Sustainability Report is subject to a limited assurance

[15] More details could be found in Alpha Bank's Climate-related Report 2022, https://www.alphaholdings.gr/-/media/alphaholdings/files/enimerosi-ependuton/apologismoi-etairikis-upeuthinotitas/climate-related-report-2022.pdf and in Alpha Bank internal Credit Policy

[16] Alpha Bank, Sustainability Report 2022, https://www.alphaholdings.gr/-/media/alphaholdings/files/enimerosi-ependuton/apologismoi-drastiriotiton/sustainability_report_alpha_bank_2022.pdf

	engagement. Furthermore, the Bank publishes an annual Climate-related Report based on the TCFD Framework.[17] For its Sustainability-linked facilities, the Bank commits to the borrowers reporting on the SPTs on a pre-determined frequency (at a minimum on an annual basis). The following should be also considered during the provision of information by the client: Location & frequency of reporting, intended scope & granularity of reporting, commitment & disclosure of post-issuance external review (verification/ assurance report). **Opinion**: *Alpha Bank reports and makes publicly available on an annual basis its sustainable finance commitment. To the extent possible, Alpha Bank commits to disclose a breakdown of the use of proceeds by eligible themes and by business areas in scope. As data availability in terms of impact reporting improves and where feasible, the Framework may be further improved by disclosing the tracking and collecting of the expected or achieved impact of the Bank's sustainable financing transactions on environmental and social objectives. Transparency is of particular value in communicating the expected and/or achieved impact of projects.*
6. External Review	Alpha Bank has appointed ISS-Corporate to provide an External Review on the Sustainable Finance Framework and its alignment with the Bank's overall strategy. The review of the Framework will be executed at least on an annual basis, in order to ensure any required updates are reflected with regards to regulatory requirements or any additional qualifying activities that might need to be incorporated. In its indicative checklist, the Bank requires beneficiaries of Sustainability-linked transactions to communicate on an external review of ESG data, publication dates and reviewer name. **Opinion:** *Alpha Bank has sought an external review of the Sustainable Finance Framework at its launch, in line with best market practices. The Framework and the External Review report will be publicly available. External reviews will be sought upon any subsequent update. In line with market guidelines, borrowers could be encouraged to obtain independent verification against a designated set of use of proceeds criteria and impact metrics typically pertaining to environmental/social projects for Green or Social Loans.*

[17] Alpha Bank, Climate-related Report 2022, https://www.alphaholdings.gr/-/media/alphaholdings/files/enimerosi-ependuton/apologismoi-etairikis-upeuthinotitas/climate-related-report-2022.pdf

PART II: ASSESSMENT OF ALPHA BANK'S SUSTAINABLE FINANCING CLASSIFICATION APPROACH

A. ASSESSMENT OF THE ELIGIBILITY CRITERIA OUTLINED IN ALPHA BANK'S SUSTAINABLE FINANCING CLASSIFICATION APPROACH

To provide an opinion on the sustainability credibility of each of the key sets of criteria defined by Alpha Bank, we evaluate the prevalence and robustness of the selection parameters, considering market practices across different sustainable finance asset classes.

Alpha Bank has set forth the following decision process for its financing activities to be classified as sustainable:

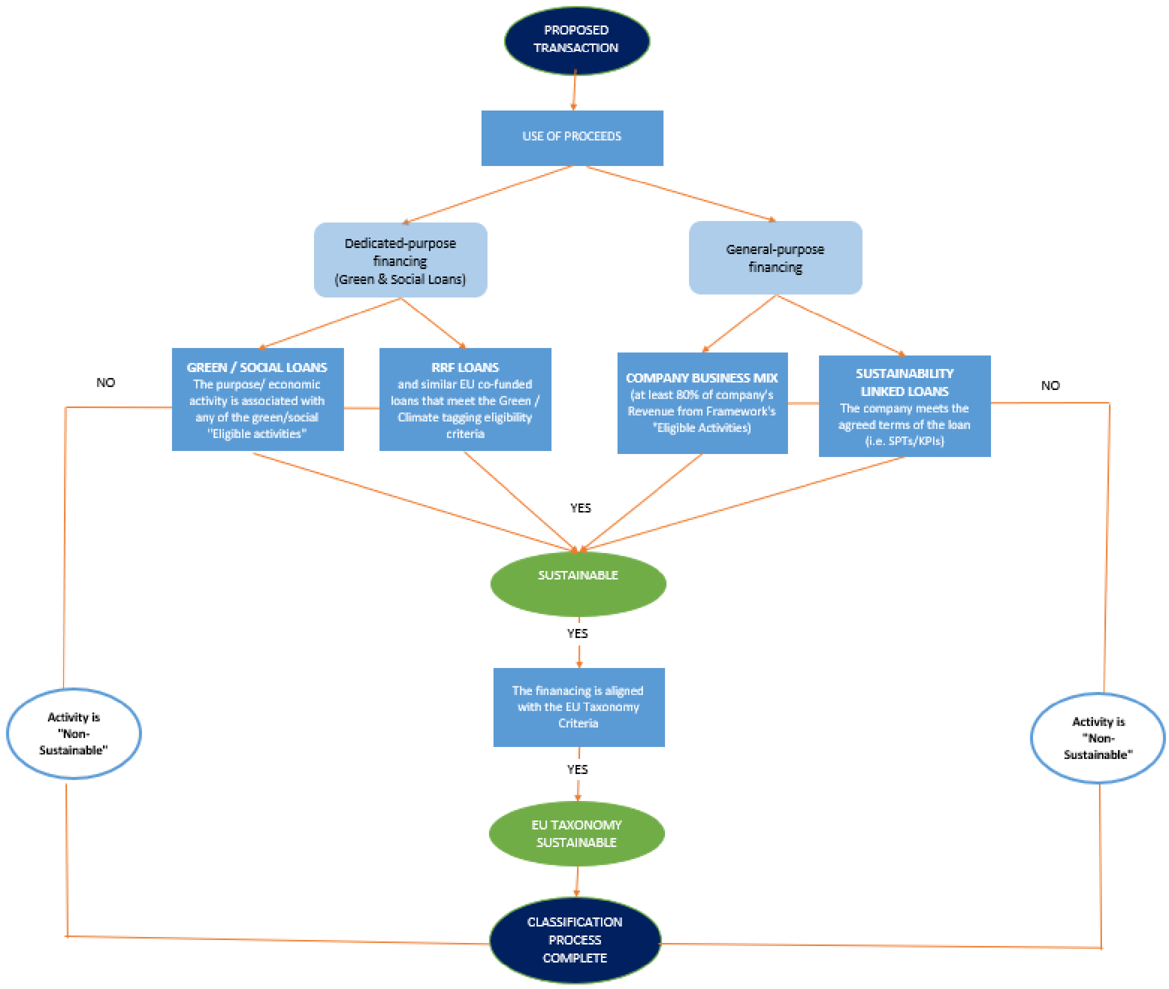

Figure 1. Alpha Bank's sustainable financing classification approach

In the below table, each parameter outlined in Alpha Bank' Sustainable Finance Framework divided into different lending and syndication approaches is assessed. The evaluation is based on criteria derived from commonly accepted market practices and guidelines.[18]

PARAMETER	CRITERIA	ASSESSMENT OF ALPHA BANK'S SUSTAINABLE FINANCE CLASSIFICATION SYSTEM
Dedicated Purpose Financing (standard approach)	Dedicated Purpose financing contributes to sustainability objectives if proceeds are exclusively allocated to activities that are subject to specific and credible ESG-related eligibility criteria.	The Bank has developed a list of green and social activities that are eligible for sustainable financing. 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 Green Loan Principles and the International Capital Markets Association Green/ Social Bond Principles. ▪ In Step 2, the Bank will evaluate the alignment of the transaction with the EU Taxonomy. The proposed Taxonomy regulation applies to green activities only. The Bank applies an exclusionary strategy, which includes a list of all prohibited activities for which it will not grant credit (in line with the Bank's E&S Policy). Specifically for green and social loans, the client provides appropriate documents and verification to check alignment with the LMA principles and if needed an external consultant is appointed. The Use of proceeds can also be 100% directed toward RRF loans allocated and tagged as contributing to the country's green transition, irrespective of the RRF loan program categories. These RRF loans will follow the same alignment approach as any other dedicated-purpose financing loans, but Green Pillar alignment is decided by an external/independent party authorized by the relevant state agency.

[18] These include, but are not limited to the ICMA GBP, SBP and SBG, the SLBP and the Climate Transition Handbook; the GLP and SLP; the SLLP, as administered by the LMA; the UNEP FI PRB and the EBA loan guidelines for environmentally sustainable lending.

		Opinion: *A detailed UN SDG impact and EU Taxonomy assessment of the eligibility criteria presented in the Sustainable Finance Framework can be found in Annex II B and C of this report. Based on ISS ESG's proprietary SDG Solutions Assessment (SDGA) methodology, 94% (above 90%[19]) of the eligible categories have a positive contribution to the Sustainable Development Goals and 100% of the eligible categories are in line with the TSC for Substantial Contribution to Climate Chante Mitigation of the EU Taxonomy. 6% of the eligible categories are considered to have 'No Net Impact', limiting the contribution to sustainability objectives for these particular categories. At Framework level, no information is available on the future share of sustainable financing transactions to the eligible categories assessed by ISS ESG SDGA proprietary methodology as having 'No Net impact'.* *While we have not provided a detailed SDG assessment of each project that might be financed under the Recovery and Resilience Facility (RRF), we recognize that considering RRF loans as sustainable or transition is a credible approach. Indeed, the Greek Recovery and Resilience plan is set to provide a significant contribution to the green transition of the Greek economy and strongly supports the decarbonization of the energy sector, while ensuring that no significant harm is done to environmental objectives by only selecting or designing measures complying with DNSH.* *However, to further improve the Framework, beneficiaries should make, and keep, readily available up to date information on the use of proceeds, such information to be renewed annually until the Green or Social loan is fully drawn (or until the loan maturity in the case of revolving credit facilities), and on a timely basis in the event of material developments.*
General Purpose Financing (standard and pro-rata approach)	General-Purpose financing contributes to sustainable	According to Alpha Bank's Sustainable Finance Framework, to be classified as sustainable:

[19] It is noted that at least 90% of the eligible categories considered under the underlying framework (i.e., 100% that are classified as sustainable) should contribute positively to the SDGs, in conformity with the ISS ESG SDGA methodology.

	objectives if the funds are allocated to companies for whom a majority of their revenue/CAPEX R&D or OPEX derive from designated eligibility criteria. Generally accepted thresholds in the market are ≥ 90%[20] or between 50 - 90% to refer to 'Majority Players'[21] to designate green or social 'Pure Players' with a defined exclusion list for the remaining share.	▪ The company must generate at least 90% of its total revenue from the eligible green or social activities, as presented in section 3.3 of the Framework. As a result, the total amount of the transaction will be included as sustainable. ▪ The company must derive from its core business in between 80% and 90% of its total revenue from eligible green or social activities as presented in the Framework. It is noted that a pro-rata amount of this funding will be considered as sustainable financing. The Bank commits to evaluate the alignment of the transactions with the EU Taxonomy Climate Delegated Act criteria. The Bank applies an exclusionary strategy,[22] which includes a list with all prohibited activities for which it will not grant credit (in line with Group Environmental and Social Risk Management Policy).[23] It includes an industry-specific exclusion list (i.e., a list of activities that the Group does not finance) associated with environmental and social responsibility risks. **Opinion:** The 90% threshold proposed for the first criteria is appropriate and in line with best market practices of classifying sustainable businesses. Besides, for the second criteria, *the inclusion of a minimum threshold of 80%, in order to prevent financing of a company that only marginally contributes to sustainability objectives is positively noted. Similarly, the thresholds also draw on common market practice, as outlined by the London Stock Exchange, and are complemented by an*

[20] Green Bond Principles, Appendix I (June 2022), Note I, and Climate Bonds Initiative Standard Version 3.0 (December, 2019), Green Bond Database Methodology, July 2022
[21] LSEG, 2019
[22] Alpha Bank Sustainability Report 2022, Section Environmental and Social Risk Management in Business Lending, https://www.alphaholdings.gr/-/media/alphaholdings/files/enimerosi-ependuton/apologismoi-drastiriotiton/sustainability_report_alpha_bank_2022.pdf
[23] Excerpts of the Policy on Alpha Bank's Sustainability and Climate-related report 2022, https://www.alphaholdings.gr/en/esg-and-sustainability/apologismoi-kai-ektheseis-esg

		overarching exclusion policy from the Bank. We note the inclusion of a safeguard with respect to the remaining 20% to exclude potential financing towards harmful activities and since the transaction is only counted on a pro-rated basis The threshold applies to total revenue and not to CAPEX, R&D, OPEX or funding dispersals. We note that financing of a company with proportions at 80%, may indirectly enable the growth of ineligible activities that comprise the other proportion in such companies since the company is able to access the overall financing. Whilst many of these activities may be neutral in the sense that they do not actively contribute to UN Sustainability Development Goals, some may also obstruct these goals. Furthermore, it is noted that not all listed eligibility categories are considered to have a net positive impact on environmental or social factors. This may result in the classification of financing as sustainable while the underlying business is not positively contributing to environmental and social objectives.
General Purpose Financing (Sustainability-linked Financing)	Sustainability-linked Financing contributes to sustainable objectives if the associated KPIs[24] are material, core and relevant to the borrower's business model and the associated targets are ambitious. Further, it is considered as best market practice those transactions are subject to an external review,	According to Alpha Bank's Sustainable Finance Framework, in order to estimate and assess the sustainability performance of the borrower, specific sustainability performance targets are defined in section 3.4 of the Framework and measured by key performance indicators that calculate the improvements in the borrower's ESG profile. The Bank provides further information on the SPT setting and sustainability-linked transaction methodology, rationale, KPI selection, SPT calibration, loan characteristics and reporting commitments. Further, the Bank provides an indicative list of SPTs and KPIs. In its indicative checklist, the Bank recommends its Beneficiaries to communicate on an external review of ESG data (e.g., publication dates, reviewer name). The following should be also provided by the client: Location & frequency of reporting,

[24] Key Performance Indicators, which can be external or internal and fit into the sustainability strategy of the borrower should be relevant, measurable, externally verifiable and able to be benchmarked.

	providing verification of the alignment against LMA core principles, the aforementioned dimensions, and, in particular, the ambition of the selected SPTs[25].	intended scope & granularity of reporting, commitment & disclosure of post-issuance external review (verification/assurance report). Finally, the Bank is checking the alignment of the loans with the LMA principles internally through the cooperation of GSD and business team that handles the client' relationship. **Opinion**: *While an indicative list of KPIs is available, we did not run a comprehensive assessment of the KPIs materiality of the associated SPTs ambition level or of how including this form of financing contributes to ESG-related goals as additional information at borrower/transaction level is currently not available. It is noted that Alpha Bank does not systematically require an external review of the materiality of the KPIs, and the ambition of the targets embedded in these financings as stipulated by the LMA principles. In the absence of a comprehensive external review at transaction level assessing the ambition of targets, general-Purpose financing may be granted to entities that have not set adequate sustainability goals and/or credible action plans to reach sustainability or transition goals. Finally, due to the general fungible nature of financing flows, general-Purpose financing may indirectly benefit activities that are not defined as sustainable. In addition, despite it not being exhaustive, we welcome that Alpha Bank sets forth a sample list of indicative KPIs and SPTs description as well as the environmental, social or governance area, that may be used in the structuring of Sustainability-linked transactions.*

[25] Sustainability Performance Targets, which should be ambitious, represent a material improvement in the respective KPIs, where possible be compared to a benchmark, be consistent with the borrowers' overall ESG strategy and be determined on a predefined timeline.

B. CONTRIBUTION OF THE ELIGIBLE CATEGORIES TO THE UN SDGs

Financial Institutions can contribute to the achievement of the SDGs by financing eligible services/products which help address global sustainability challenges, and by being responsible actors, contributing to minimize negative externalities in their financing along the entire value chain. The aim of this section is to assess the SDG impact of the eligible categories by the Bank in two different ways, depending on whether the proceeds are used to (re)finance:

- specific products/services,
- improvements of operational performance.

GREEN CATEGORIES

1. **Products and services**

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS[26]
Energy Efficiency - Transmission and Distribution Systems and Upgrades ▪ Construction/ development of new electricity distribution systems, transmission lines or substations with at least 67% of newly enabled generation capacity below the threshold value of 100 gCO_2 e/kWh or with average system grid emissions below the threshold value of 100 gCO_2 e/kWh, measured on a life cycle basis, over a rolling five-year period.	Contribution	
Energy Efficiency - Transmission and Distribution Systems and Upgrades ▪ Retrofit or construction/ development of distribution systems, transmission lines or substations to connect on site Renewable Energy Sources (RES) for self-energy needs. ▪ Biofuel infrastructure including refining of eligible biofuels[27] and transportation/pipelines.	Contribution	

[26] The review is limited to the examples of projects spelled out in the Framework.
[27] For more details refer to Theme: Renewable Energy, Sub-Theme: Generation of electricity from renewable sources.

Energy Efficiency - Energy Efficiency Technologies ▪ Development, manufacture and/ or installation of energy efficiency technologies and products such as efficient appliances with rating of A or above.[28]	Contribution	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Energy Efficiency - Energy Efficiency Technologies ▪ Development, manufacture and/ or installation of energy efficiency technologies and products such as smart meters.	Contribution	13 CLIMATE ACTION
Energy Efficiency - Energy Efficiency Technologies ▪ Development, manufacture and/ or installation of energy efficiency technologies and products such as efficient lighting [29] such as LED lighting	Contribution	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Energy Efficiency - Public Services and Utilities ▪ Installation of energy efficient lighting or equipment to increase the operational energy efficiency of utilities and other public services (excluding improvements in buildings). Examples: lighting [30] such as LED lighting, Renewable energy storage solutions. ▪ Distribution network where it is primarily powered by renewables.[31] ▪ Retrofit of renewable energy power plants such as technology change of solar PV panels, automatic cleaning systems to increase capacity	Contribution	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Energy Efficiency - Public Services and Utilities ▪ Installation of energy efficient lighting or equipment to increase the operational energy efficiency of utilities and other public services	Contribution	13 CLIMATE ACTION

[28] Based on the related EU energy labelling system or other equivalent rating system.
[29] 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)
[30] 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)
[31] Renewable energy source includes wind, photovoltaic, small hydro, high efficiency co-generation.

(excluding improvements in buildings). Examples: smart meters, smart meter infrastructure.[32] ▪ High efficiency co-generation, efficient district heating and cooling[33] 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 district cooling systems[34] heat-loss reduction and/or increased recovery of wasted heat		
Renewable Energy - Generation of electricity from renewable sources Electricity generation from: ▪ Onshore and offshore wind power. ▪ Solar power (including floating) ▪ Hydropower (<25MW, or >25MV where there is either a lifecycle carbon intensity of ≤100gCO2/kWh or power density ≥5W/m2). ▪ Geothermal power (with direct emissions below 100gCO2/kWh). ▪ Production of electricity from biomass, biogas, or bioliquids (sources: crop residues, livestock waste, certified wood, non-food biomass, municipal waste).[35] ▪ Production of biofuels from waste and 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.: Production of hydrogen generated from renewable sources	Contribution	

[32] Smart meter infrastructure compliant with the requirements of Article 20 of Directive (EU) 2019/944
[33] 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.
[34] 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.
[35] First generation biofuels/biomass/biogas/bioliquids are excluded.

Renewable Energy - Renewable energy technologies Development and/or manufacture of renewable energy technologies, including equipment for renewable energy generation and energy storage. Examples: wind turbines, solar panels, battery storage.	Contribution	
Renewable Energy - Transmission and distribution systems Grid expansion/ development that transmits a minimum of 90% renewable energy.	Contribution	
Renewable Energy - Transmission and distribution systems Supporting technology/ infrastructure to enable transmission of renewable energy. Examples: energy storage facilities or smart grid technology.	Contribution	
Renewable Energy - Heat production and thermal energy ▪ Thermal applications of solar, geothermal or bioenergy in any sector including the storage of thermal energy. ▪ Manufacturing, installation, and operation of electric heat pumps.[36]	Contribution[37]	
Sustainable Transport - Electric, hydrogen, and hybrid vehicles ▪ Hybrid engines and technologies for passenger transportation operating below < 75 gCO_2/vehicle-km (vkm). ▪ Vehicle retrofit or replacement with zero emission technologies including electric. ▪ Acquisition/ manufacture of new electric vehicles	Contribution	

[36] The installation and operation of electric heat pumps complies with the Directive 2009/125/EC and with a Global Warming Potential < 675.
[37] This assessment is in conditioned to alignment with the specific EUT 4.16 TSC as outlined in the framework.

Sustainable Transport - Electric, hydrogen, and hybrid vehicles Acquisition/manufacture of other type of vehicles, with emissions operating below < $50gCO_2$/km until 2025 and zero emission from 2026.	Contribution	
Sustainable Transport - Public or mass transportation systems Development and operation of sustainable public or mass transportation systems. This may include equipment and infrastructure for buses.	Contribution	
Sustainable Transport - Public or mass transportation systems ▪ Development and operation of zero emission public or mass transportation systems. This may include equipment and infrastructure for light rail vehicles and other rapid transit systems including overground or underground rail systems. ▪ For hybrid public mass passenger operating below 75 gCO_2 / passenger km.	Contribution	
Sustainable Transport - Public or mass transportation systems For all freight rail transportation that are not electrified, the following thresholds should be met: $25gCO_2$/t-km.[38]	Contribution	
Sustainable Transport - Infrastructure ▪ 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-motorized transport facilitating personal mobility (e.g. public walking).	Contribution	
Sustainable Transport - Infrastructure ▪ Development of infrastructure for non-motorized transport facilitating personal mobility (bicycles)	Contribution	

[38] Aligned to the EU CO_2 emissions performance standard and Climate Bond Initiative criteria.

▪ Development of port infrastructure to accommodate for low carbon refueling, connection to the on-shore electricity grid (shore-side electricity).[39]		
Sustainable Transport - Shipping Upgrade or replacement of vessels with low-emission vessels that meet the following criteria: ▪ Zero tailpipe emissions	Contribution	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Sustainable Transport - Shipping Upgrade or replacement of vessels with low-emission vessels that meet the following criteria: ▪ Below the emissions intensity thresholds per vessel size (GT) for the Annual Efficiency Ratio (AER) and Energy Efficiency Operational Index (EEOI)[40] – 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 the low-carbon industry thresholds.[41] ▪ 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 solutions[42] that leads to a reduction of emissions intensity below industry thresholds.[43]	Contribution	13 CLIMATE ACTION
Resource Efficiency and Pollution Control - Recycling and reuse ▪ Treatment of bio-waste through anaerobic digestion in dedicated plants with the resulting production	Contribution	13 CLIMATE ACTION

[39] Infrastructure enabling low carbon water transport [EU Taxonomy Annex I (Climate Change Mitigation): 6.16, excluding infrastructure dedicated to the transport or storage of fossil fuels and port infrastructure not related to the direct supply of zero emissions energy/ fuel to vessels..

[40] As per the Climate Bond Initiative

[41] AER (Annual Efficiency Ratio) or EEOI (Energy Efficiency Operational Index) aligned to the Climate Bond Initiative.

[42] Energy savings technology including 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.

[43] AER (Annual Efficiency Ratio) or EEOI (Energy Efficiency Operational Index) aligned to the Climate Bond Initiative.

and utilization of biogas and digestate. ▪ Treatment of bio-waste through composting (aerobic digestion) in dedicated facilities with the resulting production and utilization of compost.		
Resource Efficiency and Pollution Control - Circular economy ▪ Repair activities and activities that facilitate reduction in material use. Examples: renting electric appliances instead of buying or community-based equipment sharing, etc.	Contribution	
Green Building - Real Estate (commercial, industrial, residential, and public buildings) Construction/ Purchase of new buildings: Buildings certified to an acceptable level under an internationally or nationally recognized green building certification scheme, including: ▪ LEED (Gold or above) ▪ BREEAM (Very good or above)	Contribution	
Green Building - Real Estate (commercial, industrial, residential, and public buildings) Construction/ Purchase of new buildings: Buildings certified to an acceptable level under an internationally or nationally recognized green building certification scheme, including: ▪ EDGE (certified) ▪ Energy Performance Certificate (A or above) accredited by the Greek Ministry of Environment & Energy or relevant National Authority.	Contribution	
Green Building - Real Estate (commercial, industrial, residential, and public buildings) System upgrades for buildings: ▪ Energy efficiency measures that lead to a reduction of primary energy demand of at least 30% in comparison	Contribution	

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 regulations.[44][45]		
Green Building - Real Estate (commercial, industrial, residential, and public buildings) Eligible activities include system upgrades for: ▪ Waste heat recovery improvements with a minimum nominal performance of 73%.[46] ▪ Heating measures including air source heat pumps, ground source heat pumps, micro combined heat, and power (micro-CHP), heating controls[47], replacement of old pumps with efficient circulating pumps[48]. ▪ Installation and replacement of heating, ventilation, and air conditioning (HVAC)[49] ▪ Heating measures including domestic hot water systems[50] ▪ 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,	Contribution	13 CLIMATE ACTION

[44] Energy Performance of Buildings Directive (EPBD) – 2010/31/EU
[45] Alpha Bank will use energy performance certificates to determine the top 15% of the national building stock.
[46] Aligned with the Regulation 2020/852/EU for activity 7.6 installation heat exchanger/recovery systems.
[47] 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.
[48] Also refer to Theme: Renewable Energy, Sub-Theme: Heat production and thermal energy
[49] 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 technical screening criteria of activity 7.3.
[50] 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 highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369, as per the requirements of activity 3.5.

heatwaves such as external shutters, external insulation, etc.[51]		
Green Building - Real Estate (commercial, industrial, residential, and public buildings) System upgrades: Eligible activities include: ▪ Energy efficiency measures[52] 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. ▪ Renewable energy generation including solar hot water, solar Photovoltaic, rainfall capture, etc.	Contribution	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Green Building Real Estate (commercial, industrial, residential, and public buildings) System upgrades: Eligible activities include: ▪ Water efficiency measures to reduce water consumption[53] including indoor water efficient fixture and fittings and outdoor water efficient landscaping, etc	Contribution	6 CLEAN WATER AND SANITATION

2. Improvements of operational performance (processes)

USE OF PROCEEDS	OPERATIONAL IMPACT	SUSTAINABLE DEVELOPMENT GOALS
Energy Efficiency - Transmission and Distribution Systems and Upgrades ▪ Retrofit of electricity distribution systems, transmission lines or substations	✓	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

[51] Resilience measures to reduce risks related to flooding and / or heatwaves based on climate risk vulnerability assessments.
[52] Energy efficiency measures that comply with the 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 technical screening criteria of activity 7.3.
[53] Aligned with the Regulation 2020/852/EU for activity 7.1,7.2 (DNSH on Water)

to reduce energy use and/or avoid technical losses in the system. ▪ Enhancing existing systems to increase efficient use of energy. Examples: smart grid technologies		
Energy Efficiency - Agricultural processes Improving the energy efficiency of machinery and equipment, irrigation and other agriculture processes through fuel switching to lower carbon options.	-[54]	
Energy efficiency - Industrial processes Development, manufacture, distribution and/or installation of products or services that increase the energy efficiency of industrial processes.	-[55]	
Energy efficiency - 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.	✓	
Resource Efficiency and Pollution Control - Recycling and reuse ▪ 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[56] or energy-efficient recycling technology. ▪ Companies/projects that substitute virgin raw materials with secondary (recycled) materials originating from materials and resources recovery.	✓	
Resource Efficiency and Pollution Control - Circular economy	-	

[54] No minimum threshold provided in terms of energy efficiency improvement and limited information available on the clear environmental benefits of those projects.
[55] No minimum threshold provided in terms of energy efficiency improvement and limited information available on the clear environmental benefits of those projects.
[56] Including recycling facilities powered by renewable energy.

▪ 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 optimizes the utilisation of the product or asset.		
Green Building - Real Estate (commercial, industrial, residential, and public buildings) Renovation of existing buildings: ▪ Buildings certified to an acceptable level under an internationally or nationally recognized green building certification scheme, including: ▪ LEED (Gold or above) ▪ BREEAM (Very good or above	✓	
Green Building - Real Estate (commercial, industrial, residential, and public buildings) Renovation of existing buildings: ▪ Buildings certified to an acceptable level under an internationally or nationally recognized green building certification scheme, including: ▪ EDGE (certified) ▪ Energy Performance Certificate (B+ or above)[57][58] accredited by the Greek Ministry of Environment & Energy.	✓	

[57] According to Greek legislation through Ministerial Decision YPEN/DEPEA/85251/242, for a major renovation, an EPC of energy class of B+ leads to the top 15%.

[58] Implementation of the EPBD in Greece, https://epbd-ca.eu/wp-content/uploads/2022/02/Implementation-of-the-EPBD-in-Greece-2020.pdf

SOCIAL CATEGORIES

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Economic Inclusion SME lending in emerging markets To be eligible for the use of proceeds, one or more of the following populations should be specifically targeted: ▪ Rural populations focusing on agricultural production and agricultural value chains ▪ Excluded and/ or marginalized populations ▪ Economically disadvantaged groups[59]	Contribution	1 NO POVERTY 8 DECENT WORK AND ECONOMIC GROWTH
Economic Inclusion SME lending in emerging market To be eligible for the use of proceeds for SME financing, one or more of the following populations should be specifically targeted: Females	Contribution	1 NO POVERTY 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Economic Inclusion Microfinance lending[60] To be eligible for the use of proceeds, one or more of the following populations should be specifically targeted: ▪ Rural populations focusing on agricultural production and agricultural value chains ▪ Excluded and/ or marginalized populations Economically disadvantaged groups[61]	Contribution	1 NO POVERTY 10 REDUCED INEQUALITIES
Affordable Housing Financing of construction, renovation and maintenance of houses destroyed or damaged by natural disasters.[62]	Contribution	1 NO POVERTY

[59] Defined as the population groups "at-risk-of poverty" including the persons with an equivalised disposable income below the 60% of the median equivalised disposable income.
[60] Microfinance is defined as per IFC definition. Loan < 10,000 $ at origination. Small Enterprises are defined as Natural Persons and Legal Entities with an annual turnover of up to Euro 5 million and a Credit Limit of up to Euro 1 million.
[61] Defined as the population groups "at-risk-of poverty" including the persons with an equivalised disposable income below the 60% of the median equivalised disposable income.
[62] Housing will be provided at below-market rates.

Affordable Housing Adequate, safe and affordable housing for women., low-income and underserved population.[63][64]	Contribution	1 NO POVERTY 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES
Economic Inclusion SMEs located in areas most affected by phasing out of fossil fuel power stations.	Contribution	8 DECENT WORK AND ECONOMIC GROWTH
Economic Inclusion Job training or job placement programs for any other vulnerable populations such as vocational training for unemployed, population affected by the energy transition.	Contribution	4 QUALITY EDUCATION
Affordable Basic Infrastructure[65] ▪ Public transportation 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.	Contribution	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Affordable Basic Infrastructure Other social infrastructure contributing to social inclusion in the community. Examples: access to recreational centers and cultural centers.	Contribution	11 SUSTAINABLE CITIES AND COMMUNITIES

[63] Construction companies are excluded.
[64] Housing will be provided at below-market rates.
[65] Social categories listed below: Public transportation enabling 1) connectivity of rural and low-income regions or remote islands, and 2) low-carbon road and water transport use by underserved populations could provide both positive environmental and social benefits. Alpha Bank decided to classify those as social categories. ISS-Corporate considered that the most direct impact of these categories is linked to environmental related topics.

Affordable Basic Infrastructure ▪ Financing that ensures access to affordable energy for population that is given access to energy at affordable prices such as for securing the provision of electricity for e.g., in medical units for patients that require the non-stop use of medical equipment that rely on electricity. ▪ Infrastructure that improves internet/ telecommunication connectivity for underserved populations.[66] Services provided to include communication services (use of internet, mobile phones)	Contribution	10 REDUCED INEQUALITIES
Access to Essential Services ▪ Provision/distribution of healthcare equipment for public/ free/subsidised services. ▪ Development, expansion, or acquisition of hospitals /healthcare facilities.	Contribution	3 GOOD HEALTH AND WELL-BEING
Access to Essential Services ▪ Development of education facilities (public schools, universities etc.). ▪ Free/subsidised/affordable training for educational professionals. ▪ University programs to promote entrepreneurship and innovation aligned to the framework's eligible themes. ▪ Provision of free/subsidised/ affordable training for healthcare professionals. Training on emergency health incidents, the use of healthcare equipment. ▪ Financing that ensures access to university education for low-income students.	Contribution	4 QUALITY EDUCATION
Affordable Basic Infrastructure Development, expansion, or improvement of access to safe and affordable drinking water, and, sanitation for underserved populations.[67]	Contribution	3 GOOD HEALTH AND WELL-BEING 6 CLEAN WATER AND SANITATION 10 REDUCED INEQUALITIES

[66] Population groups that have limited or no access to the eligible activities. Underserved population could also include vulnerable population like the elderly, socioeconomically disadvantaged, elderly, children or people with different abilities or in need of medical attention.
[67] Population groups that have limited or no access to the eligible activities. Underserved population could also include vulnerable population like the elderly, socioeconomically disadvantaged, elderly, children or people with different abilities or in need of medical attention.

Affordable Basic Infrastructure Development, expansion, or improvement of access to clean energy for underserved populations.[68]	**Contribution**	10 REDUCED INEQUALITIES

[68] Population groups that have limited or no access to the eligible activities. Underserved population could also include vulnerable population like the elderly, socioeconomically disadvantaged, elderly, children or people with different abilities or in need of medical attention.

C. ASSESSMENT OF THE ELIGIBLE CATEGORIES AGAINST THE EU TAXONOMY CLIMATE DELEGATED ACT

Alpha Bank's eligibility criteria, due diligence processes and policies for the nominated Use of Proceeds project categories have been assessed against the relevant Climate Change Mitigation Technical Screening Criteria of the EU Taxonomy Climate Delegated Act[69] (June 2023), based on information provided by Alpha Bank. Where Alpha Bank's eligibility criteria, due diligence processes and policies meet the EU Taxonomy Criteria requirements, a tick is shown in the table below.

The Do No Significant Harm Criteria and Minimum Safeguards requirements as included in the EU Taxonomy Climate Delegated Act have not been assessed at this stage. It is noted that the Bank will report on its compliance with the DNSH and Minimum Safeguards Criteria in the annual Sustainability Report.

Alpha Bank's eligibility criteria overlap with the following economic activities of the EU Taxonomy:

3.1 Renewable technologies
3.5 Energy efficiency equipment for buildings
4.1 Electricity generation using solar photovoltaic technology
4.2 Electricity generation using concentrated solar power technology
4.3 Electricity generation from wind power
4.4 Electricity generation from ocean energy technologies
4.5 Electricity generation from hydropower
4.6 Electricity generation from geothermal energy
4.7 Electricity generation from renewable non-fossil gaseous and liquid fuels
4.8 Electricity generation from bioenergy
4.9 Transmission and distribution of electricity (Public Services and Utilities)
4.11 Storage of thermal energy
4.16 Installation and operation of electric heat pumps
4.17 Cogeneration of heat/cool and power from solar energy (Public Services and Utilities)
4.18 Cogeneration of heat/cool and power from geothermal energy
4.19 Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuel
4.20 Cogeneration of heat/cool and power from bioenergy
4.21 Production of heat/cool from solar thermal heating
4.22 Production of heat/cool from geothermal energy
4.23 Production of heat/cool from renewable non-fossil gaseous and liquid fuels
4.24 Production of heat/cool from bioenergy
4.25 Production of heat/cool from waste heat
5.7 Anaerobic digestion of bio-waste
6.1 Passenger interurban rail transport
6.3 Freight rail transport
6.5 Transport by motorbikes, passenger cars and light commercial vehicles
6.6 Freight transport services by road
6.10 Sea and coastal fright water transport, vessels for port operations and auxiliary activities
6.11 Sea and coastal passenger water transport
6.12 Retrofitting of sea and coastal freight and passenger water transport
6.13 Infrastructure for personal mobility, cycle logistics
6.14 Infrastructure for rail transport
6.15 Infrastructure for low-carbon road transport and public transport

[69] Commission Delegated Regulation (EU) 2020/852, https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en

6.16 Infrastructure for low-carbon water transport
7.1 Construction of new buildings (Real Estate)
7.2 Renovation of existing buildings
7.3 Installation, maintenance and repair of energy efficiency equipment
7.5 Installation, maintenance and repair of instrument and devices for measuring, regulation and controlling energy performance buildings (Industrial processes)

Furthermore, this analysis only displays how the EU Taxonomy criteria are fulfilled/not fulfilled. For ease of reading, the original text of the EU Taxonomy criteria is not shown. Readers can recover the original criteria at the following link.

CLIMATE CHANGE MITIGATION				
SECTOR (PER EU TAX)	FRAMEWORK CATEGORY	EU TAXONOMY ACTIVITY	COMMENT ON ELIGIBILITY CRITERIA	ALIGNMENT [70]
Manufacturing	A.2: Energy Efficiency Technology B.2: Renewable energy technologies	3.1 Renewable energy technologies	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		3.5 Energy efficiency equipment for buildings	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
Energy	A.1: Transmission and Distribution Systems and Upgrade A.3: Public Services and Utilities A.6: Industrial processes B.1: Generation of electricity from renewable sources	4.1 Solar photovoltaic technology	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		4.2 Concentrated solar power (CSP) technology	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		4.3 Wind power	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		4.4 Ocean energy technologies	The eligibility criteria conform with the activity-specific TSC	✓

[70] Where the project eligibility criteria fully meet the EU Taxonomy Technical Screening Criteria for Climate Change Mitigation fcand Adaption requirements, a tick is provided.

	B.3: Transmission and Distribution Systems B.4: Heat production and thermal energy		defined in the Technical Annex of the EU Taxonomy.	
		4.5 Hydropower	The eligibility criteria conform with the activity specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		4.6 Geothermal energy	The eligibility criteria conform with the activity specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		4.7 Renewable non-fossil gaseous and liquid fuels	The eligibility criteria conform with the activity specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		4.8 Bioenergy	The eligibility criteria conform with the activity specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		4.9 Transmission and distribution of electricity	The eligibility criteria conform with the activity specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		4.11 Storage of thermal energy	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		4.16 Installation and operation of electric heat pumps	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		4.17 Cogeneration of heat/cool and power from solar energy	The eligibility criteria conform with the activity-specific TSC defined in the	✓

		Technical Annex of the EU Taxonomy	
	4.18 Cogeneration of heat/cool and power from geothermal energy	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy	✓
	4.19 Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy	✓
	4.20 Cogeneration of heat/cool and power from bioenergy	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy	✓
	4.21 Production of heat/cool from solar thermal heating	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	4.22 Production of heat/cool from geothermal energy	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	4.23 Production of heat/cool from renewable non-fossil gaseous and liquid fuels	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	4.24 Production of heat/cool from bioenergy	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
	4.25 Production of heat/cool using waste heat	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓

Water supply, sewerage, waste management and remediation	D.1: Recycling and reuse	5.7 Anaerobic digestion of bio-waste	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
Transport	C.2: Public or mass transportation system C.1: Electric, hydrogen and hybrid vehicles C.4: Shipping C.3: Infrastructure	6.1 Passenger interurban rail transport	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		6.3 Urban and suburban transport, road passenger transport	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		6.5 Transport by motorbikes, passenger cars and light commercial vehicles	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		6.6 Freight transport services by road	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities rt	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		6.11 Sea and coastal passenger water transport	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		6.12 Retrofitting of sea and coastal freight and passenger water transport	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓

		6.13 Infrastructure for personal mobility, cycle logistics	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		6.14 Infrastructure for rail transport	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		6.15. Infrastructure enabling low-carbon road transport and public transport	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		6.16 Infrastructure enabling low-carbon water transport	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
Construction and Real Estate	A.4: Real Estate (commercial, industrial, residential, and public buildings) A.6: Industrial processes	7.1 Construction of new buildings	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		7.2 Renovation of existing buildings	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		7.3 Installation, maintenance and repair of energy efficiency equipment	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓
		7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	The eligibility criteria conform with the activity-specific TSC defined in the Technical Annex of the EU Taxonomy.	✓

Opinion: *100% of the EU Taxonomy eligible activities presented in the Sustainable Finance Framework and their associated eligibility criteria fully align with the Technical Screening Criteria for a substantial contribution to Climate Change Mitigation. The Bank confirms referring to the activity-specific Technical Screening Criteria for Climate Change Mitigation defined by the EU Taxonomy (EU Taxonomy - Climate Delegated Act 2023) as a general standard to define eligible project categories.*

Do No Significant Harm Criteria

To ensure that their portfolio and projects align with the relevant Do No Significant Harm Criteria of the EU Taxonomy, Alpha Bank will make its best efforts to secure the relevant information on whether the assets align with the criteria. There is no further information as to whether the project categories fulfill the Do No Significant Harm Criteria of the EU Taxonomy.

Minimum Safeguards

To ensure that their portfolio and projects align with the Minimum Safeguards criteria, Alpha bank checks whether the client comply with the OECD Guidelines for Multinational Enterprises (human rights, labor rights, combating bribery) or the UN Guiding Principles of Business and Human Rights. There is no further information as to whether the project categories fulfill the Minimum Safeguards of the EU Taxonomy.

PART III: ASSESSMENT OF ALPHA BANK'S ESG RISK MANAGEMENT

The table below evaluates Alpha Bank's ESG-specific risk management measures and policies that are considered relevant at group level and that are considered relevant in the context of its sustainable financing activities. The KPIs emphasize sustainability-related risks considered relevant to the banks' operations. The KPIs are derived leveraging the ISS ESG Corporate Rating to identify the relevant topics based on its industry; these KPIs are then further integrated with additional elements derived from market principles such as the task force on Climate-Related Financial Disclosure.[71] The minimum requirements for a positive assessment are based on the number of sub-indicators (specific to each KPI) that are satisfied as part of any KPI. The scope of the Framework encompasses a variety of ESG lending solutions in the Bank's Wholesale and Retail portfolios.

ASSESSMENT AGAINST KPIs
ESG guidelines into lending process

The Sustainable Finance Framework is applied across Alpha Bank's global footprint. Alpha Bank's borrowers are primarily located and operate in Greece, and secondarily in Romania, Cyprus, Luxembourg and the United Kingdom. Since 2016, the Group has defined an ESG risk management policy on legal entities lending that is governed and managed through its Enterprise Risk Management Framework (ERMF) and aligned with international best market practices. The risk management policy is applicable to business lending, Recovery and Resilience Facilities (RRF), and other lending programs such as Sustainability-Linked Loans (SLL). The policy presents the responsibilities and the approach followed in managing environmental and social risk at every stage of the lending process and provides a list of sectors that the Bank does not finance, as well as crucial industry sectors/ activities associated with high environmental and social risks. For sectors which Alpha Bank considers more sensitive and covering all financing services to Corporate Banking and Investment Banking clients, Alpha Bank has set an enhanced due diligence process conducted annually to evaluate the company's performance on a range of environmental and social issues[72] that could be completed by a review of its policies and procedures in place. Moreover, in April 2019, the group has also established an Environmental Management Policy, approved by the Executive Management Committee, which ensures that Alpha Bank takes measures to improve its environmental performance, complies with the institutional and regulatory framework on environmental issues and uses resources in a responsible and sustainable manner.

As regards to when ESG risks associated with the clients or projects operations are identified, Alpha Bank has put in place a 'corrective action plan' to mitigate those risks. This plan obliges the borrower to take action on the environmental and social risks that are identified in a defined timeframe. In cases the borrower fails to mitigate those risks or to undertake the necessary corrective action plan

[71] Task force on Climate-related Financial Disclosures, 2022 Status report, https://assets.bbhub.io/company/sites/60/2022/10/2022-TCFD-Status-Report.pdf

[72] The environmental and social due diligence process encompasses evaluation criteria in alignment to European Bank for Reconstruction and Development (EBRD)'s Performance Standards on assessment and management of environmental and social risks and impacts, labor and working conditions, resource efficiency and pollution prevention and control, health, safety & security, land acquisitions, restrictions on land use and involuntary resettlement, biodiversity conservation and sustainable management of living natural resources, indigenous people and cultural heritage. The assessment will be conducted by a technically qualified person on the borrower's site, and results will be filled into an Environmental and Social questionnaire.

in a timely manner, the Group may decide to take legal action to reduce its exposure to the environmental and social risks associated by the obligator/project. Additionally, the Group is entitled to cancel the credit facility and declare all outstanding amounts owned by the obligator to become immediately due and payable.

ESG guidelines into financing process for most sensitive sectors financed under the Framework

As part of the due diligence questionnaires, Alpha Bank incorporates targeted environmental and social questions based on specific sectors (i.e., agriculture, mining), to be able to address material risks per sector for both environmental and social issues.

ESG Guidelines into financing process for Forestry
In order to avoid any environmental and social risks coming from forestry projects, Alpha Bank's Credit Policy prohibits financing to commercial logging operations for use in primary tropical moist forests, production or trade in wood or other forestry products other than from sustainably managed forests as well as the production of, or trade, in any product or activity deemed illegal under national laws or regulations or international conventions and agreements or subject to internal phase out bans. To mitigate sectoral specific risks (i.e. surface and ground water management; responsible use of fertilizers and pesticides; alternatives to pesticides, herbicides, and fertilizers; hazardous materials management; soil erosion, compaction and productivity; fire management; reforestation with native species; and multi-age and multi-species instead of monocultures), Alpha Bank will conduct Environmental and social risks due diligence through a technically qualified person according to required legislation. As of December 2023, forestry represents only a small fraction of the Bank's current loan portfolio.

ESG Guidelines into financing process for Agriculture and Agriculture (with animals involved)
Alpha Bank prohibits financing to the production of, or trade, in any products or activity deemed illegal under national laws, regulations, or international conventions and agreements or subject to international phase out bans, such as pesticides/herbicides and other hazardous substances.

Regarding agriculture in which animals are involved, Alpha Bank prohibits financing to activities involving force-feeding of ducks and geese, fur factory farms, as well as the production of, or trade, in any product or activity deemed illegal under national laws or regulations or international conventions and agreements or subject to international phase out bans. To mitigate specific sectoral risks (i.e managed grazing and prevention of overgrazing; position on large-scale livestock farming; wastewater; waste management; air emissions; animal feed; disease control; minimal and responsible use of antibiotics; animal hunger and thirst; animal discomfort, fear and distress; animal pain and injury; and expression of normal behavior), Alpha Bank will conduct Environmental and Social risk due diligence through a technically qualified person according to required legislation. As of December 2023, agriculture represents only a small fraction of the Bank's current loan portfolio.

ESG Guidelines into financing process for Mining
The Group's exclusion policy prohibits financing activities involving thermal coal mining.

Fisheries & Aquaculture

Alpha Bank prohibits financing to drift net fishing activities using nets over 2.5 km in length to mitigate fisheries and aquaculture risks. In addition, Alpha Bank's Credit Policy prohibits financing of activities deemed illegal under national laws or conventions such as the use of pesticides, herbicides and other hazardous substances. To mitigate other sector risks (i.e. fish types; bycatch; organic waste management; petroleum management; wastewater and other effluents; air emissions; solid waste generation and management, plant-based feeds from sustainable agriculture; cultivation of native species in bag nets, closed-wall sea-pens or equivalent systems; cultivation of non-native species restricted to land-based tanks; risk prevention for local wild populations; stocking densities that minimize the risk of disease outbreaks and transmission; net loss prevention in fish protein yield; water management; discharges and effluents; soil erosion and sedimentation; and fertilizers and chemicals), the Bank will conduct Environmental & Social diligence through a technically qualified person according to required legislation.

Labor, Health, and Safety	
✓	Alpha Bank has a client credit evaluation list during client's credit request ensuring high labor, health and safety standards for its staff and contractors in all project phases. The evaluation guidelines are also in alignment with the International Finance Corporation/ European Bank for Reconstruction and Development which includes health, safety, labor, and working conditions. Moreover, the Bank sets corrective action plan when risks are identified in the due diligence process to mitigate the identified risks and either the Bank or a specialized consultant for project finance monitors the implementation plan. If the action plan is not implemented in a timely manner, the competent Credit Committee has the authority to decide the appropriate treatment (termination of the lending relationship or its continuation with specific conditions.
Biodiversity	
✓	Alpha Bank has prescreening and relevant due diligence processes in place systematically ensuring that borrowers will conduct an environmental impact assessment (EIA), when required by law, according to European directives on assets financed under this Framework. The Bank adopts IFC Performance standards in its screening over biodiversity topics. Alpha Bank ensures that the assets financed follow the IFC and EBRD Performance standards requirements, which include biodiversity conservation and sustainable natural resource management. Alpha Bank has also added Biodiversity, water & effluents to the ESG client assessment questionnaires. The project is categorized according to environmental risk into high, medium or low. If the ESG score underperforms, the Bank will require mitigation actions from the client. The business operations of Alpha Bank are located in Europe, mostly in Greece, in which high standards with regard to environmental impacts are considered to be ensured by national legislation and European Union legislation. However, it remains unclear if an EIA will be implemented systematically even when it is not a local regulation's requirement.

Dialogue with local communities	
○	There is limited information to ensure Alpha Bank adopts the IFC Performance Standards in assessing local communities' risks. However, Alpha Bank has a due diligence processes in place and ESG questionnaire to ensure projects financed under this Framework feature community dialogue (sound information of communities, community advisory panels and committees, dialogue platforms, grievance mechanisms and compensation schemes) as an integral part of the planning process. The questionnaire adopts a sector specific materiality approach through sources from rating agencies and sustainability reporting standards. Additionally, a technically qualified person will conduct the assessment for the Bank. Besides, it is noted that if a borrower is categorized as high risk, Alpha Bank will require the company to implement an action plan to mitigate the risks.
Inclusion	
○	There is limited information to ensure services are equally provided to the vulnerable population, and to ensure borrowers are not discriminated during access to credit. However, Alpha Bank has services specifically dedicated to serve customers with visual impairment and also branches accessible to persons with mobility impairments.
Sales Practices	
○	There is limited information related to responsible reward system and monitoring mechanism beyond monitoring of complaints received to evaluate the responsible sales practice. However, Alpha Bank has a complaint channel for customers, a process to monitor and assess the complaints received and also has a training program that focuses on matching products and services catered to customer-specific needs.
Marketing	
○	Alpha Bank has limited information in place to systematically ensuring that assets financed under this Framework provide for responsible marketing. However, the Bank follows the Code of Conduct for Communication and Advertisement in alignment to Greek law (2863/2000),[73] commits to not use small prints in its advertising, and follows MiFID regulation on the provision of investment products and suitability testing.
Carbon-related financing	
✓	The Bank publicly discloses the amount of carbon-related financing under the Pillar 3 supervisory requirement,[74] by sharing its exposures towards sectors that highly contribute to climate change.
○	Alpha Bank has not yet set public targets to reduce carbon-related financed emissions. However, Alpha Bank is working towards increasing coverage in its financed emissions measurement and set a science-based target on the utility sector's loan portfolio, and the first carbon reduction finance target will be submitted to the Net-Zero Banking

[73] Greek Code of Advertising & Communication, https://www.see.gr/%CE%BA%CF%8E%CE%B4%CE%B9%CE%BA%CE%B1%CF%82/
[74] Alpha Bank's Pillar III Disclosures, report for December 31, 2022, https://www.alphaholdings.gr/-/media/alphaholdings/files/apotelesmata/fy2022/pillariii31122022final.pdf

Alliance (NZBA) by November 2024. Alpha Bank also has an exclusion list within its credit policy that prohibits upstream oil exploration, extraction, and production activities.

Data protection and information security

✓ Alpha Bank has a personal data protection policy[75] in place systematically ensuring that data collection processes on borrowers meet minimum and legal requirements for data and information security.

Responsible treatment of customers with debt repayment problems

○ Alpha Bank has credit policies where it is specified that the assessment of borrower's repayment ability is performed based on financial and qualitative criteria, in order to ensure that the client has adequate cash flow to repay its debt obligations. The process involves understanding the borrower's current and future ability to repay debt and the Bank has a credit risk early warning policy to identify early warning triggers. By identifying the first sign of deterioration of the borrower's financial situation, the Bank can take early actions to prevent the occurrence or reduce the arrears level of the borrower, or ultimately grant early forbearance measures on the borrower's debt. However, there is limited information in debt counselling services and ESG policies around mortgage sale and foreclosure.

Financed emissions

✓ The Group has measured financed emissions for 2022 aligned with the specifications of an ECB Short-Term Exercise (STE), which required all EU banks to provide climate change transition risk measurements for their banking book. The asset class coverage includes listed and unlisted equity, corporate bonds, business Loans, commercial real estate and project finance. The financed emission measurement uses the Partnership for Carbon Accounting Financials (PCAF)[76] methodology (version Nov.2021) and is included in Alpha Bank's first climate-related disclosures with reference to the TCFD guidelines. In addition, the Bank is carrying out a full measurement of its financed emissions, covering investment and lending products of its corporate portfolio across all the sectors it finances, based on the GHG emissions of its borrowers or investee companies using asset class guidance developed by PCAF. Finally, Alpha Bank is a PCAF signatory since October 2023.

Exclusion Policy

The Group has an Environmental and Social Risk Management Policy in place, with clear restrictions and an exhaustive list of excluded activities,[77] such as thermal coal, coal-fired electricity generation capacity, upstream oil exploration, and development projects.

[75] Alpha Bank's Personal Data Protection Policy, https://www.alpha.gr/en/retail/oroi/personal-data-protection
[76] Partnership for Carbon Accounting Financials, https://carbonaccountingfinancials.com/standard
[77] Alpha Services and Holdings SA, P.52 Non Financial Report, Responsible Investments and Financing, https://www.alphaholdings.gr/-/media/alphaholdings/files/apotelesmata/fy2022/alpha-services-and-holdings-financial-statements-31122022-en.pdf

PART IV: SUSTAINABLE FINANCE FRAMEWORK'S LINK TO ALPHA BANK'S OVERALL ESG PROFILE

A. CONSISTENCY OF SUSTAINABLE FINANCE FRAMEWORK WITH ALPHA BANK'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Bank

Alpha Bank has adopted commitments based on Environmental, Social and Governance (ESG) targets:

- In order to support an environmentally sustainable economy and mitigate climate change, the Group's main objective is to increase Sustainable Financings (defined under this framework) and reduce financings that may have a negative impact on the environment. Additionally, the Group has developed policies and procedures in order to reduce the operational environmental footprint with an aim to have net-zero emissions by 2050.
- The Group also targets economical and societal progress and is committed to ensuring a safe and inclusive work environment at all levels, while also safeguarding the society's access to finance as well as to healthcare services and cultural heritage.

Alpha Bank's Environmental, Social and Governance targets are as follows:

- Environmental:
  - Reduction of operating footprint and setting Net-Zero targets
  - Reduction of scope 1 and 2 GHG emissions by 20% by 2025
  - Upgrading lighting to LED lighting throughout the network by 2028
- Social:
  - Increase access to people with mobility limitations to 85% of Branches by 2025
  - Support equal access to culture for people with disabilities, cognitive impairment, the elderly and children in remote areas
  - Increase Youth Hiring by 20% by 2025
- Governance:
  - A majority of Independent Members in the Board of Directors and its Committees by 2023
  - Incorporate ESG criteria in our Remuneration and Risk Management frameworks by 2023
  - A minimum of 40% female representation in Non-Executive Board Members by 2023

No information available on the Bank's climate transition strategy. Although the Bank has set GHG emissions reduction target for their operations, they have not defined any financed emissions reduction target yet.

By 2025, the Bank commits to allocate 3 billion euros to Sustainable Financings[78]. Alpha Bank signed the Principles for Responsible Banking and provides publicly available self-assessments. Furthermore, the Bank aims at contributing to the efforts towards the national energy plan, which specifies that by

[78] Alpha Bank Sustainability Report 2022, https://www.alphaholdings.gr/-/media/alphaholdings/files/enimerosi-ependuton/apologismoi-drastiriotiton/sustainability_report_alpha_bank_2022.pdf

2030 total greenhouse gas emissions will be reduced by at least 40% compared to 1990 and the share of Renewable Energy Systems (RES) in final gross energy consumption will reach at least 35%.

Additionally, the Bank has established a framework for the risks management, based on the common European legislation and European Bank for Reconstruction and Development (EBRD) performance standards. . The ESG Governance structure is the Group Sustainability Committee, which oversees ESG topics, steers the Group's ESG strategy and oversees its implementation as well as supports the Board of Directors in its oversight of Climate and ESG Risk and of Sustainability in general. The Group Sustainability Committee will refer approval of specific decisions to the Executive Committee and/or the Board of Directors for any matter deemed important, including the adoption of new policies or changes to existing ones as well as the setting of non-financial targets to be adopted by the Group.

Sustainability reporting is in accordance with the core option of the internationally recognized guidelines of the Global Reporting Initiative (GRI) and Task Force on Climate-related Financial Disclosures Standards.

No information on whether the Bank has any verified Science-based target(s) (i.e., SBTi, SBTN) is available. The Bank has recently introduced its ESG-related investments assets (such as Green Bonds) bot not yet issued Green, Social or Sustainability Bonds. The Bank reports on the share of EU Taxonomy eligible assets in its annual Sustainability Report.

Opinion: *The Sustainable Finance Framework is consistent with the Bank's sustainability strategy. The rationale for establishing a Sustainable Finance Framework is clearly described by the Bank.*

B. ALPHA BANK'S BUSINESS EXPOSURE TO ESG RISKS

This section aims to provide an overall level of information on the ESG risks to which the Bank is exposed through its business activities, providing additional context to the Sustainable Finance Framework assessed in the present report.

ESG risks associated with the Alpha Bank's industry

Alpha Bank is classified in the Commercial Banks & Capital Markets, as per ISS ESG's sector classification. Key challenges faced by companies in terms of sustainability management in this industry are displayed in the table below. Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ESG KEY ISSUES IN THE INDUSTRY
Business ethics
Labor standards and working conditions
Sustainability impacts of lending and other financial services/products
Customer and product responsibility
Sustainable investment criteria

ESG performance of the Bank

Leveraging ISS ESG's Corporate Rating research, further information about the Alpha Bank's ESG performance can be found on ISS ESG Gateway at: https://www.issgovernance.com/esg/iss-esg-gateway/.

Please note that the consistency between the issuance subject to this report and the Alpha Bank's sustainability strategy is further detailed in Part III.A of the report.

Sustainability impact of products and services portfolio

Leveraging ISS ESG's Sustainability Solutions Assessment methodology, the contribution or obstruction of the Alpha Bank's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs) has been assessed as per the table below. This analysis is limited to the evaluation of final product characteristics and does not include practices along the financial institution's production process.

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE[79]	DIRECTION OF IMPACT	UN SDGS
Financing of ships (conventional propulsion)	1%	OBSTRUCTION	

Breaches of international norms and ESG controversies

At Alpha Bank level

At the date of publication and leveraging ISS ESG Research, no controversy in which the Bank would be involved has been identified.

At industry level

Based on a review of controversies over a 2-year period, the top three issues that have been reported against companies within the Commercial Banks & Capital Markets industry are as follows: Failure to mitigate climate change impacts, Failure to prevent money laundering and financial market irregularities.

Please note, that this is not a company specific assessment but areas that can be of particular relevance for companies within that industry.

[79] Percentages presented in this table are not cumulative.

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The parent company of Institutional Shareholder Services ("ISS"), ISS HoldCo Inc., has since February 2021 been principally owned by Deutsche Börse AG ("DB") with the remainder owned by Genstar Capital ("Genstar") and ISS management. In April 2023, DB announced its intention to combine ISS with Qontigo, another entity controlled by DB, with General Atlantic to become the sole minority shareholder of the combined entity. The combination is expected to be completed in the third quarter of 2023. In July 2023, the stakes of Genstar and ISS management in ISS HoldCo Inc. were acquired by DB. The non-interference and similar policies implemented by ISS related to Genstar are no longer applicable and disclosures regarding Genstar and ISS management's ownership of ISS are withdrawn.

ANNEX 1: Methodology

PART I: REVIEW OF THE SUSTAINABLE FINANCE FRAMEWORK

We consider relevant market guidelines in the assessment of sustainable finance strategies. The analysis considers criteria from a set of different market standards, voluntary guidelines, and market practices e.g. the Loan Market Association's Green Loan Principles, Social Loan Principles, Sustainability-Linked Principles[80] the UNEP-FI PRB[81], and the Guidelines proposed by the European Banking Authority with respect to environmentally-sustainable lending. The application of the LMA principles, comprising voluntary guidelines is limited to the assessment of characteristics of a specific transaction.

SECTION	ASSESSMENT CRITERIA
1. Objectives, Targets & Progress	For a lending strategy to be classified as sustainable, banks should embed these within the context of their overarching sustainability objectives. The institutions should further include relevant qualitative and, where feasible, quantitative targets to measure the progress on its commitments. Banks provide transparency on how to increase positive impacts, reduce negative externalities, and mitigate ESG risks. The sustainability strategy is expressed by referring to alliances such as the UN Global Compact, the UN Sustainable Development Goals, the Paris Climate Agreement, or other relevant national or regional frameworks. The Bank has policies in place to encourage sustainable practices with its clients.
2. Definition of Sustainable Lending Activities	The sustainable lending strategy should define clearly and comprehensively what financing products are deemed as sustainable based on precise parameters. Ideally, the bank should provide an exhaustive list of eligible sustainable activities and provide for clear environmental and/or social benefits. Those criteria should ensure a positive contribution to relevant sustainability objectives and be sufficiently precise to ensure a minimum level of contribution to those objectives (e.g., clear definition, quantified threshold, or impact indicators) while ensuring that other objectives are not harmed.
3. Evaluation & Selection Process	Banks should have a comprehensive and documented process in place to ensure that the classified projects align with the eligibility criteria for sustainable financing instruments. The borrower of a green/social loan should clearly communicate the environmental/social objective(s) of the projects, the process by which the borrower determines how the project(s) to be funded fits within the eligible projects categories; and complementary information on the processes by which the borrower identifies and manages perceived, actual or potential environmental and social risks associated with the relevant project(s). Where applicable, information about sustainability-related business objectives of the borrowers should be collected. For sustainability-linked lenders to incentivize sustainability performance of its

[80] Loan Market Association, Sustainable Finance, Principles, https://www.lma.eu.com/sustainable-lending/documents
[81] United Nations Environmental Programme – Finance Initiative Principles for Responsible Banking, https://www.unepfi.org/banking/bankingprinciples/

	borrower, they should ensure collecting from their borrower the rationale of KPI/SPT selection, the KPI definition and calculation methodology as well as the SPT calibration, documentation on materiality and ambitiousness of the KPIs and SPTs. Lenders should encourage its borrowers to obtain a pre-signing external review and KPI/SPT assessment on a deal-by-deal basis.
4. Governance & Monitoring	Clear governance mechanisms should be in place to ensure that the products classified as sustainable remain in line with the criteria for sustainable lending instruments throughout their lifecycle. This should include a process to deal with products that cease to meet the eligibility criteria. Effective governance procedures pertaining to sustainability, assigning clear roles and responsibilities, and segregating duties are in place to promote sustainable business practices. Management of proceeds should be attested by the borrower in a formal internal process linked to the borrower's lending and investment operations for green or social projects. The borrower should make known to the lenders any intended types of temporary placement for the balance of unallocated proceeds. The sustainability-linked lender has processes in place for evaluation of the borrower's SPT performance and linking the Loans characteristics to the latter.
5. Reporting	Relevant reporting should be conducted frequently and, where feasible, made publicly available to communicate on the classified sustainable transactions, as well as the impact and progress of the sustainable lending strategy. Elements to be reported on should be communicated clearly at the inception of the strategy and capture the most significant areas of impact on environmental and social topics. Until the loan is fully drawn or until the loan maturity in the case of a revolving credit facility, banks ensure, that its borrowers make and keep readily available up-to-date information on the use of proceeds and a brief description of the projects, and their expected impact using qualitative performance indicators and, where feasible, quantitative performance measures. Information needs only be provided to those institutions participating in the loan. Where applicable borrowers of Sustainability-linked transactions should, at least once per annum, provide the lender up-to-date information sufficient to allow them to monitor the performance of the SPTs and to determine that the SPTs remain ambitious and relevant to the borrower's business, and a sustainability confirmation statement with verification report attached, outlining the performance against the SPTs for the relevant year and the related impact, and timing of such impact, on the loan's economic characteristics.
6. Verification	It is recommended that the sustainable classification frameworks be reviewed by an external independent third party. The external reviews should be made available to the respective stakeholders involved. Where appropriate, it is recommended that borrowers appoint an external review provider to assess the alignment of their eligible loan or loan program with the four core components of the LMA principles. As opposed to pre-signing external review, which is recommended, post-signing verification of the SPT(s)' performance or progress is a mandatory element of the LMA Principles.

PART II: ASSESSMENT OF ALPHA BANK' SUSTAINABLE FINANCE CLASSIFICATION SYSTEM

This section examines the sustainability quality of each of the parameters included in Alpha Bank's sustainable finance classification approach and discusses the sustainability quality of the products complying with those. To corroborate this assessment and using a proprietary methodology, we identify the extent to which Alpha Bank's eligibility criteria contribute to the UN SDGs and meet the criteria listed in relevant activities in the EU Taxonomy Climate Delegated Act (June 2023).

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, the extent to which the Bank's eligible categories contribute to related SDGs has been identified.

EU Taxonomy

The assessment evaluates whether the details of the nominated projects and assets or project selection eligibility criteria included in the Sustainable Finance Framework meet the criteria listed in relevant Activities in the EU Taxonomy Climate Delegated Act (June 2023). The evaluation shows if Alpha Bank's project categories are indicatively in line with the entirety (or some of) the requirements listed in the EU Taxonomy Technical Annex. The evaluation was carried out using information and documents provided on a confidential basis by Alpha Bank's (e.g., Due Diligence Reports). Further, national legislation and standards, depending on the project category location, were drawn on to complement the information provided by the Bank.

PART III: ASSESSMENT OF ALPHA BANK'S ESG RISK MANAGEMENT

ESG Risk Management KPIs

The Risk Management KPIs serve as a structure for evaluating the sustainability quality – i.e., the social and environmental added value – of the proposed selection criteria as well as the Bank's overall financing operations.

It comprises firstly the definition of the selection criteria offering added social and/or environmental value, and secondly, the specific sustainability criteria by means of which this added value and therefore the sustainability performance can be clearly identified and described.

If a majority of the criteria fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks. In addition, the KPIs assess sustainability-related risks considered relevant to the financing operations of the Bank. The evaluation was carried out based on information and documents provided on a confidential basis by the Bank (e.g., Due Diligence procedures).

PART IV: SUSTAINABLE FINANCE FRAMEWORK'S LINK TO ALPHA BANK'S SUSTAINABILITY STRATEGY

This section provides an assessment of the sustainability quality of the Group and how the underlying Sustainable Finance Framework contributes to its sustainability strategy. Drawing on the ISS ESG Corporate Rating, a focus is put on the Group's overarching sustainability policies as well as the management of related ESG risks.

ANNEX 2: ISS ESG Corporate Rating Methodology

ISS ESG Corporate Rating provides relevant and forward-looking environmental, social, and governance (ESG) data and performance assessments.

For more information, please visit:
https://www.issgovernance.com/file/publications/methodology/Corporate-Rating-Methodology.pdf

ANNEX 3: Quality management processes

SCOPE

Alpha Bank commissioned ISS-Corporate to compile a Sustainable Finance Framework External Review. The External Review process includes verifying whether the Sustainable Finance Framework aligns with market practices for sustainable finance and assessing its sustainability credentials, as well as the credibility of the Bank's sustainable financing classification system.

CRITERIA

Relevant Standards for this External Review stem from key principles for transparency and non-contamination of sustainable labelled products, including:

- Loan Market Association's Green Loan Principles, Social Loan Principles, Sustainability-Linked Loan Principles
- UNEP-FI PRB
- Guidelines proposed by the European Banking authority with respect to environmentally sustainable lending

CLIENT'S RESPONSIBILITY

Alpha Bank's responsibility was to provide information and documentation on:

- Sustainable Finance Framework
- ESG Impact and Risk Management
- Governance procedures

ISS ESG's VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

ISS ESG has conducted this independent External Review of the Sustainable Finance Framework by Alpha Bank based on a proprietary methodology and in line with market practices and relevant market standards for sustainable finance.

The engagement with Alpha Bank took place from June to December 2023.

ISS's BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this External Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk, and manage the needs of a diverse shareholder base by delivering best-in-class data, tools, and advisory services.

As part of our Sustainable (Green & Social) Bond services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

ISS-Corporate provides external review services for sustainable financing and responsible investment strategies by assessing the robustness of its client's frameworks.

Learn more: https://www.iss-corporate.com/solutions/sustainable-finance/bond-issuers/

For more information on External Review services, contact: SPOsales@iss-corporate.com

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