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**By decision of the Management Board
of JSC "PIRAEUS BANK ICB"**

**Minutes No. 136_1225
dated 19.12.2025**

APPROVED

**By decision of the Supervisory
Board
JSC "PIRAEUS BANK ICB"**


**Minutes No. 17_25
dated 19.12.2025**

Effective as of 19.12.2025

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE
RISKS MANAGEMENT POLICY**

AT JSC "PIRAEUS BANK ICB"

KYIV

	Risk Management Division	Version code: 1196
	Environmental, Social and Governance Risks Management Policy at JSC "PIRAEUS BANK ICB"	

SUMMARY


Environmental, Social and Governance Risks (ESG risks) Management Policy at JSC "PIRAEUS BANK ICB" defines the principles and mechanisms for identifying, assessing, monitoring and managing ESG risks arising in the activities of the Bank and its customers.

The document is an adaptation of the Piraeus Bank S.A. internal policy and takes into account the requirements of Ukrainian national legislation, NBU regulations, international standards (Equator Principles, IFC standards, EBRD requirements), as well as the Group's sustainable development policy.

The document establishes:


- An environmental, social and governance management system (ESMS) as an integrated risk management mechanism.
- Risk assessment procedures for lending and investment activities.
- A list of exceptions for financing, risk categorisation criteria and monitoring requirements.
- The roles and responsibilities of the Bank's management bodies, units, CRO, Risk Management Division and green banking specialists.
- Internal and external reporting system, including annual review and improvement of ESMS.

The purpose of the document is to ensure sustainable development, improve risk management efficiency, transparency of activities and stakeholder confidence, as well as harmonise the Bank's policy with EU practices and international commitments.

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1. GENERAL PROVISIONS

1.1. Environmental, Social and Governance Risks (ESG risks) Management Policy at JSC "PIRAEUS BANK ICB" (hereinafter referred to as the Policy) defines the general principles, approaches and requirements for managing risks related to environmental impact, social consequences and corporate governance issues in the course of banking activities.

The Policy establishes a unified approach to identifying, assessing, monitoring, controlling and mitigating ESG risks in the Bank's activities. It is based on the recognition that proper management of ESG risks is a prerequisite for ensuring long-term financial stability, reputational integrity and a responsible attitude towards stakeholders.

The policy also regulates the application of internal procedures for integrating ESG factors into the Bank's lending, investment decisions, corporate governance and operational activities, taking into account current international approaches to sustainable development and regulatory requirements.

1.2. The Policy is an internal regulatory document of the Bank, developed in accordance with:


1. Law of Ukraine "On Banks and Banking Activities" No. 2121-III dated 07.12.2000, as amended and supplemented.
2. Law of Ukraine "On Environmental Protection" No. 1264-12 dated 25.06.1991, as amended and supplemented.
3. Law of Ukraine "On Environmental Impact Assessment" No. 2059-VIII dated 23.05.2017, as amended and supplemented.
4. Law of Ukraine "On State Social Standards and State Social Guarantees" No. 2017-III dated 5 October 2000, as amended and supplemented.
5. The Labour Code of Ukraine No. 322-VIII dated 10 December 1971.
6. Environmental & Social Management System Piraeus Bank Group.
7. Risk and Capital Management Strategy JSC "PIRAEUS BANK ICB".
8. Credit Policy for SME and Corporate Business Clients JSC "PIRAEUS BANK ICB" for the relevant year.
9. IFC Performance Standards.
10. EBRD Environmental and Social Policy.
11. Equator Principles.
12. SDGs.

1.3. The purpose of the Policy is to create an effective and comprehensive ESG risk management system that:

- integrates ESG factors into all of the Bank's business processes;
- ensures compliance with national legislation and international standards;
- minimises the potential negative impact of the Bank's activities and those of its customers on the environment, society and management ethics;
- promotes the Bank's positive business reputation;
- increases transparency, sustainable financing and social responsibility.

1.4. The scope of the Policy covers:

- all structural units of JSC "PIRAEUS BANK ICB";
- the Bank's activities in the field of banking services, including financing corporate clients and SMEs;
- processes of identification, assessment, decision-making, conclusion of contracts, monitoring and reporting on ESG risks;
- interaction with clients, partners, government agencies and other stakeholders.

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1.5. The policy has been developed taking into account the principle of proportionality – the level of depth of ESG risk assessment depends on the size, complexity, term, industry and potential impact of the project/client.

All Bank employees are required to comply with the provisions of this document within the scope of their job responsibilities.

The roles, powers and responsibilities for implementing the Policy are set out in the relevant section of this document.

All updates to the Policy must be agreed in accordance with internal procedures, approved by the Bank's Management Board and approved by the Bank's Supervisory Board.

2. TERMS AND ABBREVIATIONS

In this Policy, the terms and abbreviations are used in the following meanings:

Bank – JOINT STOCK COMPANY "PIRAEUS BANK ICB".

Group – Piraeus Bank S.A.

EBRD – European Bank for Reconstruction and Development.

EU – European Union.

SMEs – Small and Medium-sized Enterprises.

IFC – International Finance Corporation.

NGOs – Non-governmental organisations.

Framework agreement – agreement between two parties that recognises that the parties have not reached final agreement on all issues relating to their relationship, but have reached agreement on issues sufficient to develop the relationship, with further details to be agreed in the future.

Regulator / NBU – National Bank of Ukraine.

ESMS – Environmental, Social and Governance Management System.

Green banking specialist – a specialist well versed in assessing and monitoring environmental risks, developing green products, as well as developing environmentally friendly products and measures to improve operational activities in order to reduce resource consumption.

FA – Financial Analyst, Financial Analysis Division.

BDF – Business Development Fund.

CRO - Chief Risk Officer of the Bank - a bank official responsible for risk management.

ESG – Environmental, Social, Governance – environmental, social and corporate criteria for assessing business management.


FiM - Finance in Motion.

KYC – Know Your Client.

3. MAIN PART. ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT SYSTEM

The environmental, social and governance management system (hereinafter referred to as ESMS) is a dual mechanism that integrates, on the one hand, environmental, social and governance aspects into the Bank's activities and, on the other hand, ESG risk management into business processes. The latter involves a set of actions and procedures that are included in the Bank's existing financial procedures.

ESMS ensures that the Bank's internal operations and lending activities comply with this Policy and the requirements of Ukrainian legislation. The Bank must monitor, have access to and control environmental, social and governance risks, associated with the economic activities of its customers, which involves communication between the customer, its employees and local communities directly affected by its economic activities.

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ESMS helps the Bank to avoid or mitigate relevant risks throughout the term of the loan agreement by conducting environmental, social and governance risk assessments before, during and after the loan is granted. This requires the development of an appropriate management system that will contribute to the achievement of reliable and sustainable environmental and social results for clients, leading to stable financial results for the Bank.

Components of ESMS:

1. Environmental, social and governance risk management policy
2. ESG risks assessment procedures
3. Monitoring and record keeping
4. Annual review and continuous improvement of ESMS
5. Internal and external reporting
6. Assessment of ESG risk appetite as part of the Risk and Capital Management Strategy
7. Roles and responsibilities for implementing and reviewing ESMS
8. External communication
9. Emergency preparedness and response plan
10. Training
11. Budget approval and senior management

3.1. IMPLEMENTATION OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT SYSTEM

3.1.1. ESG POLICY IN GENERAL


The Group strives to become a leader in ESG sensitivity, contributing to the country's economic growth through its shareholders, customers and employees. The Group strives to make its vision and strategic directions clear to all stakeholders; provides a unique customer service experience; develops professionals and creates opportunities; builds trust through transparency and sincerity; promotes team spirit and encourages participation; works to create a sustainable society, environment and market. In this regard, since 2010, the Group has adopted the following statement on sustainable development.

We will also support and finance companies, institutions, organizations and projects which offer added value and which benefit people and the environment by supporting deposit account holders and investors wishing to promote individual and corporate social responsibility in a sustainable society.

We want economic development to contribute to quality of life and to focus on human dignity without jeopardizing future environmental and social indices".

Sustainability Statement Piraeus Bank Group Executive Committee, 7 June 2010.

In addition, the Group recognises that sustainable development principles are a fundamental prerequisite for effective entrepreneurship. Adhering to the principles and guidelines of the Group (which takes into account the UN Sustainable Development Goals, is a member of the UNEP branch, has signed the UNEP branch's Positive Impact Manifesto, supported the Paris Commitment to Action, participates in the UNEP branch's Declaration of Intent on Energy Efficiency), and complying with local legislation on environmental and social issues (the Laws of Ukraine "On Environmental Protection", the Law of Ukraine "On Environmental Impact Assessment", "On State Social Standards and State Social Guarantees", the Labour Code, etc.), The Bank incorporates environmental, social and governance criteria into its operational and business procedures and develops strategies aimed at complying with local and international legislation and regulations in the field of environmental protection and sustainable development in order to have a positive impact on the environment, society and cultural heritage that go beyond legal obligations.

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The unexpected consequences of environmental, social and governance risks associated with the client's activities ultimately also affect the Bank as a result of the transaction that links the client to the Bank. Unexpected consequences for the client may include:

- **Business disruption.** The client's operations may be directly affected by changes in social conditions, such as high staff turnover, or changes in environmental conditions, such as the deterioration of resources on which the client's operations depend. This affects the client's/investor's prospects of remaining in business and poses a risk to the financial institution.

- **Legal issues.** A country's environmental, social and governance legislation sets requirements for operating licences, health and safety standards, and permits for emissions/discharges of pollutants. If the client/investor does not comply with these requirements or consistently demonstrates negligence or non-compliance, this may result in fines and penalties or even indefinite suspension of operations, as the operating permit may be revoked by the authorities. This affects the client's financial and operational viability and poses a risk to the Bank.

- **Loss of market share.** Due to new environmental, social and governance standards and/or market demands for socially responsible or environmentally friendly products and services, the client may lose market share if it is unable to meet these requirements. This affects the client's ability to maintain profits from existing operations and poses a risk to the Bank.

- **Liabilities and market devaluation.** Clients may face environmental, social and governance liabilities related to environmental pollution, as well as damage or injury caused to third parties. These may include any claims for damages or compensation due to environmental and social harm caused by the client's activities. For the client, this can be a significant financial burden and usually leads to market devaluation of assets. For the bank, this leads to a decline in the value of collateral and the emergence of potential liabilities.

- **Poor reputation.** As public awareness of environmental, social and governance issues increases, the client's activities are increasingly subject to scrutiny to ensure proper governance and accountability. Poor environmental and social performance can lead to community opposition to the client's presence in the community and potential delays or disruptions to the client's operations. Negative public perception will damage the client's reputation, which may lead to reduced demand for its products or services. This affects the client's financial and operational viability and poses a risk to the Bank.

To this end, the Bank:

1. Strengthens corporate governance

The Bank fully complies with the corporate governance regulatory framework, protecting its corporate interests and, through them, the interests of its shareholders. At the same time, continuous improvement of the management system, internal control, regulatory compliance, transparency and disclosure of information to the investment community are key issues.


The Bank ensures transparency by applying appropriate procedures for the evaluation and selection of partners and suppliers.

2. Interacts with customers on the basis of trust and professional relationships

The Bank's fundamental principles in its relations with customers are: clear provision of information, transparency of contractual terms and conditions, and security of all types of transactions, both physical and electronic. The Bank strives to build long-term relationships of trust with its customers through a high level of professionalism and quality of service.

3. Implements best practices in the workplace

The Bank recognises that human resources are a key factor in the success of achieving its strategic goals. It respects human rights and develops a humane and responsible organisation where competent, dedicated and inspired employees work collectively to be market leaders through diversity, innovation, value creation and ensuring prosperity and sustainable development.

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The Bank provides equal opportunities for the continuous development of employees, as well as non-discriminatory practices in the recruitment process through special candidate selection systems.

The Bank considers its ability to respond to emergencies and extraordinary situations a priority and has therefore established a system for preparedness and response to extraordinary situations.

4. Builds harmonious relationships with social partners

The Bank supports family, education, health care and entrepreneurship through employee volunteer activities, direct grants and donations, and cooperation with non-governmental organisations (NGOs). At the same time, the Bank provides assistance to vulnerable groups and individuals facing difficulties at a professional and personal level.

The Bank strives to respond to any concerns about its activities, in particular lending, raised by customers or other interested third parties, and has therefore established a mechanism for communication and resolution of customer issues .

5. Protects the environment by using natural resources responsibly and supporting environmentally friendly business activities

The Bank develops ESG Strategy and ESG Roadmap, which sets out priority objectives, deadlines and those responsible for their implementation, including strategies for monitoring and improving its environmental performance and reducing the impact of its activities on the environment, using an environmental management system in accordance with EMAS and ISO 14001 standards.

As the Group recognises that the risks associated with climate change will intensify in the long term (approximately over the next five years), a number of initiatives have been launched to take environmental aspects into account in business objectives, strategies, risk management systems and decision-making processes. In this context, the Group is implementing a special programme, within which separate areas of support have been created for responsible business units to review policies within their competence, taking into account climate and environmental aspects.

Thus, the Bank is implementing environmental, social and governance criteria in its operational and economic activities in order to comply with local and international standards, as well as national environmental, social and governance legislation.

3.2. PROCEDURES FOR ASSESSING ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS.


The Bank recognises that all activities and projects must comply with the highest environmental, social and governance standards, which include

- The Group's Exclusion List (Annex B), supplemented by the World Bank's exceptions and others.
- Applicable local, regional and national legislation on environmental, health, safety and social issues.
- International standards (e.g., IFC Performance Standards, EBRD Operational Requirements, Equator Principles, etc.) as in Annex C.

The Bank continuously strives to apply effective environmental, social and governance practices in all of its financing operations, products and services. In addition, new loan agreements contain commitments requiring that projects be financed only if they are expected to be designed, built, operated and maintained in a manner that complies with applicable requirements and does not conflict with ESG principles and requirements.

The following steps are integrated into the Procedure for Granting Loans to SME and Corporate Business Customers and the Credit Policy for SME and Corporate Business Customers.

A. Project screening measures

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At the initial stage of consideration of a loan application, the activities of the project under consideration are assessed.

During the loan approval process, as fully described in the Procedure for Granting Loans to SME and Corporate Clients and/or other internal regulations that may replace it, an initial check is carried out for compliance with the List of Exclusions (Annex B). If the project includes excluded activities, it will not be considered for financing. In addition, during this process, the client's history of environmental, social and governance incidents is checked by obtaining relevant reports/statements from the Borrower (statement from the local village authority, conclusion of the sanitary service, expertise of the veterinary and sanitary service, etc.). If the client or project has a history of environmental, social and governance incidents, depending on their severity and scale (at the individual discretion of the FA), financing will not be considered.

B. Assigning a project to an ESG risk category

Potential and existing projects are categorised based on their ESG risk level. This categorisation is determined based on eight factors:

- Loan amount
- Loan term
- Loan/project type
- Purpose of loan
- Industry
- Proximity to environmentally sensitive areas
- Potentially irreversible consequences
- Scale of environmental and social problems

As a result of determining the ESG risk level (see Annex E), each project/loan falls into one of the following three categories:

- ✓ **Low risk (Category C):** A project with minimal or no negative impact on the social sphere and the environment.
- ✓ **Medium risk (Category B):** A project with potentially limited negative social or environmental impact, which is few in number, usually specific to a particular site, largely reversible and can be easily remedied through mitigation measures.
- ✓ **High risk (Category A):** A project with potentially significant negative social or environmental impacts that are diverse, irreversible and unprecedented.

For low-risk projects, the client's proposed activities are reviewed for compliance with national environmental and social laws and regulations. Medium- and high-risk projects undergo a more analytical environmental and social assessment process, as described in Section C.

C. Conducting a legal audit of the project to assess environmental and social risks


At this stage, potential clients must provide all necessary documentation in accordance with national environmental, social and administrative legislation (e.g., the Laws of Ukraine "On Environmental Protection," "On State Social Standards and State Social Guarantees," the Labour Code, etc.) in accordance with the specifics of the project at the request of the credit specialist.

If the project/client does not comply with all applicable local, departmental, and national laws on environmental protection, health, and safety, it must develop a corrective action plan (including periodic reporting and monitoring) within a reasonable time frame, which must be included in the loan agreement as a condition for the provision of funds.

If the project/client does not have all the necessary permits or they are not up to date, it must obtain/renew existing permits before proceeding with financing.

1. MEDIUM RISK PROJECT

For medium-risk projects, the client's activities are reviewed for compliance with national environmental and social laws and regulations, as well as existing permits. To this end, the relevant

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national documentation serves as the basis for such analysis. In some cases exceeding the threshold specified in Annex C, a site visit is conducted during the credit application review stage and annually to identify potential environmental, social and governance impacts.

In some cases, particularly those involving compliance with international standards, projects exceeding the thresholds specified in Annex C may require the involvement of an external independent technical consultant, who is approved by the ESG officer.

Environmental and social risks identified during the site visit are recorded in the Client and Characteristics Description and Assessment Form (Annex D). In the event of unjustified risks, an in-depth assessment (comprehensive review) is conducted and a corrective action plan is agreed with the client. The comprehensive review report ("Client and Project Description and Assessment Form") and the agreed corrective action plan aimed at reducing unjustified risks are part of the documentation required for consideration during the final approval of the loan. If necessary, the corrective action plan is included in the loan agreement with the client. In addition, the loan agreement specifically mentions the client's obligation to submit a compliance report (in any form) on the integration of measures into its activities, as well as to promptly and timely (within 3 days of occurrence) notify the Bank of any serious accidents or incidents.

2. HIGH-RISK PROJECT

High-risk projects are checked for compliance with national environmental, social and governance laws and regulations. To this end, the relevant national documentation serves as the basis for such analysis. For more complex high-risk projects that exceed the thresholds specified in Annex C, an additional check for compliance with international standards is carried out. For this level of risk, site visits are conducted to familiarise oneself with the conditions and, if necessary, the assistance of an external independent technical consultant is enlisted, who is approved by the ESG officer.

The project description and key ESG risk parameters are recorded in the Client and Characteristics Description and Assessment Form (Annex D). Based on the recorded findings and relevant national documentation, an in-depth assessment (comprehensive review) is conducted to develop an environmental protection plan. This action plan must be agreed with the client. It should help prevent risks that the project may cause, reduce the overall risk or ensure and compensate for it to an acceptable level in accordance with the Bank's policy.

The comprehensive environmental audit report and the agreed environmental action plan are part of the documentation to be reviewed during the final approval of the loan. If necessary, the action plan is included in the loan agreement with the client.

After final loan approval, the relevant environmental and social commitments are included in the loan agreement, and specific reference is made to the client's obligation to report on compliance with the requirements for integrating risk management measures into its activities and to notify the Bank promptly and in a timely manner (within three days of occurrence) of any serious accidents or incidents.


During the comprehensive review process, relevant information on high-risk projects is provided to interested parties upon request or on the basis of the Framework Agreement prior to the decision to grant a loan, and their recommendations, provided within the agreed time frame, are taken into account.

All high-risk projects must be reported to the head office in Athens before the loan is approved at the local level.

A flowchart of ESG risk assessment is provided in Annex A.

3.3. MONITORING AND RECORD KEEPING

The Bank conducts annual monitoring and assessment of the environmental, social and governance indicators of individual projects (as part of its annual review) to ensure ongoing

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compliance with applicable requirements. Further monitoring may be required for projects with unjustified environmental, social and governance risks and/or risks with a high probability of occurrence.

For each project, supporting documentation for environmental, social and governance due diligence is kept on file. This includes, for example, the national environmental impact assessment, initial screening of environmental and social aspects, the loan agreement, and reports on site visits. All documents are stored in the loan file in accordance with existing banking procedures.

During the annual credit limit assessment, the Bank requests the reports specified in the credit agreement from the client and, if necessary, conducts a site visit. In case of non-compliance with the agreed action plan and applicable environmental, social and governance requirements, appropriate measures are taken.

3.4. ANALYSIS AND CONTINUOUS IMPROVEMENT OF ESMS

The ESMS is reviewed annually to ensure its relevance and effectiveness over time and to take into account the Bank's changing needs. This involves identifying potential difficulties related to the operational aspects of ESMS implementation and making the necessary changes. Reviewing the scope of ESMS procedures ensures the proper detection and identification of new ESG risks of projects during comprehensive checks and monitoring. In addition, ESMS should be updated to reflect changes in current national and European legislation in the areas of environmental protection, health, labour and safety, social guarantees, and non-discrimination on the basis of race and gender.

The Bank has introduced a process for collecting information on difficulties arising in connection with the operational aspects of ESMS implementation.

The Bank's Legal Department monitors changes in current national legislation and regulations on environmental protection, health and safety in order to ensure that the covenants contained in loan agreements are updated in line with current changes in legislation.

Bank staff are periodically informed of any changes through the relevant internal communication channels.

3.5. INTERNAL AND EXTERNAL REPORTING

The Bank shall notify interested parties (IFC, EBRD, FiM, BDF, etc.) of serious accidents or incidents involving its clients no later than three days after becoming aware of such accidents or incidents. The Bank investigates, collects and stores all necessary information about the borrower, conscientiously applying the basic banking rule of "Know Your Customer" (KYC).


As mentioned above, the Bank also informs specific interested parties, upon request or on the basis of the Framework Agreement, about any high-risk projects (category A) prior to making a credit decision (for example, the agreement with the IFC requires reporting on each high-risk project).

The Bank regularly prepares an Annual Environmental and Social Performance Report in accordance with the reporting standards set out in bilateral agreements.

3.6. MECHANISM FOR COMMUNICATION AND RESOLUTION OF CUSTOMER ISSUES

Through its Remote Customer Care Division and the Customer Complaints Committee, the Bank reviews and resolves any complaints or claims from customers and other interested parties, and through the staff of the Business Development Department, provides information and explanations regarding banking services, operations, products offered, or any other issues, such as ESG issues related to the Bank's investments. The Bank has established a mechanism for receiving and promptly investigating such complaints/requests: through a simple procedure, customers or other interested parties can choose one of several means of communication (by contacting a branch, by telephone, via e-mail, chat support and via the Bank's website: <https://www.piraeusbank.ua/ua/home/inappropriate-actions>) in order to receive appropriate responses and explanations.

3.7. EMERGENCY PREPAREDNESS AND RESPONSE PLAN

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The Bank has relevant internal regulatory documents, which are updated on an annual basis or as significant changes occur in the Bank's activities, namely:

- Business Continuity Policy of JSC "PIRAEUS BANK ICB";
- Business Continuity Plan of JSC "PIRAEUS BANK ICB";
- Procedure for analysing the impact of negative factors on the processes of JSC "PIRAEUS BANK ICB";
- Plan for resuming the activities of JSC "PIRAEUS BANK ICB".

These documents describe in detail effective emergency preparedness and response plans (e.g., responsibilities, procedures, and evacuation plans for each type of emergency, training, etc.).

4. ROLES, POWERS AND RESPONSIBILITIES

4.1. The CRO is the Bank's authorized officer for ESMS issues and oversees the implementation of ESMS, ensuring the integration of these procedures into the Bank's existing business processes for assessing the financial risks of projects.


Responsibilities of the official in charge of ESMS:

- Consolidation of information and reporting on projects in the area of ESG risks and training, under which budget-related matters are approved by the respective initiative owners separately, in accordance with the procedure in force at the Bank.
- Ensuring coordination and integration of risk management procedures into the Bank's internal credit process.
- Reporting any serious ESG issues to senior management and ensuring support and approval for ESG risk management issues.
- Reviewing and approving the Bank's annual ESG reports.
- Informing stakeholders, upon request, about high-risk projects prior to making a lending decision.
- Regular reporting at the ESG Working Group meeting on the effectiveness of ESMS.
- Regular monitoring of portfolio projects' compliance with applicable requirements on an ongoing basis.
- Verifying that these procedures are implemented for each project and that environmental due diligence records (i.e. assessment and monitoring) are maintained.
- Maintaining a register of qualified consultants who can be engaged to assist with environmental due diligence.

One or more ESG coordinators (not yet appointed) may assist the ESG officer in performing their duties.

4.2. The responsibilities of the Green Banking Specialist (who may be engaged by the Bank on an outsourcing basis) include:

- Conducting a comprehensive analysis of environmental and project safety risks in cases of unjustified risk for medium and high-risk projects.
- For complex projects or projects that exceed the thresholds specified in Annex C:
 - Evaluating all necessary ESG documentation;
 - Conducting a comprehensive ESG risk assessment;
 - Provision of a comprehensive review report during the loan approval process.
- Provision of proposals for appropriate environmental assurances, guarantees and commitments for projects where the involvement of such a specialist is required (unjustified risk in high/medium risk projects).

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- Preparation of necessary training materials and delivery of training programmes.
- Provision of technical support to the personnel involved.

4.3. The responsibilities of Business Units (e.g., credit portfolio managers, customer service specialists) are as follows:

- Compliance with ESMS procedures at the transaction level.
- Checking the project for compliance with the List of Exceptions.
- Collecting all necessary documentation.
- Assigning an ESG risk level to the project.
- Discussing, negotiating and agreeing with the customer on possible measures to mitigate ESG risks, which should be included in the action plan and credit agreement.

4.4. The responsibilities of a Credit Underwriting Division employee include:

- Ensuring that the procedures described in the Credit Policy, which reflect the implementation of ESMS, are applied to each project.
- Assess and include in the credit assessment proposals provided by the Green Banking Specialist.
- Applying covenants, appropriate fees and additional coverage during the loan approval process, if necessary.

4.5. Responsibilities of the Risk Management Division:

- Implementation and review of the Bank's ESG policy
- Assessment of ESG risk appetite as part of the Risk and Capital Management Strategy
- Collection of necessary training materials and implementation of training programmes as needed
- Collecting data and submitting Annual ESG Reports

4.6. Responsibilities of the Legal Department:

- Providing recommendations on amendments to standard lending agreements to ensure they comply with the applicable national legislation in the areas of environmental protection, health, and safety.
- Providing advice on incorporating into standard loan agreements specific clauses on the client's obligations arising from the ESMS procedures.
- Advising on whether a client's failure to comply with ESG provisions constitutes a breach of contract and whether it is considered a default under the terms of the loan agreement.
- Providing advice on specific environmental law issues.


4.7. Responsibilities of the Remote Customer Care Division:

- Receiving requests from customers and interested parties, providing explanations and advice.

5. INTERNAL CONTROL SYSTEM

5.1. Control over compliance with the requirements of this Policy is entrusted to the Risk Management Division

5.2. Employees of the Bank's units involved in the development and approval of this Policy are responsible for its content exclusively within the limits of their competence and functional duties.

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6. FINAL PROVISIONS

6.1. The Policy shall be reviewed and updated **at least once a year** according to the Group requirements, or more frequently in the event of changes in Ukrainian legislation, NBU regulations, the Bank's organisational structure and/or the Bank's internal administrative and regulatory documents.

6.2. The Risk Management Division is responsible for updating and maintaining the Policy in an up-to-date state.

6.3. Amendments and additions to this Policy shall be approved by a decision of the Supervisory Board and shall be formalised by publishing a new version. Approval of a new version of the Policy shall automatically result in the termination of the previous version. The updated Policy shall be posted on the Bank's web portal.

6.4. As of the effective date of this version of the Policy, Environmental, Social and Governance Risks Management Policy at JSC "PIRAEUS BANK ICB" dated 25.09.2024 shall be deemed null and void.

7. LIST OF RELATED DOCUMENTS


1. Risk and Capital Management Strategy of JSC "PIRAEUS BANK ICB".
2. Risk Management Policy of JSC "PIRAEUS BANK ICB".
3. Credit Policy for SME and Corporate Business Clients of JSC "PIRAEUS BANK ICB" for the Relevant Year.
4. Procedure for granting loans to SME and Corporate business clients JSC "PIRAEUS BANK ICB".
5. Procedure for granting and servicing loans under the state financial support programme for businesses "Affordable loans 5-7-9%".
6. Procedure for lending to business clients under the Portfolio Guarantee Agreement concluded between JSC "PIRAEUS BANK ICB" and the International Finance Corporation of the United States.

8. HISTORY OF CHANGES

Version code	Document version date	Description of changes	Author (developer) of the document version
952	25.09.2024	Document creation	Valiarovska V.V., Risk Management Division
1196	19.12.2025	Annual update of the document New document format	Valiarovska V.V., Risk Management Division






9. META DATA

- *ESG (Environmental, Social, Governance)*
- *Environmental risks*
- *social risks*
- *management risks*
- *sustainable development*
- *environmental and social management*
- *corporate governance*
- *risk management*

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- *internal control*
- *credit policy*
- *international standards (IFC, EBRD, Equator Principles)*
- *sustainable banking / green banking*
- *Environmental and social assessment*
- *customer risk management*

ANNEXES

No.	Name of Annex	Document
1	Annex A – Flowchart for ESG risk assessment	 Annex A.docx
2	Annex B – Exclusion List	 Annex B.docx
3	Annex C – Threshold amounts	 Annex C.docx
4	Annex D – Client and Characteristics Description and Assessment Form	 Annex D.xlsx
5	Annex E – ESG risk assessment matrix	 Annex E.xlsx