

30 June 2024

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: Piraeus Asset Management Single Member Mutual Funds Management Company (LEI 213800CF8C4B9AKV1Z96), member of Piraeus Bank

Summary

Piraeus Asset Management Single Member Mutual Funds Management Company S.A. (LEI: 213800CF8C4B9AKV1Z96), hereinafter "Piraeus AM MFMC", considers the principal adverse impacts of its investment decisions on sustainability factors. The present statement is the statement on principal adverse impacts on sustainability factors of Piraeus AM MFMC. This statement on principal adverse impacts on sustainability factors covers the reference period from 1st July 2023 to 31 December 2023. The following information is provided in accordance with the Sustainable Finance Disclosure Regulation (SFDR) – Regulation (EU) 2019/2088.

The PAI indicators are calculated taking into account all the Assets under Management (AUM), including the portfolios of the mutual funds and discretionary portfolios under the management of Piraeus AM MFMC. The calculation of principal adverse impact (PAI) indicators is not limited to Article 8 mutual funds. However, it's important to note that the consideration of PAIs depends on data availability and quality for all companies within our investment universe. The majority of the mutual funds and Exchange Traded Funds (ETFs) investments that are included in our AUM, do not still provide sufficient PAI data (through the European ESG Template (EET)). This accounts for the overall moderate coverage rate that is expected to grow and improve over the coming years, as investment managers will report a complete EET file.

This statement refers to the first year of reporting, which means no historical comparison is available.

The Table below describes the mandatory indicators that Piraeus Financial Holdings Group* entities, acting in their capacity as financial participants, will monitor and report annually, depending on availability of data from investees.

* Piraeus Financial Holdings Group (hereinafter "Piraeus Group")

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Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies¹

Adverse sustainability indicator	Metric	Impact [year 2023] ²	Explanation/ Coverage ³ %	Actions taken, and actions planned and targets set for the next reference period
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CLIMATE AND OTHER ENVIRONMENT – RELATED INDICATORS

Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	623,684	Metric tonnes of carbon dioxide equivalent (CO ₂ e) allocated based on EVIC ⁴ . Avg Cov %: 55%	Piraeus Group has set sustainable development as a strategic goal in banking and investments. It focuses on supporting Sustainable Development Goals (SDG) to promote renewable energy, to protect biodiversity and to contribute to climate change mitigation by assessing different scenarios based on physical and transition risks. Piraeus Group sets
		Scope 2 GHG emissions	76,063	Metric tonnes of carbon dioxide equivalent (CO ₂ e) allocated based on EVIC. Avg Cov %: 55%	

¹ Please note that these indicators only apply to corporate assets, representing 65% (€2.8bn) of the AuM managed by Piraeus AM MFMC as at 31 December 2023.

² Impact as at 31/12/2023. For 2023 reporting, Piraeus is not in position to report average of impacts for 31 March, 30 June, 30 September, and 31 December 2023. Please refer to important notice at the end of this statement.

³ The average coverage (Avg Cov) disclosed in this statement reflects the proportion of eligible assets for which data is available and provided in this statement. Eligible assets refer to all investments excluding derivatives, cash and cash equivalent, sovereign and supranational bonds.

⁴ EVIC represents the enterprise value including cash.

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	Scope 3 GHG emissions	1,181,062	Metric tonnes of carbon dioxide equivalent (CO ₂ e) allocated based on EVIC. Avg Cov %: 55%
	Total GHG emissions	1,878,510	Metric tonnes of carbon dioxide equivalent (CO ₂ e) allocated based on EVIC. Avg Cov %: 55%
2. Carbon footprint	Carbon footprint	792	Metric tonnes of carbon dioxide equivalent (CO ₂ e) allocated based on EVIC. Avg Cov %: 55%
3. GHG intensity of investee companies	GHG intensity of investee companies	899	GHG emissions per million generated in revenue, for scope 1, 2 and 3. Avg Cov %: 55%
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	7.8% (%MV ⁵)	Avg Cov %: 56%
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from	Consumption on 43.45% (%MV)	Consumption Avg Cov %: 43% Production Avg Cov %: 3%

targets according to Paris Climate Agreement; supports the SDGs; is a member of UNEP FI and founding signatory of the UN Principles for Responsible Banking (PRB); and discloses ESG performance (TCFD, PRB, Impact Assessment, CDP, etc.). Additionally, Piraeus AM MFMC and Iolcus Investments are signatories to the UN Principles for Responsible Investment (PRI). Piraeus Group has started its journey to become net zero by 2050 at the latest and has defined intermediate science-based targets (by 2030). Piraeus Group has validated mid-term targets by the Science-Based Targets initiative (SBTi). The targets aim to reduce by 2027-2030 (with 2019 as base year) emissions both in operations and lending and investment portfolios. In regards to biodiversity the Group participates in: the UNEP FI Biodiversity target working Group to develop expertise in setting biodiversity targets; the Partnership for Biodiversity Accounting

⁵ MV: Market Value

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		non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Production 84.63% (%MV)		Financials (PBAF) to develop principles and standards for biodiversity assessment; the EU Business and Biodiversity Platform to exchange expertise on strategic approaches toward biodiversity and to contribute to the formulation of European biodiversity strategies; the Finance for Biodiversity Foundation (FfBF) to exchange expertise on biodiversity risk methodologies and tools. In the last two initiatives, Piraeus Group is a member of the respective Advisory Boards. Additionally, Piraeus Group follows the Taskforce on Nature-related Financial Disclosures (TNFD), a global framework for disclosures on biodiversity related risks and has committed as an "Early Adopter" to report accordingly for financial year 2025. Piraeus Group also follows the Science Based Targets Network (SBTN), to equip companies with guidance to set science-based targets for biodiversity. Acquiring knowledge from these participations, Piraeus Group has adopted an approach (the PHYSIS toolkit), based on existing
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.71	Avg Cov %: 43%	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	70.7%	Avg Cov %: 2%	
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	2.8	Tons of emissions to water generated by investee companies per million EUR invested (allocated based on EVIC) Avg Cov %: 1%	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	2.4	Tons of hazardous and radioactive waste generated by investee companies per million EUR invested	

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				(allocated based on EVIC) Avg Cov %: 23%	databases and using the Biodiversity Footprint Financial Institutions (BFFI) measurement approach to assess impacts of its financing on biodiversity. In 2023, Piraeus Group completed its first assessment of impacts of business portfolios on terrestrial ecosystems, freshwater ecosystems, and marine ecosystems. The output is expressed in Potentially Disappeared Fraction of species (PDF) per Km ² per year (PDF·Km ² ·year). In 2024 the second impact assessment will be conducted for FY 2023 and additionally clients' dependencies on biodiversity will be estimated based on the ENCORE tool.
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INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD)	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	9.7%	Avg Cov %: 54%	Piraeus Group is a signatory to the UN Global Compact; has signed the Women's Empowerment Principles (WEPs) and the
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	Guidelines for Multinational Enterprises				UN Commitment for Financial Health and Inclusion. Since 2021, Piraeus Group signed the UNEP-FI Commitment for Financial Health and Inclusion. For SFDR art.8 funds, with a minimum sustainable investment share, companies having a severe violation of international standards and/or international regulations (including the UN Global Compact, the OECD Guidelines, and the UN Guiding Principles for Business and Human Rights are not considered for investment. Additionally, companies that are involved in controversial weapons ⁶ are not considered for investment for direct and/or indirect investment over a specifically defined
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	6.16	Avg Cov %: 50%	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	17.5	Avg Cov %: 21%	
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	31.4%	Avg Cov %: 51%	

⁶ Issuers involved in the production, sale, storage of nuclear weapons of States that are non-parties to the Treaty on the Non Proliferation of Nuclear Weapons- <https://disarmament.unoda.org/wmd/nuclear/npt/>

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				NAV ⁷ threshold. For SFDR art.8 funds, with a minimum sustainable investment share, companies that are involved in controversial weapons are not considered for investment.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.20%	Avg Cov %: 54%	

Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator	Metric	Impact [year 2023]	Explanation/ Coverage %	Actions taken, and actions planned and targets set for the next reference period
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⁷ NAV stands for Net Asset Value

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Environmental	15. GHG intensity	GHG intensity of investee countries	0.16	CO ₂ per GDP Avg Cov %: 30%	<p>Piraeus Group, leveraging on the EU Recovery and Resilience Facility (RRF) and other national programs, has launched its Energy Transition Business project as a concrete commercial program/ action plan, which will allow the Bank to assume a frontrunning role in its clients' transformations to build a better and more sustainable Greek economy. It is leveraging a structured approach and deep understanding of the specific needs of each sector with priority focus on Power Generation, Real estate/ buildings, Agriculture and promote a tailor-made approach to support small businesses and individuals. Piraeus Group has validated mid-term targets by the</p>
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					Science-Based Targets initiative (SBTi). The targets aim to reduce by 2027-2030 (with 2019 as base year) emissions both in operations and lending and investment portfolios.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0		We abstain from investing in countries with significant harm on human rights violations.

Indicators applicable to investments in real estate assets

Adverse sustainability indicator	Metric	Impact [year 2023]	Explanation/ Coverage %	Actions taken, and actions planned and targets set for the next reference period
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Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	No direct investments in real estate assets	No direct investments in real estate assets
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	No direct investments in real estate assets	No direct investments in real estate assets

Other indicators for principal adverse impacts on sustainability factors

Furthermore, Piraeus Group has selected the following two additional climate and social indicators to monitor and report on:

Additional climate and other environment-related indicators

Adverse sustainability indicator	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
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Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

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Water, waste and material emissions	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies	18%
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Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability indicator	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
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Indicators applicable to investments in investee companies

Human Rights	9. Lack of human rights policy	Share of investments in entities without a human rights policy	1%
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Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Piraeus Group introduced a Principal Adverse Impact Policy (PAI Policy) starting from June 30, 2024. This policy outlines how Piraeus Group identifies and considers adverse sustainability impacts and indicators during investment research processes. The said PAI Policy has been approved also by the BoD of Piraeus AM MFMC on 26/06/2024.

The indicators selected for the section “Other indicators for principal adverse impact” are nominated due to their significance of our evaluation process. Furthermore, these indicators provide sufficient data coverage and is expected to grow further.

Piraeus Group has set as a strategic goal sustainable development in banking and investments. It focuses on supporting SDG in order to promote renewable energy, to protect biodiversity and to contribute to climate change mitigation by assessing different scenarios based on physical and transition risks⁸. Additionally, it has established a set of basic guidelines on human rights⁹.

Piraeus Group has developed a dedicated Sustainable Finance Framework that serves as a guide for the classification of financial services and products as sustainable. Piraeus Group closely monitors the ongoing developments in the changing regulatory framework and appropriately adapts its investment policy and products, responding not only to the requirements of the supervisory authorities, but also to the increased interest of investors for products and services with sustainability goals.

The incorporation of ESG factors in the investment process is complementary to the existing statutory investment policy. The ESG assessment combines qualitative and quantitative methods that vary across different asset classes, regions and sectors.

Piraeus AM MFMC actively looks for investments in sectors/regions with a positive impact on ESG issues. Ideally, these investments:

- follow sustainability norms,
- create and maximize added value,
- exhibit outstanding performance,
- are led by excellent and accountable teams,
- apply transparent governance policies, and

⁸ TCFD Piraeus Reports - <https://www.piraeusholdings.gr/el/sustainable-banking/environment-and-society/environment/environmental-policy-principles/tcf-recommendations>

⁹ Piraeus Human Rights Policy - <https://www.piraeusholdings.gr/en/human-resources/human-resource-management/human-rights-policy>

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- have established processes with respect to human rights.

In order to identify the appropriate sustainability risks, the examination of material ESG factors has been incorporated into the decision making process, Piraeus AM MFMC has adopted a mix of ESG Investment Strategies including:

- ESG Integration
- ESG Screening

The ESG Screening includes:

- Negative Screening (exclusions),
- Positive Screening,
- Norms-based Screening.

At Piraeus Group level, our objective is to mitigate the most substantial adverse effects of our investments. We have implemented an exclusion policy specifically addressing controversial weapons and norms-based violations.

The most recent update of the ESG Policy of Piraeus AM MFMC took effect in May 2024. Access on the policy either on our website or through the provided link:

https://www.piraeusaedak.gr/~media/piraeusaedak/policies/esg/esg_policy_may_2024_en.ashx

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Data sources

Piraeus AM MFMC employs Bloomberg Data License¹⁰ to identify the principle adverse impact indicators to assist in our comprehensive ESG integration and active ownership efforts. If we find that information from third-party providers is incorrect or incomplete, we reserve the right to engage with them or make case-by-case deviations. Data coverage for indicators can vary significantly, depending on our data source (Bloomberg), which, consecutively, relies on the quality of an issuer's disclosure for specific indicators. This data may not perfectly meet the requirements for disclosure. Continuous assessments are conducted for external data providers and other data sources to evaluate data quality and data coverage.

Engagement policies

Piraeus AM MFMC focuses on addressing long-term thematic issues that pose financial and material significance for the portfolios and may create potential sustainability risks. The emphasis is on themes that either directly impact the financial holdings or contribute to adverse sustainability outcomes. Once identified and analyzed, the investment team prioritizes key issues to focus action upon. Should any discrepancies arise, particularly those with financial materiality or adverse sustainability consequences, there is prompt communication with the relevant company. Throughout the year, Piraeus AM MFMC takes actively part in regular/ extraordinary shareholder assemblies by direct or proxy voting. Furthermore, Piraeus Group is committed to addressing severe violations of international standards. The investment stance is active and could be re-evaluated anytime demonstrating the dedication to principled and responsible investing practices.

For more detailed information on engagement activities and proxy-voting policies, you can refer to Voting Policy of Piraeus AM MFMC: <https://www.piraeusaedak.gr/~media/piraeusaedak/policies/policy-of-active-participation-votingrights-exercise-en.ashx> and to the ESG Policy of Piraeus AM MFMC:

https://www.piraeusaedak.gr/~media/piraeusaedak/policies/esg/esg_policy_may_2024_en.ashx

¹⁰ The BLOOMBERG TERMINAL service and data and reporting products (the "Services") are owned and distributed by Bloomberg Finance L.P. ("BFLP") except in Argentina, Australia and certain jurisdictions in the Pacific islands, Bermuda, China, India, Japan, Korea and New Zealand, where Bloomberg L.P. ("BLP", together with its affiliates, including BFLP, "Bloomberg") and its subsidiaries distribute these products, and (ii) in Singapore and the jurisdictions serviced by Bloomberg's Singapore office, where a subsidiary of BFLP distributes these products. BFLP is a wholly-owned subsidiary of BLP. BLP or one of its subsidiaries provides BFLP with global marketing and operational support and service for the Services. The Services are standard services offered by Bloomberg. Users are responsible for their use of the Services and for assessing whether the Services help meet any regulatory obligations. Bloomberg does not provide investment advice or guarantee the accuracy of prices or information in the Services. Nothing on the Services shall constitute an offering of financial instruments by Bloomberg.

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References to international standards

In response to this challenging landscape, Piraeus Group has set sustainable development as a strategic goal in banking and investments. It focuses on supporting SDG to promote renewable energy, to protect biodiversity and to contribute to climate change mitigation by assessing different scenarios based on physical and transition risks. Additionally, it has established a set of basic guidelines on human rights.

Piraeus Group is a signatory to the UN Global Compact; sets targets according to Paris Climate Agreement; supports the SDGs; is a member of UNEP FI and founding signatory of the UN Principles for Responsible Banking (PRB); has signed the Women's Empowerment Principles (WEPs) and the UN Commitment for Financial Health and Inclusion; has sustainability policies in place and a sustainable finance framework; has a robust ESG structure led by the Board Ethics and ESG Committee, the Board Risk Committee, and the ESG and Corporate Responsibility Committee at the management level; and discloses ESG performance (TCFD, PRB, Impact Assessment, CDP, annual sustainability report, sustainability ratings, etc).

Additionally, Piraeus AM MFMC is a signatory to the UN Principles for Responsible Investment (PRI).

Historical comparison

Not applicable because 2023 is the first year of reporting.

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IMPORTANT NOTICE

Reporting on certain PAI indicators may encounter several limitations. These limitations include coverage across the data or data reflecting reporting periods prior to Q4 2023 due to data availability constraints (due to these constraints the present statement is based on data of 31.12.2023). Not all companies currently disclose information on all sustainability factors. The report relies on data available at the moment, which may come from third-party data providers. The data included in this statement may be incorrect or incomplete, and discrepancies may arise—especially concerning data provided by third parties. Piraeus AM MFMC reserves the right to change its third-party data provider at any time, potentially impacting the data and methodologies used for the same instruments.

As third-party data providers' methodologies improve in the coming years, Piraeus AM MFMC plans to reevaluate data quality to enable future reporting on such PAIs.

The information presented in this statement may undergo further updates, amendments, revisions, or discontinuations in subsequent publications by Piraeus AM MFMC. These changes depend on factors such as data availability, fairness, adequacy, accuracy, reasonableness, completeness, and alterations in applicable circumstances, including shifts in relevant laws and regulations.

The methods of measurement used for determining non-financial metrics and data may consist of difficult modeling practices. Using various measurement procedures can lead to diverse results.

The use of non-financial metrics and data is influenced by the limited availability of relevant information. This data is not consistently disclosed by issuers, and when it is disclosed or collected from third-party providers, it may be incorrect, incomplete, or follow varying reporting methodologies.

This statement may contain information obtained from various third-party sources. It's important to note that Piraeus AM MFMC has not reviewed or endorsed such information by including it or referring to it. Additionally, it's important to note that such third-party information may not have undergone independent verification.

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