



NATIONAL BANK  
OF GREECE

# NATIONAL BANK OF GREECE

## Sustainable Bond Framework

August 2023



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# 1 Introduction

## 1.1 Purpose of NBG's Sustainable Bond Framework

National Bank of Greece S.A. ("NBG" or "the Bank") has established this Sustainable Bond Framework ("the Framework") that will hereafter serve as a reference document for any future issuance of Green, Social, and/or any other Sustainability-labeled products or financial instruments offered by the Bank or any of its subsidiaries.

The Framework builds on the internal methodology we have used to report on our sustainable financing commitment and promotes our efforts to remain aligned with industry guidelines and market practice. In that regard, we have refined the definitions and eligibility criteria previously used in NBG's Green Bond Framework to further align with the best market practices and extend the range of eligible categories<sup>1</sup>.

The Framework will supersede and replace the "Green Bond Framework" initially created and published by the Bank in 2020 and will be applicable from October 2<sup>nd</sup>, 2023 and onwards.

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<sup>1</sup> Eligible Green and Social Categories are defined in detail in Section 2.1 - Use of Proceeds

## 1.2 Who We Are

### A strong financial institution

Our operations are always governed by transparency, trustworthiness and human-centeredness.

**182 years**

Founded in 1841

**6 million**

Clients

**8.103**

Group employees

**2.8 million**

Active Digital Banking users

Note: Data as of 31.12.2022 (For more information please refer to FY22 Annual Report or any subsequent reports)

NBG is one of the leading financial institutions in the Greek banking sector by market capitalization. We are here to support and lead every small or big national venture and find better and more flexible ways to serve our clients through our extended network of branches and subsidiaries in Greece and abroad.

We hold a significant position in the Greek retail banking sector, providing a wide range of financial services and products, including savings, payments, consumer loans, and mortgages. To our Wholesale clients we offer corporate and investment banking services, tailor-made corporate financing, global transaction services, leasing, factoring, brokerage, real estate, and asset management solutions.

### Our vision to be the “Bank of First Choice” for customers, talent, and investors

A human, trustworthy, responsive bank, which acts as a catalyst for sustainable growth and unlocks potential for households, businesses, communities, and our employees.

We strongly rely on our core values, and we keep evolving every day, aspiring to remain:

- **Human:** Our client needs and choices are at the center of everything we do.
- **Trustworthy:** We operate with transparency, knowledge and experience.
- **Responsive:** We provide flexible solutions tailored to your needs.
- **A Growth Catalyst:** We accelerate progress and prosperity.

### Our Funding Sources

The Bank’s principal sources of liquidity are its customer deposits, repurchase agreements (repos) with financial institutions, wholesale funding through the issuance of securities and Eurosystem funding, which is gradually decreasing. ECB funding and repos with financial institutions are collateralized mainly by high

quality liquid assets, such as EU sovereign bonds, Greek government bonds and T-Bills, as well as by other assets, such as highly rated corporate loans and own issued covered bonds.

### 1.3 Our Strategy & Vision for Sustainability

NBG follows a holistic approach regarding Environment, Social and Governance (“ESG”) areas, in order to ensure compliance with evolving regulatory framework, fulfilment of the Bank’s commitment to the Principles for Responsible Banking (“PRB”), and implementation of ESG best practices across the organization (covering business strategy, risk management, product and service offering, reporting, as well as efforts to reduce NBG’s direct and indirect emissions footprint).

We have formulated our strategy in 3 strategic pillars (see table below) that are closely aligned with the Bank’s purpose to create a more prosperous and sustainable future together with its customers, people, and shareholders. To this end, we articulated our ‘E’, ‘S’ and ‘G’ vision in 9 strategic themes. These themes stem from and reflect our recently revamped value system that complements the Bank’s overall business strategy & transformation, and our pursuit to become the undisputed Greek Bank of First Choice.

ESG pillars	ESG strategic themes	Our Values
Environment	<ol style="list-style-type: none"> <li>1. Lead the market in <b>sustainable energy financing</b></li> <li>2. Accelerate transition to a <b>sustainable economy</b></li> <li>3. Role-model <b>environmentally responsible practices</b></li> </ol>	<b>Sustainable Growth, Responsiveness</b>
Society	<ol style="list-style-type: none"> <li>4. Champion <b>diversity &amp; inclusion</b></li> <li>5. Enable <b>public health &amp; well-being</b></li> <li>6. Promote <b>Greek heritage, culture &amp; creativity</b></li> <li>7. Foster <b>entrepreneurship &amp; innovation</b></li> <li>8. Support <b>prosperity through learning &amp; digital literacy</b></li> </ol>	<b>Human-Centricity</b>
Governance	<ol style="list-style-type: none"> <li>9. Adhere to the highest <b>governance standards</b></li> </ol>	<b>Trust</b>

## **Environmentally responsible practices**

At NBG, we acknowledge that our operations have an impact on the environment, in addition to the impacts resulting from our financing activities. Therefore, we are committed to taking actions that contribute to reducing the environmental impact of our own operations. This commitment is reflected in our ESG strategy, where we have incorporated this area as a key strategic theme and an essential and indispensable part of our overall approach to ESG.

To this end, we have implemented an Environmental Management System (EMS), which is in conformity with the requirements of the international standard ISO 14001, aiming at reducing the environmental footprint of our own operations and demonstrating a sound corporate behavior. The EMS has been in place since 2004, and we have appointed EMS Officers in all of our units, including administration and branches, since 2011 to ensure its effective application.

Below, we list a set of completed and ongoing actions that the Bank undertakes to reduce the environmental impact of its operations while planning more actions to further achieve our goals<sup>2</sup>:

- Procure 100% of renewable energy for our electricity consumption
- Converted our executive car fleet to hybrid / electrical vehicles
- Installed solar panels in key buildings (e.g., rooftop of the Bank's IT building in Gerakas, which is LEED certified)
- Performed energy efficiency upgrades & assessments in selected buildings
- Rolling out the required infrastructure to transition to a paperless operating model across the organization as part of our Transformation Program

## **Support of clients' transition to lower carbon emissions**

The Bank is aware that the transition journey into climate friendly economies will involve great challenges ahead, but at the same time will create opportunities for products and services that contribute to the achievement of the Paris Agreement goals and of the National climate strategic objectives. NBG is already providing products and services with 'Green' characteristics and aims to further enhance its current portfolio with offerings that incorporate features and criteria aligned with national and international standards and best market practices on sustainable activities.

In line with its environmental strategic themes of (1) leading the market in sustainable energy financing and (2) accelerating the transition to a sustainable economy, the Bank realizes that the flows of capital and the funding need to be directed towards environmentally sustainable activities and to this direction support its clients via:

- Green financing through an array of products and services, such as the Green Loan, Estia Green Home, Exoikonomo 2021 etc. (Green Loan – loan granted for financing the purchase and installation of energy-saving equipment and new hybrid technology cars, as well as new electric

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<sup>2</sup> For more information you can refer to Annual & ESG Reports that are published in our website ([link](#))

vehicles., ESTIA Green Home – loan for the purchase, repair, or construction of energy-upgraded homes)

- Renewable Energy financing via a special team that handles applications for funding of Renewable Energy Sources (RES) projects and provides advice to potential project finance investors, as well as to SMEs.
- NBG 2.0: As part of supporting the sustainable economy transition, the Bank has established the NBG 2.0, in alignment with the “Greece 2.0: National Recovery and Resilience Plan”, in which one of the key pillars of funding is the green transition of the Greek economy
- Green Bond Issuance: Two years post its issuance, 100% of the proceeds have been allocated to 58 renewable energy projects across Greece ([link](#))

In order to identify the areas with increased potential for sustainable and transition financing, the Bank has performed, via its Economic Research arm and in cooperation with external consultants and subject matter experts, various analyses of the transition investments that will be required in Greece in the period up to 2050. NBG seeks to continuously update its understanding of the underlying enablers of the sustainable transition of the Greek economy, in order to provide a complete set of products and services that cover the transition needs of its clients.

### **Commitment to Sustainability and participation in key global initiatives**

- NBG became a signatory to the United Nations Global Compact in June 2018, reaffirming its commitment to align its actions and strategy with the 10 Principles of the Global Compact in the area of human rights, labor, environment and prevention of corruption<sup>3</sup> as well as integrate the 17 SDGs into the Bank’s strategy and culture.
- In April 2020, NBG joined the Climate Action in Financial Institutions Initiative (CAFI), which represents a global coalition of public and private financial institutions that aim to systemically integrate climate change considerations across their strategies, programs, and operations.
- In September 2020, NBG became a signatory to the UNEP FI Principles of Responsible Banking aiming to enhance further its commitment to a long-term strategy of creating a sustainable future for all.
- In December 2021, NBG joined the European Climate Pact through the Carbon Disclosure Project (CDP) initiative, which supports the EU in its goal of being the world's first climate-neutral continent.
- The Bank is also a member of the Hellenic Greek Network for Corporate Social Responsibility (the national representative association to the European Corporate Social Responsibility (CSR) Network) and of Hellenic Bank Association's (HBA) Sustainable Development, Green Banking and Corporate Governance Interbank Committee.

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<sup>3</sup> Briefing on NBG's activities is available at the following [link](#)

## **ESG assessment at loan origination, credit granting and monitoring**

The Bank's ESG impact mainly derives from its financing activity. Therefore, to complement NBG's internal efforts to sustainable development, the Bank also incorporates the assessment of ESG risks in its credit granting and monitoring process for the corporate portfolio; an assessment that applies at the obligor and transaction level.

In particular, amongst other actions that the Bank undertakes on the ESG risk management front, NBG has introduced a set of ESG Questionnaires (including sector-specific ones) to its credit granting processes, both for new lending and renegotiated loans for corporate clients. In this context, documentation and tools (i.e., ESG process guidelines, user manuals, ESG scorecards, ESG scoring methodologies) have been developed and are used by the Corporate underwriters in order to assess and classify obligors and transactions in terms of ESG related risks and sustainability lending criteria.

## **The road ahead**

NBG acknowledges that the journey towards establishing sustainable and sound climate and environmental practices involves a series of actions within the short-, medium- and long-term horizons. To that end, the Bank is already pursuing key priorities across the three strategic themes, encapsulating its climate change and decarbonization strategy as part of its overall ESG Strategy.

Going forward, NBG envisions to further enhance the incorporation of ESG factors in its Risk Management Framework, as methodological approaches mature, quantification/analytical capabilities develop, and additional climate and environmental data become available. Moreover, key initiatives relevant to the implementation of the ESG strategy and net-zero target setting are being included in the Bank's Transformation Program to ensure a high level of focus and execution discipline.



## 1.4 Our Corporate Social Responsibility

One of our inherent institutional roles is to pursue building a better “tomorrow” today, and to effectively play our social role. We undertake initiatives and implement social responsibility programs and actions that make a decisive contribution to social progress and prosperity. We strive to promote employment, dignified work, financial growth, entrepreneurship, innovation, health, education, and gender equality, as well as to protect and conserve our historical and cultural heritage.

As part of the Bank’s Corporate Social Action program called “Responsibility”, NBG continues its sponsorship activities, in line with our human-centred character and our business ethics, by engaging in a wide range of initiatives promoting social welfare. Indicative actions include:

- Support to hospital units and activities aiming to strengthen the National Health System (e.g., by donating medical equipment during the Covid-19 pandemic)
- Promotion of Greek cultural heritage (e.g., NBG Greece Culture Foundation “MIET”, an educational and cultural foundation, whose aim is to foster and support activity in Science, Literature and Art)
- Promotion of sports and the sporting ideal, sponsoring distinguished athletes of a new generation
- Sponsoring programs and responsible initiatives that foster education, innovation, technological development, and entrepreneurship (e.g., scholarship programs, digital laboratories in schools in Attica)
- Roll-out of CSR actions to restore fire-impacted areas and support fire prevention

## 1.5 Internal ESG Frameworks

With our values and our ESG commitments as a guide, we make every effort to fulfil our role and mission. To this end, we have set in place policies and frameworks<sup>4</sup> that are considered as prerequisites for an effective ESG performance. These policies include but are not limited to the following:

- Corporate Social Responsibility Policy
- Human Resources Policy for Development and Education
- Sustainable Development Policy<sup>5</sup>
- Board of Directors Diversity Policy
- Group Policy on Donations, Sponsorships, Charity Contributions, and other Relevant Actions
- Travel Policy

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<sup>4</sup> Details on the Regulation and Principles of Operation of NBG are available in the following website ([link](#))

<sup>5</sup> ESG policies are available in our website ([link](#))

## 2 NBG's Sustainable Bond Framework

### 2.1 The Framework

In alignment with our overarching sustainability strategy, we have established this Sustainable Bond Framework permitting the issuance of Green, Social, and/or Sustainability Instrument(s) to attract dedicated funding for loans and investments that bring a positive environmental and/or social impact.

We are committed to aligning our ESG strategic objectives with our investment and financing strategy of this Framework, as we consider it an important tool in our effort to steer the flow of capital towards low-carbon investments, as well as in our quest to contribute positively to communities, culture, inclusiveness, and overall societal well-being.

### 2.2 Sustainable Financing and SDGs

Via the projects and assets financed through the issuance of instruments governed by this Sustainable Bond Framework, NBG will contribute to the following set of Sustainable Development Goals:



### 2.3 Structure, guiding principles, and standards

NBG's Sustainable Bond Framework builds upon the key principles and guidelines of the International Capital Market Association (ICMA) and the Loan Market Association (LMA) and is presented based on the following pillars:

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting
5. External review

In particular, the following external documents have been considered for the formulation of the Framework and/or for the selection of the Eligible Categories<sup>6</sup>:

<sup>6</sup> Eligible Categories are defined in detail in Section 2.1 - Use of Proceeds

- The ICMA Green Bond Principles (GBP) 2021<sup>7</sup>, Social Bond Principles (SBP) 2023<sup>8</sup>, and Sustainability Bond Guidelines (SBG) 2021<sup>9</sup>
- The LMA Green Loan Principles (GLP) 2023<sup>10</sup> and Social Loan Principles (SLP) 2023<sup>11</sup>
- The United Nations SDGs
- Environmentally sustainable economic activities included in the environmental objectives of the EU Taxonomy



## 2.4 Framework Governance

This Framework is subject to review and may be updated to reflect market developments, emerging good practices and/or other forthcoming regulatory requirements and guidelines.

Any such updates and/or amendments to the Framework will be published on NBG's website.

<sup>7</sup> ICMA Green Bond Principles, June 2021 (with June 2022 Appendix 1) ([link](#))

<sup>8</sup> ICMA Social Bond Principles, June 2023 ([link](#))

<sup>9</sup> ICMA Sustainability Bond Guidelines, June 2021 ([link](#))

<sup>10</sup> LMA Green Loan Principles, February 2023 ([link](#))

<sup>11</sup> LMA Social Loan Principles, February 2023 ([link](#))

## 2.5 Use of Proceeds

An amount equivalent to the net proceeds of Green, Social, and/or Sustainability Instrument(s) issued will be used to finance or refinance, in whole or in part, new or existing loans and investments to projects in Eligible Categories in accordance with the Eligibility Criteria.

The Framework includes the Eligible Green and Social categories outlined below, and pertaining Eligibility Criteria are presented in paragraphs 2.5.1 and 2.5.2.

### Eligible Green Categories


- Renewable Energy
- Energy Efficiency
- Green Buildings
- Clean Transportation
- Climate Change Adaptation
- Sustainable Water and Wastewater Management
- Pollution Prevention and Control
- Environmentally Sustainable Management of Living Natural Resources and Land Use

### Eligible Social Categories

- Access to Affordable Healthcare Services
- Access to Education and Vocational Training
- Access to Financial Services
- Women Empowerment
- Affordable Housing

For refinancing of existing projects or assets, only loans or investments that have originated within the past two years will qualify as Eligible Assets.


## 2.5.1 Eligibility Criteria for Green Categories




Eligible Categories	Description of Eligibility Criteria	Associated with
<b>Renewable Energy</b>	Financing or refinancing directed towards the following activities: <ul style="list-style-type: none"> <li>• Construction, operation, acquisition, installation, and maintenance of electricity generation facilities from renewable sources:               <ul style="list-style-type: none"> <li>○ On- and offshore wind power</li> <li>○ Solar photovoltaic ("PV") energy</li> <li>○ Concentrated solar power (CSP) energy</li> <li>○ Hydropower/hydroelectric projects<sup>12</sup></li> <li>○ Geothermal energy with life cycle GHG emissions intensity less than 100g CO<sub>2</sub>e/kWh</li> <li>○ Electricity generation from bioenergy<sup>13</sup></li> </ul> </li> <li>• Manufacturing of renewable energy technologies/equipment</li> <li>• Manufacture of green hydrogen<sup>14</sup></li> <li>• Transmission and distribution of networks:               <ul style="list-style-type: none"> <li>○ Transmission and distribution of electricity with average system grid emissions intensity below the threshold value of 100 gCO<sub>2</sub>e/kWh</li> </ul> </li> </ul>	<b>ICMA Green Bond Principles</b> Renewable energy  <b>EU Taxonomy Objectives</b> Climate change mitigation  <b>Environmental Benefit</b> GHG emissions reduction and transition towards more sustainable business practices  <b>United Nations Sustainable Development Goals</b> 

<sup>12</sup> Hydropower/hydroelectric projects complies with either of the following criteria: (1) the electricity generation facility is a run-of-river plant and does not have an artificial reservoir, (2) the power density of the electricity generation facility is above 5 W/m<sup>2</sup> (if in operation before 2020) or above 10 W/m<sup>2</sup> (if in operation on or after 2020), (3) the life cycle GHG emissions from the generation of electricity from hydropower are lower than 100g CO<sub>2</sub>e/kWh (if in operation before 2020) or lower than 50g CO<sub>2</sub>e/kWh (if in operation on or after 2020)



<sup>13</sup> Waste biomass and renewable biofuels sourced from general forestry and agricultural residues with direct emissions <100g of CO<sub>2</sub>/kWh

<sup>14</sup> Green hydrogen is defined as hydrogen produced by splitting water into hydrogen and oxygen using renewable electricity


Eligible Categories	Description of Eligibility Criteria	Associated with
	<ul style="list-style-type: none"> <li>○ Construction or operation of new transmission and distribution networks dedicated to green hydrogen or other low carbon gases</li> <li>○ Conversion/repurposing of existing natural gas networks to 100% green hydrogen</li> <li>● Construction and operation of storage facilities for:               <ul style="list-style-type: none"> <li>○ Electricity</li> <li>○ Thermal energy</li> <li>○ Green hydrogen</li> </ul> </li> </ul>	
<b>Energy Efficiency</b>	<p>Financing or refinancing to support the development, manufacture, repair, maintenance, or installation of energy efficiency technologies, products, and systems, including:</p> <ul style="list-style-type: none"> <li>● Energy-efficient heating and cooling systems, lighting, and appliances</li> <li>● Centralized energy control systems (including transmission and distribution energy systems such as smart grids)</li> <li>● Energy storage systems (including batteries)</li> </ul>	<p><b>ICMA Green Bond Principles</b> Energy efficiency</p> <p><b>EU Taxonomy Objectives</b> Climate change mitigation</p> <p><b>Environmental Benefit</b> GHG emissions reduction and energy savings</p> <p><b>United Nations Sustainable Development Goals</b></p> 

Eligible Categories	Description of Eligibility Criteria	Associated with
<b>Green Buildings</b>	<p>Financing or refinancing used for construction, development, operation, acquisition, and maintenance of residential or commercial buildings:</p> <ul style="list-style-type: none"> <li>• Buildings built before 31 December 2020 with EPC label <math>\geq</math> "A"</li> <li>• Buildings built before 31 December 2020 that belong within the top 15% of the national building stock based on Primary Energy Demand (PED)</li> <li>• New buildings with a primary energy demand at least 10% lower than the one resulting from the European Nearly-Zero-Energy Building ("NZEB") requirements<sup>15</sup></li> <li>• Renovation of buildings leading to a reduction of the primary energy demand of at least 30%</li> <li>• New, existing, or refurbished commercial buildings which have received at least one of the following certifications: <ul style="list-style-type: none"> <li>○ LEED "Gold" or above</li> <li>○ BREEAM "Excellent" or above</li> <li>○ DGNB "Gold" or above</li> <li>○ HQE "Excellent" or above</li> <li>○ EPC level A or B</li> </ul> </li> </ul>	<p><b>ICMA Green Bond Principles</b> Green buildings</p> <p><b>EU Taxonomy Objectives</b> Climate change mitigation</p> <p><b>Environmental Benefit</b> GHG emissions reduction and energy savings</p> <p><b>United Nations Sustainable Development Goals</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <div style="text-align: center;">  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <div style="text-align: center;">  <p>13 CLIMATE ACTION</p> </div> </div>


<sup>15</sup> European Nearly-Zero-Energy Building ("NZEB") requirements ([link](#))


Eligible Categories	Description of Eligibility Criteria	Associated with
<p><b>Clean Transportation</b></p>	<p>Financing or refinancing of equipment, development, manufacturing, construction, operation, distribution, and maintenance of low carbon infrastructure and assets given that the primary purpose is not dedicated to the transportation of fossil fuels:</p> <p><u>Land transport</u></p> <ul style="list-style-type: none"> <li>• Electric and green hydrogen-powered vehicles and trains</li> <li>• Vehicles and trains with less than 50gCO<sub>2</sub> per passenger-km or 25gCO<sub>2</sub> per ton-km for freight transportation may be eligible until 2025</li> <li>• Other low-carbon rolling stock that meets the EU technical screening criteria (e.g., light rail transit, metro, tram, trolleybus)</li> </ul> <p><u>Land transport infrastructure</u></p> <ul style="list-style-type: none"> <li>• Infrastructure for zero direct emissions transport (e.g., green hydrogen fuelling stations, electric charging stations)</li> <li>• Infrastructure and equipment for active mobility (pedestrian zones, bike lanes, e-bikes, and e-scooters)</li> </ul> <p><u>Water transport</u></p> <ul style="list-style-type: none"> <li>• Vessels run on zero direct (tailpipe) CO<sub>2</sub> emissions and are not dedicated to fossil fuels transportation</li> <li>• Sea and coastal freight vessels as well as vessels for port operations and auxiliary activities operating on zero direct (tailpipe) emission fuels or on fuels from renewable sources that until 31 December 2025, have an attained Energy Efficiency Design Index (EEDI) value equivalent to reducing the EEDI reference line by at least 10 percentage points below the EEDI</li> </ul>	<p><b>ICMA Green Bond Principles</b> Clean transportation</p> <p><b>EU Taxonomy Objectives</b> Climate change mitigation</p> <p><b>Environmental Benefit</b> GHG emissions reduction and pollutants emission reduction</p> <p><b>United Nations Sustainable Development Goals</b></p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="1467 776 1577 886"> <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  </div> <div data-bbox="1587 776 1696 886"> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  </div> </div>



Eligible Categories	Description of Eligibility Criteria	Associated with
	<p>requirements<sup>16</sup> (for cases where technologically and economically is not feasible to comply with the above criterion)</p> <p><u>Water transport infrastructure</u></p> <ul style="list-style-type: none"> <li>• Infrastructure required for zero direct emissions water transport (e.g., electricity charging, green hydrogen-based refuelling)</li> <li>• Infrastructure dedicated to reducing port's operations emissions</li> </ul>	
<p><b>Climate Change Adaptation</b></p>	<p>Financing or refinancing used for engineering activities and related technical consultancy dedicated to adaptation solutions that reduce vulnerability to climate change impacts (e.g., flood mitigation barriers, early warning systems for natural disasters, ICT solutions for climate projections)</p>	<p><b>ICMA Green Bond Principles</b> Climate change adaptation</p> <p><b>EU Taxonomy Objectives</b> Climate change adaptation</p> <p><b>Environmental Benefit</b> Resilience of people and systems</p> <p><b>United Nations Sustainable Development Goals</b></p> 


<sup>16</sup> EEDI requirements applicable on 1 April 2022 as agreed by the Marine Environment Protection Committee of the International Maritime Organization

Eligible Categories	Description of Eligibility Criteria	Associated with
<b>Sustainable Water and Wastewater Management</b>	<p>Financing or refinancing used for construction, development, installation, expansion, operation, acquisition, and maintenance of infrastructure for:</p> <ul style="list-style-type: none"> <li>• End-to-end water supply systems that improve average energy efficiency by at least 20% (including abstraction, treatment, and distribution) or reduce water leakages</li> <li>• New wastewater treatment systems that substitute existing more GHG-intensive treatment systems</li> <li>• Wastewater treatment systems that improve average energy efficiency by at least 20%</li> <li>• Flood prevention or flood defence water management systems</li> </ul>	<p><b>ICMA Green Bond Principles</b> Sustainable water &amp; wastewater management</p> <p><b>EU Taxonomy Objectives</b> Climate change mitigation Water and marine resources</p> <p><b>Environmental Benefit</b> Improve water quality and reduce depletion of natural resources</p> <p><b>United Nations Sustainable Development Goals</b></p> 

Eligible Categories	Description of Eligibility Criteria	Associated with
<b>Pollution Prevention and Control</b>	<p>Financing or refinancing for the development, construction, installation, operation, and maintenance of sustainable waste management projects, including:</p> <ul style="list-style-type: none"> <li>• Anaerobic digestion of sewage sludge and bio-waste</li> <li>• Composting of bio-waste</li> <li>• Material recovery of non-hazardous waste into secondary raw materials (conversion rate 50%)<sup>17</sup></li> <li>• Waste collection and transport for the recycling of non-hazardous waste in source segregated fractions</li> <li>• Landfill gas capture and utilization in permanently closed landfills</li> <li>• Data-driven solutions for GHG emissions reductions</li> <li>• Research, development, and innovation for direct air capture of CO<sub>2</sub></li> <li>• Professional services related to energy performance of buildings<sup>18</sup></li> </ul>	<p><b>ICMA Green Bond Principles</b> Pollution prevention and control</p> <p><b>EU Taxonomy Objectives</b> Climate change mitigation Pollution prevention and control</p> <p><b>Environmental Benefit</b> Reduction of waste and air pollutants</p> <p><b>United Nations Sustainable Development Goals</b></p> 



<sup>17</sup> The activity converts at least 50 %, in terms of weight, of the processed separately collected non-hazardous waste into secondary raw materials (e.g., projects that substitute virgin raw material with secondary, recycled, materials)


<sup>18</sup> Financed services may include (1) technical consultations (energy consultations, energy simulations, project management, production of energy performance certificates, dedicated trainings) linked to the improvement of energy performance of buildings, or (2) accredited energy audits and building performance assessments.

Eligible Categories	Description of Eligibility Criteria	Associated with
<p><b>Environmentally Sustainable Management of Living Natural Resources and Land Use</b></p>	<p>Financing or refinancing related to production, purchase, investments, and expenditure for:</p> <ul style="list-style-type: none"> <li>• Preservation and restoration of natural landscapes such as: <ul style="list-style-type: none"> <li>○ Afforestation, rehabilitation, and restoration of forests, including reforestation and natural forest regeneration after an extreme event</li> <li>○ Coastal, marine, and watershed environments</li> </ul> </li> <li>• Sustainably managed forests and forest products certified by one of the credible third-party certifications listed below or any other equivalent: <ul style="list-style-type: none"> <li>○ Forest Stewardship Council</li> <li>○ Programme for the Endorsement of Forest certification</li> <li>○ Sustainable Forestry Initiative</li> </ul> </li> <li>• Sustainable fisheries certified by one of the credible third-party certifications listed below or any other equivalent: <ul style="list-style-type: none"> <li>○ Global G.A.P. Aquaculture Standard</li> <li>○ Aquaculture Stewardship Council</li> </ul> </li> <li>• Sustainable agriculture operations such as: <ul style="list-style-type: none"> <li>○ Use of low-emissions technologies that significantly reduce energy, water use and/or GHG emissions (e.g., vertical farming, crop sensors)</li> <li>○ Farms certified that comply with the EU organic farming regulation</li> </ul> </li> </ul>	<p><b>ICMA Green Bond Principles</b> Environmentally sustainable management of living natural resources and land use</p> <p><b>EU Taxonomy Objectives</b> Climate change mitigation Protection and restoration of biodiversity and Ecosystem</p> <p><b>Environmental Benefit</b> Preservation of natural habitats and GHG emissions reductions</p> <p><b>United Nations Sustainable Development Goals</b></p> 

## 2.5.2 Eligibility Criteria for Social Categories

Eligible Categories	Description of Eligibility Criteria	Associated with
<b>Access to Affordable Healthcare Services</b>	<p>Financing or refinancing that enhances access to publicly available, free or subsidized, healthcare services, including:</p> <ul style="list-style-type: none"> <li>• Construction, expansion, or refurbishment of buildings, facilities, and equipment relating to public hospitals and other healthcare facilities (e.g., laboratories, elderly care facilities, care facilities for people with disabilities)</li> <li>• Funding of children's paediatric care or affordable maternal and reproductive healthcare products and services</li> <li>• Funding of health-related R&amp;D programmes (e.g., new medicines, treatments, vaccinations, or health equipment) in case of public health crisis</li> </ul>	<p><b>ICMA Social Bond Principles</b> Access to essential services</p> <p><b>Social benefit</b> Increase accessibility to quality healthcare for the general population and reduce exclusions from the healthcare system, including the elderly (those aged 66 or more), individuals with mental or physical conditions, children, and women.</p> <p><b>Target population</b></p> <ul style="list-style-type: none"> <li>• General population, including the most vulnerable</li> <li>• Public hospitals and widely accessible healthcare facilities</li> </ul> <p><b>United Nations Sustainable Development Goals</b></p> 



Eligible Categories	Description of Eligibility Criteria	Associated with
<b>Access to Education and Vocational Training</b>	<p>Financing or refinancing access to publicly available educational and vocational training, including:</p> <ul style="list-style-type: none"> <li>• Construction, expansion, or acquisition of buildings, facilities, and equipment (e.g., books and teaching materials) relating to the provision of child, youth or adult education and vocational training services</li> <li>• Projects and schemes to train teachers and educators</li> <li>• Financial support to access education (e.g., student loans)</li> </ul>	<p><b>ICMA Social Bond Principles</b> Access to essential services</p> <p><b>Social benefit:</b> Increase access to quality and accessible education and vocational training, particularly low-income students, and educators</p> <p><b>Target population:</b></p> <ul style="list-style-type: none"> <li>• All students and particularly the most vulnerable (low-income) students</li> <li>• Public education facilities</li> <li>• Teachers, educators, and professional training organizations</li> </ul> <p><b>United Nations Sustainable Development Goals</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div data-bbox="1465 1141 1577 1252">  <p>4 QUALITY EDUCATION</p> </div> <div data-bbox="1583 1141 1694 1252">  <p>10 REDUCED INEQUALITIES</p> </div> </div>

Eligible Categories	Description of Eligibility Criteria	Associated with
<b>Access to Financial Services</b>	Financing or refinancing aiming to prevent and/or alleviate unemployment stemming from socioeconomic crises by targeting: <ul style="list-style-type: none"> <li>• SMEs<sup>19</sup> located in economically disadvantaged regions<sup>20</sup></li> <li>• SMEs impacted by the consequences of extreme events (e.g., natural disasters, extreme weather events, public health disasters, etc.)<sup>21</sup></li> <li>• Farmers and SMEs that promote sustainable agriculture</li> </ul>	<b>ICMA Social Bond Principles</b> Employment generation and programs  <b>Social benefit:</b> Support people residing in underperforming areas to gain or sustain employment as well as support sustainable food systems  <b>Target population:</b> <ul style="list-style-type: none"> <li>• Individuals and SMEs residing in socioeconomically disadvantaged areas or affected by natural disasters</li> <li>• Farmers and SMEs operate in the Agricultural supply chain</li> </ul> <b>United Nations Sustainable Development Goals</b> 



<sup>19</sup> SME definition based on the EU recommendation 2003/361 ([link](#))

<sup>20</sup> For the purpose of the framework as economically disadvantaged areas are considered NUTS3 regions that meet the following two criteria: (1) GDP per inhabitant is below or equal to 75% of the EU-27 average and (2) GDP per inhabitant is below the country's average. For the identification of these regions, the Bank will leverage on the most recent data available in Eurostat in order to perform the necessary assessment.

<sup>21</sup> If specific sectoral activity codes (NACEs) are targeted, further details will be provided in the associated impact report

Eligible Categories	Description of Eligibility Criteria	Associated with
<b>Women Empowerment</b>	Financing or refinancing in support of: <ul style="list-style-type: none"> <li>• Women-owned and women-led SMEs (female entrepreneurs)</li> <li>• SMEs with at least 51% ownership by women</li> </ul>	<p><b>ICMA Social Bond Principles</b> Socioeconomic advancement and empowerment</p> <p><b>Social benefit:</b> Support women entrepreneurs to secure access to funding and mentorship that ultimately reduces gender imbalances</p> <p><b>Target population:</b></p> <ul style="list-style-type: none"> <li>• SMEs owned/controlled by women</li> </ul> <p><b>United Nations Sustainable Development Goals</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>5 GENDER EQUALITY</p> </div> <div style="text-align: center;">  <p>10 REDUCED INEQUALITIES</p> </div> </div>



Eligible Categories	Description of Eligibility Criteria	Associated with
<b>Affordable Housing</b>	Financing or refinancing toward the development, construction, acquisition, renovation, and management of social housing projects.	<p><b>ICMA Social Bond Principles</b> Affordable Housing</p> <p><b>Social benefit:</b> Supports universal accessibility to affordable housing for those most needed</p> <p><b>Target population:</b></p> <ul style="list-style-type: none"> <li>• Low-income individuals and families at risk of housing exclusion</li> <li>• Social housing organizations</li> </ul> <p><b>United Nations Sustainable Development Goals</b></p>  

### 2.5.3 Exclusion List

NBG does not undertake the funding of activities banned by EU regulations. Indicatively: trade in protected wild fauna, production and trade of radioactive materials and chemicals that have been banned by international protocols, transportation and release of genetically modified products into the natural environment, etc.

NBG commits itself not knowingly be involved in financing the following activities or assets using any of the proceeds from its Green, Social, and/or any other Sustainability-labeled products or financial instruments:

- Fossil fuel
- Weapons
- Gambling
- Tobacco
- Adult entertainment
- Nuclear
- Predatory lending

## 2.6 Process for Project Evaluation and Selection

Projects financed or refinanced are evaluated and assessed for compliance with the Eligibility Criteria and are also expected to comply with local laws and regulations.

### **Governance of the Sustainable Bond Framework**

NBG has established an inter-departmental Sustainable Bond Committee that convenes at least twice a year to facilitate the evaluation and selection of Eligible Projects/Assets.

The Sustainable Bond Committee comprises representatives from Treasury, CSR & Sustainability, Strategy, Risk, Corporate, Real Estate/Property Valuation, and IT. The Sustainable Bond Committee reports directly to the ESG Management Committee, which is chaired by the Chief Executive Officer. Other representatives may also be invited to the Sustainable Bond Committee as subject matter experts on an as-needed basis depending on the agenda.

The Sustainable Bond Committee is responsible for the following:

- Reviewing the content of the Sustainable Bond Framework and coordinating any future updates to reflect (to the extent possible) changes in corporate strategy or regulatory developments
- Monitoring regulatory and other market developments that impact Eligibility Criteria, disclosure requirements or reporting harmonization related to the Sustainable Bond Framework (e.g., EU Taxonomy, EU Green Bond Standards)
- Evaluating and validating the selection of Eligible Projects / Assets based on the criteria defined in Section 2.5 - Use of Proceeds throughout the life of the Green, Social, and/or Sustainability Instrument(s)
- Removing from the portfolio any Eligible Projects / Assets that no longer meet the eligibility criteria and replacing them with new Eligible Projects / Assets as soon as feasible
- Monitoring the overall allocation of proceeds to Eligible Projects / Assets
- Reviewing the Eligible Projects / Assets portfolio and the allocation approval of the issued instruments' proceeds to eligible assets, in accordance with the defined internal monitoring process of the relevant portfolio, on a regular basis
- Overseeing, approving, and publishing the allocation and impact reporting, including external assurance statements
- Ensuring the fulfilment of the Framework's reporting requirements until the end of issued instruments' lifetime -and, if required, the external assurance report- indicatively, by developing tools and mechanisms in co-operation with the bank's competent units
- Reviewing any operational, procedural, and policy implementation system for fulfilling obligations deriving besides the Sustainable Bond Framework Committee provisions

## 2.7 Management of Proceeds

The net proceeds of the Green, Social, and/or Sustainability Instrument(s) issued under this Framework will be managed by NBG's Treasury on a portfolio basis. Green, Social and/or Sustainability financing instruments may take different forms of debt obligations across the capital structure, including senior unsecured bonds, subordinated bonds and senior secured bonds such as covered bonds, via public or private placements.

NBG is committed to transparency and will make information about the expected allocation of proceeds from Green, Social, and/or Sustainability Instruments publicly available at each issuance. NBG shall allocate the funds to eligible projects immediately or gradually within 24 months from the issuance date. Pending the full allocation of the proceeds to Eligible Project(s), NBG commits to manage unallocated amounts in money market products, Socially Responsible Funds, cash, and/or cash equivalents.

For tracking purposes, NBG will individually label all allocated Eligible Project(s) in its internal information systems and will monitor these allocations at least quarterly.

Based on the internal monitoring of the Eligible Project(s) portfolio, the Committee will review and approve allocations of issued instruments' proceeds to Eligible Project(s) quarterly.

Subsequent changes to the Framework will not apply to any outstanding Sustainable Product(s) (no grandfathering), meaning that net proceeds will be allocated to Eligible Activities that meet the eligibility criteria at the time of the provided financing and further changes performed by NBG to the eligibility criteria will not apply retrospectively.

## 2.8 Reporting

NBG will publish allocation and impact reports annually, starting one year after any instrument issuance and at least until the full allocation of the proceeds.

NBG will provide information on both the allocation of proceeds and the expected non-financial impact of the Eligible Portfolio for each Eligible Category and on an aggregate basis for all Green, Social, and/or Sustainability Instrument(s) issued under this Framework.

The allocation and impact reports will be made publicly available in the NBG's website.

### 2.8.1 Allocation reporting

Each annual report will provide updates to all the relevant stakeholders on the allocation of the net proceeds of the Green, Social, and/or Sustainability Product(s) portfolio towards Eligible Project(s) described in the Framework. This report will contain, at minimum, the following information per instrument issued:

- The aggregated amount of net proceeds
- The total amount of allocated proceeds per Eligible Category
- The number of Eligible loans/ projects selected to which proceeds have been allocated
- The remaining balance of unallocated proceeds
- The share or the amount of new financing vs. refinancing
- The geographical distribution of the assets at a country level

### 2.8.2 Transparency & impact reporting

In addition to the above, where feasible, the impact reporting will disclose the following:

- A qualitative description of the portfolio of the selected Eligible Projects
- Information on the underlying methodologies and assumptions used to assess the impact of Eligible Projects
- Details on the internal governance process that dictates the allocation of net proceeds to Eligible Projects
- The impact pursued with the financed projects

### 2.8.3 Indicative impact reporting metrics

NBG also intends to report on the expected and/or achieved impact of the Eligible Projects/ Assets by category, based on relevant impact metrics and according to the nature of the allocated financing. In addition to the impact metrics, qualitative case studies may also be included, where feasible.

The table below outlines a non-exhaustive list of indicative impact metrics:

## Green Impact Metrics

### Renewable Energy

- Total renewable energy capacity in GWh or MWh
- Expected or actual annual renewable energy generation in GWh or MWh
- Estimated reduced/avoided GHG emissions in tCO<sub>2</sub>e
- Energy storage capacity in MWh
- Length of transmission infrastructure in km

### Green Buildings

- Number and floor space of Green Buildings, certifications / EPC ratings information/statistics
- Energy saved in percentage and absolute terms in MWh
- Estimated reduced/avoided GHG emissions in tCO<sub>2</sub>e

### Energy Efficiency

- Expected annual energy savings in MWh
- Estimated reduced/avoided GHG emissions in tCO<sub>2</sub>e

### Clean Transportation

- Number of electric, hybrid, or hydrogen fuel cell vehicles financed
- Number of charging stations for EVs installed
- Estimated reduced/avoided GHG emissions in tCO<sub>2</sub>e
- Length of connecting infrastructure in km

### Climate Change Adaptation

- Estimated reduced/avoided GHG emissions in tCO<sub>2</sub>e

### Sustainable Water and Wastewater Management

- Annual volume of water savings in m<sup>3</sup>
- Annual volume of wastewater treated in m<sup>3</sup>

### Pollution Prevention and Control

- Estimated reduced/avoided GHG emissions in tCO<sub>2</sub>e
- Annual production of renewable energy in MWh
- Waste that is prevented, minimized, reused or recycled before and after the project in % of total waste or in tons

## Green Impact Metrics

### Environmentally Sustainable Management of Living Natural Resources and Land Use

- Area of certified forestry in km<sup>2</sup>
- Area of natural landscape preserved and or rehabilitated in km<sup>2</sup>
- Ecologically sustainable agricultural production per hectare in tons
- Increase of sustainable seafood production in tons

## Social Impact Metrics

### Access to Affordable Healthcare Services

- Number of hospitals and healthcare facilities benefited from the loans
- Number of people benefiting from the healthcare services
- Number of health-related R&D programs funded

### Access to Education and Vocational Training

- Number of education facilities and/or initiatives benefited from the loans
- Number of people provided with skill development and/or vocational training
- Number of students benefiting from a student loan
- Hours of training provided

### Access to Financial Services

- Number of supported entrepreneurs and SMEs located in economically disadvantaged regions of Greece (including the breakdown by type)
- Estimated number of jobs supported/enabled/created in economically disadvantaged areas
- Number of farmers provided with access to agricultural inputs (financial inputs, equipment, training, etc.)

### Women Empowerment

- Number/amount of loans granted to women-owned/led SMEs (e.g., at least 51%)

### Affordable Housing

- Number of housing units developed/acquired
- Number of individuals/ families benefiting from subsidized housing

## 2.9 External Review

### **Second-Party Opinion (SPO)**

NBG has commissioned Sustainalytics to provide an SPO report for this Framework and confirm its alignment with the ICMA and LMA Principles.

The SPO document is also available in the Investor Relations section of the Bank's website<sup>22</sup>.

### **Annual Post-Issuance Review**

NBG may request a limited assurance report on an annual basis, starting one year after issuance and until the full allocation of the proceeds provided by its external auditors or any other appointed independent third party. For each report, the reviewer will verify:

- the allocation of the instruments' net proceeds
- the compliance of the Eligible Activities based on the eligibility criteria
- the non-financial impact reporting

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<sup>22</sup> [www.nbg.gr/en/the-group/investor-relations](http://www.nbg.gr/en/the-group/investor-relations)



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Furthermore, it should be noted that there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "Green", "Social" or "Sustainable" or an equivalently-labeled project or as to what precise attributes are required for a particular project to be defined as "Green" or "Sustainable" or such other equivalent label nor can any assurance be given that such a clear

definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses which are the subject of, or related to, any Eligible Green or Social Projects / Assets will meet any or all investor expectations regarding such "Green", "Social", "Sustainable" or other equivalently-labeled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any eligible green asset.



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