



# SECOND SELF-ASSESSMENT REPORT

JUNE 2022

### Principle 1: Alignment

The Bank will align its business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	References
<p><b>1.1</b> Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>The Alpha Bank Group is one of the leading financial Groups in Greece. It is present in South-eastern Europe via the Group Companies that operate in Cyprus, Romania, and Albania. The Group is also present in the United Kingdom through its London Branch and the Group Company, Alpha Bank London Ltd and in Luxembourg through its Luxembourg Branch.</p> <p>The Bank provides products and services in the following operating segments:</p> <ul style="list-style-type: none"><li>• Retail Banking, including loans, deposits products and bancassurance services.</li><li>• Wholesale Banking, including small business and corporate, shipping finance, leasing and factoring activities.</li><li>• Investment Banking and Treasury Management, including personal and private banking, corporate and structured finance, treasury and brokerages services; and</li><li>• Other activities such as real estate management, venture capital and equity financing.</li></ul>	<p><a href="#">Annual Report 2021</a></p>
<p><b>1.2</b> Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>Alpha Bank's Sustainability Strategy is based around 4 pillars: market, people, environment, and society. As part of this strategy and for the purpose of implementing the Principles, Alpha Bank has reviewed its contribution to society's goals in reference to the SDGs, Paris Agreement and relevant regional frameworks such as the European Union Action Plan on Sustainable Finance and Greece's national strategy for sustainable development. The analysis of the Bank's activities, using the tools provided by UNEP-FI, concluded that the most significant impacts relate to the following four areas (of the Impact Radar) and society's goals:</p> <ul style="list-style-type: none"><li>• Water - aligning with SDG 6 – "Clean water and sanitation". The portfolio of Alpha Bank shows a significant association with sectors impacting water availability. Furthermore, this area of alignment has been identified as a major Greek country need by the UNEP-FI analysis. Therefore, the Bank has the potential to achieve a significant impact by aligning its strategy towards SDG 6, for example by supporting the increase of water use efficiency and ensuring sustainable withdrawals and supply of freshwater to address water scarcity (Goal 6.4).</li><li>• Employment - aligning with SDG 8 – "Decent work and economic growth". The portfolio of Alpha Bank shows a significant association with sectors potentially impacting employment and economic growth. This area of alignment has also been identified by UNEP FI as a key challenge for the Greek economy especially considering the current employment rate. Therefore, the Bank could achieve a significant impact by aligning its strategy towards SDG 8, for example by supporting the increase of youth employment rate.</li></ul>	<p><a href="#">Corporate Responsibility Policy; Alpha Bank</a></p>

### Reporting and Self-Assessment Requirements

### High-level summary of bank's response

### References

- Waste - aligning with SDG 11 – “Sustainable cities” and SDG 12 – “Responsible consumption and production”. The portfolio of Alpha Bank shows a significant association with sectors potentially impacting the circular economy development, particularly the management of waste. Therefore, the Bank could achieve a significant impact by aligning its strategy towards SDG 11, for example by reducing the adverse impact of cities through the financing of waste management activities (Goal 11.6) and towards SDG 12, for example by reducing waste generation through prevention, reduction, recycling and reuse (Goal 12.5). This strategy would also support the European Circular Economy Action Plan of 2020.

- Climate change -, aligning with SDG 13 – “Climate action”. The portfolio of Alpha Bank shows a significant association with sectors having a significant impact on climate change. Climate change is also identified as the defining challenge of the decade. The Bank has a role to play in fighting climate change through aligning its strategy towards SDG 13 and the Paris Agreement with the development of a green offering and the reduction of its own and financed emissions to NetZero.

To align the strategy with these goals, the Bank identified a first set of SMART targets in these areas. These strategic orientations have been validated by the General Management of Alpha Bank and will be further detailed and monitored in the coming months, while continuing the implementation of the Principles.

More details related to the Bank's alignment with the SDG's and other relevant frameworks can be found in the “Alpha Bank and Sustainable Development” section (3) of the Sustainability report 2021.

[Corporate Responsibility Policy;](#)  
[Alpha Bank](#)

## Principle 2: Impact and Target Setting

The Bank will continuously increase its positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from its activities, products and services. To this end, they will be set and published targets where the Bank can have the most significant impacts.

### Bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

In 2021, Alpha Bank completed the impact analysis and identified the most significant impacts associated with its Greek activities. Alpha Bank prioritised 4 areas of most significant impact: Water, Employment, Waste and Climate. Alpha Bank will continue to make progress in assessing and disclosing its impacts following the development of tools and methodologies in collaboration with UNEP-FI and its peers.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	References
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### 2.1 Plans for Target Implementation and Monitoring

Show that your bank has defined actions and milestones to meet the set targets.

Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.

The Bank has developed the necessary procedures and KPIs to effectively measure and report the progress on the achievement of the targets. For each target, it has been created a roadmap with annual milestones that are dynamically updated based on the Bank's operations and the framework that the Bank operates into. The Corporate Communications division, along with the ESG working Group reassures the robust implementation and execution of the necessary procedures for the achievement and monitoring of the targets set in the previous years. More details related to the Bank's targets can be found in the "3.7 2021 Performance and 2022 Sustainable Development Objectives" section (3.7) of the Sustainability report 2021.

ESG Report 2021

### Bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

Alpha Bank, in 2021, defined and agreed on a detailed roadmap and monitoring processes for the implementation of its targets. The Bank will continue to improve the monitoring and the definition of performance indicators / relevant actions in order to achieve these targets, in collaboration with UNEP-FI and its peers.

### 2.2 Progress on Implementing Targets

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.  
Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.

The following progress has been made on targets previously set:

- Agricultural sector financial products and services: In 2021, 2.7% of the new disbursements have been allocated to the agricultural sector (in cooperation with European Institutions), which is not a significant increase since 2020.

- Alpha Green Loan Products: In 2021, the penetration rate of Alpha Green Loan Products reached 5%, slightly increased compared to the penetration rate of 2020 (4%).

- ESG related assets: In 2021, the total amount of ESG assets (in million Euros) increased by 4.8%, which is very close to the original target of 5% annual increase and in line with the mid-term goal of 25% cumulative increase of ESG related assets by 2025.

**Reporting and Self-Assessment Requirements**

Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)

**High-level summary of bank's response**

- Renewable Energy Systems (RES): In 2021, the total of MW reached the 965 MW, which is 25 MW higher than the total amount of MW of 2020 and in line with the mid-term goal of 70MW increase by 2025.
  - Own operations: The Bank procures 100% renewable electricity for all its buildings and branches.
  - Paper usage: In 2021, the tons of paper used were reduced by almost 40%. The target is overachieved due to several initiatives (MPS expansion, digitization of transactions, web penetration, increase of e- statements etc).
  - Global recycling rate: In 2021, the annual rate of recycled vs used toners has skyrocketed to 148.8%. The specific index is the percentage of recycled toners to the total consumption of toners. Due to premise clearing of the Bank's Buildings and Branches in the year, the total quantity of recycled toners exceeded total consumption (kg) for 2021.
  - Water scarcity and pollution: In 2021, the percentage of the global portfolio (in Euros) related to activities that contribute to water scarcity and pollution has increased by almost one percent.
  - Young people and entrepreneurship: The Bank has started the evaluation of partnership proposals and the identification of educational partners, as part of the Corporate Responsibility Program.
- Branch accessibility: In 2021, the branch accessibility for persons with mobility disabilities increased by 2%.

**References****Bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets**

Alpha Bank has partially fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

### Principle 3: Clients and Customers

The Bank will responsibly work with its clients and its customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

#### Reporting and Self-Assessment Requirements

#### High-level summary of bank's response

#### References

**3.1 Provide an overview of the policies and practices** your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.

Customers are amongst the most important stakeholders for us. Hence, there have been established actions and policies that ensure promote responsible relationships with its customers.

- The bank promotes transparency by:
  - Communicating written and verbally the principles that govern customer service and assure customer satisfaction.
  - Supplying the necessary information regarding its products and services (see also Responsible Operation - Business Conduct and Compliance).
  - Reassuring that the bank's advertisements present all details regarding the products and services (Responsible Marketing). More details in the "Transparency" section (5.6).

- The Bank places particular emphasis on personal data and corporate information, implementing appropriate protection measures for the entire information life cycle. In 2021, the Cybersecurity and Information Security Division renewed the following certifications:

- The Information Security Management System - ISO 27001 was updated to incorporate new standard requirements for privacy information management (ISO 27701), information security controls for cloud services (ISO 27017) and protection of personally identifiable information in public clouds (ISO 27018).
- The Business Continuity Management Systems - ISO 22301.
- The PCI-DSS Level 1 Service Provider and Level 4 Merchant at Bank level, covering cardholder security.

- Regarding personal data protection, Alpha Bank applies the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and of the Council), more commonly known as GDPR, which concerns the protection of Individuals regarding the processing of their Personal Data. The actions and policies in detail can be found in the "Customer Privacy and Data Security" section (4.8).

- Alpha Bank's primary concern is to provide optimal customer service and maintain stable and long-term relationships with them. To improve the services on a daily basis, Alpha Bank has established various communication channels with Customers, including a Call Centre, a voice recognition portal, a complaint handling mechanism, a contact form on the website as well as email and SMS communication.

In this effort, the Bank has established internal procedures for monitoring and measuring the proper implementation of officers' procedures and communication (Quality monitoring) and specialized measuring of Customer satisfaction regarding the management of their cases (t-NPS, Customer Satisfaction Survey). More specifically, in 2021, the t-NPS index rose to 61% (from 55% in 2020), while the percentage of Customers satisfied with customer service rose to 81% (from 78% in 2020). The waiting time of the Customers, during the same period, was reduced by 28%. More details enclosed in the "Customer Service and Satisfaction" section (5.7).

**Reporting and Self-Assessment Requirements**

**High-level summary of bank's response**

**References**

- The complaint management policy of the Bank is harmonized with the provisions of the Bank of Greece (ΠΕΕ157 / 2019), while the Quality Management System the Bank applies is certified according to the international standard ISO 9001: 2015. More details enclosed in the “Customer Service and Satisfaction” section (5.7).
- In 2021 Alpha Bank continued its efforts to support its customers in the best possible way during a period where their needs become more complex. Customer Satisfaction levels at the end of the third quarter of 2021 (Q2-Q3 2021) were over 80%. Both web and mobile banking channels, are acknowledged by Customers across segments for their excellent operational level, their ease of use and the security of transactions. More details enclosed in the “Customer Service and Satisfaction” section (5.7).

**3.2** Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.

Alpha Bank continuously promote responsible practices among its customers and clients by:

- raising awareness and incentivising more sustainable choices; and
- improving its products and services to address its customers' banking needs in a modern and responsible manner. Please, see more details disclosed in the “Support of Green/Low-carbon Investments” section (5.5).

For example, Alpha Bank:

- informs its customers, through events and tailor-made trainings, about investment opportunities in mutual funds that meet ESG criteria. More details disclosed in the “Integration of ESG criteria in financing” section (5.4).

- has developed services and products for its Retail Banking clients and Small/ Medium Enterprises to support their transition towards sustainable activities. Some examples of offering are disclosed in the reporting references ( “Support of Green/Low-carbon Investments” section (5.5)).

Further action in relation to the implementation of sustainable practices enabling sustainable economic activities will be identified in the coming months, while continuing the implementation of the Principles.

#### Principle 4: Stakeholders

The Bank will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	References
<p><b>4.1</b> Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>The Bank already participates in local stakeholder initiatives to ensure a full understanding of local challenges and further increase its contribution to society's goals, for example by:</p> <ul style="list-style-type: none"><li>•participating in the Hellenic Network for Corporate Social Responsibility association that aims to promote Corporate Social Responsibility to both the business community and the social environment; and</li><li>•participating in the Sustainable Development Committee of the Hellenic Bank Association that aims to represent the Greek banks and their involvement in Corporate Responsibility and Sustainable Development.</li></ul> <p>The Bank recognizes as its Stakeholders the natural and/or legal persons who/which, either directly or indirectly, are connected to, and affect or are affected by the Bank's decisions and its operation. Based on the relevant laws, its daily operations, the existing policies and procedures and the Group's corporate governance strategy, Alpha Bank has recognized four distinct Stakeholder groups (more details in the "Stakeholders" section (3.3):</p> <ul style="list-style-type: none"><li>•Analysts and Investors</li><li>•Employees</li><li>•Society</li><li>•Customers.</li></ul> <p>In 2021, the Senior Management of the Bank with the involvement of the stakeholders mentioned above, identified the most significant impacts. The impacts include issues related to the environment and society. In total, more than 4200 representatives of the Bank's stakeholders participated via an online questionnaire. The identified impacts were ranked, and relevant actions/policies were developed in order to minimize the negative effects on the environment, the society, the economy and the business performance too. Please, advise section 3.2 of the Sustainability Report 2021 for more details.</p>	

## Principle 5: Governance & Culture

The Bank will implement its commitment to these Principles through effective governance and a culture of responsible banking

Reporting and Self-Assessment Requirements	High-level summary of bank's response	References
<p><b>5.1 Describe the relevant governance structures, policies and procedures</b> your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>For the purpose of implementing the Principles, Alpha Bank identified that its current practices could better align with industry best practice and UNEP-FI's guidelines in some areas regarding:</p> <ul style="list-style-type: none"><li>•the overall responsibility for sustainability that should be allocated at committee and board level;</li><li>•the oversight of sustainability matters that should be underpinned by adequate training programmes; and</li></ul> <p>In 2021, a new comprehensive ESG Governance Structure has been developed at a Group level, which demonstrates the Group's strong commitment to Sustainability issues. More specifically, the Governance and Nominations Committee has been transformed to Governance, Sustainability and Nominations Committee and supports the Board of Directors in overseeing the Sustainable Development processes and operations. The Committee has a central role in ESG direction setting and oversight. The purpose of the Committee is to strengthen the Bank's long-term commitment in creating value through the ESG objectives and to monitor the effectiveness of Alpha Services and Holdings to meet its targets and goals in relation to ESG issues (more details in the "Corporate Governance" section (4.2)).</p>	
<p><b>5.2 Describe the initiatives and measures</b> your bank has implemented <b>or is planning to implement to foster a culture of responsible banking among its employees.</b></p> <p>This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>Alpha Bank also works toward fostering a culture of responsible banking. This can be seen in the incorporation of responsible values throughout the group vision and the identification of responsibilities for sustainability initiatives and training programmes (more details in the "Talent Management" section (6.1)).</p> <p>Effective communication with the Bank's employees, in order to enable them to voice their issues and the Bank to communicate its culture and principles constantly. Two prime examples of effective communication channels are:</p> <ul style="list-style-type: none"><li>•Resources Business Partners (HRBPs) who are the immediate contact person for the employees of their assigned Units who can discuss with them any issue (work related or personal) they have and the #stayconnected platform which is a direct communication point with employees.</li><li>•The Employees is also informed via the monthly online internal newsletter "MAZI" ("Together"), as well as via announcements posted on the Alpha Bank Intranet, whenever any issue arises.</li></ul> <p>Last, the Remuneration Policy that has been established determines variable remuneration. Variable remuneration reflects the annual sustainable and risk-weighted performance as well as performance in excess of that required to fulfil the tasks entrusted. More details in the "Corporate Governance" section (4.2).</p>	

**Reporting and Self-Assessment Requirements**

**High-level summary of bank's response**

**References**

**5.3 Governance Structure for Implementation of the Principles**

Show that your bank has a governance structure in place for the implementation of the PRB, including:

- a) target-setting and actions to achieve targets set
- b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.

The Bank took further actions in 2021, apart from the Governance, Sustainability and Nominations Committee that has already been mentioned. At management level, a Group Sustainability Committee has been established, which steers the Bank's ESG strategy and direct all related actions. Additionally, a Group ESG coordinator has been appointed to oversee the ESG objectives within the cross-functional ESG Working Group aiming to facilitate an efficient internal adoption of ESG practices across the organization. In that direction, an extended ESG workplan has been developed in order not only to capture the opportunity to engage with stakeholders and ensure the Company's sustainability, but also to be able to manage any ESG risks. More details are disclosed in the "Corporate Governance" section (4.2).

Bank's conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

**Alpha Bank enhanced its governance structure and oversight of sustainability initiatives through the creation of a Governance, Sustainability and Nominations Committee and the relevant supporting mechanisms. It also continues to foster a culture of responsible banking among its employees by involving them in decision-making processes relating to the implementation of Principles. Further actions such as training programme and incentives implementation were adopted in the 2021, while continuing the implementation of the Principles and its targets.**

## Principle 6: Transparency & Accountability

The Bank will periodically review its individual and collective implementation of these Principles and be transparent about and accountable for its positive and negative impacts and its contribution to society's goals.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	References
<p><b>6.1 Progress on Implementing the Principles for Responsible Banking</b></p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p> <p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</p>	<p>As highlighted in each section of this self-assessment, Alpha Bank made some progress in implementing the Principles over the first 18 months. The Bank assessed its current state and undertook a gap analysis for each Principle. It identified areas for improvement based on the Principles' requirements and industry best practices. Following the review and validation of this preliminary analysis with various Divisions of the Bank, the General Management of the Bank has taken decisions in order to remediate identified gaps with respect to the Principles.</p> <p>As a summary,</p> <ul style="list-style-type: none"><li>•<b>Regarding Principle 1 - Alignment</b>, the Bank decided on a strategic alignment with SDGs 6, 8, 11, 12 and 13 and relevant international, European and local objectives.</li><li>•<b>Regarding Principle 2 - Impact assessment and target setting</b>, the Bank performed a portfolio and corporate impact analysis using UNEP-FI's tools. As a result, it set 11 SMART targets (for its business activities as well as its own operations) addressing its most significant areas of impact. In 2021, the Bank developed relevant KPIs and procedures to effectively monitor and report on the achievement of the targets set the previous years.</li><li>•<b>Regarding Principle 3 - Clients and Customers</b>, in 2021, the Bank adopted practices and actions in order to promote responsible relationships with its customers and sustainable products.</li><li>•<b>Regarding Principle 4 - Stakeholders</b>, in 2021, the Bank made progress related to the identification of the most important stakeholder groups and their active involvement in the prioritization of the bank's impacts.</li><li>•<b>Regarding Principle 5 - Governance and culture</b>, in 2021, the Bank implemented a dedicated governance structure for sustainability with responsibilities at Board level through the creation of a Board-level Sustainability Committee and supporting mechanisms that ensure the Bank's ESG strategy application.</li><li>•<b>Regarding Principle 6 - Accountability and transparency</b>, the Bank leveraged its current reporting standards to report on its implementation of the Principles. Alpha Bank has already implemented sustainability reporting standards such as the Global Reporting Initiative (GRI), Core options and Financial Sector Supplement, the European Non-Financial Reporting Directive (Directive 2014/95/EU), the Carbon Disclosure Project (CDP), SASB, the ESG disclosure framework of Athens Stock Exchange, and principles of the Task Force on Climate-related Financial Disclosures (TCFD).</li></ul>	

Bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking

**In collaboration with UNEP-FI and its peers, Alpha Bank will improve its responsible reporting, leveraging the sustainability reporting standards it has already implemented. The Bank is also considering any emerging reporting practice that might improve transparency to its stakeholders, such as the EU Sustainable Finance Disclosure Regulation (SFDR).**