HELLENIC BANK ASSOCIATION

THE ESG OPPORTUNITY

FOR BUSINESSES AND THE GREEK ECONOMY

The banking system is ready to enhance awareness and provide the tools needed to accelerate the green transition of all businesses, regardless of their maturity level today.

Banks are committed, on a perennial basis, to providing multi-level support to Greek businesses through financial solutions, innovative services, initiatives and actions aimed at their long-term development, enabling them to address current challenges and thereby strengthen their sustainability.

Against this backdrop, banks are working together to formulate an ESG guidance framework through the creation of a common questionnaire, which will be made available to their business customers.

By recording and collecting relevant information it will be possible to evaluate and manage the performance of the business community with respect to sustainability, highlighting best practices and preparing businesses for upcoming changes by supporting their transition to a climate neutral and socially fair economy.

IDENTIFICATION & MANAGEMENT OF ESG CHALLENGES GLOBALLY

Climate change and environmental degradation are today's biggest global challenges.

EU INITIATIVES AND OBJECTIVES

The European Union (EU) has prioritized climate change and environmental sustainability, while drawing attention to the urgency of their social impact. However, the required scale of investment for the transition to a climate neutral, resilient and fair economy far exceeds the financial capacity of the public sector. For this reason, the European Commission has set out legislative/ regulatory proposals that aim at developing an investment framework in line with sustainable financing criteria. This will enable financial institutions to finance sustainable investment projects, which will necessarily take into account **environmental, social and governance (ESG) criteria.**

In addition, the EU, by means of its European Green Deal, undertook a series of ambitious commitments, with the primary aim of becoming the first climate-neutral continent by 2050. Achieving this ambitious goal requires the alignment of all funding sources – public and private, national and multilateral – as well as the cooperation of all interested parties.

Europe will need additional investments of EUR 350 billion per year to achieve the target reduction of emissions for 2030 in energy systems alone, alongside the EUR 130 billion which will be needed to meet other environmental goals.

THE ROLE OF BANKS

Banks are required to incorporate specific criteria (ESG) in their operations, to finance sustainable infrastructures and low carbon technologies, and to develop financial tools for their business customers, which encourage investments that reduce their environmental footprint.

This effort presents a multidimensional challenge for the banking sector, as well as its business customers, as all sides are called on to review and assess climate, environmental and social risks as part of the overall financing process.

THE ROLE OF BUSINESSES

Businesses, in addition to financial data, need to consider and manage environmental, social and corporate governance (ESG) issues, which are becoming increasingly important as criteria for accessing financing and investment funds.

The sustainable economy must be a common concern and goal for banks and their business customers, allowing them to unlock the benefits and availability of resources provided by the EU through targeted programs (RRF, National Strategic Reference Framework (NSRF/ESPA), energy saving programs, etc.).

BENEFITS FOR BUSINESSES

Dear Customer,

Research confirms the correlation between ESG performance indicators and a company's financial performance. Indeed, ESG data is essential from a financial point of view, and must be assessed by banks and investors.

The potential benefits for your business of adopting sustainable practices in line with ESG criteria include the following:

- **Facilitating** access to funding,
- **Strengthening** extroversion by providing collaboration opportunities with large companies that require the endorsement of these practices by their partners,
- **Anticipating and avoiding** adverse financial outcomes and undesirable operational outcomes (fines, license revocation, etc.),
- **Improving** environmental performance (environmental footprint reduction) with potentially positive economic impact,
- **Enhancing** the brand name and creating of long-term value,
- **Enabling** the transition to the new environment with enhanced adaptability to upcoming legislative changes (e.g., climate law), requirements for new technologies, and integration of circular economy principles, and
- **Enhancing** cooperation with all the stakeholders (local communities, customers, investors, staff, etc.).