

Article 3: Transparency of sustainability risk policies

NBG applies a holistic approach to sustainability management dictated by a range of strategies, commitments, policies and procedures.

In 2021, NBG embarked on a holistic effort in the areas of Environment, Society and Governance (ESG), to ensure compliance with the evolving regulatory framework, with the aim of fulfilling its commitment to the [Principles for Responsible Banking \("PRB"\)](#) of the United Nations Environment Programme and implementing ESG best practices across the organization (covering the management of credit and other types of risk, the Bank's business strategy, products and services, disclosures and efforts to reduce its carbon footprint).

With its [ESG Report](#), NBG demonstrates the overall alignment of its actions with the United Nations Sustainable Development Goals ("UN SDGs"). The responsible approach to reducing its carbon and environmental footprint is an essential and integral part of the implementation of the Bank's ESG Strategy, which actively pursues the implementation of broader environmental goals, as defined by the UN Sustainable Development Goals and the Paris Climate Agreement.

The Bank implements a [Sustainable Development Policy](#) at Group level, which is in line with the requirements of the existing legislative and regulatory framework, as well as international practices included in international treaties and initiatives relating to sustainable development, corporate social responsibility and business ethics.

Furthermore, fully recognizing the importance and potential impact of ESG risks, and in particular Climate and Environmental risks, the Bank has carried out identification and materiality assessment, as well as their integration into the overall Risk Management Framework, and is committed to monitoring, assessing and managing these risks on an ongoing basis.

In this context, the Bank has integrated ESG risk assessment into the Credit Granting & Monitoring Process of its corporate portfolio as of 2022. To this end, policies, procedures and tools have been developed, that are used by the corporate underwriters, in order to assess and classify obligors and transactions in terms of ESG related risks.

The Bank's assessment of ESG risks in the Credit Granting & Monitoring Process of the corporate portfolio consists of 2 pillars:

- ESG assessment at obligor level, in order to evaluate the performance of its corporate customers, taking into account ESG criteria.

- ESG assessment at transaction/facility level, in order to classify transactions/loans in the relevant categories, as defined by the Bank in the ***Sustainable Lending Criteria Framework*** (SLCF).

More information regarding the integration of ESG risks into the Bank's Risk Management framework can be found in section 2.3 of the 2023 [ESG Report](#).

Note also that the Bank supports investment efforts that contribute to Greece's overall energy upgrade. In this context, in April 2020, the [Green Bond Framework](#) was put into place, aligned with ICMA Principles, while in 2023 the [NBG's Green Bond Final Allocation and Impact Report](#) was published. Also during 2023 the first [Sustainable Bond Framework - SBF](#) in Greece was created by NBG, with a positive Opinion ([Second Party Opinion](#)) by Sustainalytics.

NBG also monitors overall and per asset class – in line with the PCAF methodology – the resultant carbon footprint in financed greenhouse gas emissions (discrete Scope 1&2 and Scope 3) and greenhouse gas intensity (per € of 'Gross Carrying Amount Measured'), also calculating the PCAF data quality score - see p. 90: 2023 financed emissions overview [nbg-esg-report-2023-en.pdf](#).

Taking into account the size, nature and scale of activities as a whole, as well as the comparative contribution to the carbon footprint per asset class and per area of activity in relation to the relevant requirements (in data as well as resources), our proactive approach has focused, at this stage, primarily on the loan portfolio and the use of ESG criteria in the credit process, as described above.

In October 2023, the Bank joined the United Nations Net Zero Banking Alliance ("NZBA") initiative for the banking industry, committing to align its lending and investment portfolios with the attainment of net-zero greenhouse gas emissions by 2050 or earlier, as expressed by the most ambitious set of targets defined by the Paris Climate Agreement. In line with such commitment, NBG has proceeded with the disclosure of a set of interim, 2030 decarbonization targets for priority carbon intensive sectors, taking into account the best available scientific knowledge (science-based pathways) for each sector, while in its recently published [2023 ESG Report](#) the Bank comments on its progress and efforts towards achieving these goals.